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Sustainability and Competitive Advantage: A Study in a Brazilian Cosmetic Company

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Abstract

Sustainability is an increasingly common and important issue in daily life, which in turn becomes an advantage when handled strategically by managers in their businesses. Nevertheless, in the Brazilian cosmetics and personal care industry one can find companies that consciously resist this trend. In this context, this article aims to highlight the advantages of using sustainability as a business strategy. The method used was a case study with a qualitative approach. In the case of the company, which was the subject of study of this work, the reasons that have led it to remain inert are strongly related to its model for running the business, especially the lack of long-term planning, a strong hierarchy, low leadership awareness and overvaluation of investors, making sustainability a seemingly incompatible matter for the organization. The studied company's own stakeholders, particularly employees, have identified several innovative opportunities for it to progress toward sustainability. However, in most cases, managers have been prevented from pursuing sustainable actions on the grounds that such initiatives are subjective and have no value.

Keywords: competitive advantage, corporate sustainability, cosmetic industry, sustainability

1. Introduction

In the business environment, much is said about revenue growth, cost cutting and new marketing strategies for a company to survive and succeed, particularly in times of economic crisis. In general, it is easy to see that the trends of thought in decision-making have seen little change over the decades, holding to the traditional strategies to change prices, increase sales, cut the cost of manufacturing, bargain tax agreements and simplify the product portfolio. This would be a sufficient and infallible recipe if not for the conditions imposed by the Brazilian and global environmental contexts, increasingly challenging, calling for new alternatives to overcome difficulties.

To adapt to this reality, which is gaining strength every day, some companies have decided to include sustainability in their organizational and competitive strategy, especially as a potential way to reduce risks and prepare themselves for the future, avoiding new moments of instability. Although still seen as a subject with preconceived ideas and insecurity for many business leaders, there are several examples in the market to prove the theory that this is not just a source of spending, but a long-term solution.

The conceptual simplification also contributes to maintaining erroneous labeling and a negative impression. For lack of knowledge or guile, sustainability can be confused with green washing, environmental management or environmental activism, which would be restrictive and an enemy of profits and therefore unsuitable to commercial for-profit entities. However, sustainability is a broader topic, multifaceted and applicable to any type of player, whether government, business, individual or nonprofit organizations, which has its main foundation in a systemic view of the value chain.

Incorporating sustainability into a business means opening doors to new opportunities and possibilities to profit in a safe and sustained way in the long term, besides generating positive value for its various stakeholders, including customers, shareholders, employees, suppliers, communities directly or indirectly related to business, governmental and non-governmental organizations (NGOs). For this reason, the view which romanticizes the investor's figure as the key to good reputation and excellent performance proves to be outdated and insufficient.

In this context, choosing sustainability as an ally in the conduct of business can produce amazing and very desirable results, such as differentiating the company from its competitors, attracting investments on the one hand and new customers on the other; engaging and retaining consumers, increasingly demanding, through their values and not just by using communication and advertising resources; positively transforming social groups, making them allies of the success of its operations and not critics and opponents of its growth; enhancing the company's ability to attract and retain talent, especially among the younger generations, who tend to give importance to these activities; reducing and containing risks, not only environmental and social but also legal risks, affecting image and operation; preparing the company to face the shortage of resources and ultimately creating a viable and lasting way to generate profit.

In the Brazilian cosmetics and personal care market, there is already considerable mobilization for sustainability, also influenced by the conduct adopted abroad that comes into the country through the multinational companies. However, there are still relevant cases of companies that do not consider sustainability as an important subject. Therefore, this article aims to analyze the relationship between sustainability, corporate strategy and competitive advantage, based on a literature review and documentary analysis of the leading cosmetic companies in this sector in Brazil. Using a qualitative approach, this study also seeks to determine the perception of a company which doesn ́t put forward sustainability as an important point, seeking to identify the reasons for its position and its vision in relation to the existing initiatives in the market.

So, what is sought to answer this article is: how is sustainability understood by a company which doesn ́t put it forward as an important point in the light of trends measured by corporate benchmarks in the Brazilian consumer goods market? This research is justified by the need to translate the value of sustainability to the greatest possible number of social agents and to highlight the link among the social, environmental and economic issues, stimulating an integrated perspective of profit generation that not only seeks economic satisfaction.

