

**International Business and Human Rights in Brazil**  
**An Institutional Perspective**

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The President:

Prof. Dr. Bernhard Ehrenzeller

*To my mom, Maria de Lourdes Souto da Silva, in memoriam, who took me to school on the very first day of class and whose love and cheerful spirit have paved my road thus far.*

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# Table of Contents

<b>Acknowledgments</b> .....	<b>iii</b>
<b>Table of Contents</b> .....	<b>iv</b>
<b>Summary</b> .....	<b>xiii</b>
<b>Zusammenfassung</b> .....	<b>xiv</b>
<b>Abbreviations</b> .....	<b>xv</b>
<b>Tables</b> .....	<b>xvi</b>
<b>Figures</b> .....	<b>xvii</b>
<b>Part 1 – Research Outlook</b> .....	<b>1</b>
<b>1. Introduction</b> .....	<b>1</b>
1.1. Motivation and Geographic Scope .....	2
1.2. Guidelines and Contributions .....	4
1.3. Research Structure.....	6
<b>Part 2 – Research Background</b> .....	<b>8</b>
<b>2. Exploring the BHR field, Developing CHRR</b> .....	<b>9</b>
2.1. Why Human Rights (HR)? .....	9
2.2. Why Corporate Human Rights Responsibility (CHRR)?.....	10
2.3. Political CR: An Essential Dimension of CHRR .....	11
2.4. The UN Guiding Principles (GPs) in research, practice, and institutional realms .....	13
2.5. BHR in International Business Research and Practice: Pronounced Debates, Modest Developments.....	17
2.5.1. Developments at the global level.....	17
2.5.2. Developments at the local level.....	18
2.5.3. Developments at the operational level.....	20
2.6. Summary.....	22
<b>3. Neoinstitutional Theory and Organizations: The Rules and Rulers of the Globalized (Business) World</b> .....	<b>24</b>
3.1. Foundations of the Neo-institutional Theory .....	25
3.1.1. Major multidisciplinary strands of neo-institutional theory .....	25
3.1.1.1. Neo-institutionalism in economics.....	26
3.1.1.2. Neo-institutionalism in political science .....	26
3.1.1.3. Neo-institutionalism in cognitive-psychology and cultural-anthropology .....	26

3.1.1.4. Neo-institutionalism in sociology .....	27
3.1.1.4.1. Phenomenology and ethnomethodology neo-institutional perspectives .....	27
3.1.1.4.2. The ethical perspective of neo-institutionalism .....	28
3.1.1.4.3. Neo-institutionalism in (business) organizations .....	28
3.2. Approaches to Neo-institutionalism .....	29
3.2.1. Formal organizations, regimes, and culture.....	29
3.2.2. Isomorphism and collective rationality .....	29
3.2.3. Institutional and technical societal pressures.....	30
3.2.4. Scott’s three pillars framework.....	30
3.2.4.1. The regulative pillar .....	31
3.2.4.2. The normative pillar .....	32
3.2.4.3. The cultural-cognitive pillar.....	32
3.2.4.4. Institutions and ethics.....	33
3.3. Institutional Logics.....	34
3.3.1. Organizational structures and agency.....	34
3.3.2. Processes of institutional change.....	35
3.3.3. Corporate and other types of institutional agents .....	36
3.3.3.1. Institutional keepers: The adherence or indifference .....	39
3.3.3.2. Institutional entrepreneurs: Creating institutions for the good of whom? .....	39
3.3.3.3. Institutional disrupters: Dismantling unwelcome institutions.....	39
3.3.3.4. Institutional wrongdoers and the room for corruption and cooption .....	40
3.4. Neo-institutionalism in IB Research: Searching for CHRR.....	41
3.4.1. HR institutional voids and the <i>business as usual</i> discourse .....	42
3.4.2. MNEs’ responses to emerging markets institutional voids .....	43
3.5. Summary.....	48
<b>Part 3 – Research Operationalization.....</b>	<b>49</b>
<b>4. Research Design and the Brazilian BHR Institutional Context (BR-BHRIC) .....</b>	<b>49</b>
4.1. Research Design .....	49
4.1.1. Research problem, purpose, and gap .....	49
4.1.2. Research objective, questions, and initial framework of analysis.....	52
4.2. The Brazilian BHR Institutional Context (BR-BHRIC) .....	56
4.2.1. Entangled struggles: Historical highlights of the BR-HRIC .....	57
4.2.1.1. Young democracy, widespread distrust in (HR) institutions .....	57

4.2.1.2. The authoritarian regimes: HR as subversive ideals .....	57
4.2.1.3. 1988: The first democratically built-in Constitution.....	58
4.2.1.4. From hard battles and activisms to HR socio-political achievements .....	58
4.2.1.5. Public-private corruption scandals and the parliamentary coup .....	59
4.2.1.6. Deep economic recession, extremisms, and a counter-HR wave.....	60
4.2.2. International business and the socioeconomic outlook .....	61
4.2.2.1. The vast power of IBs transactions via MNEs.....	61
4.2.2.2. The challenges of becoming an OECD member .....	63
4.2.2.3. Some local effects of globalization .....	64
4.2.2.4. Vast socioeconomic inequalities, huge business matters? .....	65
4.2.3. The regulative pillar.....	68
4.2.3.1. HR top regulative standards vs. HR institutional discrimination.....	68
4.2.3.2. Does Brazil need specific regulations on BHR? .....	70
4.2.3.3. Regulations by business, religion, and para-military groups .....	72
4.2.3.3.1. The Brazilian presidentialism of cooption .....	72
4.2.3.3.2. The (private?) interests of the Congress' groups .....	73
4.2.3.3.3. Lobby and the Brazilian “toma-lá-dá-cá” .....	74
4.2.3.3.4. Brazilian (biased) institutionalism .....	75
4.2.3.4. Labor rights in Brazil: A setback scenario .....	76
4.2.3.5. Consumer rights issues or HR violations through consumer relations?.....	79
4.2.3.6. State-based mechanisms of access to remedies.....	81
4.2.4. The normative pillar .....	82
4.2.4.1. Labor unions.....	83
4.2.4.1.1. Born amongst the criminalization of social movements.....	83
4.2.4.1.2. The institutionalized limited freedoms .....	84
4.2.4.1.3. Unions' financial bottom line: An era of economic and political dismantles .....	84
4.2.4.1.4. Plenty of bureaucracy and corruption .....	85
4.2.4.1.5. Reforming vs. deforming unions power .....	86
4.2.4.2. Civil society organizations (CSOs).....	88
4.2.4.2.1. Emergence and meanings of NGOs in literature and practice in Brazil .....	88
4.2.4.2.2. HR-NGOs' financial bottom line: Public divestments or no investments ....	90
4.2.4.3. HR defenders.....	91

4.2.5. The cultural-cognitive pillar .....	92
4.2.5.1. Brazil's multi-diversity and complexity.....	93
4.2.5.2. The institutionalized HR discrimination in Brazil .....	93
4.2.5.3. HR public agenda: Is there enforcement of HR awareness?.....	95
4.2.5.4. Perceptions of BHR relations in Brazil .....	97
4.2.5.4.1. Empirical research.....	98
4.2.5.4.2. The business engagement with HR .....	98
4.2.5.4.3. The large room for BHR institutional improvement.....	99
4.3. Summary.....	100
<b>5. Methodology.....</b>	<b>102</b>
5.1. Research Philosophy .....	102
5.1.1. Ontological and epistemological research approaches .....	102
5.1.2. Research axiological approach .....	106
5.2. The Qualitative Methodology: Straussian Grounded Theory (SGT) .....	108
5.2.1. Brief history and characteristics of SGT .....	109
5.2.2. Research inductive logic.....	110
5.2.3. Data gathering, coding, and analysis .....	111
5.2.4. Theory building and memos .....	112
5.2.5. Tools and illustrations .....	112
5.2.6. Ethics in research.....	113
5.3. Research Methods .....	113
5.3.1. Geographic scope .....	113
5.3.2. Basic principles.....	114
5.3.3. Tools and systems.....	115
5.3.3.1. Interview guide.....	115
5.3.3.2. Software and databases .....	115
5.3.4. Data gathering.....	116
5.3.5. Theoretical sampling and point of saturation .....	117
5.3.6. Cases' characteristics.....	120
5.3.6.1. Locations .....	120
5.3.6.2. Anonymization's criteria.....	121
5.3.6.3. Cases' criteria.....	121
5.3.6.4. The pilot-cases: Two organizations, three interviews.....	123

5.3.6.5. The corporations: Brazilian (BR) and Advanced Markets' (AM) MNEs.....	123
5.3.6.6. The not-for-profit organizations (NFPOs) .....	125
5.3.6.7. The respondents.....	126
5.3.7. Data characteristics.....	127
5.3.7.1. Data triangulation.....	127
5.3.7.2. The in-depth interviews.....	128
5.3.7.3. Observations.....	130
5.3.7.4. Documents.....	131
5.3.8. Recursive data analysis.....	131
5.3.8.1. Open codes .....	132
5.3.8.2. Axial codes .....	132
5.3.8.3. Selective codes .....	133
5.3.8.4. Memos.....	133
5.4. Research Credibility .....	134
<b>Part 4 – Research Results .....</b>	<b>137</b>
<b>6. Description of Findings .....</b>	<b>137</b>
6.1. BR-HRIC's Influences on BR and AM-MNEs' HR Approaches .....	138
6.1.1. Regulative influences on BR and AM-MNEs' HR approaches .....	138
6.1.1.1. Positive influences of the regulative pillar on MNEs' HR approaches.....	139
6.1.1.1.1. Overall analysis.....	139
<i>a) Labor laws: Health, physical integrity, and workplace environment.....</i>	<i>139</i>
<i>b) Brazilian 1988's Constitution .....</i>	<i>140</i>
<i>c) Dirty List of Slave Labor .....</i>	<i>140</i>
<i>d) eSocial .....</i>	<i>141</i>
<i>e) Brazilian civil and penal codes .....</i>	<i>141</i>
6.1.1.1.2. Groups' contrasts .....	142
6.1.1.2. Negative influences of the regulative pillar on MNEs' HR approaches .....	142
6.1.1.2.1. Overall analysis.....	142
<i>a) Quasi-institutional corruption and cooption.....</i>	<i>142</i>
<i>b) HR governmental misleading .....</i>	<i>143</i>
<i>c) Quasi-institutional injustice, impunity, and regulative-partiality.....</i>	<i>144</i>
<i>d) BHR regulative voids .....</i>	<i>144</i>
<i>e) Setbacks and instability of HR regulative institutions.....</i>	<i>144</i>

6.1.1.2.2. Groups' contrasts .....	145
6.1.2. Normative influences on BR and AM-MNEs' HR approaches .....	145
6.1.2.1. Positive influences of the normative pillar on MNEs' HR approaches .....	146
6.1.2.1.1. Overall analysis.....	146
a) <i>Global soft-norms and CSOs pressures</i> .....	146
b) <i>Local soft-norms and CSOs pressures</i> .....	147
c) <i>Market pressures: Investment rules and supply chain requirements</i> .....	148
d) <i>Societal pressures</i> .....	148
e) <i>Business ethics (BE)</i> .....	149
6.1.2.1.2. Groups' contrasts .....	149
6.1.2.2. The negative influences of the normative pillar on MNEs' HR approaches ....	150
6.1.2.2.1. Overall analysis.....	150
a) <i>Quasi-institutional corruption and cooption</i> .....	151
b) <i>Weakened local CSOs</i> .....	152
c) <i>Impunity and unaccountability</i> .....	153
d) <i>Lack of BHR operational standards</i> .....	153
e) <i>The increasing wave of conservatism</i> .....	154
6.1.2.2.2. Groups' contrasts .....	154
6.1.3. Cultural-cognitive influences on BR and AM-MNEs' HR approaches .....	155
6.1.3.1. The interpretations: HR and CHRR upon managers' perceptions .....	156
6.1.3.1.1. Overall analysis.....	157
a) <i>Managers' perceptions of HR</i> .....	157
b) <i>Managers' perceptions of CHRR</i> .....	158
c) <i>Managers' misconceptions of HR and CHRR</i> .....	160
d) <i>Managers' perceptions of the BR-HR cultural-cognitive context</i> .....	162
6.1.3.1.2. Groups' contrasts .....	163
6.1.3.2. The frameworks: HR and CHRR upon case MNEs.....	164
6.1.3.2.1. Overall analysis.....	165
a) <i>Major approaches to CHRR</i> .....	165
b) <i>MNEs' forms of CHRR governance and management</i> .....	166
c) <i>MNEs' public commitments to HR</i> .....	167
d) <i>MNEs' use of HR terminology</i> .....	167
6.1.3.2.2. Groups' contrasts .....	167

6.1.4. Corporative influences on BR and AM-MNEs' HR approaches .....	168
6.1.4.1. Corporative influences of the BR-HRIC on MNEs' HR approaches.....	169
6.1.4.1.1. Overall analysis.....	169
a) <i>Ownership of social businesses: Intangible asset enhancements</i> .....	169
b) <i>Fiscal incentives to corporate social investments</i> .....	170
c) <i>Market requirements</i> .....	172
6.1.4.2. Groups' contrasts .....	172
6.1.5. Answering RQ1: BR-HRIC influences on BR and AM-MNEs' HR approaches ...	172
6.2. BR and AM-MNEs' Influences on the BR-HRIC.....	177
6.2.1. BR and AM-MNEs' influences on the regulative pillar.....	178
6.2.1.1. Ambivalent influences of MNEs on the BR-HR regulative pillar .....	179
6.2.1.1.1. Overall analysis.....	179
a) <i>Practicing direct, indirect, and collective lobby</i> .....	179
b) <i>Defining HR public policies, regulations, and political arenas</i> .....	181
c) <i>Expanding and shaping regulations through jurisprudence on sizable corporate HR violations</i> .....	182
6.2.1.1.2. Groups' contrasts .....	183
6.2.1.2. Negative influences of MNEs on the BR-HR regulative pillar.....	184
6.2.1.2.1. Overall analysis.....	184
a) <i>Acting in corruption, cooption, and complicity to counter BHR regulations</i> .....	184
6.2.1.2.2. Groups' contrasts .....	186
6.2.2. BR and AM-MNEs' influences on the normative pillar.....	186
6.2.2.1. Positive influences of MNEs on the BR-HR normative pillar .....	187
6.2.2.1.1. Overall analysis.....	187
a) <i>Adopting soft CHRR standards and global HR policies</i> .....	187
b) <i>Engaging suppliers and subcontractors via contractual trade clauses</i> .....	188
c) <i>Protecting HR and advocating for their respect, realization, and advances</i> .....	189
d) <i>Applying HR terms in codes, routines, public relations</i> .....	190
6.2.2.1.2. Groups' contrasts .....	192
6.2.2.2. Negative influences of MNEs on the BR-HR normative pillar .....	192
6.2.2.2.1. Overall analysis.....	193
a) <i>Instrumentalizing CHRR: Institutional investments vs. HR neglect</i> .....	193
b) <i>Wrong vs. wrong: Corporate tax maneuvers vs. public tax embezzlements</i> .....	194

c) <i>Avoiding HR references in daily operations: Ruling-out awareness and misleading senses</i> .....	195
d) <i>BHR-related wrongdoings: Corruption, cooption, neglection, and complicity</i> ..	196
6.2.2.2.2. Groups' contrasts .....	197
6.2.3. BR and AM-MNEs' influences on the cultural-cognitive pillar .....	197
6.2.3.1. Positive influences of BR and AM-MNEs on the BR-HR cultural-cognitive pillar .....	198
6.2.3.1.1. Overall analysis.....	199
a) <i>Applying HR terms in codes, routines, and public relations</i> .....	199
b) <i>Promoting HR awareness and advances</i> .....	199
6.2.3.1.2. Groups' contrasts .....	200
6.2.3.2. Negative influences of BR and AM-MNEs on the BR-HR cultural-cognitive pillar .....	200
6.2.3.2.1. Overall analysis.....	201
a) <i>Adopting essentially legal or instrumental CHRR frameworks</i> .....	201
b) <i>Avoiding or masking HR references in daily operations: Ruling out HR awareness</i> .....	201
c) <i>Treating HR issues as risks for the businesses</i> .....	202
d) <i>Addressing HR as voluntary matters</i> .....	202
6.2.3.2.2. Groups' contrasts .....	203
6.2.4. BR and AM-MNEs' influences on the corporative pillar.....	204
6.2.4.1. Ambivalent corporative influences of BR and AM-MNEs on the BR-BHRIC	205
6.2.4.1.1. Overall analysis.....	205
a) <i>Sharing or assuming traditionally HR governmental roles</i> .....	205
b) <i>Financing regulative and normative actors and activities</i> .....	207
c) <i>Undertaking CHRR as institutional investments</i> .....	207
d) <i>Practicing large scale charity and voluntarism</i> .....	208
6.2.4.1.2. Groups' contrasts .....	209
6.2.5. Answering RQ2: BR and AM-MNEs' influences on the BR-HRIC.....	209
6.3. Summary and Selective Patterns (SP) .....	215
<b>7. The Grounded Model</b> .....	<b>218</b>
7.1. The Corporative-Institutional Logics of the BR-BHRIC .....	218
7.1.1. Isomorphic and context-based approaches to HR and CHRR.....	218

7.1.2. Three major institutional actors: MNEs, CSOs, and GOVs .....	221
7.1.3. Four institutional pillars: Regulative, normative, cultural-cognitive, and corporative .....	224
7.1.4. Major sorts of pressures: Normative, counter-normative, and instrumental, .....	228
7.1.5. Main normative moderation: Global leverage of CSOs and other institutions .....	230
7.1.6. The grounded model: The corporative-institutional logics of the BR-HRIC .....	232
7.2. Discussions on the Dynamics of the Novel Model .....	233
7.2.1. The corporative and institutional influences .....	234
7.2.2. The dynamics of the corporative and institutional pressures .....	238
7.2.3. The interrelations between the corporative and the other institutional pillars .....	240
7.2.4. The corporate-institutionalism.....	242
7.2.5. CSOs' normative local and global BHR moderation .....	244
7.3. Summary.....	245
<b>8. Conclusion .....</b>	<b>246</b>
8.1. Results .....	246
8.2. Contributions .....	252
8.2.1. Contributions to theory.....	252
8.2.2. Contributions to practice .....	254
8.3. Limitations.....	256
8.4. Avenues for Future Research .....	258
<b>References .....</b>	<b>261</b>
<b>Appendix .....</b>	<b>299</b>
Appendix A: Interviews Guide.....	299
Appendix B: Criteria for Data Triangulation .....	303
Appendix C: Cases Overview .....	305
Appendix D: Codebook.....	308
Appendix E: Selective Patterns (SP) and Propositions' Linkages .....	312

## Summary

Human Rights (HR) are the highest category of moral rights; thus, they constitute universal, pre-political, and pre-legal rights. Internationally, HR are safeguarded by The International Bill of Human Rights (1948), which is composed of binding treaties ratified by roughly 170 countries, and the Universal Declaration of Human Rights, endorsed by 193 nations. Despite this background, HR realization remains a distant reality in many countries worldwide, particularly within emerging markets (EM)—globalized regions still marked by low socioeconomic standards and several HR-related institutional voids (i.e., regulative, normative, and cultural-cognitive). Furthermore, the lack of effective international regulations holding multinational enterprises (MNEs) transnationally accountable for their share of HR responsibility in such regions largely compromises HR ideals and allows corporate HR violations to go unpunished. Therefore, MNEs, currently the most powerful organizations in globalized societies, can still loosely choose between being part of the solutions or the problems undermining HR advances in EM. This research, thus, contributes to the underexplored field of business and human rights (BHR) and the organizational neo-institutional literature, both in cross-connection with international business (IB) research. By applying Straussian grounded theory (SGT), this work examines how emerging markets' (EM) and advanced markets' (AM) MNEs address corporate HR responsibility (CHRR) in Brazil (BR), and how they interact with and shape the Brazilian HR institutional context (BR-HRIC). In addition to an in-depth overview of the theoretical perspectives implicated in this objective, this study offers a detailed depiction of the BR-BHR institutional context, complemented by the empirical and comparative analysis of 47 interviews from 22 business (11 BR and 11 AM-MNEs) and 14 non-business cases (governmental and not-for-profit organizations). The results grounded a holistic theoretical model, named the corporative-institutional logics of the BR-HRIC, and revealed that MNEs, regardless of their nation's origin, are active institutional builders of the local HR context. This research also sheds light on the multiple facets composing the institutional and political roles of MNEs, enhanced upon globalization, in HR institutionalization and realization in EM. Still, the 15 propositions that emerged from this study stand as fruitful avenues for IB researchers interested in CHRR without disregarding those less powerful stakeholders along global supply chains, the HR-holders.

## Zusammenfassung

Menschenrechte (MR) sind die höchste Kategorie moralischer Rechte und stellen deshalb universelle, vorpolitische und vorgesetzliche Rechte dar. Sie werden von der Internationalen Menschenrechtscharta (1948) geschützt und gewahrt, welche sich ausbindenden Kernverträgen, die von ungefähr 170 Staaten ratifiziert wurden, sowie aus der Allgemeinen Erklärung der Menschenrechte, die von 193 Nationen unterstützt wird, zusammensetzt. Trotz dieser Grundlagen bleibt die Umsetzung der MR weltweit in vielen Ländern eine weit entfernte Realität, insbesondere in Schwellenländern (SL)—globalisierten Regionen, die noch immer durch niedrige sozioökonomische Standards und mehrere MR-bezogene, institutionelle Lücken (d.h. regulative, normative, und kulturell-kognitive) gekennzeichnet sind. Des Weiteren werden MR-Ideale durch das Fehlen wirksamer Regulierungen, um multinationale Unternehmen (MNU) transnational für ihren Teil der MR-Verantwortung haftbar zu machen, erheblich beeinträchtigt und korporative MR-Verletzungen bleiben unbestraft. Deshalb können MNU, die mächtigsten Organisationen in globalisierten Gesellschaften, nach wie vor locker wählen, ob sie zu Lösungen oder aber zu Problemen beitragen wollen, indem sie MR-Fortschritte in SL untergraben. Diese Arbeit trägt somit zu dem zu wenig untersuchten Gebiet der Unternehmens-MR (UMR) und der organisatorischen neo-institutionellen Literatur bei, beides in Querverbindung mit der Forschung zu internationalem Unternehmertum (IU). Unter Anwendung der Straussian Grounded Theory (SGT) untersucht diese Arbeit, wie MNU in SL und fortgeschrittenen Märkten (FM) in Brasilien (BR) unternehmerische MR-Verantwortung (UMRV) adressieren, und wie sie mit dem Brasilianischen MR-institutionellen Kontext (BR-MRIK) interagieren und ihn formen. Zusätzlich zu einem gründlichen Überblick über die theoretischen Perspektiven, die mit diesem Ziel in Verbindung stehen, bietet diese Studie eine detaillierte Abbildung des BR-UMR-institutionellen Kontexts, ergänzt durch die empirische und komparative Analyse aus 47 Interviews mit 22 unternehmerischen (11 BR und 11 FM-MNU) und 14 nichtkommerziellen Fällen (staatliche und nicht-gewinnorientierte Organisationen). Die Ergebnisse gründeten in ein ganzheitliches, theoretisches Modell, welches die korporativ-institutionellen Logiken der BR-MRIK genannt wird, und legen offen, dass MNU, unabhängig ihres nationalen Ursprungs, aktive institutionelle Architekten im lokalen MR-Kontext sind. Diese Studie beleuchtet auch die zahlreichen Facetten, welche die institutionellen und politischen Rollen von MNU, gesteigert durch die Globalisierung, bei der Institutionalisierung und Realisierung von MR in SL bilden. Dennoch bieten die 15 Thesen, die aus dieser Studie hervorgehen, fruchtbare Wege für Forscher des IU, die sich für UMRV interessieren, ohne die weniger mächtigen Stakeholder entlang globaler Lieferketten, die MR-Inhaber, ausser Acht zu lassen.

## Abbreviations

AM	Advanced markets
AM-MNE(s)	Advanced markets' multinational enterprises
AP	Axial pattern(s)
BE	Business ethics
BHR	Businesses and human rights
BR	Brazil
BR-BHRIC	Brazilian business and human rights institutional context
BR-HRIC	Brazilian human rights institutional context
BR-MNE(s)	Brazilian multinational enterprises
CHRR	Corporate human rights responsibility
CR	Corporate responsibility
CSI	Corporate social initiatives
CSO(s)	Civil society organization(s)
CSR	Corporate social responsibility (scholarship)
e.g.,	<i>exempli gratia</i> (for example)
EM(s)	Emerging market(s)
FDI(s)	Foreign direct investment(s)
GC/GCP(s)	Global Compact/Global Compact Principles; see also UNGC
GOV(s)	Governments, public authorities, governmental agents, or agencies
GPs	Guiding Principles, short reference for the UNGPs
GT	Grounded theory
HR	Human right(s)
HRIC	Human rights institutional context
HSE	Health, safety, and workplace environment
i.e.,	<i>id est</i> (that is)
IB	International business
IBE	International business ethics
IBGE	Instituto Brasileiro de Geografia e Estatística
MNE(s)	Multinational enterprise(s); here also called corporations, firms, or companies
n.d.	Not disclosed
NFPOs	Not-for-profit organizations
OECD	Organization for Economic Cooperation and Development
P	Propositions
RESP	Respondents
SGT	Straussian Grounded Theory
SMEs	Small and medium enterprises
SP	Selective pattern(s)
UDHR	Universal Declaration of Human Rights
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNGC	United Nations Global Compact
UNGP	United Nations Guiding Principles on Business and Human Rights
vs.	Versus

## Tables

Table 1: The dimensions of Scott’s institutional model .....	31
Table 2: Major epistemological paradigms in social research.....	104
Table 3: Distribution of cases and interviews by location in Brazil .....	120
Table 4: Distribution of industries by MNEs’ groups .....	124
Table 5: Case NFPOs by sorts of representations and regions in Brazil .....	126
Table 6: Respondents’ positions and mode of interview .....	127
Table 7: Elements of the data triangulation .....	128
Table 8: Regulative influences on MNEs’ HR approaches .....	139
Table 9: Normative influences on MNEs’ HR approaches .....	146
Table 10: Cultural-cognitive patterns permeating the BR-BHRIC.....	157
Table 11: Cultural-cognitive patterns influencing MNEs’ HR approaches.....	165
Table 12: Corporative influences on MNEs’ HR approaches .....	169
Table 13: RQ1 outline: BR-HRIC’s influences on MNEs’ HR approaches.....	174
Table 14: MNEs’ influences on the BR-HR regulative pillar.....	179
Table 15: MNEs’ influences on the BR-HR normative pillar .....	187
Table 16: MNEs’ influences on the BR-HR cultural-cognitive pillar .....	198
Table 17: MNEs’ corporative mechanisms of influence on the BR-HRIC .....	205
Table 18: RQ2 outline: MNEs’ influences on the BR-HRIC .....	211
Table 19: Selective patterns (SP) characterizing the BR-BHRIC .....	217
Table 20: Dimensions of the BR-BHRIC .....	225

## Figures

Figure 1: Research structure .....	7
Figure 2: Research gap.....	51
Figure 3: Research's initial framework of analysis: BHR institutional relations in Brazil .....	55
Figure 4: Philosophical paradigms in social research.....	104
Figure 5: Theoretical sampling analytical process.....	119
Figure 6: P1: CHRR approaches in the Brazilian context .....	220
Figure 7: P2: Major institutional actors of the BR-BHRIC .....	224
Figure 8: P3: The fourth institutional pillar .....	227
Figure 9: P4: The pressures on institutions.....	230
Figure 10: P5: Main normative moderators .....	232
Figure 11: Grounded model: Institutional logics of the BR-BHRIC.....	233

# Part 1 – Research Outlook

This dissertation is a result of an exploratory, descriptive, and multidisciplinary research, written in a monograph format and upon a critical-realism approach (section 5.1). This introductory chapter presents the motivation for the study and the justification for the geographic scope (section 1.1), the major underlying perspectives and core contributions (section 1.2), and overall structure (section 1.3).

## 1. Introduction

HR are the highest category of moral rights. They are pre-political and pre-legal representations of the very minimum, the fair, and the advanced elements related to human realization and dignity. HR encompass the freedoms and essential matters necessary to actualize people's humanity, first in themselves and then in society. Therefore, the existence of HR is intrinsic to the human experience (Feinberg, 1973; Shue, 1980; Wettstein, 2012d). However, more than seven decades after the global recognition of HR as unalienable and universal (see United Nations, 1948; see also Haas, 2014), the realization<sup>1</sup> of such rights remains distant realities for millions of people worldwide. This is particularly true in developing economies and emerging markets<sup>2</sup> (hereafter EM), where the race for economic development may sideline HR. It does not help much that a country's economic growth is, by definition, accounted for by national income and not by people-centered policies (United Nations, 2016) nor by the level and rate of improvement in shared socioeconomic progress (Samans, 2018).

Following this course, the search for economic development led EM to open their boundaries to globalization and upon that, corporations conquered the position of the most influential agents in society (De Bettignies & Lépineux, 2009; Maak, 2009; Vitali et al., 2011; Wettstein, 2009). Furthermore, the internationalization of business has advanced global regulatory standards able to shield MNEs'<sup>3</sup> transnational operations with outstanding rules,

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<sup>1</sup> In this study, HR realization comprises HR enjoyment, enforcement, respect, protection, promotion, and remedy, as well as their institutionalization at the regulative, normative, and cultural-cognitive pillars.

<sup>2</sup> See countries' classification by economic development on: The MSCI Emerging Markets Index, <https://www.msci.com/>

<sup>3</sup> According to the Journal of International Business Studies (JIBS, 2018), MNEs, are IB organizations engaged in cross-border activities, such as intrafirm trade, investments, technology transfers, offshore operations and services.

enforcing mechanisms, and representations, such as OECD and World Trade Organization (WTO). In contrast, basic global labor standards—idealized by the International Labor Organization (ILO) long before (i.e., 1919) the boom in globalization—are, thus far, not safeguarded. Not even a minimum living-wage, by country, has been advanced, as this ideal requires global enforcement mechanisms, whose execution is often dampened by talks on states' sovereignty (Vives i Gabriel, 2017; see also Scherer & Palazzo, 2011). Similarly, the global institutionalization of broad HR (e.g., social, economic, political, and civil rights) and their shields against excessive capitalism and corporate abuses, remain as open debates.

Recently, however, this long-date BHR debate has gained new fuel given the incidence of shocking business-related HR tragedies in EM and the advent of a novel attempt to tackle such a sad reality. That is the publication of the UN framework (2008) and GPs (2011) (section 2.4). Such soft norms have added to the debate not because they have finally delivered effective ways to tackle BHR issues in EM. But, mostly, because they raised heated discussions about what they disregard, such as normative grounds and international enforcement<sup>4</sup>. Amid criticism and justification around these publications, BHR scholars and practitioners have been increasingly uncovering shifts away from the traditional and strict divisions between public and private governance models concerning HR—especially those related to labor and environmental matters—to more public-private shared arrangements (Scherer & Palazzo, 2007, 2011). In this context, MNEs are depicted as corporate citizens, and as such they have been assuming social and political responsibilities in globalized realms.

Within some AM contexts, this may happen, arguably, given natural democratic co-evolutionary engagements. But in EM realms, MNEs may act outside of the law to fill in the institutional voids and technical gaps of local public governance (Scherer, Palazzo, & Matten, 2014) that negatively impact their business. In the face of such corporate empowerment and the persistent absence of international regulations able to hold MNEs transnationally accountable for the HR harm they may cause on their own or in public partnerships, the chances for ordinary citizens to have their HR realized and advanced may be compromised (Wettstein, 2013c).

## **1.1. Motivation and Geographic Scope**

As briefed above, the global and robust leverage of MNEs boosted their political power, especially in EM, regions stressed by the economic development race and still very much

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<sup>4</sup> Check Vasak (1982) for a view on the international dimensions of HR.

marked by (BHR) institutional voids. This power, as it seems, turns MNEs into potential institutional actors, as they can readily move to call upon matters affecting their businesses, such as the shape of socioeconomic and environmental institutions. Moreover, a global and comprehensive treaty able to address international BHR disputes transnationally is still nonexistent. This scenario provoked many inquiries: how democratic is the mentioned shift, from the public to private-public HR governance models? How is the corporate political power exerted and moderated in EM realities? How can one ensure that corporate political power is advancing rather than undermining HR institutionalization and realization in economically-struggling and institutionally-weak countries? Considering the advancement of the GPs, would corporations from AM be leading by example and acting more responsibly toward HR issues than their EM peers when operating in adverse economies?

These inquiries motivated this study to be conceived under the perspective of the BHR relations in EM but not disregarding HR-holders, here perceived as the most vulnerable stakeholders in the BHR quandary. To shed light on the answers for some of these questions, the researcher first move was to elaborate on an in-depth literature review (see Part 2). It was then verified that prior studies combining the interactions between MNEs and institutionalization processes of HR or CHRR are scarce. Although many studies are found lending political CR to MNEs (Derber, 1998; Korten, 1995; Matten & Crane, 2005; Scherer & Palazzo, 2007, 2011; Votaw, 1961; Wettstein, 2015), not much is found in prior research explaining how this power is exerted in EM and even less, if any, by EM-MNEs (Giuliani & Macchi, 2014; Giuliani, Santangelo, & Wettstein, 2016)—see research gap in section 4.1.1. Therefore, empirical exploration was inevitable. To operationalize it, the researcher selected Brazil as the study's geographic location, a globalized, democratic country, which has ratified eight out of the nine core international HR treaties (section 4.2.3).

Although regional research gaps found during the literature review justify this selection (section 4.1.2), statistics relating to corporate HR violations may also support this country as a highly representative case. Moreover, as of 2017, around 13 million people were unemployed, and nearly 55.5 million were living below the national poverty line (IBGE, 2019) in Brazil. From that group, 10.1 million live under the international extreme poverty line, which means they survive on less than USD 1.9 a day (The World Bank, 2018). These indicators have worsened since the country sank into an economic, political, and institutional crisis (section 4.2). In parallel, and probably not coincidentally, governance in favor of more economic liberalism has also increased in the country, especially after the 2016 parliamentary coup,

which unsettled the yearnings of the country's left (Boschi & Pinho, 2019; Miguel, 2019) (section 4.2.1.5). As uncovered in this scenario, the chances of Brazil's ordinary citizens being able to gain access to an adequate standard of living looked very slim. In contrast, the prospects for the illegitimate use of political power to keep these citizens unaware of their HR, for the benefit of the interests of influential minorities, seemed high. The roles MNEs are taking in this scenario, and how they are shaping their CHRR and, in turn, the lives of millions of Brazilians remain to be seen. These questions and initial analysis motivated the emergence of this study and the furthering of its guidelines that follow.

## **1.2. Guidelines and Contributions**

The first guideline of this dissertation was the research problem. It stemmed from the motivation explained above and is characterized by the disturbing reality embroiling the weak HR institutionalization and realization in globalized EM and the roles of MNEs in such global issues: problem solvers or problem enhancers? This problem led the researcher to further inquiries, and on this pathway, it seemed relevant to know how MNEs from advanced markets (AM-MNEs), where BHR institutions are assumedly advanced and settled at the regulative, normative, and cultural-cognitive levels, address HR through their operations in Brazil. It was also seen as essential to question whether AM-MNEs are leading by example for Brazilian MNEs (BR-MNEs) to better address and advance HR locally. It was, therefore, also relevant to know whether, and how, BR-MNEs and AM-MNEs would differ in terms of their CHRR institutional drives, frameworks, responses, and interactions in Brazilian realms. Finally, it seemed important to understand whether, and how, such CHRR approaches could somehow support or impede HR institutionalization and realization in the Brazilian context.

These examinations were consolidated into a broad and exploratory research objective, namely: To examine how BR and AM-MNEs operating in Brazil shape their CHRR approaches and interact with the Brazilian HR institutional context (BR-HRIC). This research objective was operationalized by two research questions (RQs): RQ1: How does the BR-HRIC influence the CHRR approaches of BR and AM-MNEs? RQ2: How do BR and AM-MNEs' CHRR approaches influence the BR-HRIC? It should be noted that both the research objective and questions were purposely broad because, as verified through the in-depth literature review, little is known about the theoretical lines put together here in this inquiry. The research gap rests at the intersection of the BHR field, political CR, and neo-institutional theory (Figure 2, section 4.1.1). The theoretical and contextual explorations engaged to its location, then, served not only to learn from prior research but was also paramount to the identification of the

underlying perspectives that shaped the research's initial framework of analysis (section 4.1.2). Next, following the rigorous methodological precepts of the Straussian Grounded Theory (SGT) (section 5.2), the researcher performed thorough fieldwork (section 5.3).

For almost one year, the researcher visited eight states, from four out of the five Brazilian regions to conduct interviews, gather data for triangulation, and perform data analysis. In total, through 39 open-ended interviews, the researcher voiced 47 leaders from 22 large MNEs (11 from BR and 11 from AM) and 14 not-for-profit organizations (NFPOs), including CSOs, business associations, and governmental bodies<sup>5</sup>, all involved in BHR local matters. This, therefore, covered BHR's experts from diverse private and public institutional arenas relating to the BR-HRIC—see fieldwork instruments and cases-overview in Appendix A, B, and C. As a result, the answers for the two RQs were provided in a detailed, comparative, and descriptive approach (Chapter 6), and the research objective achieved (Chapter 7) through the emergence of a novel model, namely: the corporative-institutional logics of the Brazilian HR institutional context (BR-HRIC). Even among the various limitations discussed in section 8.3, the research leaves some central contributions for both theory and practice, detailed in section 8.2, but summarized as follows.

In sum, first, the research delivers a holistic view of the entanglements of the Brazilian corporate and institutional realms to form the BR-BHRIC, revealing its major actors, interactions, and elements, and pressures on local HR institutions and realization. Second, the research offers a thorough comparative perspective about how case IB organizations, from advanced and EM realms, institutionally shape their CHRR frameworks in Brazil and also influence back this same context. Third, the emerged model offers an expanded view of the neoinstitutional perspectives of Scott (2014) as well as Meyer and Thein's (2014), depicting case MNEs as major institutional actors of the BR-HRIC and revealing a fourth pillar, the corporative. Fifth, the economic-corporative, new-normative order asserted by Wettstein (2012b; see also Ulrich, 2008, 2013) was observed as befitting the examined context. Sixth, the research also confirms the corporate-political and public-private ties asserted in prior theoretical explorations (Scherer & Palazzo, 2007, 2011). In terms of contributions to practice, this research can be of great support for business learning about the emerging field of BHR, to understand the positive and negative aspects involved in CHRR, and the influences that their

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<sup>5</sup> In business, governments (in this study simply GOVs) are stakeholders issuing and enforcing the baseline that regulates corporate practice. In democratic institutional realms, GOVs represent different actors, institutions, and processes, which include legislative, executive, and judiciary bodies (Crane & Matten, 2016).

moves or inaction in society may cause to advance or undermine HR. Finally, researchers can benefit from the qualitative methodological SGT steps detailed throughout this study.

### **1.3. Research Structure**

To structure this dissertation, the researcher kept in mind the advice from qualitative grounded theorists about there not being any available off-the-shelf formats for each type of study (Birks & Mills, 2015; Corbin & Strauss, 2015). Therefore, the only systematization strictly followed was to the fulfillment of the SGT's qualitative methodological steps, detailed in Chapter 5. Although this dissertation is represented on a linear basis in the upcoming Figure 1, it is worth noting that there was a significant need for the researcher to run back and forth throughout its four parts and eight chapters during the whole research process to better organize it.

Part 1 contains the research outlook, depicted in this introductory chapter. It explains the overall grounds of the dissertation, presents the research motivation and regional scope. Still, it discusses the major research guidelines and contributions, finalizing with an overview of the dissertation structure.

Part 2 contains two chapters that form the theoretical research background. Chapter 2 is dedicated to reviewing the BHR field and its developments toward CHRR institutionalization and operationalization at the global, regional, and operational levels. Thus, reflecting research, contextual transformations, and practice. Chapter 3 holds the review of neoinstitutional theory in (business) organizational realms. It explores the foundations and approaches of this very plural and long-established theory. Still, it explains the structures and agency behind systemic institutional logics, highlighting processes, and (business) actors' prominence and motivations. Last, seeking answers for the research inquiries, the chapter overviews the neoinstitutional theory applications in IB research.

Part 3 carries out the two chapters that operationalize the research. Chapter 4, which draws the research's initial framework of analysis, presents a thorough overview of the Brazilian economic and institutional context relating to BHR matters. Chapter 5 presents the overall methodology, which includes the research philosophy, the qualitative SGT precepts, the methods employed in the fieldwork, and concludes presenting the elements applied to achieve research credibility.

Part 4 unfolds three chapters of research results. Chapter 6 presents the descriptions of the research findings in a comparative mode (BR vs. AM-MNEs). It first presents the contents toward the answer of RQ1, organized by Scott's three-pillars model, as well as the indication

of a fourth pillar, represented by the corporative power. Then the contents that answer RQ2 follow organized similarly. The chapter finalizes with a summary of the findings and the abstraction of the research five grounded selective patterns (SP), which are the culmination of the SGT data analytical method. These patterns are then the basis of Chapter 7, which develops each of the SP and fulfills the research objective. Each pattern, in turn, derives three sets of propositions that, when contrasted with the research’s initial framework, culminate in the shape of the research novel, grounded model of the corporative-institutional logics of the BR-BHRIC. This model is then explained and discussed in contrast with the extant literature, explored through Parts 2 and 3 of the study. Chapter 8 presents the research conclusions. It brings together the research outcomes and contributions to theory and practice. It finalizes with the presentation of the study limitations and suggestions for future research. Figure 1, below, recaps these contents in a visual illustration to better represent the research flow.

**Figure 1: Research structure**



Source: Researcher’s creation.

## Part 2 – Research Background

According to Corbin and Strauss (2015), researchers often bring prior knowledge from their academic background and professional experiences to their studies. Straussian Grounded Theory (SGT), the methodology underlying this study (Chapter 5), recognizes extant knowledge as both inevitable and essential. Thus, prior research exploration is admitted in all stages of research, for instance, “to enhance theoretical sensitivity, as data during analysis, and as a source of theoretical codes.” (Corbin & Strauss, 2015, p. 22; see also Birks & Mills, 2015). Nonetheless, researchers shall not let prior knowledge define their pathways; instead, they shall make use of the literature and not allow it to use them (Becker, 1986). As Corbin and Strauss (2015) advised, by being too immersed in the literature, researchers can question whether and what new knowledge can be derived by further research. They then risk constraining and even halting the potential for discovering new theories or advancing existing ones. Observing this advice, the researcher systematically explored vast amounts of IB and management literature to grasp state-of-the-art research and practice cross-connecting BHR matters.

Another guiding principle in this exploration was to keep the objective of this study in mind—i.e., to examine how BR-MNEs and AM-MNEs operating in Brazil shape their CHRR approaches and interact with the Brazilian HR institutional context (BR-HRIC). Subsequently, two literature streams stood out the most and are herein organized in two chapters. Chapter 2 explores the recently emerged BHR field, in which BHR overlaps with CSR<sup>6</sup> scholarship. This overlap occurs especially from the political CR perspective and assertion of the broad role of corporations toward HR realization in society, namely CHRR. Chapter 3 explores the relations among business organizations, neo-institutionalism, and institutional logics in globalized business-society. It also presents conceptualizations of institutional agencies, as well as the structures (i.e., organizations) and functionalities of the institutional logics. As these notions explain how institutional power is granted to organizations (or taken by them), and how they shape global society, they are assumed to enlighten our understanding over the interrelations of corporations and HR beyond economic exchanges and national boundaries. From these two explorations, theoretical and geographic gaps have emerged, some of them are stressed in the summary section of each chapter, as they give reason to the objective of this study.

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<sup>6</sup> Three clearing notes are worthy here. First, the researcher adopted in this study Ulrich’s (2013) integrative view of CR (i.e., ethical, legal, and political) and often refers to it simply as CR along this study. Second, many scholars place traditional CSR as a subset matter of BE (Cannon, 2006; Crane & Matten, 2016; Goel & Ramanathan, 2014; Korhonen, 2003). But, likewise the researcher, few bind its practice upon moral grounds (Ulrich, 2013) and many as instrumental or voluntary matters (e.g., CSR, sustainability, etc.) (Cannon, 2006; Crane & Matten, 2016).

## **2. Exploring the BHR field, Developing CHRR**

This chapter provides an in-depth exploration of the BHR literature, a young field of study which, until very recently, was known as the BHR debate (Chandler, 2003). Its emergence resulted from legal studies, most particularly discussions on (HR) international law (Bernaz, 2017; Ratner, 2001; Rodley, 2013; Teitel, 2011; Tully, 2012). As a field, BHR fills in the gaps intersecting the CSR and IB fields, over the specific role of corporations in HR realization and from EM perspectives (Wettstein, 2018). This focus is justifiable because, in such economies, both HR standards and related institutions are largely underdeveloped. Moreover, this is where the statistics of business-related HR violations are higher and mostly occurring in relation to AM's corporate operations and FDIs. The chapter aims to deepen our understanding of BHR relationships and uncover gaps in the literature that this research may contribute to bridge. Thus, this chapter is organized as follows: Section 2.1 briefs the meanings of HR, merely to ensure we will have all the necessary fundamentals to follow the study; section 2.2 explains the concept of CHRR, built upon a broad normative and objective perspective; section 2.3 introduces the political CR, an important dimension of CHRR; section 2.4 delves into the emergence and implications of the UN Guiding Principles (GPs) on BHR, in research, practice, and institutional realms; in turn, section 2.5 discusses the developments of the BHR field at the global, local, and operational levels; finally, section 2.6 concludes the chapter by outlining its main takeaways that shaped the objective of this research and its next steps.

### **2.1. Why Human Rights (HR)?**

HR are the “most important and fundamental category of moral rights” (Murphy & Vives i Gabriel, 2013, p. 782; see also Sen, 2004; Wettstein, 2012b) and are deep-rooted in what characterizes and defines the essence of human beings. In other words, embedded in freedoms, principles, and demands, HR are necessary to actualize people's humanity, first within themselves and then in society. In this sense, every human being holds HR, everywhere in the world, and all members of society—individuals or (business) organizations—should respect and protect HR because it is, above all, morally right to do so. This moral foundation qualifies HR as non-putative matters, although their full realization and enjoyment in society require action, along with legal and political demands from all members of society (Arnold, 2010; Murphy & Vives i Gabriel, 2013; Sen, 2004; Shue, 1980, 1988; Wettstein, 2012b, 2012d, 2015). Thus, HR are everyone's business. Furthermore, given such moral imperative, HR are

(or should be) universal, authoritative matters regardless of the existence of formal institutional frameworks. HR legitimacy, as here assumed, is independent of any specific individual characteristic, regional socioeconomic stage of development, political ideologies, and even cultural trends (Feinberg, 1973; Sen, 2004; Wettstein, 2012d, 2013a). To reinforce this, Wettstein and Waddock (2005) reminded us of the assertion by Donnelly (2003) on HR unconditional validity:

[HR] also hold ‘universally’ against all other persons and institutions. As the highest moral rights, they regulate the fundamental structures and practices of political life, and in ordinary circumstances they take priority over other moral, legal, and political claims. These dimensions encompass what I call the moral universality of human rights.  
( p. 1)

Despite such imperatives, global systems seemingly continue to favor sovereignty and non-intervention over the protection of HR (Byrne, 2014; Kobrin, 2009). Thus, HR realization—here defined through levels of respect, protection, and promotion (Wettstein, 2012b)—remains a distant ideology for many people, but particularly for those in EM regions.

## **2.2. Why Corporate Human Rights Responsibility (CHRR)?**

Until very recently, little was found in IB related literature placing respect for and protection of HR as business fundamentals (Wettstein, 2012b). Perhaps because under the well-established CSR field, HR issues have been systematically neglected or heedlessly addressed under voluntary corporate frameworks (e.g., anti-child labor policy) and charity (Giuliani et al., 2016; Rodhouse & Vanclay, 2016; T. Campbell, 2006; Wettstein, 2012b). In developing economies, the managerial practice seems to have limited BHR relations to legal compliance, despite its known shortcomings (Palepu & Khanna, 1998), and avoided political involvement (Obara, 2017). Fortunately, this soft approach to HR in CSR research has been countered by the broad perspective of CHRR from BHR scholarship. In this view, CHRR represents the positive (moral obligations) and the negative (legal and political duties) responsibilities corporations hold toward HR realization in global society (Arnold, 2010, 2016; Bowie, 1997; Deva & Bilchitz, 2013; Wettstein, 2012b).

The dimensions embraced in this here assumed CHRR concept, have been furnishing BHR scholars and practitioners’ research, work, and agitation. The expectation is that such a move has been serving to fill in the HR gap in IB literature dedicated to EM, too, while raising considerations on collaborative, public-private, models of HR governance (Wettstein, 2018). Arguably, this collaboration seems unavoidable as, to date, corporations are the most powerful

members of society (De Bettignies & Lépineux, 2009; Maak, 2009; Vitali et al., 2011; Wettstein, 2009). Thus, they are naturally endowed with relative agency and leverage, enabling them to influence the world beyond economic aspects, as the next section shows. It occurs that, in society, the bigger the power, the greater the responsibilities; other societal members, such as people, civil society, and governments, expect from corporations a more proactive role to support solving major societal issues (Scherer & Palazzo, 2011). Timely, such issues relate to HR realization in EM, where socioeconomic standards are still deficient and BHR-related institutional matters still inefficient or inexistent (Giuliani & Macchi, 2014; Wettstein, 2018).

### **2.3. Political CR: An Essential Dimension of CHRR**

The previous section introduced the concept of CHRR in the context of EM. It also advanced that corporations, herein also referred to as MNEs, are to date the most powerful societal agents. Upon the concept of political CR, this section explains the political, proactive responsibility that such power entails in society and its relationships with CHRR. As clarified before, BHR and the long-standing CSR<sup>7</sup> scholarship are distinct fields of studies, though overlapping when it comes to discussions about the role of business in society toward HR realization, particularly in EM. Notwithstanding, the BHR field benefits from the recent development of CSR research, namely, the concept of political CR<sup>8</sup> for the assertion of its CHRR perspective. In turn, political CR is grounded in a corporate citizenship perspective<sup>9</sup> (Matten & Crane, 2005): the view in which corporations are deemed societal citizens since they represent the interests of multiple private individuals and stakeholders (e.g., suppliers, public and private investors' groups). This perspective emerged from globalization, a phenomenon by which corporations expanded their geographical range, largely increased their economic power, and consequently enhanced their societal (i.e., political) leverage (Matten & Crane, 2005; Scherer & Palazzo, 2007; see also Derber, 1998). Collectively, these superpowers opened up room for a paradigm shift in nations' governance models, whereby corporations started to contribute to global regulation and provide public goods (Scherer & Palazzo, 2007, 2011).

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<sup>7</sup> CSR debate has emerged in the '50s (Bowen, 1953) and holds multiple conceptualizations. See Carroll (2008) for its history and Carroll and Buchholtz (2010), and Crane, Matten, and Spence (2014) for managerial perspectives. For major CSR views in research throughout times (e.g., corporate citizenship, stakeholders' theory, sustainability, etc.), see Garriga and Melé (2004), and Melé (2008). For normative perspectives, see Enderle (2010) and see Wettstein's (2012b) work for contrasting CSR and the BHR debates.

<sup>8</sup> Also known as political CSR.

<sup>9</sup> Matten and Crane (2005) defined corporate citizenship by the intrinsic rights and obligations that every citizen holds (e.g., civil, social, political, cultural, economic), being them individuals or their collective arrangements, e.g., business organizations.

Political CR, thus, depicts an extended model of public-private governance where private actors such as corporations and civil society organizations “play an active role in the democratic regulation and control of market transactions” (Scherer & Palazzo, 2011, p. 901)—an assessment empirically confirmed in a developing country (i.e., Myanmar) through the work of Meyer and Thein (2014). This new understanding of global-politics challenges not only traditional political assumptions, but also the instrumental<sup>10</sup> view of various business-related theories, e.g., the theory of firms, neo-institutionalism, and CSR. Assuredly, the shift from a purely instrumental to a political range of business responsibility meets the integrative ethics-based approaches<sup>11</sup> of BE research, which underlies the BHR debate. According to this view, CR comes from the junction of ethics and economics. Though acknowledging that these two matters can be differently related, we assume the viewpoint of Ulrich (2008, 2013), who named their junctions as corporate ethics and characterized it by three shapes: functionalist (i.e., instrumental or counter-ethics); corrective (i.e., ethics as a remedy to business wrongdoings); and integrative (i.e., ethics as economics foundation). Ulrich (2008, 2013) also duly asserts that the meaning of responsibility itself implies ethical, legal, and political duties and obligations. These dimensions are binding and imperative for corporate citizens’ course of action in and for society. Still, corporations cannot (or should not) neglect one of such fundamentals because the practice of integrative CR is a demand to corporate legitimacy<sup>12</sup>, which stands for the society’s approval of a business considering its public value-creation<sup>13</sup>.

Conclusively, a significant legacy left by political CR to the BHR debate refers to the pragmatic call for corporations to assume their civic responsibilities, that is, to act more proactively to support societies in solving their most pressing issues: HR realization, and balanced progress. Through this call, as the literature suggests (Scherer & Palazzo, 2011; see also Blickle, 2018), political CR encompasses both global normative claims and objective societal expectations. The normative, defined as moral and ethical matters, are thus valid to all (Donaldson, 1982, 1989, 1997, 2015; Enderle, 2010, 2015), and the objective expectations may relate to the political as well as social, economic, environmental, cultural, and institutional regional characteristics. In this sense, the proactive, political CR ground of action can be

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<sup>10</sup> Instrumentalism or the usefulness of a given action (means) to accomplish a goal (ends), is a known concept in CSR, BE, and BHR fields. E.g., corporate initiatives against child labor (means) are undertaken to avoid compromising companies’ reputation (ends) in a given society.

<sup>11</sup> Grounded in principles that prescribe the right thing to do or the need to achieve a better society for the most (Garriga & Melé, 2004).

<sup>12</sup> See about corporate legitimacy in Palazzo and Scherer’s (2006) work; see related in-depth discussions (e.g., pragmatic, cognitive, moral, and political corporate proactivity) in Scherer and Palazzo (2011).

<sup>13</sup> See Garriga and Melé (2004) for an understanding of CR theories embracing social legitimacy and value.

particularly functional for the case of globalized EM, regions that welcome advanced markets' MNEs (AM-MNEs), especially for two reasons. One relates to their FDIs, and the other stands for their enhanced CR standards while both serve to address the gaps in local public governance, given the low stage of economic and institutional<sup>14</sup> development (Doh, Littell, & Quigley, 2015; Palepu & Khanna, 1998). Another legacy worth noting rests on the support of political CR to the observed changing paradigm in business-related research. Increasingly, scholars and practitioners no longer discuss whether but how to instill broad corporate responsibilities in and for society at the core of business practice (De Bettignies & Lépineux, 2009; Garriga & Melé, 2004; Sen, 1993, 2010; Vives i Gabriel, 2017), including those around HR realization (Wettstein, 2012a, 2012b).

However, political CR is not without criticism. As asserted by Blickle (2018), a major concern found in IB literature relates to the threat to democracy in neoliberal regimes. Not only do MNEs' lack formal political mandates, but admitting political CR practice may legitimize corporate influence on public-institutional matters (e.g., regulations) and public governance, which does not come free of economic-self-interests (Fleming & Jones, 2013; Scherer & Palazzo, 2011). Another issue posed by Scherer and Palazzo (2011), rests on the threat to societal welfare and progress because by engaging in matters out of their sole economic role, as traditional theorists of firms argue, MNEs could deliver less wealth to the general public (Henderson, 2001). To conclude, it seems timely to recall the concept of CHRR presented in the previous section: CHRR addresses the ethical, legal, and political responsibilities of business organizations to HR realization in society. It is also worth highlighting that, as demonstrated, CHRR fundamentals resume the above-cited integrative CR approach (Ulrich, 2008, 2013) and is supported by the explored political CR perspective (Scherer & Palazzo, 2011).

## **2.4. The UN Guiding Principles (GPs) in research, practice, and institutional realms**

Post-globalization, and throughout the '90s, numerous cases of business-related HR violations in EM<sup>15</sup> started to become disturbing realities in EM (Robinson, 2003). This scenario pushed the agitation of HR organizations who rose against the still insufficient global

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<sup>14</sup> According to Scott (2014), a three-partite system—regulative, normative, and cultural cognitive (section 3.2.4).

<sup>15</sup> See on Business & Human Rights Resource Centre's portal (<https://www.business-humanrights.org>): Shell/Nigeria's government (1990); BP in Colombia (1996), Nike/child labor in Vietnam (1998), Karachi/Pakistan garment factory fire (2012), Rana Plaza/Bangladesh building collapse (2013), Bento Rodrigues/Brazil mining dam disaster (2015), Brumadinho/Brazil dam collapse (2019), etc.

mechanisms, able to hold big business organizations (including the state-owned) accountable for the harm they cause to HR through their operations in EM and beyond. In academia, this reality opened up room for the emergence of intense debate and the resulting BHR field (Chandler, 2003; Robinson, 2003; Ruggie, 2007; Wettstein, 2015). In practice, it fueled the agitation of major public and private actors of diverse international areas (e.g., business, legal, governmental), to find managerial and institutional ways of shifting corporations from being promoters and enhancers of the already despairing HR issues in EM to engaging in collaborative ways of solving these matters. As a result, two normative resolutions (i.e., soft-laws or norms) from the United Nations High Commissioner for Human Rights (OHCHR) were published and stand out as new attempts to rule the BHR relations at global realms. New because there have been previous, though unsuccessful attempts to address these complex relations at a global extent, for instance, the UN Draft Norms in 2003 (Deva & Bilchitz, 2017).

These resolutions were both masterminded by Dr. John Ruggie, the former Special Representative of the Secretary-General (SRSG) on the issue of HR and transnational corporations and other business initiatives. Dr. Ruggie is known in both academia and practice as the intellectual mastermind of the UN Global Compact (UNGC)<sup>16</sup>, which was launched in 2000 and is currently the world's largest voluntary corporate responsibility initiative. The first resolution is named the *Protect, Respect, and Remedy: A Framework for Business and Human Rights* (Ruggie, 2008), hereafter referred to as the UN framework. The second, the operationalization of the former, is the *Guiding Principles on Business and Human Rights: Implementing the United Nations Protect, Respect, and Remedy framework* (Ruggie, 2011a), hereafter referred to as GPs. Under a global extent, these resolutions, but particularly the GPs, given their practical, managerial functionality, aimed to reduce corporate-related HR harm “to the maximum extent possible in the shortest possible time” (Ruggie, 2011b, p. 1). Nonetheless, even amid sharp criticism thereafter (Deva & Bilchitz, 2013; Wettstein, 2013b, 2015), the GPs undeniably served to inspire paradigm changes in the academic, practical, and institutional landscapes spanning IB and HR relations. Three of such most regarded outcomes are listed.

The first is the unleashing of what can become the international, lawfully binding, BHR treaty. The GPs' voluntary approach and lack of normative and legal references triggered hot deliberations among diverse IB players from multiple arenas, including scholars (e.g., BHR

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<sup>16</sup> UNGC major aim is to engage corporations to do business responsibly by aligning their strategies and operations with core values in the areas of HR, labour standards, environment, and anti-corruption practice. In addition to require corporations to respect and report annually on the steps taken toward its ten principles, the UNGC serves as a catalyst for the UN development goals—before the UN Millennium Development Goals and currently the SGDs (see <https://www.unglobalcompact.org/what-is-gc/mission>).

field, IBE, CSR, international HR law), practitioners, and policymakers. These expert debates served to challenge the efficacy of the GPs in providing “meaningful protection against [corporate-related] human rights abuses” (Ruggie, 2013, p. 1), as they meant. This agitation fueled old claims about the need for a definitive and dedicated global treaty on BHR (Deva & Bilchitz, 2013, 2017; McConnell, 2017; McCorquodale & Smit, 2017). Thus far, half a decade has passed since the UN Human Rights Council (i.e., July 2014) approved the beginning of global negotiations to set forth the treaty according to the international HR law system. To date, this lengthy and drawn-out journey resulted in the issuance of the so-called Revised Draft<sup>17</sup> of the potential treaty, disclosed in October 2019. Still, running in parallel to it, it comes the development of the so-called national action plans (NAPs), thus far issued by 25 countries<sup>18</sup> as part of states’ responsibilities to disseminate and implement the GPs and include multilateral and civil society organizations in institutionalizing the local BHR agendas.

The second primary outcome relates to the reshaping in corporate practice and related BHR institutional frameworks. Markedly, prior to the GPs, there was zero global soft-law dedicated to guiding business behavior on HR matters at global reach and across different sectors and industries (Wettstein, 2018). In other words, there was no regulation at managers’ hands that could translate from HR international laws<sup>19</sup> to business practice the necessary due-diligence measures, essential to address the direct and indirect impacts of daily corporate operations on HR matters. The UN framework (2008) and GPs (2011), notably, paved the way for the appearance of new BHR-related norms, and the review of several existing ones: ISO26000, published in 2010; review of the UNGC in 2011; review of OECD MNEs’ Guidelines in 2011; review of the International Labor Organization (ILO) Tripartite MNE Declaration in 2017, etc. In this track, the Commission of the European Communities (2012) reviewed the concept of CSR to stress the expected contribution from corporations to societal sustainability progress and the need for their greater attention to HR, “which have become a significantly more prominent aspect of CSR” (p. 5). Moreover, the emergence of specialized consultancies and training are also noteworthy practical matters developed in the BHR field upon the GPs (Fasterling & Demuijnck, 2013).

The third positive outcome relates to the appearance of the language of HR in corporate norms (e.g., code of conduct, supply chain requirements) and disclosures (e.g., annual reports,

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<sup>17</sup> Access milestones, contents, and discussions on the Business & Human Rights Resource Centre’s portal: <https://www.business-humanrights.org/en/binding-treaty>

<sup>18</sup> Follow up the lists of the developments of countries’ NAPs on the website of the UN OHCHR: <https://www.ohchr.org/EN/Issues/Business/Pages/NationalActionPlans.aspx>

<sup>19</sup> E.g., from the binding covenants that form The Bill of Human Rights (United Nations, 1948).

institutional communications) (Obara, 2017). Albeit (still) reticent, misunderstood, or applied instrumentally (Fasterling, 2017; Obara & Peattie, 2018) and superficially, HR terminology emerged in overall corporate documents (e.g., operational guides, codes of conduct) and daily business relations just after the advent of the GPs.

Nevertheless, these soft norms also raised massive criticism in academia, civil society, and practice, and three of these pitfalls are here worth noting. The first is the lack of conceptual, legal, political, and normative grounds underlying the GPs, thus, persisting the instrumental and voluntary character of business responsibility toward HR matters (Deva, 2013; Wettstein, 2012b, 2015). This backdrop could explain that HR, from their very conception, demand counterpart-bearers of ethical, legal, and political responsibilities for their realization (Arnold, 2010, 2016; Shue, 1980, 1988; Wettstein, 2010a, 2010b), and that such responsibilities fall upon all societal members, including corporate citizens (De George, 1993, 1997, 2007; Donaldson, 1993, 1996, 2015; Sen, 2004; United Nations, 1948). The second compromise related to the soft and casual terminology applied in the GPs to refer to BHR relations (Deva, 2013), referred to by Wettstein (2015) as the GPs' minimalist approach to CHRR. This overly soft, voluntary shape of BHR relations may then lead to the understanding of CHRR as meaningless and unenforceable. Finally, the third pitfall is the claim that the HR responsibilities of corporations focus simply on negative duties<sup>20</sup> listed as to (i) respect HR (*do no harm*); (ii) pay legal compliance; and (iii) offer remedy when appropriate (Deva, 2013; Wettstein, 2015). The GPs, thus, disregarded the positive-correlative responsibilities that HR demand from corporate citizens for their full realization and enjoyment (Shue, 1980, 1988; Wettstein, 2012e, 2015).

In sum, these pitfalls can mislead managers to take an excessively soft approach when addressing their organizations' HR responsibilities. A dangerous move because neglect or lack of CHRR due diligence can be issues of legal (penal and civil) consideration (Clapham & Jerbi, 2001; Kobrin, 2009; Kutz, 2000; Michalowski, 2013; Nolan & Taylor, 2009; Wettstein, 2010b, 2012e; 2013b). To conclude, the implementation of the GPs fueled discussions about normative and objective complementarity, as well as soft and hard laws, which triggered the negotiations of the BHR treaty, and thus a current positive contextual balance. These developments have served to move forward CHRR matters in academic, managerial, and institutional realms,

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<sup>20</sup> In legal scholarship, each kind of right implies considerations of either positive (require others to take measures to supply) or negative matters (require that others abstain from interfering on their realization). However, as asserted by Shue (1980, 1988) and endorsed by many (Arnold, 2010; Claassen & Düwell, 2013; Lomasky, 1987; Santoro, 2010; Wettstein, 2012a; Wood, 2012; Young, 2004), such a separation does not apply for the case of moral rights, for instance HR, as their full realization demand correlative interdependent actions.

(Deva & Bilchitz, 2013, 2017; Deva, 2012a, 2012b; Wettstein, 2018), leading discussions before mostly of normative (moral and ethical) to more objective nature (legal and political). Also, these moves raised global awareness of CHRR and shaped the context in which MNEs enter global economies, especially the EM ones (Wettstein, 2018).

## **2.5. BHR in International Business Research and Practice: Pronounced Debates, Modest Developments**

This section presents a review of the major academic, institutional, and operational developments and some shortcomings of the BHR field<sup>21</sup>, organized by global (i.e., normative, soft and hard HR laws), local (i.e., states), and operational (i.e., managerial) levels (Wettstein, 2016, 2018).

### **2.5.1. Developments at the global level**

At the global level, many are the studies of normative nature, particularly the ones cross-connected with IBE scholarship. The major highlights relate to the discussion over the corporate moral responsibility for broad HR matters and the criticism against pure voluntarist and instrumentalist approaches to CHRR (Arnold, 2010, 2016; Brenkert, 2016; Sison, 2018; Werhane, 2016; Wettstein, 2012b; 2012c, 2015). Also, more significant in number are the cases dedicated to discussions of legal and regulatory aspects to the better institutionalization of CHRR worldwide, which unfold in two opposite poles. On one side are the ones supporting the need for a global treaty, i.e., binding hard-law. Those, as observed, mostly take the viewpoint of the arduous reality in EM, where the vast majority of people work hard just to subsist, while the BHR institutional voids are plenty, and the states are still inefficient to address pressing local BHR related issues (Bilchitz, 2016; Cassel, 2016; Cantú Rivera, 2016; De Schutter, 2016; Deva & Bilchitz, 2017; Dodge, 2019; Lopez, 2017a, 2017b; Reguart-Segarra, 2019). A situation that, as some argue (Robinson, 2003), can be aggravated by too much capitalism. On the other side are the ones persisting on voluntary pathways to spur corporations to embrace their direct and indirect HR responsibilities. Those may take a liberal economic viewpoint as a principle or overlook the view of corporate political and moral responsibility to HR. As argued by some, freely, the invisible hands of the market warrant societal prosperity, which will eventually and naturally be beneficial to the majority (Augenstein, Dawson, & Thielbörger, 2018; Karp, 2014; Ruggie, 2013).

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<sup>21</sup> Observed upon a systematic literature review of publications between 2004 and 2019, including books, but mostly from academic journals, such as the Business and Human Rights Journal, Journal of Business Ethics, Business Ethics Quarterly, Journal of Human Rights, and Journal of International Business Studies.

Furthermore, research examining the relations between the GPs and the advance of the global BHR agenda looks insufficient. Similarly wanted are the studies contrasting the GPs and other voluntary frameworks, such as the Sustainable Development Goals (SDGs), Global Compact (GC), and even CSR frameworks. Such examinations can also be beneficial to shed light on the relations between the advances of the BHR agenda and the changing international governance and operationalization of CHRR upon broad voluntary frameworks. On that, Wettstein (2018) alerted that moving the attention, for instance, to the broader scope of the SDGs “and thus to the positive potential of businesses to contribute to their realization may divert our attention from preventing businesses from doing harm and making sure they do not violate human rights in the first place” (p. 12). The ongoing theoretical discussions over mandatory and voluntary pathways to CHRR institutionalization at the global level are indeed indispensable. These two approaches, nonetheless, should not be regarded as competing but as complementary and necessary to effective HR governance, realization, and advancement for the case of EM (Wettstein, 2018; Wettstein & Waddock, 2005). As perceived, the decision for either a joint or single operationalization of such approaches may depend on extant enforcement mechanisms of each domestic BHR institutional arena (i.e., regulative, normative, cultural-cognitive background) and HR standards. Thus, studies that can address the dimensions, interdependence, and relations of this hybrid, public-private, governance are very wanted (Wettstein, 2018).

### **2.5.2. Developments at the local level**

At the local level, most of the recent studies have explored the two first pillars of the GPs in both advanced and emerging domestic realms, while the third pillar has thus far received little attention (Wettstein, 2018). The first pillar refers to the states’ duty to protect HR, which has been asserted as highly controversial from the viewpoint of BHR scholars (Deva, 2012a), primarily because of two major issues. First comes the states’ unwillingness or incapacity to ensure that nationally, corporations comply with their HR responsibilities, due to the fear that if they do so, their countries may become less attractive markets for foreign business players. Secondly, the domestic institutional voids, while involving accounts of home-host countries sovereignty and extraterritorial legitimacy, prevent states from holding local MNEs accountable for the harm they cause foreign markets (Simons & Macklin, 2014). It is worth noting that these two significant issues are regarded in the scope of the ongoing treaty negotiations but overlooked within the GPs. Still, on states’ responsibilities to implement robust BHR frameworks, it is noted that many studies have explored the elaborations of the

NAPs touching economic, legal, and broad institutional perspectives (Cantú Rivera, 2019; Hampton, 2019; Methven O'Brien, Mehra, Blackwell, & Poulsen-Hansen, 2016). To date, five<sup>22</sup> out of 27 EM did produce their NAPs; however, not much is available in academic realms about the consultation processes, involving stakeholders, as well as overall best practices and challenges resulting from such developments.

Developments around the second pillar, which refers to corporate responsibility to respect HR, will be discussed afterward at the operational level. Then here, the focus turns to research developments relating to the third pillar that refers to access to remedies. This responsibility, as established by the GPs, falls on both states and corporations, applied according to HR violations and their causes. In fact, access to remedies is critical to HR realization because rights do not mean much in its absence (Deva, 2012a). Yet, the issue of remediation has been much neglected not only by the accounts of the states' NAPs and over regional reaches (Kaufman & McDonnell, 2016), but also by corporate HR policies (Wettstein, 2018; see also Preuss, 2012). In such, the establishment of GPs' national contact points could be viable to address local BHR complaints, as occurs, for instance, through the so-called National Contact Points (NCPs) of the OECD Guidelines for BHR issues (Nieuwenkamp, 2014; Sanchez, 2015; Shavin, 2019).

The interplay of the GPs and the OECD-NCPs could be proven competent and mutually collaborative (Wettstein, 2018). Alas, the examination of the effectiveness of existing BHR judicial and extra-judicial grievance mechanisms to facilitate remedies—or the establishment of new ones—remain underexplored relations in the field at the local level. Finally, the researcher found that studies cross-connecting legal, regulatory, and corporate aspects, regarding BHR relations upon the perspective of the less powerful stakeholders are also scarce. As it is the case in most EM, minorities hold little hope of gaining access to nation-wide (or international) aid in filing claims, getting their HR protected, and in accessing remedy for the instances of HR harm caused by powerful, private, or state-owned business organizations. The literature at hand, though praiseworthy—e.g., LGBTQI+ (Bross, Houdart, & Tripathi, 2018), indigenous people (Reguart-Segarra, 2019)—is arguably still insufficient to inform theorists, policymakers, and business stakeholders alike about such demands.

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<sup>22</sup> Namely, Colombia, Chile, Czech Republic, Poland, and Thailand. See it on the website of the UN OHCHR: <https://www.ohchr.org/EN/Issues/Business/Pages/NationalActionPlans.aspx>

### 2.5.3. Developments at the operational level

At the operational level lies the implementations concerning the second pillar of the GPs, which refers to the corporate responsibility to respect HR. Given normative grounds, this study understands that corporate respect for HR goes beyond *do no harm* to include HR protection (do not allow harm) and promotion (political advocacy) (Deva, 2012a, Wettstein, 2010a, 2010b; 2012c). This broad view thus guided the researcher's look for managerial developments in BHR literature. Unfortunately, not much is found evidencing that companies are going beyond legal compliance and instrumentalism when implementing their CHRR frameworks. Maybe because, seemingly, companies still did not capture the meanings of HR (Obara & Peattie, 2018), while the GPs, also, unfortunately, missed the opportunity to translate and weight them properly, as discussed in the previous section. Thus, within the scope of companies' HR due diligence, the use of moral reasoning to assess HR issues and the corporate proactivity (e.g., political approaches) to address them do remain faulty matters (Fasterling, 2017; Obara, 2017). Such evasion is quite ominous to believe because, to other matters, seemingly, "politics has increasingly become business and business has another name for doing high politics" (Baxi, 2006, p. 39).

Fortunately, the number of empirical researches on the application of the BHR agenda to corporate domains has been increasing. At most, these researches bring to fore important explorations of critical industries in terms of HR issues. For instance, the extractive (Gathii & Odumosu-Ayanu, 2016; Meyersfeld, 2017; Milin, 2016; Simons & Macklin, 2014), garments (Aizawa & Tripathi, 2016; Hemphill & White, 2016), on-demand economy<sup>23</sup> (Natour, 2016), financial (Evans, 2016; Van Dijk, De Haas, & Zandvliet, 2018), military/security (Davitti, 2019; Liu, 2015), and agribusiness (Dileep Kumar & Jayakumar, 2019; Gomero Osorio, Murray, & Rosenthal, 2019). Overall, the studies mostly concentrate on the GPs' operationalization processes, challenges, and pitfalls across sectors and industries and, thus, serving to better bridging and informing theory, institutions, and practice. Vast empirical examinations have dedicated special attention to HR due diligence (HRDD) standards, which (should) embrace periodic and thorough impact assessments to detect and prevent HR harm along global supply chains (Baumann-Pauly, Nolan, Labowitz, & Heerden, 2016; Götzmann, 2017; Graetz & Franks, 2013; Kemp & Vanclay, 2013). Such development matches Cragg's (2012) assertions that corporations hold both normative responsibility (assigned by society) and overall capacity (given their resources and power) to discipline not only themselves to

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<sup>23</sup> Also known as informal workers or micro-entrepreneurs.

respect and protect HR, but also “those with whom they enter into contractual relationships (their supply chain, for example), by building requirements and penalties into contracts” (p. 20).

Nonetheless, there seems to be still considerable room for empirical study regarding the understanding and operationalization of the GPs among companies as well as screening their impact on organizational culture and FDI’s strategy of MNEs in EM (Wettstein, 2018). Researches of instrumental nature might also be useful, provided that they can inform economic orientations about the payback that a more positive and political approach to CHRR can bring forward. Still, studies highlighting the application of other voluntary frameworks engaged with CHRR matters, for instance, the OECD due diligence guidelines, the Global Compact, the ILO tripartite declaration to MNEs, and the ISO26000, in addition to or as a replacement for the GPs are welcome. The researcher also noted that not much is accessible cross-relating the role of CSOs and state-owned businesses to the advance of BHR operationalization in EM private companies. The study of these relationships could reveal cases of collaborative arrangements or structural challenges, all useful for business learning and for supporting overall institutional advances.

Finally, as for geographic scope, empirical studies exploring MNEs’ CHRR frameworks and BHR relations from the giant EM, namely the BRICS (i.e., Brazil, Russia, India, China, and South Africa) are scarce, despite the knowledge of plenty of horrifying cases of business-related HR issues there<sup>24</sup>. A close looking at these places can serve to advance the understanding of the conduct, motivations, external incentives, and consequent shapes of the CHRR frameworks performed by local and foreign MNEs there operating. This can also serve to answer inquiries about whether and how the advent of the GPs has triggered positive HR institutional and practical changes, such as raising awareness to BHR deep interrelations, reducing corporate HR violations, and serving to the betterment of HR standards in EM. In other words, one could engage in assessments about whether and how the GPs have been fulfilling their mandates (section 2.4). Inquiries on how the GPs impacted other than the BHR field, for instance, the IB scholarship, are also a concern. Giuliani and colleagues (2016) asserted that IB scholars have largely overlooked EM-MNEs’ role toward HR, most notably “in the quality of work, access to water, and education in markets they operate.” (p. 631). Indeed, as confirmed by the researcher’s systematic review of the past two decades of academic

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<sup>24</sup> See cases by region on Business & Human Rights Resource Centre’s portal: <https://www.business-humanrights.org>

IB publications<sup>25</sup>: BHR relations are scarcely addressed by scholars and, if so, are still termed like the classic CSR voluntarist approach and as representations of risks and opportunities linked to MNEs global strategies for economic and legitimacy gains. This researcher may respond to this academic and regional call, also understanding its particular urgency for the sake of those struggling to attain basic conditions for life with dignity in EM.

## 2.6. Summary

This chapter explored the BHR field for a better understanding of the CHRR of MNEs in EM. It first explained the emergence of the area and its intersections with CSR and the political CR perspective. Then, the concept of CHRR was presented within a broad scope—moral, legal, and particularly the political (Wettstein, 2012b). Next, special attention was dedicated to discussing the strengths and pitfalls of the GPs and its contributions to push forward the BHR agenda at the academic, institutional, and managerial realms. Finally, the last two decades of literature about the field developments were systematically examined. This revealed shortcomings, which were presented respectively at global, local, and managerial levels. The literature exploration also took into consideration interdisciplinary studies crossing BHR, such as from IB, management, and business and society scholarships. These examinations revealed pressing societal quandaries associated with IB interests (Santoro, 2010) and states' institutional voids (Palepu & Khanna, 1998), which may impact HR advancement. This scenario drove the researcher to reflect on too many business-related HR violations, particularly more vast in global EM (Chandler, 2003; Robinson, 2003). Also, on the exceedingly soft enforcement over companies, first to address their share of HR responsibility and then to support tackling contextual root-causes (e.g., political, sociocultural, economic) of HR issues (Wettstein, 2015, 2018).

The chapter's examinations also revealed that, despite this scenario, studies placing CHRR in its full perspective (i.e., ethical, legal, and political) and for the sake of HR respect, protection, and promotion in EM regions, are still rare. As uncovered, there exist a few studies exploring CHRR operationalization upon the GPs. However, few are the ones exploring the role of MNEs toward HR governance in EM (Giuliani & Macchi, 2014). Even fewer are readily accessible if at all, depicting the behavior of EM-MNES upon such politico-institutional perspective (Giuliani et al., 2016), in Latin American realities. Altogether, these depictions lead to the determination of the regional focus (i.e., Brazil) and comparative inquiries (i.e., EM

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<sup>25</sup> For instance, the Journal of International Business Studies (JIBS) and the Journal of International Business and Economics.

vs. AM-MNEs) shaping the research objective. Yet, to the design of its operationalization, further theoretical and contextual knowledge was demanded. For instance, it seemed of particular relevance to deepen our understanding of the dynamics of institutions and their pressures concerning IB organizations in EM. Also, the corporate responses to such elements and pressures facing their HR responsibilities sound an urge. Thus, a close look into contemporary neo-institutional research is our research next step.

### **3. Neoinstitutional Theory and Organizations: The Rules and Rulers of the Globalized (Business) World**

This chapter examines the vast field of neo-institutional theory in organizations. It aims to advance our understanding of the societal pressures that bring together organizations and institutions as mutually influential and interdependent entities (Powell & DiMaggio, 1991; Scott, 2014). According to neo-institutionalists, institutions are societal norms (rules), thus socially sanctioned and subject to change over time (J. L. Campbell, 2004). In turn, organizations are regarded as critical structural drivers (rulers), responsible for triggering institutional change (Blickle, 2018; J. L. Campbell, 2004; North, 1991; Powell & DiMaggio, 1991). According to prior research, the neo-institutional theory is proven useful to explain how, and why, given CR strategies are shaped (Brammer, Jackson, & Matten, 2012) in certain ways and under specific contextual conditions. Regarding that, Blickle (2018) advanced our understanding of how CR strategies can positively shape back a given EM social context (i.e., China). On this track, Meyer and Thein (2014) explored the dynamics of institutional constraints to understand the reactions of MNEs to such external pressures. On this basis, they uncovered MNEs' search for extra-territorial solutions (home-country institutions of AM) to influence change on the local critical context (i.e., Myanmar) and so to safeguard their business interests, on top of undertaking low profile strategies (i.e., institutional inertia), when convenient.

It seems conclusive that neo-institutional theory holds an interactive perspective that can translate what the multiple internal (i.e., corporate) and external (e.g., societal expectations, the rule of law) elements are, and how they play a role in defining a more proactive or reactive response of a given organization towards changing a given context. It is also true that MNEs are contemporarily regarded as the most influential organizations in society (De Bettignies & Lépineux, 2009; Maak, 2009; Vitali et al., 2011; Wettstein, 2009), while HR institutions are still fragile in most EM. Thus, such imbalance calls for HR institutional development along with respect, particularly from business actors (Wettstein, 2018). Convincingly, neo-institutionalism sounds like a promising theoretical framework to study how BHR relations take shape in a given EM, marked by numerous socioeconomic struggles and HR institutional voids (Palepu & Khanna, 1998), such as in Brazil (section 4.2). To that end, this chapter is organized as follows. Section 3.1 presents the foundations of the neo-institutional theory seeking to stress their relations with IB organizations. Section 3.2 explores some of the many

approaches to neo-institutionalism up to that of Scott's (2014), the one selected as the underlying perspective of this study. Section 3.3 explores the significant elements permeating the models of institutional logics, such as actors and processes. Section 3.4 digs into the specific links between neo-institutionalism and IB research, in the search for perspectives applied to the study of BHR relations or, more specifically, related to CHRR matters in EM. Finally, section 3.5 concludes the chapter highlighting its primary outcomes that add to the achievement of the research objective.

