ISCTE ◈ Business School
Instituto Universitário de Lisboa

DOES CORPORATE SOCIAL RESPONSIBILITY HAVE

IMPACT IN CORPORATE REPUTATION?

AN ANALYSIS OF EDP

Maria João Santos

Project of Master of Sciense in Business Administration

Supervisor:

Mestre Alzira Duarte, Assistente, ISCTE Business School, Departamento de
Recursos Humanos e Comportamento Organizacional

May 2011

Abstract

Purpose: This paper has one main purpose: to understand the effect of Corporate Social Responsibility (CSR) initiatives developed by EDP Group in its Reputation. By understanding the motivations and results of CSR and their relation with Corporate Reputation (CR), it is intended to compare the external perspective of consumers with internal perspective of employees.

Methodology: A quantitative research was employed in this study. Primary data was collected via a questionnaire sent to a mailing list of EDP consumers and a list of EDP employees. Meta analysis used 174 complete responses of EDP consumers and 88 complete responses from EDP employees.

Findings: Results show that initiatives in CSR have influence in Reputation of EDP, essentially based on improve stakeholder engagement as a benefit of CSR initiatives. There are some differences between internal and external stakeholders, on which employees value more all CSR results as a sign of CR than consumers.

Practical implications: The results could be applied for EDP in its operational strategy, confronting strengths and weaknesses of its action in this field.

Limitations: Results may be affected by the idiosyncrasies of surveys, related to both consumers and employees (for instance, due to the fact that selected employees are already participants of volunteering initiatives). The mistrust clime in which this study was developed could also influence results.

Key words: Corporate Social Responsibility, Corporate Reputation, Competitive advantage, Stakeholders.

JEL Classification System:

 M1 – Business Administration

  M10 – General

  M14 – Corporate Culture; Social Responsibillity

Resumo

Objectivo: Este estudo tem como objectivo principal perceber se as iniciativas em Responsabilidade Social desenvolvidas pelo Grupo EDP têm impacto na sua Reputação. Compreendendo as motivações e resultados da Responsabilidade Social e a sua relação com a Reputação Corporativa, pretende-se comparar a perspectiva externa dos consumidores e a perspectiva interna dos colaboradores.

 Metodologia: Foi utilizada uma pesquisa quantitativa, cujos dados foram recolhidos através de um questionário enviado para uma lista de e-mail de consumidores e colaboradores da EDP. A análise baseou-se em 174 respostas completas dos consumidores e 88 respostas completas por parte dos colaboradores da EDP.

Resultados: Os resultados evidenciam que as iniciativas em Responsabilidade Social têm impacto na Reputação da EDP, essencialmente devido a benefícios relacionados com a melhoria do envolvimento dos *stakeholders*. Registaram-se diferenças entre os s*takeholders* internos e externos, sendo que os colaboradores tendem a valorizar mais os resultados das iniciativas em Responsabilidade Social, como um sinal de Reputação do que os consumidores.

Implicações práticas: Os resultados do estudo podem ser aplicados pela EDP na sua estratégia operacional, confrontando os pontos fortes e as fraquezas da sua actuação nesta área.

Limitações: Os resultados podem ser afectados pelas idiossincrasias das amostras tanto as relativas aos consumidores como aos colaboradores (como por exemplo a amostra seleccionada dos colaboradores ser proveniente de uma lista de voluntários). O clima de desconfiança vivido no país durante o desenvolvimento deste estudo poderá ter influenciado os resultados.

Palavras-chave: Responsabilidade Social Corporativa, Reputação Corporativa, Vantagem Competitiva, *Stakeholders.*

JEL Classification System:
    M1 – Business Administration
        M10 – General,   M14 – Corporate Culture; Social Responsibillity

Acknowledgments

Executive Summary

> *"CSR can be much more than a cost, a constraint, or a charitable deed – it can*
> *be a source of opportunity, innovation, and competitive advantage"*
>
> *(Porter and Kramer,2006:80)*

In a market increasingly global and interconnected, companies are forced to broaden their intervention in order to captivate the interest of a wider range of players. As a result they are also more vulnerable to their demands. Companies are persuaded to invest strongly in a strategy of differentiation producing a competitive advantage and better and synergistic relation with stakeholders.

The multiple groups, that influence and are influenced by companies, impose new limits requiring the adoption of new practices where the initiatives in social responsibility gain importance and attention.

However, these actions and strategies must necessarily be addressed as well as communicated in an effective way to all groups involved in the company, in order to exert a powerful influence on their decision making process and furthermore to contribute in increasing reputation' perception.

In this context, this study aims to analyse EDP – Energias de Portugal, SA a Portuguese company that despite presenting excellent results in Sustainable development and Corporate Social Responsibility (CSR) field, shown in Dow Jones Sustainability Index (DJSI)[1], does not have a good Corporate Reputation (CR) on diverse studies presented by Marktest[2], Interbrand and Brandia Central[3].

This analysis consisted essentially on understanding if CSR initiatives developed by the company have impact on its Reputation, through a quantitative research and based on literature review about the subject. Besides, it seeks to compare consumers' and employees' perspectives.

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[1] Dow Jones Sustainability Index is a global index tracking the financial performance of the leading sustainability-driven companies worldwide

[2] Marktest is a market research company

[3] Interbrand and Brandia Central are branding consultancies

It is showed that initiatives on CSR have a positive impact in diverse factors of EDP Reputation. What consumers value the most are aspects related to financial performance, whilst employees highlight aspects concerning market and strategic positioning. Both are strongly linked to initiatives that contribute to improve stakeholder engagement.

The results achieved stress differences between both stakeholders' perception about reputation and CSR awareness and enable EDP to redesign strategies in order to better address and communicate CSR initiatives, mainly to external stakeholders and increase its competitive advantage, being recognized for its good reputation.

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List of abbreviations

CR – Corporate Reputation

CSR – Corporate Social Responsibility

DJSI – Dow Jones Sustainability Index

EDP – Energias de Portugal, S.A.

SD – Sustainable Development

SR – Social Responsibility

USA – United States of America

1. Introduction

In a business world more competitive and demanding new business models and ideas every day, Corporate Social Responsibility (CSR) and Sustainable Development (SD) are subject of incearingly interest for companies and business players.

In the last years, EDP has aggressively invested in Sustainable Development and on marketing such investments. For the third consecutive year, EDP is indexed on the DJSI and European Dow Jones Europe Index. It is the first Portuguese company to be the world leader of the DJSI in the energy business and in 2010 was recognized as the best-in-class in the social dimension[4].

In addition, EDP has been awarded by Sair da Casca[5] for the third consecutive year as the first classified in Engagement Rating 2010 (named before as Accountability Rating). This rating aims at evaluating the transparency with which companies communicate and report their sustainability performance to stakeholders.

Despite great recognition in sustainable development, EDP reputation does yet not mirror the investment made. EDP has only achieved the fifth place in "utilities" class in a study developed by Marktest in 2010 – Marktest Reputation Index [6]- that positioned the brands in a ranking concerning four dimensions: brand image, trust, satisfaction and recomendation.

Concerning the financial evaluation of brands in a study by Interbrand in March 2011, EDP occupies the third position with a 734 million euros value. This study is based on PSI20 (Portuguese Stock Index) and the method settled down the intangible revenues generated by brands (Nunes, 2011).

Notwithstanding a Brand Magnetic Field study of Brandia Central in which it is highlighted consumer perceptions regarding trust, prestige and identification with brands, EDP does not come into view, at least in the first 38th places of the ranking.

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[4] www.edp.pt (last update on 30th March 2011)

[5] Sair da Casca is a portuguese consulting company specialized in Sustainable Development, www.sairdacasca.com (last update on 30th March 2011)

[6] www.meiosepublicidade.pt (last update on 30th March 2011)

Heavy investment in sustainability is not evidently aligned with EDP Reputation. This study was developed in order to understand this asynchrony and help the company to design a more efficient strategy and respond to stakeholders expectations.

As a first approach a literature will be reviewed on CSR and CR subjects, upon which research questions will be developed. Then, a practical tool will be described and applied to the selected sample of employees and consumers: a questionnaire. The results of this questionnaire will be discussed and compared to some authors' theories and they will be analyzed in order to reach conclusions regarding the research question proposed.

2. Literature Review

2.1. Corporate Social Responsibility

2.1.1. The business newest challenge

The business world is more and more competitive and every company aspires to be successful. In order to achieve it and to survive in ever changing and demanding markets, companies permanently need to implement solutions aimed at generating competitive advantage.

Committed to this principle, companies explore all the ways to survive in such a competitive world. One of the tool that has been proposed as "*an excellent instrument to enhance the legitimacy of the firm among stakeholders and develop positive responsibility images*" is CSR, (Maignan and Raltson, 2002: 497), that is increasingly relevant in the decision-making processes of corporations.

In the last decade, there was an explosion of interest in this subject and this phenomenon is generally observed on several dimensions: multinational companies issue codes of conduct to manage their social, environmental and human rights policies and practices; the number of social and ethical brands increased as well as the number and size of ethical or social investment funds; the number of non-governmental organizations had also grown and there is more interest in promoting more responsible business practices (Perrini, Pogutz and Tencati, 2006).

In the specific case of Portugal, the interest in CSR topic is sustained by an increase in the publication of sustainability reports that emerged in 2003 and has been growing up, even though only a small number of stakeholders actually read them (Mendes and Sardinha, 2009).

But the focus point for companies lies in the understanding on how these actions influence consumers, investors and other stakeholders to identify themselves with a reputation's construct (Habisch, Jonker, Wegner and Schmidpeter, 2005), based on the theory that consumers actively stand up for responsible organizations (Maignan and Ferrel, 2003).

2.1.2. Conceptualization of CSR

2.1.2.1. Concept genesis

CSR began to be assumed as a valid business concept in the 1950s (Carroll, 2008). However, there were some practices occurring since the mid-to-late 1800s, mainly related to Industrial Revolution that should be considered as a starting point to CSR. Some of these practices were studied by the management historian Daniel A. Wren and are related to an employment scheme that originated extensive discussion about the welfare scheme (Carroll, 2008).

Even though this primary advance in CSR concept before the mid of 20th century, only at this time the terminology started to appear in a solid way in the literature (Carroll, 2008). The debate about the topic had strengthened during the second half of that century (Garriga and Melé, 2004). An important contribute to modern period of literature on the subject was the Bowen's publication of his seminal book *Social Responsibilities of the Businessman* in 1953 (Carroll, 2008).

In his book, Bowen considers the businessman as the centre of power and decision making, thus must have social responsibilities to the society. He was one of the pioneers to develop Social Responsibility (SR), arguing that it is an important topic that must guide business in the future. Carroll (2008) considered Bowen as the "Father of Corporate social Responsibility".

Since Bowen's publication, there was a shift in terminology from SR of business to CSR and a significantly grown in the field took place (Garriga and Melé, 2004).

The 1950's decade was one of the most "talk than action" period, concerning the CSR. This was the era of changing attitudes, learning the meaning and understanding how to be comfortable with CSR concept.

2.1.2.2. Concept evolution: searching a definition

Nowadays, although the companies face the idea of CSR in the majority of things they do and are encouraged to behave according to CSR patterns, the concept is still confused and there is not a unique clear definition (Dahlsrud, 2006).

Boal and Peery (1985) present that CSR could be defined in a more conservative way, mentioning Friedman who argues that corporations' focus should be the maximization of the return to stakeholders; or by a more liberal approach advanced by socialist Harrington, who states that corporations' main role is based on the promotion of public good and its treatment as a public property.

The divergence in concept definition is considered by Votaw (1972) as an old one: "corporate social responsibility means something, but not always the same thing to everybody"(Garriga and Melé, 2004: 53)

There was an attempt by Dahlsrud (2006) to define CSR clearly and in an unbiased way. It was conducted a study focused on how CSR is defined, taking into account the existing definitions, the five dimensions that catalogue them and the consistency of these dimensions' invocation.

It was concluded that despite the large range of definitions, they are predominantly congruent and consistently referring to five dimensions: the stakeholder dimension; the social dimension; the economic dimension; the voluntariness dimension and environmental dimension. The challenge for business became to understand the best way to develop business strategies, regarding how CSR is socially constructed in a specific context.(Dahlsrud, 2006).

In order to clarify and align all the process regarding the perspective of this thesis, the following CSR definitions should be considered:

"Corporate social responsibility is the overall relationship of the corporation with all of its stakeholders. These include customers, employees, communities, owners/investors, government, suppliers and competitors. Elements of social responsibility include investment in community outreach, employee relations, creation and maintenance of employment, environmental stewardship and financial performance" (Khoury, Rostami and Turnbukk, 1999 in Dahlsrud, 2006:7).

"CSR is concerned with treating the stakeholders of the firm ethically or in a responsible manner. Ethically or responsible means treating stakeholders in a manner deemed acceptable in civilized societies. Social includes economic responsibility. Stakeholders exist both within a firm and outside. The wider aim of social responsibility

is to create higher and higher standards of living, while preserving the profitability of the corporation, for peoples both within and outside the corporation." (Hopkins, 2003 in Dahlsrud, 2006:8).

"CSR is the voluntary integration of social and environmental concerns by companies in their operations and interactions with other interested parties" (The Green Book, 2001 in Habisch *et al*, 2005:303).

2.1.3. CSR evolution

2.1.3.1. CSR evolution in Europe

Over the last decade, the debate about CSR has spread very rapidly across Europe as part of the intense discussion between business people, politicians, trade unionists, consumers, NGOs and researchers (Habisch *et al*, 2005).

The first formal and organized usage of the CSR concept was in 1982, in United Kingdom when the creation of Business in the Community (BITC) [7]. At the moment UK was suffering of unemployment and inner-city unrest and a group of companies and public sector joined together to support economic regeneration, seeking companies' commitment in order to continually improve their activities' impact in society.

In the subsequent decade had emerged multiples organizations specialized in CSR (Gago, Cardoso, Campos, Vicente and Santos, 2005), as the following:

- **CSR Europe**, created in 1996 as a result of European Declaration against Social Exclusion with the mission of helping companies to integrate CSR in basic business practices. Nowadays it promotes the regular publishing of diverse studies, reports and other documents about the subject;

- **World Business Council for Sustainable Development (WBCSD[8])** created in 1995 and formed by more than 200 companies from 30 different countries with the mission of "provide business leadership as a catalyst for change toward

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[7] www.bitc.org.pt (last update on 30th March 2011)

[8] www.wbcsd.org (last update on 30th March 2011)

sustainable development, and to support the business license to operate, innovate and grow in a world increasingly shaped by sustainable development issues."

In 2001, it was launched the green book – Promote a European framework for CSR that was a milestone on this evolution. It caused debate around the subject and contributed to an European harmony about concept definition. CSR is no longer about philanthropic generosity, but focus on materialization of good social causes, internal and external, auditable and certifiable according to its product and administrative processes (Mendes and Sardinha, 2009).