2. Sustainability as a Competitive Factor

Simple questions can often lead to reflection and complex answers, such as the question: “What is a company?” In a simple and objective way, according to the Business Dictionary, a company can be defined as "a voluntary association created and organized to conduct business" (Webfinance, 2015). But there is the likelihood for another interpretation, involving a broader and philosophical sense of the matter: if a company exists, what is its purpose and mission as part of society? Probably, the automatic answer is that a company is simply designed to generate wealth for its owners; but, reflecting more calmly, the idealization of a company is always associated with a cause, something concrete which its owners want to accomplish and offer to someone. As stated by Edward Freeman in one of his lectures:

Not that profits are a bad thing, companies need it. But to say that the purpose of business is to generate profit is similar to saying that, as we need red blood cells to live, the purpose of life is to generate red blood cells. [...] Entrepreneurs do not just merge companies to maximize profits, to make money. They founded companies because they are excited about something, an idea - like Bill Gates and Steve Jobs and his concept of what a personal computer could do (FREEMAN, 2013).

The questions about the purpose of a company and its relationship with the society began to take shape in the 1950s. The dominant liberal ideology in the post-war era gave businesses enormous autonomy and power over society without being held responsible for the negative consequences of their activities in any context (social, environmental or economic). In 1953, in a context marked by high industrial expansion, Howard R. Bowen ́s book *Social Responsibilities of the Businessman* was published, considered by many to be the first work that dealt with the corporate social responsibility. This book brought the first modern definition of the term, i.e., a businessman ́s social obligation to adopt the measures, make decisions, and follow procedures consistent with the purposes and values of society (Bowen, 1953), which led to several discussions and subsequent publications on the subject.

Building on the idea of sustainability refers us to many milestones of the last century. However, it was in 1987 with the publication of the document entitled "Our Common Future", also called “The Brundtland Report”, that the concept was enshrined. Through it, the definition of sustainable development spread and has become a reference ever since: "Sustainable development is the development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (Brundtland, 1987). Note that the keyword in this definition is “development”, making it clear that it is not necessary to interrupt progress in order to be sustainable.

In addition to this concept, the Brundtland Report also brought to the public debate several recommendations for both governments and private institutions, leading to the holding of the meeting known as Rio 92, Eco 92 or Earth Summit, which brought together representatives from various countries in Rio de Janeiro, Brazil, in 1992. At this meeting, the Agenda 21 was established. This instrument, agreed to and signed by 179 countries participating in the event, can be considered the first attempt to promote a new standard of comprehensive and global development, receiving the title of "agenda" to demonstrate the intentions and desires for change designed for the twenty-first century.

Seven years later, another way to translate the concept of sustainability came with the triple bottom line expression, officially registered in 1994 by John Elkington. In a clear allusion to the business context, its creator purposely used as a reference the term “bottom line” which, in the field of the financial statements, means profit or final damage to an organization in a given period. Thus, Elkington took sustainability to a more familiar context for business and economic institutions and suggested that they should consider two statements to characterize its outcome, in addition to financial: social and environmental. It is the 3P formulation--Profit, People and Planet--which would become the most realistic and complete way to measure the performance of a company in a given period of time (Elkington, 2001).

Porter and Kramer (2011) attribute much of the origin of the crisis to the companies themselves, for continuing to be attached to an outdated and limited approach to value creation which aims to optimize financial results in the short term, ignoring the unmet needs of the market and the varied influences which the social context has on its long-term success, often leading to staff cuts, operations transfer to lower-cost regions, price disputes, little real innovation, slow organic growth and no clear competitive advantage. As a result, the social groups affected by the activities of the company do not perceive any benefit from potential profitability gains - on the contrary, they feel that the profit is given at their expense.

However, the authors believe that the solution also lies in the hands of the companies, with the creation of what they called a shared value:

Shared value [...] is not social responsibility, philanthropy, or even sustainability, but a new way to achieve economic success. It is not on the margin of what companies do but at the center. [...] Recognizes that societal needs, not just conventional economic needs, define markets. It also recognizes that social harms or weaknesses frequently create internal costs for firms [...]. Shared value, then, is not about personal values. Nor is it about 'sharing' the value already created by firms - a redistribution approach. Instead, it is about expanding the total pool of economic and social value (Porter & Kramer, 2011, p. 3-5).

To see the purpose from the perspective of this new concept, economic efficiency and business success will come along with social progress, without the usual necessary trade-offs between them. Therefore, the point to be looked at is the greater integration between the company and the social, political and environmental context in which it is inserted, not in the form of loss of profitability, but as a great opportunity to develop socially and economically. A very aligned approach which is focused on stakeholders, the concept of shared value makes clear that the relationship between business and sustainable development is a two-way street of success, exposing the challenge of identifying who the priority stakeholders for the company are, aligning their interests in the same direction and setting the action plan in order to that mutual satisfaction is achieved.