### **3.1. Foundations of the Neo-institutional Theory**

Institutions are collective constructs represented by rules and procedures that allow individuals and (business) organizations to cope with everyday demands in society (Scott, 2014). Institutional theory is, therefore, about how and why these constructs emerge and change. While traditional schools of this theory have analyzed institutions in an isolated fashion (e.g., purely economic, legal, or political), neo-institutionalists regard institutional logics in a relational and interdependent way. Born in the 1970s “with the seminal work of Meyer and Rowan, and Zucker, and DiMaggio and Powell”<sup>26</sup> (Thornton et al., 2012, preface; see also Krücken & Drori, 2009) to challenge the attempt of rational theories to rule organizational studies and contexts (Barley, 2017), neo-institutionalism is one of the broadest cross-disciplinary theory in social sciences. Its main strands are concentrated in the fields of economics, political science, psychology-culture, and sociology (Scott, 2014). Among an extensive range of approaches to neo-institutional theory, as an example of what occurs in other socially constructed theories, there exist “conflicting conceptions, divergent underlying assumptions, and discordant voices” (Scott, 2014, vii). Given this vast diversity, and this research's aim not to advance institutional theory but to inform the BHR debate from an institutional EM perspective, the researcher opted for exploring here the theoretical neo-institutional branches that might contribute to explaining how business organizations can influence the emergence of or changes to HR institutions, particularly in EM.

#### **3.1.1. Major multidisciplinary strands of neo-institutional theory**

Instead of conceptualizing only the sociological strand of the organizational neo-institutional theory that underlies this study, this section briefly<sup>27</sup> describes the basics of three other major strands and their ways of perceiving the interrelations and influences of business

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<sup>26</sup> See Meyer and Rowan (1977), Zucker (1977), and DiMaggio and Powell (1983).

<sup>27</sup> For comprehensive views about neo-institutional theories and approaches the researcher also recommends Scott (2014) and Greenwood, Oliver, Lawrence, & Meyer (2017).

organizations and other institutions. This is undertaken because having other notions of how different branches of knowledge explain institutions may enhance our understanding of the complex BHR institutional relations in society.

#### ***3.1.1.1. Neo-institutionalism in economics***

In economics, neo-institutionalists think of the world pragmatically, as a system of adjacent sovereign nations and states, each holding and trying to impose their own functional models. To them, (socio) economic relations are freely guided by the invisible hands of the economic-oriented markets (Parsons, 1961; see also Moe, 1990). According to Scott (2014), there are four main approaches that cross-connect neo-institutional theory and the economic activities of businesses. The first is transaction costs, where institutions are rulers of economic exchanges at many levels (Williamson, 1981). The second is game theory, where institutions appear as an equilibrium phenomenon for economic players (Greif, 2003). The third is the evolutionary economy, from which the firm's success is subjected to industry-based institutional and processual adaptation (Nelson & Winter, 1982). The fourth is the resource-based theory (Wernelfelt, 1984), from which values, including human resources and firms' capabilities, are dependent on complex internalized institutional links (Barney, Wright, & Ketchen Jr., 2001).

#### ***3.1.1.2. Neo-institutionalism in political science***

In political science, two main approaches to the neo-institutional theory clash. The first is historical institutionalism, where institutions are depicted in formal and informal regimes, private and public governance structures, and normative and ideational approaches to inform organizational behavior (March & Olsen, 1984). The second is the rational choice theory, where institutions are positive and negative instruments serving the interests of given individuals and public or private organizations, all holders of political power which can be highly economically biased (Moe, 1990).

#### ***3.1.1.3. Neo-institutionalism in cognitive-psychology and cultural-anthropology***

Cognitive-psychology and cultural anthropology are theories informed by sociological elements and influenced by neo-institutionalism. Cognitive theory is the combination of the psychological and sociological frameworks that inform human intelligence. This combination plays an influential role in shaping institutions upon responses to individual perceptions. They are the basis for the derived collective representations, as means of either more active or more empowered behaviors (Hazel & Zajonk, 1985). Culture theory places cultures as structures of meaning based on coevolutionary elements, such as episodes, mimetisms, myths, and theories.

It includes written languages and symbolic representations, such as maps and other illustrations, as well as sounds, like musical notes (Donald, 1993). Together, these elements consist of implicit and explicit manifestations of how institutions are perceived or reproduced in practice. They are, thus, shaped by the people's reflective behaviors of such cognitive-cultural elements, individually or collectively.

#### ***3.1.1.4. Neo-institutionalism in sociology***

This strand is the one that underlies this study. Its first perspective is called phenomenology (i.e., individuals' experiences) and places individuals as the focal point. Still, it contains a subfield called ethnomethodology, which regards common-sense knowledge. Together, phenomenology and ethnomethodology, they concern with the individual-to-organizational level of relations in society. The second perspective is the ethical, which informs both organizations and individuals' notions of how to behave in society. The third focuses purely on the organizational level. It is about organizational structures and agency and is, therefore, also known as organizational neo-institutionalism. Each of these three perspectives is explained further.

##### *3.1.1.4.1. Phenomenology and ethnomethodology neo-institutional perspectives*

Beyond merely highlighting rules and norms, phenomenology asserts that robust, meaningful systems are required to form a consistent institutionalization process. Making sense of the organizational world requires embracing institutional symbolism or externalizations, practical experiences or pieces of objectification, and retro-feedback or internalizations. These elements are all translated by routines, actions, and interactions (Powell & DiMaggio, 1991) because living experiences shape individuals' feelings about institutions. Ethnomethodology states that common-sense knowledge is gained and developed in a social arena by given participants, ranging from micro to macro perspectives (Powell & Rerup, 2017). Among the research inquiries of neo-institutional ethnographers, is how societal actors "collectively, construct [and change] the rules and procedures that allow them to cope with everyday demands" (Scott, 2014, p. 48). Scrutiny of this point holds a critical place in this study. As discussed, while phenomenology heralds the institutional environment, representing a substantial source of meanings for both organizations and its members, ethnomethodology cites the world itself as a big societal arena (J. W. Meyer, 2009; Robertson, 1992) for interactions that will result in sense-making of the institutional environment. Together, they support the neo-institutionalism approach, which the traditional approaches to institutionalism left disregarded. The problem of a global economy without a central regulating polity, for example,

the lack of common-minimum global institutions, and the heedlessness for the influence of cultural perspective on other organizations (Zucker, 1977). Each context creates changing, complex, and culturally embedded rules, which interrelate with others and have their specific objectives and values (Meyer & Rowan, 1977). Such interests, mostly, emanate from collectivities, or general organizations, but can also be initiated at micro levels (Zucker, 1977, 1991).

#### *3.1.1.4.2. The ethical perspective of neo-institutionalism*

Another fundamental angle of neo-institutionalism is the ethical perspective. Upon it, moral standards should prevail in the governance of relations between individuals and institutions (Scanlon, 1992). These enlightened standards should, in turn, inform institutions of hazardous lines of self-interest and serve to create opportunities for the development of many kinds of social relationships. They serve to create opportunities for the pursuit of fairness, justice, HR realization, and public-good advancements (Dienhart, 2000; Wettstein, 2009). In contrast is the pragmatic perspective in which given institutional logics assume material (i.e., structures and practices) and symbolic aspects (i.e., ideation and meaning). Nonetheless, as with the integrated view of corporate ethics (Sen, 2010; Ulrich, 2008, 2013; Wettstein, 2009), which underlies this study, ethics and economic activities cannot be analytically separate since they (should) function as constitutive parts of one another (Thornton et al., 2012).

#### *3.1.1.4.3. Neo-institutionalism in (business) organizations*

The neo-institutional theory is dedicated to inquiries, descriptions, and explanations of the historical and ongoing functioning of organizational structures, including business, markets, and states. They are concerned not only with how institutions emerge, change, endure or fall into disuse (Haunschild & Chandler, 2008; Hinings et al., 2004), but also how organizations influence the emergence and transition of institutions and their dynamics (Scott, 2014; Thornton et al., 2012). Neo-institutionalism, therefore, is the study of the entanglement of institutions, shaped by the collective organization of individuals. This interdependence reveals institutions as complex social constructs, representing structures, patterns, or ideations that speak for the rules of the game in society (Meyer & Thein, 2014; North, 1991). Institutions operate in multiple and interdependent levels of analysis (DiMaggio & Powel, 1983; Meyer & Scott, 1983), such as individual, organizational, field, societal, local and global markets, and global society; in other words, at the micro (individuals), meso (organizations or groups), macro (markets, regulations, and society), and meta-levels (universal theories and systemic relations) of analysis (Thornton et al., 2012). It is worth noting that the combined meso-macro

perspective, underlying this study, is then the chief focus of the explorations of organizational neo-institutionalism here at stake.

## **3.2. Approaches to Neo-institutionalism**

The institutionalization of a given context means its structural orderliness, marked by interdependent processes and outcomes (DiMaggio, 1988; Wooten & Hoffman, 2017). It can occur in different forms, degrees, and contexts, and there is a significant lack of consensus in the literature on the best arrangement of their operation. There are many ways of describing how institutionalization happens, including the integrative and ethically-grounded view of Dienhart (2000), the cultural approach of Thornton et al. (2012), the elites' power perspective along with the work of Courpasson, Golsorkhi, and Sallaz (2012), and the world society view embraced by Krücken and Drori (2009). Among such diversity, the author selected the four most relevant to be outlined here.

### **3.2.1. Formal organizations, regimes, and culture**

The first perspective is Jepperson's (1991), who argued that there are three primary institutionalization carriers. The first concerns to formal organizations, which are structures with central-authority, and is the carrier that has received much attention in business-related literature. The second is represented by the regimes, as means of informal or codified sanctions and rules or collective representations with sanctioning power. The third refers to culture, which represents customary or conventional rules without monitoring or sanctioning centers. Jepperson explains that the degrees of institutionalization vary primarily according to a given context's "relative vulnerability to social intervention" (1991, p. 151) and the degree of awareness of its members. The researcher corroborates Jepperson's (1991) assertion that the problem of vulnerability can be controlled by shared principles and rules embedded in, and by, both endogenous and exogenous bounds. Firstly, more moral notions are regarded to lessen the vulnerability to an intervention by outliers, even if considering exogenous formal institutions. Secondly, the higher the awareness and participation of collectivity's members in the construction of a given institution, the lesser its vulnerability because the propensity to have its validity challenged is also lower.

### **3.2.2. Isomorphism and collective rationality**

Another influential view of frameworks on neo-institutionalism in organizations is found in the work of DiMaggio and Powell (1983; see also Powell & DiMaggio, 1991), who stressed isomorphism and collective rationality through coupling, decoupling, and signaling

strategies of organizations. These authors also acknowledge that three institutional mechanisms inform and shape organizational realms, namely the coercive, normative, and mimetic. Coercive forces are the prime drivers behind organizational isomorphism, pursued due to matters of legitimacy and as collective responses to contextual uncertainties. This view is contested by Scott (2014; see also Crane, 2013), who asserts that, in reality, there are more than just coercive forces that push (business) organizations to imitate each other. Normative and cultural-cognitive pressures (section 3.2.4) also play a role in informing which standards are adequate or not, to be used or avoided to address societal demands (Scott, 2014).

### **3.2.3. Institutional and technical societal pressures**

The third perspective verified by the researcher in the search for institutional, broad, relational frameworks is found in Meyer and Scott (1983), where they discuss how organizations are shaped, to different degrees, by exogenous and endogenous drives that can be institutional or technical. Although similar to the institutional pillars of DiMaggio and Powell (1983), this perspective is more comprehensive because it expands from micro and meso to cover macro and meta-levels of analysis. However, Meyer and Scott's (1983) perspective embraces the ideas that diverse individuals and groups, both business and non-business organizations, have the power to interpret and influence the construction and change of institutional realms. Scott developed this interdependent and broad institutional perspective, and many others, to disprove the rational vs. irrational view on which dependent and independent variables interact in the institutional environment. As a result, the three-pillars framework asserted in 1995 (Scott, 2014) is still the most widespread and convincing general theoretical orientation of the institutional perspective in organizations. Also, it is the one underlying this study and discussed in the next section.

### **3.2.4. Scott's three pillars framework**

Driven by the need to understand how MNEs interact with diverse organizational institutions related to HR matters in EM contexts, the researcher has endeavored to find compelling institutional frameworks. An inspiring study was found, from Meyer and Thein (2014), about business under adverse home country institutions in Myanmar. From it emerged the conviction that the broad analytical framework of Scott<sup>28</sup> (2014), applied by Meyer and Thein in such empirical IB research, would similarly fit as the ground model for the present research. This because Scott's model embraces various approaches, divisions, and levels of

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<sup>28</sup> Scott has dedicated more than 30 years of research examining the relations of very diverse organizations and their institutional environments. See more on <https://sociology.stanford.edu/people/w-richard-scott>

analysis, to shape a comprehensive notion of institutions. According to Scott (2014), “institutions comprise regulative, normative, and cultural-cognitive elements that, together with associated activities and resources, provide stability and meaning to social life.” (p. 56). In addition, institutions are multifaceted and durable social structures, recursively shaped<sup>29</sup> by symbolic or idealist elements, social activities, and material resources (Giddens, 1984; Scott, 2014; Sewell, 1992). The upcoming illustration presents Scott’s three pillars of institutions and their main dimensions, which form a model widely assumed in general sociological neo-institutional theory.

**Table 1: The dimensions of Scott’s institutional model**

<b>Dimensions</b>	<b>Three Pillars of Institutions</b>		
	<b>Regulative</b>	<b>Normative</b>	<b>Cultural-Cognitive</b>
Basis of compliance	Expedience	Social obligation	Taken-for-grantedness Shared understanding
Basis of order	Regulative rules	Binding expectations	Constitutive schema
Mechanisms	Coercive	Normative	Mimetic
Logic	Instrumentality	Appropriateness	Orthodoxy
Indicators	Rules Laws Sanctions	Certification Accreditation	Common beliefs Shared logics of action Isomorphism
Affect	Fear/Guilt/Innocence	Shame/Honor	Certainty/Confusion
Basis of legitimacy	Legally sanctioned	Morally governed	Comprehensible Recognizable Culturally supported

Source: Reproduced from Scott (2014, p. 60).

#### ***3.2.4.1. The regulative pillar***

Regulative institutions are the very formal rules in society, enforced via coercive mechanisms (DiMaggio & Powell, 1983) that can often be very costly in terms of non-compliance or the deviance of coercive isomorphism (Powell & DiMaggio, 1991), and depending on the context, can reveal irresponsible business. Organizations’ regulative enforcements, and respective responses to them, are the drivers in this pillar. Their processes involve the authority’s establishing rules, inspecting whether others conform to them, and as necessary, manipulating sanctions in an attempt to influence the future behavior of participants in a societal realm (Scott, 2014). Regulative institutions seem to be the most fitting societal

<sup>29</sup> Although some institutions are somewhat resistant to change (Jepperson, 1991).

constraints for pragmatic viewers, among whom are institutional economists (North, 1991) and ethics-detached business organizations. This is because regulations represent instrumental guides for behavior; examples of regulative institutions are found in laws, regulations, rules, contractual sanctions, bilateral agreements, and all types of non-voluntary governance systems.

#### ***3.2.4.2. The normative pillar***

The normative pillar is about prescriptive, evaluative, and, sometimes, even obligatory representations of expected ethical behavior in society. Normativity, more than the other institutional pressures, warrants legitimacy in how ethics, values, principles, and norms are considered by both people and organizations while interacting in society. For many theorists, therefore, general institutions rest primarily on the normative pillar (March & Olsen, 1989; Scott, 2014). In an optimal and democratic context, regulative and normative institutions are mutually reinforced (Phillips & Malhotra, 2017). This is because, by specifying how things should be done, normative institutions offer a legitimate way, often grounded in moral viewpoints (Phillips & Malhotra, 2017; Scott, 2014), for individuals and organizations to elaborate and ethically execute their economic objectives, where “they confer rights as well as responsibilities, privileges as well as duties, licenses as well as mandates” (Scott, 2014, p. 64). Examples of normative institutions are found in routines, standards, procedures, codes of conduct, job descriptions, roles, and established habits, etc.

#### ***3.2.4.3. The cultural-cognitive pillar***

The cultural-cognitive pillar represents the practical, informal, daily actions of organizations and is constructed by the ways that human beings translate symbolisms (e.g., words, gestures, illustrations, signs) to perceive the world and interact with each other. Scott’s assertion on cognitions, corroborated by Powell and DiMaggio (1991), is a borrowed idea from the 1960-1970s’ institutional view of anthropologists such as Geertz, and sociologists like Meyer, Kellner, and Zucker, and is considered a landmark between traditional and neo-institutionalism forms (R. T. Green, 1997). The importance of symbols also connects with Max Weber’s<sup>30</sup> notion of meaning and behavior relationships in society; symbols are either kept or changed concerning events experienced by organizations or individuals in societal realms. Similarly, symbolisms are responsible for forming cultural categories, which are “cognitive containers in which social interests are defined and classified, argued, negotiated, and fought out” (Douglas, 1988, p. 473; see also Hofstede, 1991; Scott, 2014), meaning that culture and

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<sup>30</sup> Although he did not explicitly employ the term institution, Weber is considered an early institutionalist, given his *Wirtschaftssoziologie* (economic sociology) work on which his three types of authority systems (i.e., traditional, charismatic, and rational-legal) was asserted (Scott, 2014).

society cannot be separated from each other. To Scott (2014), an optimal definition of the cultural-cognitive institutional pillar combines qualitative and quantitative aspects of diverse fields. To Ventresca and Mohr (2002), this pillar is about “relevant features and shared understanding, professional ideologies, cognitive frames or sets of collective meanings that condition how organizational actors interpret and respond to the world around them” (p. 819). Examples of cultural-cognitive institutions are found in interpretations of writing, illustrations, technologies, stories, sounds, models, and possibilities of living, among others.

#### ***3.2.4.4. Institutions and ethics***

Due to its interactive dynamic and comprehensiveness of approach, as previously mentioned, Scott’s tripartite framework is regarded as the best fitting neo-institutional perspective for this research. It is also a widely held view among business and management researchers engaged in depicting the relations between neo-institutionalism and corporate realms. Most importantly, this perspective endorses multidisciplinary approaches; it informs economics, political science, sociology, and even psychology in matters of human behavior and cognition in the organizational realm. Furthermore, Scott’s model regards the ethical and institutional relationships as both necessary to explain institutional contexts at different levels of analysis. This relational view also admits critical realism, which is also grounded in ethics and is the paradigm that underlies this study. Through the normative pillar, this perspective “accentuates the prescriptive, evaluative, and obligatory aspects of social life” (R. T. Green, 1997, p. 118).

These elements then inform choices based on means and ends, therefore providing a conception of rationality beyond economic instrumentalism. Conclusively, institutions and BE cannot (or should not) be dissociated (Arnold, 2013; Enderle, 2015; see also Donaldson & Dunfee, 1994, 1999); hence business organizations “do not march quietly down the path towards homogeneity” (Oliver, 1991). Instead, they interact with the contexts they operate in to create self-beneficial changes, such as “hierarchical frameworks to exert direct coercive and regulatory authority over their paid personal” (Scott, 2014, p. 121). Where necessary, they form local and global alliances, enter into networks, and adjust their public governance frameworks to oversee and support the functioning of their enterprises (Child, 2005; Scott & Davis, 2007). At this point in the literature review, it seems valid the argument that corporations and other business organizations are participants in institutional construction, but more theoretical pieces of evidence on this view are explored in the following section.

### 3.3. Institutional Logics

This section aims to examine the literature on how and through which means institutionalization processes take shape in democratic global contexts. Moreover, it seeks prior researches stressing the roles of IB organizations in such transformations.

#### 3.3.1. Organizational structures and agency

This section explores prior literature on the dual roles of institutional agents in the institutionalization process. Also, to understand how MNEs and HR institutions interplay in a given adverse context, this study uncovers extant institutional approaches and their diverse interacting dimensions, including sources of legitimacy (i.e., social approval by means of value-added to society), agency (i.e., actors' ability to affect the social world), carriers (i.e., symbolic and relational systems, activities, and artifacts), and levels of analysis (meta, macro, meso, and micro)<sup>31</sup>. This theoretical exploration enables the researcher to acknowledge the comprehensiveness of Scotts' three pillars framework and, therefore, to affirm it as an underlying perspective of this study. However, when it comes to explaining institutional change and related participants, the researcher found more compelling schemes in the work of other authors. These include Thornton and colleagues' (2012) assertions that institutions and organizations<sup>32</sup> are functions (agents) and constituents (structures) of each other and that their interactions and integration form interinstitutional systems at various levels, and frame the so-called institutional logics.

Debates between different schools of neo-institutionalism, mostly economic, political, and social streams, demonstrate a lack of consensus about the type and extent of the interrelations between organizations and institutions (Thornton et al., 2012; see also Powell & DiMaggio, 1991; Greenwood & Suddaby, 2006; North, 1991). Nonetheless, neo-institutional sociologists, including Scott, have increasingly been arguing for the duality of structure and agency (Giddens, 1984; Haunschild & Chandler, 2008; Thornton et al., 2012), when it comes to defining and explaining the functioning of these two constructs: organizations and institutions. According to Thornton and colleagues' (2012) view of institutional logics, organizations are institutional rationalizations that represent at the same time institutions in themselves and institutional agents. The first role relates to organizations' structures and nature. The second to their actions and legal, ethical, and political responsibilities to the

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<sup>31</sup> Check in Scott (2014), for a complete scheme of institutional logics.

<sup>32</sup> Important to point out that this study revolves around the organizational perspective. Though acknowledging the importance of it is not scoped in individuals' roles on institutional realms. This micro-perspective can be found in the comprehensive review of Powell and Colyvas (2008).

institutions with which they are concerned. This view connects to North's (1991) assertions of the marriage between economics and institutions. It is important to note that economic institutions are represented by the owners of the means of production. In global economies, these are the big business organizations, while in institutionalism, they are represented by the formal and informal constraints that structure the social, political, and economic interactions. North (1991) concludes that economic institutions and social institutions, especially in global EM, are partnering-mechanisms of societal order and enablers of "profitability and feasibility of enhancing economic activity." (North, 1991, p. 97).

### **3.3.2. Processes of institutional change**

To explain changes in institutional settings, Scott (2014) signaled two frameworks: institutionalization and deinstitutionalization, which correspond to institutional creation<sup>33</sup>, change, and disruption. Scott emphasizes interactional processes and mechanisms<sup>34</sup> in institutional change, instead of structures. He asserted that institutional change occurs for many reasons, such as increasing returns (i.e., interests and incentives), commitments (i.e., costs and benefits, identity), and objectivation (i.e., ideas, ends, results). Still, once an institution is created, the processes of its maintenance and diffusion follow the three-pillars dynamic of institutional social order. Institutions, both new and old, thereby maintain their shapes or have them altered. Furthermore, institutions have their legitimation challenged against regulative, normative, and cultural-cognitive pressures by the participants of a given context. Notably, John L. Campbell's (2004, 2007; see also Singer, 2004) viewpoint to explain institutional change stressed that upon globalization, cross-national institutional differences have been retiring. Thus, theories dedicated to explaining national institutional variation upon socioeconomic performance have been compromised. Like this, nations' inter-institutional changes upon the influences of foreign force and actors stand as admissible. For DiMaggio (1988), overall institutionalization is a product of political efforts or instrumental dealings of given actors to accomplish their ends.

All these assertions are factual; however, more nuances of institutional change, such as the processes through which it occurs, have to be regarded. To Scott (2014) and other

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<sup>33</sup> Check in Mahoney and Thelen (2010) for one comprehensive view of institutional processes, including institutional creation (advocacy, defining, vesting, constructing identities, changing normative associations, constructing normative networks, mimicry, theorizing, and educating), institutional maintenance (enabling work, policing, deterring, valorizing and demonizing, mythologizing, and embedding and routinizing), and institutional disruption (disconnecting sanctions or rewards, disassociating moral grounds, and undermining assumptions and beliefs).

<sup>34</sup> Institutional mechanisms are the means through how effects are produced in settings.

influential institutional sociologists (Powell & Colyvas, 2008; Scott & Davis, 2007), institutional change contends that the creation and diffusion of institutions occur through dynamic top-down or bottom-up processes. Top-down processes happen when the pressures emanate from higher levels of power concentration in society, for instance, top governmental agents and, arguably, very large MNEs. Examples of these pressures are found in regulated authorizations, constitutive activities, strategic diffusions, impositions of authorities, translations, socialization, inducement, and imprinting, and by the orchestration of the invisible hands of markets. Bottom-up processes happen when the pressures and counter-pressures emerge from lower levels of society, such as ordinary participants and structures. Some of these examples are selective attention, identity construction, interpretation and sense-making, error, invention or innovation, avoidance, compromise, defiance, conformity, and reproduction of patterns or manipulation. On explaining institutional change, however, the role of MNEs does not explicitly appear in Scott's (2014) assertions, and little is found in overall BHR and IB literature on the matters.

When describing rationalized, institutional, organizational logics, some authors assert that MNEs figure among the seven foremost structures of institutions, namely families, religions, states, corporations, local and global markets, professions, and communities (Scott, 2014; see also Thornton et al., 2012). This assertion is also noted by Mahoney and Thelen (2010), who acknowledge that gradual institutional changes have not been a central focus of social scientists, who instead focused their considerations on moments of fast and large-scale transformations. Fortunately for those affected by tragedies involving institutional misuse in institutional change, growing research suggests that small, incremental adjustments result in significant institutional transformation. The observation of such phenomena, therefore, requires much more of scholars' attention than it has received so far (Mahoney & Thelen, 2010). One may remember that institutional rules are, in line with Scott's (2014) assertions, subject to diverse interpretations and levels of enforcement. Thus, in a scenario that allows for "ambiguities that provide space for interested agents to exploit in their effort to alter them" (Mahoney & Thelen, 2010, p. xi; see also DiMaggio, 1988), those interested agents, if powerful, can then become substantial institutional influencers. The next section furthers these explorations elaborating on the major types of institutional agents.

### **3.3.3. Corporate and other types of institutional agents**

Business-related literature has placed civil society and states' governments as primary agents (or actors) of institutional change (Meyer & Thein, 2014; Scott, 2014), leaving for

corporations, not more than the side roles or limited prominence in specific cases. However, as section 3.3 regarded, MNEs hold both agency and structures that can be used to effect change in their contexts. Then, it seems mistaken that prior researches have been avoiding depicting corporations clearly as key institutional influencers. Nonetheless, the researcher identified some studies where business organizations can be regarded as protagonists of institutional change, and this section elaborates on some of them. It starts from Mahoney and Thelen's (2010) examinations of gradual institutional change. These authors found out that, in a context of economic struggle (i.e., France, 1981), firms characterized as opportunist-institutional changers, have got organized collectively to exploit ambiguities in local law. Such business organizations used firm-specific forms of labor representation, namely trading unions, to compete with the then-unique workers' labor unions. As a result, workers' unions were gradually marginalized, and their collective bargaining power was weakened in the related context. However, for these authors, the ambiguity and uncertainty of institutions, as well as the precedents for their changes, and not simply the willingness of given societal actors, were the major triggers of institutional change.

To Hilb (1997, 2009), firms are *glocalpreneuers*, as means of unities that combine multicultural and entrepreneurial elements competently and (expectedly) in an ethical way to boost innovation and co-evolution in society at local and global scales. Arguably, Hilb's view can lead to interpreting corporations as leading agents of societal betterment, which does not come detached from shaping institutions and respect them. For Scott et al. (2011; see also Bobacka, 2001; Doh & Teegen, 2002; Escobar & Vredenburg, 2010; Maak, 2009; Mahoney & Thelen, 2010; May, 2015; Scherer & Palazzo, 1991, 2007, 2011; Suchman, 1995; Wettstein, 2009), respecting given specificities and field boundaries, corporations can be protagonists in creating institutional change, for instance when related to big international projects, given their technical capabilities and leverage. To Hall (2010), participants' preferences, including those of business organizations, are important variables in the process that leads to institutional change. To Thornton et al. (2012), it is necessary to understand the societal context and its interrelations to measure the degree of autonomy of agency and structure relating to its changers. Seemingly, corporate interplay, motivations, and extent to deal with institutional matters are determined according to varying factors, such as institutional voids, actors' self-interests, and overall context characteristics (Scott, 2014). Therefore, as Thornton et al. (2012) assert, matters to be explored empirically.

In capitalist economies, MNEs exert coercive and regulatory authority over their paid workers and stakeholders' contracts. However, influences can occur more indirectly and, with higher effect, when set collectively, through alliances, for instance, through industry level. All these schemes then constitute undisputable forms of inducing changes in policies and arenas that can affect corporate welfare (Child, 2005; Scott, 2014; Scott & Davis, 2007). Furthermore, previous studies have identified what are called corporate elites, which are the organizations standing in the privileged position to lead negotiations, given the size and importance of the resources that they command and the types of network and deep relations they hold over other organizations (Fligstein, 1990, 1991). In this sense, studies relating corporations and states established that, on top of economic interests, corporate elites can further mobilize, politically, to advance their collective interests yet not assisted due to institutional restraints (Cawson, 1985). This can lead to conclusions that institutional-change agents do not work alone (Mahoney & Thelen, 2010), but in political coalitions among different organizational realms to create institutional change, especially to address controversial issues.

As Scott (2014) established, studies revolving on hostiles takeovers concluded that the better organized the corporate elites, the higher the state's tendency to adopt business-friendly legislation (Vogus & Davis, 2005). Finally, from recent research in the Chinese context, it comes the assertion that corporations can similarly mobilize, collectively and politically, to influence institutional change through CR frameworks (Blickle, 2018) for the sake of the corporate and societal common good (Velasquez, 1992). These pieces of evidence from literature might be enough to demonstrate that corporations are acknowledged as powerful agents of institutional change. It seems then convincing that, regardless of their type (i.e., business, civil, governmental, and military), collectively organized societal agents are all potential actors in the construction, change, and disruption of the institutional settings to which they relate. Nevertheless, to deliver a more substantial outline of types of institutional agents and corresponding reasonings for contextual changes, the researcher has compiled three major typologies from neo-institutional, sociological literature: namely, institutional entrepreneurs, institutional keepers, and institutional disrupters. These are non-concurrent and overlapping roles, meaning that a given institutional agent can take one or more actions, not only according to their power but also to the contexts, situations, type, and quality<sup>35</sup> of the institutions in question.

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<sup>35</sup> See Alonso and Garcimartín (2013) for a view about the determinants of institutional quality

### ***3.3.3.1. Institutional keepers: The adherence or indifference***

Little elaboration is needed to explain this type of institutional agent because institutional keepers are either indifferent to or satisfied with the institutional realm or its parts. They, therefore, tend to abide by extant institutions, while their actions seek to either preserve or to prevent institutional change (Heijden & Kuhlmann, 2017).

### ***3.3.3.2. Institutional entrepreneurs: Creating institutions for the good of whom?***

The second type of institutional agent is the institutional entrepreneur, those who act to create or change institutions (Hardy & Maguire, 2008; Thornton et al., 2012) in order to express and safeguard given interests but not necessarily for the good of a broad collectivity. Therefore, institutional entrepreneurs can be considered neither heroic nor ethical agents of change, as Hardy and Maguire (2008) argue. This is because they can either act uncooperatively or even resist any potential institutional changes that do not match their interests. Regarding the double-agency notion, contemporary research stresses that these institutional actors, or entrepreneurs, can hold the power of institutional change according to the representativity of their resources' mobilization and, consequently, sociocultural or institutional leverage (DiMaggio, 1988; 1997). Institutional entrepreneurs can still manipulate institutions through storytelling (Hardy & Maguire, 2008; Lounsbury & Glynn, 2001; Martens, J. E. Jennings, & P. D. Jennings, 2007; Zilber, 2007), rhetoric strategies (Greenwood & Suddaby, 2006), and macro cultural discourses (Lawrence & Phillips, 2004). For instance, it can happen that the targeted change of an institution is not a legitimate claim as it does not assist a broad collectivity, or it is not ethical. According to Mahoney and Thelen (2010), who have thoroughly explored the characteristics of political and institutional contexts, this counter-institutional agency of institutional entrepreneurs can be depicted in four typologies. The first reflects the institutional entrepreneurs, who are the insurrectionaries that actively and explicitly mobilize against institutions. The second typology concerns to the parasitic symbionts institutional entrepreneurs, who undermine institutions to maximize gains, or the mutualistic symbionts, who use institutions as they are to advance their interests. The third depicts the subversives, who, although following the precepts of an institution, in parallel and in a disguised fashion, seek to displace it. The fourth and last are the opportunists who exploit any current institutional settings and their gaps to their own ends.

### ***3.3.3.3. Institutional disrupters: Dismantling unwelcome institutions***

Institutional disrupters form the third type of organizational actors, among which double-roles (structural and agency) are also found. When acting legitimately, they can

dismantle institutions when holding justifications embedded in societal order and not solely based on arguments of given collective value-based demands (Lawrence & Suddaby, 2017; Suddaby & Greenwood, 2005; Vahabi, 2004). This happens, for instance, when a given institution is found to be unethical or no longer assisting general citizens' interests. When acting illegitimately, some agents act against institutional order triggering changes based on self-interest or solely on behalf of a given organization. Significantly, and in comparison with studies on institutional building and change, little is found about institutional disrupters (Hardy & Maguire, 2008). However, the literature that does exist on the matter is compelling enough to highlight inquiries on the kinds of controls that an institutional system can use to control such agents. This is an issue of global concern, particularly when it comes to EM and frontier economies, regions still marked by substantial (HR) institutional voids (Palepu & Khanna, 1998), and undergoing major institutional transformations.

#### ***3.3.3.4. Institutional wrongdoers and the room for corruption and cooption***

Palmer (2017), considering the potential counter-agency of powerful organizational actors, invoked the concept of organizational wrongdoing. He asserts that wrongdoing, in and by organizations, is a behavior that affects institutional settings as it “violates ethical principles, social norms, organizational rules and protocols, industry or professional guidelines and civil or criminal law” (p. 739). Palmer states that strong institutions curtail wrongdoing while weak institutions countenance it. Organizational wrongdoing can assume forms of deliberate corporate or white-collar crimes, committed in order to accommodate the interests of the perpetrators that they represent. The case of Enron<sup>36</sup> and other so-called accidental crimes, such as in case of the Exxon Valdez oil spill<sup>37</sup>, are instances of such wrongdoings. Palmer further argues that institutions can stimulate, sustain, or be sustained by organizational wrongdoing. First, to explain how organizations can, through institutional agency, stimulate and even institutionalize organizational wrongdoing, Palmer (2017) refers to a timeless belief of economists. That is, misconduct in public corporations, where ownership and control are separate matters, can be a sign that such organizations do support organizational wrongdoing (Berle & Means, 1939).

Palmer (2017) also argues that, given counter-cultural norms, cognitive frames, and routinized practices such as corruption can underpin inter-industry misconduct and cross-national variation in organizational wrongdoing. Second, when it comes to examining how

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<sup>36</sup> Check it in Eichenwald (2005).

<sup>37</sup> Check it in Lev (1990).

institutions can sustain wrongdoing or prevent it, Palmer (2008, 2017) asserts that tolerance of a controversial or problematic process may constitute nothing more than the normalization of a deviation, which can turn into an amoral routine. A view corroborated by the researcher and many other scholars (Andrei, Matei, & Rosca, 2009; Ashforth & Anand, 2003; Ashforth & Kreiner, 1999; Bakan, 2004; Brief, Bertram, & Dukerich, 2001; Malgwi, 2016; Otusanya, 2011; Vaughn, 1999). This leads to what some authors refer to as cooption or cooptation<sup>38</sup> in which the wrongdoers form an integral part of their organizational culture, with the wrongs sometimes extrapolating to external contexts, thus creating higher levels of counter-institutional issues (Gabbioneta, Greenwood, Mazzola, & Minoja, 2013).

Third, still based on Palmer's (2017) assertions, organizational "wrongdoing can play a role in sustaining institutions" (p. 746) when, for example, regulated processes are created by wrongdoers (Granovetter, 1973, 2007) to negatively affect citizens' common good. When this happens, it may take a long time for such organizational wrongdoings to be tackled due to the coercive power and undemocratic elements supporting them. Finally, it should be noted that corruption is an absolute impediment to the realization of HR (Hess & Dunfee, 2003) if practiced between public and private organizations, which can manipulate people's way of living. This theoretical exploration offers explanations of the potential double-roles and the ambiguous interests of institutional agents, granted according to their power and roles or mandates. This review also raises inquiries about the fragility of HR institutional systems, facing the influence of the to-date most powerful agents in society, namely MNEs (De Bettignies & Lépineux, 2009; Maak, 2009; Vitali et al., 2011; Wettstein, 2009).

### **3.4. Neo-institutionalism in IB Research: Searching for CHRR**

It is clear that institutions play a central role in supporting MNEs to access resources, run operations, obtain legitimacy, and, for some most importantly, safeguard FDIs. For this reason, institutions are largely addressed in IB literature. Pairing economic (North, 1991, 1992a) and organizational (Scott, 2014) perspectives, it seems commonplace that both home and host country institutions form key sets of regulative, normative, and cultural-cognitive elements and pressures. These elements may influence overall MNEs' operations and strategies, as well as their internationalization processes (Meyer & Thein, 2014; Peng, Wang,

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<sup>38</sup> Cooption and cooptation are both the terms defining practices considered as organizational wrongdoings that generally involve public agents (e.g., States' governments) and economic actors (e.g., MNEs) toward the maximization of valuables to assist given self-interests in detriment of public good maximization (Clayton, 2015; Gabbioneta et al., 2013; Moe, 1990; Passos, 2017; Schwartzman, 1970; Vaughn, 1999).

& Jiang 2008). Due to its multidisciplinary character, IB scholars use different approaches to neo-institutionalism when it comes to examining connections between MNEs and institutions. To a great extent, IB scholars have been engaged in investigations into how host country institutions, or the absence thereof, affect MNEs' entry modes, marketing strategies, and their environmental, labor, and management practices (K. E. Meyer, 2004) when they establish a business in adverse markets.

The institutional perspective in IB research seems mostly concerned in overcoming institutional voids (e.g., weak intellectual property rights) as they create large uncertainty and higher the transaction costs of business operations in EM (Meyer & Thein, 2014; North, 1992b). To a lesser extent, evaluations of how MNEs can influence EM-HRIC via FDI, trading, and labor practice (Gladwin & Kennelly, 1995; Gladwin & Walter, 1980; Meyer & Thein, 2014) and CR practice (Blickle, 2018), are discussed. It is common knowledge already that MNEs from AM often bring higher HR/CR standards to EM economies as a result of values, norms, and rules, ingrained in their organizational culture. Such higher standards materialize in the form of self-regulatory frameworks, such as CR, philanthropism, and sustainability approaches (Christmann & Taylor, 2001, 2006; Rathert, 2016). It was also noted scant the IB studies theorizing that advanced home country institutions support their related MNEs in obtaining institutional approval in adverse markets (K. E. Meyer, 2004; Meyer & Thein, 2014). Unfortunately, however, the type, modus operandi, and outcomes of the interactions between MNEs and EM-HR institutional realms have not been, thus far, specific subject terms in consideration by IB scholars. The next section deepens the research of how MNEs have been addressing their HR responsibilities and corresponding institutional voids in EMs within IB research.

#### **3.4.1. HR institutional voids and the *business as usual* discourse**

In examining publications of top-ranked peer-reviewed IB journals<sup>39</sup>, from the last four decades, the following was discovered: (i) there are very few studies cross-connecting MNEs and EM-HR institutional voids; (ii) in excluding institutional matters from the search strategy and keeping MNEs' CHRR in EM the results were similarly scarce; (iii) no studies were found where IB and HR matters figured as a combined focus and upon non-voluntary approaches. Instead, the review of the literature returned some cases placing HR respect and protection as unrelated to normative and legal responsibilities of business organizations. HR matters were

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<sup>39</sup> A bibliographic research followed by a systematic review of contents held by this researcher in August 2018 over the top two IB peer-reviewed academic journals, returned in 47 articles, only, that somewhat cited HR, but in no single case HR appeared as main focus.

found described as (i) corporate charity (Strike, Gao, & Bansal, 2006), often referred to as CSR, CSP (corporate social performance), and as part of sustainability frameworks; (ii) instruments to enhance the corporate image or gain legitimacy (Burke & Logsdon, 1996; Husted & Allen, 2000, 2006; Ioannou & Serafeim, 2012; K. E. Meyer, 2004; Marano, Tashman, & Kostova, 2017; Margolis & Walsh, 2001; P. Rodriguez, Siegel, Hillman, & Eden, 2006; Ricart, Enright, Ghemawat, Hart, & Khanna, 2004; Tashman, Marano, & Kostova, 2018); (iii) issues to be tackled with corrective measures to avoid political risks to business well-functioning (Gladwin & Walter, 1980; Simon, 1984).

It is no coincidence that these examples of how HR matters have been addressed in IB research correspond to what Ulrich (2013) asserted as the most economic or business-oriented approaches to CR. Unfortunately, no case was found in IB literature by the time of the exploration of this literature review to illustrate the ideal CHRR approach, here regarded as integrating ethical, legal, and political responsibilities (section 2.2). In outlining these CHRR approaches, it could be acknowledged that the traditional focus of IB research has been devoted to the *business as usual*<sup>40</sup> discourse occurring in IB realms (Ruggie, 2013). However, businesses running in adverse situations can no longer be dissociated from their shares of HR responsibilities, as verified in Chapter 2. Moreover, it is clear that IB journals have openly been calling for multi- and interdisciplinary research (Cantwell, Piepenbrink, & Shukla, 2014; Cheng, Henisz, Roth, & Swaminathan, 2009; Journal of International Business Studies, 2018).

This review raises some inquiries. For instance, if a corporation legitimizes the neglect and harm of HR in places where the institutional enforcement of such fundamental rights is still weak, the same behavior can be expected in well-developed markets, although in more refined ways. Still, the lack of engagement with HR and institutional matters in EM depicted in IB research, if not deliberate neglect, denotes a missed opportunity for scholars to lead the change from a business vs. society mindset to a new paradigm: business for society, reflected by IB organizations' respect for and protection of HR. This research will endeavor to join forces with scholars to foster change in this respect through this empirical study.

### **3.4.2. MNEs' responses to emerging markets institutional voids**

According to prior literature (Meyer & Thein, 2014), MNEs' responses to EM institutional voids are strategized to mitigate markets' risks, increase competitiveness, and protect FDIs. Equipped with self-governance frameworks, MNEs can both determine and influence institutional changes, thus being part of institutional co-evolution systems (Blickle,

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<sup>40</sup> As means of companies purely oriented by profit-maximization (Ruggie, 2013).

2018; Cantwell, Dunning, & Lundan, 2010; Peng et al., 2008; Teegeen, Doh, & Vachani, 2004). This section concentrates on these examinations, from the assumption that HR institutions are embedded in general institutional realms and affected by business activities (e.g., labor rights, professional education, industry-related standards). In agreement with K. E. Meyer (2004), Peng et al. (2008) assert that, in order to succeed in EM, MNEs should seek a tripartite strategy consisted of industry, resource, and institutional-based views. In terms of institutional-based views, they highlight that the dynamic interactions between institutions and business organizations do support firms in better understanding and overcoming various EM entry barriers (e.g., antidumping). These interactions also equip MNEs to better deal with local competition, adjust to corporate governance local practice, and grow business by capturing local market opportunities.

Endorsing the neo-institutional perspective, London and Hart (2004) dedicated special attention to examining the institutional co-participation mechanisms that allow for MNEs to explore what they referred to as huge but neglected EM business opportunities. These authors highlight the contrast of a lack of literature with the great need for IB to learn how to pursue and serve the bottom-of-the-pyramid, formed by low-income people who are generally excluded from marketing segmentation approaches due to their meager consumer power. These authors also assert that an adequate strategy to address EM institutional voids requires a deep understanding of, and integration with, such local environments, which are oriented less by legal institutions and more by the informality of social contracts. Citing the successful case of Unilever in India, these authors pose that MNEs can reach remarkable revenues in low-income markets through developing social capabilities, rather than simply trying to overcome the local HR institutional voids impacting their businesses. In their words, MNEs should develop the “ability to create a web of trusted connections with a diversity of organizations and institutions, generate bottom-up development, and understand, leverage, and build on the existing social infrastructure” (London & Hart, 2004, p. 364). In sum, cogent consideration of the positive impact of business operations in local communities’ way of living might be an important factor for the success of MNEs operating in EM contexts.

These factors should be embedded in strategies such as collaborating with local and non-traditional partners (e.g., NGOs, independent resellers), co-inventing custom solutions (e.g., the functionality of products), building local capacity (e.g., providing pieces of training, tackling infrastructure and service gaps) and, where possible, protecting and promoting HR. It is the case that because of the lack of binding international regulations on BHR matters (section

2.4), once MNEs decide to enter institutionally vulnerable markets, they can still choose between adapting to impaired local extant institutional standards, or engaging with local and foreign stakeholders and institutional entrepreneurs to developing more favorable rules of the game (Oetzel & Ketz, 2012). In line with this analysis, Meyer and Thein (2014) developed the concept of low profile strategies, based on Scott's neo-institutional perspective and a longitudinal empirical research, carried out in Myanmar. This concept translated MNEs' actions, guided exclusively by compliance with hard law, and yet by keeping their operations away from the media spotlight and public scrutiny as much possible. In the end, it was revealed that MNEs make use of local intermediaries to distribute or even produce their goods, in order to circumvent market sanctions and outsource or at least distance CR matters from their sites.

On top of these low profile strategies, Meyer and Thein (2014) assert four more categories of MNEs' responses to HR institutional pressures in EM. These categories are disengagement (i.e., exit or non-entry), unchanged strategies (indifference, self-ruled as marginal or liminal); low profile (adaptation to weak institutional realms); relationship management in the host country (i.e., attempt to change/overcome institutional realm); and stakeholder engagement outside of the country (i.e., also an attempt to change/overcome context constrains but appealing to external economic and institutional actors). These last two, given MNEs local and foreign political, economic, and social leverage, also represent the capabilities of business organizations to promote change so that risks to their business, as a consequence of institutional voids, can be mitigated. Following Meyer and Thein's arguments, this researcher observes that MNEs' strategies in response to HR institutional voids can occur either through disengagement from or engagement with institutional contexts. However, once MNEs decide to enter such adverse markets, their institutional engagement strategies take place and can be observed through simple compliance with extant institutions or by attempts to change them. Institutional changes, then, can be sought directly by MNEs by means of entry-mode negotiations with governments<sup>41</sup>, and the major, regulative authorities who can deliver, for example, "changing legislation in view of attracting FDI" (K. E. Meyer, 2004, p. 271).

Such changes can be sought, indirectly and gradually, and assume many forms of influence, but more pronouncedly through lobby activities. Simply put, lobbying is a sort of pressure practiced by an organized (business) group on politicians and public authorities, aiming to exert influence within their reach, but without seeking formal government control.

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<sup>41</sup> Valid to remark that cooption, often counter-ethics institutionalized behavior, can find room to operate in such negotiations.

As money contributions and other sorts of incentives in exchange can be part of lobby dynamics (Zinnbauer, 2009), this activity can often sound pejorative (e.g., bribery, corruption), then some may refer to it as advocacy or campaign. Lobbying is as old as politics itself (Ruggie, 2017) and, similar to an institution, changes over time, context, and according to actors' interests. Inside corporate realms, its most standard form can be interpreted as how business organizations exercise instrumental power<sup>42</sup> in public affairs. Given the substantial possibilities of private interests taking control over certain public policies and regulation processes, some authors argue that corporations should not practice lobbying outside the public view (Scherer & Palazzo, 2007). A major consequence can be the compromise of democracy itself and trustworthiness in institutionalization processes.

However, upon globalization and the neoliberalism model, lobbying assumed international magnitude as connected with the also-enlarged leverage of corporations (Ruggie, 2017). In some countries, it remains prohibited, in others, regulated, but probably in most places unavoidable. For instance, through business associations and political committees, lobbying has gone wide and dark in the USA (Ruggie, 2017). As Drutman (2015) uncovered, half a decade ago, the annual expenditures with reported lobbying in this country where it is regulated were higher (2.6 billion USD) than the combined funds destined for its Senate and White House (2.4 billion USD). What is more, this "corporate investment" represented 34 times more than the total lobby spending for all labor unions and civil society groups, which represent public and consumers' interests. In other words, these are the organizations (e.g., NGOs<sup>43</sup>) most likely serving as a countervailing force to business interests outside of government. Despite this discussed potential mastery over institutionalization processes, arguably and again, MNEs have not received prominent attention as major actors of institutionalization in IB and BHR research. On the contrary, and other than governments (GOVs), NGOs hold major, normative-institutional roles in such processes in democratic EM contexts (Scott, 2014; see also Meyer & Thein, 2014).

Another less controversial, widely discussed by IB scholars form of MNEs' responses to address institutional voids in EM rests on self-regulatory frameworks, such as codes of conduct, corporate policies, standards for CSR and sustainability systems. For instance, adherence to normative frameworks such as GPs, GCPs (i.e., UNGC's principles), and ILO guidelines are cases of private governance proven efficient ways of both responding to

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<sup>42</sup> The "employment of specific resources to achieve one's aims" (Ruggie, 2017, p. 5).

<sup>43</sup> A standard reference in CSOs also adopted in this study.

institutional voids (Doh, Husted, & Yang, 2016) and mitigating social and environmental issues often intensified by corporate activities. Such private governance mechanisms can be enforced both locally and internationally via strategic alliances (London & Hart, 2004; Rathert, 2016; Ricart et al., 2004), for instance, via industry or market standards. In sum, the shapes and advocacies needed to change public institutions added to the private governance schemes, and the market alliances, all represent institutional pressures that can return MNEs a more viable way of entering and operating in a given foreign realm marked by institutional voids. However, although these may all constitute legal strategies, these institutional interventions are not always ethical or moral. This is because as they are mostly business-oriented, they can act concomitantly in the betterment or worsening of a given HR institutional realm. In fact, understanding and responding ethically to different institutional contexts is a challenging task for MNEs because they interrelate with many contrasting aspects, forming what Ricart et al. (2004) named the CAGE model.

This model is made up of cultural, administrative (e.g., societal and political matters), geographic (e.g., distance and size of home-host countries, remoteness, and climates), and economic (e.g., income, resources, development, infrastructure) differences between home and host countries. When it comes to HR issues, MNEs should strategically manage these aspects and, at the same time, keep the focus on their key-economic drivers without compromising societal interests. Furthermore, IB research offers many other compelling approaches relating to MNEs' responses to general institutional voids, thus revealing their connections with changes in HR institutional realms. An example of this is the assertion that MNEs' responsible responses to institutional voids may depend not on firms' degree of sensitivity to specific societal issues but more on institutional pressures from both home and host countries (J. W. Meyer, 2014; Teegen et al., 2004).

The notion of a silent, global governance system, in which institutional pressures emanate from GOVs, NGOs, and the private sector in an interconnected mode, therefore seems undeniable (Doh & Teegen, 2002). It is also revealed that these three types of organizations are, to date, empowered institutional actors, who constantly interact to develop the institutional landscape at local and global levels (Meyer & Thein, 2014; Teegen et al., 2004; Wettstein, 2009). Fortunately, even if, in some cases, moral considerations are evaded, real concerns from IBs scholars about HR in EM were notable (Eden & Lenway, 2001; Hartman, Shaw, & Stevenson, 2003; K. E. Meyer, 2004; Rathert, 2016). It is evident that to safeguard profits, MNEs strategize responses to institutional voids and adjust to certain institutional pressures,

stemmed from both home and host countries, and society at large. By doing this, MNEs can be regarded as institutional actors, collaborating for the bettering or the worsening of societal interests (Wettstein, 2009, 2010a). For the worsening if, for instance, ignoring, by convenience, their moral duties to HR in EM and elsewhere.

### **3.5. Summary**

This chapter reviewed key aspects of the vast neo-institutional theory, most notably those from its sociological strand concerning the interplay between institutions and (business) organizations. Five are the key outcomes here. First, this review served to deepen our understanding of the elements permeating the interactions and interdependence in societal, institutional logics, such as processes (top-down, bottom-up, interactive), pressures (formal and informal), and organizational structures and actors (GOVs, CSOs, public and private organizations). Second, it contrasted theoretical approaches to neo-institutionalism up to the unfolding of Scott's (2014) three-pillars framework as the underlying model for this study's initial framework of analysis. This given its comprehensiveness and interactional dynamics to the relations between the societal context and (business) organizations.

This selection also finds justification because Scott's model admits critical realism and embeds (business) ethics. Third, the chapter showcases that organizational, institutional power can be used for business and society co-evolution (Cantwell et al., 2010; Peng et al., 2008; Teege et al., 2004). Still, depending on each context strength, it can also serve to please other less enlightened goals (Mahoney & Thelen, 2010). Fourth, it assessed the dual nature (i.e., structure and agency) of business organizations in society that, respecting given conditions (e.g., institutional quality, economic locus, and political power-play), places corporations as key actors of institutional building (May, 2015; Scott, 2014; Scott et al., 2011). The fifth and final takeaway is the fact that few studies in the IB field, if any, have regarded MNEs as central actors of institutional change in EM from the viewpoint of the HR holders. That is to say that studies verifying the political participation of corporations in given (EM) institutional realms for the sake of the less powerful stakeholders in society—which this study proposes to do—are still scarce. In conclusion, these points will be considered, summed to the foremost outcomes of Chapter 2, and put into perspective in the next part of the dissertation, to shape the research's initial framework of analysis.

## **Part 3 – Research Operationalization**

Corbin and Strauss (2015) assert that the extant literature informing SGT researchers can be classified as either theoretical (technical) or contextual (non-technical), but no requirements apply for such structural separations in academic work. However, as context stands for a complicated notion, demanding considerable efforts to be depicted fairly (Corbin & Strauss, 2015), the researcher opted to explore the Brazilian context here in a separate chapter, as to compose the research’s empirical operationalization. Therefore, this third part of the dissertation subdivides into two chapters. Chapter 4 presents the research’s initial framework of analysis and provides an overview of the BR-BHRIC, while Chapter 5 presents the methodology of the study, detailing its philosophical approach and methods.

### **4. Research Design and the Brazilian BHR Institutional Context (BR-BHRIC)**

This chapter has two objectives. The first, presented in section 4.1, is to draw the research’s initial framework of analysis, departing from the major outcomes of the thorough literature review performed in Chapters 2 and 3. The second, presented in section 4.2, is to explore the BR-BHRIC, navigating on the historical, economic, and institutional aspects of the geographic scope of this research. To its conclusion, section 4.3 summarizes the chapter’s main points and opens the pathway to the development of the empirical aspects of the research.

#### **4.1. Research Design**

This section is dedicated to the development of the research’s initial framework of analysis and is organized as follows. Section 4.1.1 shapes the research problem and purpose and presents the research gap that this study may contribute to shortening, while section 4.1.2 detaches how the underlying perspectives of this research shape the research’s initial framework of analysis.

##### **4.1.1. Research problem, purpose, and gap**

The researcher has examined diverse literature entangling the BHR field and institutional theory to elaborate on the research background—Chapters 2 and 3. Most particular attention, however, was given to the studies focusing on the moves and roles of MNEs toward matters of CHRR institutionalization and operationalization in EM. As a result, this literature

review has served in numerous ways to shape the study aims, clarify inquiries, and to reveal research gaps. First, from IB research, the review stressed that IB organizations operating in EM often regard HR due diligence under the lens of instrumental reasons. Firms' decision-making factors defining such a responsibility weight more profit/loss evaluations and reputational risks (Lewis, 2003), and rarely moral and ethical reasoning (Wettstein, 2012b), or political proactiveness (Wettstein, 2018). Over this knowledge, the problem of the research became apparent: the complicated relationships between the still weak institutionalization of the BHR relations in globalized EM and MNEs' interests in this issue. Furthermore, and on the same grounds, the purpose of this research expanded, which is to further our understanding of the drives, interplays, and challenges for CHRR institutionalization and operationalization in globalized EM, for the sake of HR advancement.

Second, delving into the BHR literature served to clear that, besides the universality and significance of HR and the considerable number of corporate-related HR violations, particularly higher in EM, to date (2019), there is not yet a global treaty able to hold MNEs accountable transnationally for the harm that they may cause direct and indirectly to HR (section 2.4). However, there have been numerous attempts throughout history to tackle both HR structural issues and violations occurring in global realms in connection with international economic activities upon voluntary frameworks. For instance, the GPs (2011) represent the most recent of such attempts and, despite big pitfalls, they served to trigger studies relating CR and HR matters, thus promoting the BHR debate in academia and practice.

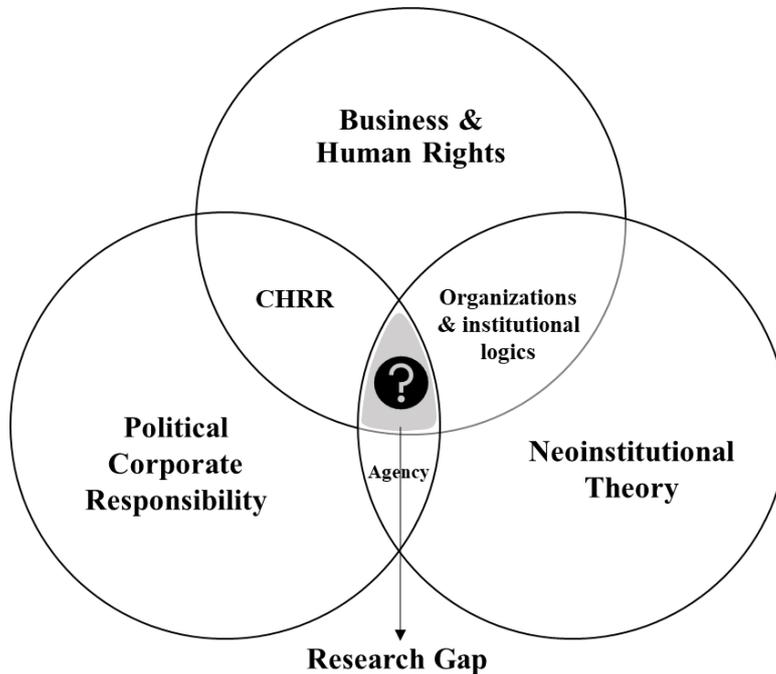
Before the GPs, HR have not played a prominent role in CR or other business and management researches (Wettstein, 2012b). It is also true that, to date, there are still very few empirical studies assessing whether and how the GPs have been meeting their objective<sup>44</sup> (Doh et al., 2015; Giuliani, 2016; Giuliani & Macchi, 2014; Giuliani et al., 2016; Marquis & Qian, 2014). In other words, it seems underexplored whether and how the GPs or other BHR-related ruling institutions (e.g., GCPs, UDHR, and the Bill of Human Rights) have been serving to encourage MNEs to address their CHRR in EM more responsibly (Wettstein, 2018). It seems uncovered by prior research the considerations about the extent to which MNEs consider EM socio-cultural lookouts when framing their HR policies or, instead, set up a global, ethical, and unconditional way to address respect for HR through their transnational operations.

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<sup>44</sup> Again, to reduce "corporate-related human rights harm to the maximum extent in the shortest possible period of time" (Ruggie, 2011b, n.d.; see also in Deva, 2013, p. 103, and in section 2.4).

Third and still, the literature review showed that contemporary studies on political CR are found delivering a fair understanding about how political power is granted (or taken) by big business organizations in society (Kobrin, 2009; Maak, 2009; Matten, Crane, & Moon, 2009; Santoro, 2010; Scherer & Palazzo, 2007, 2011; Scherer et al., 2014; Wettstein, 2010b). In parallel, researches relating neo-institutionalism and IB have asserted that, under given conditions and interests, MNEs stand out as prominent agents of institutional change in globalized contexts (May, 2015; Meyer & Thein, 2014; Scott, 2014; Scott et al., 2011). It is also known that (corporate) organizational power can be used for business and society co-evolution (Blickle, 2018; Cantwell et al., 2010; Peng et al., 2008; Teege et al., 2004). Nevertheless, depending on each context's institutional strength, to please other less enlightened goals (Mahoney & Thelen, 2010). However, studies are scarce on how and to which extent corporate political and institutional power is exerted in society. Also, tending to nothing are the ones dedicated to examinations of MNEs' roles toward HR institutional advances and governance in EM (Giuliani & Macchi, 2014). Finally, putting all these observations and voids together, it was possible to elaborate on the research gap that, for better understanding, is illustrated below.

**Figure 2: Research gap**



Source: Researcher's creation.

The above-illustrated research gap was observed in the cross-connection of BHR, political CR, and organizational neo-institutionalism, where studies relating the roles of IB organizations on matters of HR governance<sup>45</sup> in EM, for the sake of HR advancement, are still very scarce. Furthermore, the researcher acknowledged a lack of such explorations not only in general terms (Giuliani & Macchi, 2014; Wettstein, 2018) but also regarding the behavior of EM corporations (Giuliani et al., 2016) in comparison with their advanced markets (AM) peers. Still, when it comes to research on Latin American realms, the shortage seems more significant. For instance, it seems unassessed how EM-MNEs contrast their AM peers in terms of CHRR behavior and frameworks in their home markets. To the researcher, this comparative focus then seemed particularly relevant in many ways.

First, because being AM-MNEs headquartered in realities where HR are already reasonably respected by (business) people, it is expected that such companies are likely to be heading enlightened CHRR practice transnationally. Thus, these AM companies are able (and expected) to be leading positive change in realms less developed in BHR aspects (e.g., standing against gender-labor inequalities, paying living wages). At the same time, provided legitimacy and global competitiveness, EM-MNEs are expected to be coupling with higher CHRR standards practiced (as expected) by AM-MNEs. Second, because HR institutions in EM might be subject to controversies, in the race for economic development, some States may forget their primary responsibility, that is, to govern for their people and not for attracting FDIs, leaving the orchestration of the BHR matters to the invisible hands of the market.

#### **4.1.2. Research objective, questions, and initial framework of analysis**

The theoretical and regional gaps found in literature and summarized in the previous section revealed the lack of examinations about whether and how host (EM) and AM-MNEs exert some positive or counter influence on HR or BHR governance in EM. Still, such shreds of evidence from Latin America realms were noted as being most particularly scarce. This sounded like a call to this researcher and denoted the inevitability for an empirical study. In response, Brazil was selected as the geographic scope of this study, whose representativeness is explained in section 4.2, and the research objective could be laid out: to examine how BR and AM-MNEs operating in Brazil (BR) shape their CHRR approaches and interact with the BR-HRIC. This aim, born intentionally broad, thus constitutes the need for an exploratory and descriptive research approach.

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<sup>45</sup> As means of political influence and institutional practice.

Still, it holds a broad scope given two reasons: first, because few are known by extant BHR literature, relating MNEs to HR institutions in EM contexts; second, because it follows SGT methodological precepts that discourage narrow objectives' design as they may restrict the research explorations and, consequently, narrows potential findings (Corbin & Strauss, 2015). Also, it is worth noting that the research objective assumes a BHR relational perspective on which both MNEs and HR-holders are important societal stakeholders. In such, it seems paramount to explore the very specific institutional elements and pressures that shape given MNEs' HR approaches, identifying them from local (BR) and foreign (AM) boundaries. Still, how MNEs respond to external institutional elements and pressures, and how such responses may influence the host HRIC, shall also be addressed. To better operationalize this aim, the researcher elaborated on two interrelated research questions (RQs), as follows.

RQ1: How does the BR-HRIC influence the HR approaches of BR and AM-MNEs?

RQ2: How do BR and AM-MNEs' HR approaches influence the BR-HRIC?

Subsequently came the drawing of the research's initial design. To that, the researcher visited prior research recurrently in the search for underlying assumptions and a best-fitting extant model. From Chapter 2, it was first verified the scarcity of studies concerning BHR institutional relations as a means of detaching from voluntary and instrumental perspectives. Second, it revealed as scarce the evidence on the normative utility of the GPs to boost CHRR ethical and political practice (Doh et al., 2015; Giuliani, 2016; Giuliani & Macchi, 2014; Giuliani et al., 2016; Marquis & Qian, 2014). Third and last, it showed the consolidated notion that corporations hold political CR, which is supposed to be used for societal betterment (Maak, 2009; Matten et al., 2009; Santoro, 2010; Scherer & Palazzo, 2007, 2008, 2011; Scherer et al., 2014; Wettstein, 2010b).

From Chapter 3, the researcher grabbed evidence that business organizations can be, respecting numerous interests and conditions, active changing actors of institutional realms (Mahoney & Thelen, 2010; May, 2015; Meyer & Thein, 2014; Scott, 2014; Scott et al., 2011). This chapter also offered a depiction of other structures, agencies, processes, and interrelations shaping institutional logics, revealing Scott's (2014) three pillars framework a critical underlying perspective for this research. Still, it regards the ethical perspective<sup>46</sup> and admits a critical realism paradigm, both foundations of this study. The researcher then also found in Meyer and Thein's (2014) application of Scott's framework an inspiring basis for the initial

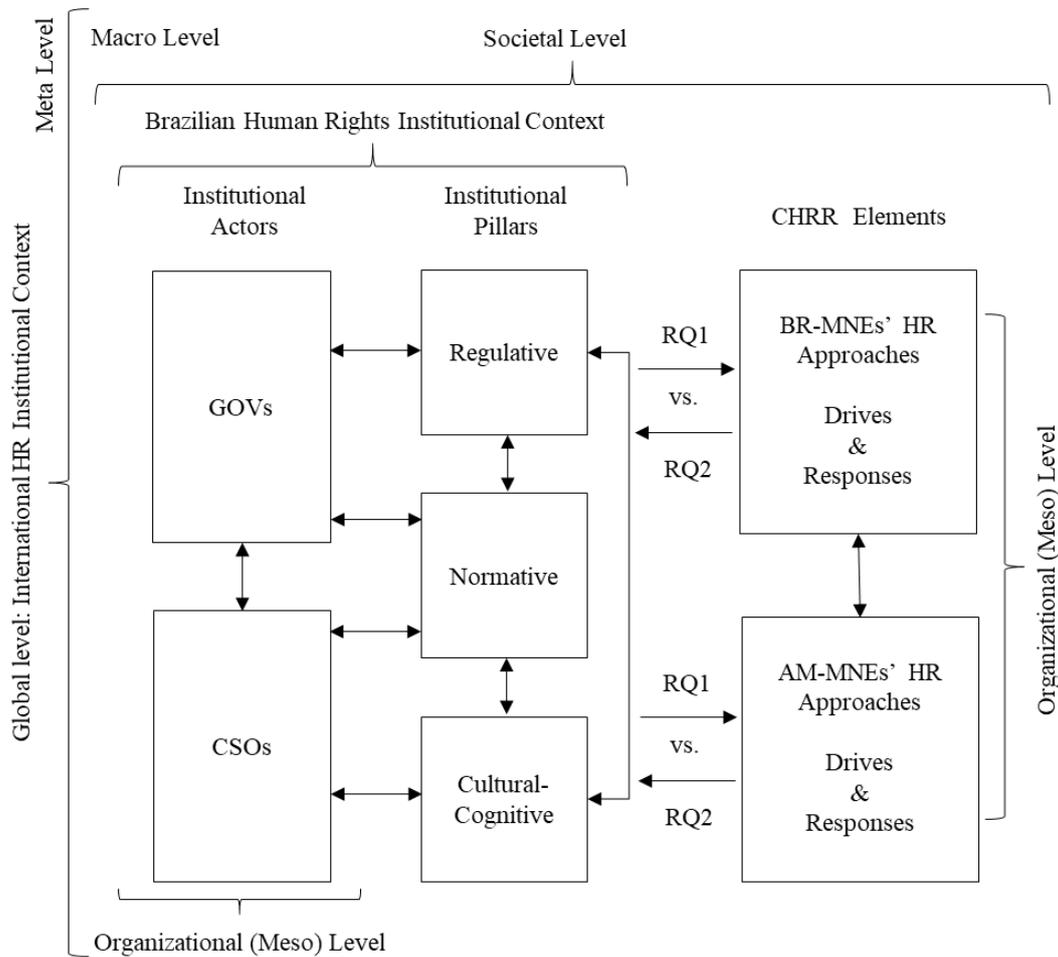
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<sup>46</sup> Although this study assumes a descriptive character, it does not reject the moral and normative as grounds for CHRR, so that critical paradigm can be met.

design of the empirical part of this research. Meyer and Thein's (2014) identified five responses of MNEs, engaging home and host countries' regulative, normative, and cultural-cognitive institutional interactions, as ways to overcome HR institutional adversity found restraining their businesses in Myanmar. These responses are (1) disengagement, (2) unchanged strategies, (3) low profile strategies, (4) relationship management in the host country (EM), and (5) stakeholder engagement outside the country.

The examination of these strategies served to fuel the study inquiries about whether and how MNEs make use of their political power to trigger changes in BHR-related institutions of a given context (i.e., BR-BHRIC). If so, could it happen in function to their CHRR approaches or yet through direct and strategized economic and institutional interactions? Still, if those interactions take place, what would their outcomes look like? How would they differ?—according to MNEs' origin?—according to the firms' principles and institutional drives?—according to context institutional quality?—according to the relationships with given industry peers or institutional actors, such as governments (GOVs) and civil society organizations (CSOs)? For instance, would one MNE group be more politically engaged than the other in matters of HR institutional change in Brazil? It also sounds interesting to understand whether and to which extent moral reasoning plays a role in grounding MNEs' CHRR approaches in such an institutionally unstable context that seems to be Brazil now. Finally, all these underlying perspectives, research objectives, RQs, and contextual confines of the study were then put together to draw its initial framework of analysis, illustrated below.

**Figure 3: Research’s initial framework of analysis: BHR institutional relations in Brazil**



Source: Researcher’s creation, based on Scott (2014), Meyer and Thein (2014), and Wettstein (2012b).

Following SGT’s precepts, the framework presented above can be used as unconstrained guidance for the empirical part of this research. It can then be refined, expanded, or even abandoned according to the empirical results of the research. This section then concludes by listing the main points of this initial scheme. First, the premise that the external context influences MNEs’ HR approaches, and vice-versa, is grounded in sizeable neo-institutional literature (section 3.3.3), although prior studies not necessarily implicate CHRR matters. Second, the contribution that this research aims to add to the BHR field might happen by the uncovering of institutional elements faced or added by BR and AM-MNEs that might support or hinder the advances of HR/CHRR institutionalization in a globalized EM (i.e., Brazil). Third, a holistic overview and specific understanding of how isomorphic or divergent

the case MNEs groups are, in terms of their behavior toward HR institutional issues in Brazil, can then add to the multidisciplinary areas that remain underexplored in BHR research (Figure 2, section 4.1.1). Forth, by contrasting the political and institutional behavior of BR-MNEs with their AM peers on matters of CHRR in Brazil, the researcher intends to contribute to reducing the shortage of IB studies about EM-MNEs (Giuliani et al., 2016), considering HR advancement in EM. Thus, this study goes against the mainstream IB research that has extensively drawn on economic and technological influences of AM-MNEs' activities on their host emerging countries, thus leaving the role of these corporations as part of local and global (HR) governance unexplored (Giuliani et al., 2016).

## **4.2. The Brazilian BHR Institutional Context (BR-BHRIC)**

When it comes to analyzing the institutional relations of any given context, the starting point depends not only on the researchers' field of study, professional experience, values, and cognitions but also on their holistic understanding of the interrelations between research and practice (Birks & Mills, 2015). Thus, in the case of BHR relations, a paramount step, on top of theoretical grasp (Chapters 2 and 3), seems to be the understanding of the complexity and mutual relationships between local and global and also historical, social, economic, political, and institutional (regulative, normative, and cultural-cognitive) systems. This section then serves to furnish the study with the Brazilian contextual BHR background in detail, historically (section 4.2.1), socioeconomically (section 4.2.2), and institutionally (sections 4.2.3, 4.2.4, 4.2.5). It is worth noting that Brazil was set as the geographical reference for the fieldwork given the observed regional gap in research (section 4.1.1), and because—despite its giant representativeness in IB realms and its colossal BHR issues<sup>47</sup>—no studies dedicated to Brazil were found relating to this research topic, by the time that this study was designed (2017-2018).

According to a market report (Political Risk Services, 2017), Brazil is the fifth-largest country by area in the world, third in the Americas, and first in Latin America. Economically, though still an EM, it also holds substantial global relevance (section 4.2.2). It is the largest economy in Latin America and the seventh in the world, with an integral role in the BRICS. Brazil's natural resources and biodiversity are also substantial—e.g., its Amazonian biome and reserves of petroleum, minerals, and drinking water. However, the most important to this study is that Brazil is home to more than 209 million people, who share vast diversity in miscegenation, culture, and religion and have faced severe BHR-related controversies (e.g.,

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<sup>47</sup> Access the Business & Human Rights Resource Centre's portal for cases of corporate HR violations in Brazil: <https://www.business-humanrights.org/en/regions-countries/americas/brazil>

labor rights setbacks) and tragedies (e.g., the collapsing of the Brumadinho and Mariana dams) as of late. Seemingly, in recent times Brazil's HR institutions have faced several attacks, arguably, as ways to foster its economic development. Local HR issues have been aggravated by several reasons, such as the growth of the already alarming socioeconomic inequalities, corporate violations, and abuses of authority. Still, and upon public news, corruption seems endemic and deep-rooted in government (e.g., *operação Lava Jato*/Car Wash operation), functioning then as a drain to the local commonwealth, thus confirming theorizations (Human Rights Watch, 2018; see also Hess & Dunfee, 2003). Brazil's BHR elements will then be elaborated in detail in the following sections, and, as hoped, this review will serve as an informational guide to the empirical part of this study.

#### **4.2.1. Entangled struggles: Historical highlights of the BR-HRIC**

##### ***4.2.1.1. Young democracy, widespread distrust in (HR) institutions***

Brazil has reached 520 years since its foundation and 200 years since its independence from the Portuguese colonial realms. Still, it can be considered a young nation, at least in terms of democracy (Movimento Nacional de Direitos Humanos et al., 2012) and its globalization opening up (Hauge & Magnusson, 2011). The country is still in the race toward economic development amidst an extraordinarily unequal and controversial political, institutional, and socioeconomic context. Nonetheless, a country's age, economic wealth, or its complexity should not be the indicators used to judge a nation's capacity to provide its citizens with the realization of their HR, including protecting them against exploration from too much capitalism. The moral and ethical standards of its people's major representatives are much more significant in this sense because HR are moral rights, thus pre-political and pre-institutional matters (Wettstein, 2012b; see also Feinberg, 1973). However, Brazilians do not deposit much trust in institutions, including those of HR. Even less reliance is placed on the politicians engaged in the creation of such societal rules (Dalia Research, 2017). Nevertheless, other multiple and entangled factors also play a role in diminishing Brazilians' awareness and respect for HR. For instance, the country's historical developments, as the next section shows.

##### ***4.2.1.2. The authoritarian regimes: HR as subversive ideals***

Brazil faced democratization from 1945-1964, which culminated in a violent military coup between 1964 and 1985. This regime deployed controlling agencies responsible not only for applying strong censorships on general communications channels and educational systems but also for repressing the whole nation through arresting, torturing, executing humanistic thinkers and their supporters—such as artists, students, union founders—and anyone else who

dared to question social injustices and the imposed non-civil order countering democracy (Genevois, n.d.; Petry, 2008). During this era, talks about HR were considered subversion, to the point that HR supporters were associated with troublemakers and even accomplices of delinquents, criminals, and outlaws. Given this background, a distorted view of HR is still held in Brazilian society, sustained, allegedly, by those who profit through people's captivity (A. A. Santos et al., 2017; Genevois, n.d.; Movimento Nacional de Direitos Humanos et al., 2012).

#### **4.2.1.3. 1988: The first democratically built-in Constitution**

From a regulative perspective, history tells us that Brazil's first, and current, democratic humanistic Constitution (1988<sup>48</sup>) brought, maybe too late, recognition of the most basic HR<sup>49</sup>, such as individuals' political and socioeconomic rights on a regulatory level. However, after three decades of such advances, Brazil still faces alarming contemporary HR issues (Human Rights Watch, 2018). From a sociological viewpoint, some authors argue that Brazil's current HR disparities and the people's resignation toward them are deep-rooted in historic-structural reflections of the country's long period of authoritarian regimes, such as colonialism, coronelism<sup>50</sup>, militarism, and three centuries of slavery, during which HR warranties were marginalized (Movimento Nacional de Direitos Humanos et al., 2012; A. A. Santos et al., 2017).

#### **4.2.1.4. From hard battles and activism to HR socio-political achievements**

Brazil's socio-political history also reveals lots of struggles and battles headed by the activism of local and global CSOs for change, more pronouncedly after the promulgation of Brazil's current Constitution in 1988 (Fausto, 2006). This, arguably, because the local Magna law brought the endorsement of the International Bill of Human Rights, and other major related international regulations on HR matters (Piovesan, 2016). Real direct elections<sup>51</sup>, expansion of labor rights, the establishment of the individual's rights to property, recognition of consumer rights, basic education as the state's obligation, and freedom of expression and political association are just some examples of the sorts of HR that gained highest legal guarantees in

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<sup>48</sup> The 1988 Brazilian current Constitution is locally termed as Citizen's Constitution (*i.e.*, *Constituição Cidadã*), as it marks the end of an era of militarism (1964-1985) and authoritarian regimes.

<sup>49</sup> Read R. H. Green (1981) for a contrast between basic HR and basic needs. We also recommend reading Trstenjak and Weingerl (2016) for the influence of HR and basic rights in private law .

<sup>50</sup> From the Portuguese term *Coronelismo* that translates the Brazilian political imperative (*i.e.*, the rule of the coronels) during the Old Republic (1889-1930), means the centralization of the political power in the hands of a locally dominant oligarchies (Fausto, 2006).

<sup>51</sup> Official disclaim of the Brazilian electoral court (Tribunal Superior Eleitoral, see <http://www.tse.jus.br/eleitor/glossario/termos/eleicao-direta>) informs that there have been so far 19 direct elections in Brazil, which are debatable data, given this court controls the formation of the political parties and sets requirements for a candidacy be eligible in, arguably, non-democratic and inclusive ways.

this new Constitution. It is worth noting that in parallel to this other strand of history, Brazil had pronounced economic growth upon the opening up of the country's doors to globalization<sup>52</sup> (Fausto, 2006). According to Hauge and Magnusson (2011), although greater FDIs inflows had positive impacts, for instance, in the increase in jobs and improvement to urban infrastructure in Brazil, inequality and extreme poverty levels did not decline in line with these economic and structural improvements. Instead, the improvements experienced by the middle of the 1990s in socioeconomic indicators related to HR developments, are claimed to be the result of the social reforms enforced by the new Constitution (Hauge & Magnusson, 2011).

Despite this, the outcome of the then neoliberal governments, associated with globalization, resulted in the emergence of a favorable macroeconomic scenario in Brazil. For about two decades, Brazil continued with a labor-rights-friendly outlook but following slowly in other HR matters (e.g., access to quality education and health care), until the center-left workers' party reached the country's presidency (i.e., 2003). During this governance (2003 to 2016), according to global indicators (OECD, 2018a, 2018b, 2018c; The World Bank, 2018; see also Ballestrin, 2019), Brazil also started to experience certain HR key developments, as noted internationally<sup>53</sup>. For instance, extreme poverty was considerably reduced (see HDI), slight improvements in tackling income inequalities were observed (see GINI), and the overall quality of the country's education secured little advances (see PISA). Still, the perception of corruption, which remains a widespread issue in the country, has been reduced (see CPI), and the empowerment of CSOs has been manifested in this period (Ballestrin, 2019; F. G. Lopez, 2018).

#### ***4.2.1.5. Public-private corruption scandals and the parliamentary coup***

During the left-wing administration, corruption scandals involving numerous politicians from various parties, large corporations, and representatives of the local business elite came to the fore. The public-private misconduct scandal *Mensalão*<sup>54</sup>, which trials started in 2005 and ended in 2012, was the first large-scale case of its kind that put the integrity of the center-workers' party (PT) under scrutiny. This billionaire-level scandal did not, however, affect the continuity of the government under president Luis Inácio Lula da Silva, who was reelected. Sequentially, the wave of investigations of corruption at the top levels of public-

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<sup>52</sup> Although it is hard to mark precisely when globalization hit Brazil (Hauge & Magnusson, 2011), some authors attribute it to the pronounced increase of FDIs inflows registered in the country in the 90's (Baer & Rangel, 2001), as part of neoliberalist reforms.

<sup>53</sup> Here an example from press news stressing these indicators' developments between 2003-2016: [https://www.bbc.com/portuguese/noticias/2016/05/160505\\_legado\\_pt\\_ru](https://www.bbc.com/portuguese/noticias/2016/05/160505_legado_pt_ru)

<sup>54</sup> Check a view on <https://www.bbc.com/news/world-latin-america-20764518>

private businesses was enforced and maintained by the then-current administration. In parallel, the calls from the opposition for transparency and the end of corruption at the governmental levels. However, when *Mensalão's* case was closed with the arrests of several people, the corruption and cooption cases at the governmental level continued to appear. In 2012, the power disputes between left and conservative politicians intensified, costing Dilma Rousseff, the then-president and ally to ex-president Luis Inácio Lula da Silva, her second term. She was impeached in 2016 by a contested parliamentary process, in terms of legitimacy, with evidence of counter-democratic and non-transparent alliances among members of Congress, which has been referred to as Brazil 2016's parliamentary coup<sup>55</sup> (Boschi & Pinho, 2019; Miguel, 2019). In parallel, demands for further investigations of public-private corruption were increasingly insistent, until a new scandal of even larger proportions emerged: The Car Wash (*Lava Jato*) operation. It has been argued that this second scandal is the greatest corruption case of its kind in history (Watts, 2017). Initiated in 2014, the Car Wash operation is still ongoing (2019), exposing the endemic corruption in Brazil's top governance levels and raising questions about the credibility of its democracy and overall regulative and judicial institutions.

