

No Good Deed Goes Unpunished: Examining Stakeholder Value in Corporate Sustainability

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Resumo

This paper challenges the implicit assumption that companies at a high level of corporate sustainability can avoid tensions with their stakeholders. By combining stakeholder and prospect theory insights, we conducted a mixed-method study with an outstanding Brazilian company in the electric sector. According to the literature, we call outstanding companies those with the highest sustainability maturity level. By examining stakeholders' perceptions of value across six focus groups (Study 1) and a survey with 479 respondents (Study 2), we found that stakeholders form their level of utility from two concurrent reference points. Moreover, we developed a framework to understand subjective stakeholder value creation. Our study highlights the importance of considering reference points and judgments to understand value creation. The findings contribute to the ongoing debate about micro-foundations' role in sustainability, particularly in the stakeholder theory.

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Abstract: This paper challenges the implicit assumption that companies at a high level of corporate sustainability can avoid tensions with their stakeholders. By combining stakeholder and prospect theory insights, we conducted a mixed-method study with an outstanding Brazilian company in the electric sector. According to the literature, we call *outstanding* companies those with the highest sustainability maturity level. By examining stakeholders' perceptions of value across six focus groups (Study 1) and a survey with 479 respondents (Study 2), we found that stakeholders form their level of utility from two concurrent reference points. Moreover, we developed a framework to understand subjective stakeholder value creation. Our study highlights the importance of considering reference points and judgments to understand value creation. The findings contribute to the ongoing debate about micro-foundations' role in sustainability, particularly in the stakeholder theory.

Keywords: corporate sustainability; stakeholder value; stakeholder theory; prospect theory.

1. Introduction

“For our 50th year, we’re looking forward, not back, to life on Earth [...] and protect this wondrous planet, our only home”¹, discloses Patagonia, Inc. Since its origin, the American brand of outdoor clothing with factories and stores globally has carried the environmental purpose in its business by causing less harm to the environment, pledging resources to environment preservation, and fighting the environmental crisis while making business. In “his last-ditch effort to do all he could to protect the planet,” Patagonia’s founder transferred his company’s shares to a nonprofit organization that will invest a hundred million dollars to fight the environmental crisis². Patagonia was again celebrated as one of the pioneers on the sustainability front. However, even if this business initiative stands out as one of the most significant in the industry and potentially in the corporate scenario, it also raised concerns among stakeholders as the founder and his family will avoid the payment of hundreds of millions of dollars in federal taxes while still maintaining control of the company³. Therefore, why do some stakeholders perceive Patagonia as a legitimate actor while others do not⁴?

We consider *outstanding companies* in terms of corporate sustainability those that display the highest sustainability maturity level (Baumgartner & Ebner, 2010) and, even so, have been unable to avoid tensions with stakeholders. Outstanding companies such as Natura & Co and Ben & Jerry’s have also faced tensions with some stakeholders^{5 6}.

To address this issue, we approach the stakeholder value perspective to help understand the phenomenon and develop strategies to minimize its impact both for the company and stakeholders. In the literature, value creation is a central topic for the stakeholder theory (Lankoski et al., 2016; Tapaninaho & Kujala, 2020). Companies constantly face the challenge of managing different stakeholders’ demands for value creation (Freeman, 2010a, 2010b; Hörisch et al., 2014; Parmar et al., 2010). However, despite the impressive studies on stakeholder value and its relations (Argandoña, 2011; Bowman & Ambrosini, 2000; Garcia-Castro & Aguilera, 2015; Kujala et al., 2019; Lepak et al., 2007; Lerro, 2011; Priem, 2007), there is still no clear definition (Harrison & Wicks, 2013), nor an understanding regarding the corporate decisions’ judgment of value by stakeholders (Lankoski et al., 2016). Besides, even if there has been a move from a business-centric

to a society-centric view in recent years (Wickert, 2021), the existing literature on corporate sustainability has paid much more attention to outcomes for firms than to stakeholders themselves (Odunjo et al., 2023). Thus, this value approach so far does not seem to have helped clarify the stakeholder value discussion and still retard the understanding of the context of tensions faced by outstanding companies regarding stakeholder value creation.