3. Methodology

The aim of the research was to investigate a company which has no engagement in sustainability and which operates in the context of the Brazilian cosmetics and personal care market. Following ethical protocols and to preserve the identity of the company, it has not revealed the name or any other information which might identify it, which is also a way to stimulate the accuracy of the information collected in the survey and thus enhance this work; thus, it will be identified in the text only as "Company X". What can be said, however, it is that it is a large company figuring as one of the largest in its sector in Brazil.

The research method chosen to conduct this research is qualitative, associated with the case study. The qualitative method has some fundamental characteristics, according to Creswell (2003): it allows greater engagement between the researcher and the actual experiences of the participants, giving opportunity and freedom for the research to fit the investigated reality, with flexibility and without rigid settings, enabling a holistic view of the phenomena, usually leading to broad views, as opposed to other methods of microanalysis. The particular case study was chosen as a research strategy associated with the method described above and will be used to search the "Company X". According to Yin (2001), “the case study contributes so unparalleled, for the understanding that we have of the individual, organizational, social and political phenomena," and "allows investigation to preserve the holistic and meaningful characteristics of real-life events" being therefore very suitable for the objectives proposed in this article.

In order to have a broad and comprehensive view of the company under study, portraying experiences and impressions in different points of the view about the company, five senior managers and executive managers were chosen from various sectors of "Company X", namely: Marketing, Tax Planning, Investor Relations (IR), Risk and Ethics and Supplies. The fact that the employees invited to participate are managers within the company is important because the views collected have a more concrete basis, usually because the decision makers have greater professional maturity and know better market trends and practices of competitors. The interviews, conducted in October 2015 in person, followed a script with predefined questions.

4. Description and Analysis of Results

The information collected and exposed as follows is essentially of three types: definition of concepts, market practices (competitors) and the posture of the studied company. Note that all references made to the company's departments are actually the opinions of those interviewed employees and not the position of the area as a whole, but referenced so as to simplify this writing.

Regarding the concept of sustainability, there was perceived throughout the conversations some difficulty in understanding the issue in a systemic way. Although the conversations were very comprehensive and allowed an unlimited number of responses, respondents showed difficulties in defining the concept and often there was a bias (environmental or social) predominant in the reported perceptions, possibly influenced by the professional routine of each respondent, marking the identification of key issues or from priority stakeholders, for example.

Starting with Marketing, the component parts of sustainability were recognized as: respect for communities, combating slave labor and the importance of the integrated effort of the value chain so that good results are achieved. But the emphasis is stronger on the environmental aspect of the product itself: the types of inputs used in production, if they are renewable and there are questions about the safety of their use or not - the relevance of the source / extraction responsible and the characteristics of the waste generated after consumption, especially about recycling; the final consumer is recognized as the main stakeholder. Supplies also supports a more focused view of the environmental factor, but it is more general than the previously described concept of sustainability as they have healthy attitudes in the long term, either for business or for the planet, with special attention to the environmental impacts of the choices made for processes and products. Similarly, Taxman believes that sustainability is to look at the world with a view to the future, particularly what concerns the preservation of natural resources, citing the government as an important stakeholder to be able to make mandatory the adoption of best practices and punish misconduct, encouraging engagement.

Conversely, Riskman sees the social aspect as predominant, evidenced especially by the quality of relations between the company and its stakeholders (internal and external), demonstrated by good governance, strong culture, good conduct and transparency to society and recognized in satisfaction of the employees and the search for dialogue with various stakeholders. For IR, the concept is viewed more holistically and is related to the continuity of long-term activity involving all kinds of resources (natural, human and economic) and various relevant interest groups, such as communities, suppliers, investors, customers and consumers.

In the context of corporate sustainability, all respondents considered that profitability should be a matter inherent to the subject, which means that, for them, it makes no sense for a company to engage without the requisite financial gains, even if long-term. The Figure 1 illustrates the approach of the perceptions reported on the concept, distributed by the three main pillars of sustainability.

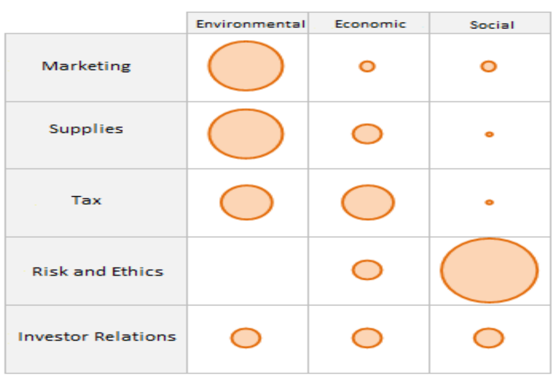

Figure 1. Matrix of Sustainability in the Understanding of Respondents

Joining this group of prospects, it is clear that the different areas of the company provide a comprehensive and multidisciplinary view of the subject, adding up to create the overall concept. So it is exemplified why sustainability must not be the exclusive subject of a single organizational sector: the risks, opportunities and integrated view will only be clearly identified and translated when there is diversity in the points of view and experiences composing the debate, demanding the participation of a heterogeneous group in defining plans and strategies within the theme.