In this context, the certification, evaluation and reporting of social and environmental performance have become fundamental issues and some organizations and initiatives related to it have gained some space in the CSR agenda (Gago *et al*, 2005):

- **Social Accountability International (SAI)** founded in 1996 in USA aims at improving workplaces and communities by developing and implementing social responsibility standards;

- **The Institute of Social and Ethical Accountability (ISEA)** founded in 1995 in UK in order to promote the transparency and credibility and the sustainable development among enterprises;

- **International Organizations for Standardization (ISO)** launched a standard about guidance on social responsibility in 2004, proposing the implementation of best practice in social responsibility worldwide;

- **Dow Jones Sustainability Index (DJSI)** launched in USA in 1999 in order to identify the companies' performance, at a worldwide level, concerning the sustainability process;

- **FTSE4Good Index** created by Financial Times Group in 2001 aiming to support investors to focus CSR issues and measuring this company field;

- **Global Report Initiative (GRI)** created in 2002 in Netherlands defines universal performance indicators and proposes reporting techniques which guarantee transparency, comparison and reliability of disclosed information.

2.1.3.2. CSR evolution in Portugal

Portugal gave its first informal steps in the subject about five-centuries ago, with some social interventions and institutions, as the "Misericórdias". These institutions, with a strong linkage to the Catholic Church, aspired to help the social community taking part in social actions, (Gago *et al*, 2005) representing the first great collective action towards social purposes.

Later, in dictatorship regime period (1926-1974), the business in Portugal was dominated by few families. They held the main companies, and some of those developed a paternalistic approach towards their employees (Pinto, 2004), which could be considered as social responsibilities.

The political changes occurred with the 1974 revolution, had broken this dynastic equilibrium and set the institution of a democratic system and progressively gave place to a Welfare State[9].

Also, it was started to adjust the redistribution of accumulated wealth by taking part in some specific philanthropic initiatives, mainly conducted by charity institutions or individual benefactors. Later companies started up to take part in this kind of initiatives, as is the case of colony beach "O Século". It was created in 1927 to accommodate needy children coming from all over the country during their holidays. However, the transition from philanthropic measures to CSR notion, only started to come up much later (Gago et al, 2005).

Another turning point that could be helpful to understand CSR in Portugal was the country's integration into the European Community in 1986. It allowed the reinforcement of the legal recognition of social rights and the acceleration of civil action. On the economic side, the integration of Portugal into the competitive European and global markets had forced companies to engage in a deeply restructuration in order to survive in the new business world[10].

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[9] http://www.cosore.com/en/news.html (last update on 30th March 2011)

[10] www.cosore.com (last update on 30th March 2011)

Recently, in the last decades, there was a development of some associations/institutions focus on the subject: BCSD Portugal – Business Council for Social Development; GRACE – Reflexion Group and Support to Corporate Citizenship; and RSE Portugal – Portuguese Association for Corporate Social Responsibility, which boosted several actions about CSR (Mendes and Sardinha, 2009).

Furthermore, the increase of the sustainability reports' publication represents also a milestone to the subject. It reflects the business commitment to CSR and the business concern about the subject in order to enhance the operational and management performance, beyond the reputation and brand improvements (Mendes and Sardinha, 2009).

2.1.4. CSR approaches

As previously presented, CSR has been object of an extensive controversy. There is not a convergent definition or an agreement related to the CSR concept. This also happens with the theories applied to approach the topic.

There are four different theories and approaches to classify CSR, which were presented by Garriga and Melé, 2004: Instrumental theory, in which CSR is a mere instrument to achieve economic and financial results; Political theory, related to the power and position that companies have; Integrative theory, where CSR is seen as an integrant part of decision-making process; and Ethical theory which include ethical principles to contribute to society welfare (table 1).

On the other hand, Secchi (2007) defended the existence of three different approaches: Utilitarian theory, oriented to profit maximization, where company is integrant part of economic system; Managerial theory, in which CSR is approached as an internal process of companies; and Relation theory focused on the company' relationships (table 2).

Table 1 – CSR theories and approaches by Garriga and Melé

Theories' types	Focal Point	Approaches	Characterization
Instrumental	The social activities that companies should pursue in order to better achieve economical and financial purposes	Maximization of shareholder value	Companies could/should invest in social activities (including the philanthropic ones), since they contribute to increase profits.
		Strategies for competitive advantage	Companies could/should conduct social responsibility activities, since they are drivers to improve the competitive advantage.
		Cause-related marketing	Companies could/should support causes that help to improve their image and reputation, and consequently, enable larger acquisitions by clients.
Political	The power and the position that companies assume in society should be used in a responsible manner	Corporate Constitutionalism	Companies hold a considerable power in society and they have ability to influence market balance. Therefore, they should manage that power in a responsible way.
		Integrative social contract	There are an inherent social contract between companies and society that require some indirect obligations from companies to society.
		Corporate citizenship	Companies have citizenship duties to the society they are part of.
Integrative	How companies could integrate the social requests in their decision making process and orientations	Management issues	Companies should meet, evaluate and answer to the social performance's spinals and expectations coming from community
		Public responsibility	Companies have responsibility in public subjects, including the participation in policies' creation.
		Stakeholders management	Companies should taking into account not only the shareholders/owners but also the other stakeholders interests.
		Corporate social performance	In order to be a socially responsible company, it is essential to perform ethically, economically, legally and discretionarily responsible.
Ethical	What ethical principles should companies follow in order to contribute to society welfare	Normative theory of Stakeholders	All stakeholders have justifiable interests in companies' activities. These interests worth *per se*, so companies should answer them, independently if they provide positive or negative effects to shareholders/owners.
		Universal rights	Companies should respect and obey to universal human rights, never disrespecting the human dignity.
		Sustainable development	Companies should seek the sustainable development in society, pursuing economic, social and environmental aspects.
		Common good	As society members, companies should contribute to common good and community progress.

Adepted of Garriga and Melé, 2004

Table 2 - CSR theories and approaches by Secchi

Theories' types	Focal Point	Approaches	Characterization
Utilitarian	Company is a mean to achieve profit and CSR could allow a competitive advantage	Social costs	CSR arises in the basis that corporate non-economic forces influences the socio-economic system in the community
		Functionalism	Company is a profit making, once it does part of economic system, therefore it should be profitable to investors and stakeholders
Managerial	CSR appears as an internal decision making process that takes into account the external factors	Corporate Social Performance	The contribution's measure of social variable to economic performance
		Social accountability, auditing and reporting (SAAR)	SAAR are essential for a company communicate their needs, to have better stakeholders and disclose concerns
		Social responsibility for multinationals	Managers should define CSR useful tools for multinationals in order to survive in foreign markets
Relation	CSR analysis comes up in the basis of the firm's relationships	Business and society	CSR emerges of the interaction between business and society
		Stakeholder approach	To manage the socially behaviour of a firm is essential to understand reality and mainly the different interests exist in firm.
		Corporate citizenship	Based on the path that a company develop to behave responsible, through the relationship with its stakeholders and in the continuous search of engagement and commitment.
		Social contract	CSR derives from the moral legitimacy the firm achieves in the society

Adepted of Secchi, 2007

Despite of having differences between the two conceptualization groups of CSR theories, there are clear similarities in both approaches and a focus between them (Ismail, 2009). Instrumental and Utilitarian theories are very similar since they both are oriented to economic results, in which company is a mean to achieve wealth. Political and Integrative theories could be related to Managerial theories. The first approach to Managerial theories is associated to political theories in which social responsibility that companies have is based on the idea that each corporation is a community's citizen, thus associated to Political theory. The appearance of such duties stand on the social power each corporation has, in which is evident the similarities between Integrative and Managerial theories. The stakeholder approach of Relational theories is also enunciated in Integrative and Ethical theories.

2.1.4.1. Stakeholder Theory

Perrini *et al* (2006) refers that CSR is a model based on stakeholder satisfaction and cooperating with different areas of corporate management, engaging strategies and company policies. Due to this idea, when we refer to CSR it is essential to talk about stakeholder theory: mainly because this thesis aims to understand the relation between CSR and Corporate Reputation (CR) through customers and employees' perspective.

This approach emerged in 1984 with the book "*Strategic Management: A Stakeholder Approach"* by Frreman and since there about a dozen books and many articles with stakeholders' emphasis have appeared (Donalson and Preston, 1995) and it has been extremely highlighted in CSR modern theories (Jamali, 2008).

It intends both to explain and to guide the structure and operation of the established corporation (Donalson and Preston, 1995) based on the idea that companies' orientation should not only go towards shareholders' interests, but also it should build a strategy that embrace the other stakeholders' interests as employees, managers, customers, suppliers and the local community (Rego, Pina, Cunha, Guimarães da Costa, Gonçalves and Cabral-Cardoso, 2006). Company acts in the centre of individuals' and groups' interests, who could also affect and be affected by company's decisions (Roberts and Koeplin, 2007).

Even though stakeholder theory has been presented and used in a number of distinctive ways and involve very different methodologies, types of evidence, and criteria of appraisal, Donalson and Preston (1995) consider the next three approaches as critical:

- **Descriptive theory:** based on the description, and sometimes explanation, of specific corporate characteristics and behaviours;

- **Instrumental theory:** is used to identify the connections, or lack of it, between stakeholder management and the achievement of traditional corporate objectives;

- **Normative theory:** focused on the function of the companies, including the identification of moral or philosophical guidelines for the operations and companies' management

Despite of the diverse and often contradictory evidence and arguments about stakeholder theory, it is general and comprehensive towards an accomplishment of multiple purposes of supporting CSR management, through numerous and diverse participants (Donalson and Preston, 1995). Company serves multiple of stakeholders and each one has his characteristics and different ways to evaluate corporate performance (Fombrun, 1997). Therefore it is essential to pay attention to all of each stakeholder's needs and expectations and make the better use of stakeholder theory in order to better address CSR initiatives.

2.1.5. CSR motivatons

The CSR theories drive us to explore the different motivations that companies have to implement CSR.

The main dilemma is to identify if the decision-makers' motivation comes from an ethical behaviour or it is just a mean to achieve profit. Garriga and Melé (2004) presented four main aspects that represent the motivation factors to address CSR initiatives: meeting objectives that produce long-term profits, using business power in a responsible way, integrating social demands and contributing to a good society by doing what is ethically correct.

Pedersan and Neergaard (2007) had compiled from diverse studies and authors a list of some internal and external motives (see table 3). The factors related to internal stakeholders and company´s internal processes represent the internal motives and the external motives concerning the relationship with other stakeholders and the company's commitment to social demands' response.

Table 3 – Motivation factors to address CSR

Internal	External
Increasing Management and control of internal processes	Increasing control with the social and environmental performance in the supply chain
Identifying potential areas for improvement in the company	Customer requirement
Reducing costs of waste, energy, environmental pollution, work related diseases, etc	Ensuring compliance with existing regulation and preventing future governmental actions
Personal commitment to social and environmental improvement by management	Improving customer loyalty
Motivating employees and reducing staff turnover	Response to pressure from societal groups and individuals (NGO's, communities, insurance companies, etc)
Extending quality management system	Improving existing and potential investors' confidence in the company
Strengthening process and product innovation	Preventing negative social impacts on the external environment
	Gaining access to new markets
	Improving corporate image and community relations
	Preventing new social and environmental legislation
	Attracting new employees

Adapted of Pedersan and Neergaard, 2007

2.1.6. CSR benefits

The identification of the motivations to address CSR could be very useful, but it wouldn't be actually meaningful if it is not measured the impact of CSR and named the benefits.

CSR can be much more than a cost, a constraint, or a charitable deed–it, (Porter and Kramer, 2006) and be approached as a benefit for companies. CSR may be an excellent instrument to enhance the stakeholders' legitimacy (Maignan and Ralston, 2002) or could be a source of opportunity, innovation, and competitive advantage (Porter and Kramer, 2006).

The benefits could be explored in two perspectives: the external and internal, depending on their origin. There are the benefits achieved inside the company and associated to products, processes, employees and employers, and the benefits about the impact of CSR in environment and outside stakeholders (Pedersan and Neergaard, 2007). They are listed in table 4:

Table 4 - Benefits of CSR

Internal	External
. Savings from reducing the costs of electricity, water, waste handling, chemicals, raw materials, packaging, etc	. Maintaining and enhancing a good reputation
. Benefits from re-use and recycling of energy and materials	. Improvement of image
. Development of new products or services	. Access to markets that demand CSR
. Savings from safer workplace conditions	. Reduction of social and environmental risks
. Improved staff morale	. More responsible supply chain management
. Development of managerial and organizations skills	. Improved community relations
. Higher quality of products	. Increased competitiveness
. Systematizations and documentation of competencies and processes	. Legitimacy in society
. Improved staff recruitment and retention	. Compliance with social and environmental regulation
. Increased environmental awareness	. Better contact and co-operation with public authorities
	. Goodwill from stakeholders
	. Increased brand value
	. Higher prices for products

Adapted of Pedersan and Neergaard, 2007

2.2. CSR and Sustainable Development

Due to the diverse definitions and approaches to CSR concept, as well as the fact of being all-embracing, so much vague and broad concept, CSR might not be useful in academic debate and corporate implementation (Marrewijk, 2003).

Even though Jacques Schraven cited by Marrewijk (2003) defends that each company should choose the concept and definition that better feats its aims and intentions, and better aligns with the strategy and circumstances in which it operates.

In this ambiguous context, it is common that companies use whether Sustainable Development (SD) concept or CSR concept, that often have no visible differentiation (Ebner and Baumgartner, 2006).

SD arose in 18th century mostly linked to environmental issues (Ebner and Baumgartner, 2006). Nevertheless it was been discussed and had evolved to the meaning presenting in 1987, by World Commission on Environment and Development defined "Sustainable Development is a development that meets the needs of the present without

compromising the ability of future generations to meet their own needs" (United Nations websites, 1987:1).

In the study developed by Ebner and Baumgartner (2006), in which they attempt to clarify the relation between SD and CSR, they recommend the use of CSR as social strand of the SD. Also, Marrevijk (2003) had presented two different models to classify CSR and SD and their relation, whereas the two concepts appear as separated despite of CSR being a way to achieve the ultimate goal of a company – SD (see figure 1 and 2).

While in first model CSR embraces profit, people, and planet and it is a mean to achieve Corporate Sustainability (CS); in the second model, Social Responsibility is a part of Corporate Responsibility's constitution, which is part of CS.
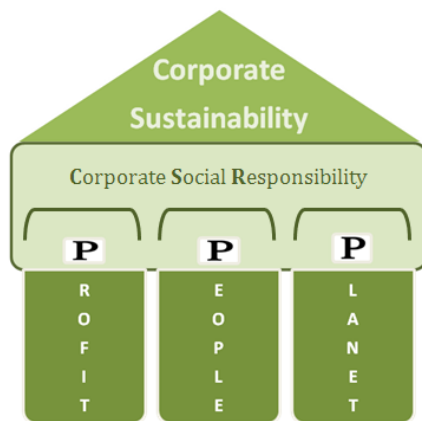
Figure 1: Relation between CSR and CS

Figure 2: General model of CSR/SD and its dimensions

On the other hand, it was observed that the majority of literature considers the two concepts as identical ones (Ebner and Baumgartner, 2006) and this is the model that will be adopted along this study.