Therefore, our study investigates why outstanding companies may fail to create value for stakeholders. We are focusing on the translation of corporate sustainability into stakeholders' value (Wickert, 2021; Odunjo et al., 2023), by connecting stakeholder and prospect theories to explore the stakeholder's value judgment in corporate sustainability. The stakeholder theory encompasses the broad stakeholder's definition and their multiple demands up to the analysis of value creation linked to Business Management (Bosse et al., 2022; Freeman, 2010b; Harrison et al., 2010; Harrison & Wicks, 2013; Parmar et al., 2010; Phillips et al., 2003). In turn, prospect theory approaches the value judgments that allow for stakeholder value analysis (Lankoski et al., 2016) by providing a new lens for understanding value from a subjective perspective.

From a mixed-method approach, we developed empirical research with an outstanding Brazilian company from the electric sector, whose context fits the study proposal. The study was structured into complementary parts. First, we focus on a qualitative study to unpack potential themes for stakeholders in corporate sustainability regarding the value they receive through their interactions with the company. This reveals a few drivers of their utility function. Second, through a quantitative study, we capture insights related to reference points and the dynamics regarding the judgment of value by different primary stakeholders. Finally, we propose a framework for increasing stakeholders' acceptance and sharing of an interpretation of corporate sustainability initiatives.

In this sense, our main theoretical contribution is based on showing a new understanding regarding stakeholder judgment of value in corporate sustainability as an alternative to the existing research on the topic (Bowman & Ambrosini, 2000; Garcia-Castro & Aguilera, 2015; Lepak et al., 2007; Priem, 2007). Our results revealed that stakeholders structure their level of utility in two dimensions regarding the corporate sustainability context (we called them *Explicit Utility* and *Implicit Utility*), from which we deduced they judge corporate sustainability considering different reference points. The failure to create value likely lies in the reference point formation process.

Thus, our study contributes to the prospect theory by capturing the prevalent reference points across stakeholders for judging corporate sustainability. Even when the most common approach of prospect theory in business research treats the *status quo* as a reference (Holmes et al., 2011; Kahneman, 2003), our study approaches with perspectives regarding the dynamic position of the reference point (Fiegenbaum et al., 1996; Johnson & Goldstein, 2003; Nason et al., 2019). The findings showed two different reference points for judging corporate sustainability in terms of value, and this likely implies different judgments, meaning that value can be created or not.

We also add to the stakeholder theory by enlarging the stakeholder heterogeneity discussion (Bridoux & Stoelhorst, 2014; Mcvea & Freeman, 2005; Wolfe & Putler, 2002) due to our emerged profiles within each role-based stakeholder group. The different profiles reinforce the heterogeneity perspective once individuals from the same role-based stakeholder group perceive value in the company's corporate sustainability strategies differently.

2. Theoretical Background

2.1 Stakeholder and Value Creation

As business interested parts, stakeholders are a portion of the firm ecosystem that can affect and be affected by the organization (Donaldson & Preston, 1995; Figge & Schaltegger, 2000;

Freeman, 2010b; Friedman & Miles, 2002). They are customers, employees, shareholders, suppliers, and society (among others) considering their role-based categorization (Wolfe & Putler, 2002) and may be called *primary* regarding the legitimacy, stability, power, and urgency of their claims (Mitchell et al., 2017). In the literature, stakeholder value creation studies vary among narrow and broad concepts, discussing who creates value, what type of value is created and how it happens, or even whether it was captured and by whom (Tapaninaho & Kujala, 2019). Many studies are based on an economic notion of value creation and its appropriation, capture, or accumulation (Bowman & Ambrosini, 2000; Garcia-Castro & Aguilera, 2015; Lepak et al., 2007; Priem, 2007).