In another point mentioned by all respondents, the top management of a company is perceived as having a key business involvement with sustainability: unless the executive leadership is engaged and willing to take the matter further within the organization, the unanimous opinion is that sustainability will be marginal, anything strategic will not even be taken into account. In fact, as is usually demanded by financial investments, process changes, and management and mobilization of various value chain parties, the commitment to sustainability is more expressive when it is given at the corporate level, seeking the alignment of the company as a whole.

In addition, Marketing, Risk and Tax believe that sustainability is related to the mission and culture of the company, going far beyond a particular product or specific market sectors; it is understood, therefore, that the affinity between the subject and the values of the executive board and main stakeholders of an organization is a powerfully sensitizing and motivating factor. For the IR and Risk areas, this is also a theme linked to the maturity of the company, in the sense that young companies or recent entrants into a certain market would have greater difficulty in investing and believing in the importance of sustainability.

With regard to the particular case of Company X and its position relative to sustainability, the views of participating employees are also converging: everyone understands that it is still incipient in the studied company, where there are numerous opportunities for improvement. In the view of the respondents, the main reasons for the narrow steps up to this point are the company's management model and values, which essentially give priority to short-term financial profitability in business administration and see sustainability just as a cost, one hindrance to this goal.

Mentioned by most as a fundamental deficiency of Company X, the long-term absence of reflection in planning strategies and the company's operations ultimately stifle actions toward more distant horizons and thus make incongruous any discussion of sustainability, which has the future as part of its essence. Marketing and Supplies also mentioned that this is not an exclusive characteristic of the studied company and that there is the influence of Brazilian culture itself on this, more related to remediation situations than to effective planning behavior. From this perspective, it becomes easier to understand why the company sees no value in and does not seek to engage more with sustainability.

Another aspect mentioned by some respondents was the fragile and unevenly consistent organizational culture of Company X, which has resulted in a blurred definition of their identity both to employees and to the general public. This lack of clarity puts the company studied in a fairly comfortable situation because even if questions arise, it is more likely that consumers and other stakeholders will accept this uncertainty as a characteristic of the company, diluting possible pressures that are exerted on it and adding another complicating factor to their mobilization. On the other hand, by failing to establish and communicate the profile it has or wishes to have, the company also relinquishes the force that the corporate identity can add to its products, such as in the big companies analyzed: Grupo Boticário, Colgate-Palmolive, Johnson & Johnson, Natura, Proctor & Gamble and Unilever.

Elaborating on the question of pressures from stakeholders on the Company X, there are two groups that are worth mentioning, in the opinion of respondents: consumers and investors. About consumers, Marketing and Supply believe that the main target audience of the company's products is still not aware of sustainability, being more concerned with the possibility of having access to certain consumer goods than with the product profile or posture of its manufacturer. Therefore, these consumers do not charge or expect the company to have more sustainable products and practices to offer, discouraging it from acting; still, this does not mean that the company should expect better placement as a prerequisite for assuming its social role and thinking about the future of the business, as well as influencing public opinion and stimulating its education about sustainability.

As for investors, all respondents believe that sustainability is a public interest priority for Company X by means of the applicant speech to satisfy them through the financial result journal. But the profile of this audience is composed of nationalities, cultures and diverse interests, which creates varied demands that go beyond profitability: according to the IR manager, there currently are questions about the Company's performance with regard to sustainability. In his view, the questions on this subject should be increasingly recurrent as investors link sustainability to the perception of market risk and company image. However, despite the analytical look that audiences have to be prepared to study sustainability issues, their collection is still focused on financial issues and, therefore, the studied company ends up delaying attitudes and responses to secondary concerns, even if it means accumulating inevitable tasks in the near future.