2.3. Corporate Reputation

2.3.1. The reputational world

World is changing everyday and it becomes imperative that companies behave accordingly to these alterations, adjusting their engagement processes to stakeholders expectations, because they are more informed and sophisticated.

Allied to this, the growing complexity of environment, the insightful and intense competition and the increasing demand for corporate transparency and social responsibility have provided the interest on corporate reputation (Smaiziene and Jucevicius, 2009).

Firms no longer compete only for customers but are also involved in a competitive market for reputational status (Fombrun and Shanley, 1990).

Reputation has often been defined as the most important competitive advantage that companies can have (Siltaoja, 2006) therefore the subject is increasingly important in today organizations' lives.

2.3.2. Concept Genesis – Searching a definition

Reputation concept is neither a new nor an unknown issue, since it has been used in daily life, politics, business and in other contexts for a long time (Smaiziene and Jucevicius, 2009).

With the publication of the first academic paper on corporate image creating in 1956 and the start of professional image making practice, as well as the highly acceleration of the modern image creating campaigns using public relations' instruments in 1990s, a lot of companies aroused spontaneously for reputation concern (Smaiziene and Jucevicius, 2009).

In 1997, Fombrun and Riel pointed out a study about CR, where they presented six different views for the same subject:

The economic view defends that corporate reputation is either traits or signals. Game theorists and signalling theorists develop research about the subject and both avow that

reputation is an external perception of firms (Fombrun and Riel, 1997), representing the company's traits that feature its strategic behaviour towards stakeholders (Smaziene and Juvecius, 2009).

Signalling theorists focus on the information content of reputation (Smaziene and Juvecius, 2009) that increase the observer's trust in the firms' products and services (Fombrun and Riel, 1997).

To <u>organizational</u> scholars, corporate reputation is based on employees' experiences. These experiences are influenced by a firm's culture and identity, in the sense that they shape the business practices and the relations between managers and key stakeholders. They state that a firm with strong, coherent cultures and identity is more likely to be involved in influencing the stakeholders' perception, including the managers, which are also more engaged in attending the firm stakeholder's view about them (Fombrun and Riel, 1997).

Aligned with <u>strategic view,</u> corporate reputation is an asset and creates mobility barriers in the market (i.e., once established reputation, it is difficult to imitate, impeding mobility) (Fombrun and Riel, 1997). To Smaziene and Juvecius (2009) there are three interrelated interpretations for corporate reputation based on resource-based view, competitiveness focus and stakeholders' focus:

> <u>The marketing view</u> focus on consumers as the principal subject of analysis (Fombrun and Riel, 1997). To this kind of researchers, reputation is mostly labelled as brand image and is often treated as the force of attracting customers and encouraging their loyalty and also the factor that may influence selling-buying processes (Smaziene and Juvecius, 2009).

> <u>To Sociologists,</u> CR is treated as social phenomenon and characteristics of modern society, as well as mechanisms of social control (Smaziene and Juvecius, 2009). They defend that rankings are social constructs that arise through the relationships that firms create with their stakeholders in a shared institutional environment. Therefore, reputations are the global assessments of a firm's performance taking into account the expectations and norms in an institutional context, created by a huge range of interconnected actors (Fombrun and Riel, 1997).

In the <u>accounting view</u> is raised that reputations' activities are the result of an adequate capitalization of expenditures. The investment in important intangibles assets coming from branding, training and research derive in higher reputational assessments among observers. Notwithstanding the accountants criticize the extend gap between companies' market valuation and the real profits stated in annual reports (Fombrun and Riel, 1997).

Smaziene and Juvencius (2009) present a few more interpretations of corporate reputation, based in other perspectives, assuming that CR is a concept with multidisciplinary richness. Moreover, since it becomes from a diversity of stakeholders' evaluation, each company may have more than one reputation (Siltaoja, 2006).

At the final Fombrun and Riel (1997:10) converged all in one definition propose: "A corporate reputation is a collective representation of a firm's past actions and results that describes the firm's ability to deliver valued outcomes to multiple stakeholders. It gauges a firm's relative standing both internally with employees and externally with its stakeholders, in both its competitive and institutional environments."
However, and even though the concept is being employed in several situations, it remains relatively understudied (Fombrun and Riel, 1997).

2.3.3. Reputation evolution

Previously the CR was an unvalued subject to top management, but this attitude is changing due to several driving forces (Chajet, 2009):

- Unparalleled access to information by public and their greedy appetite for information;

- The decision of governments to compete economically;

- The inevitable trend to be accommodation of products and services results in most similarity between products and services. One of the unique ways of differentiation is the corporate reputation.

- The increasingly individual investments in firms, due to a intensive capitalism, were strongly influenced by the corporate reputation.

These drivers are so strong that have forced the corporate management to develop and implement policies and practices in order to manage their impact on corporate performance (Chajet, 2009).

Reputation depends of everything that a company does as an entity but mostly it depends on the signals and communications that a company chooses to provide to the market (Davies and Miles, 2009). Essentially, it reflects the corporate policies and practices' perception by the organization's stakeholders (Post and Griffin, 2009).

This perception is connected with the ways that a company is identified by external and internal players (Pinheiro, 1999). The identification with a company leads with the attractiveness of that company's identity and the interest of the consumer to reinforce his/her links with the company (Marin and Ruiz, 2007).

Therefore, the decisions involved in social responsibility actions and their relations with stakeholders should be treated in a strategic perspective in order to construct a positive reputation within the community (Mendes, 2007).

This reputation's construction could be made in several ways, but all of them are associated with available information about the activities undertaken by companies. This information comes from the firms themselves, from the media or from other monitors (Fombrun and Shanley, 1990).

"Communication is essential to companies' survival, as well as maintaining ethical image (and reputation) or safeguarding their competitive advantage through CSR" (Jahdi and Acikdilli, 2009: 111).

Nevertheless CR is no longer only influenced by impressive logos' management or planned formal communication activities. Instead of being a static element, CR must be considered as a dynamic construct. It also influences and is influenced by all the ways in which company projects its image: behaviour, communication and symbolism (Gotsi and Wilson, 2001).

2.3.4. CR Approaches

Gotsi and Wilson (2001) noted that corporate reputation and corporate image appear in literature as identical concepts, total separated concepts or even as inter-related concepts. They identified two different schools of thought which classify diverse corporate reputation's definitions: the first one states that image and reputation are analogue concepts and the second one establishes that these two concepts are different from each other.

The second school has three different visions: the first one categorizes corporate image and corporate reputation as different and separated concepts and the other two visions stands on the argument that these two concepts are inter-related; the second vision considers corporate reputation as a dimension to the corporate image construction and the third one explores the other side of the relation, believing that reputation is influenced by multiple images created by different organization's audiences (table 5).

Table 5 – CR approaches

Approaches		
Analogue	**Differentiate**	
Image and Reputation are the same phenomenon. They are synonyms	Image and Reputation are different and separated phenomenon (not correlated)	Image and Reputation are different phenomenon but inter-related
		Reputation is one of the dimensions towards the image's construction / Reputation is influenced by multiples images of diverse audiences

Adapted of Gotsi and Wilson, 2001

2.3.5. Concepts associated to CR

In addition to the ambiguity associated to the CR concept that hinders a consensual definition, it is common to make the concept analysis correlating it to other concepts (Vance and Ângelo, 2007).

Vance and Ângelo (2007) make the association to three concepts: corporate branding, corporate identity and corporate communication, while Walker (2010) differentiates CR from organizational identity and organizational image. Hence it becomes important to describe those concepts and differentiating them from CR.

2.3.5.1. Corporate Branding

Corporate branding is "a systematically planned and implemented process of creating and maintaining a favourable reputation of the company with its constituent elements, by sending signals to stakeholders using the corporate brand" (Riel, 2001 in Einwiller and Will, 2008:233).

The importance of corporate branding management is based on some factors as the increasing importance of capital markets, competition for qualified human resources, needs to create synergy between brands, identity management complexity and operations in different countries and increased pressure for organizations' transparency, plus demanding consumers, drastic changes in technology and intense competition (Vance and Ângelo, 2007).

2.3.5.2. Corporate Identity

The definition of this concept, parallel to what occurs in the CR concept, is also ambiguous. However, there were some attempts in this construct, defending that corporate identity refers to the physical ways of an organization's definition, like visual aspects as logos, typography, colours, signage, packaging, annual reports and uniforms, amongst others (Dalton and Croft, 2003). In essence, it refers to internal stakeholders (Walker, 2010) or it is how an organization consistently visually presents itself.

However, these visual elements of a corporation not only contribute to distinguish one organization from another (Dalton and Croft, 2003), but also have a strategic nature (Vance and Ângelo, 2007) taking into account the day-to-day operational reality that employees, suppliers, distributors and consumers experience (Dalton and Croft, 2003). Also it is adaptable to all bodies, and instead of corporate brand, it is optional for companies.

Added to this, it is also defended that an effective corporate identity management positively influences corporate brand. And this one could then affect the relationship with stakeholders and CR.

2.3.5.3. Corporate Communication

Balmer and Gray quoted by Vance and Ângelo (2007) declare that the image and reputation are built based on the identity perceived by stakeholders through the communication. This means that the relationship between identity, image and reputation is established through communication, therefore the authors defend that a sustainable competitive advantage is correlated to the strength of this concepts staying together (Vance and Ângelo, 2007).

2.3.5.4. Corporate Image

Corporate image is the mix of knowledge and beliefs that individual stakeholders hold about a corporation, formed by cognitive (rational/functional) and emotional attributes (Dalton and Croft, 2003). Thus it is what a company would like external stakeholders to know and consequently it is often confused with corporate communication and it is based on external stakeholders' perception (Walker, 2010).

2.3.6. Measuring Reputation

Reputation is no longer so important if there is not an accurate instrument to measure it, so in 1999 Fombrun, Gardberg and Sever developed an instrument to achieve it – Reputation Quotient.

They asked people to name companies that they like and companies that they do not like, based on six dimensions, that they considered as the most significant to valuable reputation.

- **Emotional Appeal:** how much the company is liked, admired, respected and trustful.

- **Products & Services:** perceptions of the quality, innovation, value, and reliability of the company's products and services.

- **Financial Performance:** perceptions of the company's profitability, prospects, risk and outperform over the competitors.

- **Vision & Leadership:** how much the company demonstrates a clear vision to the future and a strong leadership, as well as its capability to take advantage of market opportunities.

- **Workplace Environment:** perceptions of how well the company is managed, how it is to work for it, and the quality of its employees.

- **Social and Environmental Responsibility:** perceptions of the company as a good citizen in its dealings with communities, employees, and the environment.

Then this instrument was used, a lot of surveys were taken and it was possible to gauge it, reaching two main conclusions: CR is a valuable asset even though an intangible one; and companies are not investing too much to manage it as it worth.

In 2006, Thomaz *et al* developed a study to construct an instrument to measure reputation, arguing that Reputation Quotient only evaluates the companies' position and it is insufficient to manage it. Reputation Quotient used the admiration and respect for the company as a reputation's indicator, but it is affected by the reputation itself. They propose a list of eight attributes to construct reputation, founded trough a complex work with stakeholders: leadership in activity sector; technological innovation in developing products and services, competitiveness in global market; ethical behaviour in business context; relation with external partners; quality of management; severity that financial affairs are conducted and the severity that all of company's affairs are conducted.

Nevertheless, the solid background of Reputation Quotient's authors and the diverse times that it was already used are strong reasons to consider Reputation Quotient as the most adequate and accurate instrument for this thesis.

2.4. Linking CSR and CR

In order to survive in the intense competitive global market it becomes essential that each company put its efforts in differentiating over the customers and remaining stakeholders. Investing in a strong reputation is a good opportunity for gaining competitive advantage and more and more companies adopt diverse strategies to build it based on CSR.

Even though it is not new, there isn't still a consensus on the aggregation of the two concepts. Some industry surveys came with the preliminary evidence on the topic, enhancing that CSR may induce consumer goodwill towards the organisation. It was expressed that consumers are willing to support CSR business but it was not clear which organisations' social behaviours are contributing for that customers' performance (Maignan, 2001). The assumption that customers are willing to support actively good corporate citizens highly contributes to the enthusiasm about the CSR subject (Maignan and Ferrell, 2003).

Along the literature, there were various authors defending that CSR influences Reputation (Siltaoja, 2006) besides helping businesses to build up credibility and trust (Habisch et al, 2005). CSR also contributes to a reputation which consumers and investors can identify with, based on the assumption of value priorities (Siltaoja, 2006), once different stakeholders demand and expect different needs and interests, that could even be contradictory and conflicting for them and for companies (Mark-Herbert and Schantz, 2007).

Thus, one could conclude that CSR is a precedent of CR. Also it precedes reliability, which contributes to CR and therefore, being a driving force to reputation and trust, it acts as a link between companies and community (Filho, Brito, Gosling and Souki, 2009).

Nevertheless, this influence does not play the role at the same level for every stakeholder. CSR's influence in CR differs from stakeholder to stakeholder, and usually customers value more CSR as an indicator of CR than employees, for instance. (Thomaz and Brito, 2007).

Also, from country to country these differences can be perceived these differences. Evidences in divergences between American, French and German consumers' expectations, reveal the difficulty inherent of a uniform and integrated communication about CSR across borders (Maignan, 2001).

It has become crucial to understand each stakeholder and be aware of what each one of them individually values, focusing on addressing different and specific CSR's strategies and communication to each kind of stakeholder.

3. Research Questions

Taking into account the initial problem - *Do CSR initiatives have impact[11] in EDP CR?*- a literature review was performed based on the CSR concept, evolution and approaches; CR concept, definition and measurement; and the linkage between the two concepts. From that information research and data collection sprang up some questions:

Research Question 1: *Is the communication of CSR initiatives well managed by companies (EDP Group)?*

- *What is the perception of consumers/employees about companies' initiatives in CSR (EDP CSR initiatives)?*

- *Are they aware of such initiatives?*

It derives from the concept of communication, whereupon "Communication is essential to companies' survival, as well as maintaining ethical image (and reputation) or safeguarding their competitive advantage through CSR" (Jahdi and Acikdilli, 2009).

Research Question 2: *In each stakeholder perspective (consumers or employees) what is CSR?*

- *Which factors each stakeholder (consumers or employees) associates to the CSR motivation factors (generally and for EDP Group)?*

- *Which factors each stakeholder (consumers or employees) associates to the CSR results (generally and for EDP Group)?*

This question is drawn from the different concepts and interpretations associated to CSR found in the literature. The term has been defined in various ways a vague and ill-defined concept by Preston and Post, 1975 or a concept with a variety of definitions by Votaw (1973), or even a concept susceptible to subjective and value-laden judgments by Aupperle *et al.* (1983), all cited by Jamali (2008).