However, stakeholder value creation can also be related to non-economic values, like intangible values (i.e., recognition, work satisfaction, knowledge, virtues, etc.) (Argandoña, 2011). A specific stakeholder value creation model proposed by Kujala et al. (2019) concentrates on the stakeholder relationship, emphasizing joint interests, ability to collaborate, and trust as the three value attributes of stakeholder relationships. Besides, some researchers (Harrison & Wicks, 2013) focus on the stakeholder utility factor to refer to the different value types this audience searches, such as stakeholder utility related to cost perception or the products consumed. From the utility perspective, stakeholder value represents a stakeholder's subjective judgment, at the individual level, from the utility experienced (monetary and non-monetary) as a consequence of the corporate actions or decisions (Lankoski et al., 2016).

If stakeholder value appears as one of the main topics in the stakeholder theory scenario (Lankoski et al., 2016; Tapaninaho & Kujala, 2020), despite its diverse approach, it is central in the corporate sustainability context. Some studies approach stakeholder value under the sustainability view, but, in most cases, sustainability appears as a secondary analysis, or it is only part of the model proposed. This is the case of the *quadrant model* by Hart and Milstein (2003), which addressed the discussion regarding value creation to the business and presented a set of drivers to help firms sustainably develop value. By analytically crossing stakeholder theory and sustainability management, Hörisch et al. (2014) also dialogue about creating value for stakeholders based on sustainability as one of the parts of a conceptual framework. This sustainability-based value creation for stakeholders means not only a monetary value for the business but also non-monetary improvements for stakeholders, like quality of life (Hörisch et al., 2014). Similarly, Freudenreich et al. (2020) proposed a stakeholder value creation framework for business model analysis, while Tapaninaho and Kujala's studies (2019, 2020) present a more specific contribution to the literature on stakeholder value in sustainability, by reviewing the stakeholder value creation literature.

Therefore, even if there is a wide range of research on the stakeholder value field, the existing approaches are broad and do not explain the specific context of tensions outstanding companies face regarding stakeholder value creation. In general, stakeholder value studies have also focused primarily on the link between stakeholder value and firm performance (e.g., Flammer, 2015), especially in the corporate sustainability field (Wickert, 2021), or understanding the stakeholder value expected by a specific category of stakeholder (e.g., DesJardine, Marti, & Durand, 2021). In addition, some authors state that stakeholder value has not received enough attention in the literature (Harrison & Wicks, 2013; Lankoski et al., 2016) and that the corporate sustainability arena has paid much more attention to outcomes for firms than to stakeholders themselves (Odunjo et al., 2023).

Hence, based on the previous theoretical overview and our research scope for the present study, we define stakeholder value as a stakeholder's subjective judgment at the individual level from an experienced utility (Lankoski et al., 2016). In our context, the utility results from the

corporate decisions related to corporate sustainability that stakeholders experience. The individual level of judgment was considered because a uniform perception from the different relations among stakeholders and firms probably does not exist despite the categorization of the role-based stakeholder groups.

Stakeholder Value and Judgments

Considering the definition of value established for this study and shedding light on new paths of understanding it, we introduced the prospect theory perspective to the stakeholder theory context. Prospect theory is a psychological theory focused on human judgment and decision-making (Holmes et al., 2011; Kahneman & Tversky, 1979). This theoretical lens is based on the assumption of reference dependence (Kahneman, 2003), in which individuals decide on gains and losses, considering a reference state (Kahneman & Tversky, 1979; McGraw et al., 2010). It means that the individuals' utility derives from gains and losses from a reference state instead of an absolute level of reference (Barberis, 2013).