Illustrating these findings, initiatives cases were mentioned in interviews which ended up being little explored, postponed or abandoned by Company X, simply because sustainability is not seen as an internally relevant issue, wasting opportunities including increasing profits. One example, reported by Marketing, was the partnership proposal received from a social institution to promote awareness of a high incidence of health problems in the population, but with little being known of the condition being treated, which would use the product and brand "Company X" as a banner bearer of the cause - besides being a great opportunity to bring relevant knowledge to society, encourage the expansion of that product consumer market and positively promote the image of the brand with the pioneering spirit of this action, while the partner would bear much of the costs involved. The proposal was rejected because the manager of the area saw no benefit in spending money to do something like that, which in his view was a philanthropic appeal and unhelpful, not only in dropping a low-risk and easy-to-perform opportunity, but also in risking losing the initiative to competitors in the near future, which carries with it the leadership of the innovative approach, very well-regarded and capable of attracting consumers.

Another case mentioned by Marketing was the project of changing the packaging composition of some products, replacing the plastic polymer known as polyvinyl chloride (PVC) with polyethylene terephthalate (PET). Essentially proposed to reduce manufacturing costs, abolishing PVC also brings significant environmental and social gains without compromising the quality of the package, since its production and incineration generate carcinogenic and highly toxic waste (such as dioxins), and the recycling and reuse are more labor-intensive and thus less useful. When it was proposed, the leadership refused the initiative because it was not willing to invest in changes in the production line at the time, despite the proven financial returns in the medium term, even taking into account the environmental argument. The project returned to the agenda and was approved three years later as part of an integrated effort to cut costs in the company and currently beyond the replacement of raw material, these packages still contain 30% recycled PET in their composition, further reducing product cost and environmental impacts associated with it and enhancing financial savings.

As interesting and responsible as it is, this action is not promoted on the product label or in communication channels of the brand or company reports, or conveyed to the internal public, being treated almost as a routine fact, commented on informally when it suits. Apparently, the company sees no importance in transmitting it because it thinks it will not put the necessary effort into it, since, in its view, its stakeholders will not value this information, but actually lose the opportunity to build the image of the brand and the company, drive market trends and encourage the adoption of such practices internally for other products, increasing the manufacturing synergies and the total financial gain of the company.

In another example, recalled by the Supply area, the relationship maintained with suppliers also shows delicacies, especially with regard to labor practices. Like many industries, Company X has a vast supply chain of raw materials and finished products covering diverse source manufacturers, consisting of national companies, large multinational and foreign companies, from which the materials are imported. In contracts with these partners and the code of ethics of the Company, there are clauses about the repudiation of labor practices comparable to slave and child labor in order to establish the position of the company, drive behavior and avoid legal problems, but the signed terms are not followed by a policy of external audits of compliance and therefore are often not verified in practice. Eventually, there were visits to some of those suppliers, scheduled in advance and without the investigative nature of the audit, which were still a cause of unpleasant surprises in the past and proved that the signed papers do not always guarantee the actual practices – as in the case of a former Chinese supplier which shocked the employees of Company X sent to China upon presenting the undignified and unfair working conditions, food and accommodation offered to its employees.

On the other hand, some of the vendors show up demanding that the Company X itself offer or impose stricter and more modern practices. One of these trading partners is a large comprehensive enterprise, extremely strong and known worldwide for its childhood characters, which require surveys to be conducted to ensure the absence of child exploitation in Company X factories by the use of the trademark and some of the characters in licensed products. For this supplier, the hypocrisy of having its symbols linked to products intended for children who use them to be manufactured is an unacceptable risk to its reputation and its international image and, therefore, should be mitigated. Another supplier, a large chemical multinational, develops and delivers innovative and more sustainable inputs such as an alternative to raw materials purchased by the company studied, even if there is not a contracting demand for this initiative; with this, this company not only tries to ensure its sustainability but also encourages the emergence of an exotic debate for Company X, encouraging it to modernize its products and reduce their impact.

The aforementioned examples demonstrate how to establish social guidelines and how stricter environmental supplier relationships can be of mutual benefit, but perhaps due to the disbelief and care for the short term, the studied company does not use sustainability as a criterion for selection of maintenance suppliers. Generally, good voluntary practices mean inputs with higher prices, and they demand investment of time and effort to qualify partners or look for alternatives, which directs Company X to seek cheaper suppliers and to close their eyes to deeper questions about its conduct, even if these uncertainties mean taking an intrinsic and relevant risk of image. The textile industry is a classic example of this risk, emblematic of the deterioration of companies and brands due to complaints related to the supply chain leading to boycotts, sanctions, loss of market and hence the economic devaluation of the organization.

Taking together these findings as to the characterization of sustainability, both from the perspective of interviewed employees and bibliographic settings, it can be said that the way the company is run and the insensitivity of its key stakeholders do not favor the treatment of the issue and hamper the emergence of interest in issues such as this, although the company is inserted in an already well-mobilized market and the movement towards sustainability already exists internally.