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[11] Impact: a result attributable to any initiative ("Évaluer l'utilité sociale de son activité", Avise).

Related to the diverse arguments about the definition of concept, there is also a divergence in motivations to address CSR. Some companies aim at improving the corporate image while others aspire cost reductions (Pedersan and Neergaard, 2007), but the great difference in the driving forces of CSR is to understand if it comes from an ethical aspiration contributing to a good society or from a business goal of meeting objectives that produce long-term profits (Garriga and Melé, 2004).

Also, companies serves multiple of stakeholders and each one has specific characteristics and different ways to evaluate corporate performance (Fombrun, 2009). Therefore it is important to understand the perspective of each stakeholder.

Research Question 3: *What is the perception of consumers/employees about CR?*

- *Which factors each stakeholder (consumers or employees) associates to the CR of EDP Group?*

CSR' influence in CR differs from stakeholder to stakeholder. Reputation is constructed according to each different stakeholder's perspective value priorities and the motivations of the company (Siltaoja,2006). Usually customers value more CSR as an indicator of Reputation than employees, for example (Thomaz and Brito, 2007).

Achieving the responses for cited research questions, this thesis will try to demonstrate that is possible to understand if CSR's initiatives boost CR. It was expressed that consumers are willing to support CSR businesses but it was not clear which organisations' social behaviours are contributing for that customers' performance. (Maignan, 2001) Therefore, it will be done an attempt to identify the factors that stakeholders value the most regarding CSR.

Balmer and Gray sited by Vance and Ângelo (2007) declare that the image and reputation are built based on the identity perceived by stakeholders through the communication.

4. Data collection and analysis methods and techniques

4.1. Methodology

Concerning that different stakeholders have different perspectives about CSR and different ways to evaluate company in terms of its CR, this research focus on two different types of EDP stakeholders. In order to make a broader analysis, it was included both internal and external stakeholders, specifically EDP users (external perspective) which were considered not only the consumer as the person who buy the good/service, but also all the person who actually uses the good/service; and EDP employees (internal perspective).

In order to identify the link between CSR and CR, it was opted to narrow the analysis in three main aspects: <u>motivation</u> factors to address CSR, <u>results</u> of CSR initiatives and <u>factors associated to CR</u>. After understanding these variables it was studied the correlation between them.

The investigation has gone beyond the EDP analysis and has explored the opinion about companies in general, with the purpose of doing some comparisons.

4.2. Data collection

4.2.1. Instrument

The instrument used for both stakeholders' analysis was similar. Quantitative Data was collected through an online-survey – questionnaire (Exhibit 1 and 2) - launched to EDP users and EDP employees, trough Google docs. This survey was built based on some different contents obtained from several authors.

The specific questions that are related to EDP were got from EDP annual report 2009 - fields of CSR initiatives.

The motivation factors to address CSR and the results of CSR initiatives were based and adapted from Pedersan and Neergaard (2007) that have made a compilation from diverse studies and authors, distinguishing internal and external motivations and

benefits coming from within the company or the ones that have impact on external environment and stakeholders (*see section 1.4. CSR motivators and 1.5. CSR Benefits*).

The instrument to measure reputation was based on Reputation Quotient[SM] – an instrument developed by Fombrun, Gardberg and Saver (1999) *(see section 2.6. Measuring Reputation).*

It was applied a Likert scale of 5-items to the majority of scales used: 1=I do not associate; 2=I associate some; 3=I associate moderately; 4=I associate a lot; 5=I completely associate; and 1=Unimportant; 2=Important; 3=Moderately Important; 4=Important; 5=Very important; and also 1=Very bad reputation; 2=Bad reputation; 3=Moderate reputation; 4=Good reputation; 5=Excellent reputation.

4.2.2. Data

EDP Consumers

The questionnaire for EDP consumers was launched to a personal mailing list, concerning all the EDP users that have more than 16 years old and it was posted in a social network – Facebook. It was received 174 valid questionnaires.

EDP Employees

The first approach to EDP was made through a formal contact with EDP department of Sustainability and Environment, who had routed me to Human Resources department. Company did the universe's selection and it was provided to me a list of volunteers that were registered in a collection of goods campaign in 2010. The 88 questionnaires were gathered from that list.

4.3. Data analysis

4.3.1. Psychometric features

The data collected from the two questionnaires (EDP users and employees) was mostly analysed together. It was used the varimax rotation of exploratory factor analysis that reveals the possibility of the items' aggregation in several dimensions depending on the variables studied (table 6).

Concerning the variable "Motivations to address CSR", the items are aggregated in 5 dimensions: *Governance and management systems; Risk management; Customers and investors management; Pressure groups* and *Corporate image* (Exhibit 3); regarding the "Results of CSR initiatives", the items were aggregated in 3 dimensions: *Improve stakeholder engagement; Enhance internal competences and innovation; Premium positioning* (Exhibit 4); the items related to "Factors associated to CR" are grouped in 3 scopes: *Market and strategic positioning; Trust and good intentions* and *Financial Performance* (Exhibit 5).

Table 6 - Factors founded by Factor Analysis

	CSR Motivations	CSR Results	Reputation factors
1	Governance and management systems	Improve stakeholder engagement	Market and strategic positioning
2	Risk management	Enhance internal competences and innovation	Trust and good intentions
3	Customers and investors management	Premium positioning	Financial Performance
4	Pressure groups		
5	Corporate image		

In order to measure the internal consistency of the scales, it was done a reliability analysis through Cronbach's Alpha. The three scales obtained with factor analysis have significantly internal consistency ($\alpha = 0,793$; $\alpha = 0,717$; $\alpha = 0,785$ respectively) (Exhibit 6).

4.3.2. Sample characterization

EDP consumers

From a list of about 700 people (350 from a mailing list added to some resent e-mails from the persons who had received the questionnaire), it was obtained a sample of 174 users of EDP, distributed by 81 (46,6%) of male gender against 93 (53,4%) of female gender. Concerning the age, the sample shows that the most of respondents (91) are framed between 16 and 25 years old, representing 52,3%, and only one person has more than 55 years old.

Around 2/3 of the sample lives in the Centre of the country, roughly 22% in South and approximately 6% in the North, and the remaining (5,2%) in other places. (Exhibit 7)

EDP employees

From a list of 178 persons, it was obtained 88 answers (49,4%), of which 49 (55,7%) are female. Surveys show that about 36% of respondents have between 45 and 55 years old, 26% focus between 26 and 35 years old and only 3 have less than 25 years old. The majority of respondents work in the company for more than 10 years (58%), 25% work there for 1 to 5 years; around 15% work for more than 5 and less than 10 years and only 2% are in the company for less than 1 year (Exhibit 8).

The big majority of employees (83%) had been evolved in any CSR initiative developed by the Group, which could restrict the generality of results.

5. Results

5.1. Awareness of CSR initiatives

In order to understand the communication of CSR initiatives conducted by companies, people were asked about their awareness about initiatives from companies.

The majority of respondents (79,8%) is aware of CSR initiatives developed by companies in general. As expected and despite of analyzing the opinion about companies in general, employees present a higher weight of awareness than consumers - 96,6% of the total employees against 71,3% of consumers answered positively. The level of awareness is the same for both genders, but the youngest class (16-25) is the one that presents less awareness (63%) as opposite to all other classes that present results above 85%. Regarding employees, it is highlighted that the senior management is the unique professional category that demonstrates some negative opinions (3 out of 43 in the category).

Table 7 - Are you aware of Social Responsibility initiatives developed by companies in general?(Consumers and Employees)

		Frequency	Percent	Valid Percent	Cumulative Percent
	Yes	209	79,8	79,8%	79,8
Valid	No	53	20,2	20,2%	100,0
	Total	262	100,0	100,0%	

Table 8 - Are you aware of Social Responsibility initiatives developed by companies in general?(Consumers vs Employees)

	Employees (%)	Consumers (%)
Yes	96,6	71,3
No	3,4	28,7
Total	100,0	100,0

Concerning the EDP case, and considering both internal and external perspectives together, the awareness of respondents always has a little inclination to "Yes" (Table 9). The environment is the most known initiative through the analysis of inquiries (85% answered positively).

Table 9 - Are you aware of initiatives developed by EDP in the following fields?
(Consumers and Employees)

	Economic Development (%)	Developing Countries (%)	Education and Youth Support (%)	Environment (%)	Art and Culture (%)	Social Wellbeing and Health (%)	Sports (%)	Volunteering (%)	Employees (%)
Yes	**61,8**	**69,5**	**59,2**	**85,5**	**58,4**	**54,2**	**64,1**	**56,5**	**53,1**
No	38,2	30,5	40,8	14,5	41,6	45,8	35,9	43,5	46,9
Total	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

Consumers' opinion follows quite the same trend of general opinion, although the difference between "Yes" and "No" is closer. The initiatives in *Environmental* field are emphasized, which stands out with a 80,5% and *Volunteering* initiatives occupy the last position of awareness with only 34,5% of positive answers.

For employees in particularly, the knowledge of such initiatives is very high (always higher than 75%) and the volunteering field assumes 100% of awareness (that can be explained by the sample survey, which is composed by EDP volunteers).

In order to understand the specific initiatives of employees' awareness, it was done a content analysis for question 9 – "*Are you aware of any initiative/programme in CSR field promoted by EDP? Which one(s)?*" and question 15 -"*In which initiative(s)/programme(s) have you been evolved?*", from which comes the idea that employees are very well informed about CSR initiatives developed by EDP, highlighting that 87,5% of them were engaged, at least, in one of such initiatives. From all the initiatives identified, the ones that belong to Health and Solidarity field had assembled more awareness (28%), followed by Developing Countries and Volunteering, (both 14%).

From 77 employees that have been involved in any initiative of CSR (against 11 who have not), 42 have specified those initiatives when asked about the awareness of CSR initiatives developed by EDP Group; and 64 have identified other more than these ones.

From all the initiatives mentioned, there were three that have been identified for most of respondents: *Recolha de bens* (Collection of goods) identified by 38 employees;

Kakuma Project pointed out by 33 employees; and *Aprender a Empreender* (Learn to Entrepreneur) brought up for 30 employees.

5.2. Motivations to address CSR initiatives

Concerning the driving forces that influence <u>companies in general</u>, to address CSR initiatives, consumers mostly identify the motivations related to *Corporate image* ($\bar{x}$ = 4,13; δ=0,935) and the less important ones are related to *Governance and management systems* ($\bar{x}$ = 2,90; δ=0,827), still they all show an average above the mean (Table 10). The trend of answers is quite the same to all classes of ages, but in terms of gender, the males tend to give higher values of association, regardless of the factor, than the females.

Table 10 - From the following factors, which ones do you associate to companies' motivations in CSR field? (Consumers)

	N	Minimum	Maximum	Mean	Std. Deviation
Governance and management systems	174	1	5	**2,90**	0,827
Risk management	174	1	5	**3,51**	0,732
Customers' and investors' management	174	1	5	**3,31**	0,928
Pressure groups	174	1	5	**3,61**	0,972
Corporate image	174	1	5	**4,13**	0,935
Valid N (listwise)	174				

Taking into account <u>EDP's specific case</u>, and even though the mean assume higher values, meaning a bigger importance of motivation factors, they follow the same distribution of companies in general, wherein *Corporate image* assumes the first position ($\bar{x}$ = 4,28; δ=0,882) and *Governance and management systems* assumes the last one ($\bar{x}$: 3,08 δ=0,901) (Table 11).

Table 11- From the following factors, which ones do you associate to EDP motivations in CSR field? (Consumers and Employees)

	N	Minimum	Maximum	Mean	Std. Deviation
Governance and management systems - EDP	262	1	5	**3,08**	,901
Risk management - EDP	262	1	5	**3,57**	,816
Customers' and investors' management - EDP	262	1	5	**3,39**	,910
Pressure groups - EDP	262	1	5	**3,43**	1,087
Corporate image - EDP	262	1	5	**4,28**	,882
Valid N (list wise)	262				

Analysing separately each stakeholder, employees attribute superior values to each factor than consumers, generating a significant influence in general results.

Corporate image is the most valued motivation by both stakeholders and employees had just classified it with 3 or more association level. For employees, *Risk management* assumes the second position
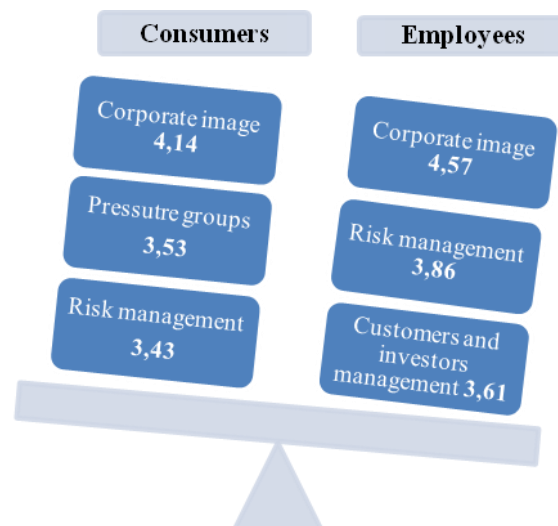
Figure 3: Podium of three CSR motivations more valuable for Consumers and Employees

followed by *Customers' and investors' management*, *Pressure groups* and *Governance and management systems* while consumers give more importance to *Pressure Groups* followed by *Risk management, Customers' and investors' management* and finally *Governance and management systems*, which always occupies the last place (Figure 3).

5.3. Results of CSR initiatives

Regarding the benefits associated to CSR initiatives, the stakeholders' perception about companies in general and about the specific case of EDP present parallel results (Table 12 and Table 13). They consider the benefits related to *Improve stakeholder engagement* as the most important benefit of CSR initiatives ($\bar{x}$ companies= 3,63; δ=0,675;

$\bar{x}$ EDP = 3,67; δ=0,815), followed by *Premium Positioning* ($\bar{x}$ companies= 2,90; δ=1,131;

$\bar{x}$ EDP = 2,92; δ=1,223) and *Enhance internal competencies and innovation*

($\bar{x}$ companies=2,82; δ=0,825; $\bar{x}$ EDP= 2,91; δ=0,901) (Table 12 and 13).