#### ***4.2.1.6. Deep economic recession, extremisms, and a counter-HR wave***

The scandals mentioned above revealed corrupt alliances among leaders in both business and political realms of practically all parties and led to the imprisonment of many, including former-president Luis Inácio Lula da Silva. Lula was caught in a very controversial, biased trial, where prosecutors (e.g., Deltan Martinazzo Dallagnol) and the judge (i.e., Sergio Moro) were later on accused of collusion, allegedly to prevent him from running for an additional term (Fishman, Martins, Demori, Santi, & Greenwald, 2019). A political-economic wave of instability then spread throughout the country. Sequentially, signs of a severe recession took hold, perhaps and in part a reflection of the global 2014's international crisis (Biller & Shinohara, 2017; Gerbelli, 2017). Under the leadership of Michel Temer—the then incumbent vice-president from a right-wing party, who took office benefitting from the before mentioned 2016's parliamentary coup—not only the political and economic situation of Brazil became

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<sup>55</sup> A sort of *coup d'état* that is when political power of a nation is taken, illegally and through force by military or other elites' groups. See this viewpoint through the lenses of five world press news sources: (1) <https://www.thenation.com/article/international-tribunal-declares-impeachment-of-brazils-dilma-rousseff-an-illegitimate-coup/>, (2) <https://www.forbes.com/sites/kenrapoza/2016/04/21/the-real-reason-behind-the-impeachment-of-brazils-president-dilma-rousseff/#3cbf88f74054>, (3) <https://www.theguardian.com/news/2016/aug/31/dilma-rousseff-impeachment-brazil-what-you-need-to-know>, (4) <https://www.bbc.com/news/av/world-latin-america-36210077/dilma-rousseff-impeachment-is-illegitimate-and-illegal>, (5) <https://www.nytimes.com/2016/09/01/world/americas/brazil-impeachment-coup.html>

more unstable but, arguably, its HR institutional scenario too<sup>56</sup>. Between 2015 and 2017, Amnesty International (2018) drew attention to a large number of regulatory proposals that threatened local HR and represented huge setbacks in related existing laws and public policies. Amnesty International described the situation citing that violence and killings increased in Brazil in this period, mostly affecting young black males. Still, “conflicts over land and natural resources resulted in dozens of killings. Human rights advocates were not effectively protected. Police responded to most protests with unnecessary and excessive force.” (Amnesty International, 2018; n.d.).

Currently (2019), on top of a grave economic recession (Biller & Shinohara, 2017; Gerbelli, 2017) and high unemployment rates—i.e., 12.7% or about 13.4 million (IBGE, 2019)—a wave of extreme conservatism, closely resembling neofascism, took hold in Brazil, mostly after the presidential inauguration of Jair Messias Bolsonaro, a far-right conservative and dictatorship-friendly professional politician (Puzone & Miguel, 2019). The results of the elections that brought him to office are contested, among controversies involving the systematic spread of hate speech and fake news against political and civil society oppositions. In conclusion, it does not seem wrong to argue that political power disputes in Brazil appear to be motivated by the (economic?) interests of some groups rather than for the delivery of wellbeing to most. Nevertheless, only upon the empirical portion of the research, will it be possible to further the understanding of whether and how such politico-institutional aspects affect BHR relations in Brazil. Thus far, and to conclude the section, the researcher can reason that, to date (2019), what seems to prevail in Brazil is a form of pseudo-democracy: only economically-powerful groups can afford the setting up of professional politicians to run elections. In turn, people are mobilized to vote for one of such politicians but are kept aloof from actively addressing their own struggles (e.g., HR ignorance and disrespect), priorities, and pathways to progress.

#### **4.2.2. International business and the socioeconomic outlook**

##### ***4.2.2.1. The vast power of IBs transactions via MNEs***

Despite having the largest GDP in Latin America<sup>57</sup>, being the eighth largest economy in the world<sup>58</sup> and being among the world’s largest exporters of crucial commodities such as

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<sup>56</sup> See this perspective on <https://www.hrw.org/world-report/2018/country-chapters/brazil>

<sup>57</sup> Brazil’s GDP 2017 was US\$ 2,054 trillion. Source: World Bank national accounts available on <https://data.worldbank.org/country/brazil>

<sup>58</sup> Access this indicator via The World Bank Data, 2017, available on [https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?year\\_high\\_desc=true](https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?year_high_desc=true)

soya, coffee, beef, and iron ore, Brazil can still create controversy when it comes to analyzing its degree of openness to global business, which started in the 1990s (Hauge & Magnusson, 2011). On the one hand, looking holistically, Brazil holds substantial volumes of FDI's stocks and flows<sup>59</sup> (Actis, 2013). It ranks seventh amongst the world's top twenty host economies, and ninth in the top 25 exporting developing economies by global value chain (UNCTAD, 2018b). On the other hand, looking in more detail at important indicators of firms and countries internationalization strategies to access international markets, one can see that 2016's exports of goods and services were 12.5% and the imports only 12.1% (UNCTAD, 2018b). The average between 2010 and 2016 is also low; together, the Brazilian import and export-to-GDP ratio scored a modest 24.67%, thus denoting a still weak integration into global trade (OECD, 2018b). However, the depiction of the composition, distribution, and relevance of Brazil's FDIs can provide a better understanding of this country's IBs in connection to the purpose of this study. The latest available statistics dated 2015-2016<sup>60</sup>, disclosed by the Brazilian Central Bank (Banco Central do Brasil, 2018), state that, in 2016, 25% of Brazil's GDP, which was reported as corresponding to US\$ 703 billion, was composed by intercompany operations and capital participations involving FDIs.

According to the same official source, the share of foreign capital in the country registered a slight upward trend until 2012, a decline in the following three years, and a recovery in 2016. It should be noted that in FDI flow-to-gross fixed product capital information, the inward and outward-to-gross ratios were, in 2017, 17.2 and -0.4% respectively and FDI stocks-to-GDP (UNCTAD, 2018b) inward and outward ratios were 36.4 and 16.8% respectively, revealing an imbalance in the country's overall economic size. Also, the country holds several factors that can counter-attract more FDIs and counter-motivate local firms' internationalization moves. For instance, high transaction costs, various bureaucratic barriers, industry-related institutional voids, abundant local content rules (i.e., política de conteúdo local)<sup>61</sup>, and very unstable exchange rate appreciation. These factors, thus, can position Brazil as a still closed economy, even in comparison with other EM peers (OECD, 2018b). Nonetheless, AM investors have been the ones prevailing in Brazil (2010-2015).

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<sup>59</sup> In 2017 Brazil FDI's flows reached, in million, US\$ 62,713 inward and -1,351 outward, and FDI's stocks, also in million, of US\$ 778,287 inward and 358,915 outward, and three years average, respectively of 35.67 and 17.9% (UNCTAD, 2018b).

<sup>60</sup> Brazilian Central Bank applies a quinquennial corporate self-report census to gather this data (Banco Central do Brasil, 2018).

<sup>61</sup> For other view, definition, rationale and practices, access UNCTAD platform: [https://unctad.org/en/PublicationsLibrary/ditcted2013d7\\_en.pdf](https://unctad.org/en/PublicationsLibrary/ditcted2013d7_en.pdf)

This is unsurprising given the institutional safeguards and economic stability these markets are known for. For instance, European countries were the leading investors in Brazil's economy, with 65% of total FDIs, followed by North Americans with 22% (15% from the USA), Asia with 6% (3% from Japan), and the remaining 7% coming from other global regions. The distribution of AM investments by local sectors of the economy in 2016 was 55% in services, 37% in industrial activities, and 8% in agribusiness and mineral energy, according to the Brazilian Central Bank (Banco Central do Brasil, 2018). Moreover, the number of direct investment enterprises increased by 23% between 2010 and 2015, reaching 16,982 companies. However, still according to the local central bank, practically half of these companies are controlled through the voting power of foreign investors. Still and according to the same source, in this period and through FDI's, the direct employment of 3.5 million people was accounted in Brazil, which represents 9% of the country's total formal workers in 2015.

However, from other data sources (Instituto Latino-americano de Estudos Sócioeconômicos [ILAESE], 2017; see also Godeiro, 2017), the dominance of the MNEs in the Brazilian economy seemed more representative. The analysis of the top 100 companies operating in the country, ranked by their gross revenues, reveals that these corporations together billed an amount corresponding to 42% of Brazil's GDP in 2016 (BRL 2.6 trillion). Of this number, 45 companies are 100% foreign MNEs, and 31 are associated with foreign banks, investment funds, and corporations. Therefore, only 25 corporations are considered 100% Brazilian nationals, and of that number, 18 are privately held local MNEs. However, in 2016, these 100 companies together only employed 5% of the total of 40 million formal workers in Brazil. It should be noted, however, that considering the fresh, flexible outsourcing regulations in Brazil (Carvalho, 2019), MNEs may have had a significant multiplier effect on local employment rates—on top of the general entrepreneurial motivation of the market—through their supply chains and local interests. Therefore, the indirect employment effect of IBs in Brazil could be several times higher than that of direct official jobs (Plüss, 2018).

#### ***4.2.2.2. The challenges of becoming an OECD member***

According to OECD (2018a), when Brazil overcomes its recession and addresses ethical, political, and institutional issues, its future IB scenario could once again be very promising. This is the case not only because of Brazil's diverse resources, natural abundance, and size but also due to the country's signaled willingness to expand its integration into the global economy. However, a transparent and robust commitment to fighting corruption, creating well-thought public policies, and tackling overall market-related institutional voids are

all expected measures from Brazil if it is to become a welcome OECD member and succeed in market liberalization (OECD, 2018b). These recommendations require guarantees to respect workers' rights, to protect broad societal interests, and to have sound public investments in professional education, and from there to depart the management of reforms over income distribution. These steps could shield the poorest and most vulnerable citizens from the free and powerful hands of the global market players (Eden & Lenway, 2001). Also important to stress is that a well-established institutional environment is essential to ensure that a more liberal economy does not exist to the benefit of the most powerful agents in society only, i.e., MNEs.

#### ***4.2.2.3. Some local effects of globalization***

Without FDI and MNE's operations, which enhance access to innovations and new technologies from developed nations, it would probably be inconceivable for Brazil to afford many essential advancements within the time frame that the natural increase of its population demands (Baer, 2008). On this path, various essential achievements since the country's openness to globalization are noted, including breakthroughs in industrialization, infrastructure, new technologies, and various innovations in diverse fields. Also, more employment, access to high-tech products, the betterment of service-expertise, access to knowledge transfers that boost the efficiency of local firms, etc. One more benefit is that, in the race for competitiveness, local entrepreneurs imitate the advanced CSR standards of AM-MNEs, or adjust to those firms' requirements, if supplying to them. IBs' activities in Brazil have also been advantageous in terms of public-private partnerships in investments on training and education, in increasing people's purchasing power, and in improving export diversification (Baer, 2008; Hiratuka, 2008).

Literature also shows that MNEs' wages in Brazil are, on average, between 4.5 and 6% higher than what workers performing similar jobs would earn from comparable national firms (Javorcik, 2015). It is also the case that MNEs operating in Brazil support their local affiliates and suppliers, mostly from capital and technology-intensive sectors, to access "stronger incentives to invest in cost reduction and technology modernization and to become more specialized and less vertically integrated, increasing their efficiency, productivity, and competitiveness in world markets" (Hiratuka, 2008, p. 1). In terms of the side effects of IB's activities in the Brazilian socioeconomic context, as an example of what occurs in giant EM, by neglecting their positive and negative CHRR, IB organizations can harm or prevent HR realization, enjoyment, and advancement (Wettstein, 2012b, 2012e). They can also propagate

malpractice of their host economies, for instance, by engaging in the exploitation of labor forces to extremes, not addressing pollution, and practicing money laundering, corruption, and tax evasion (Eden & Lenway, 2001; Litina & Palivos, 2015).

In this sense, Baer (2008) provides a contextual picture of corporate misbehavior impacting balanced progress in Brazil. However, prominently, and extremely difficult to prove wrong, is the inevitable repatriation of investments annually exercised by foreign MNEs, which drains foreign exchange earnings locally via the well-known practice of overcharged transfer-prices. Another adverse effect of IBs in Brazil is the undertaking of local research and development or technology related-solutions to favor imports of foreign capital-intensive technology from (AM) home countries. Through these activities, MNEs can end up inhibiting, hampering, or forcing the denationalization of local firms. They can also trigger consumption distortions by influencing low-income groups to consume foreign goods and misuse their political, economic, and institutional influence to favor their own interests solely. This last issue does not happen only in Brazil but is likely to happen in other democratic EM, for instance, when foreign MNEs make use of “home country’s diplomatic channels to influence host country’s policies, for example, concerning relaxing rules on imports, price controls, labor policies, or profit remittance laws.” (Baer, 2008, p. 200).

#### ***4.2.2.4. Vast socioeconomic inequalities, huge business matters?***

Despite past socioeconomic achievements, indeed, through the substantial contribution of IB operations, as seen in the previous section, Brazil still has alarming HR issues that cannot be tackled separately from the will of MNEs. This is because the solutions require economic resources, and MNEs are the economically dominant agents locally. Another issue is the still vast inequalities in income distribution<sup>62</sup> in Brazil. For instance, and although this has diminished over the last few decades, income inequality is still one of the most significant issues undermining HR realization locally<sup>63</sup>. It is worth noting that in a capitalist system like Brazil, it is not considered wrong for certain groups of people to hold infinitely more wealth than others. However, a considerable social problem arises when the vast majority of citizens hold very little or nothing, and cannot afford the basic human needs and a life with dignity.

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<sup>62</sup> On income inequality, as per GINI coefficient, Brazil scored 0.470 in 2013, this rate being beyond the other OECD 29 member countries’ average (i.e., 0.311 in 2016; see OECD, 2018b). Local official statistics state that more than 50 million people in Brazil, which translates as about 25% of its population, live below the poverty line, meaning that they have a family income of R\$387.07 per month, about US\$5.50 a day (ILAESE, 2017; see also IBGE, 2018). To check other types of inequalities in Brazil check the report of Oxfam Brasil (2018).

<sup>63</sup> Between 1988 and 2015, Brazil reduced its share of the population living below the poverty line from 37% to less than 10%.

This adverse depiction is still a problematic reality in Brazil, where the wealthiest 5% of the population has the same proportional income as the remaining 95% (Oxfam Brasil, 2018).

Wages in Brazil are lower than in any other OECD country, so “the average gross hourly earnings adjusted for inequality are ten times inferior to the OECD average” (OECD, 2018a, p. 39). It should also be noted that inequality goes far beyond the rich-poor polarization. It can be related to discriminatory weights according to gender, race, age, culture, and regionalities, thus causing disparities, deficiencies, and exclusion of groups from accessing the elites’ social and economic realms. Thus, the ways that employers compensate their employees can contribute to enhance socioeconomic inequalities or tackle them. Other local HR issues that can be addressed through the economic (and also political) leverage of MNEs in Brazil, and arguably elsewhere, are high unemployment and extreme poverty<sup>64</sup>. Though this last, by its definition, is a multidimensional issue (Sátyro, 2017). In combination, these two HR issues cause many people to submit to informality, to earn less than the living wage, and to bear many undignified living conditions. In fact, unemployment rates<sup>65</sup> in Brazil, as above-mentioned, are to date (2019) extremely high, at 12.7%, which is about 13.4 million people (IBGE, 2019). This is alarming, for instance, considering that the average among OECD countries is 6.3%. Similarly, the youth unemployment rate scored 25.9% in 2016 in Brazil, while the OECD average was 13% (OECD, 2018b).

A conclusion is that Brazil cannot possibly tackle mass unemployment without a collaborative approach from big business organizations and the team-up of public and private initiatives. In analyzing how to tackle socioeconomic disparities in Brazil, Gomes (2016) cites the country’s unfair taxation regime, given that those at the bottom of the pyramid pay the most and get the least. Upon his analysis for the Instituto de Pesquisa Econômica Aplicada (IPEA) of Brazilian challenges for development<sup>66</sup>, Gomes (2016) notes that from 2005 to 2014, the taxation burden has remained constant in relation to the country’s GDP, besides the expressive corporate tax relief policies, while its proportion was maintained through increased taxation on salaries and consumption. This is the so-called regressive tax structure, very characteristic of the Brazilian taxation system. Arguably, it allows for the penalization of the poorest, through these three following points. According to Gomes (2016), first, there is excess taxation on

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<sup>64</sup> GDP per capita (USD thousand PPP = Purchasing Power Parities) scored 15.2, while the OECD average is 42. The headcount ratio of Brazilians living below the poverty national lines (USD 1.9 a day) scored 8.7% in 2015, which is about 18 million people.

<sup>65</sup> See World Bank national accounts available on <https://data.worldbank.org/country/brazil>

<sup>66</sup> See this and other analysis on IPEA’s online magazine named *Desafios do Desenvolvimento*, available online: [http://www.ipea.gov.br/portal/index.php?option=com\\_alphacontent&view=alphacontent&Itemid=361](http://www.ipea.gov.br/portal/index.php?option=com_alphacontent&view=alphacontent&Itemid=361)

goods and services of about 18.8% of GDP, which is higher than in any OECD country, where the average is only 11.6%. Second, there is a total exemption of income tax on profits and dividends distributed to companies' shareholders, which is the inverse of what most countries do. Third, and finally, there is the possibility of corporations deducting from their taxable income a fictitious expense related to the so-called interests on their own capital.

Indeed, attracting more FDI and IB firms can immediately generate formal and, supposedly, well-paid jobs and thus support the reduction of inequality linked to unemployment. This should, however, come encompassed by a fair taxation regime and the creation of regulations to tackle tax evasion. Also, states' welfare programs, such as income transfers (e.g., *Bolsa Familia* and *Fome Zero*) or comprehensive unemployment insurance, are welcome emergency remedies but not long-term, sustainable solutions. Still, education remains the most egalitarian "key to the intergenerational breakdown of poverty" (Sátyro, 2017, p. 1) and can, thus, support both the human and economic development of an emerging country. However, this is seemingly not yet a priority<sup>67</sup> in Brazil. Instead, the country just announced the cut of significant investments in this already very depleted area. In looking at the international science performance indicator, known as the PISA index, Brazil continues to score poorly<sup>68</sup> and even falling between 2006 and 2015 (OECD, 2018c). Nonetheless, according to the fieldwork, foreign firms have contributed laudably and extensively, both alone and through public-private partnerships (section 6.2.4.1), to shorten the educational gaps in Brazil and to create better employees and citizens.

This overview has brought about connections between some of the most relevant Brazilian economic and development indicators relating to HR issues. By contrasting some fundamental socioeconomic indicators against the amount of capital, measured by the GDP, and also assuming the high taxes this country collects, the conclusion is that Brazil's governance delivers too little to the advance of its citizens' HR. Thus, there seems to have a still very long path to Brazil to be able to move toward a more humanized and just nation. It is also a takeaway that FDI and IB operations are paramount to Brazil's economic functioning and, without MNEs' collaboration, timely socioeconomic development cannot be achieved. Then, corporations being admitted as socio, economic, and politically empowered institutional

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<sup>67</sup> In 2014, 5.95% of Brazil's GDP, corresponding 15.12% of the total Brazilian government expenditure (31.74% of GDP), was invested in education. Not at all an outlier result if one considers that the average spent in education across OECD members in the same year scored 5.19% and the average of the public expenditure of this same group was 28.23% (The World Bank, 2018).

<sup>68</sup> PISA index is powered by OECD (2018c) and measures youth degree of knowledge by three subject areas, i.e., reading, mathematics, and scientific performance. See each description and countries' measures online via <https://data.oecd.org/pisa/science-performance-pisa.htm>.

entrepreneurs (section 3.3.3.2), chances are they can impose their interests onto unstable EM like Brazil.

### **4.2.3. The regulative pillar**

#### ***4.2.3.1. HR top regulative standards vs. HR institutional discrimination***

This section aims to provide an overview of how the BHR regulative framework is organized in Brazil. It starts by stressing that the basis of the legitimacy of the regulative pillar rests in the expedience of sanctioned rule of laws (Scott, 2014; section 3.2.4.1). As a democratic republic, Brazil follows the ordinary structure of a federal government. Its 26 federations hold relative autonomy, though controlled through a central government divided into three independent branches. First is the executive, with coercive power exercised by the country's president, who is the head of both state and national government. Second is the legislative, whose power is shared in a national Congress between its two houses: the federal senate and the chamber of federal deputies. The third is the judiciary, consisting of a federal supreme court (i.e., *Superior Tribunal Federal [STF]*), a higher court of justice (i.e., *Superior Tribunal de Justiça [STJ]*), and other courts of justice: the national justice council and the regional federal courts. Thus far, as it occurs even in developed markets, Brazil does not hold an exclusive and dedicated jurisdiction for BHR matters.

It is also important to highlight that direct voting rights are warranted for all Brazilian citizens above 16 years old but are mandatory for those aged 18 to 70. Every four years, all citizens are required to elect their representatives<sup>69</sup>, federally, regionally, and locally. In terms of HR ordinance in Brazil, the legal institutionalization of HR and other fundamental guarantees for citizens are protected nationally by the current Brazilian Constitution (1988), elaborated democratically and according to International Constitutional Law (Piovesan, 2016). This Constitution determined, unprecedentedly, that the extensive list of rights covered by it, including life with dignity, social justice, rights of workers, minimum wage, and right to the enjoyment of an ecologically balanced environment does not exclude all HR in international conventions and any binding International Law regulations ratified by the Brazilian state (Piovesan, 2016)<sup>70</sup>. In official words, the Brazilian Federal Constitution establishes the prevalence of HR as one of the principles that shall rule that country's international relations.

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<sup>69</sup> Including senators, deputies, and governors of the 26 states, one federal district, and 5.507 municipalities. See more about the Brazilian elections and political systems via the local governmental agency named *Tribunal Superior Eleitoral* (see <http://www.tse.jus.br/>) and about the current (2018) elections on the platform of the *Tribunal Superior Eleitoral* (2019).

<sup>70</sup> See Piovesan (2016) for a legal perspective contrasting the advances and judicial controversies of the Brazilian Constitution and the HR treaties ratified by Brazil.

It further establishes that those rights, recognized in international treaties, are also recognized as fundamental rights and guarantees in addition to those already laid down in the constitutional text (Brazilian Ministry of Foreign Affairs, 2018).

Brazil has ratified eight out of the nine core international HR treaties and protocols<sup>71</sup>, except for the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families. Most notable are the local endorsements, through the current Constitution, of the two most fundamental HR international covenants, contained in the Bill of Human Rights ratified by Brazil in 1992<sup>72</sup>: International Covenant on Civil and Political Rights (United Nations, 1966a) and the International Covenant on Economic, Social and Cultural Rights (United Nations, 1966b). Brazil is also a signatory on seven out of the eight fundamental ILO conventions<sup>73</sup>. It, therefore, seems conclusive that Brazilians' HR regulative, national institutions encompass the highest HR international standards, meaning that citizens should be legally protected against HR violations caused by any agent, including transnational business organizations.

In practice, however, there is still a vast dissonance between HR laws and daily reality in the country (Duprat, 2018). HR terminologies are to date (2018) still vague concepts in society, sometimes even confused with privileges for the few. As mentioned above, this is potentially a result of the hard past where, for example, during the military regime, strikes against labor-related HR abuses and violations were considered unlawful uprising and treated as criminal matters (Genevois, n.d.). Sadly, although there have been sound advances since the 1988 Constitution, authoritarianism rather than the law still seems to permeate relations within society and between society and state (Genevois, n.d.). A long history of repression highlights that such deep-rooted HR institutional discrimination cannot be tackled without the enforcement of HR normative grounds. Similarly, changes in the cultural-cognitive relational aspects are required if HR are too be understand by most as just and right claims. However, Brazil's highest judicial institutions seem to play a role in undermining HR awareness and enforcement. For instance, the extreme lethargy and high cost of legal fees, impunity in

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<sup>71</sup> The international HR treaty ratified by Brazil, is available via UN OHCHR platform: [https://tbinternet.ohchr.org/\\_layouts/TreatyBodyExternal/Treaty.aspx?CountryID=24&Lang=EN](https://tbinternet.ohchr.org/_layouts/TreatyBodyExternal/Treaty.aspx?CountryID=24&Lang=EN); Local and international HR legislations according to Brazilian official sources are available via the Ministry of Human Rights website: <http://www.mdh.gov.br/> and via the Portal da Legislação <http://www4.planalto.gov.br/legislacao/@/busca?SearchableText=direitos+humanos>

<sup>72</sup> Check Brazil's HR covenants accession dates through the UN Treaty Collection available on <https://treaties.un.org>

<sup>73</sup> Check the full list of the ILO's conventions which Brazil is signatory on [https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200\\_COUNTRY\\_ID:102571](https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102571)

connection due to endemic corruption, and people's illiteracy about or fear of accessing justice can counter HR realization and, thus, their enjoyment.

Corroborating this argument come the civil society claims (A. A. Santos et al., 2017; Revista A3, 2015) about the paternalism and favoritism embedded in some decision-making criteria in the overall Brazilian public realms. For instance, these traits provoke systematic distrust in the HR-related justice system that undermines the sense of justice around HR disputes and the effectiveness of extrajudicial mechanisms used to solve those cases locally (A. A. Santos et al. 2017; Revista A3, 2015;). This controversial regulative outlook, thus, hinders the efforts to better institutionalize and realize HR in Brazil. Nevertheless, in the last two decades, some important steps have been taken<sup>74</sup> to secure individuals' and minorities' basic HR guarantees, such as in the branches of civil, political, social, and labor-related HR (UN Human Rights Council, 2016). These can be argued as a legacy of the last four presidential mandates of the left party<sup>75</sup>. However, not much can be celebrated currently (2019). After the parliamentary coup (section 4.2.1.5), the subsequent economic recession that the country has drawn into (section 4.2.1.6), and the inauguration (Jan/2019) of the extreme-right new executive office (President Jair Messias Bolsonaro), whose position resembles neofascism (Puzone & Miguel, 2019), HR institutional advances do not appear to have importance in the national governmental agenda.

#### ***4.2.3.2. Does Brazil need specific regulations on BHR?***

When it comes to the specific relation between BHR and regulative institutions, Brazil is regarded as having broad and sufficient laws and regulations that require companies to respect HR, under penalty of administrative and judicial responsibility (Borges, Nascimento, Nabuco, & Cruz, 2018; Duprat, 2018; UN Human Rights Council, 2016; Procuradoria Geral da República, 2018a). When it comes to HR violations falling under criminal law, the corporate legally responsible board or individuals (e.g., directors, managers) can become subject to the penalties (International Commission of Jurists, 2011). As stated before, there are enough safeguards of individuals' HR against corporate abuses, as there also exists a broad range of laws and regulations, proscribed at constitutional level (Piovesan, 2016), which go beyond labor-related issues to consider the HR of minorities, groups, and collectivities as paramount. Even before the advent of the GPs, endorsed by Brazil in the same year of their issuance in

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<sup>74</sup> At least before the parliamentary coup (2016), as explained in section 4.2.1.5. See *Direitos Humanos, O Brasil da Mudança* available on <http://www.brasildamudanca.com.br/todas-as-politicas>

<sup>75</sup> See this throughout the work of A. A. Santos et al. (2017).

2011, the Third National Human Rights Program [PNDH-3]<sup>76</sup> had already established this state's commitment to hold companies accountable for HR violations and responsible for the respect and promotion of HR.

This act was established by two programmatic actions within the strategic Objective II, Guideline 5 of the PNDH-3. Namely to establish a code of conduct in HR to be considered in the scope of public power as a criterion for the hiring and financing of companies, and to increase the adherence of companies to the commitment of social responsibility and HR. Notwithstanding, the need for a dedicated legal apparatus on BHR at the local level still divides opinions. On the one hand, opposing the rise of new institutions are those that cite the broad range of Brazilian laws and regulations that already fall under the local BHR relations—but how about abroad, for instance, when BR-MNEs violate HR in frontier markets? They also argue that the principles accounted by the UN framework and GPs, although of great normative importance, do not constitute a new category or dimension of HR, therefore, should not be the motivation for the emergence of a new specific law (Duprat (2018; *Procuradoria Geral da República*, 2018a).

According to Duprat (2018), for instance, for the task of monitoring and denouncing mechanisms against corporate HR violations, a more significant mobilization of civil society participants, would be an eminently suitable and welcome solution for Brazil. On the other hand, there are those, including the researcher, who defend the creation of specific BHR global regulations and corresponding local enforcing mechanisms by nations' states. These gears would serve to support local CSOs' work and as effective enforcement of MNEs' accountability for their direct and indirect HR violations in any foreign country they operate in. Moreover, BHR dedicated global regulations could allow for escalating cases, and, thus, comprehensively be used to address complex cases that local systems can struggle to solve.

Other various arguments may support these claims. The first is that, although Brazil still boasts reliable and robust participation of CSOs to monitor its BHR relations<sup>77</sup>, CSOs hold much smaller leverage (i.e., economic resources, and social capillarity) than MNEs to support the violated parties to achieve remedy and reparation. Second, it is common knowledge that lawsuit actions involve excessively lengthy and costly legal proceedings in Brazilian courts (International Commission of Jurists, 2011), meaning that this system is ineffective to most.

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<sup>76</sup> Stablished by the Decree No. 7,037, dated December 21, 2009, and updated by the Decree No. 7,177, of May 12, 2010.

<sup>77</sup> But the same may not happen in other EM of the globe, e.g., China, where CSOs suffer censorship and are prevented to engage with other organizations of international cooperation.

The need to, at the very least, simplify the HR judicial system is undeniable in allowing victims of HR violations perpetrated by corporations to access justice and related effective remedies. Third, although the law exists (i.e., penal code), there is a lack of specific regulative mechanisms to hold corporations' representatives legally accountable under criminal law in Brazil (International Commission of Jurists, 2011). Fourth, as Brazil is so vast and diverse, controversies that arise from judicial cases can be interpreted very differently according to the region, even regarding the positivism that grounds the local rule of law. Therefore, a specific rule of law could address such issues more confidently.

The fifth argument is for extraterritorial jurisdiction where, according to the International Federation for Human Rights (2010), it seems “difficult to envisage, for instance, a petition for holding Brazil accountable for human rights violations committed by Brazilian companies in Africa.” (p. 150). However, it can happen, for example, that a petition by the Inter-American Commission on Human Rights, based on the Inter-American System for the Promotion and Protection of Human Rights<sup>78</sup>, be issued against Brazil. This would hold the form of recommendations or decisions, requiring actions on cases of HR violations perpetrated by Brazilian companies operating in the Americas. However, not all jurisdictions are covered worldwide, as some violations are also not shielded by local, regional, or extant global regulations. To guarantee that the Brazilian legal system is also respected by MNEs, which are seemingly the most powerful agents in this society, then an inclusive BHR agenda should be set. This agenda must push normative and cultural-cognitive pillars together rather than solely insisting on detached models of HR legal enforcements. So far, what has prevailed in Brazilian legal BHR disputes is, arguably, neoliberal favoritism toward the interests of top economic participants over public good and human dignity (A. A. Santos et al., 2017).

#### ***4.2.3.3. Regulations by business, religion, and para-military groups***

##### ***4.2.3.3.1. The Brazilian presidentialism of cooption***

The workings of the Brazilian regulative pillar seem distinct from those of other democratic regimes of developed countries. As described by Passos (2017), the Brazilian way of doing politics can be conceptualized as a presidentialism of cooption; it denotes a system where the nation's president governs by negotiating with the Congress members (legislative, institutional entrepreneurs; see section 3.3.3.4), at non-transparent terms, and compensates them for supporting the passing or rejection of given national or regional bills. In other words, to get a given agenda approved or rejected that might favor the private interests of some, the

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<sup>78</sup> Ratified by Brazil through the Decree 678 of November 6, 1992 (Piovesan, 2016).

negotiations could involve bribery and cooption. In this scheme, those representatives, including the nation's president, who are elected to govern for the majority, once in-office, can become representatives of only a few groups. As Passos (2017) asserts, presidentialism of cooption is an old local practice in Brazil (Schwartzman, 1970), whereby the support of politicians and their allies is bought at expensive rates and, often, with public resources. In sum, Brazil's Congress seems to be organized in cooption and by groups of interest that co-exist with political parties, thus legislating according to private interests; they govern in ways detached from the interests of the Brazilian population and its humanistic progress.

#### 4.2.3.3.2. *The (private?) interests of the Congress' groups*

According to the *Tribunal Superior Eleitoral* (2019), the national official electoral agency, in 2019, Brazil had 34 political parties. However, since their emergence in 1945, Brazilian political parties “did not have any important participation in defining the general characteristics of the [local] institutional arrangement” (Nunes & Melo, 2015, p. 67). Instead, the various public and private local interests were represented through the roles of the so-called *Bancadas* in the Brazilian Congress, as asserted by Medeiros and Fonseca (2018). These authors defined *Bancadas* as partitions formed by democratically elected public representatives and organized by the private interests of certain groups (Velani, 2015; see also Intini & Fernandes, 2013), for instance, business, religious, and environmental. As Medeiros and Fonseca (2018) assert, the *Bancadas'* arrangements are financed by influential business organizations, which interact mostly through associations rather than according to the ideology of a given political party, similarly to the scheme revealed through *Mensalão's* corruption scandal. Such support does not necessarily come from direct bribery but, for instance, through private financing of electoral campaigns—misconduct of professional politicians<sup>79</sup> very much present in Brazilian political realms. To pay back this funding, elected politicians should return either pro-business oriented projects or votes either for or against projects that favor their donors' interests.

Three ministers in the Brazilian judiciary (i.e., STF) have argued against these practices, as they were subject to an *Ação Direta de Inconstitucionalidade*<sup>80</sup> (ADI or Direct Unconstitutionality Action, No. 4650; see also Ramalho, 2015). Here, in direct translation, the

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<sup>79</sup> Corporate financing of electoral campaign is considered illegal in Brazil. However, a prohibition only taken more seriously after a recent (2015) decision of the Superior Tribunal Federal. Check this long (started in 2011) and controversial lawsuit (ADI No. 4650) on election campaign funding, through the online platform of the STF available on <http://portal.stf.jus.br/processos/detalhe.asp?incidente=4136819>

<sup>80</sup> It is a legal process whose purpose is to declare that a law or part of it is unconstitutional, that is, contrary to the local Federal Constitution.

first, justice minister Luiz Fux, asserted that Brazilians had reached an absolutely chaotic scenario, where economic power illegally captures political power. The second, minister Rosa Weber, argued that the influence of economic power in electoral processes compromises their legitimacy, turning them a political game of marked cards, an odious pantomime in which electors are mere puppets. The third minister, Cármen Lúcia, stated that the influence of private capital in politics makes the chances of candidates and parties unequal, thus compromises democracy as a whole. Still, as she poses, considering that a candidate or party with the most substantial amount of resources is the one who has the best contacts with companies, they may end up representing those (private) interests rather than those of citizens, going then against the legitimate base of a democratic regime (Ramalho, 2015).

Despite these critics and law, the Business Bancada conquered the biggest number of seats in Congress after the last elections in 2018, while only three parties did not elect businesspeople in this election (Boschi & Pinho, 2019). As argued by Boschi and Pinho (2019; see also Medeiros & Fonseca, 2018), in 2019, the Business Bancada counted with 221 deputies and 30 senators, and from the top 100 most influential politicians in Brazil, 30 are businesspeople. According to Magalhães and Chaves (2018), who depicted the relations of politicians and their financiers in Brazil, the Congress regulative arrangements<sup>81</sup>, ranked by voting-seats in 2018, represented: civil construction industry (226); overall corporations (208); agribusiness (207); religion-related business (196); weapons' industry (35); mining (23); healthy-pharmacy industry (21); and football industry (14). Medeiros and Fonseca (2018) complemented Magalhães and Chaves (2018) depictions by identifying the representativity of workers' unions (43), and HR (24) and asserting that, environmentalist' representatives do exist but do not play a role in Congress, given their minimal voting power, connected to little private leverage. As a result of the Congress' arrangements, unsurprisingly, many regulatory setbacks impacting socioeconomic HR of Brazilian people have been passed in Congress most recently after the parliamentary coup in 2016 (Boschi & Pinho, 2019; Miguel, 2019; see also section 4.2.1.5).

#### 4.2.3.3.3. Lobby and the Brazilian "toma-lá-dá-cá"

Perhaps due to consideration of the speeches mentioned above and misrepresentations by some Congress' *Bancadas*, lobbying activities (defined in section 3.4.2) remain unregulated

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<sup>81</sup> Brazilian National Congress is the local highest regulative institution, which holds 81 senators and 513 federal deputies (Burlle, 2014). Often, one politician is affiliated solely to one party but can represent more than one group of interests, therefore the voting power indicated in Medeiros and Fonseca's (2018) research surpasses their account of the number of Congress members.

matters<sup>82</sup> or a synonym for corruption in Brazil. Locally, lobbying can also be described as a *toma-lá-dá-cá* activity in the Brazilian Congress, which is, in this case, a sort of bribery or favor exchange (D. Rodriguez, 2018). In contrast, in countries such as Switzerland and the USA, lobby activities are not only regulated matters but also considered necessary to cope locally with broad globalization issues (OECD, 2013). We argue that, instead of moving to ban lobby practice, a nation should safeguard the reliability of the public decision-making process. These nations' examples show that lobbying can even be valuable and democratic if governed with ethics through strong regulative institutions. If managed with transparency and integrity in public-private partnerships and well-regulated, then lobbying becomes a process used to give legitimate voice to the business community. Lobby arrangements, according to OECD (2013), are not only inevitable but a strategy for a fairer and cleaner economy. However, as the local practices have shown, regulations have not prevented the shaping of the Brazilian regulative arena by private organizations (Arias, 2019; Mattoso & Bragon, 2019; News Wires, 2019; Trevisani & Lewis, 2019).

#### 4.2.3.3.4. *Brazilian (biased) institutionalism*

The claim that corruption is found accompanying the arrangements of most of the *Bancadas* and lobby activities of the Brazilian regulative pillar seems accurate. Still, corruption is regarded as one of the most counter-HR phenomena, especially when it is deep-rooted via partnering of public-private institutional actors, reaching the regulative arena of a given context (Human Rights Watch, 2018). Unfortunately, corruption seems to have damaged the Brazilian regulative pillar happening through cooptation or other politico-social pathologies. The *Mensalão* and *Lava Jato* scandals previously mentioned are representative examples of the massive lack of ethics embedded in this national regulative pillar, revealing the involvement of several business organizations and top local politicians from all powers (legislative, regulative, and judiciary) (Watts, 2017). About a decade ago, a dedicated law on the transparency of the common-good administration came into force, called transparency law (*Lei da Transparência* 131/2009); it requires governmental organizations to declare not only their expenses but their incomes, suppliers, and projects. Other important regulative landmarks were also introduced, such as an anti-corruption law (*Lei Anticorrupção* 12,846/2013<sup>83</sup>) and the Clean Record Act

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<sup>82</sup> Bad lobby practices, or the prevalence of private interests of given groups over public interests through economic and political influences, are matters regarded through the Law on Access to Information (12,527/2011), Conflict of Interests Law (12,813/2013) and Anti-Corruption Law (18,846/2013).

<sup>83</sup> Available on Brazilian governmental website for civil issues: [http://www.planalto.gov.br/ccivil\\_03/\\_ato2011-2014/2013/lei/112846.htm](http://www.planalto.gov.br/ccivil_03/_ato2011-2014/2013/lei/112846.htm)

(*Lei da Ficha Limpa* 135/2010) which states that politicians convicted of criminal acts for the second time are ineligible for public office for eight years.

To conclude, this overview reinforces the observation of the UN Working Group on BHR on its mission to Brazil in December 2015, that Brazil has sufficient legal framework, civil and administrative, to hold companies responsible for their direct and indirect HR violations (UN Human Rights Council, 2016). However, paraphrasing the locals, one should not forget that, in Brazil, some laws stick, and others just do not. Perhaps this happens because normative (ethical) connections between law, institutions, and practice still seem to be very much missing in Brazilian realms (Edelman, 2009, 2019). In other words, laws exist, but the system to make them effective is imbalanced and, thus, distrusted (i.e., culturally not supported). Changing a normative realm thus demands changes in cultural-cognitive stances, which are perceived as requiring long term societal processes. Therefore, the emergence of a dedicated international treaty on BHR could be an effective way of preventing corporate exploitation of Brazil's still weak HR institutional realms.

Moreover, the Brazilian state should lead by example, with integrity, and by using people's representativeness to favor their interests first and always. This behavior should take place not only within the realms of all state-owned corporations but also through all governmental business operations. Finally, Brazil's citizens should be better served with tools and transparency to keep track of their incumbents' steps in exercising their public mandates, as well as to select their representatives more appropriately. This will secure votes for those who reinforce the ideals of HR during their electoral campaigns and can be a big initial step toward social and economic changes in improving the lives of most Brazilians rather than pleasing a mere few elitist groups (Guillerm & Cesari, 2015).

#### ***4.2.3.4. Labor rights in Brazil: A setback scenario***

From the creation of the current Constitution in 1988<sup>84</sup> up to 2016, Brazilian labor rights regulations were considered fair and inclusive, according to global labor standards. Partly, this is because Brazil was a founding member of ILO, ratified most<sup>85</sup> of the major international conventions on labor matters, and had achieved exemplary performance on ILO supervisory

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<sup>84</sup> See *Constituição da República Federativa do Brasil de 1988* in the references' list.

<sup>85</sup> Intriguingly, two major conventions, one on Labor Inspection (Agriculture), 1969 (No. 129) and other on Freedom of Association and Protection of the Right to Organize, 1948 (No. 87) are so far pending of ratification by Brazil: [https://www.ilo.org/dyn/normlex/en/f?p=1000:11210:0::NO:11210:P11210\\_COUNTRY\\_ID:102571](https://www.ilo.org/dyn/normlex/en/f?p=1000:11210:0::NO:11210:P11210_COUNTRY_ID:102571)

mechanisms<sup>86</sup>. It is also due to the comprehensive institutional background unfolded by the Brazilian Ministry of Labor and Employment<sup>87</sup>. It holds a Labor Inspection Secretariat (*Secretaria de Inspeção do Trabalho* [SIT]), alongside with decentralized branches acting as regional superintendent bodies of labor and employment (i.e., Superintendências Regionais do Trabalho, SRTE), and labor inspectors organized regionally and by scopes of activity. As evidenced, Brazilians have an extensive compilation of labor rights: social security charges, minimum wages, fringe benefits, overtime pay, a maternity leave of 4 to 6 months, prior notice pay, and a severance indemnity fund. All of this was prescribed by the consolidation of labor laws (*Consolidação das Leis Trabalhistas* [CLT]) established by the Decree-Law No. 5,452 of 1 May 1943)<sup>88</sup>.

The UN Human Rights Council (2016) noted some Brazilian initiatives as exemplary. The first of these is the definition of slave labor<sup>89</sup>, broader than the ILO's one from 1930 and the controversial<sup>90</sup> Dirty List of the Ministry of Labor and Employment, making the rule of law imperative and publicly naming and shaming employers caught in cases of slave-like forms of employment. The second is when the government tried to tackle child labor and protect young people against abuses both in general and related to forms of employment. The third is workers' freedom of association, and the fourth is free negotiation between labor and trade unions. However, since 2016 and against this commendable background, Brazilian labor and social rights have suffered worrying setbacks and are seriously at risk (Borges et al., 2018; UN Human Rights Council, 2016). With arguments that the Brazilian labor rights system no longer encompassed the requirements of the 21<sup>st</sup> century, and arguing on the need to tackle the high unemployment rates, a labor reform was established in 2017<sup>91</sup>, in Brazil.

A government under an interim structure, caught in an obscure political game that combines partisan motivations and corporatist interests, should not be granted such a responsibility of leading substantial changes in the institutional labor arena. However, this seemed to be the scenario in which the mentioned labor reform was put into force just after Brazil's 2016 parliamentary coup by president Michel Temer (section 4.2.1.6). Also

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<sup>86</sup> Check the country profile and the section named Supervising the application of International Labor Standards for Brazil, both on ILOs' web platform: [https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11110:0::NO::P11110\\_COUNTRY\\_ID:102571](https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11110:0::NO::P11110_COUNTRY_ID:102571)

<sup>87</sup> This ministry was dismantled as a first action under president Bolsonaro mandate, on January 1, 2019.

<sup>88</sup> A regulative and organizational overview is offered by ILOs' Structure and organization of the Labor Inspection dedicated to Brazil, available online: [http://www.ilo.org/labadmin/info/WCMS\\_114935/lang--en/index.htm](http://www.ilo.org/labadmin/info/WCMS_114935/lang--en/index.htm)

<sup>89</sup> Found in article 149 of the Brazilian Penal Code.

<sup>90</sup> Since it faces numerous attempts by the business community to be withdrawn (Duprat, 2018).

<sup>91</sup> A detailed review of the changes in the right of the Brazilian workers upon this reform is found in a dedicated publication of the *Confederação Nacional das Indústrias* (2017), a Brazilian corporate association.

controversial was the government report sent to ILO's Committee of Experts on the Application of Conventions and Recommendations (CEACR) in that time—see the No.98 follow up of the 1949 convention on the Right to Organize and Collective Bargaining<sup>92</sup>. Such a progress report, prepared by the then Brazilian authorities, informed an overall and impartial evaluation of the impact of the reform on workers' rights, despite it being elaborated just a few days after the reform entry came into force. Therefore, it raised sharp criticism:

The examination of the Brazilian case was in breach of the most basic principles of due process. A system allowing for this to happen, with no effective checks and balances, failed the purposes and objectives of the ILO. It also impaired the necessary and shared perception by member states and social partners that the system should function fairly and equitably, based on the technical merits of the cases [...] Facts could not and, above all, should not be fabricated. (ILO, 2018, n.d.)

Another point worth acknowledging is the extreme outsourcing trends exercised by corporations in Brazil, including the state-owned enterprises. This corporate unloading enlarges the supply chain of business activities and, depending on their type, can create difficulties in tracking and tracing their final products, causing a potential corporate bypass of HR duties and responsibilities. Despite the recommendations of the UN Human Rights Council (2016; see also Borges et al., 2018), such practices were relaxed even more following the 2017 labor reform. There is an old, local practice that Brazilian workers are forced to face, whereby all local workers are required to have a type of labor passport, or *Carteira de Trabalho e Tempo de Serviço* (CTPS), in which labor and social security annotations about their work-life history are registered. Data such as salaries, promotions, vacations, positions, admission and dismissal dates, parental leaves, and negative performance reviews are noted down and validated by regional labor agencies.

The problem is that these labor passports are not sorts of resumés expressing the qualifications of an employee, but rather a control protocol for corporations to know everything about the past conditions of their employees. This, therefore, leaves workers at a significant disadvantage when it comes to engaging in free negotiations with potential new employers for better entry salaries. Still, this disadvantage is enhanced by the dismantling of labor unions in the country, who historically have been paramount organizations for collective bargaining of category-regional salaries and other conditions. Unfortunately, there is little hope of

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<sup>92</sup> Available on ILO's website: [https://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100\\_COMMENT\\_ID:4024411](https://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:4024411)

improvement within the current governmental conjuncture; one of the first measures of the new president, who has been in office since January 2019, was to disband the Ministry of Labor (*Ministério do Trabalho*) by subdividing it into three areas and spreading them among other departments, as well as nullifying the annual, inflation-based, minimum wage readjustment, which is already below the local living wage, especially in urban areas (to date ~255 BRL per month for a 44h per week). To conclude, the official unemployment rate in Brazil is currently 13%, or 13.4 million people, with another 28 million roughly found in sub-employment situations (IBGE, 2019). Many of these people, and their dependents, probably know very little about their labor-related HR, and many others might never realize those rights.

#### ***4.2.3.5. Consumer rights issues or HR violations through consumer relations?***

As a starting point, it should be noted that consumer rights are not HR. However, consumer rights are a cornerstone of inclusive development (UNCTAD, 2018a) and Business enterprises can largely impact the HR of consumers wherever they operate (UN Working Group on Business and Human Rights, 2019). Thus, there is a fine line connecting these two categories of rights and, sometimes, they can be mixed or confused. In some studies, for instance, consumer rights are acknowledged as sorts of HR because consumption relations can cause injurious consequences to individuals' moral, social, health, freedom, financial or other matters (Bantekas, 2012). This is, perhaps, the reason why national consumer organizations are essential, non-judicial mechanisms that can indeed facilitate access to remedy for victims of corporate HR abuses (UNCTAD, 2016, 2017<sup>93</sup>). In other studies, consumer rights are not limited to tort law<sup>94</sup> or contracts on given superfluous products or services, but in a broader sense, grounded upon economic and social HR (Bantekas, 2012; Clapham, 2001, 2013; Kingisepp, 2012).

Many essential public goods, and even essential elements to human life, such as access to water, which is a fundamental HR, are provided in many contexts, including Brazil, through business activities and upon public-private partnerships. In these cases, both countries and related business participants share positive and negative responsibilities in the fulfillment of such HR, realized through consumer relations. Fortunately, consumer rights hold substantiated regulations in Brazil. They had arisen from the Consumer Movement (*Movimento Consumerista*), during the country industrialization boom between the 1960s and 1970s,

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<sup>93</sup> See also the UN-OHCHR Accountability and Remedy Project on [https://www.ohchr.org/EN/Issues/Business/Pages/ARP\\_II.aspx](https://www.ohchr.org/EN/Issues/Business/Pages/ARP_II.aspx)

<sup>94</sup> Tort law is a law branch that covers most civil suits, except contractual disputes. This form of restorative justice divides into three categories: negligence, intentional harm, and unintentional but non-negligent acts.

motivating the creation of the law No. 8,078/1990, namely the Consumer Defense Code (*Código de Defesa do Consumidor* [CDC]). In 2013 the National Plan of Consumption and Citizenship (*Plano Nacional de Consumo e Cidadania* [PLANDEC]) was created, elevating consumer rights to the state's level.

In 2014, an online government-platform called [www.consumidor.gov.br](http://www.consumidor.gov.br) expanded access to information about consumer rights to all Brazilian citizens. The National Consumer Secretariat of (*Secretaria Nacional do Consumidor* [SENACON]), the National Chamber of Consumer Relations (*Câmara Nacional das Relações de Consumo* [CNRC]), the National System of Information in Defense of Consumers (*Sistema Nacional de Informações de Defesa do Consumidor* [SINDEC]), and the National Registration of Legitimate Complaints (*Cadastro Nacional de Reclamações Fundamentadas* [CNRF]) all support regulative institutions on consumers' matters. Brazilian consumer laws are capacious and based on the material principle of isonomy (legal equality), by which all parts of a dispute are subject to the same laws of justice, guided by the imperative principle of human dignity, as proscribed in the Federal Constitution (1988, article 3, III). The Constitution also determines that the state has the duty to promote the respect of consumer rights in Brazil (article 5, XXXII, 170, V).

However, the judicial system is not (yet) effective in ensuring that consumer rights, freedoms, and guarantees are recognized and respected in Brazil—as it is also the case in many local HR legal disputes (section 4.2.3.1). For instance, the consumer defense system lacks easy access to the population, quick response times, and the securing of impartiality of the defense courts when processing and judging the claims (Pacheco, 2012). In practice, not to override the laws but to avoid unnecessary judicial measures, mediation between the conflicting parties through regional agencies called PROCONs<sup>95</sup>, which respond to the Federal Secretary of the Justice and Defense of Citizenship (Louzada, 2017), is encouraged. However, as one could argue, the extent to which citizens can succeed in protecting their consumer rights' claims when facing a powerful MNE in Brazil seems somehow very limited because legal cases are costly, lengthy, and thus, unbalanced and ineffective. For instance, if the business organization causing the dispute is a provider of a public good or service, this adds further complexities to the disputes.

It is also central to consider the implications of real HR issues, such as discrimination, racism, or physical violence, being misconstrued as bad service and thus being solved by

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<sup>95</sup> For knowing more about the PROCON, Consumer Protection and Defense Program (i.e., *Programa de Proteção e Defesa do Consumidor*), functioning see <https://direitosbrasil.com/procon-como-funciona/>

customer care call centers. In Brazil, it is a known fact that the rule of law is not efficient, accessible, or quick enough to provide a proper solution time-wise to avoid or even address a consumer-related issue, regardless of whether it concerns HR. Addressing corporate-related HR issues through consumer relations may sound intentional misconstruction so that corporate-vendors can benefit from lighter penalties. Adequately addressing such cases would demand that the principles of reasonableness, proportionality, and maximum effectiveness of constitutional rights be the tonic not only of courts but of corporate judgments too (Meriläinen, 2013). Most importantly, it would require such judgments to be tied into the intersubjectivities of HR moral foundations while providing mechanisms to properly treat consumer claims that touch HR. To rely exclusively on free-will negotiations of corporate-vendors and consumers to solve their disputes is also to allow room for cases-misconstructions. Still, it leaves people depending almost exclusively on the benevolence of big business organizations to have their rights respected, be them of consumer or HR nature.

#### ***4.2.3.6. State-based mechanisms of access to remedies***

First, it is important to reiterate that to date (2019), there is no dedicated public institutional agency on BHR matters in Brazil. Instead, there are two state-based mechanisms, judicial and non-judicial, entrusted to support the victims of HR violations perpetrated in Brazil. In terms of judicial bodies, the portal named atlas of access to justice (*Atlas de Acesso à Justiça*<sup>96</sup>), linked to the Ministry of Justice in Brazil, provides information about corresponding judicial agencies relating to different HR issues, including those caused by business organizations. The same source also provides access to a publication named ABC of Your Rights (*ABC dos seus Direitos*), which is a dictionary of terms frequently used in law, thereby allowing most citizens to understand the HR language applied by lawyers, judges, public defenders, and prosecutors. Most importantly, and as stated by the UN Business and Human Rights working group (UN Human Rights Council, 2016), Brazilians should be able to understand the work of public judicial HR defenders. They consist of 1,000 federal- and 12,000 state-level prosecutors, able to initiate and investigate legal proceedings on behalf of individuals and communities, also on the BHR field. In fact, public prosecutors also act in the mediation of business-related HR abuses, on top of indicating the need for compensations and other remedies.

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<sup>96</sup> Found through the governmental online, dedicated platform on access to justice: [www.acessoajustica.gov.br](http://www.acessoajustica.gov.br)

Regarding non-judicial grievance mechanisms, despite the many recommendations of international organizations<sup>97</sup>, Brazilians still cannot count on an independent national HR institution, which is argued as necessary to better tackle business-related HR violations and ensure access to remedy for the affected victims. Instead, a National Council of HR exists, formed by representatives of the government, the Federal Public Ministry (*Ministério Público Federal*<sup>98</sup>), and CSOs. In sum, it seems conclusive that there is a need for the institutionalization of a genuinely independent agency for the promotion and protection of HR in Brazil against business-related abuses. Intriguingly, it is very unclear as to why such a fundamental public interest has not yet been realized.

#### **4.2.4. The normative pillar**

The basis of legitimacy for a normative institutional pillar rests on the morality governing a context (Scott, 2014), and in democratic systems, it is mostly represented by autonomous CSOs (Petry, 2008). Normative rules are translated through binding societal expectations and social obligations, which should determine the appropriateness of action or inaction of institutional actors and overall citizens and guide the institutionalization processes (Scott, 2014). This normativism represents the notions that inform moral judgments on the actions of businesspeople or implicate their shame or honor, for example. These notions, then, are what guide people to get associated with groups that hold their similar values. In this institutional pillar, therefore, instead of coercion through legitimate power and the rule of law, self-governance mechanisms are in control, meaning that individuals can choose from a wealth of freedoms and choices instead of complying with mandatory, legally binding rules. These freedoms are manifested through social contracts (Donaldson & Dunfee, 1994, 1999), which assume the form of collective organized systems, such as CSOs, or they simply represent the abstract arena of politically active and engaged citizens (Petry, 2008).

Citizens and citizenship bonds are possible through these sorts of institutions. They also transcend more traditional arrangements such as families, communities, and educational, cultural, and religious groups to reach more technical collaborations such as unions, professional organizations, voluntary self-governance standardizations or certifications,

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<sup>97</sup> Issued in 2009 by the Committee on Economic, Social and Cultural Rights, based on the Paris Principles (E/C.12/BRA/C0/2, paragraph 7); in 2010, on the same grounds, more recommendations were issued by the Special Rapporteur on the right to food (NHRC/13/33/Add.6, paragraph 51 (a)); in 2012, by several states in the context of the first cycle of the universal periodic review (NHRC/21/11), which Brazil supported (NHRC/21/11/Add.1); in 2016, also based on the just mentioned Paris Principles, by the Working Group on the issue of human rights and transnational corporations and other business enterprises on its mission to Brazil (A/HRC/32/45/Add.1, paragraph 57).

<sup>98</sup> Available on <http://www.mpf.mp.br/>

accreditations, and associations. Globally, these normative organizations were first named NGOs (non-governmental organizations), and while some claims indicated that this reference emerged from USA's third sector designations in the 1930s (Cardoso, 2014), others state that it was first used after World War II by the UN (Landim, 2002). More contemporarily, NGOs have assumed a broader sense, becoming normative institutions born to represent social, political, economic, and cultural public interests (Scott, 2014) and thus termed CSOs. They represent the collective self-governed arena for BHR institutional elements to take shape and, although absent in this pillar, the figures of authoritative coercion and the rule of law, it is not correct that a normative institution is merely voluntary. In many contexts, the normative ruling of a given societal group or organization can be sharper or as sharp as related regulative measures (Donaldson & Dunfee, 1994, 1999). Moreover, as seen in section 3.2.4.2, it is typically the normative pillar that provides the basis for the emergence or change of legal frameworks. The upcoming sections explore the three most relevant BHR normative frames prevailing in Brazil, selected based in Scott assertions (2014). These are labor unions, HR-related CSOs, and HR defenders.

#### **4.2.4.1. Labor unions**

##### *4.2.4.1.1. Born amongst the criminalization of social movements*

Against the proscriptions of Article 23 of the UDHR, endorsed by Brazil since its conception in 1948, labor unions have been institutionally discriminated against and, at some points, even considered as criminal organizations in Brazil (Movimento Nacional de Direitos Humanos et al., 2012). This status came with local political repression at the beginning of the twentieth century, as an attempt to prevent workers from organizing themselves to call for better working conditions, better wages, and reduction of working hours, which were the core wishes during the country's industrialization process. However, the most compelling moment in the criminalization of social movements and their activists came with the establishment of the military dictatorship in 1964, which virtually repressed all popular organizations, with members being arrested, murdered, or abducted. It was also during this period that the legislation, still binding, was established, and several pro-HR movements cited as crimes under the state label of the *National Security Law*<sup>99</sup> (Movimento Nacional de Direitos Humanos et al., 2012).

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<sup>99</sup> Lei de Segurança Nacional, no. 7,170, from December 14, 1964. Check it via website of the Brazil's federal government: [http://www.planalto.gov.br/CCIVIL\\_03/Leis/L7170.htm](http://www.planalto.gov.br/CCIVIL_03/Leis/L7170.htm)

#### 4.2.4.1.2. *The institutionalized limited freedoms*

Although workers' rights to association, and the legitimation of unions, have been constitutional matters in Brazil since 1939<sup>100</sup>, they only became better regulated as a result of the current Constitution, ratified in 1988. At this time, the state recognized the opposing roles of these normative organizations facing corporate and authoritarian ways of dealing with the economic, social, and political conflicts in Brazil (Campos, 2016). Freedom for the establishment of unions was granted at this stage, but without *de facto* autonomy, and it was contingent on registration at the Ministry of Labor and Employment (Campos, 2016; T. Santos, 2018). Interference or intervention of public agents in these organizations was prohibited, which guaranteed people the freedom of affiliation. This right was then extended to retired citizens, who also realized the right to vote and to run for office, via democratic elections (i.e., *Movimento Diretas Já*; see in Moreira, n.d.; see article 8, Brazilian Constitution, 1988). Also, an important advent at this time was the assurance of employment-provisional stability grants to protect union leaders.

Unions' rights were, however, never broad and unrestricted. In addition to requiring registration of all unions with the Ministry of Labor and Employment, the state determined that no more than one representative union of the same category be established on the same territorial basis. This forced unions to be class-based or sectoral-based organizations and prevented their representations by firms (Campos, 2016; T. Santos, 2018). Moreover, through labor law (*Consolidação das Leis Trabalhistas*), the Brazilian state determined what tasks unions should address (T. Santos, 2018). These tasks included defense of collective or individual labor rights according to the interests of given workers or a trade category, as well as workers' representation on judicial or administrative stances. Since the ratification of the Constitution in 1988 and until 2017, it was compulsory for workers to join a union, as to be represented by one in collective bargains with trade unions.

#### 4.2.4.1.3. *Unions' financial bottom line: An era of economic and political dismantles*

The Brazilian state covered the financing of unions' activities by making it compulsory for their affiliated workers to pay an annual union tax equal to one day's salary, plus a confederative contribution, and a welfare contribution, with those values fixed through agreements at the unions' annual general meetings. For the collection of such taxes and fees, the state allowed business organizations to make a direct discount from their employee's

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<sup>100</sup> Decree 1,402 from July 5, 1939. Check it via website of the Brazil's federal government: [http://www.planalto.gov.br/ccivil\\_03/decreto-lei/del1402.htm](http://www.planalto.gov.br/ccivil_03/decreto-lei/del1402.htm)

salaries. However, this forced regime of affiliation, combined with the mandatory annual discounts from workers' salaries, did not lead to a high national membership of unions. Intriguingly, only 16% of qualified workers were found to be affiliated with a union in 2013 (Rodrigues, 2015)<sup>101</sup>. It seems likely that, because the state has imposed many limitations on unions' activities, employees were more likely to question the gains of such representations and somehow inhibited to engage with them (Rodrigues, 2015). Consequently, workers were misled from organizing to advance their labor-related HR more effectively. Without a doubt, the primary beneficiaries of such moves are those profiting from the sub-employment conditions<sup>102</sup> of Brazilian workers.

#### 4.2.4.1.4. *Plenty of bureaucracy and corruption*

Another imbalance found in this organizational realm rests on the extreme and obscure bureaucracy related to the legalization of unions in Brazil (T. Santos, 2018), which until 2018 took place through the Ministry of Labor and Employment. To be registered, unions had to submit to certain spurious rules established and controlled by such ministry, whose processes worked in close connection with the interests of Brazil's congressmen divisions (i.e., indications of the controversial *Bancadas*). According to literature, too much bureaucracy allied to political intermediaries, like in this case, leaves significant room for wrongdoing to occur, such as corruption (Fredriksson, 2014). Thus, this was the case; amid the beginning of the Brazilian political crisis in 2014 and political power disputes between extremes left and right parties, left-wing labor unions became targets of investigations and attacks by mostly right-wings oppositions. Some allegations were found to be grounded, while others were not. In 2018, the Brazilian Ministry of Labor and Employment, which was the national body controlling registrations and changes of unions' structures, allegedly fell short on its moral mission of providing an example for those they led and represented.

The then highest officer of such ministry was accused of collusion with several other officials occupying positions of trust, nominated by congressmen, to perpetrate crimes involving unions' operations, such as embezzlement, passive and active corruption, forgery of public documents, and money laundering (Procuradoria Geral da República, 2018b). The scandal revealed a scheme of politicians bribing unions for the approval and expediting of their registration processes as well as with passing or avoiding given collective bargaining

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<sup>101</sup> According to PNAD data in 2013, which regarded unions' membership rate in Brazil on adult occupied population (i.e., POA indicator, in %) (IBGE, 2018).

<sup>102</sup> Employment of workers under inferior conditions (e.g., informality, degrading labor conditions, too large journeys, under-payments, etc.).

agreements. In exchange, the financing of given activities and political support was offered to such unions to pass or keep regulations in the interests of the parties involved (e.g., compulsory pecuniary contributions against unions' members) (Procuradoria Geral da República, 2018b). Given the severity of the harm to public interests, these mechanisms, allegedly in place for many years, were denounced by the Brazilian Attorney General's Office (i.e., *Procuradoria Geral da República*) and remain under investigation through the operation called *Registro Espúrio* (spurious registration), established by the Brazilian Federal Police in May 2018. The unions caught in this scheme alleged that the issue was not about the mitigation of bureaucracy, but that they were given no other choice than collude or collapse. As claimed by those workers' representatives, they were victims coopted and coerced into a crime (Procuradoria Geral da República, 2018b) that severely affected people's trust in unions and once more proved as endemic the state of corruption faced in Brazil.

#### 4.2.4.1.5. *Reforming vs. deforming unions power*

It is a fact that running a workers' union in Brazil has never been a smooth task. However, recently the situation has become even worse. After the passing of the labor reform, rushed through just after Brazil's parliamentary coup of 2016, Brazil's labor unions started to be dismantled under allegations of endemic corruption at the public organizational level. There were some major changes enacted to unions' governance with the labor reform of 2017 to 2018. First, unions' compulsory financing from workers was abolished, without a replacement or transitional plan for these lost funds, upon allegations that roughly 7,000 ghost unions were found collecting compulsory contributions without the delivery of any real representative actions to their members. However, it is arguably the case that this could have been solved through built-in transparency control mechanisms and changes in regulations, rather than recklessly removing unions' source of financing.

Second, individual agreements between workers and firms were allowed. However, the extent to which workers can factually hold power individually and face employers to expose their claims without compromising their jobs seems dubious, especially in a country with such high unemployment rates. Third, the ability of employees of companies with over 200 workers to negotiate directly with their employers was made possible. The critics here follow the same logic explained above that workers would face similar struggles with a lack of representation, meaning that they would be unshielded against corporate retaliation measures when inciting labor-related bargains. Fourth, the requirement for unions' ratification on all unjustified workers' layoffs was removed. This requirement had been a fundamental measure in Brazilian

labor relations, not merely for keeping statistics of those cases, but particularly for giving workers the voice to denounce potentially obscure reasons behind their dismissal, such as conflicts over discrimination, moral or sexual harassment, unjust payments, forced labor, violence at work, or exhaustive workloads.

Currently (2019), without workers' compulsory contributions and with no public subsidies, unions count on alternative ways to finance their activities, such as through contributions from other CSOs, training and consultancy, and the now voluntary donations of their represented workers. However, considering the severe economic recession, high unemployment rates, low political and HR awareness, and the decreased purchasing power of workers' salaries as a result of high inflation rates in Brazil, two possibilities arise: Workers could no longer afford any deductions from their paycheck, or they were misled to conclude that there was little value in investing in such modes of representation. In sum, if the motivation for these reforms was grounded on the need to move labor regulations from public-private to strictly private contractual matters mediated by unions, the results for the labor conditions of the Brazilian working class are expected to be very unfavorable (Campos, 2016).

However, if the motivation was to bring ethics into the system and to fight back against corruption and compulsory overrepresentations<sup>103</sup>, it would be a legitimate claim, provided that responsible governance with integrity and transparency, is expected not only from the unions (labor and trade-related) but also from the top public institutions that regulate them. Once again, however, this is not what public records show. Labor unions are recognized internationally as key normative institutions in supporting the realization of all sorts of HR touched by business activities, not only labor-related ones. In Brazil, their contributions to realizing and advancing HR are also vast<sup>104</sup>; for instance, unions<sup>105</sup> conquered for Brazilians the right to a democratic vote through the movement called *Diretas Já*, which motivated the emergence of various sorts of CSOs, and much more<sup>106</sup>. The last message here is a call for

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<sup>103</sup> Data from 2015 and 2016 reveal 16,491 organizations that represent labor-related economic and professional interests in Brazil, recognized by authorities of the Ministry of Labor (MTE)—extinct in January 1, 2019. On their hierarchical levels, from bottom to up, there are 15,892 unions, 549 federations, 43 confederations and 7 central unions. Together they sum 16,491 organizations, from which 5,251 represent employers and 11,240 represent workers (Campos, 2016).

<sup>104</sup> E.g., thirteenth salary; holiday allowance (1/3 of holiday pay) and paid annual holidays; paternity leave; 30 days paid notice; one day paid weekly rest; severance guarantee fund (*Fundo de Garantia por Tempo de Serviço*, *FGTS*), etc. (Dutra, n.d.).

<sup>105</sup> Amongst the historically most influential unions in Brazil are the *Central Única dos Trabalhadores* (CUT), the *Central Geral dos Trabalhadores* (CGT), and the *Sindicato dos Artistas e Técnicos em Espetáculos de Diversões do Rio de Janeiro* (SAT-ED-RJ) (Moreira, n.d.).

<sup>106</sup> For instance, unions paved the way for the emergence of the most prominent local left-wing party named *Partido dos Trabalhadores* (PT).

reflection on the urgent need to strengthen unions' well-functioning and autonomy in Brazil. Unions represent a democratic and responsible way for a state to share the supervision of workers' HR realization upon labor-relations and to allow for their advancement, especially in the context of a still-emerging economy. This association with HR realization means that Brazilian unions cannot be allowed to fade into subsistence.

#### ***4.2.4.2. Civil society organizations (CSOs)***

NGOs and CSOs are interchangeable terms in this study, and section 4.2.4 has explained the fundamental difference between them. This section explores these organizations' nature in more detail and delivers an analysis of their emergence and current situation in Brazil. However, here they are called NGOs, as this seems to be the most popular designation in use in Brazil to refer to all not-for-profit organizations engaged in advancing HR, people's well-being, and the societal common good.

##### *4.2.4.2.1. Emergence and meanings of NGOs in literature and practice in Brazil*

Historically in Brazil, NGOs' prominence may date back to the country's military regime from 1964 to 1985, through social movements fighting for Brazilians' political and social rights. However, similarly to what happened to local unions, it was only through Brazil's current Constitution (1988) that these sorts of CSOs found more significant room to operate. This is because such Magna Law did set up an important landmark for the democratization of the country's governance, allowing several obligations concerning citizens' well-being to be delegated to municipalities, in parallel with the sharing of such responsibilities with NGOs (Teodósio & Resende, 2014). When it comes to the terminology, NGOs' designations vary across countries according to their purpose and legal entities. In Brazil, it is no different and, although there are two legal designations called foundations and associations (Paes, 2013)<sup>107</sup>, they are popularly referred to by their functionalities, which can be various (e.g., institutes, foundations, or associations) or generally termed NGOs, which is the equivalent to ONGs in the local language—i.e., *organizações não-governamentais*.

In Brazil, NGOs hold the same imperative importance<sup>108</sup> conferred to these organizations worldwide. They are recognized as organizations acting closer to the population,

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<sup>107</sup> There are many sorts of NGOs in Brazil (e.g., ONG, OS, OSC, and OSCIP) termed and regulated according to their purposes, utility, and source of financing (Paes, 2013). More on sorts of NGOs in Brazil upon a social business perspective can be found in Observatório do Terceiro Setor, available on <https://observatorio3setor.org.br/o-3-setor-2/legislacao/> and in the work of Cardoso (2014).

<sup>108</sup> In recognition to the importance of NGOs in Brazil, during the left-wing government, a decree was sanctioned (8,726/2016) to regulate the law 13,019/2014. This regulation is locally known as *Marco Regulatório das Organizações da Sociedade Civil (MROSC)*, and is available here:

thus able to better depict people's needs and realities and support them to find ways to better live in society. For instance, NGOs bring bottom-up institutional inputs for the effectiveness of the state's democratic ideals, better informing participative public policies and social service provisions (F. G. Lopez, 2018). However, it should be noted that the meaning and usefulness attributed to NGOs in the Brazilian context have changed quite significantly following the country's socio-political transformations (Landim, 2002). In the 1980s, they were regarded as left-oriented alternatives to the institutional activities often practiced by universities, churches, and other organizations supporting social change movements. In the 1990s, probably due to the ECO 92 UN Earth Summit in Rio de Janeiro, NGOs' literature has flourished.

At this time, there were many attempts by local authors to capture the meanings of NGOs. Such local conceptualizations were mostly interpreted in line with the political and social orientation granted to NGOs, as Landim (2002) compiled: (i) microorganisms of the democratic process, references, places of innovation for new processes; (ii) arenas for the creation of democratic utopia; (iii) channels of participation of the middle classes in the public sphere, exercising functions of translation and reshaping of interests and popular demands in the institutional arenas of confrontation and social negotiations; (iv) institutional innovations of the Brazilian left-oriented society; (v) places where the new experience speaks, from which the state could not speak, from where the academy could not speak, from which only a militant experience could speak. From 2000 onwards, NGOs became local academic thesis subjects in which, notably, scholars' concerns with HR were heightened, or perhaps freed. Similarly, their studies about the interests of collectivities, minorities, the environment, and oppressed groups, acting as voices for environmentalists, women, HIV carriers, indigenous and *quilombolas*<sup>109</sup> people, children, and adolescents (Landim, 2002). From 2008 until the present day (2018), arguably, fueled by the UN framework and GPs' publications, local publications<sup>110</sup> on the matters have mainly covered corporate-environmental disasters and their implications on HR, as well as the rights of minorities, labor-related issues, and modern forms of slavery.

In local practice, NGOs are respected and recognized by their normative and democratic roles in carrying citizens' voices. Caution is necessary, however, in maintaining this *status quo*. This is because local government agencies have been increasingly using NGOs as states'

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[http://portal.convenios.gov.br/images/manuais/Marco\\_Regulatorio\\_Das\\_relacoes\\_entre\\_Estado\\_e\\_Sociedade\\_Civil\\_1.pdf](http://portal.convenios.gov.br/images/manuais/Marco_Regulatorio_Das_relacoes_entre_Estado_e_Sociedade_Civil_1.pdf)

<sup>109</sup> A quilombola is a Brazilian resident of quilombo settlements that were first established by fugitive-slaves in Brazil. Predominantly, these citizens descend from enslaved people brought from Africa to Brazil and who escaped from such barbarism.

<sup>110</sup> The researcher observed 15 academic publications cross-connecting CSOs, Business and HR in business and management academic literature dedicated to Brazilian realms.

functional and strategic outsourcing organizations, so together they engage in administrative activities of public structures (e.g., management of hospitals) not necessarily engaged with the optimization of people's well-being (Landim, 2002). It occurs that, once in partnership with a governmental agency to provide a given public service, such activities are often financed with public resources. Therefore, the involved NGO cannot escape the requirements of the government-sponsor and can end up merely reproducing the official agenda, which, unfortunately, is not always to the advantage of the majority of the people. In such situations, laying aside their philosophy, ideologies, and methodologies, and without autonomy, NGOs can become mere executors of public programs (Perez, 2005).

#### 4.2.4.2.2. HR-NGOs' financial bottom line: Public divestments or no investments

On accounting the resources destined to NGOs acting on behalf of Brazil's government in areas of health, education, and assistentialism, it is found that public investment between 2002 and 2010 showed an increase of 45% (Ojeda, 2012). Another source states that during 2010 and 2017, the percentages concerning total voluntary public investment destined to NGOs registered as private associations and foundations were 73% and 26%, respectively. In contrast, the ratio for the same resources, in the same period, destined to NGOs directly engaged in HR matters, as means of those categorized as social organizations of public interests, tended to zero (F. G. Lopez, 2018). It is also apparent that in the category of NGOs who defend the rights of groups and minorities, there was a decrease of 627% in the average annual growth ratio from 2010 to 2017. It is also impressive that while the registered public divestment per number of NGOs of all sorts between 2010 and 2016 was 66%, in this same period, these institutions increased in number by 56%. Moreover, considering that the population of Brazil continues to increase, and considering the country's alarming HR issues, including those caused by business activities, the observed public divestment in HR-related, non-governmental institutions can indicate the state's disregard for the public support that they offer to monitor and promote respect for HR.

Surely, there are many other ways of financing NGOs' activities other than via direct public investment, and this is why these organizations still survive in Brazil. However, in the long term, creativity and reliance on provisional grants will not be enough to cover the ample monitoring that the Brazilian context demands. Regardless of the limited support from the state, there are many cases of distinguished and very long-dating, engaged NGOs dedicated to advancing HR in Brazil. To cite a few successful cases, there are: *Instituto Ethos de Empresas e Responsabilidade Social*, *Conectas Direitos Humanos*, *Repórter Brasil*, *Rede Brazil do Pacto*

*Global* (i.e., UNGC-Brazil), and Business and Human Rights Resource Centre Brazil, all notably referenced by the business community during the interviews for this research's fieldwork. Last but not least, Brazil also relies on the work of a research center for BHR, the CDHeE, or *Centro de Informações sobre Empresas e Direitos Humanos* of *Fundação Getulio Vargas*, located in Sao Paulo. Also, since 2012, with the support of the Ford Foundation, Brazil hosts the *Homa Publica*, an International Journal on Human Rights and Business (*Revista Internacional de Direitos Humanos e Empresas*).

#### **4.2.4.3. HR defenders**

The researcher understands that, in the lack of agencies dedicated to addressing BHR grievance matters in a given context, local public HR defenders may be officers sought primarily by the victims of corporate HR abuses. This section, thus, discusses the frightening scenario that Brazil represents to those whose work is known to be of essential importance for a responsible and democratic shaping of overall HR relations in society. In democratic realms, HR defenders stand as fundamental actors to promote access to justice, particularly where states still fail or are found accomplices in (business-related) HR violations. For instance, because these agents' daily-work includes the calling for justice and the promotion of access to remedies for the victims of (corporate) HR abuses. Non-judicial HR defenders, teaming up with HR-related NGOs, are also accounted for supporting access to justice and remedies. Thus, HR defenders' importance for balanced BHR relations should be recalled and their integrity safeguarded by states (see GPs 18 and 26). However, as signaled by the UN Human Rights Council (2016), and also often reported in press news, HR defenders "increasingly face death threats for raising their voices" (p. 15) when economic interests compromise HR. Despite the existence of a National Program for the Protection of Human Rights Defenders in Brazil, under the UN Declaration on Human Rights Defenders (1988), safeguarding these agents' physical integrity in the country seems to run under severe and constant risks.

Supporting this assertion is the fact that out of 116 killings of HR defenders accounted in 17 countries in 2014, 29 of the cases, or 25%, occurred in Brazil. Of these, the majority of the killings relate "to conflict over land ownership, control, and use, and were commonly committed by the police and private security providers" (UN Human Rights Council, 2016, p. 15). HR defenders' deaths, still according to the UN Human Rights Council (2016), occurred mainly through conflicts involving big agribusiness, logging, and mining companies. In Brazil, however, although statistics show that the crimes against HR defenders are more concentrated

in rural and forest-based areas<sup>111</sup>, murder cases are also found in urban areas in which other minorities are found. Although the statistics of killings of HR defenders in Brazil are alarming, they may not fairly show the real face of the local, everyday reality, which is, in all likelihood, much worse for those other civilians that dare to raise the voice against the perpetrators of HR violations. The recent killing of the politician and HR promoter Mrs. Marielle<sup>112</sup> Franco and her driver Mr. Anderson Pedro Gomes both shot dead on March 14, 2018, in the city of Rio de Janeiro while driving back from a public event on Young Black Women Moving Structures, is one shocking example of this context depicted as frightening.

The normative pillar can be regarded as the primer for all other institutional elements behind the well-functioning of a given democratic context (Scott, 2014). It is also imperative for succeeding with a BHR humanized agenda, especially in adverse markets like Brazil, marked by many HR institutional voids, but in particular those from the normative and cultural-cognitive pillar (as depicted in the next section). While unions, CSOs, HR defenders, and even HR ideals continue to be institutionally undermined by Brazilian state, the vast majority of Brazilian citizens still may not realize, enjoy, or even understand the real meaning of HR and that they do hold them, just because they are human beings. Arguably, and to conclude, raising awareness about the meaning of HR can be a good starting point, if not the only one, for changing Brazil from mostly economic-oriented to a more humanized country.

#### **4.2.5. The cultural-cognitive pillar**

This section elaborates on cultural-cognitive institutions and explores the perceptions of HR and BHR matters in Brazil. As seen in section 3.2.4.3, cultural-cognitive institutions are mostly informal. According to Scott (2014), these institutions are represented by perceptions, predispositions, symbologies, suspicions, and any sort of typification occurring through mimetism, isomorphism, or the taking for granted of actions that organizations, groups, or individuals reproduce in their daily routines. Although most of these actors' behaviors are easily recognizable, culturally supported, and can be vested in ethical evaluations, their proceedings are not thought-through matters but automated ones or learned by experience. For instance, the reproduction of ethical behavior toward respect for HR in a given society by a given agent may also depend on how often such good behavior is experienced or perceived in

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<sup>111</sup> See the 2014 Global Witness report available on [www.globalwitness.org/en/campaigns/environmental-activists/how-many-more/](http://www.globalwitness.org/en/campaigns/environmental-activists/how-many-more/)

<sup>112</sup> Marielle Franco performed remarkable work fighting racism and in defense of anti-discrimination of people according to the diversity of sexuality and gender identity-based cultures. This particularly to the benefit of people living in the poorest slums of Rio de Janeiro, in Brazil. In many occasions, she also publicly decried the use of military intervention and police violence in the same region.

these surroundings. The internal and external context of business organizations does, therefore, affect the way that businesspeople act toward respecting HR in their daily business tasks. Still, traditions, education, or its lack thereof, and institutionalized misbehaviors, while not being justifications, can provide all sorts of impulses for businesspeople to perceive and reproduce right or wrong acts that can either harm or support HR, and this section was elaborated upon these premises.

#### ***4.2.5.1. Brazil's multi-diversity and complexity***

To understand the Brazilian cultural-cognitive context, one should first distinguish that “Brazil is many Brazils” (Sátyro, 2017, p. 1). Brazil is a very complex context, ample not only in its territory but also in regional socioeconomic disparities, which lie beyond its more affluent southern and south-eastern and more impoverished northern and north-eastern regions. This country is also very diverse in terms of cultural traits, such as traditions, religions, and even societal and ethnic ways of living. The most traditional groups, often referred to as minorities, are the *quilombolas* (explained in section 4.2.4.2.1); the *riparians*, also called *ribeirinhos*, people living in areas of interface between land and a river or stream; and the indigenous people, a group that requires no definition for being well-known in other cultures too. In addition to its Portuguese influences, because of its colonization throughout history, Brazil has also become further mixed by the immigration of several other nationalities, such as Germans, Italians, Spanish, Japanese, and Lebanese (Fausto, 2006).

It is, therefore, clear that Brazil's diversity is as broad as the country in itself. This is manifested socioeconomically, culturally, politically, and regionally. The problem is that the more adverse the conditions and diversity of a context, the higher the likelihood of high variance and amount of misunderstandings, uncertainties, and confusion found in this context (Scott, 2014). Thus, given the extent, complexity, and overall disparities found in Brazil, it seems impracticable, and beyond what this study could embrace, to offer a fair outlook of the BR-BHR cultural-cognitive institutional realms, especially given that multiple settings are to be found in a place according to its many regionalities and socioeconomic discrepancies. Instead, an exemplary picture based on extant academic and contextual/technical literature (Corbin & Strauss, 2015) has been elaborated (see the next two subsections), supported by the grounded data of this field research (see section 6.1.3).