Regarding the positioning of the competition on sustainability, it is interesting to note that, even considering the diversity of professional fields and views sampled in this study, all respondents believe that sustainability is a competitive advantage for the company that chooses to invest in it. Moreover, in their opinion, the involvement of competitors proves that this is a strategic way that works and brings benefits. However, impressions differ on the motivation of each company and the ways in which this competitive advantage manifests itself, aspects which will be detailed below.

The vision and culture which other countries brought to Brazil were frequently mentioned in the answers as reasons for continuous engagement with sustainability. The Marketing, Supply and Tax areas believe that multinationals have the guidelines in their countries of origin as a guide of conduct, not only influenced by the native country's culture, but also by practices that may be required in countries where they operate to end up being merged into the organization as a whole, even if there is no local requirement. For the respondents in the aforementioned areas, companies in Europe and the United States have a much greater clarification of what sustainability means and what its importance is for the future of humanity and the health of the global economy, consistently illustrated by the source of most discussions on the subject, manifesting in the conduct of companies and behavior of European and American consumers, who demand more sustainable products and more responsible companies, creating a virtual cycle. This heightened awareness can have several reasons, including: the fact that these are older and mature economies, which have experienced a phase of learning; geographic and climatic conditions of these regions led to lower natural availability; or even the great wars, historical reminders of the difficulty of living with consumption deprivations that encourage the rational use of resources.

The impending public pressure that relates to the company was mentioned by IR and Marketing as another important motivational factor in maintaining postures and policies that seek sustainability, which can be a derivation of the influence of foreign cultures or not. In the opinion of respondents, the involvement of competitors with the subject was not given freely, but probably as the result of external demands for more transparency, caused by sensitized consumers seeking better products and less impact, by investors seeking to improve their perception of market risk, or by new markets in which the company aims to act.

The third reason, identified by Risk and Marketing, for engagement with sustainability was the belief of the leadership in its importance for the future. Incorporating this belief in the company's mission becomes the key to engagement with the subject being continuous and part of the ordinary life of the entire organization, including encouraging the establishment of clear targets for the attainment of the ultimate goal of being more sustainable.

In a particular way, it can be said that the three views are complementary: there may be different motivations in the history of the same organization, reinforcing or even converting one into another. For example, the pressure of external stakeholders may be more important in the beginning, but by encouraging dialogue and reflection on the company's shares, it may be that the value of sustainability is embedded in their culture and becomes part of its mission independent of third-party charges. Personal leadership values can also be influenced by the customs of other countries, even though the company isn’t based where there is a stronger culture associated with the subject. Conversely, the demands of the external public may turn out to be stronger than any cultural inheritance or personal value, even if the original involvement was not due to external factors, making awareness of sustainability a path of no return.

For engagement with sustainability to become a true competitive advantage, the impression among respondents was unanimous that competitors can convert the investments made in this area into financial gains - some examples mentioned by them were the reduction of spending on manufacturing and distribution of products with reduced packaging, or differentiated pricing policies for goods with attitude and a sustainable approach, which can either mean raising as reducing prices, depending on the intended strategy: charge more for a responsible and premium product, or offer an attractive, cost-effective and highly competitive one.

In addition to the direct gains of economic capital, Marketing, IR, Supply and Tax believe that investing in sustainability means preparing for the reality of the future and facing today's forecasts as the probable facts of tomorrow. Companies can plan how they will prevent or adapt before these trends materialize, reducing the adaptation period and the response time to the new scenario compared to the competitors and thus cementing their competitive advantages while minimizing possible impacts on their operations and profitability. Some examples of future trends are: the growth of conscious consumption, in which people will charge companies for more transparency, more responsible business practices and better products; conversion issues that are now voluntary to legal obligation, a movement noticed for some time in the evolution of Brazilian environmental legislation; and the restriction of increasing access to natural resources, either due to their scarcity or the geopolitical distribution of their availability, a fact well exemplified by the water crisis in the Brazilian Southeast, for many years advised by experts and only taken seriously when it became a big problem.

Consolidating the perceptions reported so far, the Figure 2 summarizes, in general, the understanding of employees of Company X as to corporate sustainability.