Table 12 - In terms of results, how do you evaluate the companies' performance in CSR field? (Consumers)

	N	Minimum	Maximum	Mean	Std. Deviation
Improve stakeholder engagement	174	2	5	**3,63**	0,675
Enhance internal competences and innovation	174	1	5	**2,82**	0,825
Premium positioning	174	1	5	**2,90**	1,131
Valid N (listwise)	174				

Table 13 - In terms of results, how do you evaluate EDP performance in CSR field? (Consumers + Employees)

	N	Minimum	Maximum	Mean	Std. Deviation
Improve stakeholder engagement -EDP	262	1	5	**3,67**	0,815
Enhance internal competences and innovation - EDP	262	1	5	**2,91**	0,901
Premium positioning - EDP	262	1	5	**2,92**	1,223
Valid N (listwise)	262				

The consumers' perception follows the same trend of general results. Nevertheless it is important to highlight that the vision of employees, when they are independently analysed, have a quite different opinion. Despite of *Improve stakeholder engagement* is also considered as the most relevant result of CSR initiatives ($\bar{x}$ =4,04, ; δ=0,636), the other two factors have changed positions:

Figure 4: Podium of three CSR results more valuable for Consumers and Employees

Enhance internal competencies and innovation ($\bar{x}$ = 3,20; δ=0,862); *Premium Positioning* ($\bar{x}$ = 2,60; δ=1,264) (Figure 4).

5.4. CR factors

In the perception of the set of both stakeholders about factors that are associated to EDP reputation, *Financial Performance* ($\bar{x}$ = 3,68; δ=0,905) assumes the first position, followed by *Market and strategic positioning* ($\bar{x}$=3,61; δ=0,569) and *Trust and good intentions* ($\bar{x}$ = 3,41; δ=0,830) (Table 14).

Table 14- From the following factors, which ones do you associate to EDP image/reputation? (Consumers and Employees)

	N	Minimum	Maximum	Mean	Std. Deviation
Market and strategic positioning - EDP	262	1	5	**3,61**	,869
Trust and good intentions - EDP	262	1	5	**3,41**	,830
Financial Performance - EDP	262	1	5	**3,68**	,905
Valid N (listwise)	262				

Despite of general good perception about EDP reputation, it is important to distinguish the employees' opinion from consumers' output and to understand the differences of EDP internal and external perspective.

Employees associate a lot *Market and strategic positioning* ($\bar{x}$ = 4,15; δ=0,623) to EDP reputation factors, while consumers only

Figure 5: Podium of three CR factors more valuable for Consumers and Employees

attribute a medium value to it ($\bar{x}$ = 3,35; δ=0,858); *Financial Performance* appears as a factor with a good association to EDP reputation by employees ($\bar{x}$ = 3,94; δ=0,885) and to consumers as a mean of 3,54 (δ=0,887); regarding *Trust and good intentions,* the less associated to EDP reputation both from consumers and employees, yet with a good value of association, 3,76 (δ=0,658) to employees and 3,24 (δ=0,856)for consumers.

It is also important to refer that no one, from employees, had considered the minimum value of association to *Market and strategic positioning* and *Trust and good intentions*, and in all the factors the "I associate a lot" was the most marked item.

There are no significant differences between genders, following almost always the same tendency, and in classes of ages they tend to concentrate in "I associate a lot" and next in "I associate moderately" but with no noteworthy divergences between classes.

5.5. Correlation between variables

5.5.1. CSR Motivations influence CSR Results

Each of the variables already analysed have little relevance when considered alone. The real significant results come from the analysis of correlations between variables, therefore it was done a nonparametric correlation analysis through Spearman coefficient (Exhibit 9).

In that point, it was analysed the motivation factors that influence the results of CSR initiatives. The stakeholders' perception about companies in general and the specific case of EDP does not present considerable differences.
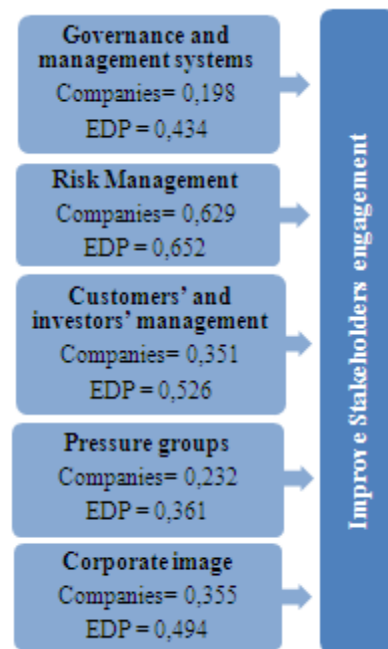
Figure 6: Influence of motivation factors in *Improve Stakeholdes engagement* results

The results of CSR initiatives related to "Improve stakeholder engagement" derive from various motivation factors. Actually, it is influenced by all considered motivations. However, the big correlations come from *Risk Management* ($\rho_{companies}$=0,621; ρ_{EDP}=0,652), followed by *Corporate image* ($\rho_{companies}$=0,355; ρ_{EDP}=0,499) and

Customers' and investors' management ($\rho_{companies}$=0,351; ρ_{EDP}=0,526). Also motivations associated to *Governance and management systems* ($\rho_{companies}$=0,198; ρ_{EDP}=0,434) and *Pressure groups* ($\rho_{companies}$=0,232; ρ_{EDP}=0,361) present a significant coefficient of correlation with results for EDP and companies in general, even though they change positions in terms of importance (Figure 6).

Concerning "Enhancing internal competencies and innovation" benefits, they represent a strong correlation with motivations essentially from *Governance and management systems* ($\rho_{companies}$=0,731; ρ_{EDP}=0,780); *Customers and investors management* ($\rho_{companies}$=0,533; ρ_{EDP}=0,585) and *Risk management* ($\rho_{companies}$=0,384; ρ_{EDP}=0,544), and also from *Corporate image* motivations (ρ_{EDP}=0,164) in the specific case of EDP (Figure 7).

Figure 7: Influence of motivation factors in *Enhance internal competences and innovation* results

The gain referred to "Premium positioning" comes essentially from two motivation factors: *Governance and management systems* ($\rho_{companies}$=0,427; ρ_{EDP}=0,339) and *Customers and Investors management* ($\rho_{companies}$=0,341; ρ_{EDP}=0,274). In the case of EDP, it is also correlated to motivations from *Risk Management* (ρ_{EDP}=0,157) and *Pressure groups* (ρ_{EDP}=0,154), even if they have a lower significance (Figure 8).

Figure 8: Influence of motivation factors in *Premium positioning* results

Instead of having a huge parallelism between both results, for companies in general and for EDP case study, it is important to highlight that the coefficient of correlation is more significant in correlations regarding EDP case, presenting higher values, and also giving the possibility to embrace more factors.

Regarding the comparison between consumers and employees for EDP case, results do not present huge differences as we can observe in figure 9. The main motivation that pressure results related to "Improve stakeholder engagement" is *Risk Management* for both stakeholders. Nevertheless, its relation represents a more significant correlation for Employees (ρ=0,749) than Consumers (ρ=0,589).

Concerning the result of "Enhance internal competences and innovation", they are motivated essentially by *Governance and management systems* (ρConsumers=0,765; ρEmployees=0,741). The differences between employees' and consumers' opinions are evident in the benefits coming from "Premium positioning", which are essentially boosted by *Governance and management systems* (ρ=0,561) in employees' opinion and for *Customers' and investors' management* (ρ=0,333) in consumers' perspective. Also the motivations related to *Risk management* present a strong correlation to these kinds of results for employees, while consumers present a correlation with lower significance.
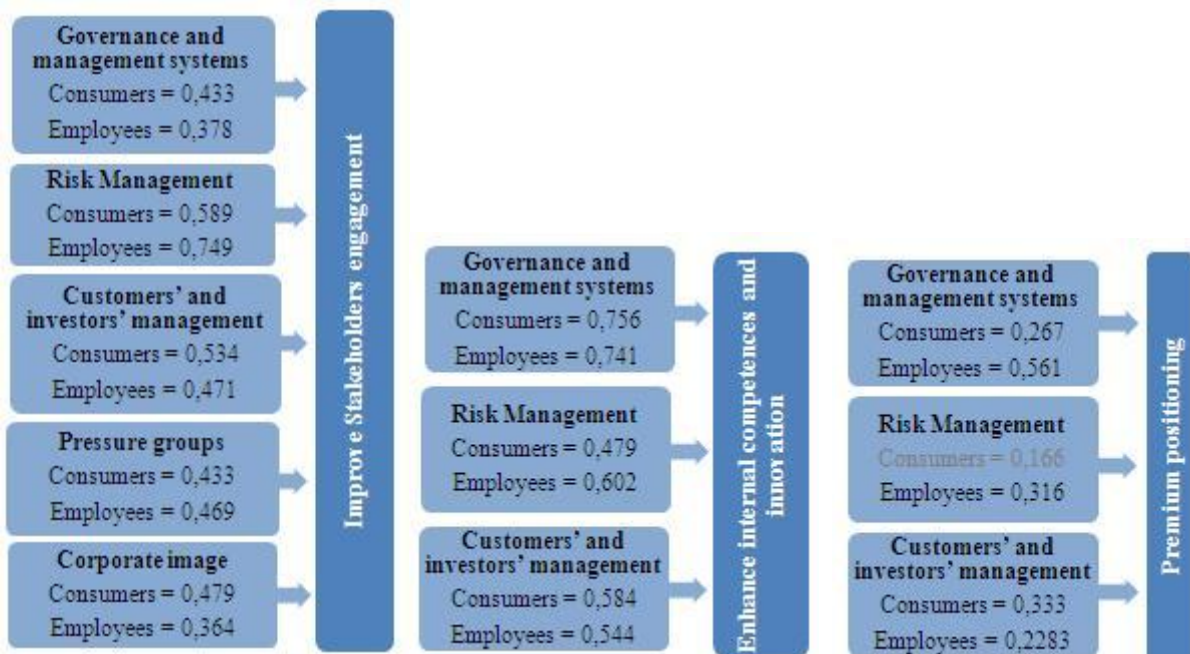
Figure 9: Influence of CSR motivatios on CSR benefits – comparison between Consumers and Employees

5.5.2. CSR Results influence CR

Understanding the influence of motivations on results of CSR initiatives can help in the perception of these results and in the perspective of stakeholders, both internal and external of the company.

However, it is crucial to identify which results contribute to Reputation of EDP, boosting it (Exhibit 10).

Also in this analysis, employees and consumers have similar perceptions, despite of the fact that in the internal perspective the coefficient of correlation between CSR results and reputation is stronger.

The most significant correlation comes from the influence that results related to *Improve Stakeholder engagement* ($\rho_{employees}$=0,748; $\rho_{consumers}$=0,569) acts over the *Market and strategic positioning* reputation factor; this reputation item is also strongly influenced by benefits from *Enhance internal competences and innovation* ($\rho_{employees}$=0,519; $\rho_{consumers}$=0,479); and a little for *Premium Positioning*"($\rho_{consumers}$=0,171) (Figure 10).

When we talk about *Trust and good intentions*, this reputational factor is correlated to results coming from *Improve stakeholder engagement* ($\rho_{employees}$=0,621; $\rho_{consumers}$=0,493); *Enhance internal competencies and innovation* ($\rho_{employees}$=0,573; $\rho_{consumers}$=0,492) (Figure 10).

Regarding *Financial Performance*, both internal and external stakeholders consider it with a strong correlation with all type of CSR results. Nevertheless, *Enhance internal competencies and innovation* practices the biggest influence on it by employees ($\rho_{employees}$=0,395; $\rho_{consumers}$=0,238) and *Improve stakeholder engagement* by consumers ($\rho_{employees}$=0,286; $\rho_{consumers}$=0,398); followed by *Premium Positioning* at final position ($\rho_{employees}$=0,298; $\rho_{consumers}$=0,283).
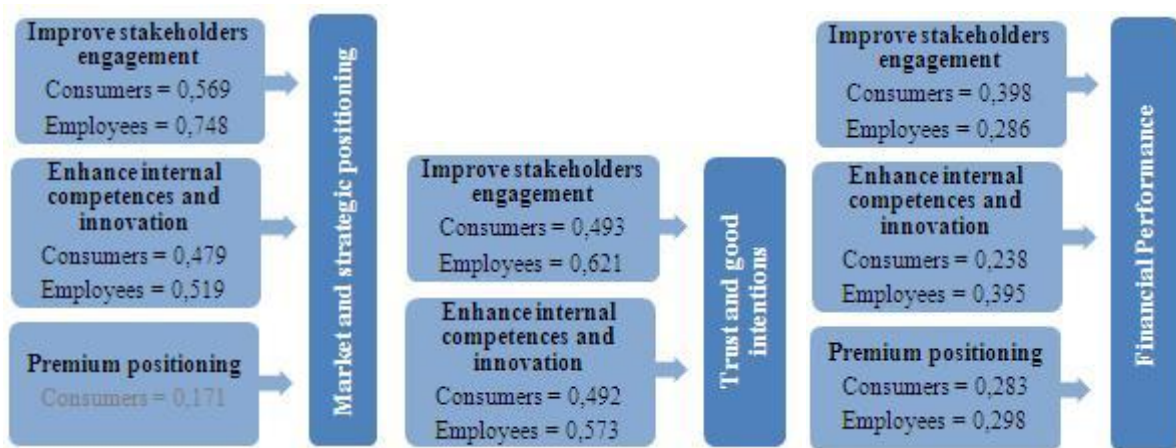
Figure 10: Influence of CSR motivations on CR factors – comparison between Consumers and Employees

5.5.3. Consumers versus Employess

At the final, it is possible to compare CR factores most valuable for each stakeholder and its relation with CSR results, that are also correlated with some CSR motivations.

The CR factor that represents more importance to EDP consumers is *Financial Performance*. It is strongly associated with CSR results related to *Improve stakeholder engagement*, which in turn, presents a positive link with CSR motivation coming from *Risk Management*. Even though *Financial Performance* is related to other CSR results and these ones suffer a proporcional influence of CSR motivation, it is evident in figure 11 what are the most valuable factors by consumers.