#### ***4.2.5.2. The institutionalized HR discrimination in Brazil***

It is not only HR matters but also their organizational representations that seem to have been suffering from institutionalized discrimination for a long time in Brazil. However, in

business-related or sociological local academic literature, no contemporary research was found dedicated to clarifying the roots for this HR demonization, or on pathways to tackling it, be it regulative, normative, or cultural-cognitive stances, by the time of this study. As history shows (section 4.2.1.2), to talk about HR during Brazil's dictatorship-era was considered subversion to the point of HR supporters being deliberately associated with troublemakers and, worst, accomplices of delinquency or even defenders of criminals and other outlaws. This may explain why a distorted view of the meanings of HR seems to be still at stake in Brazilian society, arguably promoted by those who profit from people's captivity by fear, extreme poverty, or ignorance (Genevois, n.d.; Movimento Nacional de Direitos Humanos et al., 2012; A. A. Santos et al., 2017). The outcome is that contemporary HR missteps occur not only as a result of the long Brazilian history of military and dictatorship repression (Genevois, n.d.) but, because of the intentional efforts of far-right groups and elites in defending their privileges and economic interests.

In attempting to create a clearer picture of how HR misperceptions come about in Brazil, the researcher started by analyzing how HR education is addressed there. It was first noted that Brazilian youth (15-year-old boys and girls) scored very low by international standards when measured against the quality of education they receive. According to the last available results (2015) of the PISA education index, these young Brazilians, who can already vote at age 16, scored the second-worst result, if ranked together, out of the 45 OECD's member countries. When measured by their science performance, reading skills, and mathematical knowledge, these three areas had the worst mean score of all country-participants. It is also worrying that there has been no significant improvement in these three educational indicators in the last two decades in Brazil (OECD, 2018c).

The first analysis of these indicators shows that most Brazilian citizens still do not achieve their HR to education. This conclusion can be regarded as accurate if education is interpreted beyond the act of merely attending school, as the Brazilian students who took part in the PISA assessment can be considered as (still) functionally illiterate citizens. This means that their critical thinking capacity, at the time of the exams, had not been well-stimulated enough to succeed in such assessments and beyond, to become well-informed and politically conscientious citizens. A second examination raises questions on the extent to which these young citizens have been prepared, through quality education, to achieve the level of critical thinking needed to understand and explain the reality around them, including their HR and the demands (e.g., political, civil responsibility) necessary to their realization (Genevois, n.d.;

Movimento Nacional de Direitos Humanos et al., 2012; A. A. Santos et al., 2017; see also Human Rights Watch, 2018). Third, whether a similar educational quality-gap is found in older ages' population samples is open to scrutiny.

Even if HR are institutionalized at the national regulative level, and accordingly addressed as universal, non-putative, and indivisible, most Brazilian citizens are not aware of their meanings. Moreover, HR are not addressed in people's daily life, through proper rights' terminology; perhaps provided that, as mentioned before, HR suffer from institutional discrimination in given spheres of the Brazilian society.

#### **4.2.5.3. HR public agenda: Is there enforcement of HR awareness?**

This author argues that quality education is essential for critical thinking and a crucial part of helping people understand what HR mean and how vital it is to respect and realize them. Another aspect, respecting pedagogical methodologies, rests on whether specific and direct HR education would be useful in Brazil. Thus far (2018), there has been a transversal addressing of HR subjects matters in the schools' curricula. However, stressing HR moral, legal, and political grounds and their proper terminology in education and overall governmental communications and systems—while tackling the wrong references of HR as rewards, grants, privileges, concessions, and associating them with meritocracy—could be all affirmative actions leading to the recognition of HR as such by both corporate and individual citizens. This shift is probably necessary because addressing HR education transversally, as it is in Brazil, leaves up to each educational organization the choice of *if, how, and when* to address HR matters in the classrooms.

Discussions at the governmental level about promoting HR education in order to raise young people's cognitive and cultural perceptions and actions have been ongoing for a long time in Brazil. Officially, this topic is part of a governmental agenda from the first version of the National Human Rights Program (*Programa Nacional de Direitos Humanos [PNDH-1]*)<sup>113</sup> instituted in 1996. However, the scope of this program was focused on civil and political rights only and provided for the production and circulation of HR informational material in schools. The second version of the PNDH, instituted in 2002, included economic and social HR as thematic and notably highlighted the need for schools to promote education on HR. Upon that,

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<sup>113</sup> The current (PNDH-3) and previous versions of this program, as well as the PNEDH are found on the HR Ministry of Brazil website, <http://www.mdh.gov.br/>, or yet via <http://www.dhnet.org.br/dados/pp/pndh/index.html>. The Brazilian Guidelines on HR Education (i.e., *Diretrizes Nacionais para a Educação em Direitos Humanos [DNEDH]*), instituted in 2012, are found via website of the Education Ministry on [http://portal.mec.gov.br/index.php?option=com\\_docman&view=download&alias=32131-educacao-dh-diretrizesnacionais-pdf&Itemid=30192](http://portal.mec.gov.br/index.php?option=com_docman&view=download&alias=32131-educacao-dh-diretrizesnacionais-pdf&Itemid=30192)

the agenda of tackling misinformation about and promoting a culture of HR in schools and other societal institutions received special attention from the governmental agencies involved. Then, in 2003, the National Plan for Human Rights Education (*Plano Nacional de Educação em Direitos Humanos* [PNEDH]) was established.

Notwithstanding, as argued by Silva and Tavares (2013), it was only from 2010, one year after the third version of the PNDH, that the government's action plan for HR education took shape in Brazil, elaborated in response to the demands of the UN World Program for Human Rights Education (2005-present). Despite that, and the other many efforts from federal and regional governmental bodies, those plans have not yet materialized into a compelling agenda to tackle local people's lack of awareness of HR matters, remaining no more than a part of a *wishlist*. In practice, this lack of HR sense touching the cultural-cognitive arena (i.e., what HR really means) in Brazil, may prevent HR from being respected and their overall advances, be in the normative or regulative pillars (Silva & Tavares, 2013). The observations performed during the research's fieldwork corroborate Silva and Tavares' (2013) assertions that educational orientation on HR matters in Brazil is not yet, genuinely, part of the Brazilian public schools' subject matters; however, in governmental agenda, they are claimed to be taught transversally.

The same conclusion comes by the discourse-analysis of a recent publication of the Legal Journal of the Presidency of Brazil (Piovesan & Fachin, 2017), dedicated to discussing the challenges and perspectives of HR education. For instance, on asserting ways to better ensuring that HR education will reach all layers of the local society, rather than being confined to actual students, the text evokes article 205 of the Constitution which reads: "general education is a shared responsibility between state and families to ensure the full exercise of this social right" (Piovesan & Fachin, 2017). This evasive and imperfect claim departing from the country's highest HR governmental body is all but motivating. Still, it disregards the role of other major local actors, such as MNEs and CSOs, who affect overall education through their programs and operations, thus, could collaboratively and by making use of their political responsibility, support the dissemination of HR meanings. The researcher also examined further miscarriages in this same publication. For instance, it suggests a reduced idea of HR meanings, referring to them as *mechanisms to solve issues on social inclusion of marginalized people, and as ways to tackle violent behavior on racism, sexism, homophobia, and xenophobia* (Piovesan & Fachin, 2017).

On top of this governmental minimalism on addressing ways to develop HR at the cultural-cognitive level in Brazil, other complex issues are observed by the researcher as preventing HR ideals from being thoroughly discussed, understood, and thus respected in this context. For instance, the abusive use of power and brutality by police officers; business-environmental tragedies left-unsolved and unpunished; corruption at the government levels that drains the public-resources intended to serve HR realization; people's daily soft corruption practice, or the so-called *Jeitinho Brasileiro*, which can lead to recognizing impunity and disrespect for HR institutions as normal practice; people and authorities' omission on slavery cases, still occurring in both the countryside and in urban areas (e.g., the *modern* ways of slavery); the admitted lack of laicity in public institutions; and last but not least, the high costs and slowness of the judicial systems that keep citizens far from getting justice and remedies in cases of (business-related) HR violations.

All Brazilians should be able to know that HR are beheld by all of them, unconditionally. All societal actors, including corporations, can contribute to disseminate HR meanings and call for their respect. Still, institutional actors could lead by example, stressing that the responsibilities of realizing and advancing HR fall on all citizens (corporate, governmental, civil, and military). On the one hand, the researcher acknowledges that a lot has been done since the outset of the current Brazilian Constitution in 1988<sup>114</sup>, as many are the initiatives of given public and private agents toward a more inclusive and humanized Brazil. On the other, however, there has been minimal improvement, and without the collaboration of corporate citizens, it seems quite hard to believe that HR ideals can be realized timely in Brazil. Specially currently (2019), where a wave of extremist-conservatism has started to threaten some notable local achievements, such as individual freedoms, civil rights, and overall democracy.

#### ***4.2.5.4. Perceptions of BHR relations in Brazil***

By the time of this study, no empirical research was found on the perceptions of BHR relations in Brazil. In fact, very little is known about how people understand the roles of business organizations in supporting or preventing their HR realization and almost nothing on managers' perceptions of HR meanings in Brazil, or on how business organizations are supporting the raising of such awareness. This section, therefore, provides an outlook based on the researcher's perceptions of BHR cultural-cognitive matters in Brazil, based in this little

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<sup>114</sup> Check the Constituição da República Federativa do Brasil (1988) in the reference's list.

extant literature, and supported by the data gathered through the fieldwork. However, detailed findings are provided in Chapter 6.

#### *4.2.5.4.1. Empirical research*

On general BHR relations, ten studies were found<sup>115</sup> applying HR terminologies and taking a perspective beyond that of charity and voluntarism<sup>116</sup> from corporate actors. Even if modest in quantity, the level of discussions found in these studies seems quite adequate, given they reach ethical and regulatory perspectives that BHR-entangled matters demand. These studies include children's HR advancements through the cooperation of a CSO and toys industry (Raufflet & Amaral, 2007), as well as the co-responsibilities of corporations and the state on environmental issues impacting local HR (Abelvik-Lawson, 2014; Kuijpers, van Huijstee, & Wilde-Ramsing, 2014; Silveira & Fernandes, 2017). The discussion also reaches the responsible governance of unions, in ways to tackle cooption that may silence workers' voices (Veiga & Martin, 2009), and labor-related HR and agribusiness (Filho, Silva, & Queiroz, 2010).

#### *4.2.5.4.2. The business engagement with HR*

It should be noted that membership in voluntary programs, and the adoption of CR self-governance systems, can take place simply as a result of mimetism or isomorphism. Thus, they do not necessarily guarantee that a business organization is genuinely committed to respecting HR, other rights, and public goods of a given society. Whether through teaming up with CSOs or by using their collective leverage to push forward the business-society agenda of public institutions, it is reassuring to see that many local and foreign MNEs are signaling substantial engagement in responsible HR practices. Corporations have been showing, thus, notable willingness to exercise more responsibly their roles in respecting, securing, promoting, and advancing HR in Brazil. This assertion is based on the impressive number of active memberships of big business organizations of renowned normative associations dedicated to the monitoring, protection, and advancement of HR in Brazil. For instance, the Ethos Institute for Corporate Social Responsibility has more than 500 member-enterprises, of which 32% are big global business players, and 44% are SMEs<sup>117</sup>. This last group delivers a positive sign that

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<sup>115</sup> A research on academic peer-reviewed journals of the subject terms Brazil, Business, and HR, performed in November 9, 2018, by this author via University of St. Gallen library's online platform.

<sup>116</sup> Charity and voluntarism initiatives of MNEs on HR issues are laudable and very welcome, but might be not enough to prevent that HR violations happen by the same agents' actions (i.e., operations and supply chains) or inactions (i.e., neglect or non-use of political leverage to protect and promote HR).

<sup>117</sup> Visit Instituto Ethos' website for an overview of this and other BHR related topics: <https://www.ethos.org.br/conteudo/associados/#.W-XaUZNKj-h>

size is not a deterrent for firms to run their businesses responsibly. In turn, the UN Brazilian arm of the UNGC, called *Rede Brasil do Pacto Global (UNGC-BR)*<sup>118</sup>, has more than 700 member-enterprises all over Brazil and registered an increase of 8.7% in memberships from 2016 to 2017. In 2017, this CSO provided training for over 22 thousand businesspeople in Brazil on BHR topics, such as the meaning of HR, HR due diligence, and HR impact assessments, referring to both GPs and their own principles for responsible business<sup>119</sup>.

#### 4.2.5.4.3. *The large room for BHR institutional improvement*

There is still considerable room for improvement in promoting HR through cultural-cognitive matters at a business-organizational level in Brazil, and the challenges in doing this are also great. AM-MNEs can be very supportive of such institutional improvement, as they hold real experiences about advanced HR standards of the AM from which they come. Therefore, if nothing else, such business leaders can support many of the developments of BHR relations in Brazil. First, for instance, if leading by example, as a means of making use of their leverage, acting responsibly, and avoiding involvement in both direct or indirect HR violations, MNEs can help to show how HR should be addressed in every location of their operations (UN Brazil, 2012). Second, either individually or through alliances, AM-MNEs can support the tackling of the significant lack of knowledge about HR meanings and their relations with business matters in corporate realms. This was pointed out through the recommendations made in the report of the UN working group regarding the issue of HR, transnational corporations, and other business enterprises on its mission to Brazil in 2015 (UN Human Rights Council, 2016; see also Borges et al., 2018). Third and finally, although the claim that corporations hold HR obligations regardless of the legal requirements in their countries of operations is a relatively new notion in business research, this development is a societal demand linked to the outcomes of globalization.

To conclude, as mentioned before, in Brazil HR are universally endorsed by its actual Federal Constitution. In the same Magna Law, the co-responsibility of business organizations to construct a free, just, and inclusive society is called upon. Brazil's Federal Supreme Court endorses business responsibility toward HR—see the Extraordinary Appeal No. 201819-8 (2006), favorable to the wide-reaching demands to realize such fundamental rights (Borges et al., 2018). Moreover, Brazilians can still rely on the work of HR-related CSOs, who are internationally connected organizations and tirelessly engaged to advance HR in the country.

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<sup>118</sup> Available on: <https://www.pactoglobal.org.br/>

<sup>119</sup> See this information on UN Brazil's website: <https://nacoesunidas.org/numero-de-signatarios-da-rede-brasil-do-pacto-global-sobe-8-em-2017/>

As a contribution to the better understanding of this context, an empirical view of the elements positively and negatively shaping the BR-BHR pillars is provided through the findings of the research's fieldwork research in Chapter 6.

### **4.3. Summary**

In the first part of this chapter (section 4.1), the researcher elaborated on the study's main guidelines, to present how the research problem, purpose, gap, geographic scope (Brazil), objective, and questions took shape. Furthermore, the major theoretical underlying perspectives of the study were stressed, namely (1) Scott's (2014) institutional logics tripartite model (regulative, normative, and cultural-cognitive), (2) Meyer and Thein's (2014) relational view of IB strategies and institutions in a global yet very adverse developing context (Myanmar); and (3) Wettstein's (2012b) perspective of CHRR (i.e., ethical, legal, and political). Putting together the research's guidelines and theoretical grounds, the researcher then designed the study's initial framework of analysis. In the second part of the chapter (section 4.2), the researcher presented an overview of Brazil's BHR institutional and economic context. This elaboration was based on both academic and contextual literature, as well as observations gathered during the fieldwork. Upon that, it is concluded that Brazil's HR ideals have been challenged alongside with its history by various entangled crises, long period of slavery, and bloody military-dictatorship regimes. In the past, then, HR ideals haven been marked by such governances of fear and authoritarianism.

Currently, as observed, many of the HR of most Brazilian citizens are undermined to favor the privileges of selected groups, such as economic elites, conservative and religious extremists, and corrupt political systems. Still, to justify authoritarian ideals and control power disputes as in the course of Brazil's history, a case against HR has been constructed. Therefore, to date, HR meanings are still not understood by the majority, or, even worse, are discriminated against by those who most urgently need to realize them. As conveyed, such deep-rooted discrimination and even criminalization over HR and their other accompanying institutions (e.g., NGOs, CSOs, unions, and HR defenders) seem useful to cultivate local socioeconomic disparities and violence. This scenario of many unequal parts and institutional voids reveals not only the fragility of local HR institutions but also denotes a weak and imbalanced democracy. These conclusions were reached through the review of the BR-BHR regulative, normative, and cultural-cognitive pillars from which numerous challenges arose. These challenges include an ongoing severe economic recession and an ethically and institutionally depleted state; the growing distrust in politicians, given widespread public-private corruption

scandals and the predominance of a presidentialism of cooption, which extends malpractice to regional governances; and the likely institutionalized impunity and corruption (often referred to as *Jeitinho*) that impair the national justice system, and the democracy in general. This contextualization, however, is proven insufficient to assist the research objective and answer to its derived RQs. Thus, empirical fieldwork seemed indispensable, and the next chapter will explain the methodological precepts used to perform it appropriately.

## 5. Methodology

In social sciences, methodology is more than a collection of useful and systematic guidelines; it offers one among many ways “of thinking about and studying social reality” (Corbin & Strauss, 1996, p. 4). This is because reality is much more complex than one can describe through exemplary methodologies, and, to a great extent, its attainment also depends on individual analysis. Experienced methodological theorists have indicated that, although there is no such thing as an off-the-shelf recipe to study a related social subject, a reasonable beginning may lie in positioning the study philosophically (Birks & Mills, 2015; Corbin & Strauss, 1996; Gray, 2018). Therefore, this chapter starts by presenting the research philosophy in its first block (section 5.1). The second explains the selection and functioning of the qualitative methodology of this study, the SGT (section 5.2); the third details the research methods and fieldwork (section 5.3); the fourth and last concludes the chapter with a discussion of the measures taken in this study to meet academic research credibility (section 5.4).

### 5.1. Research Philosophy

#### 5.1.1. Ontological and epistemological research approaches

Derived from the two Greek words, *philo* and *sophos*, which mean love and wisdom respectively, philosophy, or the pursuit of knowledge through argument and reasoning<sup>120</sup>, relates to everything that makes sense or does not for human beings. Philosophy, through ontological approaches and its ranges of objectivity (e.g., positivists) and subjectivity (e.g., relativists), informs and explains how researchers define themselves and perceive the nature of reality. Philosophy also informs individuals’ epistemological approaches that unfold in many paradigms accounting for how researchers gain knowledge about the world and how they validate such knowledge. This validation is often a complex process from which theoretical perspectives, methodologies, and multiple methods are derived (Gray, 2018; Saunders, Lewis, Thornhill, & Bristow, 2016). Still, most research in applied social sciences is derived from researchers’ interpretations who, in their turn, are guided by their “set of beliefs and feelings about the world and how it should be understood and studied.

Some beliefs may be taken for granted, invisible, only assumed, whereas others are highly problematic and controversial” (Denzin & Lincoln, 2005, p. 22; see also Birks & Mills, 2015). Although researchers’ viewpoints can determine their researches’ philosophical position

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<sup>120</sup> The New Shorter Oxford English Dictionary, On Historical Principles (1973-1993).

(Birks & Mills, 2015), the fields of knowledge in each study, as well as the related subject and scope, also play an important role in choosing the best fitting methodology. In addition to providing information to position researchers and researches, philosophical approaches also determine researchers' applications of prior literature, their senses, demands for knowledge creation, and their ways of interacting with participants. Thus, it is not surprising that the philosophical approaches grounding and guiding business and management researches are numerous and sometimes controversial, complementary, and even conflicting (Birks & Mills, 2015; Blickle, 2018; Gray, 2018; Myers, 2013).

On this basis, the researcher considered three intertwined accounts to position this study philosophically. The first was the observation that very little is known about the institutional interactions between MNEs and EM institutional contexts regarding HR matters, and even less is available solely on the Brazilian context. This shortage and the identification of the fields' gaps were verified upon a comprehensive review of the literature relating to the research topic (summed up in section 4.1.1). The second was the broad, exploratory objective of this research and its two resulting RQs (designed in section 4.1.2). The third was the imperative need to engage in qualitative and immersive field research, given the insufficient literature to answer the RQs and to fulfill the research objective.

After all, only an empirical and interactional qualitative research method was considered suitable for allowing an in-depth, critical examination of the relationships to be uncovered. Observing all these accounts, the researcher thoroughly examined the view of various authors on methodological approaches, primarily relating to business and management qualitative research (Birks & Mills, 2015; Ellingson, 2011; Gray, 2018; Myers, 2013). The next step was to narrow down these views to a list of the most widely-supported ontological and epistemological philosophical paradigms fitting business-related research, easing then the selection of critical realism<sup>121</sup> as the best-fitting philosophical paradigm for the purposes of this research. The following illustrations, Table 2 and Figure 4, summarize these revisions and present the location of these research philosophical approaches.

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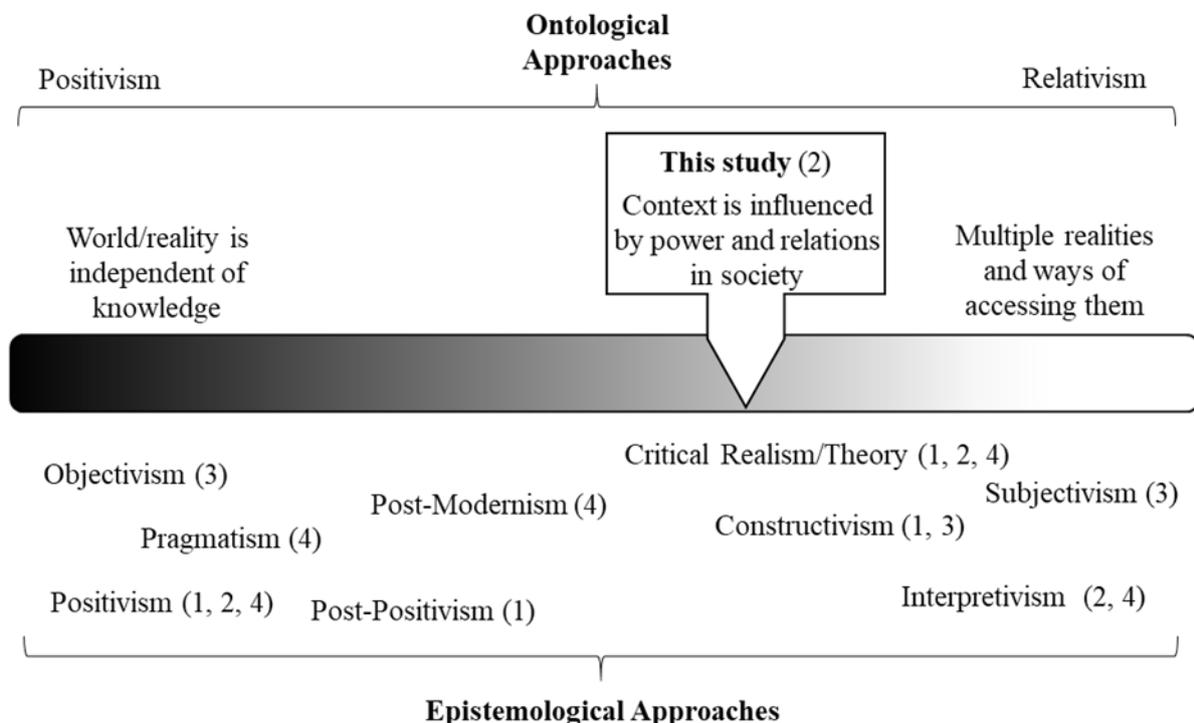
<sup>121</sup> For a comprehensive view about inquiry paradigms the researcher suggests reading Lincoln, Lynham, and Guba (2018) and for similarities and contrasts between critical realism and critical theory the view of Whelan (2019).

**Table 2: Major epistemological paradigms in social research**

Categorizations	Epistemological paradigms	Sources
1	Positivism Post-positivism Critical Theory Constructivism	Guba and Lincoln (1994, 2005)
2	Positivism Interpretivism <b>Critical Realism</b>	Blickle (2018) Myers (2013) Orlikowsky and Baraoudi (1991) Chua (1986)
3	Objectivism Constructivism Subjectivism	Gray (2018) Crotty (1998)
4	Positivism Critical Realism Interpretivism Postmodernism Pragmatism	Saunders et al. (2016)

Source: Researcher’s creation, based on Birks and Mills (2015), Blickle (2018), Gill and Johnson (2002), and Gray (2018).

**Figure 4: Philosophical paradigms in social research**



Source: Researcher’s creation, based on Birks and Mills (2015), Blickle (2018), Gill and Johnson (2002), and Gray (2018).

The plural, sometimes antagonistic, other times converging and complementary philosophical paradigms serve to prove that the search for the truth, or the nature of reality, leaves room for various understandings that are a result of authors' and subjects' methodological combinations (Birks & Mills, 2015; Guba & Lincoln, 2005). A suitable selection of a philosophical paradigm is also a fundamental step for making a study researchable (Gill & Johnson, 2002). Therefore, upon the analysis of the approaches found in Table 2, and in agreement with prior studies (Blickle, 2018; Deetz, 1992), the researcher selected the tripartite approach to epistemological paradigms—i.e., positivism, interpretivism, and critical realism—to explain knowledge creation in society. Positivists are theorists supporting traditional, scientific methods and believe that knowledge gain, regardless of nature and relative social contexts, should be value-free<sup>122</sup> and, thus independent of individual's perceptions (Blaikie, 1993; Bryman, 2016; Byrne, 1998; Monette, Sullivan, Dejong, & Hilton, 2014; Myers, 2013; Sobh & Perry, 2006). This, therefore, does not match this research paradigm.

Interpretivists reject positivists' assumptions on the appropriateness of studying natural and social sciences because they believe that individuals are complex and hold distinct interpretations, even when facing the same circumstances (Bryman, 2016; Greeff, 2015; Myers, 2013). Considerations of feelings, motives, values, language, interactions, and context are heavily weighted in this viewpoint, resulting in a high degree of subjectivity and, therefore, raising sharp criticism (Byrne, 1998; Robson, 2002), mainly about its validity and power of generalization (Monette et al., 2014). Interpretivism is, therefore, also not appropriate for this study. Finally, critical realism, the philosophical paradigm underlying this study, should be highlighted. Researchers supporting this paradigm regard not only individuals but also organizations as constitutional parts of socio-political and other contextual historical constructions (Alvesson & Deetz, 2000), as occurs with integrative CR or economic ethics (Ulrich, 2008).

The main goal of critical studies, explicit or not, lies in questioning and analyzing sources of “domination, asymmetry, and distorted communication through showing how social constructions of reality can favor certain interests, and alternative constructions can be obscured and misrecognized” (Alvesson & Deetz, 2000, p. 35). Critical realists may provoke

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<sup>122</sup> Considerations about individual's values are studied within the branch of the philosophical approach of social sciences categorized as axiology. See more of this subject through the comprehensive work of Lincoln et al. (2018).

disagreements in creating room for deliberation toward consensus. These deliberations are beneficial as they can trigger positive changes in a context, thus changing reality. Still, these researchers may regard ethics and the classic-utilitarianism imperative, namely “the greatest amount of good for the greatest number” (Stanford Encyclopedia of Philosophy, 2014, n.d.), as an important driver for their constructs. Notably, critical realism studies hold the most specific set of value commitments and most direct attention to moral and ethical issues (Alvesson & Deetz, 2000), because having highlighted a material dimension, they are not reduced to their researchers’ level of awareness (Bhaskar, 2011; Blickle, 2018). Nonetheless, caution is required in avoiding criticism about activism and therapeutic tones in researches conceived upon this paradigm (Alvesson & Deetz, 2000), as researchers can be sidetracked if the material dimension of their studies cannot be confirmed (Bhaskar, 2011). Finally, although critical realism is the best ontological and epistemological match for this research, the researcher recognizes that this approach is only one among many ways of gaining knowledge in social business research and this is, therefore, a topic that will be revisited in section 8.3, about research limitations.

### **5.1.2. Research axiological approach**

Axiology is the branch of philosophy that deals with ethics, values, aesthetics, and religion. In social business research, it is about how researchers act based on the studies they produce and their criteria of values and value judgments in ethical matters (Lincoln, Lynham, & Guba, 2018). In critical realism, axiology is primarily concerned with classifications of which things are good, and how good they are. A traditional question in axiology concerns whether the objects of value are objective matters or subjective psychological states of the world (Stanford Encyclopedia of Philosophy, 2016). However, axiology has been left out of social “scientific inquiry for no larger reason than that it also concerns to religion” (Lincoln et al., 2018, p. 132) and values. This might be the case when it comes to personal beliefs. However, when it comes to ethics<sup>123</sup> and values<sup>124</sup>, even if considering that these constructs might differ according to societies, cultures, and religions, it is feasible to have a minimum collective denominator within a given context. This minimum common reasoning is, arguably, the essence of each society’s major institutions: ethical reasoning. Still, while some might argue that ethics and values should be disregarded when a researcher is describing a phenomenon,

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<sup>123</sup> Ethics in this context defined as “the interactions and relationships between the researcher and the subject as well as the effect inquiry research has on populations” (Lincoln et al., 2018, p. 109).

<sup>124</sup> Values in this context defined as what researchers seek as important products within inquiry research (Guba & Lincoln, 2005).

Cannella and Lincoln (2018), as well as this researcher, believe that it is inconceivable to disregard ethics and values propositions from social business research.

Moreover, one cannot overlook ethics and values, for instance, when the phenomenon being researched is a social matter; more specifically, one cannot exclude values from an analysis of (business) organizations and institutional relations. This is particularly true when those institutions are HR; first, because they are universal rights, which hold already objective, international legal validity (United Nations, 1948a, 1966a, 1966b), and second because HR are the highest category of moral rights (Wettstein, 2012b; see also section 2.1). Being such, HR hold equal worth and unconditional validity, regardless of any contextual characteristics; though, admittedly, their realization and enjoyment require interrelated determinants<sup>125</sup>, and depend on societal conditions and constructs. Therefore, this proves that the positioning of a given business research may go philosophically beyond the selection of its ontological and epistemological perspectives (Lincoln et al., 2018). It may also require positioning both study and researchers in terms of their axiological paradigms, as a way of underlying which values are relevant, for instance, according to the subject and when the researcher formulates objectives, addresses inquiries, and chooses the corresponding methodologies to make the study feasible and valid.

Upon these grounds, and given that this study finds support in the international BE scholarship, the researcher positions this study axiologically in how its outcomes can serve to inform and impart positive social and institutional change to the context in focus. This is because this study calls for a dialectical, participatory social transformation (Guba & Lincoln, 2005; Lincoln et al., 2018; Merriam, 1991), in which organizational societal actors, most particularly MNEs, are invited to reflect upon, and discuss, their approaches and roles concerning HR realization and advancement in Brazil while regarding collective common values (Creswell, 2007). This axiological position of critical realism, developed most notably from Bhaskar (2008), is in line with the critical theory paradigm of the Frankfurt School of Thought (Boros, 2017; Cortez, 2015; Giroux, 1982; Scheurman, 2008), using both ethics and values to describe the real state of affairs of a given complex social phenomenon (Whelan, 2019), as in this research. Finally, it is also worth noting that axiological critical researchers are ethically tied to uncovering, examining, and expressing what takes to create a more just society in terms of social, economic, and institutional development. Therefore, if this study can

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<sup>125</sup> Read Shue (1980) for a comprehensive overview of the correlative interdependence of the determinants for HR realization and enjoyment.

serve to shed light on the need for changes in the Brazilian society (Bernal, 2002), for the sake of HR realization, and inspire local and overall businesspeople to collaborate to this morally right and fair end (Wettstein, 2005, 2009), it will have achieved what constitutes its normative values (Guba & Lincoln, 2005; see also Creswell, 2007, Giroux, 1982).

## **5.2. The Qualitative Methodology: Straussian Grounded Theory (SGT)**

Research methods vary according to dimensions such as nature, purpose, time, techniques, and reasoning. In social business science, a wide range of research approaches are available to enable researchers to create, reject, test, trust, measure, and advance knowledge (Gray, 2018). However, picking up one or combining two or more methodological elements appropriately can become less challenging when the objective of the research is clearly defined (Corbin & Strauss, 1996). Considering that critical realism approach, cited as the philosophical paradigm underlying this study, admits qualitative, quantitative, and even mixed methods (Dellinger & Leech, 2007; Johnson & Harris, 2000), the selection of the best fitting methodology of this research was not an easy task. However, given that little is known about the research topic (section 4.1.1), the application of quantitative methods was not suitable for this research. Therefore, the researcher was led to analyze the multiple characteristics, advantages, and disadvantages of various qualitative methods suiting the research underlying paradigms, but most particularly those related to business studies, until the discovering of the SGT.

Since the objective of this research embraces a complex, broad, and underexplored topic, it seemed that its fulfillment would be best accomplished through qualitative and empirically grounded research. On these grounds, SGT was the best fit for this study. SGT is a comprehensive inductive methodology, rather than merely a research method. It enables researchers to combine the aspects that they propose with academic rigor and validity, through systematic and recursive ways of data gathering and material comparative analysis. This methodology allows researchers to “explore areas not yet thoroughly researched” (Corbin & Strauss, 1996, p. 5) and to take a comprehensive and holistic approach to the study of complex phenomena. Moreover, it enhances the possibility of observing participants’ experiences where social processes take place (Starks & Trinidad, 2007), checking their participation in the construction and transformation of contextual meanings, and enabling variables and new theories to emerge (Corbin & Strauss, 1996). As observed, SGT scholars can also discover the dynamic and evolving nature of social and cultural contexts (Corbin & Strauss, 1996; Myers, 2013), not contemplated by other qualitative methods.

### **5.2.1. Brief history and characteristics of SGT**

Grounded theory (GT) is to date “one of the most popular research designs in the world” (Birks & Mills, 2015, p. 1), often regarded as a comprehensive qualitative methodology rather than a research method. It was first developed in 1967 through nursing studies by the sociologists Glaser and Strauss and, over time, became a standard methodology also used in business and management studies. GT was born to generate theory grounded in systematically gathered and analyzed data (Corbin & Strauss, 2015). Its process “allows for identification of general concepts, the development of theoretical explanations that reach beyond the known, and offers new insights into a variety of experiences and phenomena” (Corbin & Strauss, 2015, p. 6), which are desirable outcomes of this research. Over the years, there have been many contributions from other grounded theorists to advance this methodology, such as Charmaz (1995, 2000, 2014), Clarke (2005), and especially Corbin and Strauss (1996, 2015). Despite this, to date (2019), there are still only two main divisions of GT: the classic Glaserian school and its consequent version called Straussian (Corbin & Strauss, 2015; Howard-Payne, 2016), here at use.

The traditional (Glaserian) school of GT is based on methods and techniques, rather than in embracing a comprehensive methodological approach (Amsteus, 2014; Corbin & Strauss, 2015). It opposes the elaboration of RQs, for example, and rejects the application of extant literature and any forms of prior knowledge, including the ontological and epistemological philosophical positioning of the researcher and research. This is because, as Glaser states, starting a research from prior perspectives may prevent the “broader potential of grounded theory” (Corbin & Strauss, 2015, p. 5; see also Glaser, 1992, 2005) from emerging, which would limit or prejudice the discovery of unknown truths and realities that exist in the field. The Straussian school, however, admits more pragmatically that both a researcher’s previous knowledge of the field of the study and the formulations of RQs upon initial review of the literature are valid. SGT researchers are also free to set their ontological, epistemological, and even axiological approaches within the research, respecting research topics and related contextual complexities. Still, according to Corbin and Strauss (2015), there are two most significant underpinning characteristics of the SGT school.

The first, and the one from which the methodology’s name is derived, is the focus on theory generation and conceptual insights derived from data collected and generated during the research process. The second is the systematic and recursive research process through which data of various sorts, from various sources, is gathered and triangulated, with their analysis

interrelating and occurring in a continuous back-and-forth mode through the whole research process. A third approach, as Birks and Mills (2015) highlight, particularly for the case of social, business, and management science research, is the possibility of applying GT without the need to openly adhering to either the Glaserian or Straussian school. In sum, the Glaserian school of GT could not be adopted for this research, for its non-acceptance of any prior academic and practical knowledge (Blickle, 2018; Thai, Chong, & Agrawal, 2012). Even if the researcher had not reviewed the study's literature before starting the data analysis gathered by the fieldwork, her broad academic and professional IB background would make her case non-compliant with the classical GT school. The applicability of SGT methodology in this research seemed, therefore, the most suitable alternative and able to fulfill the research objective, answer the RQs, and to welcome its researcher's philosophical approaches, academic knowledge, and practical experiences.

### **5.2.2. Research inductive logic**

In social sciences, traditionally, every research involves a theory in its design. Some do this explicitly, from the very beginning of the study, while others are only introduced in the elaborations of the research findings and conclusions (Saunders et al., 2016). There are three most common types of reasoning underlying research designs in social sciences: deductive, inductive, and abductive. Deductive reasoning places extant theories as the central consideration of the research design, and, from them, hypotheses and strategies are derived (Saunders et al., 2016). Opposing this systemic reasoning, the inductive method, by which extant theories play peripheral roles, serves in some cases as a starting point of the inquiry but is not used on elaborations of preconceived premises. An inductive research reasoning admits the combination of various elements, such as observations, inferences from prior literature, contextual experience, and meanings rather than language (Brinkmann & Kvale, 2015). It recognizes diverse sources, including primary and secondary data, as important research protagonists, relying on their explanatory power of showing truth and reality, and not just on their descriptive utility. Then, there is the abductive reasoning, which is a sort of guesswork from logical inferences, through which conclusions are derived based on what seems to be self-evident, or presumably, plausible arguments for the researcher.

However, this approach does not allow for constructs solely upon experienced pieces of evidence (Charmaz, 2006; Denzin, 2011). Verifying SGT precepts, one finds that this qualitative method is traditionally referred to as an inductive way of building up the theory from the data itself, achieved through "successive comparative analysis" (Birks & Mills, 2015,

p. 11). However, it should be noted that abductive logic can also be used in GT methods (Charmaz, 2006; Reichertz, 2010; Richardson & St. Pierre, 2005), particularly when necessary to compare given categories of codes amongst themselves, thus clearing researchers to the discovering of conceptions and interrelations in ways never conceived before (Birks & Mills, 2015; Reichertz, 2010). The deductive logic, however, cannot assume a role in this study, because the extant literature is insufficient to describe and explain the phenomena objected in this research, meaning that propositions and hypotheses cannot be elaborated in valid and reliable academic ways. The researcher acknowledges that abductive logic could be applied to this study, to grant it a certain degree of freedom and thus escape conventional thinking in qualitative research. However, such degree of freedom, in any methodological approach and many steps of qualitative research, might be used with systematic discipline to avoid risking the validity and reliability of the study. Accordingly, the researcher adopted the traditional inductive logic and systematic process of the SGT for the analysis of the data of this study.

### **5.2.3. Data gathering, coding, and analysis**

SGT welcomes broad types and sources of data that can be generated and collected (Birks & Mills, 2015) by researchers. Data generation occurs through the direct and active engagement of the researcher with the data source to produce the data, such as interviews and interactions with participants in the field research. Data collection denotes a passive role of the researcher in acquiring data, for example, through field observations and any read-to-pick data, be it written, audiovisual, illustrated records, historical data, or internal corporate documents it. When it comes to the analysis, regardless of the type of data, the examination follows a process called “constant comparison” (Birks & Mills, 2015, p. 7), which means the data is broken down into small pieces, which enables their better handling and organization. This process is called coding and its first layer of meanings is known as open coding as it consists of the initial data breakdown into small pieces, which are called open codes.

These open codes are then organized and integrated by their immediate meanings, and names are attributed to each of these groups. The second step is then called axial coding, and its generated intermediate categories of sense are named axial codes (Corbin & Strauss, 2015). The third step consists of further integrating the axial codes into smaller groups of meanings, named the selective coding stage of analysis. At this point, some selective patterns can be identified as holding potentially new concepts or theoretical insights embedded with explanatory power. These outcomes may require more in-depth analysis to shape extant theory advancement or even to become an entirely new theory, but, invariably, they are discovered

through and grounded in empirical data. Details about each of these processes are provided in the upcoming sections and described as they occurred in the fieldwork.

#### **5.2.4. Theory building and memos**

Critics to social theories in academic realms point out that “most of their explanations derive from superstitions and are, at best, substantiated guesses” (Birks & Mills, 2015, p. 11), based on deduction or abduction processes. Fortunately, SGT outcomes offer more than enriched descriptions about reality and its contextual organizational complexity. It offers explanations (Birks & Mills, 2015), and, in applying its precepts, researchers are inductively and recursively able “to explain and take action to alter, contain, and change situations” (Birks & Mills, 2015, p. 11) around them. It is SGT’s overarching and systematic methods that create explanatory power, which differentiates descriptive work from theory building. The generation of theory through Straussian methodology, as discussed before, occurs through inductive and recursive work, and it is then a cyclical process by which the next data source is selected subsequently to each analysis of data content. From each analysis, theoretical insights are then expected to emerge. Such insights should be recorded as soon as they appear using notes called memos, which should be organized to allow the researcher to revisit and elaborate on them until a given concept or proposition emerges. Memos also serve to be compared to the extant literature, and, in doing so, they can act as insights to the advancing of a given theoretical design (see more in section 5.3.8.4).

#### **5.2.5. Tools and illustrations**

Diagrams, illustrations, and qualitative data computer-assisted software (e.g., Qualitative Data Analysis programs or simply QDAs) are very useful in supporting researches to better organize and easily access their data. For instance, QDAs are handy resources to structure codes and memos derived from the data analytical process, especially in the case of extensive contents. There are many examples from previous research available in the literature to guide grounded theorists beginners to make the best out of their projects, but there are no ready-made models to be followed. The best arrangement of tools and illustrations to facilitate each analytical process is exerted exclusively by the researcher’s inner lens. Equally, the best timing to make use of such resources in a research process is dependent on the very individual characteristics of each study and is at the researcher’s discretion (Birks & Mills, 2015; Corbin & Strauss, 2015). The researcher, therefore, made careful use of multiple tools and illustrations, as detailed alongside section 5.3.3.

### **5.2.6. Ethics in research**

The researcher acknowledges Corbin and Strauss's assertions about ethical considerations relating both the researchers' and participants' behavior and the handling of research results. When it comes to approaching participants, volunteers are often reached in person by researchers, as was the case of this research. It is essential to explain and ask for their consent on how the data generated from meetings and interviews will be registered, as well as to agree upon confidentiality and anonymity terms. Another critical point during the interactions with participants in the fieldwork is that researchers should be concentrated on gathering data as they receive it, rather than interrupting or passing judgments. In terms of ethical considerations, although some flexibility is possible, "there has to be integrity to the method" (Corbin & Strauss, 2015, p. 13) selected, and the results must be published or made available to participants in respect for their time and also for the sake of knowledge sharing. Lastly, and of equal importance, is that, regardless of researchers' motives in undertaking a research, it should not be made superficial or undemanding, and should never be cut short. Instead, when researchers find themselves overwhelmed by the research process or even by of what is heard from participants and observed in the field, according to Corbin and Strauss (2015), a time break is the best remedy. Conclusively, the result of a research should be nothing less than the highest quality that the researcher is capable of producing

## **5.3. Research Methods**

The process of generating, collecting, and analyzing the data informing this qualitative empirical work follows the comprehensive and systematic SGT precepts (Blickle, 2018; Corbin & Strauss, 2015; Glaser & Strauss, 2008; Myers, 2013; Thai et al., 2012), explained in the previous section. This section is now dedicated to describing how such methods were operationalized to the specific achievement of this research fieldwork.

### **5.3.1. Geographic scope**

Very little is known about the institutional drives of the HR approaches of MNEs and even less for the case of EM-MNEs (Giuliani et al., 2016). Such studies within a Latin American context are also scant, and those dedicated to Brazil tend to nothing (section 4.1.1). Considering the strict time frame of a Ph.D. program, and restricted resources, it would not have been possible for the researcher to cover broadest scopes, such as venturing into a multi-country comparative study. However, such methodology issues of range and representation in defining a geographical research scope were here partially mitigated with two measures. The

first was the comparison between local (BR) and foreign (AM) corporate approaches to HR, which could be a starting point in informing academia and practice about CHRR's isomorphism, diffusion, and coupling/decoupling behaviors of global players in a given EM. The second was the selection of a representative country as the geographical scope of the research. Brazil was then selected given this and other reasons.

Firstly, considering that IB is the scholarship hosting this research, Brazil is a satisfying case as it holds strategic global business importance in EM and indisputable prominence in Latin America (section 4.2.2). Secondly, since HR are major subjects of this research and apply to individuals, Brazil's population size is very significant: The country is, to date, home to more than 209 million citizens. Thirdly, Brazil's HR institutional and daily controversies, in part caused by the blind race to economic development, might deserve huge room in academic BHR-related inquiries. Despite this, there is very little research dedicated to this context and, therefore, this research contributes to the shortage of this regional gap. Another supporting point on the selection of this geographic research scope lies in the language skills of the researcher, who is a Brazilian citizen, thus a Portuguese native speaker. Moreover, the researcher holds substantial corporate experience locally, which should ease interactions with the research participants and aid mobility within the country.

### **5.3.2. Basic principles**

Following SGT's precepts on ethics in research (section 5.2.6), the researcher was consistently concerned with explaining the subjects relating to the research topic and the objective of this research to all potential participants. This information was provided from the first interaction between the researcher and participants, be it via phone calls or personal meetings, and then sent by e-mail to each participant. The researcher also registered her commitment to maintaining the anonymity and confidentiality of the participants and their respective organizations. Participants were informed that this commitment could be formalized via a signed contract of responsibility; nonetheless, none of the participants demanded such a formality. Next, the researcher carefully codified the participants' identifiers in order to avoid allusions that could lead to their identification. Therefore, codes were attributed as a replacement for each participant's names and their organizations. Also, when making use of verbatim citations, the name of the organization and any other potential identifying elements were often replaced with generic terms, such as *company* (with MNE) or *institution* (with NFPO), or simply marked as *omitted*. Lastly, and very important, out of gratitude and respect for the participants' volunteering their time and to promote the enhancement of practical and

professional knowledge, the researcher committed to making the results of this research publicly available.

### **5.3.3. Tools and systems**

#### **5.3.3.1. Interview guide**

Following the teachings of Brinkmann and Kvale (2015), the researcher elaborated a semi-structured questionnaire to serve as soft guidance for the interviews. However, in this type of research method, the questions are not rigorously predefined and do not follow a strict sequence (Gray, 2018). Instead, questions are expected to emerge in the course of the interview, for instance, triggered by participants' answers. Others can be overlooked as they might no longer make sense, for instance, because the respondent has signaled a lack of ability to answer, or the interviewer has already received the answer from previous discourses. The researcher, therefore, worked through a dynamic array of questions to ask participants, and in which order, not only according to their engagement with the topics but also according to the quality, relevance, and depth of their previous conversations. Still, most of the questions followed an open-ended format and little weight was given to technical and academic wording while elaborating them. The participants were, therefore, able to freely express their perceptions, notions, and opinions on the subjects and topics inquired about, in addition to presenting their corporate HR approaches, policies, and systems and interactions with external institutional realms.

It was cleared from the beginning of the interviewing process that there was no pre-determined expectation about the participants' answers, and that the expression of everything real and true was valid (Corbin & Strauss, 2015). This format allowed the researcher to keep momentum in the conversations and to bring forth the answers, smoothly and naturally, to the what, how, why, when, and who questions, prodding only when necessary to the central theme and dynamic dimensions to be uncovered during the interviews. This was also done to mitigate biased answerability. Finally, the interview guide (Appendix A) was adjusted after the three pilot-cases (section 5.3.6.4), although, again, it is important to state that the questions listed on it were general outlines only. This means that their sequence and integrality were not always followed, in order to avoid breaking the spontaneity of the talks between the participants and the researcher and to secure the dynamic-flow of the interviewing process.

#### **5.3.3.2. Software and databases**

Along with the extensive use of Microsoft Office, the use of a MAXQDA software was imperative in organizing and coding all data generated and collected in this field—including

the contents of the literature review—in ways that could make the analysis and constant comparison work feasible and less arduous. However, it is worth stressing that computers, so far, are not capable of replacing human thinking; thus, they “do not analyze data; people do” (Weitzman & Miles, 1995, p. 3). Acknowledging the thinking of Brinkmann and Kvale (2015), data analysis in qualitative research is probably the most laudable, and it is still a sole responsibility of the researcher. Thanks to metasearch tools and systems accessed through the University of St. Gallen’s Library and activated by EBSCOhost<sup>126</sup>, including Bloomberg, ORBIS, and Thomson Reuters Eikon, the approach to the literature and corporate information, including exceptional support on their effective use, were at the researcher’s disposal throughout this research endeavor.

#### **5.3.4. Data gathering**

Data gathering was performed qualitatively and empirically throughout three phases, undertaken according to the recursive and comparative precepts of SGT. This three-partite research mode took place with pauses between each session, which were necessary to allow the researcher to proceed with a thorough analysis of the primary data, generated via interviews and observations, and contrast them with the secondary data, which was collected through publicly available corporate and contextual sources, thus achieving a triangulation process. This enabled the researcher to notice missing points and then to strategically define and organize the subsequent steps, according to SGT’s theoretical sampling mode (Corbin & Strauss, 2015). The three pilot-interviews comprised the first interviewing wave and were all conducted in person, in the places of work of the respondents. They occurred in May 2017, being the first two in Rio de Janeiro city and the third in the capital, Sao Paulo. The second wave occurred between May and August 2017, composed of 18 individual- and four group-interviews, also all face-to-face and in loco in five states throughout three different Brazilian regions. The third wave was conducted mostly via video-calls and accounted for 14 individual interviews, which occurred between October 2017 and April 2018—see section 5.3.7.2 for the interviewing process’ details, Appendix A for the interview guide, and Appendix C for the cases overview.

In turn, the collection of secondary data occurred in two ways. First, corporate documents handed over by the respondents during the interviews or sent via e-mail. Second, the researcher collected corporate documents on websites and databases (see Appendix B and

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<sup>126</sup> EBSCOhost is an intuitive online research platform used by thousands of institutions and millions of users worldwide.

section 5.3.7.1). In time, both data generation and collection were triggered by and handled upon the results of the SGT recursive and comparative analytical process, until the theoretical data saturation level was reached. All of the interviews lasted, on average, one hour, and most of the cases were then followed by an operational visit to the company's facilities. They were conducted and transcribed in Portuguese, which is the local language, but the codes were all named in English (Appendix D). When necessary, however, many interview excerpts were translated to English to become verbatim citations used in the descriptions of the findings (Chapter 6).

### **5.3.5. Theoretical sampling and point of saturation**

In an SGT research process, sampling and selecting participants from the field assume a theoretical recursive mode, occurring as many times as necessary. Recurrences in this line are determined from each data analysis performed immediately after each new case, repeatedly, until theoretical saturation is reached. Saturation, in SGT, refers to the point in the analysis at which no new concepts or theoretical insights are emerging from data, and no abstract explanations seem to be generated. To Corbin and Strauss (2015), it is reached “when all major categories are fully developed, show variation, and are integrated.” (p. 135). In SGT, there are no restrictions for a pre-determined number of participant-cases, neither minimum nor maximum. There is also no agreement on how much data is necessary to consider a study trustworthy and valid (see section 5.4 for research credibility). The point of theoretical saturation should, therefore, be decided upon by each researcher, based on their evaluation of the fulfillment of the research objectives and questions. While Charmaz (2014) proposes that minimal samples and sources can be enough to generate adequate sounding GT, it is a general assumption in academia that the use of more data may lead to a better research level.

For Birks and Mills (2015), the more primary data one has, the better. Nevertheless, since the purpose of GT is to generate high-quality theory, employing and comparing diverse data sorts will strengthen the quality of the research, more so than expanding theoretical sampling for the sake of generating data. In agreement with this, Bryant and Charmaz (2008) edited a comprehensive list of advice from numerous grounded theorists on sampling theoretical saturation in qualitative grounded inquiry, highlighting the meaning of excellent data and excellent participants, which was noted by this researcher. Still, when it comes to selecting participants by theoretical sampling in SGT, Corbin and Strauss (2015) state that researchers should go for “places, persons, and situations that will provide information about the concepts they want to learn more about.” (p. 135). Following this advice, and given the

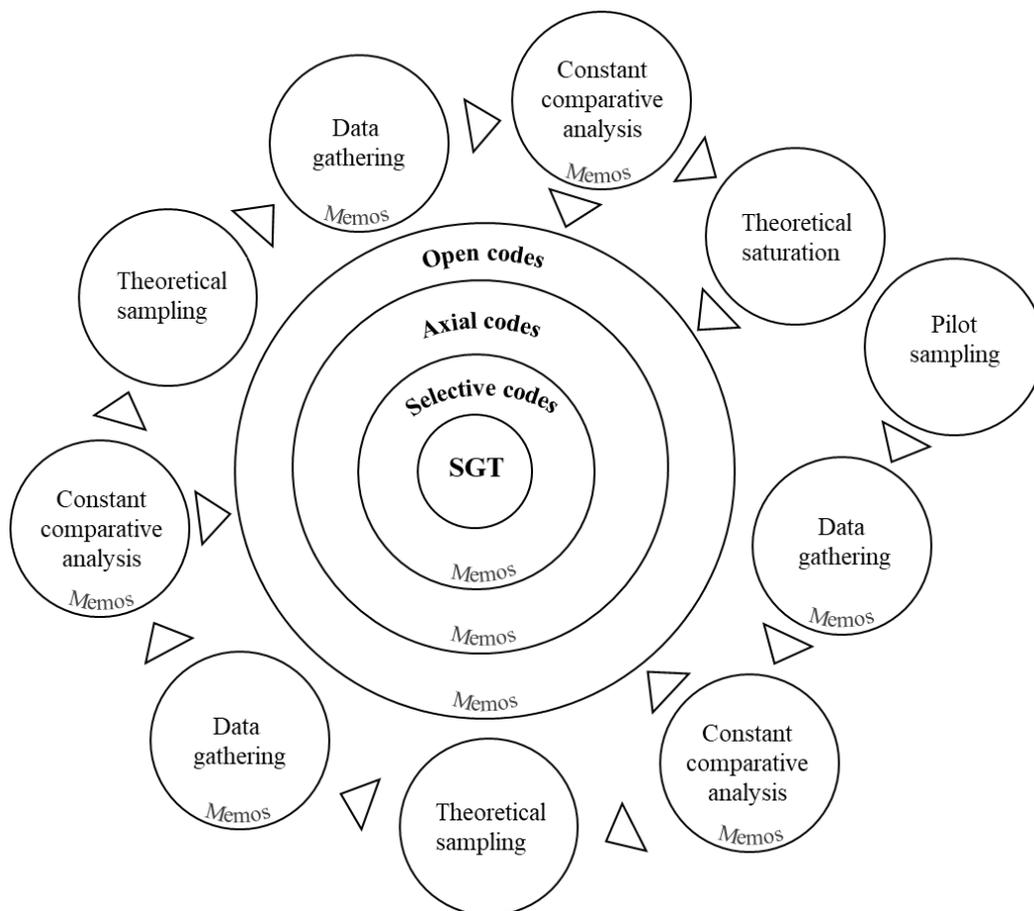
broad objective of this study, the researcher traveled to Brazil twice to conduct the foremost part of the sampling process (64% of the cases) in person.

In the course of the sampling process—despite the fact that, when it comes to BHR matters, Brazil holds a “well-developed legal framework, and regulations and mechanisms” (Human Rights Council, 2016, p. 12), a considerable number of the approached participants reacted to the request for an interview with a certain level of reservation. Some participants expressed unfamiliarity regarding BHR relations and even suggested that HR matters did not fit into their daily business routines, therefore refusing to take part in the study. These reactions were not surprising, given that HR still seem sensitive and controversial topics in Brazil (sections 4.2.1, 4.2.5). To address this situation, therefore, the author made use of three pilot-case interviews, not only to check the appropriateness of her research methods and interviewing skills but also to learn more about how to approach and achieve the collaboration of potential participants in practical and ethical ways. These cases, as they were the first ones, were selected by applying convenience sampling (Bryant & Charmaz, 2008; Gray, 2018). Using this technique, researchers can sample cases either among their most accessible options or according to the subject’s interest in the study or both.

Caution is, however, recommended to prevent the researcher’s convenience from taking priority in sampling. To Gray (2018), this technique is recommended, particularly in the exploratory phase of the fieldwork and when dealing with sensitive research subjects or objects. Nonetheless, just after the pilot casing, whereby two organizations yielded three interviews, the researcher adjusted the approaches techniques, and the entire casing process followed the theoretical sampling process in line with SGT. The determinants of the sampling strategy in this study emerged from data analysis in the form of new inquiries, derived from the researcher’s abstractions from data inputs such as industry diversification, business-peers perspectives, and regional diversity. The researcher also sampled according to codes categorical checking, following traits that could confirm, connect, or alter codified patterns, which aspects could denote the emergence of potential concepts (Bryant & Charmaz, 2008; Charmaz, 2006; Glaser, 1978). As stated before, this process of sampling for theory occurred recursively and comparatively in three waves, through diverse modes (i.e., in-person and virtual, individual and group interviews), and covered multiple locations.

The theoretical saturation point was reached after 36 cases and 39 interviews<sup>127</sup>, which rendered about 2900 open codes extracted from roughly 800 pages of transcripts. Moreover, it is important to note that, on starting this research objective, the researcher considered that it would be necessary to go far beyond the interviewing of corporate participants, in particular, to better grasp the influence of both groups of MNEs on the BR-HR context and especially to mitigate bias. Therefore, local organizational actors related to the BR-HR institutionalization process (i.e., state’s representatives, CSOs, business associations), here named simply as NFPOs, were included in the sampling process. The whole sampling process was then considered finished after voicing 11 AM-MNEs heard through 11 interviews, 11 BR-MNEs heard through 13 interviews, and 14 NFPOs heard through 15 interviews. Figure 5 below was designed to better explain how the just described circular and constant interactions of the SGT theoretical sampling process occur.

**Figure 5: Theoretical sampling analytical process**



Source: Researcher’s creation, based on Birks and Mills (2015), Bryant and Charmaz (2008), Corbin and Strauss (2015), and Gray (2018).

<sup>127</sup> Three cases rendered each two interviews, due to the divisional range of respondents’ responsibilities related to the too large size of their (business) organizations.

### 5.3.6. Cases' characteristics

SGT's theoretical sampling and casing processes have remarkable convergences but, contrary to what many may think, the meaning of the word case in such qualitative research goes beyond the representations of an "in-depth study of a single person or group" (Corbin & Strauss, 2015, p. 382). Cases can take on the form of organizational studies or societies, in single or multiple quantifications. However, sampling by casing criteria, either quantitative or qualitative, does not find room in SGT (Corbin & Strauss, 2015). Instead, as explained in the previous section, SGT requires the selection of cases according to the theoretical sampling technique. To this end, the researcher established only minimum qualifying criteria (Blickle, 2018; Thai et al., 2012), all detailed in the upcoming sections.

#### 5.3.6.1. Locations

Since Brazil is a very diverse context, the researcher regarded cases from its different locations, having traveled in person to most of them, except for the central-west (CW). To better represent the regional distribution of the cases, the researcher has designed the illustrative overview below.

**Table 3: Distribution of cases and interviews by location in Brazil**

Regions/ States	AM-MNEs		BR-MNEs		NFPOs		Total	
	Cases	Interviews	Cases	Interviews	Cases	Interviews	Cases	Interviews
<b>SE</b>	<b>8</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>12</b>	<b>13</b>	<b>29</b>	<b>31</b>
ES	1	1	1	1	0	0	2	2
MG	0	0	0	0	1	1	1	1
RJ	5	5	6	7	0	0	11	12
SP	2	2	2	2	11	12	15	16
<b>SO</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>5</b>
PR	1	1	1	2	0	0	2	3
RS	1	1	1	1	0	0	2	2
<b>CW</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
DF	0	0	0	0	2	2	2	2
<b>NO</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>
AM	1	1	0	0	0	0	1	1
<b>Total</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>36</b>	<b>39</b>

Regions: SE = Southeast; SO = South; CW = Central-West; NO = North.

States: ES = Espírito Santo; MG = Minas Gerais; RJ = Rio de Janeiro; SP = Sao Paulo; PR = Paraná; RS = Rio Grande do Sul; DF = Distrito Federal; AM = Amazonas.

Source: Researcher's creation.

This study covered a total of 36 cases, which yielded 39 interviews (some cases produced two) that voiced 47 respondents, spread throughout four out of the five regional Brazilian divisions and over eight states. In the southeast region (SE), the most industrialized

in Brazil, the highest number of cases was found: 29 cases (nine from BR and eight from AM-MNEs and 12 NFPOs), yielding 31 interviews (10 from BR and eight from AM-MNEs and 13 from NFPOs). The south (SO) was the second most actively visited region and held four cases (two from BR and two from AM-MNEs) and five interviews (three from BR and two from AM-MNEs). The central-west region (CW) came next with two cases and two interviews (both from NFPOs). The north (NO) produced one case and one interview (both from an AM-MNE).

#### **5.3.6.2. Anonymization's criteria**

Due to the researcher's commitments to the confidentiality of the interviewees and their organizations, all cases were labeled with generic acronyms referring to their main groups, i.e., BR-MNEs, AM-MNEs, or NFPOs, followed by a number representing the sequential order of their interviews. The cases are therefore referred to as BR-MNE-1, BR-MNE-2, AM-MNE-1, AM-MNE-2, NFPO-1, or NFPO-2, for example. When one case had two interviews, a letter (A or B<sup>128</sup>) was added after its primary identifier, ascending, according to their occurrence, for instance, BR-MNE-1A, BR-MNE-1B, NFPO-4A, NFPO-4B, sequentially. Following the same logic, respondents were also labeled as RESP-1, RESP-2, RESP-3.

#### **5.3.6.3. Cases' criteria**

Following SGT's precepts, researchers should target the sampling of concepts, rather than subjects or respondents. However, given the scholarship (IB) and themes grounding this research, establishing minimum requirements for participant-cases to qualify as a sample was unavoidable. Then, to qualify as a BR-MNEs case, there were three criteria: first, to be an MNE and hold operations in Brazil; second, to be a large enterprise; and third, to be headquartered in Brazil. To meet the first, what constitutes MNEs followed the outlines from the Journal of International Business Studies (2018): any firm holding cross-border activities, such as intra-firm trade, finance, investment, technology transfers, or offshore services. The second criterion was the size, and only large enterprises were considered as defined by their local gross revenues<sup>129</sup> and in line with the Brazilian National Development Bank classification (BNDES, 2010)<sup>130</sup>. This means that only firms performing annual gross revenues above BRL 300 million could qualify. Third, regardless of capital composition and its origin, if the company has its

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<sup>128</sup> Note that there was no more than two interviews per organizational case.

<sup>129</sup> Gross revenues mean the total amount of a firm's income recognized for a reporting period, prior to any deductions. For the purposes of this study, it was regarded the sum of gross revenues of all local for-profit business divisions of the same corporate group.

<sup>130</sup> As Brazil does not hold a single and legally binding criterion to characterize firms by their sizes, the researcher adopted the criterion of the Brazilian National Development Bank (BNDES, 2010), which is the main public financing agent for development in Brazil.

headquarter in Brazilian territory, for this study, it was regarded as BR-MNEs and thus also an EM international enterprise. This classification follows the MSCI ACWI & Frontier Markets Index<sup>131</sup>, in which Brazil is counted among 25 other EM.

The same two criteria were valid to qualify as an AM-MNEs case, as for the previous group of MNEs. The third criterion required the MNEs to be headquartered in any country regarded as an advanced market (AM), also defined according to MSCI ACWI & Frontier Markets Index. The criteria were even more straightforward to qualify an NFPO case; regardless of size or headquarter location, the organization should be nonprofit, holding activities in Brazil; it should also be engaged in activities related to BHR monitoring, HR advancement, or both. The institutional representation could be of any type, i.e., regulative, normative, or cultural-cognitive. Based on the type of HR matters that these organizations are involved with—here the researcher refers to various causes or categories of HR rights such as civil society agents advocating on child protection, indigenous rights, or fighting slavery, as well as labor unions, academics, and practitioners.

There were three criteria to qualify a respondent: The first was to represent an organization, given that this research focuses on the organizational level. Second, respondents needed to have at least one year of work experience in the organization or institution that they represent, by the time of the interview. The demand for one year of working experience lies in the researcher's assumption that this period is a minimum necessary for the person to hold sound awareness about the institutional realm arrangements and its participants. This period is regarded as also enough to allow the participants to become familiar with the culture, mission, and values of their organization, including their contextual matters and interrelated institutional interactions. Third, respondents should preferably hold a leadership position within their organization, but not necessarily in direct relation to HR managerial matters. This because those holding leadership positions are regarded as more exposed to responsibilities that concern the safety and welfare of their team members or represented people.

Finally, organizational cases were also selected based on insights sought from respondents' experiences relating to local critical HR issues. For instance, certain industries are more likely to have the potential to harm HR by having supply chains with too many layers (e.g., the fashion industry), or those involving dangerous or hazardous work (e.g., chemicals' industries). The most desired corporate respondents were those who occupy positions in areas

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<sup>131</sup> The full and updated list of MSCI Emerging Markets, as well as Developed Markets, is available on: <https://www.msci.com/market-classification>

that are most likely to be involved with HR surveillance such as CR, Human Resources, Sustainability, and compliance. Reaching “excellent participants to obtain excellent data” (Bryant & Charmaz, 2008, p. 231; see also Gray, 2018) was, therefore, not an easy task. The researcher points, however, attention to the theoretical value of each choice and its potential impact on the credibility of this study for reasons discussed in section 5.4.

#### ***5.3.6.4. The pilot-cases: Two organizations, three interviews***

Pilot-casing in SGT is the process of applying the research’s first attempts at fieldwork interaction to selected initial cases. It is an advantageous technique in many aspects: It represents a fieldwork-friendly starting point; it serves to test and refine data-gathering instruments and strategies; it enables the assessment of researchers’ interactional behavior with participants, and it allows for practicing interviewing skills (Blickle, 2018; see also Yin, 2014). In fact, becoming immersed in field research “pilot-less” (Sampson, 2004, p. 387) can be like endeavoring to navigate blindly, because it leaves researchers without knowing where to start, which can delay their fieldwork and prevent the deployment of essential initial adjustments that might benefit the overall research process. Considering these learnings, the size, and diversity of Brazil, and its controversial HR institutional context (section 4.2), the researcher opted for applying three pilot-cases. They were selected according to their large size and national leverage, with two interviews performed in the same BR-MNE and one in an NFPO. This way of initiation was proven useful, mainly because the initial exchanges in the field allowed the researcher to collect feedback on the overall interviewing process and instruments, as well as to gain suggestions on constructing approaches to put the next case-participants at ease.

#### ***5.3.6.5. The corporations: Brazilian (BR) and Advanced Markets’ (AM) MNEs***

As explained in section 5.3.5, the selection of the MNEs was made according to both SGT theoretical sampling mode and the basic qualifying criteria matching the field and purposes of this research. It should also be noted that given this study’s aim to address the regional shortage of IB scholarship devoted to the understanding of EM-MNE’s roles from the perspective of their HR impacts in globalized markets (Giuliani et al., 2016), the idea of making a comparative analysis between those and AM-MNEs emerged. The sampling strategy, therefore, led to the seeking of these two different sorts of business-organizations. The first group of EM-MNEs, represented here by Brazilian-based MNEs, was named BR-MNEs and, the second group, formed by MNEs headquartered in advanced markets, was named AM-MNEs. The definitions of EM and AM are offered in section 5.3.6.3, while Appendix C, which

was carefully constructed to prevent the identification of the case participants, grants an overview of the major characteristics of both MNEs' groups. Nevertheless, some of these major characteristics are worthy of being discussed here, as illustrated below.

**Table 4: Distribution of industries by MNEs' groups**

<b>Industries*</b>	<b>AM-MNEs</b>	<b>BR-MNEs</b>	<b>Total</b>
Financial & insurance activities	1	1	2
Information & communication	1	1	2
Mining/energy	2	1	3
Manufacturing & trade/wearing apparel	1	1	2
Manufacturing/heavy machinery	1	0	1
Manufacturing/chemicals	1	2	3
Manufacturing & trade/personal & household	0	2	2
Mining/minerals	1	2	3
Manufacturing/food & beverage	1	0	1
Manufacturing/iron & steel	1	1	2
Services/consultancy	1	0	1
<b>Total (#cases)</b>	<b>11</b>	<b>11</b>	<b>22</b>

\* According to UN Industry Classification System

Source: Researcher's creation.

There are four characteristics of corporate cases that should be discussed. First, on the size of the groups, the researcher sought to balance the total number of local and foreign MNEs, thus reaching an overall figure of 11 from each specificity (Table 4 above). However, according to SGT precepts, this quantity was granted by the above-mentioned theoretical sampling process. In terms of business' ownership, which is often a very entangled matter, the objective here was not to uncover whether the cases were listed or not, or to offer the precise information about companies' origin of capital. Instead, the simple criterion to qualify as EM or AM based-MNE was the location of the companies' headquarters. However, differently from Brazilian MNEs, those holding headquarters in foreign EM (e.g., China) either did not qualify in the minimum criteria or did not agree to take part in the interview. Second, on types of MNEs, also granted by theoretical sampling, the cases reached 12 different industries and activities, distributed among both groups, as illustrated in Table 4. Third, when looking at the number of employers, these case MNEs provided direct jobs for almost 290,000 people in Brazil, of which 26% are engaged locally within the AM-MNEs group, and 74% are under the direct responsibility of BR-MNEs. Arguably, the number of people impacted by a given group of corporations might be much higher as a result of their indirect employees hired via traditional

and modern forms of outsourcing in Brazil, for instance, *pejotização*<sup>132</sup> (Carvalho, 2019) or through their supply chains. If one counts their consumers as impacted people, then a higher number is expected. Fourth, in terms of financial leverage, the 22 MNEs studied performed BRL 673 billion, or USD 173.67 billion<sup>133</sup>, local annual gross revenues, which corresponds to about 8% of Brazil's GDP in 2017 of USD 2.054 trillion<sup>134</sup>. 12% of such performance was created by the foreign group of MNEs, with the local business having the most significant performance of 88%.

#### 5.3.6.6. *The not-for-profit organizations (NFPOs)*

Guided by SGT theoretical sampling, the researcher included participants representing not-for-profit organizations in the fieldwork, which were grouped and named NFPOs. These participants represented diverse social, political, and institutional arenas and all hold some expertise on the BHR agenda in Brazil. The need for this stemmed from outlining the research objective and was confirmed after the first pilot-interview as a way of controlling against biased answers from corporate respondents and bringing a more comprehensive understanding of the BR-HRIC to the study. This group is mostly composed of CSOs, which, in the context of the GPs (Ruggie, 2011a), are either not-for-profit or non-governmental organizations (NGOs), or voluntary entities formed by people from the social arena but separate from the state and the market.

However, because of the broad objective of this study, the inclusion of government agents and business associations was also regarded as essential for a holistic overview of public and private participants of the BR-HRIC. If, on the one hand, MNEs' respondents would readily reveal what sorts of institutional elements and pressures influence their HR approaches in Brazil, on the other, it seemed almost impossible to get a full picture of how their firms influence local HR institutional realms solely from their reviews. Therefore, as explained before, a third pilot-case interview was conducted with an NFPO, which proved a wise step, especially in expanding the understanding of the corporate course of direct and indirect interactions with participants in the regulative pillar. In total, the study includes 14 NFPOs

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<sup>132</sup> This means the dismissal of a direct employee to hire her/him back as a sort of independent consultant, so registered like that under an individual legal entity. In this sort of working-relation, the worker is no longer accounted in employment statistics, as, in this individual-legal-entity regime or *pejotização* that massively grew in Brazil since 2005, corporations have no longer labor-responsibilities over jobholders (Carvalho, 2019).

<sup>133</sup> Researcher's depiction based on Bloomberg, Bureau van Dijk ORBIS, Macrotrends, Thomson Reuters Eikon, and corporate websites.

<sup>134</sup> Again, Brazil's GDP 2017 was USD 2.054 trillion. Source: World Bank national accounts available on <https://data.worldbank.org/country/brazil>

located in two Brazilian regions (CW and SE), which cover six major types of HR affairs of the BR-BHRIC, as illustrated below.

**Table 5: Case NFPOs by sorts of representations and regions in Brazil**

<b>NFPOs' representations*/regions</b>	<b>Cases</b>	<b>Interviews</b>	<b>Respondents</b>
Public administration and defense	2	2	2
CW	2	2	2
Other services/business association	1	1	1
SE	1	1	1
Other services/HR NGO	6	7	8
SE	6	7	8
Other services/indigenous association	1	1	1
SE	1	1	1
Education/academia	2	2	2
SE	2	2	2
Other services/labor union	2	2	2
SE	2	2	2
<b>Total</b>	<b>14</b>	<b>15</b>	<b>16</b>

\* According to UN Industry Classification System

Source: Researcher's creation.

### **5.3.6.7. The respondents**

It is important to dedicate special attention to thanking the respondent volunteers, without whom this research would not have been possible; they and their organizations cannot be named, however, due to the confidential and anonymous approach of this study. Respondents' spoken answers and inquiries, as well as other contributions such as booklets, reports, assessments, codes, and policies, shaped the path of this research. In total, there were 47 respondents from business (MNEs) and non-business organizations (NFPOs). These participants, while transmitting their organizational information, also reflected on their perceptions of the study's inquiries. These reflections then served to underscore the traits of the cultural-cognitive institutional pillar at stake in this research (section 6.1.3). Table 6 illustrates the number of respondents occupying direct (Yes = Y) or indirect (No = Y) leadership<sup>135</sup> positions relating to the BHR frameworks of their organizations. This means whether or not their positions pertain directly to a department responsible for the framing and monitoring of corporate HR matters within their organizations.

<sup>135</sup> Diverse denominations apply, such as managers, directors, coordinators, and team-leaders.

**Table 6: Respondents' positions and mode of interview**

Interview mode by group	Direct CHRR-related managerial position		
	No	Yes	Total
<b>Face-to-face</b>	<b>7</b>	<b>26</b>	<b>33</b>
AM-MNEs	3	10	13
BR-MNEs	4	9	13
NFPOs	0	7	7
<b>Virtual-meeting</b>	<b>0</b>	<b>14</b>	<b>14</b>
AM-MNEs	0	2	2
BR-MNEs	0	3	3
NFPOs	0	9	9
<b>Total</b>	<b>7</b>	<b>40</b>	<b>47</b>

Source: Researcher's creation.

The researcher met 70% of the respondents in person at their local offices and 85% of them held direct leadership positions in departments in charge<sup>136</sup> of CHRR framing and monitoring within their organizations. In the seven cases where they were not, they were leaders of large teams in supply chain areas and were reportedly dedicated to the monitoring of their teams' health and safety, at the very least. Before, during, and after the interviewing process, the researcher paid particular attention to the three main pieces of advice by Fontana and Frey (2005) regarding ethical precepts: respect for informed consent, right to privacy, and protection from harm. The first two pieces of advice were explained in sections 5.3.2 and 5.3.6.2. The third, protection from emotional harm, is an issue that could be triggered by sensitive subjects that emerged during the interview. This could be, for instance, the respondents' full schedule or knowledge of HR violations linked to their businesses. In these cases, the researcher was prepared to change the subject, make pauses, or even stop the interview whenever the participants signaled that they were either not willing to discuss a topic at all or not willing to elaborate on it in more detail.

### **5.3.7. Data characteristics**

#### **5.3.7.1. Data triangulation**

In SGT, triangulation is recommended at all stages of the data analysis because it represents a "valuable and widely used strategy [...] to enhance the rigor of the research"

<sup>136</sup> Various were the denominations of the areas, equivalent to sustainability, CR, human resources or compliance's departments.

(Robson, 2002, p. 174). Denzin (1993, 2011) categorized this technique in four types: observer triangulation, which makes use of multiple observers in one study; methodological triangulation, which is a combination of quantitative and qualitative approaches; theory triangulation, namely employing two or more theories or perspectives to explain a phenomenon, and data triangulation, the technique applied in this research, which is the process of contrasting diverse data from different sources. The researcher was aware that employing different sorts of data in the research process could lead to different findings, “to a degree which makes their direct comparison problematic” (Robson, 2002, p. 175). The triangulation process applied in this study, therefore, occurred through a systematic process with defined criteria (Appendix B), and contrasting two categories of data, as detailed in the illustration below.

**Table 7: Elements of the data triangulation**

Data		
Categories	Sorts	Sources
Primary	Interviews’ content	Empirical data, fieldwork
	Observations about organizations	
	Observations about the context	
Secondary	Organizational documents (e.g., norms, and policies)	Handled by participants or collected on organizational websites
	Local BHR regulations and norms	Collected on press news and governmental websites

Source: Researcher’s creation.

Following SGT triangulation precepts, the researcher contrasted the types of data illustrated above in a recursive analytical mode to deliver trustworthy research findings and conclusions. Some outcomes served to confirm pre-existing concepts, such as MNEs as HR institutional actors, and others resulted in the emergence of theoretical insights, summarized by propositions, and forming the research’s final framework (section 7.1.6).

### ***5.3.7.2. The in-depth interviews***

Interviews are not something given and taken, but co-constructions, “living conversations” (Brinkmann & Kvale, 2015, p. 218), having their content coauthored by the interviewer. In this study, to avoid influencing participants’ answers, the researcher conducted all of the interviews and phrased questions solely when necessary, and as a stimulus for respondents to further their elaborations. This is why, before beginning the fieldwork, the researcher acquired supportive knowledge to get the most out of the meetings with participants. The training of interview techniques was of great help, for instance, in applying icebreaker

questions, returning interpreting answers, as well as condensing feedback tactics to confirm if meanings had been adequately captured. Techniques to control the duration of the meeting and to retain focus on the topic at hand were also tested during the pilot interviews. The interviewer's most common mistakes, such as confrontation, forgetting to observe and take notes of all insights, forgetting to ask for consent, and not recording all of the talks were also prevented accordingly. In order to ensure a high quality of the interpersonal interactions, the researcher paid close attention to punctuality, sending written information about the study to participants, and being available for any clarification of their doubts (section 5.3.2). The researcher also offered flexibility in scheduling by acknowledging respondents' busy routines, was respectful and friendly, and showed gratitude.

Sequentially, given the exploratory approach of this study, a semi-structured interview guide containing a list of open-ended questions was created and recursively revised by the researcher whenever necessary. This guide comprises of two sections where the first was applied to MNEs and the second to NFPOs' respondents (Appendix A). A list of pre-selected topics to be covered was carefully considered and transformed into questions. However, following SGT precepts and for the sake of the exploratory nature of the study, the researcher did not always stick to the questions or their listed sequence (section 5.3.3.1). In terms of interview preparation, the researcher avoided finding out about the HR approaches of the organizations before the interviews, to be freed from preconceived ideas about their organizational behaviors toward HR/CHRR. This also ensured smooth and flowing conversational meetings, mostly driven by the participants (Brinkmann & Kvale, 2015; Corbin & Strauss, 2015). Moreover, stimulating the participants and allowing them to express their critical viewpoints was a constant preoccupation and core objective of the researcher (Brinkmann & Kvale, 2015; Gray, 2018). This then served to feed the explorations of the cultural-cognitive pillar, rather than solely showcasing organizational HR frameworks and their relations with the BR-HRIC. The in-depth interviewing process happened in three waves and yielded 39 interviews in total.

The first wave was composed of three pilot-interviews, performed face-to-face with three respondents. The second was composed of 22 face-to-face interviews also all performed in loco, with 30 participants, and the third phase consisted of 14 individual virtual interviews. The vast majority was conducted individually (35 out of 39), and only four were performed in

groups<sup>137</sup>, totalizing 12 respondents. The transcriptions of these interviews, then, represented a continuation of the conversation between the respondents and the researcher (Brinkmann & Kvale, 2015). In this case, they were treated as a means of interpretation and not merely as reports or as a collection of statements. The researcher was aware that, if properly treated and recursively compared against other data sources, interviews' transcriptions would talk much more, thus revealing further insights necessary to expand upon what had been verbally expressed by participants. Finally, the decision for the ideal quantity of interviews followed SGT's saturation processes (section 5.3.5). Each interview had an average one-hour duration and was audio-recorded, upon the participant's registered consent. The audio files allowed for the transcriptions of the interviews that totalized roughly 800 pages, all systematically registered and analyzed with the support of MAXDQA (section 5.3.3.2). See Tables 3 to 6 from previous sections for a descriptive overview of the interviews and check Appendix C for an expanded overview of the cases.

### **5.3.7.3. Observations**

Observations are a type of note undertaken by researchers during fieldwork (Birks & Mills, 2015). They play an essential role in SGT, mainly when researchers investigate phenomena relating to social and contextual matters, including organizational and individuals' interactions. If undertaken during the interviewing process, observations can, for instance, enable researchers to capture participants' non-verbal behaviors (Skinner, 2012), as well as details on the organizational environment and ways of communicating. Observations can also emerge during informal conversations, for instance, while negotiating interview schedules and terms, while moving on the field-context or by shadowing participant-cases in their daily work. Then, what will stimulate the researcher to register observations during the fieldwork lies, is the nature of the study, including its methods and objectives (sections 5.3.4, 5.3.7.1).

In this study, observations emerged during data gathering, mostly undertaken as handwritten notes by the researcher while conducting the interviews. They served as supportive elements for data analysis and described, for instance, the respondents' degree of attachment and knowledge about the CHRR approaches of their organizational environment, attitudes and comfort zone in a particular topic, and their willingness to show subject-related organizational documents, systems, and facilities. While visiting corporate facilities, the researcher also took notes of some characteristics, such as the existence or absence of visual communications about

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<sup>137</sup> Attention is asked in order to not confuse it with focus groups, which consists of a group of participants expected to discuss and interact about subjects and situations to provoke their views to emerge. Similarly, but not quite the same, group interviews means participant being interviewed at the same time about a subject.

CHRR matters, safety rules for workers and visitors, and the existence of individual access for people with disabilities. Moreover, the researcher also drafted observations about the BR-HRIC, including HR issues and expressions on television programs, written newspapers, magazines, and other visual communication sets available in public realms of the 6 Brazilian states visited for the fieldwork.

#### **5.3.7.4. Documents**

Corbin and Strauss (2015) state that “much can be used to supplement interviews and observations” (p. 52) in the fieldwork. For instance, organizational reports and policies, codes of conduct, and corporate websites are very welcome or, in some cases, even required as supporting documents to the credibility of the data analysis process. Regarding this field research, most of the respondents handed documents to the researcher during the interview process. Others, following the meetings, e-mailed links and documents to provide additional organizational information. The researcher also dedicated considerable time to navigating the websites of all case organizations to collect secondary data and to observe how they regard and communicate HR and CHRR matters on their virtual-institutional realms. In the end, both handled and collected secondary data served the data triangulation process, or as to say the constant comparative analysis prescribed in SGT methodology.