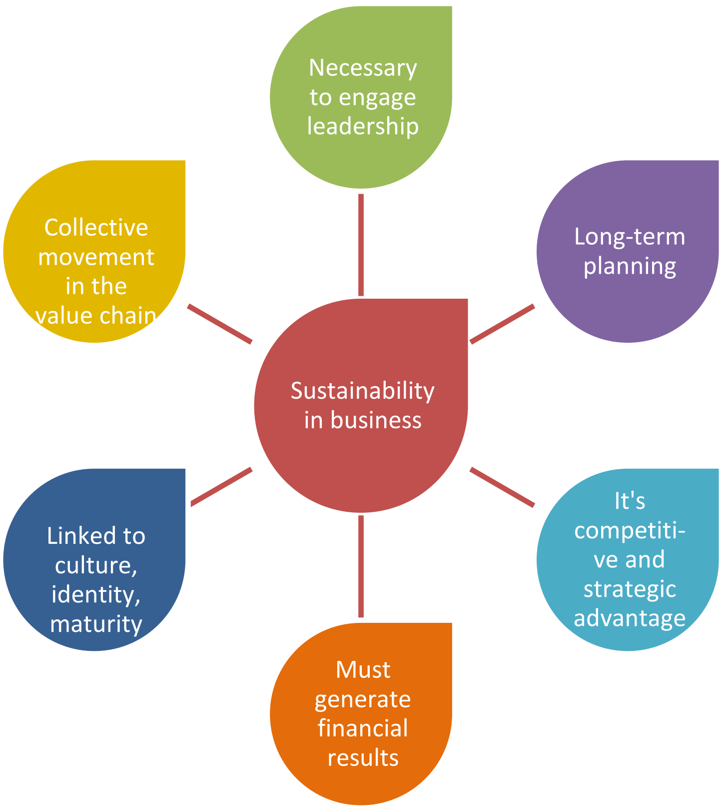

Figure 2. Aspects of corporate sustainability from the perspective of respondents

Finally, the perception of respondents supports the result of the document analysis: considering the Brazilian consumer goods market, Natura is seen as the leader in engagement with sustainability by five of the respondents; Unilever was elected by one. With regard to Natura, in particular, several actions deserving of recognition were cited that justify this merit, ranging from one employee to another, but all agreeing on one thing: Natura is the only one that includes sustainability as part of its identity and transmits this value to the public effectively through communication that promotes it and by its products.

As for attitudes considered by the respondents that make Natura the leader, Marketing noted: the concern of this company to be transparent and to disclose detailed information to its various stakeholders; initiatives regarding the responsible origin of plant assets used in the products, which values not only local communities but also the national natural capital; the ongoing attempt to reduce the use of oil in its products and packaging; the pioneering marketing of reduced packaging and refills for several kinds of products, which have already been made by Natura for over thirty years, but only became more common in Brazil with the approval of the National Solid Waste Policy; the success in maintaining the sustainability agenda among the top management of the company; the search for dialogue and constant evolution; innovative mechanisms to assess the life cycle of products; and the establishment of environmental and social performance goals, as well as financial.

The respondent from the IR area praised the continuous efforts of the company to balance the three pillars of its activities (environmental, social and economic): the transparency in its relationships with various audiences, the efficient combination of real and marketing / communication attitudes, the environmental responsibility of its products and its conduct as a whole, the good relationship with and the encouragement of the development of supplier communities, and the good performance as a publicly traded company that intends to spend more on initiatives seen as superfluous to conventional businesses. However, he was quite critical of the sales model chosen by the company: at the same time that direct selling can be an alternative source of income for its consultants, Natura also generates great labor liabilities by not providing mandated benefits to the employees in Brazil, by eliminating costs related to payroll, and by offering another sales model which competes with retailers - e-commerce, through the company's website - which would be unsustainable and unfair to retailers.

For Supplies, Natura's attitude is remarkable, even more so for being a Brazilian company which managed to overcome the difficulties commonly faced by the industry in showcasing sustainability in the country; for recognizing the various programs carried out in partnership with suppliers; for development projects in Amazonian communities; for concern for the packaging of products, especially with regard to its composition and the feasibility of recycling; and for other social initiatives undertaken by the company. For Risks, the main attitude to highlight is Natura's concern to listen to its minority shareholders - the company is so concerned that this group participate in meetings that it even offers transportation to facilitate their presence. Risks also mentioned the actions aimed at producing communities, the ability to see sustainability globally in the company's operations and its success in creating a strong brand sustainability that brings results. Tax also saw as a highlight the pioneering effort of Natura to use sustainability as a model for the business, being recognized by this reviewer as the first company to get involved with the topic in Brazil, besides praising communication that links all its marketing pieces to the value looked for in sustainability.

It is interesting to note that even if sustainability is not part of the day-to-day experience of Company X, all interviewed employees were shown to have some degree of awareness of the subject which could be verified by their understanding of the concept of sustainability by the mentioned competing initiatives as an example and the diagnosis made on the positioning of the company studied in the subject. This knowledge may have been acquired from various sources, for example, their experience as consumers, their accumulated professional experience so far, the study of market practices to keep personal interests updated or the news published by the media, but it is not related to the inherent requirements of their duties in the studied company; in other words, this awareness is a personal merit as Company X does not stimulate the mobilization of its employees, and sometimes does the opposite.