EDP employees give more importance to *Market and strategic positioning* as a reputational factor, which demonstrates a significant positive correlation with CSR initiatives that result on *Improve stakeholder engagement*. Such initiatives are essentially motivated by *Risk management* (Figure 12).
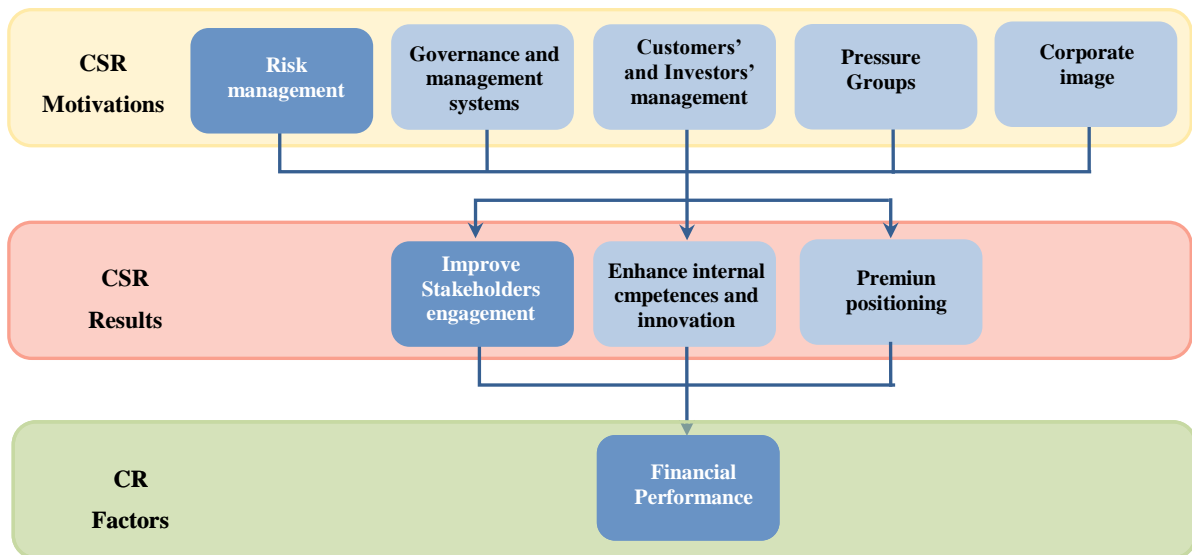
Figure 11: The most valuable reputational factor by consumers and its associations
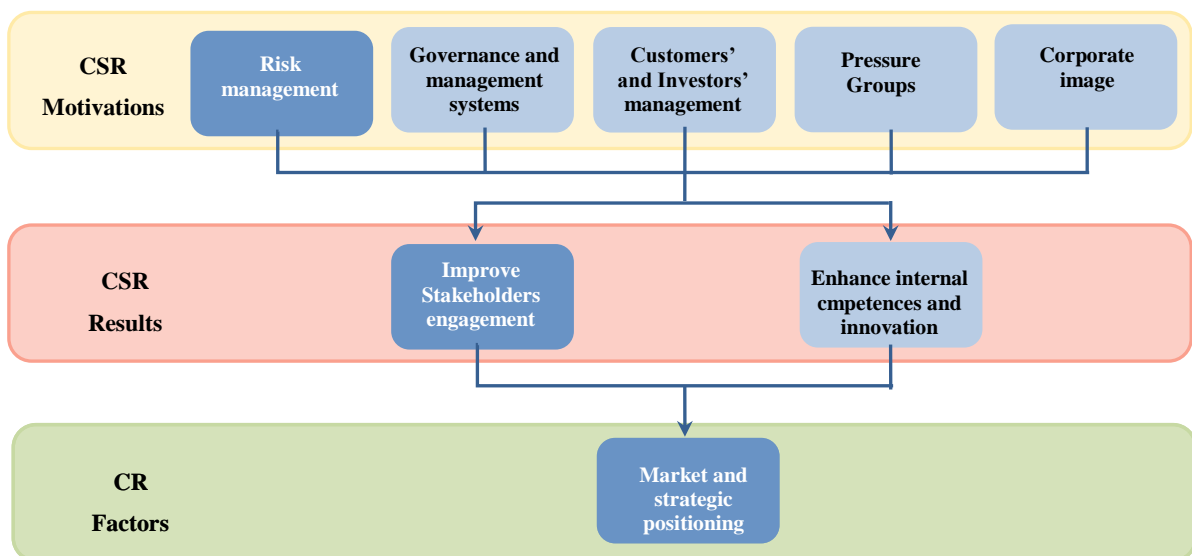
Figure 12: The most valuable reputational factor by employees and its associations

5.6. Stakeholders' perception

To analyse the association between variables is very significant in order to understand the influence of each variable in another and be aware of the tendency of each factor's contribution. But it is also important to understand the real perception of stakeholders about reputation, confronting them directly.

When it was asked straight about EDP reputation, it was clear that consumers and employees consider that EDP has a *Good reputation*.

Even if their opinion is about the perception on reputation to the community, employees present a more sensible view about reputation, focus 83% of the choices in *Good Reputation* (61,4%) and *Excellent Reputation* (21,6%), while consumers concentrate their option in *Good Reputation* (47,7%) and *Sufficient Reputation* (30,5%), expressing only 10,3% in *Excellent Reputation* (table 15).

Table 15 - In general, how do you classify EDP Group Reputation to the community? (Consumers vs Employees)

	Employees %	Consumers %
Very bad Reputation	0,4	0,6
Bad Reputation	8,4	10,9
Moderate Reputation	24,8	30,5
Good Reputation	52,3	47,7
Excellent Reputation	14,1	10,3
Total	100,0	100,0

It is highlighted that female gender is a little bit more exigent than males, doing a broader distribution of the majority of results. Only one person, between 16-25 years old had considered that EDP has a *Very bad Reputation,* nevertheless there's no another big differences between ages' classes. Regarding employees, 100% of those working in the company for less than a year, agree with the *Good Reputation*, still they are only 2% of the sample. For the remaining employees, the concentration of responses in *Good Reputation* increase proportionally to the time working in the company (remaining the most marked in all classes), but *Sufficient Reputation* and *Excellent Reputation* decrease. All professional categories concentrate the majority of the responses in *Good Reputation* (between 59% and 75%) except "Supervisors" that are equally distributed amongst *Sufficient, Good and Excellent Reputation*.

The importance attributed to EDP performance in the CSR field is also positive, once the results are concentrated in *Important* and *Very Important,* representing around 70% of the responses. The contribution to this result comes essentially from employees,

which focus their opinion about the contribution of CSR initiatives as *Important* and *Very Important.* When these two items are aggregated, they sum 95,5% (table 16).

Table 16 – In general, how do you evaluate the importance of EDP Group performance in Social Responsibility field? (Consumers and Employees)

	Frequency	Percent	Valid Percent	Cumulative Percent
Unimportant	3	1,1	1,1	1,1
Of little importance	15	5,7	5,7	6,9
Moderately important	59	22,5	22,5	29,4
Important	100	38,2	38,2	67,6
Very important	85	32,4	32,4	100,0
Total	262	100,0	100,0	

Despite of the difference in reputation's perception, the opinion about the contribution of CSR initiatives in reputation construction is consensual, with a lot of positive responses from both stakeholders (consumers = 92,5%; employees = 97,7%), converging in 94,4% of total positive responses (table 17). Although the class of ">55" years old had contribute in 100% for this results, and the class that had less added value to it ("36-45") had only put in 89%, it did not register significant differences between ages' classes.

Table 17 - Do you think that Social Responsibility initiatives contribute to Reputation's construct of EDP Group? (Consumers and Employess)

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	247	94,3	94,3	94,3
No	15	5,7	5,7	100,0
Total	262	100,0	100,0	

Every classes 'category had met almost 100% in the statement that CSR initiatives contribute to reputation's construction, and in relation to professional categories the same occurs. Only employees that work in the company for more than 10 years had consider other answer than this one (around 3,92% say *No*).

6. Discussion of results

In order to conclude about the influence stated before, this study's analysis has been focus on three main aspects: the awareness of stakeholders about the CSR initiatives; the stakeholders' perception about motivations and the results of CSR initiatives and the associated reputational factors.

Is the communication of CSR initiatives well managed by companies (EDP Group)?

> *"Business cannot hope to enjoy concrete benefits from CSR unless they intelligently communicate about their initiatives to relevant stakeholders"*
>
> *(Maignan and Ferrell, 2004:17)*

Companies in general have interiorized that communication of CSR assumes an important role in the appreciation of the brands' or companies' actions (Sair da Casca, 2004) since the results of the study demonstrate that the big majority of stakeholders is aware of initiatives in CSR developed by companies in general.

Also concerning the specific case of EDP, both employees and consumers are aware of the diversity of fields in which such initiatives are developed, enhancing the Environmental field and Volunteering field as the most known (the last one probably influenced by the sample of employees surveyed). Consequently, one can say that companies in general and EDP in particularly are handling in an effective way the communication of CSR initiatives.

The theory of Mark-Herbert and Schantz (2007) states that traditionally companies pay more attention to their internal stakeholders, as it happens with EDP Group results. Even not knowing about the investment in communication that EDP adresses to each stakeholder, employees are more aware of CSR inititives than consumers, driving us to the point that EDP concentrate more efforts in employees or the communication is better received and perceived than in the case of consumers.

The general awareness of CSR in society has gradually increased (Mark-Herbert and Schantz, 2007), due to the interest in the subject allied to the easiness of accessibility from the media, specifically of the internet, which could also explain the results.

In each stakeholder perspective (consumers or employees) what is CSR?

The integrative theory of Garriga and Melé (2004), which are based on the arguing that business depends on society for its existence and development, enhance that corporate management should take into account the social demands and incorporate them in business management. Both analysed <u>stakeholders consider the motivations accordingly to corporate image as the most relevant while regarding the results, the most significant are the ones related to improve stakeholders engagement</u>. The relevance of these factors expresses the concerning about social demands, that companies should pay attention to integrate them in social values of the company (Garriga and Melé, 2004).

Furthermore the link with relational theory of Secchi (2007) is also manifested in the concern of stakeholders about the complex relations between companies and society.

What is the perception of consumers/employees about CR?

> *"When a company's actions are assessed by various stakeholders groups, its reputation is constructed according to their respective value priorities and the assumed motives of the company." (Siltaoja, 2006:107)*

By stakeholders' perception <u>EDP has a good Reputation</u> in the community; nevertheless, employees attribute a higher value to it. <u>Market and strategic position and financial performance are the most relevant factors associated to EDP</u> performance in terms of reputation's perception in the community, notwithstanding employees associate strategic position as the principal factor of EDP reputation, while consumers attribute this role to financial performance.

Value priorities are different for internal and external stakeholders, observable in the consideration of employees that management of strategic position and the position in the market are more relevant in EDP reputation while consumers give more importance to financial accomplishments. Hence one can affirm that companies may, indeed, have various reputations (Siltaoja, 2006).

Do CSR initiatives have impact in EDP CR?

Both stakeholders believe that good reputation in the community is a lot impacted by CSR initiatives conducted by EDP, reinforcing the argument that <u>there is a link between CR and CSR</u> (Siltaoja, 2006).

Improvement of stakeholder engagement and enhance of internal competencies and innovation play an important role as a result of CSR initiatives once they impact the reputation of EDP in boosting the perception of stakeholders about its market and strategic position, its trust and support of good causes and also its financial performance. The CSR initiatives that have impact on building a premium positioning positively influence the perception about financial performance of EDP.

Usually customers value more CSR as an indicator of Reputation than employees (Thomaz and Brito, 2007), but it does not happen to the EDP, in which <u>employees value more all CSR results as a sign of CR than consumers</u>.

7. Conclusions

The development of this study had focused on some essential points that were firstly independently explored and in a second phase were analysed together and converged in some central conclusions. The main goal of the project – analyse the impact of CSR initiatives on CR – was successfully achieved, concluding that initiatives in CSR developed by EDP have a positive and strong impact on CR.

The motivations that drive companies to address CSR initiatives are related to results accomplished with the implementation of such initiatives, which in turn, are considered by both stakeholders as very important in reputation' construct.

Both stakeholders consider that EDP has a good reputation in the community, fact that is manifested in some reputational factors they identify with.

Other important objective that was in the root of this investigation was the comprehension of different stakeholders' perception. It was also achieved, and it is possible to conclude that great differences between internal and external stakeholders are related to the communication of CSR initiatives and also the value of that initiatives represent to each stakeholders.

EDP may use these results and integrate them in the strategy design, seeking an increased involvement of consumers and employees in reputational standards, reinforcing its competitive advantage in the market.

It could be done internally, employee-oriented; and externally, consumer-oriented. In both ways there is a common ground and a basis for implementation: a clear communication plan, i.e., the focus is not mainly in implementation (since it is done already) but in communication, in order to engage and be accountable to employees and consumers.

Internally, EDP should use its own communication means such as intranet, newsletter, etc., in order to inform its employees about CSR initiatives: they will ultimately be company's ambassadors. Externally, the company can target the communication of CSR initiatives and focus each communication according to each strategic intent of the

company, for instance, CSR initiatives with regards to local communities when it comes to EDP advance in the construction of dams.

Limitations

One limitation of this study is directly linked to the idiosyncrasies of sample' surveys. Data was collected on internet, thus it is representative of a specific public, who beyond has *online* access, is familiar with the use of it. Also, the employees' sample comes from a list of volunteering persons, who might be more sensible to the subject than the majority of employees.

Furthermore, it is possible that there was a double counting and some employees could have responded in both questionnaires.

The mistrust context, in which this study was developed, due to the crisis situation, can also influence results.

Lastly, the results would be more broaden if other companies were taken into account, instead of only analysing results from EDP.

Future Research

At the end of this journey there were naturally some doubts and questions that remain unanswered. Consequently, I suggest two main topics that might be interesting to future research.

First, it is important to explore the external stakeholders' perception, comprehending if actually CSR is a strong indicator and contribution of CR, when compared to other signs, or it is not representative for consumers.

Second, once there are a specific public who are the primary recipients of CSR initiatives, for instance some NGO, the analysis of the perception of this specific public about the subject, could bring up some interesting conclusions.

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9. Exhibits

EXHIBIT 1 - EDP Consumers' Questionnaire

Responsabilidade Social e Reputação das Empresas

No âmbito da Tese de Mestrado sobre Responsabilidade Social e Reputação das Empresas, enquadrada no Mestrado de Business Administration da ISCTE Business School, peço a sua colaboração no preenchimento deste questionário sobre o Grupo EDP.