#### **5.3.8. Recursive data analysis**

In SGT, the process of analyzing data is called coding and follows an inductive reasoning mode (Strauss & Corbin, 1990) (sections 5.2.2, 5.2.3). Analytic induction reasoning, in this context, happens through cyclical, recursive, and systematic examinations to discover patterns within, and across, various sorts of data, known as triangulation, with the ultimate purpose of generating concepts or explaining a phenomenon (Brinkmann & Kvale, 2015; Pascale, 2011). Analysts following this method “let the empirical world decide which questions are worth to seek an answer to” (Brinkmann & Kvale, 2015, p. 224) and, likewise, the same inductive reasoning applies for the sampling process. Although a concept-driven methodology, the objective of SGT “is not to test existing theory but to develop theory from empirical material” (Brinkmann & Kvale, 2015, p. 227). Therefore, what started in a descriptive and cloudy mode with numerous open codes, assumed, with each round of analysis, deeper data categorizations (axial and selective codes, presented in Chapter 6) until the reaching of new material and theoretical, results (theoretical insights and propositions, presented in Chapter 7). This is why coding in SGT does not imply quantifications, as in content analysis, but meaningful correlations with subsequent coding rounds, context, and outcomes. In line with

that, the following sections are dedicated to explaining the process the researcher applied to shape each of the categorical coding steps.

#### ***5.3.8.1. Open codes***

As explained in section 5.2.3, open coding is “the process of breaking down, examining, comparing, conceptualizing and categorizing data” (Strauss & Corbin, 1990, p. 61). Immediately after each interview, the researcher transcribed their recorded content and uploaded the generated transcription-files to the MAXQDA program. From there, the researcher proceeded to the data breakdown generating the open codes, meaning that the content of the interviews was stratified into small pieces, often of one sentence or paragraph. The researcher was careful to keep timestamps in the text to ease the work of repeatedly listening for potentially dubious passages found in the files during the analysis. These initial, smaller pieces of meaning gradually emerged from the data breakdown, and, as this was happening, they were organized into the first layer of categories, according to one or more broad RQ to which they seemed to be related. These first categories did, in fact, resemble the research’s very initial conceptual elements (Glaser & Strauss, 2008) (section 4.1.2). They emerged from the researcher’s close relationship with the primary data and assumed ever-deeper degrees of abstraction through their constant comparison until reaching more precise elaboration and integration, as coding advances to subsequent, higher levels (Bryant & Charmaz, 2008).

#### ***5.3.8.2. Axial codes***

Axial coding, by definition, is the act of putting together or rearranging open codes by making connections between their categories. Some of the first layers of open coding categories are grouped to form one or more new categories of patterns, the second layer. This inductive process is driven by patterns of meanings about “conditions, context, action/interactional strategies, and consequences” (Strauss & Corbin, 1990, p. 96). The codes’ connections arise from the categorization of meanings and it is “the intelligibility of this causal process which gives the category its theoretical potency” (Strauss & Corbin, 1990, p. 178). With this knowledge, the researcher checked the open codes repeatedly, looking for contextualization until common significance was identified between them. Next, the researcher named these categories and organized them into extant patterns or by new meanings and connections that they sensed. Then, by analyzing from the second interview onwards, the researcher started to make use of data triangulation and constant comparison, which are the analytical techniques described before (section 5.2.3). This process reduced the categories of meanings, but there

were still too many to represent conceptual insights on their own because they lacked enough explanatory power. At this point, whenever powerful sounding insights emerged, the researcher noted them in separate memos, of diverse lengths (see the upcoming section 5.3.8.3). These axial groups of meanings and the related emerged memos unfolded new demands. For instance, the need to deepen the understanding and recurrence of given categories, as well as to maintain the search for explanations as of yet undiscovered, and to verify statements against data triangulation. Axial codes (or patterns), therefore, fueled new rounds of data gathering and collection, and, thus, newer rounds of analysis.

#### **5.3.8.3. *Selective codes***

Selective coding is the third, deeper level of the recursive and comparative analytical process in SGT. It is the action of selecting a core category “systematically relating it to other categories, validating those relationships, and filling in categories that need further refinement and development” (Strauss & Corbin, 1990, p. 117). In this research, condensing the axial codes to form meaningful selective codes was not possible before the analysis of all interviews and theoretical memos. Thus, it took lots of recursive analysis and data triangulation to reach the stage whereby the selective codes were condensed, refined, and assumed a meaningful model containing logical and purposeful features (Bryant & Charmaz, 2008) (section 6.3). In this research, selective coding started to become sparse after the analysis of 32 consecutive interviews and their corresponding data triangulation, and reached theoretical saturation after the 39<sup>th</sup> data analytical round. It was at this stage of analysis that the researcher first recognized some core categories of selective codes, named selective patterns (SP). These codes then, beyond their descriptive substance, held sufficient theoretical power to enable the researcher to translate their representations with accompanying explanatory theoretical senses, as developed in Chapter 7. In sum, the analysis of all 39 interviews performed in this field research resulted in 2,492 open codes, which were integrated by 81 axial codes that, when further analyzed, resulted in 16 SP (see code hierarchy in Appendix D).

#### **5.3.8.4. *Memos***

In SGT, memos are insights, ideas, or inquiries that came to the researcher’s mind not only during the data analysis. It is recommended that memos be written, or recorded, as soon as they emerge (Bryant & Charmaz, 2008) because they are the essential basis that, once revisited, investigated, refined, compared, and integrated with selective codes might form new concepts or theories, or even advance the extant literature. Therefore memoing, as termed by Glaser (1978), is about the process of having and registering insights during SGT analytical

process. Memos are also the drivers behind theoretical sampling because, as they accumulate and mature, they indicate the point of data saturation (Glaser, 1998). While Glaser stands for keeping the memoing process simple, and free of fractures and classifications, Strauss (2003; see also Corbin & Strauss, 2015) recommends the classification of memos by meaning as they emerge. Naming the memos such as initial discovery memos, methodological memos, contextual memos, coding memos, or memos between two or more categories, may ease the work of the analyst on sorting and examining them. The researcher, following Strauss's recommendations, classified this study's memos by their meanings: i.e., methodological, new inquiries, matching extant literature, descriptions, and theoretical insights. In total, 292 memos emerged during the fieldwork process and from that 78 theoretical ones; all of them were managed through MAXQDA's memo features accordingly (section 5.3.3).

#### **5.4. Research Credibility**

Qualitative research methods in social sciences research are subject to intense criticism (Birks & Mills, 2015), and SGT methodology is not immune from this. This is particularly true in terms of its analytical coding process that, although designed as a systematic, trustworthy, plausible, and consistent methodology, has also been criticized because of its categorical reductionism (St. Pierre, 2008; see also Harnad, 1987; Medin & Barsalou, 1987), as well as on the substantiality of its explanatory power (LaRossa, 2005; MacLure, 2013a, 2013b). In contrast, and although acknowledging a certain degree of weaknesses when it comes to the generalization power, many theorists have considered this method as a highly compelling tool for excellent qualitative research. SGT methodology is, therefore, well-regarded because it sparks "wonder and creativity" (Brinkmann & Kvale, 2015, p. 228) and offers indisputable credibility (Blickle, 2018; Corbin & Strauss, 2015; Lincoln & Guba, 1985; Thai et al., 2012). It should be noted that, according to SGT theorists (Corbin & Strauss, 1996, 2015), credibility is a much more adequate term while applying a qualitative method than the classical terms such as research rigor, validity, and reliability, which are better fitting and traditionally applied to quantitative research methods.

More critical than terminological disputes is to recognize that in any qualitative analysis, even if one applies the same method twice, more than one outcome is expected to be found and that this does not imply that one outcome is not real, thus not valid. Rather than being imprisoned by a high degree of accuracy and generalization power known as not feasible in qualitative research, this researcher concentrated the efforts on the search for credible, empirical ways to uncover what was proposed in the objective of this study. Upon this

endeavor, an exploratory approach was undertaken to examine the BR-HR regulative, normative, and cultural-cognitive institutional pillars and their changes via interactions with local and foreign MNEs. Assuming that these interactions do exist (Meyer & Thein, 2014; Scott, 2014; see also Blicke, 2018) and that they can somehow affect the institutionalization of HR in Brazil, it is crucial to know whether or not they exist for the HR advancement of the Brazilian citizens. Based on prior studies (Blicke, 2018; Thai et al., 2012) and SGT precepts (Birks & Mills, 2015; Corbin & Strauss, 2015), the researcher took the nine following measures to mitigate claims against the credibility of this study.

First, an applied data-triangulation technique was used to compare primary and secondary data to prevent bias in interviews (section 5.3.7.1). Second, audio-recorded interviews were conducted to ensure that information could be revisited as many times as necessary and that their content, discourses, and situations, as well as the conditions of their collection, could be scrutinized (section 5.3.7.2). Third, all interviews were transcribed word-for-word; timestamps were kept, and expressive indications of hesitations, interjections, filler words, and interruptions were noted (section 5.3.7.2). Fourth, written observations were taken, both during the interviews and afterward (section 5.3.7.3). The fifth measure was to review the academic and contextual literature relating to the research topic thoroughly and recursively in order to guide and support the research strategy (Chapters 2, 3, and 4). The sixth measure was to perform pilot cases for feedback about the researcher's interviewing skills, the need for refining the interviewing guide, and how to better approach potential respondents during the sampling (section 5.3.6.4).

The seventh measure was to prevent respondents from accessing the interviewing guide prior to the interview to avoid biased answers driven by evaluations of social desirability (Brinkmann & Kvale, 2015). There were exceptions made in three cases (out of 39), given their strict organizational policies for giving interviews. The eighth measure was controlling for minimum interference during respondents' answers, except for the demonstration of an active listening approach and stimulation of their continuity (Brinkmann & Kvale, 2015). The ninth and final measure was to discuss both the preliminary results of the first two waves of the fieldwork and the research strategy for the third and last wave with an audience of about 20 doctoral experts from diverse fields of social research<sup>138</sup> to receive diverse feedback about the research pathway.

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<sup>138</sup> Namely a workshop of the Swiss School of Latin American Studies, held on June 30 and July 1, 2017, and called *The Sustainable Development Goals in Latin America: Discourses and Practices at the Local and Global Level*, held in the facilities of the Centro Latinoamericano-Suizo de la Universidad de San Gallen (CLS-HSG).

In sum, to achieve research credibility, the researcher strictly followed SGT's principles and methods, both on theoretical and empirical grounds. Matters of traceability and material proof of the fulfillment of this systematic approach are available, on-demand, for all necessary assessment. Quality was also pursued in all stages of this study, reflected primarily by the researcher's attention to an uncountable number of factors and details (Birks & Mills, 2015). Moreover, the researcher took a neutral position while gathering and analyzing data for the discovery of new theoretical insights, using a critical philosophical approach to combine both theoretical and contextual senses. Despite all of these proceedings, limitations were not mitigated in totality and, thus, follow discussed in Chapter 8 (section 8.3).

## Part 4 – Research Results

This part of the dissertation presents the research results and is divided into three chapters. Chapter 6 describes the research findings in detail, discusses the answers to the two RQs, and finalizes presenting the research's selective patterns (SP). Chapter 7 develops the SP theoretically and, consequently, shapes the final research model of the BR-BHRIC<sup>139</sup>. It also discusses the emerged model in contrast with prior literature, particularly those reviewed in this research. Chapter 8 presents the research conclusions, including a summary of the dissertation, its major contributions, the research limitations, and avenues for future research.

### 6. Description of Findings

This chapter presents the descriptions of the findings, in which data was gathered upon extensive fieldwork and analyzed qualitatively through the support of MAXQDA software. This analysis gave rise to a series of categorical patterns that served to answer the two RQs, also presented here. The findings were derived from the systematic examination of 36 case-organizations, separated into three groups, two corporate (MNEs) and one from civil society and national HR institutions (NFPOs). The BR-MNEs group consists of 11 corporations, which rendered 13 interviews from a total of 16 participants. AM-MNEs, also formed by 11 corporations, produced 11 interviews with 15 respondents in total. The NFPO groups had 14 organizations, which yielded 15 interviews from 16 academics and practitioners, considered experts on BHR relations in Brazil. Twenty-five out of the 39 in-depth interviews were conducted in person by the researcher, who traveled around six Brazilian states exclusively for this purpose. The interviews voiced 47 key-respondents, who provided perceptions and organizational data sequentially decoded through SGT's recursive analytical process.

The analytical process enabled the capture and comparison of the patterns that explain how case MNEs decode HR and address CHRR in Brazil while interacting with diverse actors of the BR-HRIC. In describing these patterns, and to emphasize some of them, the researcher added some of the open codes' literal translations<sup>140</sup> and presented them as quotations throughout the chapter. In order to fulfill this fieldwork, the researcher was always guided by

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<sup>139</sup> The researcher assumes that an influence on BHR relations can somehow affect the BHR institutional system of a context and, consequently, the HRIC too. Thus, the terms BR-BHRIC and BR-HRIC are applied interchangeably along this study according to the researcher judgments of their best fitting.

<sup>140</sup> From Portuguese to English, as the local language was the one used in the interviews.

the intentionally broad objective of this research—namely *to examine how BR and AM-MNEs operating in Brazil shape their CHRR approaches and interact with the BR-HRIC*—and its two RQs. Thus, this chapter is organized as follows. Section 6.1 describes and compares both MNEs’ group assessments correlated to RQ1, while section 6.2 follows a similar fashion but engaged with the findings related to RQ2. By the end of these two sections, both RQs are answered. Finally, section 6.3 presents the final categorical patterns, or selective codes, which represent the theoretical insights further developed in Chapter 7. Details about methodology, methods, and cases are offered in the previous chapter, and a summary of the case participants is found in Appendix C.

## **6.1. BR-HRIC’s Influences on BR and AM-MNEs’ HR Approaches**

This section revolves around RQ1: How does the BR-HRIC influence the CHRR approaches of BR and AM-MNEs? It regards the assessments of MNE managers about their corporations’ HR approaches and what the institutional elements, influences, and pressures falling upon their frameworks and operationalization are. To better operationalize this broad comparative analysis, the researcher followed Scott’s institutional framework, which underlies this study. Section 6.1.1 presents the regulative elements that influence the way that both MNE groups address CHRR in Brazil, while section 6.1.2 details the normative influences, and section 6.1.3 the cultural-cognitive aspects that reveal the corporate ways of interpretations, institutionalization, and operationalization of HR/CHRR. Section 6.1.4 discusses the contextual corporative<sup>141</sup> aspects that emerged from the data analysis as a distinct sort of contextual pressure on the corporate ways of addressing HR in Brazil. Finally, section 6.1.5 summarizes the influential elements uncovered in response to RQ1. For research reliability purposes, the researcher performed a systematic data triangulation technique (Appendix B) to check managers’ responses, including the revisiting of the 292 memos annotated during the data analytical process.

### **6.1.1. Regulative influences on BR and AM-MNEs’ HR approaches**

The analysis of the regulative elements, which is regarded by corporate respondents as influential in how their corporations address HR in Brazil, revealed 178 open codes. They were aggregated by 10 major patterns and by their positive (i.e., enforcing) and negative (i.e., counter) influences. As a rule, given the large number of patterns generated by the analysis and

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<sup>141</sup> Here defined as business-oriented initiatives, as means of those involving assets (economic and intangible) maximization through new business or cost-avoidance opportunities.

the demand for comparing the assessments of the two MNE groups, the researcher disclosed these patterns outlined in the form of tables, before explaining them. Therefore, the key regulative influences on MNEs are depicted below and described afterward.

**Table 8: Regulative influences on MNEs' HR approaches**

Regulative influences on MNEs' HR approaches	Scores*	
	BR-MNEs	AM-MNEs
<b>Positive pressures (✓)</b>	<b>4</b>	<b>1</b>
1. Labor laws: health, physical integrity, workplace environment	8	5
2. Constitution of 1988	4	1
3. Dirty list of slave labor	2	0
4. eSocial	2	0
5. Civil and penal codes	2	0
<b>Negative pressures (✖)</b>	<b>7</b>	<b>5</b>
1. Quasi-institutional corruption and cooption	11	8
2. HR governmental misleads	10	7
3. Quasi-institutional injustice, impunity, and partiality	10	4
4. BHR regulative voids	4	3
5. Setbacks and instability of HR regulative institutions	2	2
* # MNEs' assessments per group of origin (N/11)		
Subtotals = simple arithmetic means of the patterns' scores		

Source: Researcher's creation.

### ***6.1.1.1. Positive influences of the regulative pillar on MNEs' HR approaches***

#### ***6.1.1.1.1. Overall analysis***

Participants' answers produced six axial code-categories or axial patterns (simply AP from now on), formed by 25 open code-segments, embedded in positive enforcement and described sequentially.

#### ***a) Labor laws: Health, physical integrity, and workplace environment***

This first regulative AP reveals that HR are found to be mostly accounted for by both MNE groups through local labor laws. This pattern was weighted by eight BR and five AM-MNEs, through 13 open codes. BR-MNE-2 stated that HR are addressed within sustainability topics in the company, although acknowledging "the theme (sustainability) is not addressed in ways that really covers HR" (l. 30<sup>142</sup>). In this company, HR are treated as synonymous with

<sup>142</sup> *l.* is the abbreviation for the word *line* and indicates the quote location in the interview's transcription on MAXQDA. For an explanation about the anonymization of case organizations and participants, check section 5.3.6.2; for an overview of the cases, check Appendix C.

labor rights, and HR respect denotes the non-discrimination of employees. In turn, AM-MNE-8 expressed that when it comes to HR, “what we have is what the law demands [...], like things related to safety at work.” (l. 66). Many other assertions, often given indirectly, revolved around the demands of labor laws or corporate philanthropy. This is perhaps because, as noted, in Brazil, it is common to address formal labor-related laws in terms of a combination of health, physical integrity (safety), and workplace environment (HSE)—namely *Saúde, Segurança e Meio-Ambiente do Trabalhador (SMS or SSMA)*.

*b) Brazilian 1988's Constitution*

The Brazilian Constitution is the second AP, formed by only five open codes (four from BR-MNEs), despite its authority and comprehensiveness in setting forth nationwide HR (Piovesan, 2016). BR-MNE-4, recalls that Brazil started its HR “maturity curve, after the Constitution of 1988, from which other important laws were derived.” (l. 179). While AM-MNE-3 stated that since this charter designated HR as legal, national matters and demanded that all citizens respect them, then HR “should be respected by the governments as well as by all other institutions too.” (l. 7).

*c) Dirty List of Slave Labor*

The third AP was named the Dirty List of Slave Labor (i.e., *Lista Suja do Trabalho Escravo*<sup>143</sup>), and was made up of only three open codes, all from BR-MNEs. The Dirty List is a naming-and-shaming system instituted by the Ministry of Labor and Employment (i.e., *Ministério do Trabalho e Emprego*) and is regarded by the civil society community as a benchmark on fighting modern and traditional forms of slavery (UN Human Rights Council, 2016). In contrast, part of the Brazilian business community highly objects to this system because, if listed, the company will face severe reputation damage and harsh material punishments. For instance, extremely high fines, bans from public biddings and financing programs, and losses of businesses as responsible private companies avoid trading with the listed wrongdoers. Seemingly, there is still no consensus on a single concept of slave labor that is acceptable to the corporate community. To BR-MNE-2, “only in Brazil slave labor holds such a wide scope. The lack of toilet paper in the bathroom, for instance, is all but slave labor!” (l. 198). As verified, according to article 149 of the Brazilian Penal Code, slave-like work is characterized by the four elements: (1) degrading work conditions, which are incompatible with human dignity, characterized by the violation of HR, put health and life at risk of the

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<sup>143</sup> Established by the Ministry of Labor and Employment Decree No. 540/2004 and available on: <http://trabalho.gov.br/images/Documentos/SIT/cadastro-de-empregadores-2019.pdf>

worker; (2) exhaustive working hours, in which the worker is subjected to excessive effort or work overload that causes damage to his health or risk of life; (3) forced labor, or the work that keeps the person in service through fraud, geographical isolation, threats, and physical and psychological violence; (4) debt bondage, when the worker is forced to contract a debt with the employer and has to submit to servitude to repay it. These elements, however, together or in isolation, seem very plausible in characterizing slave labor (Repórter Brazil, n.d.).

*d) eSocial*

The third AP, scoring only two open codes, both from BR-MNEs, is named *eSocial*, which is the National Digital Bookkeeping System for Tax, Social Security and Labor Obligations (i.e., *Sistema de Escrituração Digital das Obrigações Fiscais, Previdenciárias e Trabalhistas*<sup>144</sup>) at implementation stage in Brazil. As BR-MNE-3A states, the eSocial “assigns companies the obligation of registering and keeping digitally-updated all employees and even subcontractors social and health records, as well as income, etc.” (l. 101-105). This system is promising, therefore, given its important step toward a more transparent and effective governance of business and labor relations in Brazil.

*e) Brazilian civil and penal codes*

The fourth AP is called Brazilian civil and penal laws. Although they are both essential local laws prescribing many HR local matters, they were scarcely regarded by two BR-MNEs, which held only one open code each. On top of these denoted tangential<sup>145</sup> influences, the penal code is cited in association with local anti-torture issues and with the above-mentioned Dirty List by corporate participants (BR-MNE-3A, l. 93). In turn, the civil code is cited as an extension of the local Constitution (BR-MNE-8, l. 183). Considering that the Brazilian legal framework is regarded as good enough to orchestrate local BHR relations beyond labor laws (UN Human Rights Council, 2016), this lack of regulative codifications can be viewed from two perspectives. First, knowing that all case MNEs are global players preoccupied with reputation, it could be the case that compliance with local regulations is so largely recognized that it is not thought necessary to highlight it, even while facing academic research. The second answer could be that corporations do not yet deem their HR responsibility to exist beyond labor rights relations, so they are not aware of other sorts of regulative aspects falling on BHR relations. These arguments are not conclusive, as it is not the objective of this study to offer

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<sup>144</sup> Details and legislation available on: <http://portal.esocial.gov.br/institucional/conheca-o> and <http://receita.economia.gov.br/aceso-rapido/legislacao/legislacao-por-assunto/e-social>

<sup>145</sup> According to SGT (Corbin & Strauss, 2015) the data analysis recursive process may focus on discovery and description of *each* underlying meanings and involved contextual patterns and processes at investigation.

explanations but to describe occurrences. It is a fact that when asked about the contextual elements influencing their CHRR approaches in Brazil, there were only two cases where corporate participants made references to the local regulative pillar as a first matter (i.e., AM-MNE-3, l. 7; BR-MNE-9, l. 6).

#### *6.1.1.1.2. Groups' contrasts*

BR-MNEs expressed three times more affirmative influence of the local regulative context (six AP informed by 18 open codes) on their way of addressing CHRR locally than their foreign peers (two AP informed by six open codes). Then, on top of labor rights, the local Constitution was regarded as playing an influential role in the HR approaches of 36% of BR-MNEs against only one code from an AM case (9%). Although using data triangulation, the researcher could not assess a single case from either group citing such Magna law on MNEs' publications about CHRR. Described just before as tangential references, BR-MNEs, distinct from AM firms, also regarded the Dirty List of Slave Labor (2/11), the e-Social (2/11), and the civil (1/11) and penal codes (1/11) as regulations applicable on cases of HR harm in Brazil, valid for business-related wrongdoers. In sum, along with the interviews, BR-MNEs addressed substantially more regulative patterns, while AM-MNE respondents seemed to be less focused on such elements, instead, discussing references and influences on their local HR approaches. On similarities, both groups were mostly confined to local labor laws when disclosing the contextual regulative references of their HR local approaches: 73% of BR-MNEs and 45%. This is a clear sign that labor laws are the most relevant binding rules regarded as affirmative, regulative pressures influencing MNEs' local HR approaches.

#### *6.1.1.2. Negative influences of the regulative pillar on MNEs' HR approaches*

##### *6.1.1.2.1. Overall analysis*

In contrast to the very few codes induced by MNEs concerning the affirmative elements of the BR-HR regulative pillar deemed to influence their local HR approaches, many adverse elements found in the same pillar were brought to fore. They were pointed out by the same respondents and highlighted as counteractive pressures to overall corporate HR compliance in Brazil. Altogether, five AP of counter-regulative influences on CHRR, listed in Table 8, were formed by 150 open codes attributed and described below.

##### *a) Quasi-institutional corruption and cooption*

The first AP, named quasi-institutional corruption and cooption, was formed by 51 open codes placing it as the most pressing counteractive influence on HR approaches of the case corporations. These categorical issues were noted not only at the regulative level but within the

other pillars as well, which will be exposed throughout this chapter. Together, these wrongdoings were cited as widespread, standard, local practices of immense proportions often described as a sort of an institutionalized force. As noted, they represent entangled, endemic societal issues and are, therefore, understood by the respondents to make up a quasi-institutional counter agency. Discussing this, AM-MNE-8 stresses that “it seems a great delusion to think that the State will be able to guarantee HR for everyone given that we live in a very corrupt country where personal interests of governors come over that [...], but we also see that the private sector is not clean either” (l. 231).

For BR-MNE-3A, it seems “very latent that there are excellent local BHR related laws, but there is no effective power, no competence, nor the infrastructure to monitor it there. [...] Instead, the State creates difficulties to sell the facilities, and it is where it breeds corruption and generates discredit” (l. 197). They continue that “it is a chain in which if you do not act like them because you want to make a better world, you are kept out of the game, lamenting” (l. 197). In turn, BR-MNE-4 reports the feeling like “we are currently in a moment when there is no rule; everything is valid” (l. 245). BR-MNE-7 shows an aversion to corruption at the government level, stating that in Brazil, “there is a law for everything but in the muddy-sea we are in, there are more laws to be broken than to be respected [because] our leaders do not comply with the rule of law or ethics” (l. 148). AM-MNE-5 discloses that, although the capability and willingness for a more proactive approach exist, “the company has never engaged in public-private partnerships, be it in HR projects or otherwise, because of the fear of getting involved in corruption matters” (l. 95), which could damage its global reputation.

*b) HR governmental misleading*

The second AP represents HR governmental misrepresentations and neglect, and 42 open codes composed it. BR-MNE-6 builds this perspective as it recalls that “if you look at a community here, you see they have no health, no education, no security, no leisure or cultural activities, no right to economic or social development; they have nothing. So, we go there and provide all of that. If these three basic needs were met [health, education, and security], the company could address other voids greatly” (l. 46). The respondent continues that “instead, the State creates an army of miserable citizens to depend on welfare and to cause fear in people” (l. 75). For BR-MNE-2, in terms of BHR regulative affairs, “there are too many representations, one punishing the other, one taking care of the other [...]. Also, there is no legitimacy to their actions. The powers of the country are not playing their roles, and therefore all companies feel like engaging solely in self-interests too” (l. 243).

*c) Quasi-institutional injustice, impunity, and regulative-partiality*

The third AP is called quasi-institutional injustice, impunity, and regulative-partiality and was constructed from 32 open codes. Debating this viewpoint, BR-MNE-7 argues that in Brazil, “there is a law for everything but, in the end, the law falls in the hands of a biased judge who has the final word” (l. 149). The respondent continues, “our laws are also ambiguous and leave the final decision in the hands of the judge” (l. 149). BR-MNE-8 adds an example of how the problem of impunity relating local BHR matters is perceived in their business, stating that “the municipalities have the autonomy to make own [environmental] legislation and licensing processes, though according to the Constitution and federal laws.” (l. 114). However, as this respondent stated, there is no national-central control or regular monitoring of any kind. So, it is up to each company to decide how, and in which jurisdictions, to comply with regional authorities or even whether to challenge them. When a legal dispute occurs, as said, there is no such thing as a final sentence or a conviction, but the case is appealed or postponed indefinitely. This view is supported by BR-MNE-6, who argues that “[justice] here is for the most powerful [...]; it is not something valid for everyone.” (l. 138).

*d) BHR regulative voids*

The fourth AP is named BHR regulative voids and consists of 22 open code-segments. It is represented here by AM-MNE-5, who reveals that due diligence and respect for “HR are not mandatory matters when it comes to licensing a new enterprise (e.g., greenfield sites) in Brazil and, although IBAMA<sup>146</sup> sets some related social parameters, these end up overlooked as this agency’s focus and competence remain on environmental matters” (l. 133). Moreover, BR-MNE-4 states that when it comes to HR of indigenous people, “the process of hearing, the process of consent<sup>147</sup>, they are not regulated in the country. So, their voids fall into the same environmental licensing issue, which lacks a public structure to lead such processes, which, to a great extent, depends on corporate interests and willingness.” (l. 238).

*e) Setbacks and instability of HR regulative institutions*

The fifth and final AP is called setbacks and instability of HR regulative institutions and, although it only has five open code-segments, it is highly relevant because they reflect the actual institutional crisis at the regulative level that Brazil seems to be facing (section 4.2.3).

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<sup>146</sup> IBAMA is the acronym for the Brazilian Institute of the Environment and Renewable Natural Resources. In local language: *Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis*: <https://www.ibama.gov.br/>

<sup>147</sup> Check the meaning and foundations of the free, prior and informed consent of indigenous peoples and their other HR on the website of the UN High Commissioner for Human Rights: <https://www.ohchr.org/Documents/Issues/ipeoples/freepriorandinformedsent.pdf>

On this topic, BR-MNE-4 addresses the point directly, arguing that “unfortunately, what we perceive in the [local] political scenario is that we are suffering from absurd setbacks of HR institutions. This crisis we are living in is very much a crisis of institutions.” (l. 235). For AM-MNE-8, these setbacks affect BHR relations negatively, as well as the instability of HR regulative organizational apparatus. As this MNE poses, “during his government, Lula tried to expand this [HR national institutions]. [...] He created a Ministry [HR] and added more of a flair of diversity to it; you saw that it had men, women, blacks [...] Under Dilma’s [mandate] there was also a little diversity, but in Temer’s, this ended abruptly” (l. 158). These HR regulatory setbacks and the organizational instability of the national system on governing HR institutions might suggest that the State has little regard for such matters. BR-MNE-1A summarizes this claim stating that “we need a State action plan, not a governmental one. We need long-term programs in education and health. Something continuous, like a 20 to 30-year plan.” (l. 218).

#### *6.1.1.2.2. Groups’ contrasts*

BR and AM-MNEs induced the same sorts of counteractive influences of the regulative context on their CHRR approaches (five AP). However, the respondents of the local group were more emphatic, provided they generated a considerable large number of open codes (102), in comparison with their foreign peers (49). This higher quantity of coded-segments is partially attributed to the fact that BR-MNEs’ group produced two more interviews than the foreign group of corporations, as explained in the methodological chapter (section 5.3.6). Considering that, as standardized by the researcher, only one hit (open code) per MNE is attributed to the composition of each AP. Thus, Table 8 simply displays that BR corporations assessed more negative issues (36) than AM-MNEs (24) influencing their CHRR approaches. Moreover, AM-MNEs have shown more restrained discourses than local corporations when it comes to critiquing the counter forces impacting their way of addressing HR more comprehensively in Brazil. In terms of similarities, corruption and cooption, governmental misleading and misrepresentation, and *neglect* on matters of HR regulations scored as the biggest obstructers of a broader and more proactive corporate attitude toward HR respect and protection locally.

#### **6.1.2. Normative influences on BR and AM-MNEs’ HR approaches**

Together with societal, ethical-based pressures, the data analysis also revealed unethical restrainers to be taking place in parallel to local normativism. Corporate participants asserted through 241 open code-segments, aggregated by 10 major APs, that the BR-HRIC also establishes counter-normative forces systematically and to the degree that is overspread and

contaminates the whole system. The acknowledgment of these assertions explains the classification of the AP in the normative pillar, as positive (i.e., normative) and negative (i.e., unethical or illegitimate), as represented below.

**Table 9: Normative influences on MNEs' HR approaches**

Normative influences on MNEs' HR approaches	Scores*	
	BR-MNEs	AM-MNEs
<b>Positive pressures (✓)</b>	<b>5</b>	<b>4</b>
1. Global soft-norms and CSOs pressures	10	10
2. Local soft-norms and CSOs pressures	7	6
3. Market requirements	5	4
4. Societal pressures	2	1
5. Business ethics	1	1
<b>Negative pressures (✖)</b>	<b>3</b>	<b>2</b>
1. Quasi-institutional corruption and cooption	6	3
2. Weakened CSOs	3	5
3. Impunity and unaccountability	3	1
4. Lack of BHR operational standards	3	0
5. Increasing wave of conservatism	1	2

\* # MNEs' assessments per group of origin (N/11)  
Subtotals = simple arithmetic means of the patterns' scores

Source: Researcher's creation.

### **6.1.2.1. Positive influences of the normative pillar on MNEs' HR approaches**

#### *6.1.2.1.1. Overall analysis*

The data analysis produced five AP of pro-normative influences through 210 open code-segments, attributed and described as follows.

#### *a) Global soft-norms and CSOs pressures*

This first AP, with 130 open codes, was the most regarded by case MNEs as highly influential on their ways of addressing HR locally; it appeared in the form of norms, principles, and affiliations. It was also noted that global soft-norms substantially serve as references to the operationalization of MNEs' local HR approaches. In total, these case participants cited over 20 different normative standards, most of them being internationally applicable, with few applicable only to specific industries. Of these, the most influential were, in order of ranking, the UNGC-BR through their 10 principles' program (GCPs), plus the GPs, the UN Sustainable Development Goals (hereafter SDGs) who tied with the ILO's Declaration on Fundamental Principles and Rights at Work<sup>148</sup>, and the UN Women, also tied with the Global Reporting

<sup>148</sup> Available on <https://www.ilo.org/declaration/thedeclaration/textdeclaration/lang--en/index.htm>

Initiative. In terms of local representativeness, the influence and respect attributed to the UNGC-BR program by the respondents, including CSOs, was very clear. It should be noted that this program incorporated the GPs' idea, being its two first principles dedicated to guiding BHR relations. Moreover, the UDHR and GPs were references found cited on MNEs' CHRR institutional disclosures. However, they were only occasionally recalled by the case MNEs during the interviews, lagging behind even the SDGs in such talks. In sum, alongside the frequently quoted and triangulated BHR norms verified among the case MNEs data analysis, a lack of awareness and loose commitment was felt present, not only regarding corporations' respect for HR, but mainly in their engagement in protecting and advancing HR locally.

*b) Local soft-norms and CSOs pressures*

The second AP is named local soft-norms and includes CSOs pressures. It is formed by 49 open codes, from which the corporate participants considered 12 normative influencers. Those most frequently referred to were, in order of highest scores, the *Instituto Ethos de Empresas e Responsabilidade Social*; tied in second place the *InPacto - Instituto Pacto Nacional pela Erradicação do Trabalho Escravo* and the *ISE B3 Sustainability Index* of the Brazilian stock market; and in third, the *ABVTEX - Associação Brasileira do Varejo Têxtil*, highlighted given its relevance to fighting modern ways of slavery and children's labor across the fashion industry's supply chains. Although the representation of *Conectas Direitos Humanos* on the BR-BHR scenario is internationally respected<sup>149</sup>, this CSO was not regarded as influential by any of the case corporate participants.

This may be because of its dissociation from the business community, its HR advocacy reporting approaches fully bound to public interests, and renowned local and international leverage for legal representation against MNEs when it comes to facing corporate HR violations. In terms of local normative representations, CSOs were deemed lesser influencers on CHRR matters given that, as reported, they are now crossing a typical curve of maturity. To BR-MNE-10, local CSOs are found to still be in the learning phase when "they begin to translate and couple with international paradigm changes on BHR relations and bring to the Brazilian reality those decoded matters" (l. 111). Whether it be a natural time-framing issue or something else such as structural voids, appraisals of market relevance, or even lack of stakeholders' trust, only time and other researches will say (see research limitations in section 8.3).

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<sup>149</sup> E.g., see the UN Human Rights Council (2016).

*c) Market pressures: Investment rules and supply chain requirements*

This third AP contains 18 open codes, informed by a total of nine MNEs in total and named market pressures. Corporate participants regarded this normative influence on their local HR approaches through two major divisions. The first is investors' relations and requirements, cited by nine MNEs, with five being from BR group, and the second is supply chain requirements, cited by three MNEs, two of them from BR group. This stresses that for a particular group of MNEs, mostly retail operators, markets are increasingly falling under, and responding to, societal pressures, because such representatives regard and demand HR compliance of corporations in order to invest and trade with them. This assertion is demonstrated by BR-MNE-4, who states that "our customers, who are other large-size organizations, prioritize socially responsible companies. These feelings also come from many investors, which means that our society is already held to a high standard" (l. 257) when it comes to respecting HR.

In contrast, BR-MNE-10 believes that co-responsibility on BHR matters is not yet exercised in full and by all its business stakeholders. However, as they believe, this may change soon because CHRR is already a matter of some investors' concern, and "when investors start to inquire about CHRR, it is a sign of the business agenda maturity" (BR-MNE-10, l. 48), given that it promotes sustainability, longevity, and leadership across time. BR-MNE-5 corroborates this view, highlighting that "an interesting fact is that since the beginning of 2014, approximately, more and more customers started to require evidence about our engagement with organizations such as GC or some sort of HR framework" (l. 140). Contrasting such optimism, AM-MNE-11 asserts that the operationalization of MNEs and their stakeholders' CHRR, "to a great extent, depends on regulations falling not under markets and industry solely but also in society" (l. 58).

*d) Societal pressures*

The fourth AP of pro-normative influences on MNEs' HR approaches is named societal pressures and is formed by 10 open codes, from 14 MNEs, 10 from the AM group. BR-MNE-5 recognizes that there is an expectation of people that operations and business "will occur respectfully, within limits that sometimes go beyond what is legal. I think this also about moral issues that directly affect business." (l. 12). However, the same corporation expresses concern about societal participation in the establishment of business enterprises in a given location by inquiring, "what is the extent of a community leader's right to information about a company?" (l. 72). Through an AM perspective, corporate engagement with society is important not only

due to image building but also “to allow for the involvement with, and discovery of, local societal issues in need of a little more emphasis. I believe this is also important for sustainability matters.” (AM-MNE-9, l. 47). Another compelling case was related by AM-MNE-11, who reported that during the establishment of a greenfield site in Brazil, the company had the legal licenses granted by the official regulative institution. However, the community did not allow its operation. Then, social license to operate for this MNE goes beyond a legal license, “it occurs in addition to this formal approval; it is the acceptance of the community of my local operations. It is also combative, articulated, purely social. They may regard: will we live or not with such enterprise?” (AM-MNE-11, l. 67).

*e) Business ethics (BE)*

This fifth AP is named BE and is formed by three open codes only, yet correlated as important by three MNEs, two BR and one of AM origin. This is, unfortunately, a small-scale result since, in the lack of international binding regulation on BHR, people living in very adverse HR institutional contexts like Brazil, rely the most on the ethics and moral evaluations of businesspeople to have their most basic rights protected, to the detriment of economic interests. All three MNEs agree that corporate respect for HR requires due diligence, and that is the “natural, the right thing to do” (BR-MNE-3, l. 44). CHRR is “first of all, a moral commitment and then about business sustainability” (BR-MNE-5, l. 17) because individual, societal, and economic spheres are “all interconnected” (AM-MNE-9, l. 116).

*6.1.2.1.2. Groups’ contrasts*

AM-MNEs revealed to be more influenced by the normative pillar than case local MNEs. This is reflected, for example, by the influence of the ILO’s Declaration on Fundamental Principles and Rights at Work, regarded as a driver for 22% of local MNEs, contrasting with 78% references of their foreign peers. Then comes the pattern named international CSOs pressures which, although regarded by both groups as of having a similar impact, AM-MNEs placed greater emphasis on more universal soft-norms, such as GCPs and GPs, than their BR peers, who seemed to be more concerned with norms dedicated to their own types of industries. The systematization and reporting of corporate HR indicators were more critical for AM-MNEs, who scored 83% of the GRI (Global Reporting Initiative), contrasting with 17% of case local MNEs. Local and foreign MNEs did not reveal substantial differences when it came to the effects of local CSOs pressures on their HR approaches, except for one institution, the ISE B3, which is the index for corporate sustainability of the Brazilian stock exchange. This result is consistent, given that foreign MNEs operating in Brazil commonly opt

not to list their Brazilian subsidiaries on local exchange markets, registering them instead as limited liability companies or closely-held corporations (*Sociedade Anônima de Capital Fechado*).

There were also no differences between the two groups when it came to overall stakeholders' pressures, deemed important influences on MNEs' CHRR matters. In terms of societal pressures, BR-MNEs seem to be less susceptible (36%) to this important normative influence, which relates to matters of social legitimacy and reputation building, in comparison to foreign MNEs (90%). In terms of similarities, on the other hand, when it comes to the influencing pressures from international CSOs, both groups of MNEs generated a similar number of open codes (BR=50 and AM=47), which also resemble the higher importance that they placed on four soft-norms and related BHR principles, namely: GCPs, UDHR, GPs, and SDGs. Regarding local CSOs pressures, BR and AM-MNEs performed similar overall ratios of AP (56% and 44% respectively).

When these patterns are analyzed individually, a similar result is also observed, especially in the two local normative institutions, the Ethos Institute for Business and Social Responsibility and the *InPacto - Instituto Pacto Nacional pela Erradicação do Trabalho Escravo* (National Pact Institute for the Eradication of Slave Labor). These institutions are both highly regarded as influential and respected entities on matters of BHR normative prescriptions in Brazil. BR and AM-MNEs also performed similar overall ratios of AP (58% and 42% respectively) when regarding stakeholders' pressures that, considering their international operations and capital composition, can be derived from both international and local realms. Nonetheless, as voiced by corporate participants, supply chain requirements are deemed as imposing fewer rules when compared with investors' and shareholders' requirements. Finally, BR and AM-MNEs were, unfortunately, similarly minimal in their evaluations of BE or moral matters as guiders of their ways of addressing HR in Brazil.

### ***6.1.2.2. The negative influences of the normative pillar on MNEs' HR approaches***

#### ***6.1.2.2.1. Overall analysis***

The normative pillar also presented negative pressures on the way that local and foreign MNEs address their HR responsibility in Brazil, although on a smaller scale than the scores of the regulative level. These pressures, verified through corporate responses only, consist of five AP, formed by 55 open codes.

*a) Quasi-institutional corruption and cooption*

This first counter-normative AP is a combination of perceived top-down and bottom-up institutionalized corruption and cooption that conflict normative organizations and then affect the way MNEs operationalize their HR responsibilities in Brazil. These two societal pathologies, also revealed in the regulative pillar, were the most negative references (17 open codes) among corporate respondents, whereas six emerged from BR and three from AM-MNEs. AM-MNE-5 outlines an example of such top-down pressure, stating that “many non-governmental organizations were discredited because of corruption practiced by some of them” (l. 90). He continues that, as a result of this sort of event, “we would like to engage with the governmental program named Fundo da Criança e Adolescente [Child and Adolescent Fund], but we were skeptical since this program does not allow corporations to choose the funded non-governmental institution. It is important to know where the money of our taxes will be applied.” (l. 106).

Analyzing these conversations, a public-private trade-off on HR responsibilities is apparent, for example, “why shall corporations discuss HR responsibilities if a top governmental agent [supposed to be the primary HR enabler] takes public money [supposed to be invested in HR] and invests it in a Swiss bank?” (AM-MNE-7, l. 149). This view is corroborated by other peers, such as BR-MNE-3 (l. 160) and AM-MNE-5 (l. 79-80). This last MNE suggests that the worst HR violations are not necessarily from corporations. However, as claimed, the corruption at public realms, given that “all the money that is stolen, thus not invested in people, in education, or to ensure the integrity of children, for instance, is the biggest violation of HR that one [nation] can have” (l. 79). To BR-MNE-7, “it sounds utopic to talk about HR with corporations, facing the government we have to date; we expect the government to comply with the laws that have been written about HR, without thinking on its own benefit” (l. 179).

The problem of corruption and cooption affecting what is right or normative in terms of CHRR in the Brazilian context can also be viewed bottom-up, as it was noted that people do not do their part in respecting the HR of others. To BR-MNE-7, “people do not respect laws in Brazil, because corruption is deep-rooted, systemic.” (l. 156), while others, supposed to represent the public interest by policing the compliance of corporations with labor-laws, for instance, instead, try to corrupt and coopt firms paying bribery for not being visited. Factually, in one reported case, “by finding some minor labor issue, the public labor inspector insisted that it would be better to solve the case unofficially to avoid the triggering of bigger issues to

be found” (BR-MNE-11, l. 42). In a broader context, the environment seemingly induces MNEs to allocate significant resources to shield themselves from corruption and cooption coming from all institutional pillars, whether or not they are related to HR matters, in order to preserve their corporate integrity and run their businesses. In parallel, MNEs operating in Brazil hold multiple diverse possibilities about whether, and to what extent, they act in humanitarian and responsible ways in their operations and beyond.

*b) Weakened local CSOs*

The second counter-normative AP concerns the impaired and unsupported situation that local CSOs face in Brazil. It is formed by 18 open codes and emerged from three BR and five AM-MNEs. When discussing contextual such challenges and their influences on CHRR, some managers stated that some normative organizations (e.g., labor unions and NGOs) suffer from an aspect of discredit due to their potential involvement in corruption. This, as a manager explains, occurs because some CSOs “lack the technical capacity, especially in attracting resources” (AM-MNE-5, l. 90), and therefore, to survive, they end up becoming associated with corrupt governmental or private wrongdoers. Also, as asserted by AM-MNE-5, some normative organizations lack “the technical capacity, to demonstrate the destination of the donations they received” (l. 98), thus preventing the attraction of further private investments on their represented social causes.

Some corporations, therefore, address this issue by supporting and “encouraging NGOs to become OSCIPs or UPF<sup>150</sup>, because once registered under these legal entities there will be rules to follow; “they will have to be accountable to the federal government, to comply with the law.” (AM-MNE-6, l. 132). Others prefer to articulate their institutional demands through the collective creation and support of business associations. According to AM-MNE-11, regarding the responsibility of business for social matters “beyond assistentialism, when it was thought that we needed the whole sector to improve, this was possible through the articulations of a sectoral association” (l. 90). The creation of corporate, not-for-profit institutes and foundations has been an effective way of addressing the organizational voids at the normative level because by owning these entities, companies can exercise direct control of their social investments, partnerships, and articulations within the public realm. AM-MNE-11 adopts this strategy not only in Brazil but in other EMs in which it holds operations. As they observed, “globally, we

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<sup>150</sup> OSCIP is the acronym for Organização da Sociedade Civil de Interesse Público in Portuguese [Civil Society Organization of Public Interest] (revisit section 5.2.4 for more about this and other types of CSOs in Brazil) and UPF is the acronym for Utilidade Pública Federal (national public utility).

act [socially] either via institute, foundation or via our global sustainability platform” (AM-MNE-11, l. 77).

*c) Impunity and unaccountability*

The third counter normative AP is named impunity and unaccountability and is formed by 10 open code-segments, voiced by three BR and one AM-MNEs. Within the discussions about this adverse contextual pressure, MNEs insist that normative precedent on BHR matters, and beyond, should be top-down, meaning that the Brazilian state’s representatives should lead by example, which often, according to these corporations, does not happen. BR-MNE-8 asserts that “the State should hold an enforceable role in society, so when one fails to comply with laws, the State should register the case, judge, and punish” (l. 227), otherwise “ethics ends up getting lost” (BR-MNE-7, l. 172). As BR-MNE-8 complains, for instance, there is a proper law that sets quotas for corporations to hire disabled people, but they do not fulfill these quotas, and “nothing other than a bureaucratic procedure takes place, the so-called TAC (Term for Adjustment of Conduct). There is no inspection; there is no punishment” (l. 121). About inspection, BR-MNE-11 reveals that within a time frame of two years, no public agent has visited the company to perform the labor-related monitoring. As observed, “to date, the inspections are very random and seldom take place. Seemingly, it happens only based on reported cases. Therefore, in the absence of an accusation, the inspector does not show up at all.” (BR-MNE-11, l. 37).

*d) Lack of BHR operational standards*

This fourth counter-normative AP is about claims of the lack of BHR operational standards. It is formed by four open code-segments, all regarded by three BR-MNEs. Although there are not many of these categorical claims, they are perceived as accurate, given what the researcher observed about the BR-HRIC. BR-MNE-4 asserts, for example, that Brazil is in the vanguard concerning international HR commitments, conventions, and covenants since it underwrites the main related international commitments. However, “when it comes to transforming all these regulations and procedures as practical matters to the operational (corporate) level, it fails, it falls short, it is a still hanging phase.” (BR-MNE-4, l. 103). To BR-MNE-3B happens that, at the local level, “companies do not have enough consistent partners to translate this BHR dialogue into corporate practice” (l. 437). BR-MNE-3B’s participant complements this, stating that “on their own, companies are not able to interpret these SDGs, nor the UN Women’s program consistently and translate it into practice.” (l. 438). In turn, BR-MNE-5 concludes that, in Brazil, “more studies on BHR matters are needed” (l. 229).

*e) The increasing wave of conservatism*

The fifth and final counter-normative AP, formed of six open code-segments, by one BR-MNE and two AM-MNEs, notes the concerns of some corporate participants about the increasing wave of conservatism. As they stated, it could affect the way corporations address HR in Brazil, especially in terms of their public advocacy on the matters. One participant, for instance, notes that “a national TV channel had *to kill* off two characters in a homosexual relationship in a soap opera as a result of numerous viewers’ complaints based on prejudice” (AM-MNE-8, l. 173). AM-MNE-11 adds that that social media seems the only democratic means for HR advocacy in the country and that even this became an arena for “hate speech and political battles, bringing to fore several other factors rather than the pursuit of the full exercise of citizenship and promotion of HR” (l. 102). This corporate participant raises the perception that the increasing wave of conservatism observed in the global arena has hit the country. As a result, “Brazil is now crossing a turbulent moment, on which the most conservative voices are heard and, through the [mis]use of social media, they make use of HR terminology pejoratively” (AM-MNE-11, l. 138).

AM-MNE-11’s participant says that in the country, “a fictional notion has been created that HR serve to protect criminals” (l. 138). This participant states that this misinformation creates a pejorative bond around the mistaken idea that HR’s primary utility is to protect wrongdoers who choose to live marginally (section 4.2.5.2). Still, as noted, some people do not hold a proper idea of what HR are because they lack an education in HR; “they were not introduced to HR at home, at school, or work. There is also a question of fragility: Many people are in a situation of extreme violence” (AM-MNE-11, l. 139). From these discourses, the researcher made two observations. First, corporations that exercise their positive responsibility for promoting HR may be challenged by local conservative extremists, who are not only potential clients and consumers but also high-ranking politicians, such as the country’s current ultra-conservative president and the minister of HR. These are, however, matters of consideration that involve corporate integrity, especially in such an adverse HR context. Second, the lack of awareness of local citizens, conservatives or not, about the meanings of HR is manifest and seems to influence how MNEs address HR in Brazil; this matter is better explored through the findings of section 6.1.3.

*6.1.2.2.2. Groups’ contrasts*

In terms of differences, BR-MNEs noted more counteractive influences of the local normative context (five AP, formed by 32 open codes) impacting on their way of addressing

CHRR locally than their foreign peers (four AP, formed by 23 open codes). This result is unsurprising, given that AM-MNEs might be less critical to and more proactive about when facing low HR standards and correlated normative institutions because they have been more exposed to operating in several HR adverse EM. This learning may also be a function of the inheritance of CR frameworks and environmental norms that such AM corporations have already mastered. For instance, AM-MNEs did not highlight a lack of BHR operational standards as having an impact on their local HR frameworks. Perhaps because the standards that they are adopting in Brazil are from AM, perhaps having the same origins as their headquarters. Therefore, such standards are top-down strategies, interpreted and operationalized by their AM headquarters, and having to be adapted, when necessary, and taken into local practice only, with the support of the advanced knowledge that they already hold abroad. In turn, corruption and cooption at the normative level were deemed more pressing issues by six out of 11 BR-MNEs, compared to three out of 11 AM's companies. In contrast, the observed as struggling local CSOs category received more attention from five AM-MNEs, whereas BR-MNEs scored three, making this category their most important issue at the normative level.

In terms of similarities, on the other hand, groups equivalently stated that counter-normative forces are appealing enough on their own. However, when combined with regulative and cultural-cognitive HR adversities, they look even more potent to constrain MNEs' willingness to be proactively responsible for HR matters in Brazil. However, it was observed in both groups that even if stimulated, in several cases, corporate respondents were rather reticent in extending discussions about adverse local normative matters affecting their ways of addressing HR in Brazil. This happens perhaps due to the issue of socially desirable behavior permeating semi-open interview methods. Still, participants' exchanges with normative institutions seem to be greater than those with regulative agencies, for instance. Nonetheless, considering the size of the research sample (11 firms from each group), groups' overall counter-normative scores were not far away from each other: nine out of 11 (~82%) for BR and seven out of 11 (~64%) for AM-MNEs. Finally, throughout their discourses, except when directly debating labor rights, both groups seemed to confine CHRR issues to merely normative matters, similar to CSR and environmentally friendly corporate initiatives.

### **6.1.3. Cultural-cognitive influences on BR and AM-MNEs' HR approaches**

This section is dedicated to exploring BR-BHR cultural-cognitive reality and will uncover how corporate participants perceive HR and CHRR accordingly. To this end, it seems

important the understanding that the basis of order for cultural-cognitive institutions is given through constitutive schemes derived from mechanisms of mimetism and indicators of isomorphism, common beliefs, and shared logics of action (Scott, 2014). Scott states that “the hyphenated label cognitive-cultural emphasizes that internal interpretive processes are shaped by external cultural frameworks” (2014, p. 67). As Ventresca and Mohr (2002) assert, cultural-cognitive constructions are “frames or sets of collective meanings that condition how organizational actors interpret and respond to the world around them” (p. 819). To follow this section is also important to recognize that MNEs are regarded in prior literature as paramount organizational institutions and institutional actors (section 3.3.1). Moreover, their HR approaches are shaped by the perceptions of individual participants about the cultural context that they exchange with and are constitutive parts of—i.e., BR-HRIC (section 3.2.4).

Since, so far, there is no binding global standard ruling how MNEs should address their CHRR in EM, and elsewhere, it is expected that such frameworks should be shaped not only by local regulative, normative, and cultural-cognitive elements. However, a cultural context itself, here at scrutiny, is shaped by local conditions, such as socioeconomic and environmental matters; it is, still, a part of institutions that can be challenged in times of social disorganization and changes (DiMaggio, 1997; Scott, 2014). In stable social systems, cultural-cognitive institutions are expected to be normatively endorsed and backed by regulative powers (Scott, 2014). Therefore, to know how the pressures of the local cultural-cognitive pillar affect the HR approaches of case BR and AM-MNEs, the researcher thought necessary first to uncover how these businesspeople, here represented by MNEs’ respondents, perceive HR and local BHR relations in Brazil (section 6.1.3.1). Then, in response to both these perceptions, and any other topics to be uncovered, the researcher looked at discovering the cultural-cognitive background permeating how MNEs frame and address their CHRR locally (section 6.1.3.2).

#### ***6.1.3.1. The interpretations: HR and CHRR upon managers’ perceptions***

This section derives from 325 open code-segments, with 194 from BR-MNEs, and revolves around the descriptions and comparisons of BR and AM-MNEs managers’ perceptions of HR and CHRR matters based on their daily business experiences. These perceptions, illustrated below and then described afterward, provide information about the background of case MNEs’ managers in terms of the local HR and BHR cultural-cognitive pillar.

**Table 10: Cultural-cognitive patterns permeating the BR-BHRIC**

Cultural-cognitive patterns upon managers' perceptions	Scores*	
	BR-MNEs	AM-MNEs
<b>Managers' perceptions of HR</b>	<b>3</b>	<b>3</b>
1. HR are about freedoms and non-discrimination	3	7
2. HR are basic human needs	6	3
3. HR include advanced human needs	3	2
4. HR are about exercising citizenship	1	2
5. HR relate to respect people's lives and property	0	1
<b>Managers' perceptions of CHRR</b>	<b>6</b>	<b>3</b>
1. Corporate voluntarism and charity	8	5
2. Business sustainability	6	5
3. Compliance with labor rights	5	3
4. Business legitimacy	6	1
5. Matters of business ethics and morality	5	1
<b>Managers' misconceptions of HR and CHRR</b>	<b>3</b>	<b>2</b>
1. HR are corporate extra-costs, grants, and benefits	5	1
2. CHRR is conditional to contexts	2	3
3. HR are distant international or left-oriented ideologies	3	2
4. HR are associated to the department of justice	2	2
5. HR are matters of meritocracy	2	2
6. HR relate to counter-cruelty: Serve to defend criminals	2	2
<b>Managers' perceptions of the BR-BHR cultural-cognitive context</b>	<b>7</b>	<b>7</b>
1. Local people lack HR and CHRR awareness	9	10
2. HR institutionalized discrimination: Taboo topics	7	7
3. Some (HR) laws stick, others do not: <i>Jeitinho Brasileiro</i>	9	5
4. Low-quality education: Counter HR awareness	7	6
5. Diffused distrust in (HR) institutions	7	6
6. HR relate to counter-cruelty: Serve to defend criminals	3	6
* # MNEs' assessments per group of origin (N/11)		
Subtotals = simple arithmetic means of the patterns' scores		

Source: Researcher's creation.

#### 6.1.3.1.1. Overall analysis

##### a) Managers' perceptions of HR

This first category of findings is formed by five AP derived from 33 open code-segments, depicted as follows. The first AP, cited by 10 MNEs, three being BR and seven AM, shows that HR are mostly understood as matters of preservation of freedoms and non-discrimination. The meaning of freedom, however, appeared most commonly perceived as non-incarceration, as observed in the speech of AM-MNE-3, that "HR have a lot to do with freedom, I would say the most basic freedom possible is the right to come and go" (l. 5). Other sorts of

freedoms were also cited, such as freedom of thought and speech (e.g., BR-MNE-2, l. 6, AM-MNE-9, l. 6), deemed to be associated with non-discrimination speech (e.g., BR-MNE-8, l. 4, AM-MNE-6, l. 14). The second AP, scored by nine MNEs, six BR and three AM, was formed from participants' belief that HR are basic human needs. Overall, such needs were said to include the right to health, food, education, physical integrity, work, freedom, and life with dignity (e.g., BR-MNE-7, l. 10, AM-MNE-8, l. 4).

The third AP, highlighted by five MNEs, three BR and two AM, considered HR as beyond the basic descriptions presented in the category beforehand; cultural, psychological, socioeconomic, and environmental-related rights were all noted (e.g., BR-MNE-9, l. 4, AM-MNE-5, l. 18). The fourth AP, scored by three MNEs only, one from BR and two from AM, asserts that HR are about exercising citizenship, that they relate to people's political and social participation in decisions affecting their future (i.e., BR-MNE-10, l. 5; AM-MNE-2, l. 4; AM-MNE-11, l. 4). Finally, the fifth AP, named HR relations as respecting people's lives and property, was only noted by AM-MNE-4. Here the attributed meaning of HR, as observed, is also unique and affected by the economic outlook. Still, HR mean respect not only for life and for people, but also for things and property and "are much broader than mere relationships between individuals. I think harmony of all these matters ends up transmitting the sense of right and, mainly, human" (l. 4).

#### *b) Managers' perceptions of CHRR*

This second category of findings is also formed by five AP derived from 63 open code-segments, depicted in the sequence of their frequency as follows. The first AP had 20 open codes quoted by 13 corporations, eight from BR and five from AM. These code-segments reveal that most of the business' participants allude to CHRR as matters of corporate voluntarism and charity, as well as instrumental CSR, thus showing that they perhaps also misunderstand it. This was observed during the conversation with BR-MNE-7, for instance, who stated that "we have volunteer programs related to the community [...]. Still, it is part of all leadership roles that the real concern with the employees is not only inside but also outside the company" (l. 16). This company states that its employees can have balanced personal lives so that they can better deliver at work (i.e., instrumentalism). Another example comes from AM-MNE-1, from the global financial industry, by which the respondent evaluated that when one thinks about HR, one considers the basic: "right to life, education, a family, etc. This is OK, but in what circumstances do HR take part in the decision-making process? These are basic things that are part of [the context]. We will not fight any of these" (l. 26). AM-MNE-1's

respondent continues that “we have two sides of social responsibility. On the reactive side, I have the power to ensure that my business activity does not impact and will not affect social responsibility issues” (l. 47) and “on the proactive side rests the actions that we actively develop and encourage, seeking a positive impact on society, such as voluntary actions that we sponsor, and donations” (l. 49).

The second AP had 12 open codes quoted by 11 corporations, six from BR and five from AM. This category reports that CHRR is a concept mostly considered, and again perhaps mostly understood, as matters of business sustainability by corporate participants. In order to typify this finding, the researcher quotes the conversation with BR-MNE-9, who poses that “HR is the basis of human relations as CHRR is the basis of the business sustainability” (l. 4). Then the speech of AM-MNE-7, who states that “in fact, these HR issues are within this larger sustainability program that the corporation holds” (l. 8). The third AP has 11 open codes quoted by eight corporations, five BR and three AM. This category highlights the idea that CHRR is somehow confined to matters of compliance with labor rights. It should be noted that in Brazil, the tripartite SMS (or SSM), an acronym in Portuguese for workers’ health (*Saúde*), workplace environmental issues (*Meio Ambiente do Trabalhador*), and physical integrity (*Segurança*), are all matters, thus far, well-covered by local labor laws. BR-MNE-1A discusses the SMS tripartite, arguing that “this matter [CHRR] is addressed through SMS” (l. 6), and HR terms are not in use in the company. “We use SMS directly. [...] We have specific indicators for accidents, such as treatment and reduction, because our focus is always on having zero accidents” (BR-MNE-1A, l. 8).

The fourth AP of managers’ CHRR perceptions holds seven open codes quoted by seven corporations, six BR and one AM. This category reveals the observance of CHRR as matters of business legitimacy by the corporate respondents. From a BE perspective, this is a better depiction than the ones so far uncovered by these findings. However, it should be noted that four out of the seven corporations, all BR, that cited CHRR as matters of business legitimacy, also regarded HR as legal matters of local labor rights. This provides a case at least for reflection about corporate discourses vs. reality. The fifth and final AP deems BE and morality as the basis for, and meaning of, CHRR. This was found through 13 open codes quoted by six corporations, five from BR and one from AM. Similarly to the previous category, three out of the five MNEs (also all BR) considered CHRR as matters of business integrity. However, simultaneously, they also deemed CHRR as matters of voluntarism throughout the interviews. In the end, only four (two BR and two AM) MNEs sustain that CHRR represents matters that

are not merely voluntary, desirable, and good for the business, but sanctioned, moral conditions for their business social license to operate. Data triangulation also reveals that among the four discourses and disclosures of these supposedly HR-responsible MNEs, alas, only one case does not have publicly available local or global HR or corruption scandals with substantial HR implications registered in online journalism sources.

*c) Managers' misconceptions of HR and CHRR*

This category is composed of six AP, consisting of 42 open codes (25 from BR-MNEs). The first AP of misconception—the most frequently referenced—is formed by six MNEs' managers (12 open codes) with the mistaken view that HR are corporate add-ons, grants, and benefits (CSR). They made various references to their corporation's internal and external assistentialism programs while discussing the meanings of HR and CHRR. This lack of understanding is demonstrated through BR-MNE-1's assertion that “when we talk HR, this pushes me a bit [...] I do not know why, but HR terms are very attached to obligations, which I think are unfair to impose on corporations.” (l. 244). In fact, the manager continues, “I see HR as costs and corporate initiatives as investments” (l. 246). The second AP reveals that managers of five MNEs (two BR and three AM, and six open codes) deem that CHRR is conditional to the context and thus grounded in local societal demands and traits.

Discussing it, AM-MNE-4 affirms that the corporation acts in different ways depending on the country, applying different rules according to different societies. The respondent states that since the “values of societies differ [...] this [CHRR] has to be adapted; otherwise, the business does not survive.” (AM-MNE-4, l. 13). The third AP of misconceptions, also formed by the discourses of five MNEs (three BR and two AM, with six open codes), poses that HR are distant, international, or left-oriented ideologies. BR-MNE-1 feels that “at the corporate level, it is very philosophical to talk about HR. We should have more practical issues here daily, [...] practical actions, demonstrated based on reality.” (l. 181). They continue that “these issues [HR] are ideological, operational, [...] spoken by international organizations from far away. They [HR] are also too far away; they are not factual” (BR-MNE-1, l. 276). On the second and third misconceptions, it should be noted that, as explained in section 2.1, HR are not putative matters.

The fourth AP is a misconception formed by the discourses of four cases (two BR and two AM-MNEs; four open codes), who misunderstood that “HR are associated with a department of justice.” Such opinions are openly expressed, for instance, with BR-MNE-6, stating that “I see, and several people I talk too, that HR is an institution. I go there at HR [...].

It is like you say, I go to the police station, I go to the judge, or I go to HR to complain that this happened to me [...] (l. 96). The participant continues, “then HR became an institution: the HR; something physical, in a room, just like a PROCON<sup>151</sup>” (BR-MNE-6, l. 96). AM-MNE-2 also grants the notion that the first thing that comes to mind when discussing HR is “when you have a citizen who is deprived of their rights, they may be deprived of liberty or some other right, and there is some institution or sphere that will fight for those rights.” (l. 6). Managers’ ideas form the fifth AP, in which two BR and two AM-MNEs (seven open codes) deemed that HR are matters of meritocracy; they believe that to be granted HR, people have first to fulfill their obligations (e.g., find a job and pay taxes). This idea is exemplified through AM-MNE-9’s statement that “every person should have rights matching what she/he believes or what she/he does” (l. 8). BR-MNE-3A supports this idea, arguing that “HR range from respect to rights, like to live in society, and presume duties to fulfill as well [...] We do not live up to rights only, but with rights and duties.” (l. 4). However, it must be noted that, as explained in section 2.1, HR are not conditional matters.

The sixth and final AP is also formed by four evaluations (two from BR and two from AM-MNEs; seven open codes) that HR relate to counter-cruelty: They serve to defend criminals. Ingrained in BR society, arguably from its dictatorship regime (section 4.2.5.2), this misconception was thought to have been dispelled given Brazil’s current Constitution and past-progressivist regimes of the last two decades. Unfortunately, it is apparent that this is still a deeply-ingrained local issue, perceived in conversations like the one with BR-MNE-6, who explains that “I do not see anyone from HR when there is a need for a kids daycare center in my community, but when someone dies, and this is in the newspapers, someone with an HR ID-card appears saying ‘*I am here!*’” (l. 83). The respondent continues that “I am not saying that HR only serve to protect criminals, no. But I think they [HR] look much more like matters of marketing than actually doing something, at least here in the country.” (BR-MNE-6, l. 83). The view of AM-MNE-7 is similar: “Sometimes, even I find myself having a misplaced perception of HR personnel. [...] We associate HR with that movie *Tropa de Elite* [Elite Squad]<sup>152</sup>, where the HR guy is terrible, right?” (l. 102); “there is a lot of that perspective, there are many people who associate HR with the guy who protects the criminal.” (l. 102), the respondent concludes.

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<sup>151</sup> PROCON, acronym for *Órgão de Proteção e Defesa do Consumidor* (Department for Consumer Protection and Defense).

<sup>152</sup> This is a Brazilian movie about local drug dealers and associated violence in Rio de Janeiro state, which English language version is named *Elite Squad* and is available on: <https://www.imdb.com/title/tt0861739/>

d) *Managers' perceptions of the BR-HR cultural-cognitive context*

This code-category is about participants' judgments of the way they see HR being interpreted and addressed daily in their closer contexts by other individuals, not necessarily businesspeople and organizations. It consists of six AP, derived from 185 open codes (109 from BR-MNEs). The first, and most frequently referenced, AP came from 31 open codes and was observed in the discourses of nine BR and 10 AM-MNEs, who regarded that local (MNEs/GOV) people lack HR and CHRR awareness. AM-MNE-5, for instance, clears this assertion that "there is a huge lack of clarification about what HR are, because even here in the company, when we attended the course about these matters, at some point, we noted that we lacked the exact understanding" (l. 57). The second AP informed the researcher that HR suffer from institutionalized discrimination, sounding like taboos. This perception was found in 14 MNEs, with seven from each group, expressed by 34 open codes. Prejudice and discrimination are among the most frequently reported contextual issues reflected inside the corporations. AM-MNE-6, for instance, comments on the issue of gender: "we have homosexual employees here, and this [homosexuality] is still a taboo subject because ours is a very homophobic society...[thus] we are carefully fighting to crack this paradigm internally" (l. 27). In turn, BR-MNE-4 adds that Brazil "is a still very provincial country with a very limited idea of cultural diversity, and diversity of [human] rights" (l. 177).

The third AP, formed by 32 open codes, 14 MNEs (nine local), delivers an important message, putting into perspective the fact that in Brazil, some (HR) laws stick while others do not, simply because they are not respected. In fact, this depicted lack of respect for (HR) laws seems to be a worrisome issue that holds back HR institutions from being valued at the local level. Instead of laws, seemingly, what is often applied is the so-called *Jeitinho Brasileiro*, which represents a way to address adversities by using biases and the sense that *the ends justify the means*, even if the means are against the rule of law and the ends undermine HR and the common good. The fourth AP, formed through 30 open codes and the voices of 13 MNEs (nine local), represents a claim that the local low-quality education, seemingly a pervasive issue, counters HR awareness and, consequently, their realization<sup>153</sup> too. There were many complaints that HR awareness, empathy, and ethics are not topics taught at schools. Therefore, in many cases, corporations need to provide the very basic in terms of educating their employees so that they latter can understand their societal roles, own HR, and respect the HR

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<sup>153</sup> Again, in this study, HR realization comprises HR enjoyment, enforcement, respect, protection, promotion, and remedy, as well as their institutionalization at the regulative, normative, and cultural-cognitive pillars.

of their peers at work. There were also many concerns that these educational developments are not proactively extended to communities by public policies, while corporations, as observed, perform such assistance as they can and according to given interests and conditions (e.g., instrumentally, as section 6.2.4 shows).

The fifth AP, diffuse distrust, is composed of 46 open codes derived from 13 MNEs (also seven local) and seems to be entangled with the third and fourth categorical patterns. Amid endemic corruption, institutional crises, and HR setbacks, discredit and uncertainty seem to permeate all relations in society. Therefore, although corporate actors could, and are willing to, do more to support HR social matters, the lack of government leadership and lack of transparency and financial accountability from potential public and private partners hold them back from acting upon their impulses more proactively. The sixth and final AP, referenced by 12 open codes and the voices of nine MNEs (seven from AM), informed the study in the sense that HR are about counter-cruelty rules and, as such, they serve mostly to protect and defend criminals, who are commonly referred to as *bandidos* in the local language. This misconception has already appeared in the previous AP, named managers' misconceptions of HR and CHRR (section 6.1.3.1.1.c). This recurrence, therefore, corroborates the influence of the cultural-cognitive pillar on MNEs' ways of understanding (or misunderstanding) HR and BHR relations and then neglecting or addressing HR mimetically and in wrong senses.

#### *6.1.3.1.2. Groups' contrasts*

The findings reveal, from the analysis of the differing perceptions of HR among the groups' managers, that BR-MNE participants are less informed about the meanings of HR than their foreign peers. This is proved by the fact that BR-MNEs produced less conceptual-matching patterns; rather than discussing HR moral and political grounds, they concentrated on citing fundamental sorts of HR, such as education, health, physical integrity, dignity, and freedom in the sense of non-incarceration. In terms of the differences in managers' perceptions of CHRR, BR-MNEs controversially deemed at the same time the shallowest dimensions (i.e., corporate voluntarism and compliance with labor rights) and the most thoughtful (i.e., matters of corporate ethics and morality, and business legitimacy), at different stages of their discourses. Next, depicting MNEs groups' differences about managers' misconceptions of HR and CHRR, overall, both groups do not differ significantly. The exception here is BR-MNEs' participants who more often mistook CHRR for corporate voluntarism (i.e., CSR) than their peers from AM.

In terms of managers' perceptions of the BR-HR cultural-cognitive context, in general, considerable differences between the groups could be perceived only in two out of the six AP they produced. First, BR-MNEs referenced 80% more than AM-MNEs the AP on which is affirmed that in Brazil some (HR) laws stick, others do not—which is about the local way of disrespecting (HR) norms and laws. Second, intriguingly, AM-MNEs referenced a local understanding of HR as counter-cruelty matters to shield criminals 50% more than their local peers. In terms of similarities, holistically, the researcher found that managers' perceptions, misconceptions, and assessments of HR, BHR relations, and BR-HR cultural-cognitive contexts look quite similar. Although few points of significant divergence have appeared between the groups, such variances, some contradicted within their discourses and others without affirmation by the co-occurrence codes, can perhaps be explained by biased answers, produced according to social desirability strategies of the local groups—which the researcher cannot mitigate completely (section 8.3). The findings of the next section about the ways that both groups of MNEs converge or diverge when it comes to their HR approaches are regarded as of great help in evaluating groups' understanding of BHR relations and consequential mimetic isomorphism or otherwise.

#### ***6.1.3.2. The frameworks: HR and CHRR upon case MNEs***

This section results from the analysis of 214 open codes and revolves around the descriptions of and comparisons between the ways that BR and AM-MNEs address their CHRR in Brazil, depicted by their managers' responses, and with the support of data triangulation. As standardized by the researcher, a comparative outline of the AP is found below and then described afterward.

**Table 11: Cultural-cognitive patterns influencing MNEs' HR approaches**

Cultural-cognitive patterns influencing MNEs' HR approaches	Scores*	
	BR-MNEs	AM-MNEs
<b>Major approaches to CHRR</b>	<b>6</b>	<b>5</b>
1. Compliance with local labor rights	9	8
2. Sustainability	7	7
3. CSR as voluntarism	6	5
4. Values, ethics, and corporate citizenship	2	1
<b>Forms of CHRR governance and management</b>	<b>4</b>	<b>5</b>
1. Transversal CHRR structure	9	11
2. Dedicated CHRR structure	1	0
3. Performing HRIA and due diligence	1	3
<b>MNEs' public commitments to HR</b>	<b>4</b>	<b>4</b>
1. HR policy disclosed in local language	1	3
2. Commitment to respect HR disclosed in local language	9	8
3. Public commitment expresses to <i>do no harm</i> to HR	1	1
<b>MNEs' use of HR terminology</b>	<b>3</b>	<b>6</b>
1. In daily operations	1	1
2. On local corporate websites	6	10
3. On local commercial websites	2	1
4. On foreign corporate websites**	1	11

\* # MNEs' assessments per group of origin (N/11)  
Subtotals = simple arithmetic means of the patterns' scores  
\*\* All case BR-MNEs hold foreign language websites.

Source: Researcher's creation.

#### 6.1.3.2.1. Overall analysis

##### a) Major approaches to CHRR

This group of findings is formed of four AP, verified in both MNEs groups and derived from 103 open code-segments (57 from BR-MNEs), depicted as follows. The first AP, formed by 40 open codes, disclosed that 17 out of 22 MNEs, of which nine are from BR, address CHRR in Brazil, primarily according to and within local labor laws. This reflection was formed through direct statements, such as the one from AM-MNE-4's respondent, who explains that "what we have is what the law requires" (l. 66). It was also formed through reading between the lines, such as catching when BR-MNE-1 states that "the part of SMS, which is about employees' physical integrity, workplace environment, and occupational health, is one of the focuses of our performance, in our strategic plan and our mission." (l. 4). It is important to note, as written before, that SMS consists of nothing more than what local labor law demands from all business organizations in Brazil. The second AP, derived from 33 open codes rendered by

14 MNEs, seven from each group, reveals that the case corporations have CHRR matters cited in their sustainability reporting systems. This suggests that their employees may also associate CHRR with corporate sustainability matters, with AM-MNE-6 explaining “why matters of sustainability? Because sustainability is based on a tripod of environmental, social, and financial matters—so the social contains HR” (l. 170).

The third AP, named CSR (i.e., voluntarism), derives from 23 open codes rendered by 11 MNEs, six from BR. It brings to the fore that MNEs are either confused or honestly believe that CHRR consists of matters of voluntary social initiatives, given that they showed they approach both matters in the same way. AM-MNE-2 asserts that CHRR is addressed through the CSR department, which operates basically in three axes. One is about the volunteering programs; the other, private social investment; and the third, sporadic social actions. As stated, “the most effective of them, which has gained enough momentum in recent times, is the corporate social investment.” (AM-MNE-2, l. 26). The fourth and final AP is about approaching CHRR on the grounds of BE and corporate integrity, so the one expected to be the most frequently referenced by MNEs when it comes to setting forth their CHRR. However, this level was derived from seven open codes only, by two local MNEs and one AM. This is exemplified in the respondent’s statement of BR-MNE-9, who says that “CHRR is about humanitarian matters” (l. 35), continuing “therefore, everything the company does has to create positive societal impact” (l. 342).

*b) MNEs’ forms of CHRR governance and management*

This group of findings is formed by three AP, derived from 36 open codes (20 from AM-MNEs). The first AP (formed by 23 open codes) disclosed that 20 out of 22 case MNEs (11 from AM), address CHRR in Brazil through transversal structure or multi-departmentalization. These firms do not hold dedicated governance or management headcounts to address specifically CHRR related to their operations in Brazil. Only one BR-MNE showed evidence of its dedicated local body for CHRR administration, as registered through the second AP of this category. The third AP, via 11 open codes, looked at how many MNEs are performing HRIA and due diligence. The data revealed that three MNEs from each group are applying systematic methods to assess and mitigate corporate harm to HR through their Brazilian operations. Although the researcher could not evaluate the appropriateness of such systems.

### *c) MNEs' public commitments to HR*

This third group of findings is formed by three AP, derived from 34 open codes (18 from BR-MNEs). The first AP, derived from nine open codes, disclosed that only four out of 22 case MNEs, of which three are from AM-MNEs, hold a publicly disclosed HR policy in the local language, by the time of this data analysis. The second AP is about the corporate-institutional commitment to respect HR disclosed in the local language. This category was formed by 17 open codes and revealed that nine BR and eight AM-MNEs do hold such public declarations on their Brazilian websites. However, as the third AP evidenced, in only two cases, one from each group, corporate respect for HR does explicitly mean causing no harm to HR through corporate operations. The remaining cases mostly engaged in a sort of standardized disclosure on which corporate respect for HR lacked not only clear means but also normative or regulative references.

### *d) MNEs' use of HR terminology*

This fourth group of findings is formed by four AP, derived from the meanings of 40 open codes (29 from AM-MNEs) and is about the use of HR terminology by MNEs, detached from a meaningful public commitment to respect HR such as through events, advocacy, and initiatives. The first AP, formed by four open codes, discloses that only two out of 22 case MNEs, one from each group, make use of HR terminology in daily operations. The picture of the second layer of AP looks better, given that six BR and 10 AM-MNEs were making use of HR terms on their local corporate websites. However, the third AP reveals a contrast, since only two BR-MNEs (out of six applicable<sup>154</sup> cases) and one AM-MNEs (out of four applicable cases) mentioned HR respect on their commercial websites. Finally, the fourth AP in this group is intended to contrast the use of HR terminology on the MNEs' foreign corporate websites. Through data triangulation, it is discovered that all case AM-MNEs address HR publicly on their websites outside Brazil, while only one BR-MNE was doing the same by the date of the data analysis.

#### *6.1.3.2.2. Groups' contrasts*

In terms of the differences, when it comes to the comparison of how case MNEs institutionalized and operationalized their HR approaches in Brazil, the groups differed only in their public use of HR terminology. More specifically, when it comes to the local use of HR terms on their local corporate websites, considering that all case-companies are global players,

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<sup>154</sup> Not all cases hold commercial websites for retail operations.

BR-MNEs still lag behind their foreign peers in addressing their HR responsibility at the local level; six local MNEs (or 66%) against 10 AM-MNEs (91%). When comparing their global websites, the discrepancy is even higher; there, the use of HR terminology is widely evidenced in all 11 MNEs' cases from AM, while only one BR-MNE had already incorporated HR in its institutional communications. Then, a paradigm change in corporate organizational culture to embed HR is found not yet to be a reality in this sampled IB realm.

It is therefore conclusive that the case BR-MNEs are still attached to traditional management models, placing any HR matters that go further than labor-rights as the exclusive responsibility of the State. This account is confirmed by the analysis of how such businesses perceive HR and CHRR matters, given that BR-MNEs presented more shallow perceptions, comparatively. In terms of similarities, the groups presented similar approaches and frameworks in almost all AP of CHRR institutionalization and operationalization, even when expressing their commitment toward HR respect and protection. The groups are, therefore, also similar in how they address HR on their local daily basis-operations and local consumers-relations via commercial websites. The only exception to this was regarding the institutional use of HR terminology. Foreign MNEs, maybe in response to normative AM-pressures (e.g., shareholders and investors requirements) or compliance to their international advanced organizational standards, follow the same line of communication as their headquarters. However, the prevailing reality in terms of corporate HR approaches is, apparently, the Brazilian one.

#### **6.1.4. Corporative influences on BR and AM-MNEs' HR approaches**

Scott's (2014) organizational model of institutional logics provided the ground for the research's initial framework of analysis (section 4.1.2). The headlines of the findings here were then organized by Scott's (2014) three pillars: regulative, normative, and cultural-cognitive. However, according to SGT's precepts, extant models are not limiting factors on the researcher's search for reality. Acknowledging this, upon in-depth data examinations, a group of corporate-influence patterns emerged. It occurred that the researcher faced difficulties with fitting a total of 96 open codes into Scott's three pillars model, given their apparent business-oriented enforcing characteristics meant to promote corporate social proactivity to local HR issues. Therefore, the researcher arranged these corresponding patterns separately—illustrated below and described afterward. It is worth noting that the researcher named *ambivalent* the pressures that can pose concurring positive and negative implications to societal realms as they

touch HR or a given BHR-related institution and are perceived as motivated by economic instrumentalism only.

**Table 12: Corporative influences on MNEs' HR approaches**

Corporative influences	Scores*	
	BR-MNEs	AM-MNEs
<b>Ambivalent pressures ( ! )</b>	<b>7</b>	<b>5</b>
1. Ownership of social businesses: intangible asset enhancements	9	6
2. Fiscal incentives to corporate social investments	8	5
3. Market requirements	5	4

\* # MNEs' assessments per group of origin (N/11)  
Subtotals = simple arithmetic means of the patterns' scores

Source: Researcher's creation.