5. Conclusions

Given the above case of Company X, it is possible to say that there are multiple reasons why this organization has not incorporated sustainability into its business strategy. As the probable origin of many of these reasons, the management model adopted by the company is characterized by the meaninglessness of long-term planning, a strong hierarchy of decision-making and an excessive appreciation of the role of investors to the company's success, coupled also with a low leadership awareness of non-financial aspects. Based also on the bibliography presented above, it is clear that there is a fundamental conflict: sustainability, measured on the scale of generations, not quarters, is naturally incompatible with the focus on a short-term and selective approach to stakeholders, as well as being a way to dare to innovate products and processes which, in the case of this company, has suppressed the need for the adoption by under sensitized managers, stifling any attempt at internal debate on the subject.

Another possible feature of this model is the fact that the studied organization does not give attention to the development of its identity and organizational culture or understand its power as a transformative social agent, probably believing that it is not its place to do so or that there is no advantage in doing so, eliminating the ability to mobilize people and influence realities to generate much greater benefits than jobs or profits to shareholders. The almost exclusive interest of revered investors in financial results closes a vicious circle in which talk of sustainability seems incoherent and meaningless, isolating the company and nurturing an attitude of "business as usual" which departs from modernization, renovation and, therefore, continuity.

However, considering sustainability as philanthropic spending without an objectively defined purpose is fallacious even for Company X, because as its own history proves, one particular initiative is able to simultaneously bring environmental and financial gains, although there are few examples in this case. The numerous possibilities of this direction are well sampled by competitors, who proudly report it on product labels, commercials, websites, social networks, and in their annual and sustainability reports. Some of the initiatives indeed coincide with those implemented by Company X, but it prefers to remain anonymous, even with having stories to tell, forgoing any dispute of that fraction of competitive advantage over its competitors because of insecurity, ignorance or fear of what it would mean to enter this competition.

In preparing the diagnosis, it is recommended that the company studied leave aside the selfless stigma attached to everything that relates to sustainability and instead see itself as it truly is: a strategic business. There is no recipe for defining where to start or which steps to follow to incorporate it. As it has been shown, sustainability is a broad theme that allows countless approaches and initiatives. This fact, which can be challenging and even intimidating, is also what makes it suitable to any organization or environment.

It is still suggested that Company X expand its select group of vital stakeholders, seeking to deepen and humanize the relationship with the various stakeholders involved in building the success of the organization. In this respect, it is crucial to maintain dialogue, it not being enough only to listen, but also to be heard. Intensifying efforts for transparency is beneficial even if there is no commitment to sustainability, as it publicly legitimizes the company's performance, transmits reliability to the market and minimizes the likelihood of resistance and smear. This dialogue can also help the company to break the siege of insulation around it, before there is an abrupt disruption, difficult to be controlled or contained, motivated by social discontents or other external factors.

Thus, the value chain collective commitment to join forces and facilitate the dialogue, transparency, partnerships, innovation and collective planning of the future not only unleashes the latent potential of incorporating sustainability into company strategy, but also opens a space for improvements in other aspects of the business to occur, demonstrating many advantages of adhering to this conduct. It is also worth noting that the initiatives for addressing sustainability do not necessarily originate from the leadership; it is possible that other levels of the hierarchy are able to drive attempts to make the organization more sustainable, even starting with small changes. Another suitable suggestion to Company X would be the formation of multidisciplinary internal committees that seek to discuss new ideas and solutions, taking advantage of the affinity of employees interested in sustainability and creating a way of circumventing the strong vertical hierarchy.

Finally, much of what was said about Company X applies to a multitude of other companies and are not particular features of this case. So, the anonymity of the studied company is beneficial to this work by facilitating the recognition of any organization which faces difficulties and similar opportunities, without the loading with labels or prejudices which hinder understanding and the incorporation of suggestions.

Continuing the study of Company X, other studies could be conducted to search the upper levels of the corporate hierarchy (directors and executive board) seeking to better understand the company's position and influence more forcefully of leadership awareness of effective engagement with sustainability. Eventually, it would also be desirable to extend the search scope to study smaller companies not mobilized for sustainability in other market sectors, in order to determine commonalities with regard to impediments to their engagement and perhaps thus enabling more systemic solutions, appropriate for a larger number of organizations, facilitating their involvement in sustainability.

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