Este questionário é anónimo e tem apenas como objectivo recolher dados para fundamentar a pesquisa do referido estudo. Todos os dados recolhidos serão confidenciais e destinam-se apenas a

1. Tem conhecimento de iniciativas em Responsabilidade Social desenvolvidas pelas empresas, de uma forma geral? *

○ Sim

○ Não

2. Dos seguintes factores, quais associa à motivação das empresas na área de Responsabilidade Social? *

	1 - Não associo	2	3	4	5 - Associo completamente
Melhoria da gestão e processos internos	○	○	○	○	○
Identificação de potenciais áreas de melhoria na empresa	○	○	○	○	○
Redução de custos	○	○	○	○	○
Cumprimento da legislação aplicável	○	○	○	○	○
Compromisso da gestão por melhorias sociais e ambientais	○	○	○	○	○
Motivação e empenho dos trabalhadores/colaboradores	○	○	○	○	○
Expansão do sistema de gestão	○	○	○	○	○
Inovação de produtos e processos	○	○	○	○	○
Exigências do cliente	○	○	○	○	○
Fidelização do cliente	○	○	○	○	○
Resposta a pressão de grupos socias ou indivíduos (ONG's, companhias de seguros, etc)	○	○	○	○	○
Melhoria da confiança dos investidores	○	○	○	○	○
Atitude social e ecológica	○	○	○	○	○
Abertura para acesso a novos mercados	○	○	○	○	○

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	1 - Não associo	2	3	4	5 - Associo completamente
Melhoria da imagem/notoriedade do grupo	○	○	○	○	○
Prevenção de nova legislação social e ambiental	○	○	○	○	○
Atração de novos trabalhadores/colaboradores	○	○	○	○	○
Aumento do controlo da cadeia de abastecimento nas áreas social e ambiental	○	○	○	○	○

3. Em termos de resultados, como avalia a actuação das empresas na área de Responsabilidade Social? *

	1 - Não associo	2	3	4	5 - Associo completamente
Efectiva redução de custos operacionais	○	○	○	○	○
Benefícios ligados à reciclagem de materiais e energia	○	○	○	○	○
Desenvolvimento de novos produtos e serviços	○	○	○	○	○
Melhoria das condições de trabalho	○	○	○	○	○
Melhoria da motivação dos trabalhadores/colaboradores	○	○	○	○	○
Melhoria das capacidades de gestão	○	○	○	○	○
Melhoria da qualidade dos produtos	○	○	○	○	○
Sistematização de processos e competências	○	○	○	○	○
Melhoria no processo de recrutamento e retenção de trabalhadores/colaboradores	○	○	○	○	○
Consciencialização ambiental	○	○	○	○	○
Manutenção e realce de uma boa reputação	○	○	○	○	○
Melhoria da imagem/notoriedade	○	○	○	○	○
Redução de riscos sociais e ambientais	○	○	○	○	○
Cadeia de abastecimento mais responsável	○	○	○	○	○
Melhoria das relações com a comunidade	○	○	○	○	○

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	1 - Não associo	2	3	4	5 - Associo completamente
Legitimidade na sociedade	○	○	○	○	○
Cumprimento da regulação social e ambiental	○	○	○	○	○
Aprovação das partes interessadas	○	○	○	○	○
Aumento do valor da marca	○	○	○	○	○
Aumento do preço dos produtos	○	○	○	○	○
Acesso a mercados com maiores exigências em Responsabilidade Social	○	○	○	○	○
Aumento da competitividade	○	○	○	○	○
Melhoria no contacto e cooperação com as autoridades públicas	○	○	○	○	○

Relativo ao Grupo EDP

1. Tem conhecimento de iniciativas desenvolvidas pelo Grupo EDP nas seguintes áreas? *

	Sim	Não
Desenvolvimento Económico	○	○
Países em Desenvolvimento	○	○
Educação e Apoio à Juventude	○	○
Ambiente	○	○
Arte e Cultura	○	○
Bem-estar social e saúde	○	○
Desporto	○	○
Voluntariado	○	○
Colaboradores	○	○

2. Ainda que não tenha conhecimento de nenhuma ação concreta, de entre os seguintes factores, indique o que motiva o Grupo EDP na área de Responsabilidade Social? *

	1 - Não associo	2	3	4	5 - Associo completamente
Melhoria da gestão e processos internos	○	○	○	○	○

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	1 - Não associo	2	3	4	5 - Associo completamente
Identificação de potenciais áreas de melhoria na empresa	○	○	○	○	○
Redução de custos	○	○	○	○	○
Cumprimento da legislação aplicável	○	○	○	○	○
Compromisso da gestão por melhorias sociais e ambientais	○	○	○	○	○
Motivação e empenho dos trabalhadores/colaboradores	○	○	○	○	○
Expansão do sistema de gestão	○	○	○	○	○
Inovação de produtos e processos	○	○	○	○	○
Exigências do cliente	○	○	○	○	○
Fidelização do cliente	○	○	○	○	○
Resposta a pressão de grupos socias ou indivíduos (ONG's, companhias de seguros, etc)	○	○	○	○	○
Melhoria da confiança dos investidores	○	○	○	○	○
Atitude social e ecológica	○	○	○	○	○
Abertura para acesso a novos mercados	○	○	○	○	○
Melhoria da imagem/notoriedade do grupo	○	○	○	○	○
Prevenção de nova legislação social e ambiental	○	○	○	○	○
Atração de novos trabalhadores/colaboradores	○	○	○	○	○
Aumento do controlo da cadeia de abastecimento nas áreas social e ambiental	○	○	○	○	○

3. Em termos de resultados, como avalia a actuação do Grupo EDP na área de Responsabilidade Social? *

	1 - Não associo	2	3	4	5 - Associo completamente
Efectiva redução de custos operacionais	○	○	○	○	○
Benefícios ligados à reciclagem de materiais e energia	○	○	○	○	○

https://spreadsheets0.google.com/gform?hl=en&hl=en&key=t6dT0NNrNJPzBy6fcIu...   24-03-2011

	1 - Não associo	2	3	4	5 - Associo completamente
Desenvolvimento de novos produtos e serviços	○	○	○	○	○
Melhoria das condições de trabalho	○	○	○	○	○
Melhoria da motivação dos trabalhadores/colaboradores	○	○	○	○	○
Melhoria das capacidades de gestão	○	○	○	○	○
Melhoria da qualidade dos produtos	○	○	○	○	○
Sistematização de processos e competências	○	○	○	○	○
Melhoria no processo de recrutamento e retenção de trabalhadores/colaboradores	○	○	○	○	○
Consciencialização ambiental	○	○	○	○	○
Manutenção e realce de uma boa reputação	○	○	○	○	○
Melhoria da imagem/notoriedade	○	○	○	○	○
Redução de riscos sociais e ambientais	○	○	○	○	○
Cadeia de abastecimento mais responsável	○	○	○	○	○
Melhoria das relações com a comunidade	○	○	○	○	○
Legitimidade na sociedade	○	○	○	○	○
Cumprimento da regulação social e ambiental	○	○	○	○	○
Aprovação das partes interessadas	○	○	○	○	○
Aumento do valor da marca	○	○	○	○	○
Aumento do preço dos produtos	○	○	○	○	○
Acesso a mercados com maiores exigências em Responsabilidade Social	○	○	○	○	○
Aumento da competitividade	○	○	○	○	○
Melhoria no contacto e cooperação com as autoridades públicas	○	○	○	○	○

4. De uma forma geral, como avalia a importância da actuação do Grupo EDP na área de Responsabilidade Social? *

	1	2	3	4	5
Nada importante	○	○	○	○	○ Importantíssimo

5. Dos seguintes factores,quais considera estarem mais associados à imagem e/ou reputação do Grupo EDP? *

	1- Não associo	2	3	4	5 - Associo completamente
Bom sentimento pela empresa	○	○	○	○	○
Admiração e respeito	○	○	○	○	○
Confiança	○	○	○	○	○
Princípios por detrás dos bens e serviços	○	○	○	○	○
Investimentos em inovação de produtos e serviços	○	○	○	○	○
Qualidade dos produtos e serviços	○	○	○	○	○
Preços compatíveis com a qualidade do produto ou serviço oferecido	○	○	○	○	○
Excelente liderança	○	○	○	○	○
Visão de futuro	○	○	○	○	○
Vantagem competitiva perante os concorrentes	○	○	○	○	○
Qualidade da gestão	○	○	○	○	○
Bom empregador	○	○	○	○	○
Habilidade para atrair, desenvolver e reter talento	○	○	○	○	○
Apoiante de boas causas	○	○	○	○	○
Responsabilidade ambiental	○	○	○	○	○
Elevados padrões éticos relativos às pessoas	○	○	○	○	○
Bons resultados financeiros	○	○	○	○	○
Baixo risco de investimento	○	○	○	○	○
Vantagem competitiva	○	○	○	○	○
Prosperidade	○	○	○	○	○

6. De uma forma geral, como classifica a Reputação do Grupo EDP perante a comunidade? *

	1	2	3	4	5	
Péssima Reputação	○	○	○	○	○	Excelente Reputação

7. Acha que as acções em Responsabilidade Social contribuem para a construção da Reputação do Grupo EDP? *

○ Sim

○ Não

Sexo *

○ Masculino

○ Feminino

Idade *

○ 16-25

○ 26-35

○ 36-45

○ 46-55

○ > 55

Área de residência *

○ Norte do país

○ Centro do país

○ Sul do país

○ Outro

EXHIBIT 2 - EDP Employees' Questionnaire

Responsabilidade Social e Reputação das Empresas - Grupo EDP

No âmbito da Tese de Mestrado sobre Responsabilidade Social(RS) e Reputação das Empresas, enquadrada no Mestrado de Business Administration da ISCTE Business School, peço a sua colaboração no preenchimento deste questionário sobre o Grupo EDP.

Este questionário é anónimo e tem apenas como objectivo recolher dados para fundamentar a pesquisa do referido estudo. Todos os dados recolhidos serão confidenciais e destinam-se apenas a

1. Tem conhecimento de iniciativas em Responsabilidade Social desenvolvidas pelas empresas, de uma forma geral? *

○ Sim

○ Não

2. Tem conhecimento de iniciativas desenvolvidas pelo Grupo EDP nas seguintes áreas? *

	Sim	Não
Desenvolvimento Económico	○	○
Países em Desenvolvimento	○	○
Educação e Apoio à Juventude	○	○
Ambiente	○	○
Arte e Cultura	○	○
Bem-estar social e saúde	○	○
Desporto	○	○
Voluntariado	○	○
Colaboradores	○	○

3. Ainda que não tenha conhecimento de nenhuma acção concreta, de entre os seguintes factores, indique o que motiva o Grupo EDP na área de Responsabilidade Social? *

	1 - Não associo	2	3	4	5 - Associo completamente
Melhoria da gestão e processos internos	○	○	○	○	○
Identificação de potenciais áreas de melhoria na empresa	○	○	○	○	○
Redução de custos operacionais	○	○	○	○	○
Cumprimento da legislação aplicável	○	○	○	○	○
Compromisso da gestão por melhorias sociais e ambientais	○	○	○	○	○

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	1 - Não associo	2	3	4	5 - Associo completamente
Reforço da inovação dos processos e produtos	○	○	○	○	○
Motivação e empenho dos trabalhadores/colaboradores	○	○	○	○	○
Expansão do sistema de gestão	○	○	○	○	○
Exigências do cliente	○	○	○	○	○
Fidelização do cliente	○	○	○	○	○
Resposta a pressão de grupos socias ou indivíduos (ONG's, companhias de seguros, etc)	○	○	○	○	○
Melhoria da confiança dos investidores	○	○	○	○	○
Atitude social e ecológica	○	○	○	○	○
Abertura para acesso a novos mercados	○	○	○	○	○
Melhoria da imagem/notoriedade do grupo	○	○	○	○	○
Prevenção de nova legislação social e ambiental	○	○	○	○	○
Atracção de novos trabalhadores/colaboradores	○	○	○	○	○
Aumento do controlo da cadeia de abastecimento nas áreas social e ambiental	○	○	○	○	○

4. Em termos de resultados, como avalia a actuação do Grupo EDP na área de Responsabilidade Social? *

	1 - Não associo	2	3	4	5 - Associo completamente
Efectiva redução de custos operacionais	○	○	○	○	○
Benefícios ligados à reciclagem de materiais e energia	○	○	○	○	○
Desenvolvimento de novos produtos e serviços	○	○	○	○	○
Melhoria das condições de trabalho	○	○	○	○	○
Melhoria da motivação dos trabalhadores/colaboradores	○	○	○	○	○
Melhoria das capacidades de gestão	○	○	○	○	○

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	1 - Não associo	2	3	4	5 - Associo completamente
Melhoria da qualidade dos produtos	○	○	○	○	○
Sistematização de processos e competências	○	○	○	○	○
Melhoria no processo de recrutamento e retenção de trabalhadores/colaboradores	○	○	○	○	○
Consciencialização ambiental	○	○	○	○	○
Manutenção e realce de uma boa reputação	○	○	○	○	○
Melhoria da imagem/notoriedade	○	○	○	○	○
Redução de riscos sociais e ambientais	○	○	○	○	○
Cadeia de abastecimento mais responsável	○	○	○	○	○
Melhoria das relações com a comunidade	○	○	○	○	○
Legitimidade na sociedade	○	○	○	○	○
Cumprimento da regulação social e ambiental	○	○	○	○	○
Aprovação das partes interessadas	○	○	○	○	○
Aumento do valor da marca	○	○	○	○	○
Aumento do preço dos produtos	○	○	○	○	○
Acesso a mercados com maiores exigências em termos de RS	○	○	○	○	○
Melhoria da competitividade	○	○	○	○	○
Melhoria no contacto e cooperação com as autoridades públicas	○	○	○	○	○

5. De uma forma geral, como avalia a importância da actuação do Grupo EDP na área de Responsabilidade Social? *

　　　　　1　2　3　4　5

Nada importante　○　○　○　○　○　Importantíssimo

6. Dos seguintes factores,quais considera estarem mais associados à imagem e/ou reputação do Grupo EDP? *

https://spreadsheets.google.com/gform?key=0An6DfJxAHf-rdDJxTHBvWHZ6Uldv...　24-03-2011

	1 - Não associo	2	3	4	5 - Associo completamente
Bom sentimento pela empresa	○	○	○	○	○
Admiração e respeito	○	○	○	○	○
Confiança	○	○	○	○	○
Princípios por detrás dos bens e serviços	○	○	○	○	○
Investimentos em inovação de produtos e serviços	○	○	○	○	○
Qualidade dos produtos e serviços	○	○	○	○	○
Preços compatíveis com a qualidade do produto ou serviço oferecido	○	○	○	○	○
Excelente liderança	○	○	○	○	○
Visão de futuro	○	○	○	○	○
Vantagem competitiva perante os concorrentes	○	○	○	○	○
Qualidade da gestão	○	○	○	○	○
Bom empregador	○	○	○	○	○
Habilidade para atrair, desenvolver e reter talento	○	○	○	○	○
Apoiante de boas causas	○	○	○	○	○
Responsabilidade ambiental	○	○	○	○	○
Elevados padrões éticos relativos às pessoas	○	○	○	○	○
Bons resultados financeiros	○	○	○	○	○
Baixo risco de investimento	○	○	○	○	○
Vantagem competitiva	○	○	○	○	○
Prosperidade	○	○	○	○	○

7. De uma forma geral, como classifica a Reputação do Grupo EDP perante a comunidade? *

	1	2	3	4	5	
Péssima Reputação	○	○	○	○	○	Excelente Reputação

8. Acha que as acções em Responsabilidade Social contribuem para a construção da Reputação do Grupo EDP? *

○ Sim

○ Não

9. Tem conhecimento de alguma acção/programa na área de Responsabilidade Social promovida pelo Grupo EDP?Qual(is)? *

Sexo *

○ M

○ F

Idade *

○ <25

○ 26-35

○ 36-45

○ 46-55

○ >55

Antiguidade na empresa *

○ <1 ano

○ 1-5 anos

○ 5-10 anos

○ >10 anos

Categoria Profissional *

○ Dirigentes

○ Quadros superiores

○ Quadros médios

○ Quadros intermédios

○ Profissionais qualificados e altamente qualificados

○ Profissionais semi-qualificados

Está ou esteve envolvido na dinamização de alguma ação/programa do Grupo EDP na área de Responsabilidade Social? *

○ Sim

○ Não

Em que iniciativa(s)/programa(s) está ou esteve envolvido?