#### **6.1.4.1. Corporative influences of the BR-HRIC on MNEs' HR approaches**

##### *6.1.4.1.1. Overall analysis*

This group of findings holds the perceived local way of capitalization with corporate HR responsible initiatives, and is formed by two AP, emerged from 82 open code-segments (49 from BR-MNEs).

##### *a) Ownership of social businesses<sup>155</sup>: Intangible asset enhancements*

The first AP was depicted in 44 open codes, rendered by 15 MNEs (nine from BR). Corporate respondents deemed MNEs' ownership of social businesses in Brazil as a strategic response to external fiscal incentives, to capitalize while enhancing their correlative HR socially responsible actions. Owning a not-for-profit organization in Brazil, or elsewhere, does not diminish or replace the direct and indirect CHRR of any firm, and none of the respondents seemed to disagree with this. Still, through the interviews with the corporate respondents, it was found that owning a not-for-profit organization in Brazil can be considered a good-business endeavor for corporations. It is not only about better organizing the divisions of core business and CSR activities, as pointed out by AM-MNE-10, l. 76 and AM-MNE-11, l. 10; it is considered good business for several reasons.

First, because the third sector in Brazil seems to be well regulated, with the country recently adopting a comprehensive new regulatory framework (law 13,019/2014), upon consultation and dialogue between the government and civil society (section 4.2.4.2). As a result, the actual scenario requires public calls for NFPO-government partnerships, allowing

<sup>155</sup> Social business means the actual denomination for not-for-profit economic activities, mostly of public interest, running through investments of private corporations.

for CSOs to access public funding, especially in the case of OSCIPs, and the opening of the possibility of partnerships involving networks of CSOs. In sum, private and public funds can be combined to favor a, supposedly, good not-for-profit initiative. Second, corporations can profit from investing in initiatives of public interests, be they HR, social, or environmental, even if these actions are not connected to their core business. Such returns come directly through tax remissions, as discussed in the next section. Indirectly, for instance, they can return MNEs investments through findings from research and development initiatives (i.e., R&D, scientific knowledge) led by such NFPOs, through overall education and professional training, or whereby corporations can strategize and capitalize their intangible assets, and reinforce social legitimation approaches in communities of their interests (BR-MNE-8, l. 74-76 and 174-177; AM-MNE-11, l. 90). Third, whenever beneficial, corporations can invest in responsible activities and causes connected to, and making use of their business' know-how, as encouraged by local law (AM-MNE-10, l. 76).

Another highlight, according to AM-MNE-6 (l. 145), is that with corporations being a constitutive part of an institutional network, everyone wins, both directly and indirectly, when social investment is successful. Finally, as stated by AM-MNE-11, social investment bridges corporate and institutional relations at the local level, which can result in institutional improvements for the whole industry. Corporate-social organizations also work to straighten bonds with civil society and governmental bodies, which returns better-grounded corporate representation in the institutional sociopolitical arena. However, caution is necessary here, given that a significant challenge to the strengthening of the Brazilian not-for-profit sector deals with monitoring and assessing partnerships to ensure adequate operations' transparency and accountability of NFPOs (BR-MNE-4, l. 97-98; AM-MNE-6, l. 132).

*b) Fiscal incentives to corporate social investments*

The second AP is formed by three open codes, rendered by 13 MNEs, eight of them from the BR group. It contains the respondents' considerations of local fiscal benefits accessed by MNEs investing in social businesses in Brazil, either via *company-owned* not-for-profit organizations or via third parties. In Brazil, these incentives can occur in three levels, national, state, and municipal, and two formats: government incentive programs and direct donations or endowments. Given that public and corporate social incentives vary a lot according to each region's development strategies, only the national level is regarded in this study, which reaches all case MNEs similarly. On this, AM-MNE-3 asserts that national social, fiscal incentives fall under two taxes, namely the Corporate Income Tax (*Imposto de Renda de Pessoa Juridica*),

which is deductible up to 6%, and the Social Contribution on Net Income (*Contribuição Social sobre o Lucro Líquido*<sup>156</sup>). When it comes to investing their taxes socially in response to government programs, the three most popular, according to respondents' considerations, are the so-called Rouanet law (8,313/91), about sponsorship of cultural projects, then the PRONAS, the national program in support of people with disabilities, and the PRONON, a national program to support oncological treatment and R&D.

Through this indirect modality, the Brazilian government commits to annually transferring given tax shares to given CSOs indicated by the corporations and qualified based on binding legal criteria. When it comes to direct investments, companies taxed by the actual profit (*lucro real*) tax modality. This applies to all case MNEs, given that it falls under corporations making profits, income, or capital gains abroad. The given portion of taxes can also become direct corporate donations to not-for-profit entities under the qualification of OSCIPs, explained before, and Federal Public Utility (UPF), provided that the granted organizations offer public services to the population. On the one hand, provided that they qualify, the granted social organizations can be own corporate-foundations or institutes, or organizations maintained by third parties. On the other hand, respecting established legal limits, corporations can waive the amount donated from their annual Corporate Tax Income and Social Contribution on Net Income. Arguably, it is therefore good business for a worthy public cause, sometimes their own. Even better if the causes benefit back given corporate *causes* (e.g., R&D, specialized professional training).

However, AM-MNE-2 reports the difficulty in explaining to their headquarter abroad why they should engage in such a mechanism, which requires extra work, instead of simply paying the taxes directly to the government, who ultimately allocates them to support public policies and social programs. The first and said most relevant explanation is still the direct tax discounts, which can be of enormous quantities for large size corporations (BR-MNE-1). The second explanation, of indirect gains, concerns intangible assets' enhancements (e.g., image, branding, public relations, social legitimation). The third is that corporations celebrate that they can select the beneficiaries of part of their taxes, not because the selected organizations can somehow compensate the corporations for these fiscal benefits, but mostly, as reported, given the distrust in governmental bodies and publicly held organizations to give a non-corrupt destiny to such substantial portion of taxes. Discussing this, AM-MNE-3 asserts that "it is

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<sup>156</sup> For a comprehensive overview of Brazilian national tax incentive laws on social programs check the *Cartilha sobre uso de incentivos fiscais* of the *FECOMERCIO - Federação do Comércio de Bens, Serviços e Turismo* on: [https://www.fecomercio.com.br/upload/\\_v1/2015-07-30/13544.pdf](https://www.fecomercio.com.br/upload/_v1/2015-07-30/13544.pdf)

preferable to pass on the money of the taxes to those we know, whom we trust as honest people, who will do what they are saying they will do.” (l. 180). Therefore, corporations are economically influenced by their context to invest in programs somehow related to positive CHRR outside their businesses. By doing so, they are also likely to influence the development of the socioeconomic context. These matters are further discussed in section 6.2.4.

#### *c) Market requirements*

The third AP is formed of 14 open codes, rendered by nine MNEs (five from BR group). It discloses corporate responses on better framing CHRR complying with, for instance, the demands of investors and corporate trading clients, fixed by responsible procurement contracts. These requirements, traditionally interpreted as normative pressures, also represent corporative influence, in the view of the researcher. This is because clauses of procurement contracts constitute strong requirements, enforced by financial punishments (e.g., fees) or profit/losses on trading and investment shares. Thus, not simply regarding reputation or social approval, but the fulfillment of these requirements will result in keeping ongoing businesses or yield new contracts. This is what AM-MNE-3 believes, asserting that “we have to think about our investors. The good investors today, I want to believe, they are the bigger part [...] they do not want profit for profit anymore” (l. 48).

#### *6.1.4.2. Groups' contrasts*

Case BR-MNEs demonstrated more evidence of accepting the exploitation of the economic possibilities offered by the local context related to incentives of social initiatives, which include tackling HR socioeconomic issues, than AM-MNEs. However, their local foreign peers do not lag far behind, with only 18% fewer scores. The researcher, therefore, does not classify this as a significant variance between the groups but, instead, considers both as resembling each other in their responses to such economic incentives to the framing of their CHRR approaches in Brazil.

#### **6.1.5. Answering RQ1: BR-HRIC influences on BR and AM-MNEs' HR approaches**

The detailed description of findings presented alongside section 6.1 was based on assumptions of organizational neoinstitutional theory and methodological precepts of SGT, in the search for answering RQ1. In total, 59 patterns were analyzed and organized in four divisions; three from Scott's institutional framework, and one category of pressures, namely corporative, which emerged from the data. In describing the findings, the researcher first presented a general overview before contrasting the groups' differences and similarities. From

this dynamic, it was already observable how distinctly the local context influences MNEs groups' understanding of HR and their addressing of CHRR. Such influences were more or less pronounced depending on the institutional pillar but also happened in entangled and interactive ways, confirming extant institutional logics (Scott, 2014; Thornton et al., 2012). It was also found that some institutional pressures hold not only positive but also negative and even ambivalent effects on corporations' propensity and extent for taking responsibility for HR.

The corporate participants placed great emphasis on negative influences, which they argue are the real dampeners of their willingness to go beyond the law on matters of HR/CR in Brazil. This is perhaps because of the very critical institutional, economic, and political instability that this country has faced since 2014 (sections 4.2.1.5, 4.2.1.6). Moreover, as previously mentioned, some contextual corporative influences emerged as solid CHRR/CR boosters, working to push corporations to take a more proactive, although instrumental, part in local social issues, including tackling HR voids and violations. Despite all 59 patterns playing important roles in the construction of a holistic understanding of the context's influential forces on MNEs' HR approaches, only 23 of them were brought to a final depiction. These are illustrated below and described afterward.

**Table 13: RQ1 outline: BR-HRIC's influences on MNEs' HR approaches**

Brazilian institutional and corporative influences on MNEs' HR approaches	Influences				
	Pressures*	MNEs' scores**/spots***			
		BR	AM	BR	AM
<b>Axial patterns (AP)</b>					
<b>1. Regulative</b>		<b>8</b>	<b>5</b>	●	●
1.1. Quasi-institutional corruption and cooption	✘	11	8	●	●
1.2. Governmental misleads	✘	10	7	●	●
1.3. Quasi-institutional injustice, impunity, and partiality	✘	10	4	●	●
1.4. Labor-laws	✓	8	5	●	●
1.5. BHR regulatory voids	✘	5	4	●	●
1.6. Other HR-related laws: Constitution, penal/civil codes	✓	4	1	●	●
<b>2. Normative</b>		<b>7</b>	<b>7</b>	●	●
2.1. Global soft-norms and CSOs pressures	✓	10	10	●	●
2.2. Quasi-institutional corruption and cooption	✘	8	6	●	●
2.3. Societal pressures	✓	4	10	●	●
2.4. Local soft-norms and CSOs pressures	✓	7	6	●	●
2.5. Market pressures	✓	5	4	●	●
<b>3. Cultural-cognitive</b>		<b>8</b>	<b>8</b>	●	●
3.1. CHRR grounded in labor laws	!	9	8	●	●
3.2. CHRR transversally administered	✓	9	11	●	●
3.3. (Business) People's low HR awareness	✘	7	6	●	●
3.4. Diffused distrust: some (HR) laws stick, others do not	✘	10	7	●	●
3.5. CHRR grounded in business sustainability	!	7	7	●	●
3.6. CHRR grounded in CSR/voluntarism	✘	6	5	●	●
3.7. HR institutional discrimination: Taboos, pro-criminals	✘	7	8	●	●
3.8. MNEs' shallow public commitment to respect HR	✘	10	10	●	●
3.9. MNEs' shallow use of HR terminology	✘	10	10	●	●
<b>4. Corporative</b>		<b>7</b>	<b>5</b>	●	●
4.1. Corporate social initiatives (CSI) as corporate social investments	!	9	6	●	●
4.2. CSI in response to fiscal benefits	!	8	5	●	●
4.3. CSI in response to market requirements	!	5	4	●	●

Scores = MNEs' assessments (N/11); ranges of influence = researcher's creation  
Subtotals = simple arithmetic means of the patterns' scores  
\*Enforcing CHRR: ✓ = positive/ethical; ! = ambivalent/instrumental; ✘ = negative/purely economic  
\*\*Influences' ranges: 8-11 = high; 4-7 = medium, 1-3 = low  
\*\*\*Scores' illustrations: ● = high; ● = medium; ○ = low influence

Source: Researcher's creation.

Overall, except for the regulative pillar, it is observed that both groups suffer from the similar influence of the multiple external institutional elements cited by the participants. Such elements shape how MNEs frame, address, and interpret HR and CHRR in Brazil. One could even regard the groups as suffering from similar influences when it comes to the regulative pillar, given that it is not huge the distance between their scores (BR=8/11 and AM=5/11). Table 13 also shows that the groups are influenced firstly by cultural-cognitive pressures and secondly by regulative ones. Then, holding the normative and corporative patterns, a moderate influence on MNEs' HR approaches. When analyzed by pillars, at the regulative level, BR-MNEs are observed to have suffered more significant influence from local labor laws and less from other regulations (AP 1.4 and 1.6). At the same time, their foreign peers regard these pressures respectively as of moderate and low impact in their HR frameworks. Local MNEs also demonstrated less willingness to engage in a more comprehensive CHRR framework given local regulative counteractive forces (AP 1.1, 1.2, and 1.3).

However, both groups agree, to a moderate extent, that the lack of local specific BHR regulations (AP 1.5) leaves much room for missteps and neglect from all those involved in BHR relations. This is because these institutional voids may corroborate to inadequate or partial HR due diligence and, thus, great harm to HR too. For both groups, current governments (2017-2019) do not play a positive role when it comes to influencing corporate respect for HR in Brazil. Finally, the negative patterns or regulative voids are those creating the most influence, in the sense of supporting impaired BHR relations. At the normative level, the groups seemed to be influenced similarly, and both deemed global soft-norms to be important (AP 2.1), especially the GC principles (GCPs) and the GPs. The GPs were not a daily guide for CHRR but mostly linked to the GCPs or stood as the enforcing reference behind corporations' public commitments to respect HR. Seemingly, the GPs may blur or rule out legal frameworks like The Bill of Human Rights and the local Constitution (AP 1.6) in order to appear to be major enforcers guiding MNEs' HR responsibilities. Still, local CSOs' guidelines and pressures (AP 2.4) seem to have a greater positive influence on MNEs' behavior than local binding regulations (AP 1.6).

Both groups deemed CSOs to be more reliable and competent agents than governmental ones when it comes to administering BHR matters and presenting accountability for funds, for instance, derived from the private sector, be they grants or assigned taxes (section 6.1.4). For both groups, the market rules of the game (AP 2.5), such as investors', sectoral-peers', and suppliers' requirements for Brazilian business, have some influence on their respective HR

approaches. However, the groups diverge, to a substantial extent, on two topics. The first is the local societal pressures (AP 2.3), such as customer relations, which appear to exert higher normative control on AM-MNEs' HR approaches, while local firms ranked it as of lower importance. Second, quasi-institutional corruption and cooption (AP 2.2), such as malpractice involving CSOs, seem to have a more significant effect on local firms' HR responsible efforts than their foreign counterparts.

The local cultural-cognitive pressures also seem to exert very similar influences on both groups. The external environment highly influences MNEs, who seem to resemble it in their ways to reference (AP 3.1 and 3.5), frame (AP 3.6), and administer (AP 3.2) CHRR in the country. This mirroring occurs, arguably, mainly in response to the similar ways that MNEs' managers of both groups perceive HR meanings and their firms' responsibilities for HR at the local-level practice. Unfortunately, CHRR seemed not yet clear for businesspeople as matters of moral reasoning, but rather as of instrumental value and dependent on strong formal institutional leadership. It is clear that the issues linked to businesspeople's lack of awareness of HR (AP 3.3) and BHR relations (AP 3.6) affect the groups similarly, seemingly, at a moderate level. Nonetheless, it appears that BR-MNEs are highly affected by people's lack of regard for laws and norms as a result of distrust in such institutions (AP 3.4). The matters which create the most influence on the awareness of HR to AM managers revolve around the institutional discrimination that HR suffer in Brazil, turning them into taboo subjects and falsely typifying HR as institutions that serve primarily to defend criminals (AP 3.7). Perhaps such a limited local understanding of HR and CHRR holds back more informed managers from utilizing HR terms meaningfully in daily corporate routines (AP 3.8 and 3.9).

Lastly, local corporative influences also seem to play a relevant and similar role in motivating both groups of corporations to be more proactively responsible toward HR realization.; however, they seem to have a higher effect on BR-MNEs than on foreign-cases. This occurs as a result, first, because the possibility of local corporations to hold ownership of not-for-profit firms, while often utilizing their brands and labels through such corporate social investment initiatives (AP 4.1). This is a model that looks like a revamp of the traditional charitable ways of addressing CR, traditionally named CSR, and administered within corporate sites. The second cause is the possibility of determining a portion of the national corporate taxes to the benefit of specific social programs (AP 4.2) through legally qualified local OSCIPS, which activities and location match MNEs' interests. Finally, influencing both groups to a moderate extent, are the traditional market pressures (AP 4.3), here exerted mostly through

investors' requirements and supplying responsible clauses. The researcher interprets these three patterns as holding primary corporative enforcements and differentiated those from normative or instrumental regulative powers (punishments), provided that corporations gain more businesses opportunities (e.g., attract responsible investors) and practice cost-avoidance (e.g., outsourcing R&D, saving on taxes) by engaging in social programs. In other words, a business-case for CSI, which includes positive CHRR approaches.

It should be noted that in contrast to the regulative and normative patterns that emerged marked to a great extent by both positive and counter forces, all three patterns of corporative pressures are regarded as ambivalent (pro and counter forces) and induce moderate *corporative-institutional* pressures on MNEs' CHRR approaches. They can result in some good for some citizens or groups in detriment to other citizens, for instance, those out of MNEs' business radar (e.g., citizens living in remote areas of the country), but that equally rely on the impartial application of national corporate taxes on national public policies that can support their HR realization. Still, this corporative category, although presented as detached from Scott's three pillars, was by no means drawn to reflect a generally valid fourth institutional pillar. It should instead represent a particular sort of pressure that has emerged as local characteristic, perhaps abnormal, thus thought worthy to be presented separately.

In sum, the external elements of the BR-HRIC seem to influence the way BR and AM-MNEs interpret and address HR locally in a similar way, as well as how they frame and manage their CHRR. More isomorphism on contextual adaptation is found in the normative and cultural-cognitive pillars between the groups, while little divergences are observed in regulative and corporative patterns. Overall, most positive influential forces on MNEs' CHRR approaches come from the normative pillar, namely market and CSOs pressures and soft-norms. In contrast, from the regulative pillar, the most negative influences were shown, including governments' misrepresentations and setbacks on BHR matters. Finally, the winning prize for repudiated practices, depicted as negative quasi-institutional forces, goes to corruption and cooption, evident in all pillars.

## **6.2. BR and AM-MNEs' Influences on the BR-HRIC**

This section revolves around RQ2: How do BR and AM-MNEs' CHRR approaches influence the BR-HRIC? The assessments of BR and AM-MNEs, as well as NFPOs' voices and data triangulation (see Appendix B), were considered to answer this question. Elements about how, whether, what kind, and from where BR and AM-MNEs exert influences on the BR-HRIC are then in play here. To recognize these assessments, the researcher first recalled

the broad notions of political CR and CHRR meeting MNEs' citizenship character and the proactive implications that this commend requires (Chapter 2). Second, five assertions from organizational neoinstitutional approach were observed (Chapter 3): (1) institutions are social constructs subject to emerge, change, stand, or fall over time; (2) such institutionalization processes occur in response to dynamic external forces, voids, ambiguities, and agents' interests; (3) corporations are paramount agents of institutional change, provided their sizable, dual, and mutually influential entities: structures (institutions/organizations, collective character) and agency (power, political mandates); (4) in society, institutionalization projects hold paradoxical lines. On the one hand, from the viewpoint of the institutionalization process, institutional change is extraordinarily political and "reflects the relative power of organized interests and the actors who mobilize around them" (DiMaggio, 1988, p. 13). On the other hand, from an outcome perspective, institutionalization does (or should) place organizational structures and practice beyond (business) interests and politics so to focus on common good maximization. Finally, the researcher noted that (5) in times of institutional construction (valid to all EM) and economic and political instability (current Brazilian scenario), power interplays from public and private actors impacting the institutional context are more pronounced and, perhaps, unavoidable (DiMaggio, 1988; Scott, 2014).

This background guided the researcher to identify and aggregate the codes, and so these empirical assessments revealed the elements necessary to answer RQ2. They follow here organized according to the same comparative rationale applied to expose RQ1's findings. Timely, section 6.2.1 outlines how, comparatively, BR and AM-MNEs might influence the Brazilian HR regulative pillar through their HR approaches and other stances. Section 6.2.2 presents the same rationale for the normative, and section 6.2.3 for the cultural-cognitive pillar. Moreover, as also occurred with the findings of RQ1, section 6.2.4 reveals corporative aspects put forward by MNEs that exert, in the view of the researcher, a substantial influence on the BR-HRIC. Finally, section 6.2.5 brings together the major MNEs' influential elements on the examined local HR and BHR context, thus giving a clear answer for RQ2.

### **6.2.1. BR and AM-MNEs' influences on the regulative pillar**

The analysis of the influences of BR and AM-MNEs on the BR-BHR regulative pillar emerged from 159 open codes, aggregated by four primary AP, regarded by the researcher as having ambivalent (positive and negative) and counter (negative) effects on HR realization, CHRR frameworks, and BHR relations—from now these elements are simply referred to as BHRIC. The researcher has created the table below to display these findings, which follow

explained afterward. However, for a better understanding of how and why case MNEs exert the following four sorts of influences on the local HR regulative pillar, a revisit of section 3.3 is recommended, particularly on process and agents of institutional change. Nonetheless, some primary conceptualization will be timely recalled along with the topics for clarity.

**Table 14: MNEs’ influences on the BR-HR regulative pillar**

MNEs’ influences on the BR-HR regulative pillar	Scores*		
	BR-MNEs	AM-MNEs	NFPOs
<b>Ambivalent pressures ( ! )</b>	<b>6</b>	<b>3</b>	<b>7</b>
1. Practicing lobby	6	4	8
2. Defining HR public policies, regulations, and political arena	10	5	11
3. Expanding and shaping regulations through jurisprudence on sizable corporate HR violations	1	0	3
<b>Negative pressures ( ✖ )</b>	<b>2</b>	<b>2</b>	<b>11</b>
1. Acting in corruption, cooption, and complicity to counter BHR-related regulations	2	2	11

\* # MNEs (N/11 per group) and NFPOs’ (N/14) assessments  
 Subtotals = simple arithmetic means of the patterns’ scores

Source: Researcher’s creation.

### **6.2.1.1. Ambivalent influences of MNEs on the BR-HR regulative pillar**

The findings of RQ1 revealed pro- and counter-institutional forces to be affecting MNEs’ ways of addressing their responsibility to HR in Brazil. A similar rationale is applied in the evaluations of the findings relating to RQ2. A given influence exerted by MNEs over changes in the BR-HR regulative pillar can concurrently be good for a certain group of individuals and bad for others. It, therefore, proved challenging to depict a clear divide, so this category of findings is regarded as of ambivalent institutional influence.

#### *6.2.1.1.1. Overall analysis*

This first group of findings is formed by three AP, rendered through 112 open code-segments, 39 being from BR-MNEs, 14 from AM-MNEs, and 59 from NFPOs. This last the control group, which participation served to mitigate biased corporate answers and supported a better depiction of the examined contextual relations.

#### *a) Practicing direct, indirect, and collective lobby*

The discussions about lobbying produced 47 open codes and showed that 10 out of 22 MNEs (six from BR) admit to practicing types of lobby. Lobbying, as explained in sections 3.4.2 and 4.2.3.3.3, is a form of instrumental power vested in a political overlay. Corporations

often practice it, collectively (e.g., via trade alliances, stakeholders' associations, and political committees), to influence politicians and public authorities to shape institutions to better represent their business interests. Lobbying is thus proven an influential changing force of a given institutional context. However, as it can involve unethical mechanisms (e.g., bribery) and may demand vast resources, lobbying can compromise democracy, turning it into unjust institutional construction. Still, as the review of literature evidenced, business interests can conflict with HR institutional advances. Provided this controversy and that lobby is not a regulated practice in Brazil, the participants applied terms such as advocacy, interaction, and articulation to refer to this practice when discussing their lobby-like attitudes. Some MNEs, however, referred to it and admitted such practice openly, as AM-MNE-3 explains, "I am 110% in favor of lobbying because I do it. But lobbying, which is a profession like any other, is still seen in our country with certain prejudice due to lack of both knowledge and regulations on the matters" (l. 111). The participant continues that "lobbying is about working over a draft of a bill. I meet the senator or whoever is the owner of the lobby to explain how things should work" (AM-MNE-3, l. 111).

This is also the case of BR-MNE-1A, who simply stated: "influence in public policies? Come on! Our interaction with the government is total! And it happens at the national, state, and municipal levels (l. 133). The participant continues "[...] this interaction is not granted only due to new business ventures, but especially because of the huge amount of taxes our businesses generate. However, we are not always aligned with the government" (BR-MNE-1A, l. 133). Other MNEs, in contrast, were reticent in discussing the topic: "it is a bit more difficult to go directly [...] But we can also open doors in Brasilia [Congress house]" (BR-MNE-2, l. 222). The researcher believed it would be easier to discuss MNEs' factual influences on the BR regulative pillar if they occurred via indirect lobbying such as through business associations and political advocacy using, for instance, advertisements, social media, and press releases. However, corporate participants only referred to a few cases, and all of these were positive about their reaching of BHR regulative pressures.

Nonetheless, the voices representing the Brazilian civil society (eight out of 14 NFPOs) brought to fore more articulations against HR advances in the country than in favor, emerging from the extensive lobbying done by MNEs or organizations acting on behalf of them. For some of these non-business respondents, it is alarming to see direct and indirect corporate lobbying acting to undermine, for instance, labor unions (e.g., NFPO-11, l. 34). As reported, it is even worse for them to see business associations fighting to put down the Brazilian Dirt List

of slavery-alike labor conditions facing the alarming statistics of rural workers and child labor exploitation in the country, especially in its more remote areas. On this, NFPO-5 comments that it was threatening “to have heard a given minister say the Dirty List should be revoked because the corporations do not want it” (l. 90). The participant continues that “as an antidote, we got to mobilize a group of influential MNEs, then we came back to this authority and say: here is a list of corporations representing 25% of the national GDP who signed in favor of keeping this naming and shaming law. Now what? Who are the ones favoring slave-like labor?” (NFPO-5, l. 90).

Still, some case MNEs evidenced their influences on local politicians or public officials to change the regulative pillar, over particular issues related to HR matters affecting their businesses, and in ambivalent ways. Negatively to HR, for instance, when articulating reforms against labor laws’ comprehensiveness (e.g., against detailed slavery-alike regulations) and undermining labor unions (e.g., campaigning that unions inflame nonsense left-oriented ideologies) (e.g., BR-MNE-2, l. 201, 242). Positively, for instance, when calling to reduce bureaucracy and promote clarity to the standardization of HR related to business relations in Brazil (e.g., BR-MNE-2, l. 246).

*b) Defining HR public policies, regulations, and political arenas*

Institutional voids and ambiguities that affect (corporate) organizations are the major triggers of institutional change as the affected parts tend to get collectively organized to address such adversities (section 3.3). Curiously, while discussions about direct and indirect lobbying only produced 23 open codes among corporate participants, when it comes to talking about their business’ ways of taking part in the political arena to shape the regulative context for the good, many positive cases were found. For instance, 10 BR and five AM-MNEs could explain their active participation in defining public policies relating to their regional interests and somehow falling into their employees’ and communities’ well-being. It was pleasing to find out how much has been done through public-private partnerships in Brazil, for example, the issuance of public policies and programs for the professional education of a given market ravaged by unemployment, as cited by AM-MNE-11 (l. 91). It is also worth commenting on the case of corporate knowledge transfer to municipal agents, performed by BR-MNE-3, to teach these public agents how to better access national and regional resources to support the local care of a given community, reported having been abandoned by the state.

However, there were considerable controversies in these matters among non-corporate participants (11 out of 14 cases). NFPO-1, for instance, complains that “the Brazilian labor law

is extremely detailed, bureaucratic, and costly. A part of it is unknown to many businesspeople, while other part works as a restraint to the entrepreneurial impulse of many in the country” (l. 16). MNEs, therefore, advocate to simplify labor laws as much as possible (NFPO-1, l. 54). To local NFPO-2, “the private interventions in public policies are widespread, reaching from taxation rules” (l. 71) to the definition of the country’s presidency and parliament’s seats (NFPO-7, l. 143; NFPO-10, l. 76; NFPO-13, l. 27). In sum, most case MNEs evidenced their activities that have been affecting changes in public policies of the communities they integrate, which can only be expected to be for the public good. For instance, BR-MNE-3B lead a project that set up grievance mechanisms to allow municipal councils of a given region to get to know and take responsibility for the rights of a given minority group (l. 174)—which details are here omitted to avoid the identification of the case. Still, as one could argue, MNEs are not specialists in public affairs and, still, intentionally or not, they could overlook related aspects of policy building, for instance, the ones touching their very own businesses (e.g., co-responsibility, collateral damage).

*c) Expanding and shaping regulations through jurisprudence on sizable corporate HR violations*

It is necessary to understand the meaning of jurisprudence, a legal term designating the set of decisions on interpretations of laws made by the courts of a given jurisdiction, to understand this AP. Bringing to the BR-BHR reality, it denotes that every case of business-related HR violations taken to local courts creates a precedent or pattern, which can serve to trigger institutional change. Still, the advance or hindrance of a given BHR regulation depends not only on the mechanisms applied to its enforcement but also on fair sentences when it is violated (e.g., appropriate punishments and remedies). For instance, if the punishment for a given HR tragedy caused by neglect of a given enterprise is too soft, some may consider that it is worth the risk for irresponsible companies to keep risking harming HR; in other words, the business case for HR harm (Wettstein, 2018). Back to this AP, it emerged by one BR-MNE and three NFPOs’ observations, through nine open codes.

Their examinations give substance to refute the idea that the invisible hands of the market may arrange harmony between public and private interests regulating BHR matters in Brazil. For instance, to a corporate participant, HR tragedies that occurred in Brazil recently may serve to reinforce the debate about what the responsibility of corporations, third parties, and governments is when it comes to protecting HR against new occurrences of the same spectrum. Indeed, as posed by this participant, when it comes to HR matters, preventive

institutional measures should apply, grounded primarily in corporate ethics because lives cannot be brought back, and some harm may never be remediated. After tragedies occur, as a corporate participant posed, fair judicial measures apply, and jurisprudence is created. This may serve as learning that can elevate Brazilian legislation to a higher level in terms of BHR matters.

This message of hope contrasts with NFPO-10's view facing given BHR tragedies in Brazil, i.e., Mariana's dam collapse in Minas Gerais. As posed, "what we see [...] is that local regulations were not applied, international regulations were disregarded, and a series of other extant normative measures were ignored, such as public hearings" (NFPO-10's, l. 58). Still on that, the response of a case NFPO engaged in the protection of HR is that "if extant norms had been respected at the local level, there would be no harm in such scale, and there would be no need to appeal to the international framework, for international cooperation to refrain HR harm and enforce reparations in this case" (NFPO-10, l. 58). When it comes to corporate HR violations throughout supply chains, NFPO-8, for instance, could cite 15 cases on which MNEs were sentenced as co-responsible for HR violations caused by their indirect operations. However, as this participant stressed, this does not mean much when facing the power of the business community at the regional level—a point outlined through the next group of findings.

To conclude, this AP is formed by a small number of open codes voiced by case very few MNEs' participants, perhaps given the sensitivity of the topic. Nonetheless, the data-triangulation technique performed on public domain information revealed much more about HR violations involving case MNEs that could lead to the creation of jurisprudences. For most of these cases, the fatalities and corrective actions revealed regulative institutional voids in Brazil that urge to be addressed in order to prevent new cases. Still, on one thing case MNEs and NFPOs agree: the large-scale HR violations are generating local jurisprudences in Brazil. It is also worth noting here that the researcher left out citing literal shreds of evidence of such open codes also in this AP, as this could lead to the identification of case-participants.

#### *6.2.1.1.2. Groups' contrasts*

In terms of the differences, based only on the answers of corporate participants, it seems that BR-MNEs are more engaged with regulative pillar agents and agencies, be it via direct or indirect lobbying or through daily exchanges of labor relations and structural matters. BR-MNEs also look more openly inclined to promote changes in BHR regulatory matters. Considering the voices of case NFPOs' participants, it is rather challenging to define which group might exert more or less influence in the local rules of the game. It is also hard to define

which group respects HR and public interests more or less in this endeavor, especially if these interests touch their profits' maximization. However, as NFPO-10 exposes, AM-MNEs tend to fear the reaction of their headquarters when it comes to BHR disputes in EM. Then, when it comes to BR-MNEs: "one thing very *sui generis* is that almost 100% of the Brazilian headquarters respond to our queries with due attention and declare that they are committed to fulfilling high CHRR standards." (NFPO-10, l. 84); however, it does not mean that the intentions will be transformed in responsible practice.

Instead, this is just "a resemblance of the Brazilian discourse, provided that Brazil is committed to almost all global HR treaties and norms related to HR, and it does not mean that HR are respected in the country" (NFPO-10, l. 84), not even by the regulative authorities. The participant also says that, in acknowledging disparities between HR approaches of headquarters and their EM subsidiaries, "when we are advocating for those subsidiaries to respect HR in Brazil, we let them know we are communicating with their headquarters too, and this measure is proven effective." (NFPO-10, l. 85). In terms of similarities in the voices of the corporate participants, MNEs' groups do not resemble. It was also not possible to draw similarities based on the perceptions of NFPOs' participants about the influences of MNEs groups on the BR-HR regulative pillar. However, data triangulation performed on information from public domains reveals cases that can speak much against the corporate willingness to change HR regulative matters in the country for the better. This, unfortunately, occurs similarly in both groups.

#### ***6.2.1.2. Negative influences of MNEs on the BR-HR regulative pillar***

This group of findings was formed by 46 open codes, two from BR-MNEs, two from AM-MNEs, and 42 from NFPOs, all grouped in a single AP, described sequentially.

##### *6.2.1.2.1. Overall analysis*

###### *a) Acting in corruption, cooption, and complicity to counter BHR regulations*

Corruption is a very sensitive and controversial topic in business-related realms, especially when it involves private and states' governmental organizations in activities that can result in harm to HR and their institutions. Corruption and all its variances are often veiled subject matters, thus here not of easy capture across interviews, not even by the voices of case civil society respondents. This is why the researcher also applied a data-triangulation technique to validate this AP by analyzing diverse written data from public domains. This was in search of empirical shreds of evidence that could suggest that case MNEs' wrongdoing, motivated by self-interest, exert influence on the regulative level of BHR institutions at stake (i.e., laws, and

authorities empowered to make them enforceable). Back to the descriptions, this AP was formed by the voices of four MNEs only, two from each group, and their reports matched the perspectives of 11 out of 14 case-NFPOs. Contrary to what the data triangulation revealed, AM-MNE-4's respondent explained that any engagement at the governmental and overall political arenas in Brazil is very much avoided, given the spread of corruption permeating these realms. In the respondent's words: "we avoid being perceived as people who are trying to change society, because this invariably reverts to the negative views of some people, as a multinational wanting to dominate the country." (AM-MNE-4, l. 153).

For BR-MNE-2, Brazil is at a moment in which the BHR regulative agenda is being "moved by the interests of some business-related groups who are in alliance with everyone holding power to make regulatory changes according to their demands." (l. 240). In turn, the voices of NFPOs explain that the institutional wrongdoings involving big business and governmental agents, with one highlighting that in Brazil, the state's representatives have recently joined the business community and together "they dissipate any capacity for the articulation of workers, so that the neoliberal agenda can be implemented without major opposition. So here there is no balance of forces, there is no free negotiation, and everything is a great fallacy." (NFPO-11, l. 43).

Furnished with common sense and vast professional experience, the participant asserts that Brazilian top-level public offices elevated the corruption in the country to levels that require higher definitional terms whereby corruption has a much narrower legal sense: "at legal terms, I do not talk about corruption. I talk about a process of co-optation, which may even be legal, but they [public offices and corporations] delegitimize or disparage the democratic balance of a democratic State of law." (NFPO-11, l. 52). To conclude, it is not the case that BHR laws in the country are nonexistent, "the big problem is the co-optation of the State by the interests of the companies [...] they can even weaken the State's ability to supervise [...], or they co-opt the State not to apply sanctions, or to postpone indefinitely the sanctions that are applied." (NFPO-11, l. 26).

In sum, the elements here uncovered were bribery cases, reports of illegal or unethical alliances to exploit given regions, resources, or industry in detriment of public well-being, impunity, and long-lasting unsolved severe corporate HR violations, etc. Such wrongdoings appear to impair the BR-HR regulative pillar, specifically in cases of rights to property (i.e., land disputes), cultural rights (i.e., relocation of indigenous peoples), democratic forms of representation (unions impairments), and, mostly, labor rights (e.g., redefinitions of the anti-

slavery act and its naming & shaming mechanisms). It is worth noting that many open codes derived from the data-triangulation technique, but due to the constructive approach of this research and to safeguard the anonymity of case MNEs, such shreds of evidence will not be exposed here.

#### *6.2.1.2.2. Groups' contrasts*

No differences were found in the data analysis between the corporate groups about their participation via corruption and cooption matters, thought to undermine the BR-HR regulative pillar. Grounded in the constructive objective of this study, the researcher considered adding nothing to gather and expose publicly available cases of corruption at the regulative level provided by the data-triangulation process. Nonetheless, to control against corporate participants being unforthcoming when asked about lobbying—as it is a non-regulated practice that assumed a very pejorative meaning in Brazil, associated with corruption and illegality—the researcher counted with the perceptions of case NFPOs, who yielded enough evidence to conclude that corporate influence via lobbying is very substantial, active, and therefore can articulate for the benefit or detriment of overall BR-HRIC.

#### **6.2.2. BR and AM-MNEs' influences on the normative pillar**

The normative (i.e., ethical, valid to the most), non-governmental BHR landscape at the organizational level, involves NGOs, business or trade associations, labor unions, self-regulation and certification organizations, etc. Fortunately, there is a wide range of organizational neoinstitutional literature linked to IB research on normative matters, and they have demonstrated MNEs' responses and motivations to address institutional voids and societal issues in EM (section 3.4) through these non-binding structures. For instance, adherence to self-regulatory frameworks, such as the GPs, GCPs, and ILO guidelines, are sanctioned cases of private governance and proven efficient ways of both responding to institutional voids (Doh et al., 2016) and mitigating social and environmental issues.

As the literature demonstrates, such corporate governance mechanisms can be enforced both locally and internationally via strategic alliances (London & Hart, 2004; Rathert, 2016; Ricart et al., 2004), and industry or market standards (section 3.4.2). These considerations are important to the grasp of the specific analysis of how case MNEs influence the BR-HR normative institutional context, which carried out 531 open codes. Those were aggregated by eight major categorical AP, which were then classified by positive and negative influences. For a more reliable picture of the effects of MNEs on this pillar, whenever necessary, the researcher

performed data triangulation and also used the perceptions of the respondents from case NFPOs. Thus, the three group's scores follow summarized by AP and described afterward.

**Table 15: MNEs' influences on the BR-HR normative pillar**

MNEs' influences on the BR-HR normative pillar	Scores*		
	BR-MNEs	AM-MNEs	NFPOs
<b>Positive pressures (✓)</b>	<b>7</b>	<b>7</b>	<b>2</b>
1. Adopting soft CHRR standards and global HR policies	10	9	3
2. Engaging suppliers and subcontractors via contractual trade clauses	4	7	0
3. Protecting HR and advocating for their respect, realization, and advances	7	3	2
4. Applying HR terms in codes, routines, and public relations	6	9	3
<b>Negative pressures (✗)</b>	<b>9</b>	<b>8</b>	<b>7</b>
1. Instrumentalizing CHRR: Institutional investments vs. HR neglect	10	11	7
2. Wrong vs. wrong: Corporate tax maneuvers vs. public tax embezzlements	6	2	4
3. Avoiding HR terms in daily operations: Ruling-out HR senses and awareness	11	11	9
4. Involved in BHR-related wrongdoings: Corruption, cooption, neglect, and complicity	8	6	9

\* # MNEs (N/11 per group) and NFPOs' (N/14) assessments  
Subtotals = simple arithmetic means of the patterns' scores

Source: Researcher's creation.

### **6.2.2.1. Positive influences of MNEs on the BR-HR normative pillar**

The findings indicating positive influences of case MNEs on the BR-HR normative context were formed through 166 open codes (78 from BR and 72 from AM-MNEs) and aggregated by four AP that follow described in the sequence.

#### *6.2.2.1.1. Overall analysis*

##### *a) Adopting soft CHRR standards and global HR policies*

This AP was formed by the normative references considered to influence the external BR-HRIC, encountered in the data of 10 BR-MNEs and nine AM-MNES. As seen in section 6.1.2, on top of holding global HR policies, most case MNEs also did prove adherence to one or more BHR-related normative frameworks, most notably the GPs and GCPs. As prior research shows (section 3.4.2), self-governance rules (e.g., policies, codes) and the adherence to internationally widespread normative frameworks, allow corporations to spread the message that they are, proactively, willing to take their shares of responsibility for societal issues. This includes respect for HR beyond legal stances. In fact, extended and proactive CR are issues at the core of such frameworks, proven to be effective self-regulations in AM, particularly to the

advance of social and environmental matters (section 3.4.2). For instance, the objective of the GPs is to clarify what society expects from companies concerning HR and to outline the process through which they can identify their negative impacts on HR, direct and indirect, as well as “demonstrate that their policies and procedures are adequate to address them”<sup>157</sup>. In turn, the mission of the UNGC program is “to mobilize a global movement of sustainable companies and stakeholders to create the world we want”<sup>158</sup>. Through systematic data triangulation, the aims mentioned above of the GPs and GCPs were observed as imprinted in the global HR policies of most of the case MNEs.

Similarly, the adherence to such voluntary frameworks was evidenced on public communications channels of case MNEs. Like this, their message of a proactive engagement to address the potential harm caused to HR through business operations and the willingness to advance the overall BHR agenda in Brazil seemed, positively, warranted. This message is conveyed to workers, broad stakeholders, and society at large and, as perceived, can function as an indication, or form of pressure, which suggests that such a proactive behavior may sound sufficient, at least from the business front, to overcome BHR institutional voids in overall EM. Thus, arguably still, it should be replicated by business players in Brazil and beyond. Finally, the adoption of such self-regulations may also suggest that dedicated laws on BHR, of global or local reach, are unnecessary settlements. Conclusively, this corporate normative pressure is perceived as a sort of positive, though relative, influence on the BR-HRIC and, perhaps, other EM globalized contexts where case MNEs operate in. Relative, provided the lack of mechanisms, out of corporate self-reports and private audits to assure that the companies’ willingness to address CHRR turns into operational reality, in Brazil or anywhere.

*b) Engaging suppliers and subcontractors via contractual trade clauses*

This AP was formed from 21 open codes and documents showed during the interviews by four BR and seven AM-MNEs. These data reflected the propensity of case MNEs to extend their self-regulations to influence the context by raising awareness about BHR relations while addressing the potential impacts of their business activities on HR through their supply chains. These shreds of evidence are not cited verbatim here, given the researcher’s anonymity commitment with respondents. This AP meets the assertions from prior research that corporations hold not only normative responsibility (assigned by society) but also the capacity (resources and power) to discipline not only themselves but also those with whom they contract

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<sup>157</sup> Check the publication The UN Guiding Principles on Business and Human Rights: An Introduction, on OHCHR website: [https://www.ohchr.org/Documents/Issues/Business/Intro\\_Guiding\\_PrinciplesBusinessHR.pdf](https://www.ohchr.org/Documents/Issues/Business/Intro_Guiding_PrinciplesBusinessHR.pdf)

<sup>158</sup> Check it on UNGC website: <https://www.unglobalcompact.org/what-is-gc/mission>

business relationships to respect and protect HR (Cragg, 2012; sections 2.5.3, 3.4.2). For instance, this was observed to take effect through contractual requirements (compulsory clauses) that case MNEs have assigned to their suppliers and subcontractors, making explicit their conferred shares of CHRR. Those verified as non-negotiable BHR requirements among the sample were mostly about the prohibition of child labor and slave-like conditions, and demands for the respect of labor laws and anti-corruption acts. Even though those BHR matters are all binding law already in the Brazilian market, respect for them still falls short, given the discussed institutional voids (6.1.3.1.1d). The verified trade clauses here discussed are, in fact, corporate prescriptive standards that exert control over suppliers and subcontractors on matters of CHRR; therefore, they are argued as important and effective normative ways to tackle local HR pressing issues. Thus, they are also a form of influence exerted by case MNEs on the normative pillar of the BR-HRIC.

*c) Protecting HR and advocating for their respect, realization, and advances*

This third AP was formed by 36 open codes cited by six BR and three AM-MNEs and reinforced by the perceptions of two NFPOs. To interpret these references, the researcher had in mind some current characteristics of the Brazilian context: its vast geographical dimensions and socioeconomic inequalities, a severe economic and institutional crisis, and a veiled and deep-rooted (institutionalized) discrimination towards HR (section 4.2). Still, BHR institutional voids are serious issues for Brazilian society, since the state is not equipped to guarantee proper vigilance and tackle corporate harm to HR (section 4.2.3). The researcher also noted prior literature stressing that it is (legally) insufficient to merely place clauses in a given supplying contract and do not ensure they are respected (Posthuma & Bignami, 2014), as intending to outsource CHRR. To gain legitimacy, as NFPO-1 asserts, what is expected from local (and global) society, from an ethical and political perspective, is that “corporate citizens, given their bigger power of influence and capabilities of engaging in initiatives and alliances that can avoid HR harm, they should do it so” (l. 46). Such political and surveillance activities are then the elements forming this AP, operationalized mostly through corporate shreds of evidence of advocations to advance HR matters in Brazil, safeguards that CHRR requirements are fulfilled along supply chains, and initiatives to promote HR awareness inside and across the external environment.

Notably, AM-MNE-11 seems to well-understand its political CR to HR: “doing nothing is the worst one can do [...]. We can easily, for example, create connections, articulate. This is the role of our institute here [...], and it serves to mediate several HR-related

discussions” (l. 90-91). On the shreds of evidence of case MNEs’ activities to protect and promote HR in Brazil, AM-MNE-11 showed engagement with many mediations of public interests that have already become public policies. They say: “all we do is to engage our people and relations every time we have seen a possibility of making a difference...” (l. 90-91). In fact, many samples of normative, positive influence came from corporate foundations and institutes maintained by case MNEs, which hold promotion and advancement of HR at their core missions. Mostly, the initiatives reported empowerment of women and ethnic minorities (e.g., indigenous people), capacity building of impoverished communities through micro-businesses, offers of professional training and education to underprivileged youth, etc. Moreover, substantial financial grants offered to CSOs to the benefit of HR causes were also prominent among the references of corporate participants.

Extending the debate on the significant value of corporations supporting the protection of HR in Brazil, NFPO-2 asserted that “a company should take additional measures to protect, and not only not to violate HR because many of the business-related violations occur in a blurred zone between the State and the private sector” (l. 46). This participant also demonstrated the value of HR due diligence, asserting that in many cases, the State supports an enterprise or project, by public financing or export credits, targeting economic development or because it also has an equity stake in certain companies (NFPO-2, l. 46). Therefore, if no one takes proactive measures to identify and avoid harm, corporations can, in legal terms, be considered accomplices, either of the state or other business stakeholders, and end up sentenced as co-responsible for HR violations. Concluding, due diligence (particularly on surveillance to avoid HR harm along the supply chain), corporate political advocations of HR causes, empowerment/building of communities’ financial capacity, and supporting and engaging with HR-CSOs, were all shreds of evidence of mechanisms for the protection and promotion of HR collected among case MNEs. These mechanisms thus represent local standards of corporate actions that represent norms of action to the business community at large toward HR respect, realization, and advances, and so case MNEs’ influence on BR-BHR normative pillar, again, materializes.

*d) Applying HR terms in codes, routines, public relations*

This AP was formed by 30 open codes cited by six BR and nine AM-MNEs, and reinforced by the perceptions of three NFPOs and systematic data triangulation performed on case corporate publications. Shreds of evidence of incorporations of HR terms in the operations and disclosures of case MNEs, and their positive implications on the external context have been

the elements accounted for to form this AP. However, this does not mean that those firms are fully aware of what HR, CHRR, and BHR relations mean. The assumption here, based on prior research (Obara, 2017; Obara & Peattie, 2018; Preuss, 2012), is that in any case, applying HR terms in their daily business operations and by external interactions, MNEs can induce awareness about BHR matters amongst workers and broad stakeholders, including overall consumers. Positively, some case NFPOs (e.g., 4, 10, and 15) admit this assertion and add that, as the Brazilian state seems to have long failed to clarify the meaning of HR to the general population, corporations can and should make use of their substantial political leverage to influence local (business) people to understand, acknowledge and respect HR as rights.

This could, among other gains, support tackling the local misperceptions that HR are granted corporate benefits, outcomes of voluntary corporate social initiatives (CSI), or yet vague ideologies from developed countries set to protect criminals only (section 6.1.3.1). Positively, to AM-MNE-6, the adoption of HR terms in its operational routines have been proven successful to tackle HR ignorance and discrimination among employees. As reported, before the training and campaigns to introduce HR and CHRR due-diligence program to its operational workers, many of them presented behavioral disconnects, such as sexism, homophobia, religious intolerance, and even racism. However, as reported, three years after such inauguration, the reported cases of such misconduct and consequent HR violations inside the organizational environment have decreased. AM-MNE-6's respondent adds: "To date, having a woman or a homosexual as a leader of a supply chain area, for example, is no longer considered *nonsense*, as it used to be discriminatorily referred to by some" (l. 27-30).

BR-MNE-9 asserts that respect for HR is proclaimed as an obligation of businesspeople for society's sustainable development. As reported, this is why HR terms were incorporated into this company's code of conduct, and then clearly discussed and reinforced periodically through training sessions. Before that, discrimination against women and disabled people at the managerial level figured as a pressing local corporate issue that has been tackled internally, also via quotas policies (BR-MNE-9, l. 11-16). Considering that case MNEs presumably represent an excerpt of the local society, it is conclusive that the more enforcing and assertive the way they address HR and CHRR through their routines, codes, and communications is, the higher the positive shaping on the ways their businesspeople understand and respect HR. Over time, these businesspeople may attach to such ethical behavior and start disseminating it, thus supporting, even more, the normative institutional advance of HR and BHR matters in Brazil—section 6.2.3.1.1.a will further this discussion at the cultural-cognitive level.

#### 6.2.2.1.2. *Groups' contrasts*

When it comes to the adoption of CHRR standards and global HR policies, MNEs groups do not differ. In contrast, case AM-MNEs demonstrated 75% more evidence than their local peers on the engagement of first-tier suppliers and subcontractors via CHRR contractual clauses. They do not, however, always provide details about the auditing systems in place and the sanctions applied for the non-compliant cases, spontaneously during the interviews. Furthermore, there were more than twice as many accounts rendered by BR-MNEs, illustrating their greater proactiveness in protecting HR and advocating for HR respect, realization, and advances in Brazil in comparison to the foreign firms. It was also noted that AM-MNEs are in the lead when it comes to addressing HR by the correct terminology, whether via institutional disclosures, codes, or daily operations. Still, the findings revealed that only one AM-MNEs was found not referring to the adoption of soft BHR standards and holding a global HR policy in the local language, which could mean an unwillingness to disseminate such norms via its local e-network.

In turn, without distinction between the groups, two top current soft standards (GPs and GCPs principles) were notably found the most cited BHR approaches, although they were alluded under a voluntary character and selectively, with MNEs picking up *easy* HR topics to deal with rather than the most pressing ones in local society or those necessarily touched by their business directly. Case MNEs are considered therefore distanced from the genuine normative grounds that BHR relations hold and that CR should serve, thus unable (or even unwilling). Still, both groups failed to demonstrate that they perform broad and *de facto* corporate HR due diligence. It was also observed that MNEs had adopted HR terms from the GPs (e.g., HR due diligence, tackling HR issues) to refer to their traditional social-charitable initiatives, thus denoting a restyling of both their extant CSR and sustainability frameworks. In sum, the “normative” disseminated message emanating from case MNEs might sound like this: Corporations are voluntarily addressing HR; thus, HR are voluntary “business” matters.

#### 6.2.2.2. *Negative influences of MNEs on the BR-HR normative pillar*

This second group of findings revealed the negative influences of case MNEs on the BR-HR normative context and is formed by 365 open codes (180 from BR and 110 from AM-MNEs), aggregated in four AP described below. Here it seems necessary to recall the still scarce literature on ideal forms to interpret and control how corporations discharge their substantial political power, authority, and relative autonomy in global EM and how this affects HR institutions in these regions (Ruggie, 2017; Vives i Gabriel, 2017; Wettstein, 2018). Thus,

the identification of elements considered as of negative influence on the examined normative pillar was enlightened by the researcher's interpretation of prior BHR and IB research (sections 2.4, 2.5) in connection with neoinstitutionalism in organizations (sections 3.3, 3.4). These elements are, for instance, excessive instrumentalism, wrongdoings, and neglect of CHRR matters and all considered counter forces undermining what is regarded as the right thing to do in BHR relations<sup>159</sup>, regardless of contextual characteristics: ethical, legal, and political CHRR.

#### 6.2.2.2.1. Overall analysis

##### a) Instrumentalizing CHRR: Institutional investments vs. HR neglection

This first AP was a result of 191 open codes, produced from 10 BR, 11 AM-MNEs, and seven NFPOs, and also found through specific data triangulation (Appendix B). It covers that case MNEs' have been naming and treating activities on CHRR as businesses or (social) investments, which in both cases negatively affect the normative pillar of the BR-HRIC. Evidence of case MNEs references of CHRR as a social investment, for instance, is found in the discourse of AM-MNE-11: "our corporate social investment operations, run in partnership with several organizations that are also in the same direction, which is the strengthening of the practice of HR in the sector where we operate" (l. 20). Still, other several cases meant such a similar sense, e.g., AM-MNE-11, AM-MNE-2, BR-MNE-1A, BR-MNE-2, BR-MNE-3B, BR-MNE-4, BR-MNE-5. In turn, the operationalization of CHRR as investments was revealed through the allocations of corporate resources to the creation and maintenance of sorts of corporate-CSOs (i.e., corporate institutes and foundations) and other third part not-for-profit organizations settled to address given sorts of HR. For instance, through direct funding, endowments, and partial allocation of taxes<sup>160</sup>, case MNEs, seemingly, target the enhancement of intangible assets as part of their so-called CHRR activities.

In most cases, as reported, the organizational beneficiaries of social investments are laudably dedicated to social causes. However, such causes somehow relate to the businesses in question (e.g., professional education), as they fit MNEs' geographic interests and technical scopes, and thus ending up benefiting said businesses' development. As here contended, the problem of this described instrumentalization of CHRR does not rest in the fact that most case MNEs seem to have been weighting a lot the investing in given social-oriented projects that (laudably!) tackle pressing local HR societal matters, even those projects are picked up according to chancy criteria (e.g., trendy or comfortable topics). As data showed, one problem

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<sup>159</sup> I.e., ethical behavior practiced by or valid to the most.

<sup>160</sup> In Brazil, some national and regional social programs, corporations can indicate to which project and where part of their national taxes will be allocated.

rests in the fact that in parallel, almost 70% of case MNEs (seven from AM and eight from BR) could not evidence concrete measures on HR due diligence.

Thus, such companies follow operating without addressing in the first place their own negative HR responsibilities in Brazil. In sum, terming CHRR as matters of corporate social investments, MNEs can mislead their corporate peers, and beyond, to understand and practice CHRR as such and not, inside their doors, as moral and normative matters, with implications for business and society balanced coevolution. Then, trading CHRR while neglecting corporate HR due diligence can result in a negative balance of the BHR normative pillar here at focus if spreading given practices as such, which do not correspond to real CHRR. It can also cause objective harm to HR, as undermining the genuine CHRR institutionalization and operationalization.

*b) Wrong vs. wrong: Corporate tax maneuvers vs. public tax embezzlements*

This AP is formed by 33 open codes, deemed by six BR-MNEs, two AM-MNEs, and the perceptions of four NFPOs. The chief problematic resulting in this AP is that in Brazil, as participants reported, few companies are willing to pay taxes directly to governments. Instead, and as much as possible, they would rather invest in the so-called corporate-social projects, explained beforehand, and in sponsorships. This way, they can control against corruption and thus see the return, or at least a counterpart of their investments and taxes in social matters (BR-MNE-3A, l. 223; BR-MNE-8, l. 69). As some MNEs told, independently of paying taxes destined to public betterment, as public actors do nothing (BR-MNE-8, l. 62-66) but embezzle such money, the realization of overall social projects to remedy pressing HR issues in Brazil (e.g., deficient education and healthcare), ends up as an extraordinary responsibility laying on companies (BR-MNE-3A, l. 223). To BR-MNE-3A, when it comes to assisting impoverished communities, “without a doubt, NGOs do a better job than governmental institutions” (l. 205).

Thus, for corporations, they are the preferred partners, in detriment of public agencies. However, in response to this corrupt environment that deviates corporate taxes and extra-investments designed to assist basic HR and overall public goods, as some NFPOs exposed, many MNEs seem to be engaging, as much as they can, in tax maneuvers and adherence to “certain” social programs in exchange for fiscal benefits. This is a wrong move because tax maneuvers, as prior research shows (Baer, 2008; see also section 4.2.2.3) and NFPO-14 reiterates, are well-known corporate malpractices that undermine HR realization. This is especially true in EM, where most governments still fail to control against it, due to institutional voids. Upon NFPO-14’s experiences, HR realization in Brazil loses a lot to systemic public-

private corruption, which is unacceptable. It is highly probable, however, that “much more is lost with international capital transfers given tax avoidances in the country, making a strong State unfeasible.” (NFPO-14, l. 252).

NFPO-10 complements this perspective stressing that in weak regions, the “most [corporate] HR violations occur” (l. 40). Still, NFPO-4B argues that corporate influences on the examined normative pillar, through tax governance and social programs, find controversies even inside a single MNE. For instance, “while the sustainability area of a given corporation was engaged in developing ways to support the sustainability of a given city through public-private initiatives, the financial area was lobbying to get tax exemptions up to 90% in this same location” (NFPO-4B, l. 252). Furthermore, NFPO-2 asserts that in Brazil, the fiscal system is already organized to be attractive to business organizations as a result of biased interests. If on top of that, for instance, the State allows for “more tax benefits and exemptions for given business sectors, or if it decides not to tax a certain type of capital gain, this all will end up impacting the income pro-society and, finally, the institutional context ” (NFPO-2, l. 50), and HR realization.

Conclusively, such old corporate malpractice, actually a form of corruption, at any stances, could not serve to tackle another type of corruption, the governmental. Still, when practiced collectively and over time, malpractice can become an acceptable behavior and, thus, it materializes in what the researcher regards as a negative influence on the normative pillar of the BR-BHRIC. Controversies aside, the fact is that there are blurred lines associated with corporate tax maneuvers and corporate pro-social tax allocations. The latter are acknowledged as associated with good intentions, such as to fight local public tax embezzlements and other forms of corruption.

*c) Avoiding HR references in daily operations: Ruling-out awareness and misleading senses*

This AP is formed by 89 open codes, gathered from the discourses and disclosures of all case MNEs, and the voices of nine out of the 14 NFPOs. The analysis of these open codes converged in an element representing a negative influence on the normative pillar of the BR-BHRIC, which is the absence of HR terms in daily operations of case MNEs. As screened, on the one hand, in their disclosures and codes, HR terms are already topical (section 6.2.2.1.1.d). On the other hand, as observed during the interviews, a sound and meaningful use of HR terminology in practical business routines is still scarce. Corporate participants have justified this antagonism mostly because, to them, HR hold pejorative meanings inside business realms,

maybe as a reflection of what seems to occur with HR in the overall Brazilian context (sections 4.2.5.3, 4.2.5.4). This is indeed reality because, according to data, although furnished by up to date BHR normative standards, such as GPs and GCPs, (1) managers still hold misperceptions and limited view about the meanings of HR, CHRR, and local BHR relations (section 6.1.3.1); (2) case MNEs, seemingly, are not fully engaged with nor willing to bringing in HR discussions to the fullest in their corporate realms; (3) similarly, they are not yet practicing CHRR since due diligence of their direct and indirect potential harm to HR follow mostly unassessed and unaddressed.

From debating with case NFPOs' respondents about these shortcomings and the importance of using HR terminology in business practice, an important issue came to fore. Companies discussing HR issues without using the correct HR language and senses (e.g., treating HR as voluntary matters) might do it deliberately or because of ignorance. As asserted by NFPO-2, in both cases, the inherent issue is the risk of generating inconsistencies when they decide, ad-hoc, to "*talk and walk HR*" (l. 64). As reported, many MNEs in Brazil may understand CHRR as an evolution of CSR or sustainability, as to say, matters still under voluntary frameworks (NFPO-2). Indeed, in the view of BR-MNE-10: "CHRR is an evolution from sustainability frameworks, which in turn succeeded both the old-fashioned CSR and the previously trendy movement named corporate governance" (l. 57).

However, what seems still not to be grasped by case MNEs is that CHRR is not just about philanthropy, voluntarism, and business risks. Differently from extant corporate social soft-norms, CHRR matters are deep-rooted in moral, legal, and political duties and obligations lying on business. In sum, many case-businesspeople keep sensing HR and CHRR through shallow concepts. At the same time, only a few showed an understanding that CHRR, upon the GPs, is the correction of BHR norms, from a voluntary depiction to a mandatory character. The GPs were idealized as to provide proper guidelines to large management bodies of how to achieve corporate respect for people's fundamental rights in the first place (section 2.4). As a result, there seems to be a very high likelihood that these shallow interpretations, once practiced collectively, will convey in such a way as to shape the normative context of BHR also to seem shallow.

*d) BHR-related wrongdoings: Corruption, cooption, neglection, and complicity*

This last AP revealed the counter influences of MNEs on the examined normative pillar and was formed by 52 open codes. Only very few of them came from corporate respondents' examples of their own corporate wrongdoings contributing to harm HR normative (i.e., right

and fair) standards. However, the voices from nine out of the 14 NFPOs and specific data triangulation (i.e., public news from the last decade) added a lot to the identification of various case MNEs' wrongdoings, judged by the researcher as making a case for a tolerance of corporate HR disrespect in Brazil. Just to cite, randomly, some major types of such cases, we have gender and ethnic discrimination in hiring and promotions, consumer moral damages, public-private bribery schemes in socioenvironmental licensing of greenfield sites, controversial land expropriations, environmental disasters, dark public-private politico-economic alliances, and other related power relations involving public agents.

Conclusively, when examined in clusters, by industry, or regionally, the considerable amount and severity of these wrongdoings reveal serious consequences not only to the realization and enjoyment of HR but also for the HR overall institutional system (section 4.2.4). On the normative pillar, they can act to erode the trust of (business) people in HR normative institutions (e.g., unions, CSOs, UNGC) and frameworks (e.g., GPs, GCPs), as efficient and supportive monitoring mechanisms of BHR relations in Brazil. Furthermore, the verified wrongdoing can serve to undermine the power of such normative institutions, if strategized by business players (public and private), to do so.

#### *6.2.2.2.2. Groups' contrasts*

In only one of the four AP, case BR and AM-MNEs showed considerable differences. This was on their views about the payments of taxes known to be destined to public policies related to HR realization in Brazil the parameter of comparison was not evidence that one group avoided more than other such fiscal responsibility but their discourses about whether these corporate tax maneuvers are right or wrong in the Brazilian context. On that, BR-MNEs speak more openly about their support of a local trend that, allegedly, drive firms to fight corruption at the regulative and normative local levels. This is the allocation of taxes, whenever possible, to given social causes and NGOs selected by corporations. Furthermore, the groups resemble each other in terms of the other three counter-normative forces influencing the Brazilian HR context: (i) the instrumental way of treating CHRR; (ii) the avoidance and misrepresentation of HR as subjects to safeguard business interests and abstain from political controversies; and (iii) when it comes to involvement in wrongdoing, neglect, and complicity that can harm HR and their institutions to maximize economic gains.

#### **6.2.3. BR and AM-MNEs' influences on the cultural-cognitive pillar**

As stated before, empirical research assessing cultural-cognitive institutional dimensions at the organizational BHR level is still scarce. Even fewer studies, if any, are at

hand when it comes to the same specific aspects in EM. Therefore, to assess this AP, the researcher relied on Scott's (2014) conceptualization of the overall dimensions of this pillar at the organizational level (section 3.2.4.3) as well as on the analysis of the Brazilian cultural-cognitive context (section 4.2.5). The elements at search here were exchanges and experiences of local and foreign MNEs' managers in environments related to BHR matters, e.g., shared logics of actions, certainty/confusion, mimetisms, attitudes taken-for-granted, organizational symbols, perceptions, predispositions, expectations, etc.

Those elements result in positive pressures when ethical and when they meet the proper meanings (moral, legal, political) of HR and CHRR (DiMaggio & Powell, 1983; section 3.2.2). The same logic applied to assess the negative pressures influencing the cultural-cognitive examined pillar these regarded as indicators of non-ethical behavior. Based on these grounds, the analysis of case MNEs' influences on the local BHR cultural-cognitive context carried out 273 open codes. These codes were then aggregated by six AP of positive and negative pressures that are illustrated in Table 16 below. To their validation, given their high subjectivity and potential for biased answers to denote ethical behavior, the researcher performed systematic data triangulation (see Appendix B) and called on the support of NFPOs assessments.

**Table 16: MNEs' influences on the BR-HR cultural-cognitive pillar**

MNEs' influences on the cultural-cognitive pillar	Scores*		
	BR-MNEs	AM-MNEs	NFPOs
<b>Positive pressures (✓)</b>	<b>6</b>	<b>6</b>	<b>1</b>
1. Applying HR terms in codes, routines, and public relations	6	8	0
2. Promoting HR awareness and advances	6	4	1
<b>Negative pressures (✖)</b>	<b>6</b>	<b>6</b>	<b>6</b>
1. Adopting essentially legal or instrumental CHRR profiles	9	9	6
2. Avoiding/masking HR references in daily operations	10	10	5
3. Treating HR issues as <i>business</i> risks	4	2	4
4. Addressing HR as voluntary corporate matters	2	3	9

\* # MNEs (N/11 per group) and NFPOs' (N/14) assessments  
Subtotals = simple arithmetic means of the patterns' scores

Source: Researcher's creation.

### ***6.2.3.1. Positive influences of BR and AM-MNEs on the BR-HR cultural-cognitive pillar***

The findings of positive influences of MNEs on the BR-HR cultural-cognitive context were formed through 50 open codes (26 from BR, 22 from AM-MNEs, and two from NFPOs) and aggregated by two AP described below.

#### *6.2.3.1.1. Overall analysis*

##### *a) Applying HR terms in codes, routines, and public relations*

This AP was formed by 28 open codes, rendered by six BR and eight AM-MNEs. The information about the use of HR terminology in case MNEs' daily routines as well as in documents, codes, and training was captured first via interviews. Furthermore, the researcher made use of data triangulation to verify whether and how case MNEs were addressing HR terms on their commercial and (so-called<sup>161</sup>) institutional websites, as embedded in public disclosures, reports, adds, sales, campaigns, customer services, etc. The researcher then contrasted the written references against managers' mentions of HR and CHRR during the interviews to assess both the meaningful and the shallow ways that MNEs sense and refer to these matters. This examination led to the conclusion that most case MNEs hold shallow understanding (cognitions) about HR and CHRR as well as about broad BHR relations.

Thus, they may also reproduce such matters in shallow ways through their experiences and exchanges (corporate/cultural) in the Brazilian context. This finding has ambiguous implications, but here only the positive aspects are remarked, as the negative will be discussed further on (section 6.2.3.2.1.b). Conclusively, even if addressed seldom and superficially, talking and publicizing about HR and CHRR may serve as ways to bring such subjects closer to the business world, thus welcome. Arguably, these still modest and unassertive steps, over time, may serve as seeding work (inside their organizations), then, when expanding to external institutional realms, may serve as contributions, for instance, to tackle HR discrimination and to raise consumers' awareness of HR and BHR relations, etc.

##### *b) Promoting HR awareness and advances*

This AP was formed by 23 open codes, six of them from BR and four from AM-MNEs. Through interviews, the researcher got to know about how case MNEs engage in activities supporting the enhancement of HR and CHRR awareness. Via NFPOs' perceptions, further nuances were added to the conclusion that by treating HR properly and responding to what they demand from everyone, case MNEs can support the clarification of HR meanings and the enhancement of local awareness about BHR relations. This is fundamental in the Brazilian context because there seems to be a lack of knowledge about the meanings of HR throughout the business community and beyond (sections 4.2.5.4, 6.1.3.1). Given their leverage, corporations can provide "much clarification about what HR are. Even here in the company,

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<sup>161</sup> It was noted that managers call "*site institucional*" the corporate websites dedicated to investors and other stakeholders.

when we took this course, we did not fully understand it. “ (AM-MNE-5, l. 57). Another example worth sharing is the one from BR-MNE-1B, on gender equality and sexual orientation: “I was raised in a very closed-minded generation to the issue of sexual orientation [...], so the company helped me to open my mind [...] when it started discussing gender equality and equal rights of minorities.” (l. 419).

For AM-MNE-7, corporations consistently influence others’ perceptions of reality through a snowball effect, whereby “companies first influence their employees’ understanding about HR reality, then their supply chains; next, their direct and indirect employees influence their families, neighbors, communities...” (l. 199, l. 229). Speaking about the broad effect of business in raising HR awareness in society, BR-MNE-9 mentioned a real case-illustration. Happens that a person from the audience at one of their many public business events came to thank the company for having changed his life that day about accepting and respecting others’ sexual orientation (BR-MNE-9, l. 80). The participant continued that the company is aware of the paradigm change that its brands hold in Brazilian society, that “they work as amplifiers of consciousness” (BR-MNE-9, l. 81). This finding is also evident through analyzing case MNEs that apply HR terminologies not only on their websites and ethical codes but also through daily operations. It is revealed that their employees, for instance, the interviewees, hold a broader understanding of the meanings of HR, CHRR, and BHR relations (e.g., BR-MNE-5 and 9; AM-MNE-5 and 6). Thus, it seems valid the finding that case MNEs through transformations of peoples’ perceptions do exert influences that can positively shape the BR-HR cultural-cognitive pillar.

#### *6.2.3.1.2. Groups’ contrasts*

Foreign MNEs demonstrated slightly more evidence of the use of HR terminology in their corporate and institutional realms than local MNEs. The latter, in turn, showed themselves more open to advocating for HR publicly. Despite that, the differences are not significant (>30%), and the groups resemble each other in their demonstration of a positive influence on the BR-HR cultural-cognitive pillar.

#### *6.2.3.2. Negative influences of BR and AM-MNEs on the BR-HR cultural-cognitive pillar*

This second group of findings reveals the negative influences of MNEs on the BR-HR cultural-cognitive context. It was formed by 215 open codes (98 from BR and 72 from AM-MNEs), aggregated into four AP that are described below.

#### 6.2.3.2.1. Overall analysis

##### a) Adopting essentially legal or instrumental CHRR frameworks

This first AP was a result of 90 open codes, which emerged from the discourses of nine BR and nine AM-MNEs, which are backed by six NFPOs and specific data triangulation. As a result, this code-category revealed two major motives behind the behavior of case MNEs when it comes to their BHR relations: labor laws and instrumentalism (i.e., doing business). Managers' cognitions, seemingly, first associate CHRR as matters of compliance with labor laws and believe that extant Brazilian legal framework is good enough to moderate major local BHR issues. In fact, 82% of all cases, suggested that MNEs respect given HR because of rigid enforcement of local labor laws, whereby punishments turn HR violations into *bad business*. Second, what is beyond labor laws but still within BHR relations is addressed instrumentally, as means of treated or neglected according to given business interests and conditions (e.g., public relations, reputational damage, section 6.2.2.1.a).

BR-MNE-1A illustrated this view stating that “CHRR sounds like an extra obligation to corporations [...], which actually belongs to the state” (l. 244) so that it becomes off-putting unless companies can somehow benefit from it. BR-MNE-1A still adds that when fiscal benefits are at play, companies run to action. When it is just about fulfilling obligations, “the legal department runs after ways to exempt the business from these obligations. So, are you going to have a legal fight, or are you going to have an incentive practice?” (BR-MNE-1A, l. 252). This limited view of CHRR and BHR relations may occur because the moral, legal, and political responsibilities of corporations to HR are not (yet) understood by businesspeople. Still, the negative impact of case MNEs' ways of making sense of CHRR is, consequently, passed on to peers, workers, and broad stakeholders through daily interactions. A culture of a narrow CHRR may feedback on the industries covered by the research sample and possibly holding back advances of overall BHR cultural-cognitive institutions.

##### b) Avoiding or masking HR references in daily operations: Ruling out HR awareness

This second AP was formed by 75 open codes gathered through the interviews. Their analysis revealed that 10 BR and 10 AM-MNEs do not address HR in their daily operations, with the proper terminology. Instead, most of them have adopted soft terms (e.g., “We respect people's diversity”, in lieu of “We respect the HR to equality and non-discrimination, as per the International Covenant on Civil and Political Rights”) in codes, institutional communications, and corporate websites. As evidenced during the interviews, the use of HR terminology and references (e.g., UDHR, the Brazilian Constitution) figured out in the daily

practice of two case MNEs only, namely BR-MNE-9 and AM-MNE-6. This avoidance prevents, even if unintentionally, the spread of HR grounds among workers, consumers, and stakeholders touched, directly or indirectly, by case MNEs operations and interactions. Consequently, the understanding of HR grounds may remain inaccessible for many. At this point, thus, cultural-cognitive institutions are then negatively influenced by such a corporate way of addressing HR and CHRR matters in Brazil, possibly undermining them to become normative and regulative institutions and even reality.

*c) Treating HR issues as risks for the businesses*

This third AP emerged from the analysis of 21 open codes, voiced by four BR and two AM-MNEs, and confirmed by four NFPOs. Upon their analysis, a negative shared understanding of HR was revealed: to six case MNEs (27%), HR issues represent risks to their companies, though the opposite seems more likely to be true. Thus, as they stated, it is nothing but adequate that CHRR be managed likewise. Helping this analysis, to NFPO-8, it is at best very subjective, and at worst quite impossible to judge whether MNEs in Brazil intentionally address HR as business risks or whether it is a result of unawareness that HR demand, at very least, corporate respect to be realized and properly institutionalized in any context. In turn, NFPO-8 discussed that corporations often evaluate the costs of such risks, and in each case and new location.

The analysis they make is to assess: “Are there clear BHR parameters? Will public prosecutors get there? If the answer is no for one or both cases, there is no/little risk!” (NFPO-8, l. 16). Then, depending on the economic gains, harm HR may resemble a not bad business case. In other words, the (negative) shared logic of action here, of a cultural-cognitive nature (Scott, 2014; section 3.2.4.3), is that regardless of extant binding BHR laws, some corporations contrast the costs of breaking these rules against the economic gains that a business decision that is harmful to HR will create. We can, therefore, conclude that this way of addressing HR is an ethically wrong way of doing business. Even so, it can be replicated by market peers through the process named mimetism (sections 3.1.1.3, 4.2.5.4.2), thus compromising the proper senses that BHR relations should assume in the cultural-cognitive pillar.

*d) Addressing HR as voluntary matters*

This fourth AP is derived from 29 open codes, from the interviews of two BR and three AM-MNEs, and supported by nine NFPOs. To five case MNEs (~23%), HR are voluntary matters to their corporate realms. This shared understanding, following the similar logic applied to conclude the previous AP, since a mistaken constitutive schema, may represent a

negative influence on the cultural-cognitive patterns of the BR-HRIC. AM-MNE-4's argument, explaining why companies do not engage proactively in HR matters (e.g., promoting, advocating), may serve to illustrate this finding. As reported, HR are assigned to governments; their realization "is a state's role, not ours. [...] Not in a direct sense. Our business is to expand the flow of money so that the economic flow improves, and this enables people to have a better life already" (AM-MNE-4, l. 176-178). According to the NFPOs heard, the GPs might have a share of responsibility to this confusion, as they brought a too vague idea about CHRR to the business realms.

This shallow guidance, as posed, did not fail only by materializing vague CHRR frameworks, but particularly because it kept corporations as the central actors of the BHR relations, and not people and their HR. As voiced, GPs' endorsement of superficiality and disregard for HR is also clear even in the drafts of our national action plan (i.e., NAP), which Brazil prepared on the BHR thematic and SDGs (NFPO-10). Still, on both the GPs and Brazilian formal institutions that somehow address BHR matters, "there are no specific references of binding treaties. Often, there is nothing, no information, non-effective repair/remedy mechanisms, no mention of OECD contact points..." (NFPO-10, l. 26). Altogether, and conclusively, the corporate respect for HR in Brazil is restrained and conditional to the interests of some key business influencers. This leads to the shaping of a local culture in which "there is no [corporate] accountability for HR, also no extraterritoriality mechanisms for cases of transnational companies violating HR" (NFPO-10, l. 26). It is from this sense that the false perception that HR are voluntary corporate matters may come from and can become a counter influence affected by case MNEs on the BR-HRIC and, possibly, reaching society as a whole.

#### *6.2.3.2.2. Groups' contrasts*

Out of the four AP concerning the negative influences of MNEs on the BR-HR cultural-cognitive pillar, the groups differ slightly in only one, which is about treating HR issues as risks for businesses. On that, BR-MNEs demonstrated 18% more evidence than their foreign peers. Again, judging whether case MNEs spoke out openly about their intentional pitfalls or whether they were biased by what they see as an ethical desirable corporate behavior facing their HR responsibilities, is assumed as entirely subjective and very difficult matters to assess. Nonetheless, based on corporate voices, NFPOs judgments, and systematic data triangulation, the researcher could conclude such examinations and assume that the groups resemble each other in their demonstrations of negative influences on the BR-HR cultural-cognitive pillar.

#### **6.2.4. BR and AM-MNEs' influences on the corporative pillar**

This section offers a complementary view for the analysis of case MNEs' ways of influencing the BR-HRIC. It detaches the essentially corporative patterns (i.e., economic values and corporatism<sup>162</sup>) through which MNEs' political and institutional power are mostly, arguably, augmented. These patterns emerged from 475 open codes that were aggregated by five AP, all interpreted as exerting ambivalent pressures in the examined context. These pressures, positive and negative, were reported as occurring concomitantly, whether serving to institutional changes for the better or for the worse of HR or CHRR matters in Brazil, purely depending on the corporative interests involved. This analysis does not find support in previous neoinstitutional or BHR research as it draws. However, the instrumental, primarily economic, character here reported can find an explanation perhaps in the economic mercantilism theory or corporatist theory (both out of the researcher's domain), where trade market actors (e.g., employers) are regarded as paramount generators of wealth, thus driving the development pace of a given context.

As here abstracted, this notion seems to be assigned when trading, given its economic maximization product, appeared to be, in some cases, the prevailing method of reshaping the institutional relations of a given context, and not people's HR or social interests in the first place. Similarly, in Brazil, the corporative seems to be the sort of pressure that weighs as much as others (e.g., political, normative) in the institutionalization processes of BHR matters. What is certain is that, at the very least, case MNEs' institutional agency upon their economic power cannot be regarded as peripheral pressure in the BR-HR institutionalization dynamic. The codes forming the group of five AP illustrated below mostly emerged from corporate participants' voices. Nonetheless, for a more reliable picture of the effects of case MNEs on the BR-BHRIC, whenever necessary, the researcher performed data triangulation and also relied on the perceptions of NFPOs' respondents. The scores of this last group are added in the illustration below, which comparatively outlines these findings.

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<sup>162</sup> In this study defined as an associational behavior of public and private organizations connected by business interests.

**Table 17: MNEs’ corporative mechanisms of influence on the BR-HRIC**

MNEs’ corporative drives influencing the BR-HRIC	Scores*		
	BR-MNEs	AM-MNEs	NFPOs
<b>Ambivalent pressures (!)</b>	<b>9</b>	<b>8</b>	<b>5</b>
1. Sharing or assuming traditionally HR governmental roles	8	4	5
2. Financing regulative and normative actors and activities	8	9	9
3. Undertaking CHRR as institutional investments: CSOs corporate ownership	10	9	5
4. Practicing large scale charity and voluntarism	10	10	0
* # MNEs (N/11 per group) and NFPOs’ (N/14) assessments			
Subtotals = simple arithmetic means of the patterns’ scores			

Source: Researcher’s creation.

#### **6.2.4.1. Ambivalent corporative influences of BR and AM-MNEs on the BR-BHRIC**

This category of research findings reveals that ambivalent influences of case MNEs do not occur specifically in one pillar, but on the BR-HRIC as a whole and in an interactional dynamic. Perceived as overreaching Scott’s three-pillars model, financial and corporatist mechanisms of influence on HR institutions here gained a detached grouping. They are reflected through five AP representing contextual influences that only powerful corporate actors may detain, provided their vast economic wealth. As explained before, seemingly the corporative power of case MNEs and their willingness to get involved in institutional realms have been determinants of the enhancement of their political power, observed as in use in the institutionalization processes of given HR (e.g., the socioeconomic) in the examined context.

##### *6.2.4.1.1. Overall analysis*

###### *a) Sharing or assuming traditionally HR governmental roles*

This first AP was depicted from 56 open codes, emerging from the interviews of nine BR and four AM-MNEs. In its elaboration, this category also included the perspectives of five NFPOs and specific data triangulation. This AP has two facets; first, the participation of MNEs in public-private partnerships initiated based on the shared-interests of the company and a given community where the business is located. As revealed by some corporate participants, initiatives such as providing healthcare and primary education for a given community often are not fulfilled because public agents (i.e., municipal) do not know how to access regional or national public funds; or once accessed, they lack the expertise on how to manage related projects to realize such betterment. Thus, corporations who are willing to allot technical knowledge and resources to support public agents in realizing basic HR end up doing this

*service* to the benefit of both the community (e.g., better-educated citizens) and the enterprise (e.g., better-educated workers).

As AM-MNE-11 explains, in some places the company arrives before the State: “We get into remote regions procuring resources; and it is, therefore, natural that the company assumes the state role in those moments” (l. 92). In other cases, public funds do “exist, but for some reason just do not reach their destination. Then the community appeals to us, to our leverage and contacts, to resolve it, and we cannot just turn our back on people” (AM-MNE-3, l. 116). To the second facet, it happens that a given corporation or cluster ends up assuming the institutional leadership of an entire region given the strong influence of their businesses on its GDP. Though the bonds created between both community and governmental realms may also count to this entrusted corporate political role. According to AM-MNE-6, the corporate-community bond is much stronger than State-community because of the delivered results, the leverage and pace to make things happen, and the trust built through long-lasting relationships. As reported, this shift from public to private governance happens because the public administration simply does not work as it should.

Furthermore, public actors change too often, or their power gets disrupted, at most, every four years, upon elections of a new government, an occasion when everything may stop, change, or even suffer setbacks. This is why, as posed, “people always come to us first [...]. Even if we always explain that what we do is not the company’s obligation but the role of the government” (AM-MNE-6, l. 105). The participant continues: “it would not be bad if city management could be driven by the private initiative, because, after all, the work is basically on all of us.” (AM-MNE-6, l. 179). Of course, corporations work hard in public-private projects, not just for the sake of doing good. In part, they understand that as they change the typical surrounding of a certain area through their business activities, they have to take part in projects of infrastructure, environment, and social matters, also for the well-working of their production sites. In all cases, corporate participants are unanimous in criticizing local governments’ unwillingness to do *their job* and to praise the corporate readiness to fill in such gaps. Conclusively, in the absence of the State, still characteristic in many Brazilian regions, people count on private governance only. Thus, the positive or negative influence on the institutionalization, as well as the realization of HR matters in such realms, will depend almost exclusively on corporations’ willingness to be part of the solution rather than part of the corresponding local problems.

*b) Financing regulative and normative actors and activities*

This second AP carries out 83 open codes that emerged from data of eight BR and nine AM-MNEs, plus the perspectives of nine NFPOs, and specific data triangulation. This category brings to fore the use of corporate resources to finance initiatives not necessarily ethical (though sometimes legal) because they can somehow favor given public actors that may feel obliged to favor the business community in return. Here at stake are both the funding of electoral campaigns and the periodical endowments for selected CSOs/NFPOs, including the *corporate-owned* ones (section 6.2.2.2.1.a), who may stand up for the interests of a given (business) community in parallel with their noble social causes. Such exchanges of interests can also take place to utilize public funds acquired via given organizations' projects if they are proven (at first) of public interest. Unfortunately, there were numerous public cases cited by NFPOs' participants and then triangulated, which indicate that some case MNEs were caught acting in corruption or cooption with politicians and public agents to undermine national and regional BHR agendas (sections 6.1.2.2.1.a, 6.2.2.2.1.d), such as the push back of labor rights, and the softening of social-environmental licensing rules.

In contracts, there are also numerous examples of CSI that turn into paramount public policies. Also, many participants from all groups expressed their displeasure at observing corrupt public-private practice. In contrast, many asserted that they refrain from having a more proactive political and institutional role in the Brazilian context, isolated or in partnership with public agencies, exactly to avoid such dubious interpretations (i.e., BR-MNE-10; AM-MNE-4). The one thing that is valid in all cases is that even if there is room in Brazil for public and private initiatives to come together in harming HR and the common good, it does not mean that all corporations, all politicians, or all CSOs/NFPOs get their hands dirty. Quite the opposite, most of case MNEs signaled to repudiate such practice and to hold willingness and concrete initiatives to tackle the corrupted Brazilian system. However, as mentioned before, some case MNEs did not escape from evidence indicating ambiguity on their interplay with public actors of normative and regulative pillars impacting in controversial changes of BHR-related institutions. Thus, it seems conclusive that MNEs' high economic resources can (though they should not be able to) be used to invest in political representation to promote institutional changes that can better fit their interests.

*c) Undertaking CHRR as institutional investments*

This third AP was produced from 104 open codes that emerged from data of 10 BR and nine AM-MNEs, added to the perspectives of five NFPOs, and backed by specific data

triangulation. This category is connected to the previous one but relates to all other pillars because the instrumental way that case MNEs address some activities as part of their CHRR frameworks seems to affect the whole institutional system. These effects, as here interpreted, can be positive under some conditions and negative in others. As exposed before, as part of pro-social strategies, case MNEs informed to be investing a significant amount of resources in what they are calling private or corporate social investments (AM-MNE-11, l. 20; AM-MNE-2, l. 26). Positively, corporate funds and know-how (technical, managerial, political) summed to the noble work of CSOs/NGOs, seems to return tangible benefits such as R&D developments, better-qualified professionals, innovations on environmental safety, etc., which are beneficial for many. More than that, the enhancement of intangible assets—such as legitimacy, good reputation, and brand awareness—can be beneficial for corporate and overall involved organizations, thus feedback in more opportunities for corporate social investments (AM-MNE-10, l. 98). Still, as many case MNEs posed (e.g., AM-MNE-2, l. 27; AM-MNE-6, l. 130), in Brazil, corporations can also benefit from fiscal incentives, if investing part of their taxes in certain CSOs qualifying in national social programs of public interests (e.g., OSCIPs) (section 6.1.4.1.b).

Thus, MNEs may select the ones somehow linked to their business kindships and values. Moreover, as posed by AM-MNE-2, “getting closer to the communities through sociocultural/HR programs, enable our corporate voices to turn into social voices” (l. 50). Altogether, MNEs can enhance their political power of representation and make use of it to influence the whole BR-HRIC. More particularly, through the normative and cultural-cognitive arenas (CSO, NFPOs, communities), they make their voices heard at the regulative arenas. That is exactly where the danger rests because, in the absence of mechanisms that can guarantee transparency and legitimacy of interests brought by corporations on the institutional agenda touching HR and CHRR, those can be vested in economic maximization in detriment of social betterment. Therefore, and knowing that not everything is *la vie en rose* between corporations and HR (Robinson, 2003), institutional mechanisms to control the use of corporate economic-political power in Brazil may be urgent, for the sake of its overall HR-holders.

*d) Practicing large scale charity and voluntarism*

This fourth and final AP came from 231 open codes, which emerged from the data of nine BR and 10 AM-MNEs, and specific data triangulation. The high number of open codes expresses the impressive quantity of examples found among case MNEs about their CSI, with many laudably contributing to basic HR realization in Brazil, especially on access to education

and training, health care, sports, and cultural activities. Without the institutional participation of private enterprises in the public arena, the circumstances of many regions in Brazil could be even more calamitous for numerous local communities. Such philanthropic actions should return, at the very minimum, people's gratitude and consideration. However, this AP is regarded as ambivalent because many case MNEs, as examined, do not proceed proper due diligence, as means of do not perform direct and indirect risk assessments of their operations on HR. In other words, though case MNEs invest a lot in social voluntarism and charity, simultaneously, they keep neglecting their very negative impact on HR. Perchance, and taking the risk of a very vague judgment, this happens because of the strategic politico-economic gains behind HR harm in Brazil.

#### *6.2.4.1.2. Groups' contrasts*

Out of the four AP representing moderate influences of MNEs on the local HR/BHR institutional context, the groups differ in only one aspect. This is about sharing or assuming traditionally governmental roles, where BR-MNEs demonstrated more openness, namely 82% vs. 36% of their peers, to taking part in local public governance influencing HR matters. In all of the other three patterns, the corporate groups resemble each other in their demonstrations of ambivalent corporative and political influences on the BR-BHRIC.

#### **6.2.5. Answering RQ2: BR and AM-MNEs' influences on the BR-HRIC**

The full depiction of RQ2 findings include a total of 22 patterns, emerged from MNEs' voices, systematic data triangulation, and, whenever necessary, moderated by the viewpoint of NFPO's experts. The substantially smaller number of AP associated with RQ2 in comparison with RQ1 (59) is justified based on the fact that RQ1's examinations mostly come from known, thus easier to detect, influences exerted by institutions on societal actors, upon established theoretical institutional-logics. RQ2's examinations, however, revolve around discussions that are controversial and still underexplored in both IB and BHR fields. Again, RQ2 has as its objective the uncovering of whether and how case MNEs influence the BR-HRIC. Since such influences can also be negative or ambivalent, as here depicted, they become sensitive topics of discussion, thus likely to hinder participants' openness in speaking about them. It is therefore natural that respondents' discourses and willingness to share evidence reporting their MNEs' activities to influence changes on the BR-HRIC, directly or even indirectly, are reticent.

It is also worth noting that similar grounds, systematically applied to analyze and present the findings of RQ1, were also used for treating the data related to RQ2 depictions. The aggregation and illustration of RQ2 patterns, when contrasted with those from RQ1, make

noticeable that many of such dimensions reiterate. This corroborates Scott's (2014) view about the dynamical linkages and interactivity of institutions, pressures, and actors. Moreover, comparing MNEs' groups by their AP, it was noticeable that they seem to exert, similarly, substantial and also interactional influences on the BR-HRIC. As suggested before, these representations of corporate influences were examined according to four strands: three from Scotts' (2014) institutional model (regulative, normative, cultural-cognitive) and one extra category, the corporative, emerged from the data.

Again, the patterns were implied through positive (ethical, legal, and politically correct = supporting HR institutions), negative (unethical, illegal = counter HR institutions), and ambivalent (biased = contrasting institutional outcomes) pressures. As the data shows, the here depicted corporate-institutional influences can take shape through different social and political dealings, such as organizational behavior involving top institutional actors (GOVs and CSOs) over matters that can be legal but unethical, ethical but illegal, solely illegal, or even through obscure arrangements of corruption and cooption. Finally, following SGT's analytical process, 20 AP were aggregated in order to answer RQ2. They follow below, illustrated in ways to assist the groups' comparative purpose, as drawn by the research objective, and will then be described afterward.

**Table 18: RQ2 outline: MNEs' influences on the BR-HRIC**

MNEs' patterns of influences on the BR-HRIC	Influences				
	Pressures*	MNEs' scores**/spots***			
Axial patterns (AP)		BR	AM	BR	AM
<b>1. Regulative</b>		7	6	●	●
1.1. Taking part in (re-)defining HR public policies, regulations, and political arena	!	11	8	●	●
1.2. Practicing direct, indirect, and collective lobby	!	7	6	●	●
1.3. Acting in corruption, cooption, or complicity to counter BHR-laws	✘	7	7	●	●
1.4. Expanding and shape regulations through jurisprudence on sizable corporate HR violations	!	2	2	○	○
<b>2. Normative</b>		8	9	●	●
2.1. Adopting global CHRR standards and HR policies	✓	9	9	●	●
2.2. Instrumentalizing and neglect CHRR	✘	10	11	●	●
2.3. Avoiding HR references in daily operations	✘	10	10	●	●
2.4. Getting involved in corruption, cooption	✘	9	8	●	●
2.5. Applying HR terms in codes, routines, and public relations	✓	6	9	●	●
2.6. Engaging with CSOs/stakeholders, protect/promote HR	✓	5	5	●	●
<b>3. Cultural-cognitive</b>		7	7	●	●
3.1. Adopting essentially legal or instrumental CHRR profiles	✘	9	9	●	●
3.2. Avoiding HR direct references in daily operations	✘	10	10	●	●
3.3. Applying HR terms in codes, routines, and public relations	✓	6	8	●	●
3.4. Addressing HR as voluntary matters	✘	6	6	●	●
3.5. Promoting HR awareness and advances	✓	6	4	●	●
3.6. Treating HR issues as risks for the business	✘	4	2	●	○
<b>4. Corporative</b>		9	8	●	●
4.1. Practicing large scale charity and voluntarism	!	10	10	●	●
4.2. Undertaking CHRR as institutional investments	!	10	9	●	●
4.3. Funding political agents and (own) NFPOs	!	8	9	●	●
4.4. Share or assume governmental roles	!	9	4	●	●

Scores = MNEs' assessments (N/11) moderated by NFPOs' responses + triangulation  
Subtotals = simple arithmetic means of the patterns' scores  
\* Enforcing CHRR: ✓ = positive/ethical; ! = ambivalent/instrumental; ✘ = negative/purely economic  
\*\* Ranges of influences' (researcher's creation): 8-11 = high; 4-7 = medium, 1-3 = low  
\*\*\* Scores' illustrations of influence: ● = high; ○ = medium; ○ = low

Source: Researcher's creation.

Upon the pieces of evidence here compiled, both corporate groups can be similarly regarded as key agents of change of HR institutions in Brazil. They appeared to be actively taking part in shaping all three local institutional pillars, using the social and political power granted to their citizenship or owing to their substantial economic resources. As depicted, case

MNEs' leverage, in some cases, stands higher than some regional governments' capabilities. Also, it does not help that many Brazilian regions currently face generalized socioeconomic struggles, a common characteristic of EM, so that FDIs become more than welcome in such regions. However, as RQ1's data exposed, whether the changes triggered by corporate actors would assist overall public good or primary the interests of some (business) groups, it may depend on how HR laws, regulations, norms, and shared understanding are set, enforced, and monitored in Brazil. A brief analysis of these aspects is described below, as they appeared in the data set, though the BR-BHR contextual review is offered in section 4.2. Still, the interpretations of the here depicted patterns will appear aggregated in section 6.3 but further abstracted in the next chapter only.

At the regulative pillar, the influence exerted by corporations on HR institutions seems to take place similarly. BR and AM-MNEs hold and can exercise a moderate-to-high influence when it comes to ambivalent and counter interferences on regulations and public policies related to BHR matters (AP 1.1 to 1.3). As the data shreds show, MNEs play active roles at the national level. However, the extent of influences appears higher at the regional level, given the shreds of evidence of redefinitions of HR-related public policies and regulations reported by some corporate participants (AP 1.1). This is not surprising in a country with the size of Brazil and lacking not only clear standards on BHR relations, as reported but also effective HR institutions to secure fundamental HR for its citizens. Still, it seems that the consequences of corporate misconduct and neglect, causing sizable harm to HR, have not been serving to the appearance of more effective regulatory milestones to discourage further tragedies in the country (AP 1.4). This happens perhaps due to the numerous possibilities of corruption, cooption, and complicity found in this regulative pillar (AP 1.3), reported to involve public and private actors so that trials can never be carried out, and sentences can be appealed infinitely.

The normative pillar seems to be the one most influenced by MNEs, or those were the ones corporate respondents have most openly spoken about. Here, both groups have adopted, and thus may set forth to the market, the GCPs and GPs as major standards by which they said to address CHRR locally (AP 2.1). As previously explained, both are global soft-norms acknowledged as of great support in guiding corporations to operate responsibly in and for society (section 2.4). However, their lack of legal enforcement and grounds, and periodical surveillance mechanisms may leave significant room for doubt about their efficacy in leading MNEs to strive, at the very least, not to harm HR through supply chain operations. As observed, the majority of case MNEs instrumentalize HR and CHRR (AP 2.2) by the same terms that

theory shows they have been doing with the labels of CSR, sustainability, and corporate citizenship. This instrumental or even functional (i.e., purely economic) way of addressing HR is reflected through evasive HR language and the lack of references they apply on corporate codes and institutional communications (AP 2.5) in both groups.

AM-MNEs appeared prominent in the local adoption of HR terms in written organizational disclosures. However, HR terms were also revealed to be still frequently avoided in the daily operations of both groups (AP 2.3). HR appeared then addressed via generic ways of issue-framing. For instance, *racism*, a grave HR violation and locally classified as an imprescriptible felony, reported as often occurring in commercial relations within retail stores, appeared softly termed as *bad-customer service* on publicly available grievance mechanisms. Still, with the support of data triangulation, the involvement of MNEs in the passive harming of HR was found in high proportions in both groups (AP 2.4). When occurring repeatedly and left in impunity, this may create a sense that corporate abuses toward HR are acceptable practices in Brazil. Moreover, MNEs' groups showed equally little evidence of protecting HR by monitoring suppliers and other stakeholders to prevent HR violations, or in exerting public advocations to promote HR/CHRR awareness and to progress such agenda (AP 2.6). It is through daily-life, via cultural-cognitive institutions, that case MNEs could also exert strong positive influences on the BR-HR context but, unfortunately, the influences look to be mostly negative or non-existent.

The findings reveal that BR and AM groups resemble each other when it comes to addressing HR by complying with mostly legal frameworks, but confined to labor-rights, or upon instrumental ways, mostly through CSI (AP 3.1). Perhaps reflecting local reality, case MNEs also showed to hold limited awareness of BHR entanglements; for instance, managers were still not familiar with HR and CHRR meanings (AP 3.2). However, managers are aware that MNEs have widened the use of some HR terms and disclosed to be committed to respect HR in codes and institutional communications, from moderate (BR) to high frequencies (AM) (AP 3.3). Still, the operational references of CHRR's initiatives as institutional investments (AP 3.1), and as voluntary matters (AP 3.4), are just some of the representations of the depicted as shallow, shared understanding of BHR relations by case businesspeople. Also, similar in both groups, the activities denoting MNEs' moves in respecting, protecting, and advancing HR through engaging others from their spheres of influence to do the same (AP 3.6), were revealed as having a moderate positive influence in the cultural-cognitive HR pillar. A corporative group of drives also emerged, set forth similarly by local and AM-MNEs, to bargain influences on

the BR-HRIC. Its mechanism, mostly economic, followed then in a separate category, called corporative.

This separation was grounded on the researcher's interpretation of its apparent not-fitting into the three pillars underpinning this study. Although all three pillars could have a corporative pattern embedded into them, the new categorization sound to make sense, particularly to characterize this sort of reasoning primarily by corporatism and economic resources. Arguably, the large economic capability only held by the giant corporate-citizens in the country is what grants this group proportionally greater political and social powers that, above all, can be used to change the very BHR institutional constitution of the examined context. Still, the groups resemble each other in all four categories of patterns of MNEs' influence on the BR-HRIC. Three of them are practiced more strongly by both groups, namely direct or transversal funding of politicians and CSOs, which can then result in institutional change but biased for corporate interests (AP 4.3).

That could be, for instance, the tolerance or legalization of the undertaking of CHRR as institutional investments (AP 4.2) and the practice of large-scale corporate charity and social voluntarism (AP 4.1) in regions of given businesses' interests instead of publicly monitored corporate HR due diligence. As it seems, casual corporate actions in public realms represent a moderate influence on the BR-HRIC. They occur when case MNEs assume the control of traditionally governmental roles, expressed to happen often and notably in given adverse societal conditions (AP 4.4), for instance, in regions under extreme poverty. Under these circumstances, corporate assistance, or institutional interference (e.g., political, financial, technological) is demanded by societal agents (e.g., community's association). Nevertheless, similar corporate moves can occur when some institutional void or pressing HR issue interferes in the business's well-functioning. In any case, to tackle the issues competently, as reported, corporations cannot avoid getting involved and interfering in the institutional realms.

Nonetheless, and whenever possible, they reported to try to revert the investments made to support the communities (e.g., political, financial, technological) also to serve their business sustainability (e.g., public relations, branding, and legitimacy). Regardless of the instrumental intentions, several corporate actions are undeniably noted as beneficial and essential to the HR realization of the communities assisted by CSI. The pieces of evidence validating this conclusion were significant (231 open codes), stressing the laudable generosity practiced by case MNEs in Brazil. Some corporations, as also evidenced, do more for local communities, culture, and even the environment than the public organizations mandated for such purposes.

Some case MNEs reported even to feel exploited and coerced by public agents to tackle pressing HR issues out of the scope of their direct and indirect societal impacts. This scenario, as reported, may not be only motivated by corrupted systems, but it may also happen given the absence of national BHR clear rules, regional regulated controls, public actors' institutional competence to access to public resources, etc. Altogether, for instance, these voids can become partial/biased the BHR assessments for licensing IB operations in a given region. Amid these imbalances and disputes, however, are the general HR-holders who, lacking the very basic and facing the very powerful, cannot do much more than hope that their very basic HR will be respected and fulfilled.

### **6.3. Summary and Selective Patterns (SP)**

This chapter was dedicated to describing the research findings that answer RQ1 and RQ2. It was revealed that the HR approaches of the two examined MNEs groups, BR and AM, do not differ substantially from one another, but rather, there are significant similarities between the two. This is particularly apparent in terms of the internal operational functioning and external institutional drives by which case MNEs frame their CHRR approaches, address HR internally and institutionally, and interact within the explored context. The researcher recursively examined the data until reaching their aggregation by 81 intermediate patterns and their further consolidation into 43 conclusive AP. Finally, these patterns were reduced to 16 selective patterns (SP) and arranged by four main categorical strands. Three of them, according to Scott's (2014) model (i.e., regulative, normative, and cultural-cognitive), and a fourth (i.e., corporative) emerged from the findings. Altogether, these four pillars represent the institutional and corporative powers permeating the BR-HRIC and BHR relations.

This examination revealed that local normative (represented by soft-norms and diverse NFPOs; drawn simply as CSOs) and corporative powers (drawn simply as MNEs) seem to hold similar and higher significance to both corporate groups' choices on CHRR, to the detriment of the regulative (represented by laws and regulations, and public representatives; drawn simply as GOVs) and cultural-cognitive (represented by local culture or the Brazilian way) pillars. It was revealed that these last two pillars create still significant, but smaller and mostly negative influences over MNEs' HR approaches. This is probably because, as depicted, the discredited of corporate participants on the institutions and actors of the regulative pillars and the local still shallow perceptions about HR and CHRR matters.

These findings then suggest that in facing matters of CHRR, case MNEs tend to behave according to their own strategies and frameworks, which are inspired by labor-laws and global

soft-norms. It is to say that they follow mostly self-regulated on BHR in Brazil, first given that local labor laws, although well-regulated, still hold weak and blurred formal enforcement mechanisms. Second, because global soft-norms, such as the GCPs and GPs, are not designed nor mandated to hold strict surveillance mechanisms on corporate respect for HR. It also means that even if MNEs do not perceive themselves as HR institutional actors, they do exercise this contextual institutional ruler-power, seemingly, in full, granted by, or taken from, the Brazilian context. This quasi-public role happens through the corporative, normative, and sociocultural arenas that pertain to corporations, formed by the exchanges with the context they are in. Finally, facing an institutionally ambiguous HR context like Brazil's, many participants of all groups signaled that external moderation intended to rule corporate respect to HR and to motivate MNEs to assume a more proactive behavior toward HR advances (i.e., protection and promotion) is necessary and even very welcome.

As local NFPOs reported, Brazil relies on international normative forces, put forth by global CSOs, to denounce and appeal to HR international courts when extreme cases of corporate HR violations happen. On the one hand, no single interviewed corporate participant cited such apparatus as a part of their organizational preoccupation—probably because such disputes may rest on legal departments. On the other hand, however, MNEs revealed that local CSOs usually appeal to MNEs' headquarters located in AM, as well as to contact global conglomerates investing in a given business, to inform their holders' involvement in local BHR disputes. By doing so, CSOs expose those BHR issues internationally and then competently force those firms' groups to act more responsibly towards HR. These measures, from the viewpoint of the NFPOs interviewed, sound supportive to the legal apparatus since a loss of investment and reputation at the global level is proven to be an issue that most MNEs are not willing to deal with.

To finalize this chapter, the researcher considered these above-summarized takeaways, and the answers of both RQs, and then contrasted this knowledge against the 78 theoretical memos, namely theoretical insights, emerged during the recursive data analytical process (section 5.3.8.4). Many of those memos lead to furthering the categorical representations that can, in the researcher's view, explain the functioning of the BR-BHR institutional logics and, as such, assist the objective of this study. After this further round of analysis, as mentioned before, the researcher abstracted 16 selective patterns (SP) and organized them into five categories. According to SGT, the SP represent the maximum integration of the data axial

codes into smaller groups of meanings (sections 5.2.3, 5.3.8.3). These SP then follow illustrated below; their theoretical elaborations, however, will be presented in the next chapter.

**Table 19: Selective patterns (SP) characterizing the BR-BHRIC**

Selective patterns (SP) characterizing the BR-BHRIC	Prevalence*	
<b>1. CHRR approaches</b>		
Isomorphic and context-based	10	●
Instrumental self-governance	10	●
Politically shaped	10	●
<b>2. Major institutional actors</b>		
Multinational Enterprises (MNEs)	10	●
Civil society organizations (CSOs)	7	◐
Governments (GOVs)	5	◐
<b>3. Institutional pillars</b>		
Corporative	10	●
Normative	7	◐
Regulative	5	◐
Cultural-cognitive	3	◑
<b>4. Pressures</b>		
Instrumental (ambivalent)	10	●
Counter-normative (negative or unethical)	7	◐
Normative (positive or ethically grounded)	3	◑
<b>5. Main normative moderation</b>		
Local-based CSOs	7	◐
AM-based CSOs	7	◐
Foreign BHR institutions	7	◐
* Upon data interpretation, degrees in a scale from 1 to 10, where: > 1 < 4 = low or ◑; ≥ 4 < 8 = medium or ◐; ≥ 8 = high or ●		

Source: Researcher's creation.

## 7. The Grounded Model

This chapter concludes the last step of SGT's data analysis process by elaborating on the findings of the study. It unfolds as follows. Section 7.1 fulfills the research objective through the development of the theoretical, five selective patterns (SP) (Table 19, section 6.3), outcomes of the previous chapter. Each SP culminates in sets of propositions and those in the shape of the grounded model of the BR-BHRIC. Section 7.2 discusses the functioning of this emerged model in contrast with both the research's initial framework of analysis (Figure 3, section 4.1.2) and prior studies, though particular reference is made to the perspectives underlying this study (section 4.1.2). Finally, section 7.3 concludes the chapter, presenting its major takeaways.

### 7.1. The Corporative-Institutional Logics of the BR-BHRIC

Following SGT precepts, this section elaborates on the study's five SP, based on the interpretations of the patterns described in the previous chapter, also on the 78 theoretical memos (section 5.3.8.4), and the several observations annotated during the fieldwork. It subdivides into six parts, as follows. Sections 7.1.1 to 7.1.5 are dedicated to the development of one SP each, while each of those SP derives a set of three propositions. These propositions, 15 in total, are meaningful statements that condense the main aspects and relations that explain the functioning of the examined context. They may also serve as a starting point for future research engaged in testing their validity in different contexts or, yet, in the same context under specific variables—see Appendix E for an overview of the SP and their derived propositions. The final section, 7.1.6, aggregates the elements from the SP and their derived abstractions as to shape the research's final model of the BR-BHRIC.

#### 7.1.1. Isomorphic and context-based approaches to HR and CHRR

This section revolves around the SP1, which typified the CHRR approaches that case MNEs use to address HR in Brazil and culminates in the conception of the study's first set of propositions (P1). Three are the major characteristics depicting such approaches upon the interpretations of the research findings. The first asserted the very similar ways, tending to isomorphic, in which EM and AM-MNEs shape their CHRR frameworks in Brazil (Table 11, section 6.1.3.2). As data shows, those shapes are not set, as expected, considering HR as universal and non-putative matters, as means of regarding business respect and the *do no harm* HR premise in the first place. Instead, they seemed to be determined according to the quality

of the HR/BHR institutional context at the regulative, normative, and cultural-cognitive levels, which may vary a lot within Brazil. In addition, as depicted, case MNEs, independent of their headquarters' origins, interact similarly with the actors of the BR-HRIC, though local MNEs appeared to speak less reluctantly about it.

Also, no relevant contrasts are remarked neither when comparing the external drives influencing their CHRR frameworks nor in their responses to such pressures. It seems relevant to mention that HR suffer from institutional discrimination in Brazil, still holding pejorative meanings even at the managerial level (AP 3.7, Table 13). This prejudice is perhaps a result of the lack of local cultural promotion to address HR upon the paramount moral grounds and legitimate institutions that they hold (AP 3.4, Table 13). As depicted, BHR-related laws and regulations (e.g., penal and civil codes), although considered sufficient in terms of the legal framework (AP 1.4 and 1.6, Table 13; see also UN Human Rights Council, 2016), are neither consolidated nor well-enforced (AP 1.5, Table 13). Quite the contrary, the validity of such legal institutions seems to be undermined by the local partial, slow, and weak judicial system (AP 1.3, Table 13) and the also faulty monitoring mechanisms (section 6.1.1.2.1.c). Moreover, the quasi-institutionalized corruption and cooption (AP 1.1 and 2.2, Table 13) that characterizes at the governmental level, and the country's race to economic development as the top priority (section 4.2.2), seem to go together and stall the advances of the local BHR agenda (section 6.1.1.2.1.e).

Arguably, those matters can then represent the most pressing contextual issues contributing to undermining overall respect not only for HR per se but also for institutions protecting and promoting them in Brazil. Such a scenario leads to the observation of the second key characteristic of case MNEs' CHRR frameworks in Brazil, which refers to as their embedded instrumental<sup>163</sup> self-governance approaches. In fact, under a local scenario of institutional voids, and in the (persistent) absence of effective global order on BHR rules, the likelihood of case MNEs running self-regulated in matters of CHRR while well-furnished by voluntary and non-monitored soft-norms, such as the GPs and GCPs (AP 2.1, Table 13) seems unexceptional. Alas, as data shows, such frameworks often denoted cosmetic makeovers rather than real corporate HR due-diligent practice. Thus far in Brazil, case MNEs can loosely choose

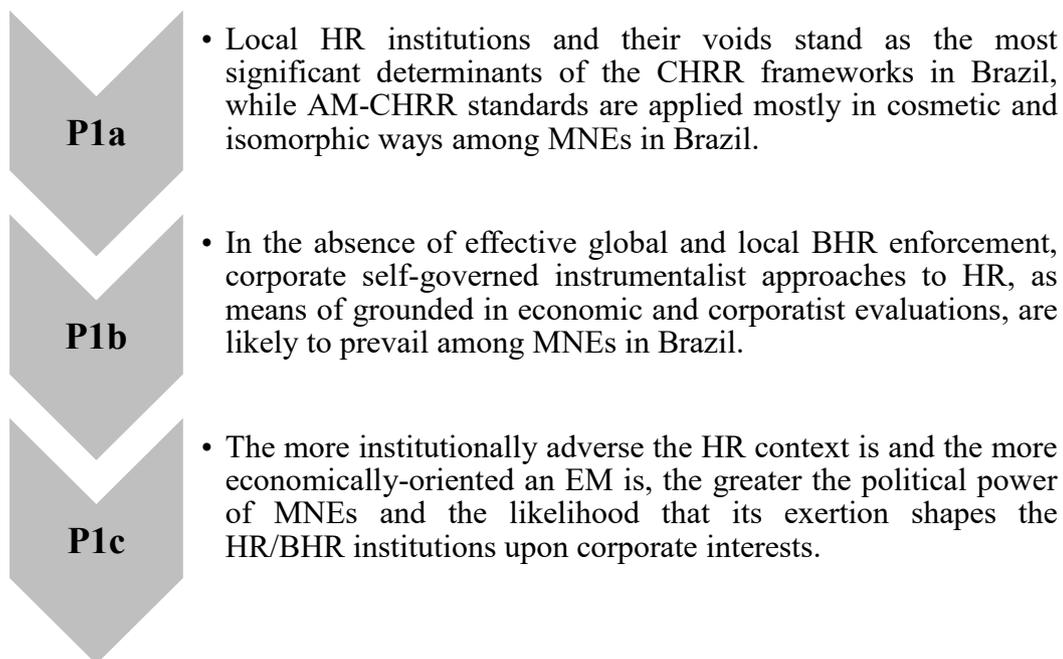
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<sup>163</sup> Instrumentalism is here defined as means of grounded in economic and corporatist evaluations, not necessarily regarding moral and ethics. Corporatism, in turn, is a form of governance based on the organizational interests of given large groups, often involving business and governmental elites, where is assumed that the more resourceful organized interests hold better possibilities to influence institutions (Bobacka, 2001).

what impacts on HR, caused by their direct and indirect businesses, will be addressed or neglected.

This relative freedom is, perhaps, related to their local political power play, which represents the last and third key feature of case MNEs' CHRR frameworks in Brazil. It occurs that case MNEs were verified as holding substantial political power, granted by way of their corporate citizenship (section 2.3) and vast representativity, both tangibly essential to the functioning of the regional socioeconomic systems they integrate. Currently, the Brazilian HR/BHR related institutions are still ineffective and now facing intense pressure from public and private realms to undertake substantial changes (e.g., welfare reforms, labor rights reforms). It occurs that Brazil is deep inside an economic crisis, regarded as one of the worst in the course of its history. At the same time, also abnormally, counter institutional and ethical forces seem to coerce its systems and impair its public governance. Under these conditions, corporate political power seems enhanced and more forthrightly exerted to influence BHR institutional transformations that can serve their interests in the first place. Contemporarily, the temperance of the use of such power touching HR and other public matters seems to depend utterly on corporate values and legitimacy goals. However, external moderations in this regard may also come from CSOs and responsible governmental actors, as discussed further on (section 7.1.5). To summarize the reasonings mentioned above, the researcher produced the first set of propositions (P1) that follow illustrated below.

**Figure 6: P1: CHRR approaches in the Brazilian context**



Source: Researcher's creation.

### **7.1.2. Three major institutional actors: MNEs, CSOs, and GOVs**

This section develops the SP2, which asserted as three the major actors of the BR-BHRIC, namely MNEs, CSOs, and governmental bodies (GOVs), and it culminates in the outline of the study's second set of propositions (P2). To that, we first note that the notions about dominant and peripheral actors of institutional change are already well-established in neoinstitutional literature. Still, the prominence of one or more actors varies according to various formal and informal elements, such as mandates, interests, representations, and resources (e.g., capital, skills, knowledge) held by those actors in the field targeted for the change (Scott, 2014; Suddaby & Maguire, 2008). Also, it seems indisputable that GOVs share with CSOs the roles of major institutional actors when it comes to advance matters of public interests (Meyer & Thein, 2014; Scott, 2014), such as HR institutionalization. From IB research, some studies have stressed MNEs' active participation to lead institutional change in adverse markets to safeguard their investments and other interests (May, 2015; Meyer & Thein, 2014). Still, participants of labor-standards' policy circles seem to have a clear recognition that, in fact, corporations are governing these [labor standards] networks and "not merely managing them" (May, 2015, p. 9; see also Locke, 2013).

Specific to the BR-BHRIC, as many corporate respondents posed, the economic, political, institutional, and ethical chaos that Brazil currently faces, affects their business environment strongly and negatively. Hence, corporations feel compelled to be actively engaged in institutional arenas in order to influence changes whenever, and as much as possible, these changes are both in their favor and to the benefit of the communities they integrate. This unavoidably includes changes over HR matters. As the contextual literature review advanced (section 4.2.3.3.2) and the empirical data confirmed (Table 18, section 6.2.5), it seems viable that both the recognition of HR as legitimate institutions as well as the realization of and changes to the national or regional HR/BHR agenda highly depend on economic actors' interests to be fully institutionalized (beyond regulative, also at the normative and cultural-cognitive pillars) in Brazil. Not a coincidence, in the last decade, the focus of the public governance seems to be on the country's economic development rather than on the betterment of the living conditions of its millions of citizens (sections 4.2.2, 6.1.1.2).

Under these conditions, and since MNEs are holders of significant financial, technical, and productive resources, their political power grows, and their business voices may become the new normative in the country. To this point, MNEs are asserted as prominent actors of the

BR-HR/BHRIC. This corporate political and institutional prominence comes to be even more enhanced provided case MNEs expanded interplay with its other two major institutional actors, namely CSOs and GOVs. At the regulative level, case MNEs relationships with governmental actors (e.g., politicians, public agencies, policymakers) were observed as the most strategized<sup>164</sup>. Depending on the matters, they can occur individually and collectively as well as directly and indirectly, allowing, for instance, the corporate participation in redefining regional and national BHR-related institutions (AP 4.3, Table 18). Although both lobbying and corporate sponsorship of public agents are neither regulated<sup>165</sup> nor openly accepted practice in Brazil, they seem to still be common and in some circumstances, as some participants stated, even inevitable (section 4.2.3.3; see also AP 1.2, Table 18). Admittedly, lobbying can serve to enlightened ends too; however, if non-regulated and when ethical standards are in shortage, as observed among top regulative Brazilian authorities, this sort of advocacy can similarly serve to counter the establishment or advancement of HR institutions (AP 1.1, 1.3, 4.3, Table 18).

At the normative level, case MNEs seem to benefit from the structures and agency of their or third-party not-for-profit organizations (corporate foundations and institutes) as ways of enhancing their political power, later used to influence the examined context (section 6.2.2.2.1a). Corporations were revealed as major benefactors of many of these sorts of organizations, but, interestingly, depending on their public utility, as established by regulations, these NFPOs can also be funded, in parallel, by public expenditures (AP 4.2, Table 13). If so, besides the private, they shall be blending and dealing with given government interests too. In any way, the laudable public utility of these organizations grants them normative space and voice in social arenas. Thus, what corporations get in return is more political power (AP 2.6, Table 18). Plausibly, this power can then be used, among other utilities, to shape the HR/BHR context (AP 1.3, Table 18). As evidenced, such corporate-institutional shapes occur most instrumentally oriented (AP 4.2, Table 13; AP 2.2 and 4.1, Table 18), likewise the corporate social voluntarism and social investment of case MNEs.

Even though, perhaps due to legitimacy accounts, corporate governance seemingly has been serving to tackle given<sup>166</sup> pressing HR issues in Brazil, left unattended by local public governance. Therefore, case MNEs contribute significantly to some betterment of the basic living conditions of those in the areas they hold operations. Communities recognize such efforts, placing great trust on those MNEs, such credit that many local politicians no longer

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<sup>164</sup> Upon corporate and NFPOs' responses as well as data triangulation.

<sup>165</sup> See Brazilian Conflict of Interests Law (12,813/2013) and Anti-Corruption Law (18,846/2013).

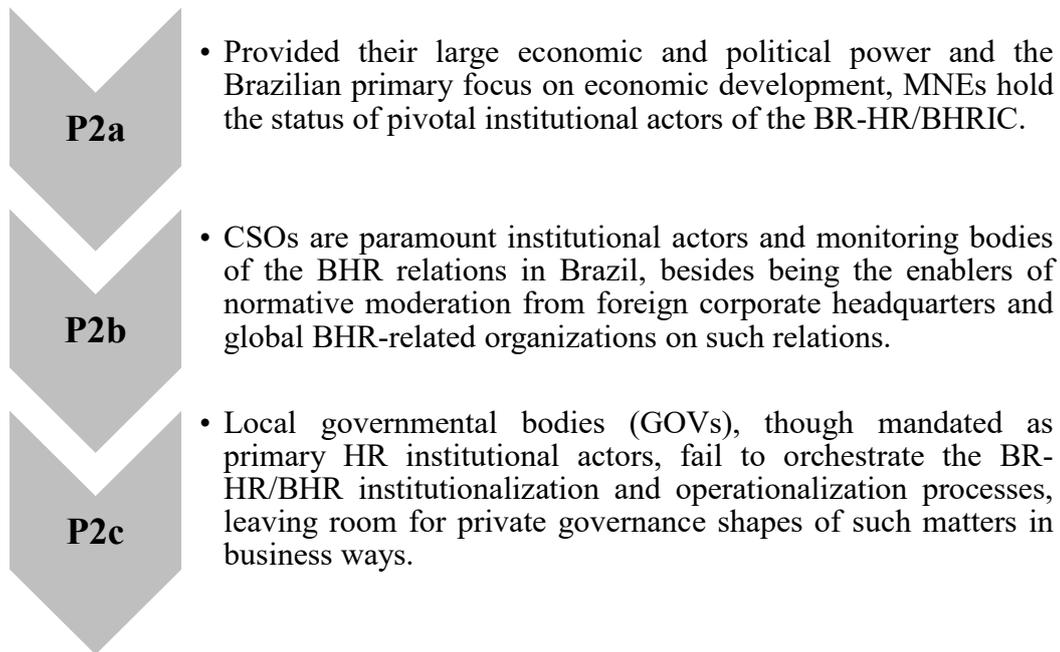
<sup>166</sup> Arguably the trendier, easier to address, or less controversial.

hold in Brazil (section 4.2.3.3). This trust bestows more political power on corporations, which, again, may be fed back into the system as an influence on the context. A loop-result that, arguably, represents a sort of corporate-neoinstitutionalism that enjoys free rein in Brazil on matters of HR and beyond (section 5.2.3.3; see also AP 1.1 and 1.3, Table 13). Finally, at the cultural-cognitive level, case MNEs' performance as HR institutional actors in Brazil takes effect through how their daily approaches to HR are addressed and communicated both internally and externally to the organizational realms. These daily-basis messages can create and spread a culture of businesspeople, either respecting HR/CHRR matters more or less.

Now, analyzing CSOs' prominence as key actors of the Brazilian HR/BHR context (AP 2.1, Table 13), three assertions shall be noted. First, those are the organizations evidenced as the most alert against (case) MNEs overlooking of the direct and indirect harm their operations may cause to HR in Brazil, knowingly as not prevented solely through corporate voluntarism and social investments (section 6.2.4.1.1.c). Second, beyond such monitoring, CSOs are paramount in promoting more collaborative and ethical ways of public-private partnerships to advance HR/BHR institutionalization and operationalization in Brazil. Third, in the lack of a transnational binding treaty on BHR or another dedicated global mechanism, CSOs appear, to date, as the most effective normative moderators of the Brazilian BHR relations because they can, and do, engage, whenever necessary, foreign corporate headquarters, international activists, and authorities of global BHR-related organizations to interfere in critical cases of HR violations (section 6.1.2.1.1.a).

Upon this reasoning, CSOs may figure as the most normative voices representing HR-holders when it comes to shaping BHR institutions in Brazil. Finally, it should be noted that we skip discussing here the dominant roles of GOVs on shaping the BR-HR/BHR institutional logics positively, given these actors hold formal mandates and moral responsibility to do so. The reasonings above intended to demonstrate how case MNEs share with GOVs and CSOs the roles of major actors of HR/BHR institutionalization in Brazil. It is also evident that corporate prominence in such a context does not come free of self-interest. Thus, this EM may urge for effective mechanisms, global or local, that can better control MNEs' institutional super-powers, for the sake of its HR-holders. The researcher condensed the elaborations of this section in the form of the study's second set of propositions (P2) that follow illustrated below.

**Figure 7: P2: Major institutional actors of the BR-BHRIC**



Source: Researcher's creation.

### **7.1.3. Four institutional pillars: Regulative, normative, cultural-cognitive, and corporative**

This section develops the SP3, which asserted as four the pillars forming the BR-BHRIC and culminates in the abstraction of the study's third set of propositions (P3). Three of these pillars corroborate Scott's (2014) model of institutional logics (i.e., regulative, normative, and cultural-cognitive) and the fourth, which emerged as the representation of the locally outstanding corporate economic and political powers, follows here explained. The study revealed that given their sizable economic power, case MNEs hold multiple resources (e.g., FDIs, structures, operations, know-how, interrelations), considered fundamental for the success of Brazil's primary objective, which seems to be the economic development. These resources confer to case MNEs the status of distinguished constitutional parts of the Brazilian context, which significantly enhances their local political power. Seemingly, by combining their vast economic and political powers, case MNEs assume the status of pivotal agents of (HR) institutional change in Brazil.

In turn, as demonstrated in the previous section, MNEs' institutional power is enhanced, given their wide-range interplay with the other two major institutional actors (GOVs and CSOs) and their direct involvement in the socioeconomic, environmental, and cultural daily issues of

the communities they integrate or hold interests in. The acknowledgment of case MNEs as pivotal agents of change of the BR-BHRIC was then the basis for the researcher further examinations of all SP (Table 19) and theoretical memos, in the search for deepening the understanding about the flow and effects of corporate-institutional interactions. It was then verified that once collectively organized (e.g., via trading and industry associations or coalitions), MNEs' agencies and structures showed a clear potential to function as a distinguished and imposing institutional force, named here as corporative, and consequently separated as a fourth pillar of the Brazilian BHR context. Furthering this analysis, the researcher attempted to characterize this emerged fourth pillar, based on Scott's (2014) seven dimensions of institutional pillars (revisit Table 1, section 3.2.4). These are illustrated in Table 20 below, which aims to provide a holistic view of the scope of the emerged corporative pillar in contrast with that of Scott's (2014) three-pillars model.

**Table 20: Dimensions of the BR-BHRIC**

Dimensions	Pillars			
	According to Scott (2014)			<i>Emerged pillar</i>
	Regulative	Normative	Cultural-Cognitive	<i>Corporative</i>
<b>Basis of compliance</b>	Expedience (Order)	Social obligation	Taken-for-grantedness Shared understanding	<i>Contextual (negotiated)</i>
<b>Basis of order</b>	Regulative rules	Binding expectations	Constitutive schema	<i>Corporatist (groups' interests)</i>
<b>Mechanisms</b>	Coercive	Normative	Mimetic	<i>Economic</i>
<b>Logic</b>	Instrumentality	Appropriateness	Orthodoxy	<i>Functionality</i>
<b>Indicators</b>	Rules Laws Sanctions	Certification Accreditation	Common beliefs Shared logics of action Isomorphism	<i>Cost/Benefit Profit/Loss</i>
<b>Affect</b>	Fear/Guilt/ Innocence	Shame/ Honor	Certainty/ Confusion	<i>Legitimate/ Illegitimate</i>
<b>Basis of legitimacy</b>	Legally sanctioned	Morally governed	Comprehensible Recognizable Culturally supported	<i>Socioeconomic and politically determined</i>

Source: Institutional pillars' dimensions reproduced from Scott (2014, p. 60); corporative pillar's dimensions asserted by the researcher.

Explaining the above-illustrated characteristics specific for the emerged corporative pillar, the first dimension, namely the *basis of compliance* of the corporative pillar, was identified as being *context-based*, which means defined, or even negotiated with other pivotal

institutional actors, according to the background quality (e.g., level of socioeconomic development, institutional enforcement or voids) where the case MNEs operate. The second dimension is named *basis of order* and was identified as resembling and being bound mainly in *corporatist interests*, as means of organizational interests of given large groups, often business and governmental elites, where the ones with the more resourceful organized interests hold the better possibilities to influence institutionalization (Bobacka, 2001). Depending on the context, these collective structures may end up following, for instance, market regulations (e.g., industry or sectoral requirements) or even their own rules (e.g., codes of conduct, CHRR approaches). As data shows, local corporations hold similar, tending to isomorphic, ways to address CHRR and interplay with corresponding institutions in Brazil (section 7.1.1), probably given their global and local perceived corporatism.

The third dimension is about the operational *mechanisms* of the corporative pillar, here considered as resource-based or simply *economic* (e.g., financial, commercial, industrial, technological), because to date in Brazil, mostly private networks of corporations control such resources. The fourth dimension asserts the *logic of action* of the corporative pillar, here understood as holding a *functional* nature. Such a functionality, according to Ulrich (2008), can be either instrumental<sup>167</sup> or counter-normative: Instrumental, when (business) ethics is applied to make up the lack of reasonableness in business decisions (e.g., corporate social voluntarism instead of HR due-diligence) and counter-normative, when economic rationality turns into *new* ethics (e.g., economics as morals). The fifth dimension regards the pillar's *indicators*, which in the corporative case are observed as measurements of *cost/benefits* or *profit/loss*, as to say evaluations satisfying the business-case for respecting or not HR.

Scott (2014) names the sixth dimension as *affect*<sup>168</sup> (*i.e.*, the interpretive and emotional reactions), which in the corporative pillar is verified as the senses of *legitimate or illegitimate players*, evaluated through the consequences of their operational actions or inactions on the examined institutional context. The seventh and last dimension, namely the *basis of legitimacy* of the corporative pillar, was depicted as representing case MNEs' *socioeconomic and political* modus operandi. That is, arguably, explained through the assumption that MNEs are expected to be good corporate citizens: behave responsibly in society, and be loyal political agents, serving to both market purposes (e.g., interesting allies) and societal prosperity (e.g., socioeconomic development)—these dimensions are further discussed in section 7.2.3. Still,

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<sup>167</sup> The most verified approach among case MNEs to address HR (section 6.1.3.1).

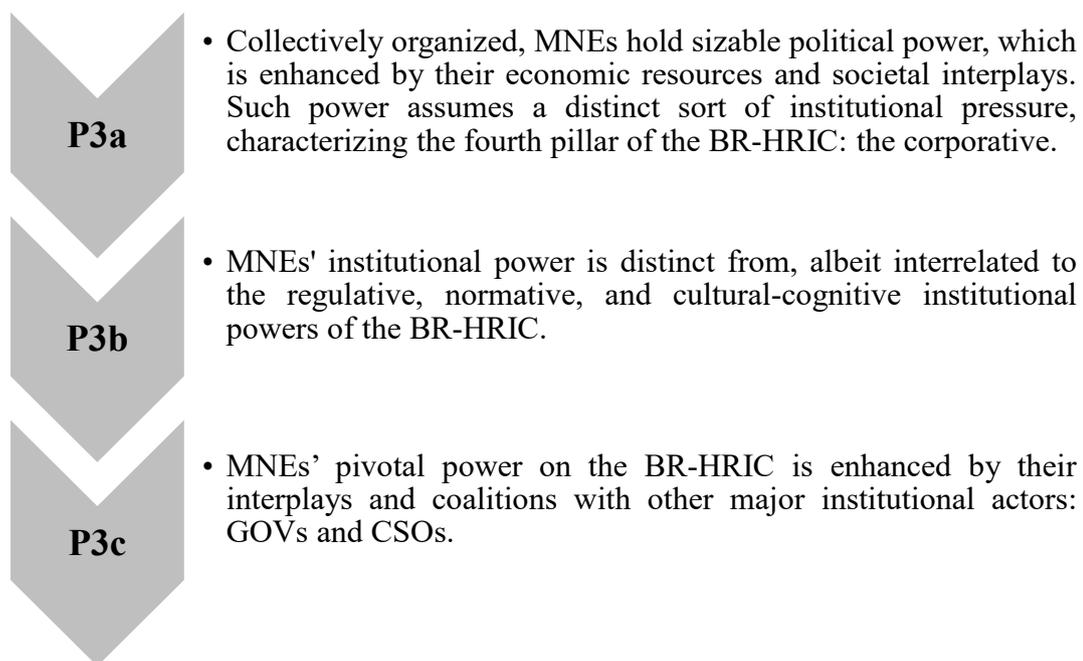
<sup>168</sup> According to Scott's literal denomination.

this fourth pillar emerged seems to fit in the institutional logics observed in Scott’s (2014) model on which all pillars interrelate.

In the regulative pillar, for instance, case MNEs’ were revealed to suffer from local HR and BHR-related institutional voids, ambiguities, and misrepresentations (AP 1.1 to 1.3 and 1.5, Table 13), as well as to benefit from given current related laws, faulty-monitored regulations, and given (mal-)practice (AP 1.4 and 1.6, Table 13). In fact, not only BHR issues but the overall Brazilian current scenario of institutional and economic instability bring huge uncertainties to case MNEs’ local operations and investments’ decisions. To mitigate this and secure local business feasibility, corporations then make use of collective, whether at national or regional levels, strategized articulations with GOVs and CSOs, who are the other two major institutional actors. In the regulative arena, it occurs primarily through lobbying and negotiations with GOVs (AP 1.1, Table 13; AP 1.2, Table 18).

In the normative arena, the interplays occur with institutions of public interests, namely the CSOs, as well as with organizations representing soft-norms’ systems, industries, and sectors (AP 2.4, Table 13; AP 2.1 and 2.6, Table 18). At the cultural-cognitive arena, voluntarism and charity tackle strategically selected local HR issues and conquer communities’ sympathy, carried out mostly through MNE’s social businesses (i.e., institutes and foundations) (AP 3 and 4, Table 18). The reasonings developed above gave rise to the research’s third set of propositions (P3) that follow illustrated below.

**Figure 8: P3: The fourth institutional pillar**



Source: Researcher’s creation.

#### **7.1.4. Major sorts of pressures: Normative, counter-normative, and instrumental,**

This section elaborates on the SP4, which depicted the three forces permeating the BR-BHRIC, and summarizes these abstractions in the research's fourth set of propositions (P4). According to literature (Chapter 3), institutions are societal constructs that serve to guide and mediate the responsible behavior of the members (individuals and organizations) of a given society so they can co-evolve in harmony. It is also known that, in their voids, an atmosphere ranging from uncertainty to chaos can be expected to hit both individuals and organizations. Thus, ideally, institutions should be reasonable, constructed collaboratively, and representing the interests of the majority, while their emergence, endurance, obsolescence, and changes are results of societal claims and pressures. The findings of this study characterized such pressures through three natures: positive (ethical), negative (counter-ethical), and ambivalent (instrumental).

Positive pressures consist of formal and informal rules of conduct, affirmations, and control, which are institutions per se and serve to enforce respect for other institutions (e.g., HR, CHRR) from all pillars (Table 20; see also Scott, 2014). In the examined context, such positive patterns were evidenced multiple times among most corporate participants, for instance, expressed through references of corporate compliance mechanisms as well as by participants' awareness of and respect for major BHR institutions (see positive pressures illustrate as “✓” in Tables 13 and 18). Negative pressures were also observed as diffuse through the examined institutional context, and many of them are expressed as representing strong counters of the local HR/BHR institutions. At the regulative pillar, on the grounds of given actors' economic and self-interests, widespread malpractice (which some name institutionalities<sup>169</sup>), such as corruption, cooption, governmental misleads, injustice, impunity, and partiality (see negative pressures illustrate as “✖” in Tables 13 and 18), figured out as the most compelling negative pressures undermining institutions. When it comes to CHRR, these pressures end up inducing case MNEs to run self-governed and adopt strategies to secure their societal legitimacy.

At the cultural-cognitive level, HR institutional discrimination and distorted notions about HR/CHRR among business realms may also impede such ideals from being respected and, thus, advanced (AP 3, Table 13). Whenever possible, to overcome these voids and promote institutional betterment, case MNEs make use of BHR soft-norms and their corporate-

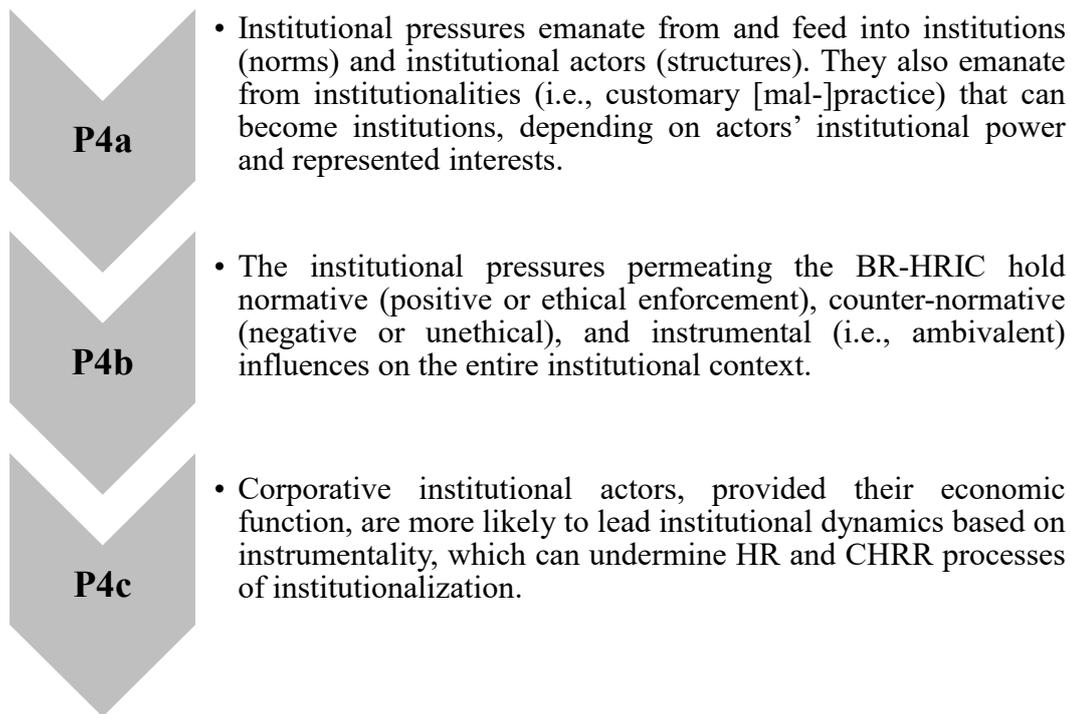
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<sup>169</sup> As found referred in the Brazilian context.

institutional power, which is boosted by their political and economic leverage. However, according to NFPOs' voices and data triangulation, the changes put forth by such institutional actors do not (always) come free of interests. As observed, MNEs may also benefit from this atmosphere of instability and lack of enforcement of BHR institutions, which allows for exploiting workers and the environment in Brazil. This argument is evidenced as harming given HR, for instance, by the various setbacks that labor rights have been suffering fueled by strong corporate lobby (e.g., recent labor reform; section 4.2.3.3.3) and recurrent socioenvironmental tragedies in Brazil (e.g., Mariana and Brumadinho cases).

Thus, in this study, when embedded with instrumental value, the pressures exerted by (corporate) institutional actors were called ambivalent. In other words, corporations, and possibly other institutional actors, may use their power to promote given institutional change not always and solely upon enlightened purposes (e.g., call for institutionalization of refugees' labor rights in Brazil) but also or specifically to assist private interests (e.g., to exploit such workers). Still, ambivalent pressures were observed as very substantial in the BR-BHRIC (see ambivalent pressures illustrated as “ ! ” in Tables 13 and 18) as they rank like the positive, ethically grounded ones. In turn, the negative, or counter-ethical, seem to be the leading senses of the elements shaping the examined context. These observations then denote that in Brazil, HR ideals of institutionalization and operationalization at both the business and societal realms may be impaired by the interests, apparently primary economic and detached from morality, of both MNEs and GOVs. The elaborations above are enclosed in the research's fourth set of propositions (P4) that follow illustrated below.

**Figure 9: P4: The pressures on institutions**



Source: Researcher's creation

#### **7.1.5. Main normative moderation: Global leverage of CSOs and other institutions**

This section develops the SP5, which depicted the ways CSOs assume prominence as the most respected normative agents overseeing BHR matters in Brazil. The abstractions and descriptions developed in this section to explain this assertion are then summarized by the research's fifth set of propositions (P5). To begin with, it is worth noting that rather than relying solely on the voices of corporations and data triangulation, the researcher included the perspectives of local NFPOs, in order to paint a more realistic picture of what the BR-HRIC consists of, and how it is shaped by the interactions of private and public institutional actors. Just recalling, this group includes representatives of CSOs, business associations, governmental agencies, academic institutions, and HR lawyers, all knowledgeable practitioners of BHR matters in Brazil. By speaking to NFPOs, the researcher could also moderate against biased information from corporate respondents about sensitive topics, such as their firms' participation in the HR political-regulative arenas to the definitions of related public policies.

In sum, NFPOs' considerations furthered not only the understanding of how case MNEs influence the local HR/BHR institutionalization processes but also typified who are the actors and institutions able to effectively moderate such influences and move MNEs to address HR more responsibly in Brazil. To this conclusion, the researcher first uncovered significant

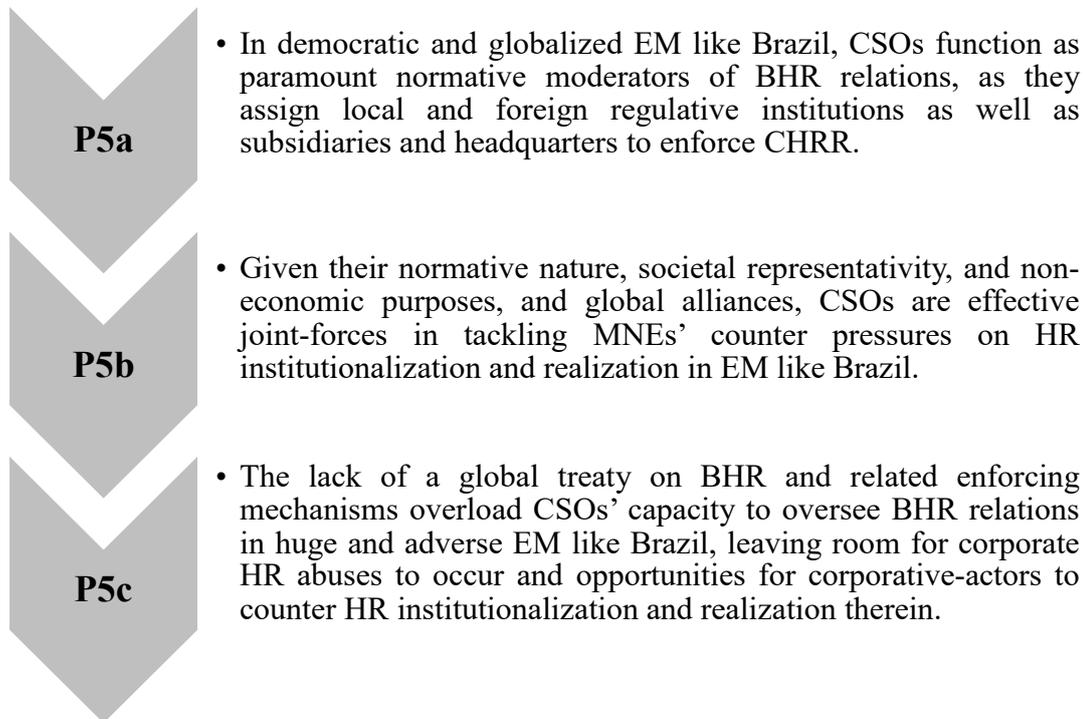
discontent of corporative actors over the functioning of the BR-HRIC, more specifically about the performance of the regulative pillar's actors (GOVs) (AP 1.2, Table 13), both at the regional and national levels. In contrast, case MNEs signaled to hold the highest trust and respect for the major actors of the normative pillar (CSOs) (AP 2.1 and 2.4, Table 13), both at the local and global levels and rated as very positive their performance on local BHR surveillance. This appreciation was verified within discussions about the ethical grounds and other positive institutional pressures enforced by CSOs that have been driving corporations to behave more responsibly and proactively toward their own business-related HR issues in Brazil.

It was also uncovered that the surveillance power of some key Brazilian-based CSOs is enhanced as they rely on alliances with international normative agents abroad to access capital, institutional, and technological resources, such as global interfaces for articulations, legal representations, investigative journalism, listings in naming and shaming platforms, etc. These resources, as evidenced, can support expanding the discovery and visibility of pressing cases of BHR issues taking place in Brazil. However, to secure their proven effectiveness in constraining irresponsible business behavior toward HR, CSOs may also secure their separation from local, potentially biased, offers of resources (AP 2.4, Table 13). As depicted, through international alliances, CSOs and even broad community representatives can, when necessary, cogently contact the headquarters of foreign corporations operating in Brazil to report their subsidiaries or third parties' local corporate HR abuses. Case MNEs also understand that CSOs can place pressures on local and global HR regulative institutional representatives. These normative agents can also expose relevant cases, or send reports systematically to the investing conglomerates of MNEs located in Brazil and abroad, proposing mediations, triggering legal proceedings, and calling for fair remedies to support the local victims of corporate abuses.

International press news can also broadcast specific cases denounced by such CSOs. In sum, the MNEs interviewed seemed to fear and respect such serious apparatus of the normative pillar, acknowledging CSOs' power to raise market pressures (AP 2.5, Table 13) to scale down irresponsible business and corporative misconduct (AP 4.3, Table 13) that can undermine HR institutional and material advances in Brazil. Conclusively, although CSOs were evidenced as having a medium influence on MNEs' HR approaches in Brazil, these normative organizations seem to hold more effective enforcement mechanisms than local regulative actors and institutions (AP 1.6 and 3.4, Table 13). Alone, CSOs can neither avoid corporate HR harm nor convince MNEs to always act responsibly toward HR institutionalization and consequent

realization locally, but in alliances, as they can tarnish a corporate reputation, CSOs are proven the most assertive agents in this direction. The reasonings elaborated above are condensed in the research's fifth set of propositions (P5) that follow illustrated below.

**Figure 10: P5: Main normative moderators**

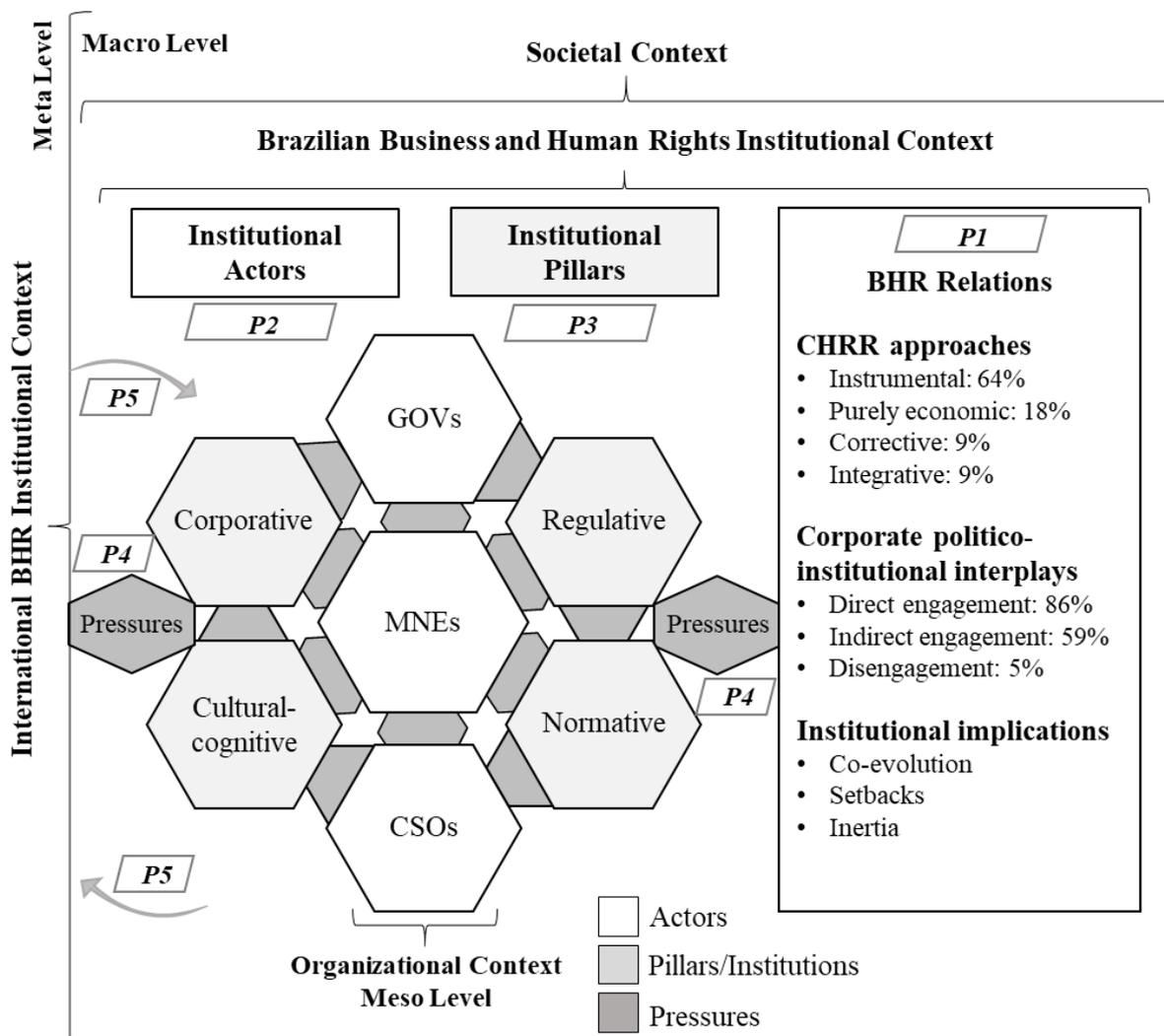


Source: Researcher's creation

#### **7.1.6. The grounded model: The corporative-institutional logics of the BR-HRIC**

The previous sections further developed the research's five SP (Table 19, section 6.3), and each of them resulted in a set of three propositions. When put together, these abstractions expanded into a context-specific model of institutional logics. This model is presented in this section, and its culmination represents the fulfillment of the research objective, again: to examine how BR-MNEs and AM-MNEs operating in Brazil shape their CHRR approaches and interact with the Brazilian HR institutional context (BR-HRIC). The novel model departed from the research's initial framework of analysis (Figure 3, section 4.1.2) and, grounded in empirical data, expands Scott's (2014) tripartite institutional perspective and Meyer and Thein's (2014) view on IB and institutional relations in adverse markets. Two major findings particularly evidence these developments. One is the emergence of case MNEs as pivotal actors of the BR-HRIC, as explained in section 7.1.2. The other is the revealed corporative pillar, depicted in section 7.1.3, as holding substantial institutional power over this context. Figure 11 below illustrates the grounded institutional logics of the BR-BHRIC.

**Figure 11: Grounded model: Institutional logics of the BR-BHRIC**



Source: Researcher's creation.

The overall functioning of the above-illustrate model follows explained along the next section and discussed upon extant literature.

## 7.2. Discussions on the Dynamics of the Novel Model

The objective of this section is to explain the functioning of the research's final model and discuss it in contrast with extant literature. To this accomplishment, first, the researcher recalls the theoretical (Chapters 2 and 3) and contextual (section 4.2) background informing the research, though revisiting especially those perspectives underlying its initial framework of analysis (section 4.1). Here in sum, this novel model is grounded on the BHR normative perspective on which IB organizations should be part of the solutions on tackling HR violations, rather than being aggravating factors of these pressing societal issues (Wettstein,

2012b). Second, it seems important to remember that the concept of CHRR assumed in the study derives from such normative notion and heralds that corporations hold negative and positive responsibilities to and for HR realization, which requires from MNEs respect, protection, and promotion of contexts' HR ideals and institutions, especially those still in development (i.e., from EM). The BHR relations depicted in the new model are also based on conceptualizations from the BHR field, namely political CR and IBE.

From organizational neoinstitutionalism, the study has learned about and built upon Scott's three-pillars model (2014) and its application by Meyer and Thein (2014) in Myanmar, putting into perspective IB interests and strategies in response to critical institutional voids of a very adverse market. Furthermore, it should be noted that the levels of analysis depicted in the novel model, namely meso, macro, and meta, are in line with the IBE perspective (Enderle, 2015; Ulrich, 2008; Wettstein; 2013a). Nonetheless, the study crosses two levels of analysis, organizational and institutional, by its emphasis on the implications of MNEs' behavior toward HR advances of a very representative and global EM. Finally, following Scott (2014), the logic of the new model is interactional and dynamic. That is to say that any institutional actor can initiate processes in response to any HR societal issue or institutional pressure. Nonetheless, the researcher opted for explaining its workings, starting from the BHR relations' chart (identified as P1), given that MNEs are the central actors of the study.

### **7.2.1. The corporative and institutional influences**

The research uncovered that case MNEs from different markets, emergent and advanced, govern CHRR and interact in similar ways with HR institutional actors within the Brazilian context (section 7.1.1). This conclusion came first from corporate respondents' disclosures of types and sources of institutional pressures holding influence on their companies' ways of framing CHRR in Brazil (section 6.1.5). Then from their indications that these elements not only shape their internal organization and culture but also their external interactions with and influences on the examined context (section 6.2.5). Such similarity, tending to isomorphism, led to the composition of a single chart to represent the *BHR relations* (P1, Figures 6 and 11) in the BR-HRIC, instead of the two drafted in the research's initial framework of analysis (Figure 3, section 4.1.2). These relations are composed firstly by the *CHRR approaches* or corporate ways of addressing HR; secondly, by the perceived extent of *corporate politico-institutional interplays*, and thirdly by the noted *institutional implications* of such interplays in the examined context.

Starting by verifying the similarity between the CHRR approaches of MNEs groups, this study validates the extant theorization of an institutional-organizational perspective of isomorphism in the view of Scott (2014). This view regards the contextual contingencies from organizational and institutional levels of multiple types and their basis of legitimacy as all central factors influencing both the conduct and structure of business organizations in society (section 3.2.4). When organizationally-based, isomorphism occurs through schemes of regionalities, competitiveness, markets, and interests. When institutionally-oriented, the tripartite model—regulative, normative, and cultural-cognitive pillars—holds the elements that play a substantial role in guiding societal business actors' basis of logics (Scott, 2014). In this study, however, one extra pillar of institutions is prominent and influential, the corporative, since the economic power of corporations seems to play an institutional pressure as well (of financial value), which will be discussed in section 7.2.3.

This expanded view of institutional logics, substantially shaped by corporations, is contrary to the coercive-isomorphism view of DiMaggio & Powell (1983), where the regulatory side of the institutional context plays the primary influence on corporate practice. Still, previous theorizations dedicated to IB studies were not found placing collective arrangements of MNEs as major HR institutional actors as here depicted—perhaps given restraints from inter- or multidisciplinary researches in this field. However, this uncovered perspective finds support in extant sociological neoinstitutional research (May, 2015; Scott et al., 2011; Suchman, 1995), where contextual conditions give rise to new institutional arrangements, as section 3.3.3 showed. Then, examining the shapes of the depicted CHRR approaches, their characterization by four types, namely instrumental, purely economic (i.e., counter-ethical), corrective, and integrative CHRR, reflects the perceived forms of operationalization of BHR relations within case corporations, indicated in the study's initial framework.

They confirm the relational understanding of economics and ethics of Ulrich's (2008, 2010, 2013), briefed in section 2.3, on which the concept of CHRR is grounded (Wettstein, 2012b). Upon the first approach, the instrumental, ethics is not the ground for corporate respect for HR, unless such respect returns as something that fits the business' interests (e.g., better reputation). The second approach is the counter-HR one, where MNEs similarly undertake economics as morals; as such, HR might be disregarded if the opposite does not figure as a business strategy. In this approach, ethics is economically customized, often through public and private cooption, to match what the involved organizations consider the right and the just.

These two approaches, instrumental and counter-HR, are, by definition (Ulrich, 2008, 2013), of functional interest to corporations, and in this study set forth by the majority of case MNEs (14 cases or 64% and four cases or 18%, respectively).

These results demonstrate that MNEs' respondents set corporate respect for HR as optional, adaptative, and conditional. The third approach to HR, the corrective, is found likely to happen among 9% of the sample (two cases) in this study and means that ethics is an *ad-hoc* antidote taken by case MNEs against too many HR wrongdoings (e.g., to minimize a bad image given corporate HR severe violations). Since lives cannot be replaced, and certain moral damages may have long-lasting effects on people's minds, this approach is too little too late to be helpful. Fourth, the genuinely ethical, integrative approach is found likely to happen also among 9% (or two cases) of the corporate cases only. In this approach, respect for HR is a foundation of economic rationality, that is in this research thematic, for business to be done, it must pass a comprehensive impact assessment, proving it offers no direct and indirect harm to HR. Alas, functionally-oriented CHRR approaches (instrumental and unethical) revealed to be the most predominant ways case MNEs' address HR in Brazil, while the purely ethical approach, named integrative CHRR, is only marginally addressed.

Next, for the analysis of the second dimension of BHR relations, represented by the shapes of the corporate politico-institutional interplays, the view of the IB-institutional relations of Meyer and Thein (2014) is recalled. This perspective concerns IBs' responses to institutional voids in critical HR contexts, as briefed in section 3.4.2, and accounts for five IB strategies. The first is corporate *disengagement*, which happens through an exit from or non-entry into the context. The second regards *unchanged strategies*, as a means of corporate indifference to context issues, remaining self-ruled. The third consists of *low profile strategies*, meaning a business operating covertly when facing strict HR rules or taking advantage of related institutional voids. The fourth is about *engaging with the context* and trying to change or overcome its local HR institutional voids through local interactions, even if this is to favor self-interests. The fifth is similar to the previous but regards business *engagement with stakeholders outside the country*, corporate and institutional, for better achieving the targeted local institutional change.

Although all these strategies are considered valid by the researcher, they were not verified as occurring in their entirety through case MNEs. For instance, strategies one and five were not referenced by corporate participants, but strategy five was verified in CSOs interactions (section 7.2.5). Several reasons can explain these absences. One is the perceived

vast HR contextual and institutional differences between Meyer and Thein's regional setting (Myanmar), and the one explored in this research (Brazil). Another is the broad questions addressed in this study and its small sample size. Still, this partial validation is neither a surprise nor a methodological issue, given the precepts of SGT do not give prominence to extant theories. The further analysis of these five strategies against the study's AP (Tables 13 and 18), however, led the researcher to depict three forms of corporate interactions, perceived as combining political and institutional natures within the BR-HRIC. The first is the direct engagement, which embraces Meyer and Thein's strategy four, found likely to be exerted by 86% (19 cases) of the corporate sample and whereby MNEs, targeting change, undertake direct roles in institutional arenas (P2, Figures 7 and 11). In this study, the participation of MNEs in the definitions of the regulative pillar characterized these roles, for example, by securing dedicated representation in the national Congress or regional parliaments.

These allocations appeared possible through the financing, or direct election, of *corporate politicians*, lobbying, and via corruption or cooption, as the review of contextual literature suggested (section 5.2.3.3) and the empirical work confirmed (sections 6.2.1, 6.2.4). It is worth noting that the *direct engagement* of corporations to change the examined context can happen for the better or the worse of CHRR institutionalization and operationalization, as well as for overall HR realization. Therefore, the *institutional implications* associated with this mode (*direct engagement*), when functioning in a way that supports the advancement of HR, result in *societal coevolution*, whereby societal and business realms advance together and support each other (Blickle, 2018; see also section 3.4). When working in dissonant normativity, it may result in *setbacks* of given BHR related institutions and consequent harm to HR (section 4.2.1.6). The second mode represents the *indirect politico-institutional engagement* of MNEs that can shape the BR-HRIC.

As depicted, this engagement also affects all institutional pillars and was seen as likely to be exerted by 59% (13 cases) of the corporate sample in this study. It can occur through organizational (firms-to-firms/actors) or institutional (firms-to-institutions) arrangements and can include corporate strategies of entry or exit of the context. This indirect engagement can also occur through local or international coalitions of multiple influential institutional and economic agents (Meyer & Thein, 2014). For instance, interactional influences were verified through the multiple initiatives of case MNEs relating to HR, including campaigns, advocations, adoption of standards, memberships, mimetism, promotion/avoidance of HR pieces of training, and the use of terminologies, and supply chain contracts. When of an

institutional nature, such interactional influences were verified through the corporate undertaking of roles traditionally exerted by public agents, such as getting involved in the elaboration of public policies and infrastructural plans, or when firms use their leverage to support a resolution for communities' HR issues (sections 6.2.2, 6.2.3).

Such initiatives can provide returns to the expansion of corporate political networks and other non-monetary returns. As exposed, indirect contextual changes can then occur beyond corporate exchanges with regulative authorities, reaching local and foreign normative and cultural or social agencies. Neoinstitutional theory assumes that coalitions, whether tacit or explicit, are preconditions for effective institutional change (Hall, 2010; Mahoney & Thelen, 2010; see also section 3.3). Similarly, to the outcomes of direct engagement modes, explained before, indirect corporate interactions with the BR-HRIC can trigger institutional changes resulting in *coevolution or setbacks* of given institutions (Wettstein, 2010a). The prevailing outcome may then depend on various factors, such as the motivations behind the changes, and existing institutional restrainers of illegitimate interferences in institutionalization (Hall, 2010; see also sections 3.3.3, 3.3.3.2).

The third and final mode of corporate politico-institutional interactions is here called *disengagement*, which represents MNEs' avoidance of involvement with the BR-HRIC. Such inertial behavior was found likely to happen among 5% of case MNEs (1 corporation). For instance, inertia is regarded as a sort of complicity in HR-related international law (Clapham & Jerbi, 2001; Haas, 2014; Kutz, 2000) as well as in BHR studies (Wettstein, 2010b; 2012e; 2013b; see also Michalowski, 2013). Therefore, corporations following unchanged or low profile strategies (Meyer & Thein, 2014) can end up considered as accomplices of HR violators. In being accomplices, corporations are regarded as co-principals while in some systems, complicity and neglect of CHRR can hold similar convictions and consequent penalties as for the direct perpetrators of HR harm (Kutz, 2000). To date, Brazil does hold legal framework on BHR matters and jurisprudence even holding businesspeople and legal entities liable in cases of omission or lack of due diligence on corporate HR violations (A. Santos et al., 2017; see also section 4.2.3); however, not on a consolidated basis and not covering transnational corporate HR violations of BR-MNEs abroad.

### **7.2.2. The dynamics of the corporative and institutional pressures**

In section 7.1.4, economic and political as well as corporative and institutional pressures were abstracted as paired and circulating interactively and interdependently in the examined context. They were shown as positive (enforcing CHRR), negative (countering

CHRR), and ambivalent (instrumental) and as affecting not only the ways that case MNEs address HR in Brazil but also the overall context operations (P4, Figures 9 and 11). To reach this rationale, the researcher observed that the pressures circulating in the examined context, even if stemming from formal rules of the regulative pillar, are still likely to be challenged by business organizations for various reasons. The first reason relates to the observed weakly-established HR institutions, which lack both enforcement and surveillance in Brazil; this could be explained by the country still emerging socioeconomic and even cultural characteristics.

Second, the highly corrupt and coopted BHR authoritative systems, which spread distrust of institutions and public agents supposed to enforce them, raise a sense of impunity, thus feeding the idea that the will of powerful actors can shape the applicable laws (section 6.1.1.2.1.c). The third is the empowerment of economic actors as compelling political agents and quasi-authoritative institutional actors in Brazil, which may bring imbalance and undemocratize the representation of peoples' HR at the regulative level and beyond (Aragão & Roland, 2017; Parsons, 1961; Petry, 2008). In this scenario of ambiguity permeating institutions, HR institutions tend to be disrespected, dismissed, and misunderstood. This leads to their difficulty in being realized and advanced by both public and private actors under the terms and at the pace the emerging context requires. As depicted, while addressing HR through their organizational realms, or exerting their corporate politico-institutional roles in Brazilian society, case MNEs can put forward pro- or counter-pressures on given local HR institutions.

Whether these actors use their power to promote advances in the local HR agenda or to undermine it, remains mostly their decision, hence the local incapacity of the state to enforce responsible BHR relations and the lack of international regulative mechanisms that could support addressing those voids in Brazil. Contrasting the three abstracted pressures against extant theory, the researcher could not find in Scott (2014), for instance, precise elaborations on the positive and negative influences of institutions and institutional actors in a given context. However, it was possible to note formal and informal rules and mechanisms of positive incentives and negative punishment when Scott discussed the process of the regulative pillar, which may sound a similar logic to the empirical depictions here. Scott associated positive and negative apprehensions accompanying institutions, which he named *affect* (see Table 20 and section 3.2.4).