EXHIBIT 3 – Factor Analysis - Motivation factors to adress CSR

Rotated Component Matrix[a]

	Component				
	1	**2**	**3**	**4**	**5**
Increasing management and control of internal processes	**0,823**	0,037	0,260	-0,153	-0,073
Identify potential areas for improvement in the company	**0,801**	0,134	0,145	-0,116	0,044
Costs reduction	**0,830**	-0,016	0,075	0,135	-0,015
Ensuring compliance with existing regulation	**0,664**	0,381	-0,024	0,336	0,047
Management commitment to social and environmental improvements	0,148	**0,797**	0,141	-0,058	0,193
Motivated and committed employees	0,420	0,445	0,383	-0,147	-0,258
Extending quality management system	0,496	0,352	0,340	-0,473	0,007
Product and process inovation	**0,701**	0,210	0,344	0,077	-0,030
Customer requirement	0,438	0,068	**0,612**	0,386	-0,016
Improving customer loyalty	0,220	0,091	**0,867**	0,111	0,065
Response to pressure from societal groups and individuals (NGOs, communities, insurance companies, etc.)	0,008	0,280	0,247	**0,734**	0,111
Improving investors' confidence in the company	0,172	0,413	**0,586**	0,010	0,315
Environmental and social attitude	-0,057	**0,835**	0,099	0,120	0,233
Gaining access to new markets	**0,505**	0,442	0,282	0,093	0,167
Improving corporate image	0,012	0,393	0,160	0,097	**0,776**
Preventing new social and environmental legislation	0,334	**0,631**	0,032	0,291	0,140
Atracting new employees	0,275	**0,594**	0,384	-0,032	-0,374
Increasing control with the social and environmental performance in the supply chain	0,152	**0,707**	0,118	0,475	-0,002

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 11 iterations.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7,091	39,396	39,396	7,091	39,396	39,396	4,123	22,905	22,905
2	2,494	13,854	53,249	2,494	13,854	53,249	3,726	20,698	43,604
3	1,196	6,642	59,891	1,196	6,642	59,891	2,302	12,788	56,392
4	1,087	6,040	65,932	1,087	6,040	65,932	1,466	8,146	64,538
5	,823	4,573	70,505	,823	4,573	70,505	1,074	5,967	70,505
6	,683	3,793	74,298						
7	,636	3,534	77,832						
8	,582	3,236	81,068						
9	,534	2,966	84,034						
10	,491	2,726	86,760						
11	,476	2,643	89,403						
12	,408	2,269	91,672						
13	,324	1,802	93,474						
14	,292	1,622	95,096						
15	,281	1,562	96,658						
16	,241	1,341	97,999						
17	,201	1,116	99,115						
18	,159	,885	100,000						

Extraction Method: Principal Component Analysis.

EXHIBIT 4– Factor Analysis – CSR Results

Rotated Component Matrix[a]

	Dimensions		
	1	**2**	**3**
Reducing operational costs	-0,025	**0,652**	0,498
Benefits from re-use and recycling of energy and materials	0,398	0,367	0,396
Development of new products and services	0,256	**0,594**	0,532
Safer workplace conditions	0,260	**0,845**	-0,036
Improve staff morale	0,426	**0,725**	-0,281
Development of management skills	0,206	**0,814**	0,187
Higher quality of products	0,267	**0,729**	0,387
Systematizations of competencies and processes	0,136	**0,777**	0,364
Improved staff recruitment and retention	0,250	**0,786**	-0,073
Increased environmental awareness	**0,736**	0,278	0,118
Maintaining and enhancing a good reputation	**0,818**	0,141	0,006
Improvement of image	**0,820**	0,107	0,003
Reduction of social and environmental risks	**0,762**	0,235	0,171
More responsible supply chain management	**0,548**	0,468	0,302
Improved community relations	**0,823**	0,203	-0,080
Legitimacy in society	**0,816**	0,163	0,070
Compliance with social and environmental regulation	**0,809**	0,198	0,108
Goodwill from stakeholders	**0,652**	0,352	0,137
Increased brand value	**0,770**	0,125	0,095
Higher prices for products	0,069	0,053	**0,813**
Access to markets that demand Corporate Social Responsibility	**0,507**	0,431	0,345
Increased competitiveness	**0,718**	0,167	0,288
Better contact and co-operation with public authorities	**0,761**	0,212	0,060

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	10,976	47,720	47,720	10,976	47,720	47,720	7,806	33,938	33,938
2	3,051	13,265	60,985	3,051	13,265	60,985	5,459	23,734	57,672
3	1,381	6,006	66,991	1,381	6,006	66,991	2,143	9,319	66,991
4	,968	4,207	71,198						
5	,861	3,745	74,943						
6	,658	2,860	77,803						
7	,626	2,723	80,526						
8	,584	2,540	83,066						
9	,518	2,252	85,317						
10	,441	1,916	87,233						
11	,398	1,732	88,965						
12	,374	1,626	90,590						
13	,313	1,360	91,950						
14	,278	1,210	93,161						
15	,254	1,104	94,265						
16	,247	1,074	95,339						
17	,213	,926	96,265						
18	,189	,824	97,089						
19	,182	,791	97,880						
20	,155	,672	98,552						
21	,128	,559	99,111						
22	,104	,453	99,564						
23	,100	,436	100,000						

Extraction Method: Principal Component Analysis.

EXHIBIT 5 - Factor Analysis – CR Factors

Rotated Component Matrix[a]

	Dimensions		
	1	2	3
Good feeling about the company	0,472	**0,665**	-,0043
Admiration and respect	0,487	**0,730**	-0,083
Trust	0,398	**0,794**	0,038
Stands behind its products and services	0,352	**0,792**	0,083
Developments of inovattive products and services	0,210	**0,627**	0,489
High quality of products and services	0,257	**0,739**	0,409
Offers products and services that are a good value for the money	0,262	**0,577**	0,354
Excellent leadership	**0,696**	0,248	0,373
Clear vision of the future	**0,752**	0,315	0,176
Takes advantage of market opportunities	**0,552**	0,371	0,193
Well-managed	**0,708**	0,345	0,274
Looks like a good company to work for	**0,588**	0,285	0,356
Looks like a good company that would have good employees	**0,670**	0,322	0,133
Supports good causes	**0,766**	0,314	0,080
Environmentally responsible company	**0,775**	0,277	0,159
Maintains high standards in the way it treats people	**0,679**	0,467	0,113
Strong record of profitability	0,142	0,169	**0,839**
Looks like a low risk investment	0,370	-0,064	**0,747**
Tends to outperform its competitors	**,622**	,284	,312
Looks like a company with strong prospects for future growth	**,707**	,269	,302

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 9 iterations.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	10,669	53,346	53,346	10,669	53,346	53,346	6,264	31,322	31,322
2	1,595	7,976	61,322	1,595	7,976	61,322	4,687	23,433	54,755
3	1,159	5,796	67,118	1,159	5,796	67,118	2,473	12,363	67,118
4	,953	4,765	71,883						
5	,825	4,125	76,008						
6	,690	3,449	79,457						
7	,568	2,842	82,299						
8	,521	2,604	84,904						
9	,502	2,508	87,412						
10	,471	2,355	89,766						
11	,330	1,651	91,417						
12	,316	1,581	92,998						
13	,274	1,369	94,367						
14	,238	1,191	95,558						
15	,217	1,086	96,644						
16	,195	,977	97,622						
17	,158	,788	98,410						
18	,139	,695	99,105						
19	,113	,565	99,671						
20	,066	,329	100,000						

Extraction Method: Principal Component Analysis.

EXHIBIT 6 - Reliability analysis

Reliability Statistics

Cronbach's Alpha	Number of Items
0,793	10

Reliability Statistics

Cronbach's Alpha	Number of Items
0,707	6

Reliability Statistics

Cronbach's Alpha	Number of Items
0,787	3

EXHIBIT 7 - Consumers' sample characterization

Sex

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**Male**	**81**	**46,6**	46,6	46,6
	Female	**93**	**53,4**	53,4	100,0
	Total	174	100,0	100,0	

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**16-25**	**91**	**52,3**	52,3	52,3
	26-35	**36**	**20,7**	20,7	73,0
	36-45	**23**	**13,2**	13,2	86,2
	46-55	**23**	**13,2**	13,2	99,4
	>55	**1**	**,6**	,6	100,0
	Total	174	100,0	100,0	

Home area

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	North	11	6,3	6,3	6,3
	Center	115	66,1	66,1	72,4
	South	39	22,4	22,4	94,8
	Other	9	5,2	5,2	100,0
	Total	174	100,0	100,0	

EXHIBIT 8 - Employees' sample characterization

Sex

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	M	39	44,3	44,3	44,3
	F	49	55,7	55,7	100,0
	Total	88	100,0	100,0	

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<25	3	3,4	3,4	3,4
	26-35	26	29,5	29,5	33,0
	36-45	14	15,9	15,9	48,9
	46-55	32	36,4	36,4	85,2
	>55	13	14,8	14,8	100,0
	Total	88	100,0	100,0	

Time in the company

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<1 year	2	2,3	2,3	2,3
	1-5 years	22	25,0	25,0	27,3
	6-10 years	13	14,8	14,8	42,0
	>10 years	51	58,0	58,0	100,0

Sex

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**M**	**39**	**44,3**	44,3	44,3
	F	**49**	**55,7**	55,7	100,0
	Total	88	100,0	100,0	

Have you been envolved in any promotion of EDP Group initiative/programme in Social Responsibility field?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**Yes**	**73**	**83,0**	83,0	83,0
	No	**15**	**17,0**	17,0	100,0
	Total	88	100,0	100,0	

EXHIBIT 9 - Table of correlation – CSR motivations vs CSR results

Companies in general

	Governance and management systems	Risk management	Customers' and investors' management	Pressure groups	Corporate image	Improve stakeholder engagement	Enhance internal competences and innovation	Premium positioning
Governance and management systems	1	0,275**	0,548**	0,076	-0,023	0,198**	0,731**	0,427**
		,000	,000	,320	,768	,009	,000	,000
	174	174	174	174	174	174	174	174
Risk management	,275**	1	,377**	,182*	,116	,621**	,384**	,069
	,000		,000	,017	,128	,000	,000	,363
	174	174	174	174	174	174	174	174
Customers and investors management	,548**	,377**	1	,330**	,254**	,351**	,533**	,341**
	,000	,000		,000	,001	,000	,000	,000
	174	174	174	174	174	174	174	174
Pressure groups	,076	,182*	,330**	1	,118	,232**	,041	,133
	,320	,017	,000		,120	,002	,593	,079
	174	174	174	174	174	174	174	174
Corporate image	-,023	,116	,254**	,118	1	,355**	,042	,105
	,768	,128	,001	,120		,000	,584	,169
	174	174	174	174	174	174	174	174
Improve stakeholder engagement	,198**	,621**	,351**	,232**	,355**	1	,413**	,123
	,009	,000	,000	,002	,000		,000	,107
	174	174	174	174	174	174	174	174
Enhance internal competences and innovation	,731**	,384**	,533**	,041	,042	,413**	1	,311**
	,000	,000	,000	,593	,584	,000		,000
	174	174	174	174	174	174	174	174
Premium positioning	,427**	,069	,341**	,133	,105	,123	,311**	1
	,000	,363	,000	,079	,169	,107	,000	
	174	174	174	174	174	174	174	174

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

EDP

	Governance and management systems EDP	Risk management EDP	Customers' and investors' management EDP	Pressure groups EDP	Corporate image EDP	*Improve stakeholder engagement EDP*	*Enhance internal competences and innovation EDP*	*Premium positioning EDP*
Governance and management systems EDP	1	0,510**	0,595**	00,165**	0,168**	0,434**	0,780**	0,339**
		0,000	0,000	0,008	0,006	0,000	0,000	0,000
	262	262	262	262	262	262	262	262
Risk management - EDP	0,510**	1	0,520**	0,420**	0,439**	0,652**	0,544**	0,157*
	0,000		0,000	0,000	0,000	0,000	0,000	0,011
	262	262	262	262	262	262	262	262
Customers' and investors' management EDP	0,595**	0,520**	1	0,365**	0,311**	0,526**	0,585**	0,274**
	0,000	0,000		0,000	0,000	0,000	0,000	0,000
	262	262	262	262	262	262	262	262
Pressure groups - EDP	0,165**	0,420**	0,365**	1	0,308**	0,361**	0,100	0,154*
	0,008	0,000	0,000		0,000	0,000	0,106	0,012
	262	262	262	262	262	262	262	262
Corporate image - EDP	0,168**	0,439**	0,311**	0,308**	1	0,494**	0,164**	0,001
	0,006	0,000	0,000	0,000		0,000	0,008	0,990
	262	262	262	262	262	262	262	262
Improve stakeholder engagement EDP	0,434**	0,652**	0,526**	0,361**	0,494**	1	0,574**	0,200**
	0,000	0,000	0,000	0,000	0,000		0,000	0,001
	262	262	262	262	262	262	262	262
Enhance internal competences and innovation EDP	0,780**	0,544**	0,585**	0,100	0,164**	0,574**	1	0,278**
	0,000	0,000	0,000	0,106	0,008	0,000		0,000
	262	262	262	262	262	262	262	262
Premium positioning EDP	0,339**	0,157*	0,274**	0,154*	0,001	0,200**	0,278**	1
	0,000	0,011	0,000	0,012	0,990	0,001	0,000	
	262	262	262	262	262	262	262	262

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

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EXHIBIT 10 - Table of correlation – CSR results vs Reputation factors

EDP

	Improve stakeholder engagement -EDP	Enhance internal competences and innovation - EDP	Premium positioning EDP	*Market and strategic positioning - EDP*	*Trust and good intentions - EDP*	*Financial Performance EDP*
Improve stakeholder engagement -EDP	1	**,539****	**,305****	**,569****	**,493****	**,398****
		,000	,000	,000	,000	,000
	172	172	172	169	172	172
Enhance internal competences and innovation - EDP	**,539****	1	**,284****	**,479****	**,492****	**,238****
	,000		,000	,000	,000	,002
	172	174	174	171	174	174
Premium positioning - EDP	**,305****	**,284****	1	**,171***	**,027**	**,283****
	,000	,000		,025	,722	,000
	172	174	174	171	174	174
Market and strategic positioning - EDP	**,569****	**,479****	**,171***	1	**,773****	**,492****
	,000	,000	,025		,000	,000
	169	171	171	171	171	171
Trust and good intentions - EDP	**,493****	**,492****	**,027**	**,773****	1	**,365****
	,000	,000	,722	,000		,000
	172	174	174	171	174	174
Financial Performance - EDP	**,398****	**,238****	**,283****	**,492****	**,365****	1
	,000	,002	,000	,000	,000	
	174	174	174	174	174	174

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).