Already asserted theoretically and validated here, according to the sociological rational choice theory, is that institutions are positive and negative instruments serving the interests of given individuals and public or private organizations, all holders of political power, which can

be, according to multiple variables, very economically biased (Moe, 1990). In the view of the researcher, it is precisely due to the high propensity for economic bias, set forth by both governmental and corporate agents, that the BR-HRIC is found to be unbalanced and ambiguous. It is important to remember that ambiguity here refers to the possibility of double meanings or double agencies upon which these pressures were noted and depicted by the researcher (P4, Figures 9 and 11). Finally, it should be noted that the discussed economic and institutional pressures that take shape and circulate within the examined context, may permeate other systems (e.g., justice, socioeconomic) linked to the BHR realms in question.

### **7.2.3. The interrelations between the corporative and the other institutional pillars**

Upon the joint analysis of the five SP (Table 19, section 6.3), the contextual observations, and the study's theoretical memos, the researcher grounded the abstraction that case MNEs, once collectively organized, hold enough power—economic, political, and institutional—to trigger changes in the BR-HRIC. It was also concluded that this supposedly already significant power gets enhanced when the context is economically dependent on these companies' resources for its well-functioning and when MNEs form coalitions with the other powerful institutional actors (i.e., GOVs and CSOs) (section 7.1.2). On these grounds, the power of case MNEs to change the context was depicted as a distinct, (quasi-)institutional, corporative pillar (P3, Figures 8 and 11), and verified as interrelated to the other three peers (i.e., regulative, normative, and cultural cognitive). Encouraged by SGTs' precepts, the researcher further abstracted the findings and offered an expanded view of Scott's (2014) three-pillars' model. That is to say that the emerged pillar was characterized by Scott's seven dimensions framework, as they provide an account on how an institutional pillar operates (Table 20, section 7.1.3).

Discussing the first dimension, namely the *basis of compliance*, we noted case MNEs inclination to adapt to lower BHR *contextual* standards if this somehow benefits their interests. Such a behavior conforms with contemporary IB research crossing neoinstitutionalism and corporate political strategies (Meyer & Thein, 2014; Oetzel & Ketz, 2012). Analyzing the second dimension, the *basis of order*, in the study referred to as corporatist, the emerged pillar rests mainly bound by groups' interests, thus, seemingly, by their own rules, which include organizational codes and culture, and shareholders' requirements, which can have local or global ranges. It is essential to know that having their own rules and principles does not preclude or replace their compliance with local and global institutional basis of societal order. Instead, it is normative, and common sense, that the interests of a given group set their rules of

the game but those rules of private governance should meet global societal restraints, and (business) ethics (Dienhart, 2000), which include unconditional respect for HR. The third refers to the *operational mechanisms* that hold an *economic* basis in the emerged model. These mechanisms—contrasting a more horizontal, process-centric arrangements—follow an actor-centric narrative that represents resources and investments that MNEs largely possess or can mobilize (Hardy & Maguire, 2008), thus resulting in a sort of economic or capital authority. They are operationalized by financial, commercial, technological, industrial, and infrastructural operations that MNEs perform in Brazil.

Fourth, the *logic* of action in this pillar is represented by the *functionality* of the matters in question, which the researcher explains through Ulrich's (2008, 2013) definition of the instrumental and purely economic approaches to CR (section 2.3). Fifth, the *indicators* in this pillar were assumed as *measurements of cost/benefits, profit/loss, advantages/disadvantages, or still investment/divestment* corporate considerations. Upon such measurements, corporations engaging in changes of the local BHR institutions in the examined context, for its good or worse, could be identified as institutional entrepreneurs (Hardy & Maguire, 2008; Thornton et al., 2012; see also section 3.3.3.2). In the sixth dimension, the pillar's *affects* are here the interpretations of the actions and inactions of case MNEs on matters of HR in Brazil and serve to indicate whether MNEs are regarded as *legitimate* or *illegitimate* corporate citizens by themselves before society and their peers.

These interpretations, given the relational, institutional logics, are made on the basis of MNEs' corporative effects on all other pillars. The seventh dimension, the *basis of legitimacy*, revolves around the *political determinations* that the case MNEs set forth to gain the legitimacy just mentioned before. They are granted on the basis of their corporate citizenship and correspond to a corporate political play toward the market and society's, ideally harmonic, coevolution. For instance, case MNEs could, and society expects they would, form alliances to stand out for fair (global) labor standards or to support ideal, local living-wages. Alternatively, corporate codes or best practice, can become industrial or sectoral benchmarks and, later on, get regionally expanded until legally sanctioned.

By contrasting the abstraction of this corporative pillar with other postulations of extant neo-institutional theory, it is found that MNEs are regarded as distinguished influential actors of gradual institutional change (Mahoney & Thelen, 2010; Scott, 2014). In some contextual circumstances, for instance, they even become the dominant changing-agents (DiMaggio, 1988; North, 1991; Scott et al., 2011; see also section 3.3.3). However, no business and

management researcher was found to aggregate corporate actors in a distinct institutional pillar, as depicted in this research. This probably because corporate vs. institutional discussions remain confined in the political and legal fields of studies. Nonetheless, this here presented relational view can stress an imbalanced context, for instance, admitting BHR unfair relations (Parson, 1961) and even an overall undemocratic institutional order in Brazil. There seems to reign a reality that goes against the mainstream of traditional institutional logics where institutions, including the government ones, should be impartial, fair and coercive regulative authorities, and govern to fulfill local and global normative imperatives (Scott, 2014), such as HR.

To conclude, it is valid to highlight that institutions and economics interrelate and should function together (North, 1992a, 1992b). In turn, the actions of societal members, be they individuals or (business) organizations, are governed through multiple institutions (i.e., constraints) and respecting collective perceptions of reality and values. They also hold interests that are shaped by relative valuables (e.g., prices), which are those functional, instrumental, or purely economic, by nature. This reasoning, as the here uncovered Brazilian reality shows, denotes a significant advantage for business actors and corresponding disadvantage for HR/CHRR institutionalization and operationalization. However, and admittedly, the interrelations of BHR here drawn demand further empirical studies to be better validated or refuted, as stressed in the study's limitations (section 8.3).

#### **7.2.4. The corporate-institutionalism**

As revealed through section 7.1.2, an atypical form of institutional logic seems to be imperative in Brazil: corporate-institutionalism. As described in the previous section, this governance model appeared similar to what Hardy and Maguire (2008) described as the actor-centrist perspective, which contrasts process-centrism. However, it seems that the economic power of the examined corporate citizens is the defining factor in voicing their institutional claims and in allowing for their influences on the country's BHR political and institutional arenas. This economic-centrism or classist-hierarchy here said to be dominant in the BR-BHRIC is perhaps a characteristic of neoliberal EM as they may weight economic development as the top priority, forgetting to focus on their people's well-being. In Brazil, such economic-corporative centrism, as perceived, is a probable side effect of the country presidentialism of cooption (Passos, 2017; see also Schwartzman, 1970).

That is a way of public governance through which the voices of national and regional Congress' representatives have a seemingly pecuniary and non-legitimate price that ordinary

citizens cannot afford (section 4.2.3.3.1). The relations between actor-centrism (here those most economically powerful), corporate-institutionalism (corporations governing public interests), and the presidentialism of cooption (games of interests or corporatism), were found embedded in the various considerations of MNEs' respondents and also reinforced by both NFPOs' voices and the systematic data triangulation. In such, it seems a plausible observation that Brazil's governance system seems public-privately controlled. Therefore, it seems also admissible that, as the findings suggested, case MNEs hold notable institutional power, that can be used to trigger change in the local BHRIC (P2, section 7.1.2). Such power can be essential to fill in the gaps of the public governance, as data showed, and to bring together coalitions, as to legitimate or speed up given targeted changes, for instance, at the regulative level (section 6.2.1.1).

To this conclusion, it is worth noting that the researcher did not explore BHR related laws and regulations that have been changed through the influence of (case) MNEs in Brazil in any detail, which can then be regarded as a study limitation addressed in section 8.3. Instead, this study relies on the evidence brought to fore especially through the voices of case NFPOs, who argued and demonstrated that, systematically, public and private agents form coalitions in Brazil to effect changes in the BHR arenas, which are, unfortunately, mostly setbacks in the perspective of local HR holders. This conclusion adds to prior process-centrist research that regarded business organizations, respecting given conditions, as supportive or distinguished actors of institutional changes (Scott et al., 2011; see also Bobacka, 2001; Doh & Teegen, 2002; Escobar & Vredenburg, 2010; Maak, 2009; Mahoney & Thelen, 2010; May, 2015; Scherer & Palazzo, 1991, 2007, 2011; Suchman, 1995; Wettstein, 2009).

However, the data suggest that, in the examined context, case MNEs may hold permanent prominence as actors of institutional change, sharing such positions with GOVs and CSOs, at least, on matters of BHR (section 7.1.2). After the fieldwork, it is clear that the research's initial framework of analysis was unfit when it left MNEs out of the protagonist role as HR/CHRR institutional builders in Brazil. This brings back Scott's (2014) assertion that institutional logics are relational, systemic, and their major actors may vary according to projects, processes, spatial boundaries, and many other dimensions. Observing Brazil, the researcher then adds that the national form of governance also figures as a major factor allowing for MNEs' institutional prominence, for instance, in BHR matters. Still, the researcher confirms that actors' agencies, structures, connections, and aims, do interact in dynamic ways

and that these interactions and agencies are indispensable mechanisms for creating and diffusing legitimate, long-standing (HR/CHRR) institutions (section 3.4).

### **7.2.5. CSOs' normative local and global BHR moderation**

As uncovered in section 7.1.5, the role of CSOs in the BR-BHRIC goes beyond representations of BHR normative principles and standards. In Brazil, CSOs act very closely to all related actors of the BHR context, playing a fundamental role in the HR/CHRR institutionalization, operationalization, and realization processes, for instance, providing support in the surveillance of corporate respect for HR and articulating to bring together various stakeholders of the local BHR arena to debate and mobilize for contextual changes. CSOs also serve to inform both societal and interested business parties about related BHR grievances and accountability mechanisms and to popularize HR and CHRR meanings regionally. These functions confirm the prominence of CSOs as institutional actors of the BR-BHRIC, thus validating such a consideration in the research's initial framework of analysis (Figure 3, section 4.1.2; see also Meyer & Thein, 2014). Moreover, since Brazil's current national top priority seems to be economic development and not people's well-being, the roles of HR-CSOs operating in Brazil get even more substantiated as they, in contrast, regard people first.

That is to say, case CSOs showed effectiveness in tackling corporate HR abuses when facing the weak or unwilling local governmental resolutions on BHR disputes. To that end, they may even act at cross national boundaries, seeking solutions that can overcome challenges rising from foreign MNEs' HR violations cases in Brazil or to mediate local governmental complicity in such cases (P5, Figures 10 and 11). It occurs that, in the race for economic development, local governmental actors may coopt MNEs, or vice-versa, as ways to secure or attract FDIs and business operations. As a result, labor/environmental rights are expected to be overlooked, and consequently, HR/CHRR institutional advancement compromised. By observing both case-NFPOs' and –MNEs' assertions, it is conclusive that in the current local scenario, though weakened, BHR related institutions are still resisting the pressures to obstructions and setbacks, and to a great extent, owing to CSOs' noble and tireless efforts.

Without CSOs' local support and their purposeful bridges with foreign corporate, institutional, and societal realms, the privatizing of HR in Brazil would likely already be the only reality. In sum, CSOs' roles in the BR-BHRIC are very effective and, for many instances, more effective than their local regulative peers when it comes to preventing corporate interference in HR institutionalization and realization in Brazil. However, their power and pressures seemed insufficient to oversee BHR matters in the examined context. Additionally,

together with the country's democracy being at risk, CSOs, especially those dedicated to HR and environmental surveillance, have been dismantled, most expressively since the parliamentary coup in 2016 (section 4.2.1.5). Hopefully, effective global regulative support for BHR transnational relations will not arrive too late in this EM, and in many others going through similar situations.

### **7.3. Summary**

This chapter had two purposes. The first was to develop and demonstrate the fulfillment of the research objective, accomplished through the depiction of the grounded model of the BR-BHRIC. This model, culminated in section 7.1.6, represents the logics of the examined context, which was further explored along section 7.2. There, theoretical explorations confirmed the prior literature underlying this study as all valid in the depiction of the research's initial framework of analysis (Figure 3, section 4.1.2)—i.e., the institutional perspective of Scott (2014), the IB and neoinstitutionalism relational view of Meyer and Thein (2014), and the CHRR perspective of Wettstein (2012b). However, as these perspectives were insufficient to characterize the major actors, pillars, and functioning of the BR-HRIC in relation to local and AM enterprises, the emergence of the empirically grounded model was proven useful for these research purposes.

To that end, MNEs were added in the model as pivotal institutional actors; a fourth and interdependent corporative pillar was uncovered; the essentiality of CSOs was confirmed, and the no-longer primary authority of GOVs on BHR matters was revealed. Still, it was uncovered that in institutionally and politically adverse contexts like Brazil, institutional actors of any sort might propagate negative pressures and act exclusively in self-interests. This may lead given actors, for instance, corporative ones, to challenge the legitimacy of given HR/CHRR institutions or even of the whole system. To this moderation, global normative institutions were revealed to be called upon by locally-based CSOs, since they can widely reveal to investors and consumers the reality about how corporations address HR in Brazil. Lastly, corruption and cooption, especially at the regulative level, vested in economic interests, are concluded as strong counterforces against the institutionalization and thus the realization of HR and CHRR matters in Brazil.

## 8. Conclusion

This chapter concludes this research journey and is divided into four sections. The first settles the research aims, means, and results (section 8.1); the second presents the researcher's contributions to the theory and practice (section 8.2); the third discusses the research limitations (section 8.3), and the last suggests some avenues for future research (section 8.4).

### 8.1. Results

The developments of the BHR field inspired the researcher's inquiries on the relationships between MNEs' activities and the still weak HR and CHRR institutional realms in Brazil, operationalized through regulative, normative, and cultural-cognitive elements (Scott, 2014). What was known from prior research is that IB operations influence EM institutional contexts as well as their HR realization, characterized by HR fulfillment and enjoyment. Regarding HR as moral, universal, and indivisible matters (Shue, 1980, 1988; United Nations, 1948), the researcher inquired about whether, and how, MNEs from AM, where HR institutions are considered advanced, would support EM contexts to overcome their HR institutional voids. Then, how AM-MNEs institutionally shape their CHRR approaches for their EM operations also seemed like an important issue.

The researcher also inquired as to whether EM-MNEs operating in the same context would act like their foreign peers, expected to be HR progressives, toward HR institutionalization and CHRR operationalization. These examinations served to elaborate on the objective of this study: to examine how BR and AM-MNEs operating in Brazil shape their CHRR approaches and interact with the BR-HRIC. Two RQs operationalized this broad and challenging aim: How does the BR-HRIC influence the CHRR approaches of BR and AM-MNEs? RQ2: How do BR and AM-MNEs' CHRR approaches influence<sup>170</sup> the BR-HRIC? The identification of a gap in the intersection of the fields behind both this objective and the RQs (Figure 2, section 4.1.1) led the study to assume an empirical, qualitative design, outlined as the research's initial framework of analysis (Figure 3, section 4.1.2).

The in-depth exploration of literature demonstrated that in IB research, there are few studies outside of the mainstream of instrumental CR. In contrast, many are the studies focusing on how MNEs strategize to overcome local HR institutional voids. This is related to securing and maximizing their economic gains and not because harming HR is morally, legally, and

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<sup>170</sup> It is a widespread assumption in neo-institutional theory that business organizations do influence the contexts they take part (Scott, 2014; see also Dienhart, 2000; North, 1992a).

politically wrong (Arnold, 2010, 2013). It was also conclusive that sound knowledge is available about how political power has been granted to (or taken by) MNEs (Scherer & Palazzo, 1991, 2007, 2011). However, to date (2019), very little is known about how such power is understood and exerted by MNEs in society (Giuliani et al., 2016; Giuliani & Macchi, 2014). This seemed particularly interesting to uncover for the case of HR institutions in EM realities because there, despite seven decades after HR universal proclamation (United Nations, 1948), those moral rights remain weakly respected and hardly institutionalized (Ruggie, 2011b; United Nations, 2016). As reviewed, the fact that the international global system still privileges states' sovereignty and non-intervention over the protection of HR (Kobrin, 2009) seems not supportive of pushing forward the HR agenda in EM.

Yet adversely, the GPs thus far did not succeed in their purpose of tackling HR violations and protecting them against too much business rationalization surrounding the race for economic development in these regions (Wettstein, 2018). Also, the persistent lack of a global treaty on BHR (section 2.4) is another institutional void that may prevent basic socioeconomic HR from advancing in emerging neoliberal global realms. In turn, the exploration of the organizational neo-institutionalism in connection with the IB field has shown that MNEs' institutional and political roles in society can be exercised in diverse ways and given various motivations (e.g., corporatism). To date, the occurrences of corporate influences and pressures for institutional change, for instance, targeting their business interests, and the results of such, follow depending largely on each institutional context's characteristics. Worth noting that, as posed by prior research, institutional change can also be triggered by institutional wrongdoers or disrupters, potentially involving business interests, meaning that changes are not necessarily regarding public interests (De Bettignies & Lépineux, 2009; Hardy & Maguire, 2008; Melé, 2002; Thornton et al., 2012).

Nonetheless, although MNEs are regarded in literature, according to projects and circumstances, as major triggers of institutional change (May, 2015; Scott, 2014; Scott et al., 2011), empirical studies placing and explaining MNEs as central agents of (HR) institutional change in EM were not found in IB research. Other than depicting the outcomes mentioned above, the literature review was also crucial in identifying the three perspectives underlying this study, aggregated to form the research's initial framework of analysis (Figure 3, section 4.1.2). These theoretical perspectives stood out, given their theoretical importance and close applicability to the research aims (section 4.1). The first perspective is Wettstein's CHRR conceptualization (2012b) in which the responsibility of corporations for HR is asserted as

tripartite: ethical, legal, and politically. The second underlying conceptualization is Scott's (2014) tripartite neo-institutional model—i.e., regulative, normative, and cultural-cognitive—that sets institutions and (business) organizations as interrelated and interdependent. The third is an empirical application of Scott's framework, performed by Meyer and Thein (2014) in an institutionally critical context (Myanmar), from the viewpoint of IB's well-functioning. Upon that, major institutional actors and institutions of IB's home and host countries may be conflicted. As Meyer and Thein (2014) demonstrated, this quandary can then trigger MNEs to engage in local and foreign agitation and to set up several strategies to overcome institutional adversities impacting their businesses in the examined context.

However, throughout the literature review, the researcher could not find sufficient elements to assist the research objective and to answer the RQs. Also, no empirical studies were found to meet the research subject in Latin American realms. Therefore, as mentioned before, a qualitative empirical study was inevitable and operationalized in Brazil, known as a very representative globalized EM (section 4.2). This empirical journey was guided by the research's initial framework of analysis and rigorously following the SGT methodological precepts (Chapter 5). The fieldwork was carried out in the span of one year of careful data gathering, and recursive and comparative analyses. Still, to deliver a holistic and credible picture of the BR-BHRIC, the researcher took into account not only MNEs' cases (i.e., 11 from BR and 11 from AM) but also public and private actors from diverse institutional arenas relating to local BHR relations—i.e., 14 NFPOs, which enclose CSOs, business associations, and public authorities. In total, the researcher performed 39 interviews with 47 respondents from eight states, covering four out of the five Brazilian regions—see the interview guide in Appendix A and cases overview in Appendix C. Given credibility purposes (section 5.4), the researcher also performed a systematic data-triangulation process, based on pre-defined criteria (Appendix B).

The findings of this exploratory and descriptive research resulted in 2,492 open codes, first integrated by 81 axial codes, and further condensed into 43 patterns that served to answer the two RQs. Upon RQ1's outlines (Table 13, section 6.1.5), on the contextual drives falling on MNEs' ways of addressing HR in Brazil, it was shown that the BR-HRIC similarly influences both BR and AM-MNE groups. The data also showed that MNEs groups present similarities in terms of HR and BHR understanding and CHRR operationalization. The understanding was often interpreted superficially and the CHRR operationalization governed mostly transversally (no dedicated managerial structure), lacking HR due diligence (few firms

evidenced HRIAs), and mostly bound to labor laws, charity, and voluntarism. The results also showed that the groups' ways of addressing HR publicly (i.e., local corporate websites) were similar, in that they were mostly superficial and detached from legal and moral references. When analyzed in terms of categorical pillars, this corporate isomorphism is reflected as follows. On regulative drives (section 6.1.1), both groups deemed local labor rights to be the most relevant laws influencing their CHRR approaches. In turn, the Brazilian Constitution received minimal mention in the corporate talks, and other relevant laws, such as the local civil and penal codes, were also barely commented on by corporate respondents.

On normative drives (section 6.1.2), both groups deemed first the global (i.e., GCPs and GPs) and then local soft-norms (i.e., industry-related) as the most representative guidelines for their companies' responsible conduct toward HR in Brazil. Notably, this pillar was deemed the most positive influence on firms' CHRR frameworks. Still, as registered, the participants also deposit their highest trust on this pillar's actors (section 6.1.3). Economic motivators, such as fiscal and financial incentives, were also revealed as external drives leading case MNEs to tackle HR issues and run social investments connected to their core business in the country (section 6.1.4). Lastly, corporate respondents deemed that some institutions and institutional actors, from all pillars, face not only positive but also negative and ambiguous pressures attempting to shape their CHRR approaches. Specifically, the negative pressures, such as cooption, endemic corruption, distrust of the judicial system, and discrimination of HR ideals and institutions, were found to be strong opposing forces to CHRR developments among case MNEs.

These pressures were reported as capable of preventing case MNEs from acting more responsibly toward their own HR responsibilities and more proactively about broader HR issues in the country. Still, they appeared to arise from various top institutional actors from all pillars, but most particularly often from the regulative arena (i.e., public authorities). In their turn, RQ2's outlines (Table 18, section 6.2.5) revealed that both BR and AM-MNEs groups influence all pillars of the BR-BHRIC also in a similar fashion. Notably, however, BR-MNEs' respondents spoke more openly than their foreign peers about how such corporate interactions take shape institutionally. It was predicted that there would be some reluctance from both groups, and therefore NFPOs' responses and data triangulation (section 5.3.7.1) served to mitigate this issue and any potential bias in corporate respondents' answers (section 5.4). It was uncovered that case MNEs, whether directly or via local business alliances, keep active

interrelations with actors of the public arenas to address HR institutional matters, or their voids, affecting their business interests.

Overall, MNEs also reported communities calling for their representation to address given local HR issues (e.g., water shortages). This allows corporations to either address the issues directly (e.g., through voluntarism or social investments) or to represent the given communities at public stances to the achievement of more effective solutions. As uncovered, case MNEs' avoidance of political engagement with public agents on BHR matters is often inevitable in today's Brazil. This is due to the many and severe related institutional voids that impact their business well-functioning, which are maybe a reflection of the country's institutional, political, and economic crises (section 4.2). Analyzing case MNEs' authority by institutional pillars, at the regulative, they set their pressures through local but non-regulated lobby activities or by taking part in political arenas, such as sponsoring professional politicians in national and regional parliaments (section 6.2.1).

At the normative pillar, MNEs' moves to influence changes in the BR-BHRIC take effect mostly via alliances with NFPOs, as they hold captive space in political realms. However, when it comes to non-deliberate and gradual institutional moves, case MNEs showed to hold influence over suppliers, stakeholders, and even their market-clusters, for instance, through the isomorphic avenues that the adoption and requirements of CHRR global standards create to shield their BHR relations (section 6.2.2). At the cultural-cognitive pillar, even if perceived as being ascribed moderately and in shallow ways (i.e., detached from legal and moral grounds), case MNEs' influences were manifested via the application of HR terminology in codes, public communications, training, and campaigns (section 6.2.3). Out of Scott's models, the findings led the researcher to draw a fourth category of influence, named corporate.

This pillar-like division revealed the influence of case MNEs' economic leverage used to shape the context into a corporate-favorable one. The influences, as registered, can occur through corporate NFPOs, which were depicted as numerous not-for-profit foundations and institutes endowed and administered upon corporate resources. Given their public purposes—for instance, basic and professional education, research, sports, cultural activities, etc.—these organizations garner substantial space and visibility in the regulative and normative arenas. Yet, these can be used to support or cancel, for instance, political campaigns and given social-movements, according to the interests of their backers (i.e., case MNEs). Lastly, as seen in RQ2, case MNEs also set and expand positive, negative, and ambivalent pressures on the BR-

BHRIC. This occurs not only through deliberate ways of discharging their political power but also through the messages enclosed in their overall approaches to HR and CHRR in Brazil. Unfortunately, the ones not ground in ethics, the purely economic and instrumental, were registered as the most prevailing (section 6.2.5).

The next and final analytical step of the research was to further examine the categorical patterns named as axial (AP), which served to answer the RQs (Tables 13 and 18, sections 6.1.5, 6.2.5), in contrast with the 78 theoretical memos annotated along with the data analysis. This resulted in the shape of five final patterns, selective (SP), which depicted the major characteristics of the BR-BHRIC (Table 19, section 6.3). SP1 covered the major traits of the local CHRR approaches: isomorphic and context-based, instrumental, self-governed, and politically-shaped. SP2 depicted the three major actors of the BHR context: multinational enterprises (MNEs), governmental agents (GOVs), and civil society organizations (CSOs). SP3 revealed the four institutional pillars at stake: corporative, regulative, normative, and cultural-cognitive. SP4 showed the sorts of pressures permeating the BHR relations: instrumental (ambivalent), counter-normative (negative or unethical), and normative (positive or ethically grounded)—the instrumental and negative being the most prevalent. Finally, SP5 revealed the main normative elements regarded as competent to monitor and moderate BHR matters in Brazil: local-based CSOs, AM-based CSOs, and foreign stakeholders (e.g., corporate headquarters).

The further elaboration on the characteristics of these five SP resulted in the abstraction of meaningful dimensions and propositions that served to operationalize the study's final model, named the corporative-institutional logics of the BR-HRIC (Figure 11, section 7.1.6). This model provided the completion of the research objective, as it offered a representation of how case MNEs address HR in Brazil and interrelate with its HR institutional context. The emerged model represents an expanded version of the research's initial framework of analysis, as well as theoretical perspectives upon which it was built. First, the emerged model suggests the expansion of Scott's (2014) tripartite framework (regulative, normative, and cultural-cognitive) by remarking that the (economic, politic, and institutional) power of collectively organized corporations converges into a fourth institutional pillar, the corporative (Figure 8, section 7.1.3). Second, it confirms Meyer and Thein's (2014) assertion that MNEs, according to their interests, are triggers of institutional change in adverse markets. However, the novel model places MNEs as categorical and fixed institutional actors able to exert substantial

influence on HR advances or setbacks in Brazil as well as to shape how CHRR approaches shall look like (e.g., voluntary or mandatory).

The holistic overview of the BR-BHR interrelations offered here represents the result of a broad, multidisciplinary, and empirical outlook, captured through a long immersion in the context. This enabled the researcher to improve the understanding of the facets and challenges to the co-evolution of (international) business and society through the lenses of BHR relations and for the sake of HR respect and advancement—perspectives often overlooked in IB research. Still, and by following the SGT’s precepts rigorously, the researcher aimed to offer a credible, though small, extract of the reality in such a representative and institutionally adverse EM that Brazil veritably is in terms of BHR relations.

## **8.2. Contributions**

### **8.2.1. Contributions to theory**

This dissertation, even if context-specific, leaves some significant contributions to both the international BHR field and organizational neo-institutional theory. Overall, the emerged model (Figure 8, section 7.1.6) offers a holistic view of the actual corporative-institutional logics of the BR-HRIC, which was not found in the reviewed academic literature. These research fields may benefit from this delivered understanding of the interactions between institutional private and public actors, pillars, and pressures. First, from the uncovering of the institutional drives, (mis-)conceptions, responses, and systems behind the corporate behavior toward HR respect in Brazil (section 6.1.5). Second, from the overview about how MNEs respond to such external drives and pressures and mobilize to shape back the BHR context to best fit their business interests (section 6.2.5). These two perspectives together give an overview of the institutional, political, economic, and operational elements and voids that enable MNEs to either address or neglect their share of HR responsibility in an emerging Latin American society, a perspective not found covered by prior empirical studies.

Two other contributions of the study add distinguished value to the understanding of BHR relations in EM societies. The first is the uncovering of the corporative pillar and its potential to become as operative as the other regulative, normative, and cultural-cognitive powers in the shaping of HR and CHRR institutions (section 7.1.3). The second is the depiction of how MNEs distinguish themselves as institutional actors to promote or forestall certain HR and CHRR changes in all pillars of the BHR context. The extent of which is, however, apparently determined according to their economic leverage within this context and to their interactions with the other institutional actors (i.e., GOVs and CSOs). These two conclusions

hold potential to expand Scott's (2014) tripartite model of organizations and institutions (Table 20, section 7.1.3), as well as to provoke this expanded application in BHR field and in IB research, as done before by Meyer and Thein (2014; see section 4.1.2).

One more contribution to theory comes from the combination of the other two findings. One is that case MNEs, without relevant distinctions concerning their home-countries, address CHRR mostly through functional approaches, whether instrumental or purely economic and to a great extent in response to the coercive force of local labor laws (section 6.1.1). Another is the assessment that case MNEs' managers hold a poor understanding of HR and BHR's relations. Still, their governance is faulty when it comes to the fulfillment of HR due diligence (section 6.1.3). These revelations, though not surprising (Deva & Bilchitz, 2013, 2017), first show the persistent ineffectiveness of the GPs' performance in advancing corporate respect for HR in Brazil (section 2.4). Second, they suggest that case MNEs' inclination to behave more or less responsibly toward HR institutional and practical matters in this context, and probably in other EM too, is largely bound by reputational risks (section 7.1.5) and restrict to local labor institutions (section 6.1.1).

However, in the case of EM, labor rights, and other warranties related to HR, are often slight and weak (Palepu & Khanna, 1998). This extract of reality then speaks volumes about CHRR practices in EM and is therefore particularly useful in furnishing the still young BHR field with empirical studies (Wettstein, 2018). This is especially relevant because business-related studies discussing the drives for CHRR institutionalization and operationalization are, thus far, found mostly concentrated on normative research approaches. This dissertation, therefore, may contribute to diminishing this shortage. In time, this study may also contribute to expanding the field of political CR, which connects to neo-institutional, legitimacy, and stakeholder theories. This because, upon political CR perspective, globalization has made obsolete the paradigm roles of private business exclusively as economic actors and nation-states as the exclusive nondiscretionary HR guardians in capitalist societies (section 2.3).

To date, globalized markets widely rely on a hybrid public-private governance, in which MNEs assume extra-legal social functions and political responsibilities, as to support filling in public governance gaps (Scherer & Palazzo, 1991, 2007, 2011; see also Doh & Teegen, 2002). However, little is known about how such hybrid governance takes place in EM involving EM-MNEs (Giuliani & Macchi, 2014; Giuliani et al., 2016). This gap is shortened by this study's showcasing of MNEs as active political actors and its interpretation of the consequences of the exertion of such power over an EM HR realm.

Finally, this study may also contribute to equipping scholars in search of best-fitting methodologies in business and management researches with a qualitative application of SGT. This is owing to the level of detail offered by the researcher at each stage of the meticulous and well-grounded path this study took to its completion.

### **8.2.2. Contributions to practice**

This research leaves several learnings and guidelines as contributions to practice. In terms of normative guidance, the researcher imparts some advice to (international) business leaders. In particular, those struggling with questions of whether or to which extent they should participate politically in matters of HR governance in EM. The researcher acknowledges that these evaluations can be hard, given the misjudgment that such corporate moves could incur, especially in contexts marked by endemic corruption and cooption at the public and private levels, as is the case in Brazil. After the long pathway of this study, however, the researcher's position reiterates prior normative guidance from notable IBE scholars (Sen, 1993, 2004, 2010, 2017a, 2017b; Wettstein, 2009, 2010d, 2010b, 2012a, 2012d, 2016).

The first is that it is inevitable that a business organization will get involved in pressing HR societal issues if operating in a context marked by such adversities. For instance, on the grounds that business operations in EM employ local human beings and those oftentimes are struggling to access the very basic to survive. Ignoring their struggles and keeping exploiting their work means becoming accomplice with the system that subjects workers to substandard living-wages (Wettstein, 2012d, 2012e). Thus, doing nothing, or assuming low profile strategies (Meyer & Thein, 2014), is the worst option when it comes to HR issues and may denote, at the least, passive HR violations (Clapham & Jerbi, 2001; Kutz, 2000; Michalowski, 2013; Wettstein, 2010b, 2012e, 2013b). This is because lives can be neither recovered nor replaced, and harm to peoples' dignity may result in damages that just cannot be compensated through any sort of remedy.

It is therefore recommended that business leaders take on a collaborative role in society, standing politically in favor of HR respect, institutionalization, and operationalization. By doing so, they will be assisting, in fact, HR realization and societal progress. Furthermore, in digitally-connected times, business integrity and transparency may constitute enough elements to shield corporations from those insisting on action against what is morally wrong, namely violating HR and undermining their institutionalization. Global society expects from corporations that, at the very least, they respect HR. Respect means going beyond the paradigm

of *do no harm* (Wettstein, 2010a). It includes protecting (do not allow harm) and promoting (advocating) HR.

Again, CHRR entails the actors' ethical, legal, and political duties in society, including the respect for and protection of HR (Ulrich, 2008, 2013; Wettstein, 2012b). True CHRR operationalization, as a means of performing HRIAs and subsequent due diligence along supply chains, is the bare minimum and the right thing to do. Again, it is wrong not to take action until it is desperately needed, or merely to benefit businesses. Finally, MNEs' leaders, as well as responsible investors and consumers, should then remember that the legitimacy and endurance of a business require accountable and responsible action in societal issues. In terms of managerial guidance, this study offers a comprehensive contextual overview (section 4.2) and empirical assessment (Chapter 6 and 7) of the several categories of elements and pressures shaping the BR-BHRIC. Upon this consolidation, the study grants several *whats*, as well as *do's* (positive pressures) and *don'ts* (negative pressures) that can support corporate decision-makers and investors to better frame their CHRR approaches when strategizing operations in Brazil. These nuances can explain what constitutes, in practice, responsible use of politico-institutional and economic corporate power in society through CHRR.

Such teachings can also be particularly useful in guiding IB newcomers who are negotiating entry-mode terms with local authorities and markets' representatives. Also, they may serve to those holding established firms but negotiating new projects or contracts to raise the demands of responsible, transparent, and comprehensive HRIAs. This dissertation stands for the assertion that since HR are moral rights, their institutionalization and realization are responsibilities shared by all agents in society (section 2.2). Therefore, the researcher hopes that this study can serve to encourage MNEs' leaders, starting with those who took part in the interviews, to rethink their roles in society and to take the lead in its advancement whenever possible. They can do this in many ways, for example, by promoting transparency in public-private action plans that involve authorities from the regulative and normative pillars. They can also engage in propagating the real meanings of HR and in strengthening HR institutions in their circles of operation and all along their supply chains in EM.

In terms of BHR institutional advance, upon the considerations about the active participation of MNEs in HR institutional building, the study contributes to the BHR debate by signaling the need for a global treaty on BHR. As some corporate and civil society respondents stressed (section 6.1.1.2), it seems quite incongruous that globalization has been agreed upon in certain countries without the prior institutionalization of a system capable of holding MNEs

transnationally accountable for their possible impacts on HR realization worldwide. This is particularly worrisome considering that corporations can harm HR not only by exploiting unfair labor systems but also by their instrumental interference with institutional building, as this study exposed. In the long term, those issues can harm society as a whole, on the grounds that they produce extreme inequalities that may fuel extreme violence and hinder a balanced socioeconomic progress.

As many MNEs and NFPOs' respondents stressed (section 6.1.1.2), although Brazil has achieved advancement in regulations like labor rights and environmental licensing to greenfield operations, the institutional pressures for disruptions observed on such BHR-related norms since its parliamentary-coup (section 4.2.1.5), are now very worrisome. As evidenced, the decentralized, ambiguous, and reckless way of orchestrating BHR relations in Brazil already leaves significant room for inefficiency, corruption, and cooption, so that MNE's HR frameworks can run free from moral and legal restraints and corporate HR violations remain unknown and unpunished. Conclusively, this reality and the revelations of the material and potential implications of the corporative power on HR and CHRR institutionalization and operationalization in Brazil, compose a modest, albeit credible, contribution so that global HR authorities may rush to better adjust our globalized (business) world and ensure that BHR relations can be genuinely moral, democratic, and timely in EM.

### **8.3. Limitations**

Although the researcher rigorously followed SGT criteria to achieve research credibility (section 4.3), several limitations could not, however, be mitigated in the study, and those most relevant are discussed here. The first regards heterogeneity of the sample and, although the SGT's theoretical sampling method allows a loose selection of cases according to their relevance for the explored topics, the researcher established minimum criteria to select participants (section 5.3.6.3), especially because of the study's comparative approach between BR and AM-MNE groups. This move, however, did not prevent heterogeneity within each group. Among them, however, a similar distribution by industry was observed. The second limitation relates to the representativity of the sample. Provided that Brazil is so vast, it was not possible to cover its regionalities in entirety, with the northeast being the only of Brazil's five regions not represented in the study. Nonetheless, generally, the sample cases were mainly located in the most industrialized areas of the country. Regarding the origins of foreign corporate groups, the sampling process did not design an even or diverse continental distribution.

Foreign corporate cases were found still mostly from European and American AMs. Thus, this sectoral and regional heterogeneity may not present a statistically sound sampling of reality but remained loyal to the applied methodology and to the exploratory purposes of the research, and able to address competently a highly underexplored topic (Blickle, 2018; Myers, 2013). Third, the broad and complex research design can also be regarded as a limitation and, admittedly, affects the study's objectivity. But objectivity could, for instance, compromise participants' anonymization. That is why the researcher did not dig deep in exploring regulations to the material listing of the HR institutions affected by the influence of the case MNEs in Brazil. The study also did not offer comparative material ponderings about the groups' degrees of influence by specific types of institutions, nor did it account for the development of robust indicators to such measurements. Although such degree of objectivity was outside the broad exploratory scope of this research, this is undoubtedly an interesting point that, therefore, deserves dedicated further research.

The fourth limitation relates to the simplistic method the researcher developed to account and compare the groups' scores. Although this particular method was found to be appropriate for the exploratory and qualitative purposes of this study, a sound statistically robust work is, therefore, a suggested avenue for future research. Fifth, the way the researcher found to mitigate bias from corporate answers was also particular. In order to complement the applied traditional technique of systematic data triangulation, the researcher designed a moderator group, formed by 14 specialized actors active in the field of the BR-BHR regulative and normative pillars. The responses of these experts served not only to moderate managers' assessments but also to better inform the study of multiple facets of the examined institutional reality. Still, the determinations about how to moderate results, as well as the judgments of what constitutes a potentially biased answer, among overall unavoidable interpretivisms in the data analysis, remained at the researcher's evaluations. The study's criteria on subjectivity and objectivity then, like with other qualitative methodologies, remain susceptible to critics (Birks & Mills, 2015; Denzin, 2011; Gray, 2018). Nonetheless, the study's systematization and accountability return faultless at all levels, to the achievement of academic credibility (section 5.4).

Sixth, another point susceptible to critics is the little power of generalization that this research holds through its extract of only 22 MNEs (11 from BR and 11 from AM) and 14 NFPOs. It is true that, especially in a country with the geographical dimensions of Brazil, and regarding a subject matter with the broad range that HR institutions hold, larger samples would

naturally return better depictions of reality. However, according to SGT's theoretical sampling precepts, generalization from smaller samples in qualitative research can also be achievable (Blickle, 2018; Myers, 2013) as long as credible groundwork is performed, which is claimed to be the case of this fieldwork (section 5.4). As exploratory, descriptive research into a highly underexplored topic, this study has then met its purpose of serving as a valuable starting point for further investigations of quantitative nature based on statistical logical reasoning. The researcher, therefore, suggests that further examinations be taken with more extensive samples and even cross-culturally, for instance, to validate or reject some of the research's 15 produced propositions (Appendix E). It is also expected that some of those propositions will demand more objective evaluations based on defined variables to the uncovering of BHR specific elements, their impacts, and relationships that only quantitative studies can adequate.

Seventh, the researcher also acknowledges as a limitation the fact that BHR institutional relationships and their pressures, most notably those of the normative and cultural-cognitive pillars, are susceptible to change and hardly directly observable (DiMaggio, 1997; Scott, 2014)—even harder to be captured via a single interaction via interview. However, the time frame of a doctoral degree restricts longitudinal approaches and multiple interactions with case participants, which would apply for better exploring the complexities behind IB contexts (Meyer & Thein, 2014). This is, therefore, a limitation that can be overcome in future research too. However, to mitigate such an issue in this study, the researcher triangulated various sorts of data in addition to the design of a systematic approach to such data gathering (Appendix B). Still, substantial time to analyze the data recursively and comparatively was dedicated through a process in itself that lasted a whole year.

Last but not least, the researcher excuses her sometimes harsh, critical wording style throughout this study, especially when describing the negative contextual pressures exerted by overall institutional actors on HR institutions and realization. It pertains to her moral assumption that it is utterly wrong to harm HR to favor public and private organizational, economic interests. However, the researcher is aware that the construction of a more just society, where all respect HR institutions and where most attain basic HR, also depends on the collaborative behavior of all agents in society, including IB researchers. The researcher, therefore, hopes that this study can become part of her contribution to such a humanized ideal.

#### **8.4. Avenues for Future Research**

The BHR institutional model resulted from this research revealed a fourth pillar, the corporative, which is grounded on the active participation of MNEs on the institutional building

of HR and CHRR in Brazil. Still, through local coalitions, MNEs' institutional power seems to correlate with the power of the long-established HR institutional actors, i.e., GOVs and CSOs (Figure 11, section 7.1.6). The study also suggested that the scope of such corporate empowerment is determined according to the economic power of business actors and the dependency of the context on their resources for its well-functioning or to assist given interests (section 7.1.2; see also P1c in Appendix E). These abstractions represent a call for future research, provided their unsubstantial generalization power and subjective construction. Therefore, the researcher suggests that these assumptions can be regarded as a starting point for future studies, being tested either in the same context but upon larger samples and alongside a longitudinal study, or operationalized in different EM democratic and globalized contexts.

Still, these assumptions propel important questions that could interest both BE and BHR scholars. For instance, considering the economic race for development in EM, it seems interesting to uncover how unimpaired or truly democratic the corporative political representation can be on matters of HR and CHRR institutionalization in EM contexts if informal and not regulated. Still, in such hybrid, public-private, HR governance and in a country where HR are not yet well-institutionalized at the normative and cultural-cognitive levels (e.g., not understood as matters that are good for all people), what chances do local ordinary citizens hold of being truly represented in their HR matters by the regulative and most powerful political actors? Would the corporative power be the reason preventing Brazil—a nation signatory of several international regulative BHR-related institutions, e.g., International Covenant on Economic, Social and Cultural Rights (United Nations, 1966b), and on which HR are constitutional rights—to make HR and BHR relations known to most and respected by all citizens? If so, what could the solutions to such a quandary be?

The limitations presented in the previous section also represent avenues for future research. For instance, considering the depicted active participation of MNEs in Brazil's BHR institutional building, an opportunity for new explorations would be the examination of the last two decades of regulative HR developments, such as passed laws and regulations passed, legislative proposals, and setbacks (e.g., official reforms dismantling HR institutions) passed upon indications of corporate lobby activities in Brazil. Still, it would be interesting to uncover whether and how business associations have been presenting proposals of institutional change affecting local HR, the nature of such proposals (e.g., channels, frequency, agenda) as well as their implications. Also, what pathways (lobby?) and pace (faster?) do such proposals take to be regarded by the mandated authorities of the regulative institutional system? A comparative

content analysis of the same flow departing from CSOs could add substance to verify, for instance, whether and how the normative, not-for-profit societal representations would be assisted in their claims similarly (or not) to their corporative peers. Comparing those claims, pathways, and implications, would be, as imagined, of relevance to the understanding of the effectiveness of the leverage of both groups—corporative (MNEs) and normative (CSOs)—in contrast to the decisions of their regulative (GOVs) peers.

It would also be interesting, from the viewpoint of a business and society collaborative perspective, to have future studies focusing solely on the positive influences of MNEs, for instance, in the Brazilian context, regarding HR realization and advances. Still, the roles of chairpersons and boards of directors, as well as CEOs and executive committees regarding the protection of HR in EM, seem like another exciting pathway for future research. Last but not least, the study provides a list of propositions (Appendix E), which admittedly demand further examinations that are invitations for future research, be they normative evaluations or empirical assessments. For instance, the value added by the GPs in EM contexts like Brazil could be challenged by the analysis of the first set of propositions on MNEs' CHRR approaches (P1, Appendix E). As depicted, the drives influencing MNEs' responsibility for HR in Brazil remain bound to local institutions, which were reported as weak, corrupted, or co-opted to assist the interests of given groups. At the same time, millions of local citizens have been facing business-related HR violations, while many more remain still unaware of what HR are and that corporations hold HR responsibility.

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# Appendix

## Appendix A: Interviews Guide<sup>171</sup>

An introduction of the researcher, research objective, and the university; Confirmation of consent to record the interview.

### 1. Questions applying to MNEs' respondents, linked to RQ1

- 1.1. What do HR mean for you?
- 1.2. What is your perception of the awareness of HR, CHRR, and BHR relations among your company's employees and stakeholders? Are these concepts clear within your organizational realm?
- 1.3. Do you perceive HR matters as understood within the societal arenas you are a part of?
- 1.4. What is your perception of HR institutionalization in Brazil? Do sufficient laws exist? Are they effective?
- 1.5. What do HR mean for your company?
- 1.6. How does your company address HR and CHRR in Brazil?
- 1.7. Since when has this approach been applicable?
- 1.8. Is this approach local or global?
- 1.9. Why does your company address HR in such a way?
- 1.10. What elements and pressures influence the way your company addresses HR in Brazil? E.g., GPs, UDHR, Constitution, labor laws.
- 1.11. What challenges hinder the way your company addresses HR in Brazil?
- 1.12. Could you name the types of media (codes, leaflets, websites) on which your company expresses and makes public its respect for HR?
- 1.13. Does your company have an HR policy?
- 1.14. If so, is it a global, local, publicly available policy?
- 1.15. Does your company hold a dedicated department to carry out CHRR matters?
- 1.16. How does your company govern and manage HR? E.g., transversally, via CR department, sustainability or human resources area, or yet compliance division?
- 1.17. How does your company address HR along with its operations internally and via overall supply chains in Brazil?

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<sup>171</sup> This is the English version of the original interview guide, which was written in Portuguese because the interviews were conducted in this local language. Meeting SGT precepts and the exploratory nature of this research, these questions were neither addressed in a strict order nor applied in their totality (section 5.3.3.1).

- 1.18. Are there contractual rules for suppliers and contractors that require them to respect and protect HR?
- 1.19. How does your company verify that HR are respected and protected within its direct and indirect operations?
- 1.20. Have you ever experienced any organizational CHRR auditing process?
- 1.21. Have you ever experienced any governmental sort of CHRR inspection process?
- 1.22. How supportive, inspiring, and adequate are the governmental (national, regional, and municipal) actions and conduct when it comes to overseeing CHRR matters related to your company's operations?
- 1.23. Have you ever experienced any governmental sort of normative (soft-norms related) CHRR inspection?
- 1.24. How supportive, inspiring, and adequate are the CSOs' actions and conduct when it comes to overseeing CHRR matters related to your company's operations?
- 1.25. What is mandatory, and what is not, when it comes to CHRR in your field in Brazil for the establishment of a new business? Are the requirements and processes adequate?
- 1.26. Does your company have an HR due-diligence system in place?
- 1.27. Has your company ever performed an HRIA?
- 1.28. Does your company apply HR language in daily operations?
- 1.29. How does your company communicate HR publicly?
- 1.30. Does your company offer training about HR meanings? Have you been trained?
- 1.31. Does your company offer training about the potential adverse impacts on HR linked to its overall operations or about the operations you manage?
- 1.32. Would you like to mention which kinds of HR matters your company is most committed to addressing? Why these?
- 1.33. How does your company select the types of HR matters to be addressed?
- 1.34. Do shareholders or stakeholders play a role in determining the way your company addresses CHRR matters? And what about the founders of the company?
- 1.35. Would you say that in Brazil, consumer behavior may play a role in the way your company addresses matters of HR and CHRR?

## **2. Questions applying to MNEs' respondents, linked to RQ2**

- 2.1. How does your company interact with BHR-related institutions?
- 2.2. Does your company, directly, via CSOs, or public-private partnership, engage in campaigns or programs targeting the rise of societal awareness of HR matters in Brazil?

- 2.3. Do you remember an event that prevented your company from becoming more socially responsible or from taking a more active role in advancing HR and CHRR in Brazil?
- 2.4. Does your company take part in political discussions of HR-related issues in Brazil? If so, why and how? If not, why?
- 2.5. Are there enough institutional mechanisms (e.g., laws, norms, inspections) in Brazil to secure people's HR facing the power of corporations? If not, what could people do to tackle such voids and defend their HR?
- 2.6. What are the challenges that corporations face to address CHRR due-diligence in Brazil?
- 2.7. What is the role of your corporation toward HR and BHR relations in Brazil? How does it exert such this role?
- 2.8. What is the role of the state/government toward HR and BHR relations in Brazil? Can the state secure and oversee HR and CHRR alone?
- 2.9. Do you perceive your company as an agent of social, environmental, and cultural change? Why?
- 2.10. Do you perceive your company as an influencer of HR awareness in Brazil? How does this happen?
- 2.11. Do you perceive your company as an agent of HR realization in Brazil? How does it happen?
- 2.12. Does your company practice lobbying?
- 2.13. Do you think corruption involving big corporations and politicians is an issue impacting HR realization in Brazil negatively?
- 2.14. Does your company engage in public-private partnerships linked to CSR matters?
- 2.15. How does your company practice social voluntarism? Does your company hold a foundation or institute? If so, please talk about the functioning and purpose of these organizations.
- 2.16. How does your company engage with CSOs or business associations who represent matters of HR and CHRR?
- 2.17. Has your company taken part in regulative processes relating to BHR public policies or laws?
- 2.18. How does your company relate to local governments (national, regional, municipal)?
- 2.19. How does your company relate to local communities and their HR issues?

2.20. Is there anything that I did not address, and you would like to add?

**3. Questions applying to NFPOs' respondents, linked to RQ1 and RQ2**

3.1. How does your organization relate to local and foreign MNEs on matters of BHR in Brazil?

3.2. What are the institutional elements or pressures (e.g., regulative, normative, cultural-cognitive) that your organization refers to as relevant to govern BHR matters in Brazil? Do you perceive such elements as related to those influencing the CHRR frameworks of the MNEs connected to your organization?

3.3. What are your overall impressions of the BHR relations in Brazil?

3.4. From your organizational experiences, do MNEs adequately address HR/CHRR in their operations in Brazil?

3.5. What elements are missing for a more responsible corporate approach to HR matters in Brazil?

3.6. From your organizational experience, are there differences between local and foreign (i.e., from AM) MNEs' ways of addressing HR and CHRR in Brazil?

3.7. Have you ever experienced cases in which corporations and public agents teamed up to advance or hinder HR institutionalization in Brazil?

3.8. Have you experienced cases in which corporations and public agents teamed up to advance or hinder HR realization or awareness in Brazil?

3.9. From your organizational experience, could you discuss the impact of MNEs' operations toward HR institutionalization and realization in Brazil?

3.10. Are there institutions in Brazil strong enough to ensure that corporations will be careful about the sanctions and consequences of their direct and indirect harm to HR?

3.11. Could you, please, discuss the influences of MNEs on HR institutions in Brazil? Whether they are regulative, normative, or cultural-cognitive?

3.12. In your organizational experience, have you ever seen manifestations of corruption, cooption, self-interested lobbying, and other issues involving MNEs, HR, and governmental relations in Brazil?

3.13. How do MNEs that your organization does business with apply the language of HR?

3.14. Would you like to comment on challenges and opportunities for BHR institutionalization and realization in Brazil?

3.15. Is there anything that I did not address, and you would like to add?

## Appendix B: Criteria for Data Triangulation

### Apply to case MNEs:

1. Indications of CHRR institutionalization. E.g., policy, public commitment to respect HR.
2. Indications of CHRR operationalization from local websites and publicly available documents. E.g., sustainability system, reports, code of conduct, compliance, Ombudsman or customer-care channel(s), responsible supply chain policies, due diligence and HRIA.
3. Legal and normative references. E.g., UDHR, Bill of Human Rights, GPs, GCPs, SGDs.
4. Evidence of affiliations related to CHRR. E.g., UNGC-BR, Ethos Institute for Corporate Social Responsibility, Instituto Pacto Nacional pela Erradicação do Trabalho Escravo (InPacto), UN Women.
5. Existence of philanthropic foundation or institute. Specify legal forms (e.g., association, public or private foundation; or yet OSCIP, OS, CEBAS) and purposes (e.g., education, environment, women empowerment).
6. Existence of local publicly available positive news on CHRR matters. E.g., corporate HR activism, socio-environmental projects.
7. Existence of local publicly available negative news on CHRR matters. E.g., corporate HR violations, such as mass labor litigations, hazardous consumers-related issues, child labor, sorts of slavery, land disputes, environmental disasters; involvement in corruption scandals, or political misleading relating to BHR matters, such as toxic-lobby.
8. HR communications. E.g., (a) whether and how HR terms are applied on local and foreign organizational websites; (b) whether and how HR terms are applied to online commercial operations and sales channels.
9. Examinations of MNE's approaches to CHRR. Particularly: (-1) No shreds of evidence of legal compliance = disregard CHRR; (0) Negative approach (low profile, adaptive, legal compliance) = neglect CHRR; (1) Positive approach = instrumental CHRR; (2) Positive approach = responsive CHRR (respect HR); (3) Positive approach = progressive CHRR (advance HR). Obs.: Negative means those frameworks attached (but not restricted) to legal compliance and economic purposes only, and positive means those attached to or applying ethics (instrumental).
10. Researcher's final observations: an examination of the degree of CHRR, such as corporate commitment to HR respect, protection, promotion, and remedy; examinations of CHRR framework; examinations of CHRR governance and management; examinations of political engagement and lobby.

**Apply to case NFPOs:**

1. Indications of organizational HR institutionalization. E.g., Organizational HR policy or commitment to respect HR.
2. Indications of organizational HR operationalization from local websites and publicly available documents. E.g., sustainability system and report or GRI, code of conduct, compliance, Ombudsman or customer-care channels, responsible supply chain policies, due diligence and HRIA.
3. Legal and normative references. E.g., UDHR, Bill of Human Rights, GPs, GPs, GCPs, SGDs.
4. Local publicly available positive news on BHR matters. E.g., outcomes of HR activism or socio-environmental projects.
5. Local publicly available negative news on BHR matters. E.g., cases of HR violations, corruption scandals or political misleads, toxic-lobby, mass labor litigations, hazardous consumers-related issues, child labor, sorts of slavery, land disputes, environmental disasters.
6. HR communications. E.g., whether and how HR terms are applied on local and foreign organizational websites.
7. Researcher's final observations. E.g., BHR moderator role, political influencer, ethical approach, functional or instrumental-oriented.

## Appendix C: Cases Overview

Wave (W#)	Interview order	Case ID	Industry	RESP ID	Interview type/mode	Date, time (BR)	Record (min.)
W1	1	BRA-MNE-1A	Mining/energy	RESP1	Individual/ face-to-face	22/05/17, 11:00	65.28
W1	2	BRA-MNE-1B	Mining/energy	RESP2	Individual/ face-to-face	23/05/17, 15:00	49.10
W2	4	AM-MNE-1	Financial & insurance activities	RESP4	Individual/ face-to-face	30/05/17, 17:30	62.00
W2	7	BRA-MNE-2	Manufacturing & trade/ wearing apparel	RESP7-8	Group/ face-to-face	01/06/17, 09:00	70.20
W2	8	AM-MNE-2	Manufacturing/ heavy machinery	RESP9	Individual/ face-to-face	02/06/17, 15:00	71.52
W2	9	AM-MNE-3	Manufacturing/ chemicals	RESP10	Individual/ face-to-face	05/06/17, 14:00	75.33
W2	10	BRA-MNE-3A	Manufacturing & trade/ personal & household	RESP11	Individual/ face-to-face	06/06/17, 11:00	57.56
W2	11	BRA-MNE-3B	Manufacturing & trade/ personal & household	RESP12	Individual/ face-to-face	06/06/17, 17:00	55.26
W2	12	BRA-MNE-4	Mining/minerals	RESP13-15	Group/ face-to-face	08/06/17, 10:00	75.55
W2	13	AM-MNE-4	Mining/energy	RESP16	Individual/ face-to-face	08/06/17, 17:00	59.08
W2	14	AM-MNE-5	Mining/energy	RESP17	Individual/ face-to-face	09/06/17, 09:00	46.59
W2	15	BRA-MNE-5	Mining/minerals	RESP18	Individual/ face-to-face	12/06/17, 13:00	68.39
W2	16	AM-MNE-6	Mining/minerals	RESP19-23	Group/ face-to-face	13/06/17, 09:00	66.26
W2	17	AM-MNE-7	Manufacturing/ food & beverage	RESP24	Individual/ face-to-face	14/06/17, 10:00	74.38
W2	18	BRA-MNE-6	Manufacturing/ chemicals	RESP25	Individual/ face-to-face	21/06/17, 10:00	65.08
W2	19	AM-MNE-8	Manufacturing/ iron & steel	RESP26	Individual/ face-to-face	21/06/17, 18:00	61.38
W2	20	BRA-MNE-7	Manufacturing/ iron & steel	RESP27	Individual/ face-to-face	22/06/17, 10:00	56.49
W2	21	BRA-MNE-8	Information & communication	RESP28	Individual/ face-to-face	22/06/17, 15:00	58.00
W2	22	AM-MNE-9	Services/ consultancy	RESP29	Individual/ face-to-face	22/06/17, 17:30	37.00
W3	28	BRA-MNE-9	Manufacturing & trade/ personal & household	RESP36	Individual/ virtual	22/11/17, 10:30	62.54
W3	29	AM-MNE-10	Information & communication	RESP37	Individual/ virtual	06/12/17, 10:00	48.59
W3	30	AM-MNE-11	Manufacturing & trade/ wearing apparel	RESP38	Individual/ virtual	07/12/17, 11:00	49.38
W3	32	BRA-MNE-10	Financial & insurance activities	RESP40	Individual/ virtual	03/01/18, 17:00	69.34
W3	37	BRA-MNE-11	Manufacturing/ chemicals	RESP45	Individual/ virtual	03/03/18, 10:00	17.34
3	24	22	11	31			1,421.64

<b>Case ID</b>	<b>State/ region</b>	<b>Position type</b>	<b>Direct BHR position</b>	<b>Global gross revenues (USD mi.)</b>	<b>BR gross revenues (USD mi.)</b>	<b>Qty. global employees</b>	<b>Qty. local employees</b>
BRA-MNE-1A	RJ/SE	Managerial	No	Omitted	Omitted	50,001-200,000	50,001-200,000
BRA-MNE-1B	RJ/SE	Executive	Yes	Omitted	Omitted	-	-
AM-MNE-1	SP/SE	Executive	Yes	Omitted	Omitted	50,001-200,000	1,001-5,000
BRA-MNE-2	RS/SO	Executive	Yes	Omitted	Omitted	15,001-50,000	15,001-50,000
AM-MNE-2	RS/SO	Managerial	Yes	Omitted	Omitted	50,001-200,000	1,001-5,000
AM-MNE-3	PR/SO	Executive	Yes	Omitted	Omitted	5,001-15,000	0-1,000
BRA-MNE-3A	PR/SO	Managerial	No	Omitted	Omitted	15,001-50,000	5,001-15,000
BRA-MNE-3B	PR/SO	Managerial	Yes	Omitted	Omitted	-	-
BRA-MNE-4	RJ/SE	Managerial	Yes	Omitted	Omitted	50,001-200,000	>50,001
AM-MNE-4	RJ/SE	Managerial	No	Omitted	Omitted	50,001-100,000	0-1,000
AM-MNE-5	RJ/SE	Managerial	Yes	Omitted	Omitted	15,001-50,000	0-1,000
BRA-MNE-5	ES/SE	Managerial	Yes	Omitted	Omitted	1,001-5,000	1,001-5,000
AM-MNE-6	ES/SE	Managerial	Yes	Omitted	Omitted	200,001-500,000	15,001-50,000
AM-MNE-7	AM/NO	Managerial	Yes	Omitted	Omitted	200,001-500,000	5,001-15,000
BRA-MNE-6	RJ/SE	Managerial	No	Omitted	Omitted	5,001-15,000	5,001-15,000
AM-MNE-8	RJ/SE	Managerial	No	Omitted	Omitted	15,001-50,000	1,001-5,000
BRA-MNE-7	RJ/SE	Managerial	No	Omitted	Omitted	15,001-50,000	5,001-15,000
BRA-MNE-8	RJ/SE	Managerial	Yes	Omitted	Omitted	15,001-50,000	5,001-15,000
AM-MNE-9	RJ/SE	Managerial	No	Omitted	Omitted	200,001-500,000	5,001-15,000
BRA-MNE-9	SP/SE	Managerial	Yes	Omitted	Omitted	5,001-15,000	1,001-5,000
AM-MNE-10	RJ/SE	Managerial	Yes	Omitted	Omitted	5,001-15,000	5,001-15,000
AM-MNE-11	SP/SE	Managerial	Yes	Omitted	Omitted	>500.001	15,001-50,000
BRA-MNE-10	SP/SE	Managerial	Yes	Omitted	Omitted	50,001-200,000	5,001-15,000
BRA-MNE-11	RJ/SE	Managerial	Yes	Omitted	Omitted	0-1,000	0-1,000
22	6/3			~995,399.50	~173,675.60	~2,403,950	~286,780

Wave (W#)	Case ID	Interview order	Industry	RESP codes	Interview type/mode	Date, time (BR)	Record (min.)	State/region	Position type
W1	NFPO-1	3	Other services/ business association	RESP3	Individual/ face-to-face	25/05/17, 08:30	77.35	SP/SE	Executive
W2	NFPO-2	5	Other services/ HR NGO	RESP5	Individual/ face-to-face	31/05/17, 10:00	47.44	SP/SE	Executive
W2	NFPO-3	6	Other services/ HR NGO	RESP6	Individual/ face-to-face	31/05/17, 17:00	58.25	SP/SE	Executive
W2	NFPO-4A	23	Other services/ HR NGO	RESP30	Individual/ face-to-face	02/08/17, 17:00	50.11	SP/SE	Executive
W2	NFPO-5	24	Other services/ HR NGO	RESP31	Individual/ face-to-face	07/08/17, 10:30	49.39	SP/SE	Executive
W2	NFPO-6	25	Other services/ HR NGO	RESP32-33	Group/ face-to-face	08/08/17 10:30	69.07	SP/SE	Executive
W3	NFPO-4B	26	Other services/ HR NGO	RESP34	Individual/ virtual	04/10/17, 09:00	87.16	SP/SE	Executive
W3	NFPO-7	27	Other services/ indigenous association	RESP35	Individual/ virtual	09/10/17, 09:00	74.56	SP/SE	Executive
W3	NFPO-8	31	Education/ academia	RESP39	Individual/ virtual	15/12/17, 11:00	73.00	SP/SE	Executive
W3	NFPO-9	33	Public administration and defense	RESP41	Individual/ virtual	10/01/18, 15:00	45.05	DF/CW	Managerial
W3	NFPO-10	34	Education/ academia	RESP42	Individual/ virtual	29/01/18, 14:00	58.06	MG/SE	Executive
W3	NFPO-11	35	Public administration and defense	RESP43	Individual/ virtual	01/03/18, 11:00	27.00	DF/CW	Executive
W3	NFPO-12	36	Other services/ HR NGO	RESP44	Individual/ virtual	02/03/18, 16:00	57.35	SP/SE	Executive
W3	NFPO-13	38	Other services/ labor union	RESP46	Individual/ virtual	26/04/18, 21:00	44.33	SP/SE	Executive
W3	NFPO-14	39	Other services/ labor union	RESP47	Individual/ virtual	27/04/18, 10:00	52.16	SP/SE	Executive
<b>Total</b>	14	15	6	16			870.28	3/2	

Notes: RESP means respondents; industry's divisions according to UN Industry Classification System<sup>172</sup>; number of employees and revenues according to various sources, such as interviews and financial databases (e.g., Bloomberg, EIKON, ORBIS, Statista, etc.); see section 6.3.6 for case characteristics.

<sup>172</sup> See International Standard Industrial Classification of All Economic Activities (ISIC) Revision 4 on: <https://unstats.un.org/unsd/classifications/Family/Detail/27>

## Appendix D: Codebook

### 1. RQ1: BR corporative-institutional influences on MNEs' CHRR

#### 1.1. Regulative influences on MNEs' CHRR

##### 1.1.1. Pro-regulative influences on MNEs' CHRR

- 1.1.1.1. Labor laws; HSE = health, safety, and workplace environment
- 1.1.1.2. Constitution of the Federative Republic of Brazil, 1988
- 1.1.1.3. Dirty list of slave labor
- 1.1.1.4. eSocial
- 1.1.1.5. Brazilian civil and penal codes

##### 1.1.2. Counter-regulative influences on MNEs' CHRR

- 1.1.2.1. Quasi-institutional corruption and cooption
- 1.1.2.2. HR governmental misleads
- 1.1.2.3. Quasi-institutional injustice, impunity, and partiality
- 1.1.2.4. BHR regulative voids
- 1.1.2.5. Setbacks and instability of HR regulative institutions

#### 1.2. Normative influences on MNEs' CHRR

##### 1.2.1. Pro-normative influences on MNEs' CHRR

###### 1.2.1.1. Global normative institutions – soft-norms

- 1.2.1.1.1. UNGC/GCPs
- 1.2.1.1.2. UDHR
- 1.2.1.1.3. UNGP
- 1.2.1.1.4. SDGs
- 1.2.1.1.5. ILO's Declaration on Fundamental Principles and Rights at Work
- 1.2.1.1.6. UN Women
- 1.2.1.1.7. GRI - Global Reporting Initiative

###### 1.2.1.2. Local normative institutions, soft-norms

- 1.2.1.2.1. Ethos Institute for Corporate Social Responsibility
- 1.2.1.2.2. InPacto - Pacto Nacional pela Erradicação do Trabalho Escravo
- 1.2.1.2.3. ISE BOVESPA, Índice de Sustentabilidade Empresarial
- 1.2.1.2.4. ABVTEX, Associação Brasileira Varejo Têxtil (program and certificate)
- 1.2.1.2.5. IBP, Pacto de Integridade Indústria de Petróleo, Gás e Biocombustíveis
- 1.2.1.2.6. BCSD, Brazilian Business Council for Sustainable Development
- 1.2.1.2.7. Repórter Brasil (investigative journalism, fighting slavery)
- 1.2.1.2.8. GIFE, Grupo de Institutos e Fundações das Empresas
- 1.2.1.2.9. Empresa Limpa (corporate integrity and anti-corruption program)
- 1.2.1.2.10. Programa Empresa Cidadã (national program for CR)
- 1.2.1.2.11. IDV, Instituto de Desenvolvimento do Varejo

###### 1.2.1.3. Market pressures

- 1.2.1.3.1. Stakeholders pressures (including investors and shareholders)
- 1.2.1.3.2. Supply chains requirements

###### 1.2.1.4. Societal pressures (legitimacy, reputation)

###### 1.2.1.5. Business ethics

## 1.2.2. Counter-normative influences on MNEs' CHRR

- 1.2.2.1. Quasi-institutional corruption and cooption
- 1.2.2.2. Impaired and unsupported local CSOs
- 1.2.2.3. Impunity and unaccountability
- 1.2.2.4. Lack of BHR's practical standards
- 1.2.2.5. Increasing wave of conservatism

## 1.3. Cultural-cognitive influences on MNEs' CHRR

### 1.3.1. MNEs' assessments of the BR cultural-cognitive HR pillar

#### 1.3.1.1. Managers' perceptions of HR

- 1.3.1.1.1. HR are about freedoms and non-discrimination
- 1.3.1.1.2. HR are basic human needs
- 1.3.1.1.3. HR include advanced human needs
- 1.3.1.1.4. HR are about exercising citizenship
- 1.3.1.1.5. HR relate to respect for people's lives and property

#### 1.3.1.2. Managers' perceptions of CHRR

- 1.3.1.2.1. Corporate voluntarism and charity
- 1.3.1.2.2. Business sustainability
- 1.3.1.2.3. Compliance with labor rights
- 1.3.1.2.4. Business legitimacy
- 1.3.1.2.5. Business ethics and morality

#### 1.3.1.3. Managers' misconceptions of HR and CHRR

- 1.3.1.3.1. HR are corporate, extra-costs, grants, and benefits
- 1.3.1.3.2. CHRR are context-conditional setups
- 1.3.1.3.3. HR are distant, international, or left-oriented ideologies
- 1.3.1.3.4. HR are associated to a department of justice
- 1.3.1.3.5. HR are matters of meritocracy
- 1.3.1.3.6. HR relate to counter-cruelty: Serve to defend criminals

#### 1.3.1.4. Managers' perceptions of BR-HR cultural-cognitive pillar

- 1.3.1.4.1. Local business/governments' people lack HR and CHRR awareness
- 1.3.1.4.2. HR suffer institutionalized discrimination: Taboo topics
- 1.3.1.4.3. Some (HR) laws stick, others do not: *Jeitinho Brasileiro*
- 1.3.1.4.4. Pervasive low-quality education: major counter HR awareness
- 1.3.1.4.5. Diffused distrust
- 1.3.1.4.6. HR relate to counter-cruelty: Serve to defend criminals

### 1.3.2. Variables CHRR institutionalization and operationalization

#### 1.3.2.1. Major approaches and framings of CHRR

- 1.3.2.1.1. Compliance with local labor rights
- 1.3.2.1.2. Sustainability
- 1.3.2.1.3. CSR as voluntarism
- 1.3.2.1.4. Values, ethics, and corporate citizenship

#### 1.3.2.2. Forms of CHRR governance and management

- 1.3.2.2.1. Transversal CHRR structure
- 1.3.2.2.2. Dedicated CHRR structure

- 1.3.2.2.3. Perform HRIA and due diligence
- 1.3.2.3. MNEs public commitments to HR
  - 1.3.2.3.1. HR policy disclosed in local language
  - 1.3.2.3.2. Commitment to respect HR disclosed in local language
  - 1.3.2.3.3. HR commitment expresses *do no harm*
- 1.3.2.4. MNEs use of HR terminology
  - 1.3.2.4.1. In daily operations
  - 1.3.2.4.2. On local corporate websites
  - 1.3.2.4.3. On local commercial websites
  - 1.3.2.4.4. On foreign corporate websites

#### **1.4. Corporative influences on MNEs' CHRR**

- 1.4.1. Ownership of social business: Intangible assets enhancement
- 1.4.2. Fiscal incentives to private social investments
- 1.4.3. Market requirements (including investors and corporate clients demands)

## **2. RQ2: MNEs' influences on BR-HRIC**

### **2.1. MNEs' influences on BR-HR regulative pillar**

- 2.1.1. MNEs ambivalent influences on BR-HR regulative pillar
  - 2.1.1.1. Direct, indirect, and collective lobby
  - 2.1.1.2. Take part in redefining HR public policies and the political arena
  - 2.1.1.3. Regulations/jurisprudence expansion due to sizable corporate HR violations
- 2.1.2. MNEs counter influences on BR-HR regulative pillar
  - 2.1.2.1. Cooption, corruption, and complicity to counter CHRR institutions

### **2.2. MNEs' influences on BR-HR normative pillar**

- 2.2.1. MNEs positive influences on BR-HR normative pillar
  - 2.2.1.1. Adopt soft CHRR standards and global HR policies
  - 2.2.1.2. Engage suppliers and subcontractors via contractual clauses
  - 2.2.1.3. Protect and advocate pro HR respect, realization, and advances
  - 2.2.1.4. Apply HR terms in codes and public communications
- 2.2.2. MNEs counter influences on BR-HR normative pillar
  - 2.2.2.1. Instrumentalize CHRR: Institutional investments vs. HR neglect
  - 2.2.2.2. Wrong vs. wrong: Private tax maneuvers vs. public tax embezzlement
  - 2.2.2.3. Avoid or masking HR terms and references in daily operations
  - 2.2.2.4. Involvement in corruption, cooption, neglect, and complicity

### **2.3. MNEs' influences on BR-HR cultural-cognitive pillar**

- 2.3.1. MNEs positive influences on BR-HR cultural-cognitive pillar
  - 2.3.1.1. Apply HR terms in codes and public communications
  - 2.3.1.2. Promote HR awareness and advances
- 2.3.2. MNEs counter influences on BR-HR cultural-cognitive pillar
  - 2.3.2.1. Adopt essentially legal or instrumental CHRR profiles
  - 2.3.2.2. Avoid or masking HR terms and references in daily operations
  - 2.3.2.3. Treat HR issues as risks for the business
  - 2.3.2.4. Address HR as business voluntary matters

## **2.4. MNEs' corporative influences on BR-HRIC**

- 2.4.1. Share or assume traditionally governmental roles
- 2.4.2. Finance politicians and CSOs for (biased) institutional change
  - 2.4.2.1. Hold economic-political power to corrupt and coopt the context
- 2.4.3. Undertake CHRR as institutional investments
- 2.4.4. Practice large scale charity and voluntarism
  - 2.4.4.1. Corporate voluntarism across the marketplace
    - 2.4.4.1.1. Promote HR awareness and employees' empathy
    - 2.4.4.1.2. Fight HR Institutional discrimination inside the corporate world
    - 2.4.4.1.3. AM-MNEs standards serve to high local industry standards
    - 2.4.4.1.4. AM-MNE's higher CHRR standards help with higher local standards
    - 2.4.4.1.5. Developed remediation mechanisms serve competitors
    - 2.4.4.1.6. Fair trade: Fight child labor and abuses
    - 2.4.4.1.7. Fair trade: Fight informality and sorts of slavery
    - 2.4.4.1.8. Initiatives for the development of SMEs
    - 2.4.4.1.9. Business professional training also serves the competitors
    - 2.4.4.1.10. Business initiative and presence improve power consumption
  - 2.4.4.2. Corporate voluntarism across community and society
    - 2.4.4.2.1. Fight exploration and abuses against children
    - 2.4.4.2.2. Promote and support sport initiatives
    - 2.4.4.2.3. Business investments in socio-cultural initiatives
    - 2.4.4.2.4. Construction of houses and schools
    - 2.4.4.2.5. Empower and hire local talent
    - 2.4.4.2.6. Improve local infrastructure and regional safety
    - 2.4.4.2.7. Empower communities: Socioecology, entrepreneurship, education
    - 2.4.4.2.8. Fight sorts of slavery
    - 2.4.4.2.9. Focus on their consumers
    - 2.4.4.2.10. Respond to actual societal demands
    - 2.4.4.2.11. Offer education and training
    - 2.4.4.2.12. Perform campaigns and training specific to raise HR awareness
  - 2.4.4.3. Corporate voluntarism
    - 2.4.4.3.1. Promotion of education and training
    - 2.4.4.3.2. Promotion of healthy life (HSE)
    - 2.4.4.3.3. Gender equality: Empowering women, LGBTQ+
    - 2.4.4.3.4. Fight discrimination, racism, and promoting diversity
    - 2.4.4.3.5. Advocate for diversity, promoting accessibility for disabled people
    - 2.4.4.3.6. Fringe benefits: Extending maternity and paternity leave
    - 2.4.4.3.7. Foster employees voluntarism: Paid working days to serve society
    - 2.4.4.3.8. Fight slavery

## Appendix E: Selective Patterns (SP) and Propositions' Linkages

Selective Patterns (SP)		Propositions (P)	
<b>SP1. CHRR approaches</b>		<b>P1. CHRR approaches</b>	
SP1a.	Isomorphic and context-based	P1a.	Local HR institutions and their voids stand as the most significant determinants of the CHRR frameworks in Brazil, while AM-CHRR standards are applied mostly in cosmetic and isomorphic ways among MNEs in Brazil.
SP1b.	Instrumental self-governance	P1b.	In the absence of effective global and local BHR enforcement, corporate self-governed instrumentalist approaches to HR, as means of grounded in economic and corporatist evaluations, are likely to prevail among MNEs in Brazil.
SP1c.	Economic-politically shaped	P1c.	The more institutionally adverse the HR context is and the more economically-oriented an EM is, the greater the political power of MNEs and the likelihood that its exertion shapes the HR/BHR institutions upon corporate interests.
<b>SP2. Major institutional actors</b>		<b>P2. Major institutional actors</b>	
SP2a.	Multinational enterprises – MNEs	P2a.	Provided their large economic and political power and the Brazilian primary focus on economic development, MNEs hold the status of pivotal institutional actors of the BR-HR/BHRIC.
SP2b.	Civil society organizations – CSOs	P2b.	CSOs are paramount institutional actors and monitoring bodies of the BHR relations in Brazil, besides being the enablers of normative moderation from foreign corporate headquarters and global BHR-related organizations on such relations.
SP2c.	Governments – GOVs	P2c.	Local governmental bodies (GOVs), though mandated as primary HR institutional actors, fail to orchestrate the BR-HR/BHR institutionalization and operationalization processes, leaving room for private governance shapes of such matters in business ways.
<b>SP3. Institutional pillars</b>		<b>P3. The fourth institutional pillar</b>	
SP3a.	Corporative	P3a.	Collectively organized, MNEs hold sizable political power, which is enhanced by their economic resources and societal interplays. Such power assumes a distinct sort of institutional pressure, characterizing the fourth pillar of the BR-HRIC: the corporative.
SP3b.	Normative	P3b.	MNEs' institutional power is distinct from, albeit interrelated to the regulative, normative, and cultural-cognitive institutional powers of the BR-HRIC.
SP3c.	Regulative	P3c.	MNEs' pivotal power on the BR-HRIC is enhanced by their interplays and coalitions with other major institutional actors: GOVs and CSOs.
SP3d.	Cultural-cognitive		

<b>SP4. Pressures</b>		<b>P4. The pressures on BHR institutions</b>
SP4a.	Instrumental (ambivalent)	P4c. Corporative institutional actors, provided their economic function, are more likely to lead institutional dynamics based on instrumentality, which can undermine HR and CHRR processes of institutionalization.
SP4b.	Counter-normative (negative or unethical)	P4a. Institutional pressures emanate from and feed into institutions (norms) and institutional actors (structures). They also emanate from institutionalities (i.e., customary [mal-]practice) that can become institutions, depending on actors' institutional power and represented interests.
SP4c.	Normative (positive or ethically grounded)	P4b. The institutional pressures permeating the BR-HRIC hold normative (positive or ethical enforcement), counter-normative (negative or unethical), and instrumental (i.e., ambivalent) influences on the entire institutional context.
<b>SP5. Main normative moderation</b>		<b>P5. Main normative moderators</b>
SP5a.	Local-based CSOs	P5a. In democratic and globalized EM like Brazil, CSOs function as paramount normative moderators of BHR relations, as they assign local and foreign regulative institutions as well as subsidiaries and headquarters to enforce CHRR.
SP5b.	AM-based CSOs	P5b. Given their normative nature, societal representativity, and non-economic purposes, and global alliances, CSOs are effective joint-forces in tackling MNEs' counter pressures on HR institutionalization and realization in EM like Brazil.
SP5c.	Foreign BHR institutions	P5c. The lack of a global treaty on BHR and related enforcing mechanisms overload CSOs' capacity to oversee BHR relations in huge and adverse EM like Brazil, leaving room for corporate HR abuses to occur and opportunities for corporative-actors to counter HR institutionalization and realization therein.

# Curriculum Vitae

## Personal Information

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Name/Nationality: Sandra Souto Köchli/Brazilian  
Date/Place of birth: 30 March 1975/Rio de Janeiro, Brazil

## Education

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02/2013 – 09/2020 **University of Saint Gallen (HSG), Switzerland**  
PhD in Management (PMA), International Business

04/2004 – 07/2006 **Universidade Federal Rural do Rio de Janeiro (UFRRJ), Brazil**  
Professional Master's Degree in Management and Business Strategy

03/2001 – 05/2002 **Fundação Getulio Vargas (FGV), Brazil**  
Executive MBA in Finance and International Trade

07/1995 – 07/1999 **Universidade Federal Rural do Rio de Janeiro (UFRRJ), Brazil**  
Bachelor/licentiate in Public and Private Business Administration

## Professional Experience

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01/2017 – 08/2017 **University of Saint Gallen (HSG), Switzerland**  
Research Assistant; Institute Public Finance, Fiscal Law & Economics

10/2013 – 09/2014 **Da Vinci Invest AG, Switzerland**  
Business Developer

09/2011 – 03/2013 **Schindler Management Asia Pacific, China**  
Global Purchasing Performance Manager

07/2009 – 08/2011 **Elevadores Atlas Schindler S.A., Brazil**  
International Trade Coordinator

02/2001 – 03/2009 **Centro Auditivo Telex S.A. (Oticon A.S. Group), Brazil**  
Production, Quality, and Logistics Manager

02/2001 – 03/2009 **Elevadores Schindler S.A., Brazil**  
Trainee; Import and Export Assistant

## Languages

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Fluent in Portuguese, English, and Spanish; B1 level German; A2 level French. Very basic spoken knowledge of Mandarin.

## Digital Skills

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Systems: SAP R3-MM, Ariba. Data analysis: MAXQDA, SPSS, Excel ANOVA. Social media: content and advertising management. Advanced user of databases and Microsoft Office.

## Interests

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**Volunteer work:** support academic colleagues with their research assignments (2018-2020); English teacher for industrial workers (2011-2013); Finance advisor for the Junior Achievement NGO (2010); Logistics advisor for the Conselho Regional de Administração-RJ (2009).

**Hobbies:** running (long-distance, marathon), gardening, traveling, and networking.