Another critical aspect of the theory is the asymmetry of the value function that is defined from the reference state, and it is concave for gains and convex for losses, instead of steeper for losses than gains (Kahneman & Tversky, 1979). This shape contributes to the *loss aversion phenomenon* (Holmes et al., 2011), which means that, generally, people are more sensitive to losses, even if small, than gains at the same level (Barberis, 2013). In the literature, studies in the Management field have approached loss aversion by analyzing motivation and satisfaction regarding organizational behavior and human resources, for example (Holmes et al., 2011). The value function also implies *diminishing sensitivity*, another relevant element of the prospect theory. The further from the reference state, above or below, the lesser the impact of the incremental value of gain or loss (Barberis, 2013; Kahneman & Tversky, 1979; Tversky & Kahneman, 1991).

In the literature, strategic management studies have already addressed prospect theory in organizational behavior, human resources (Holmes et al., 2011), and finance topics (Barberis, 2013). However, many inconsistencies relate to prospect theory principles (Holmes et al., 2011) or do not approach it thoroughly (Bromiley, 2010). An inconsistency mentioned is the reference state that is not specified in some studies, affecting the judgment process (Holmes et al., 2011). Additionally, there is only one paper about stakeholders' value judgment toward prospect theory (Lankoski et al., 2016), which flags a research gap (Holmes et al., 2011).

Thus, the link between stakeholder theory and prospect theory contributes to the notion that stakeholder value is a psychological and social construction process based on subjective and objective aspects and is affected by human judgment. Therefore, each stakeholder can perceive value from corporate sustainability differently, resulting from the firm-stakeholder relationship and the stakeholder's aspirations, culture, and cognition (Lankoski et al., 2016), judged from a previously established relative state. In the value creation context, perception concerns how different actions are perceived as effective in creating value for stakeholders (Willumsen et al., 2019).

In our study, stakeholder value perception implies understanding if stakeholders perceive the company's corporate sustainability strategy and judge the results of it as gains or losses, which has not been done in the literature yet. It means how they judge and evaluate its managerial position to maintain greater engagement and commitment to the business (Berman et al., 1999; Harrison et al., 2010; Hillman & Keim, 2001; Parmar et al., 2010).

Methodology and Research Design

Considering the limited existing research dedicated to examining how stakeholders form value judgments of companies' initiatives in general and even less focus specifically on corporate sustainability (cf. Lankoski et al., 2016), we adopted a question with a single case, theory-building approach to collect and analyze the data to understand the phenomenon. The study is based on data from a large-scale research project sponsored by the United Nations Global Compact focused on firm-level responses to advance the 2030 Agenda in the Brazilian electricity industry (UN Global Compact et al., 2015). Companhia Paulista de Força e Luz (CPFL) is Brazil's second-largest electric energy generation group and the first in renewable generation (CPFL, 2021). The firm is over one hundred years old, and its activities cover the complete value chain of electricity, providing sustainable energy solutions with a diversified matrix: hydroelectric, solar, wind, and biomass sources. It has about 10 million customers, 13 thousand employees, and 4,500 individual suppliers (CPFL 2023). The company is one of the 20 most sustainable in the world, listed in the sustainability indexes from B3 (the official Brazilian stock exchange and the leading one in Latin America), the Carbon Efficient Index, and the Corporate Sustainability Index (CPFL, 2021). Furthermore, CPFL has been featured as commendable in previous studies on CSR (Pacheco et al., 2018).

We used mixed methods to understand how stakeholders judge the value of corporate sustainability. Instead of relying on an overall positive evaluation of the company, such as awards or KLD scores, prospect theory suggests that individuals form value judgments based on reference states, which we refer to as *reference points*. Then, our Study 1 was qualitative and focused on setting up potential themes for stakeholder value in corporate sustainability to guide the investigation. Furthermore, prospect theory indicates that stakeholders hold their reference points on perceptions of gains or losses rather than absolute outcomes. On the other hand, our Study 2 was quantitative and found prevalent reference points. It also showed us how primary stakeholders judge, considering these references. In the final phase, we integrated our findings with the prospect theory to suggest a framework for managing stakeholder value in corporate sustainability.

Study 1

Data Collection

During one year of field research, we collected evidence from several sources to understand CPFL's relationship with stakeholders. Desk research on previous literature, sectorial reports, and related documents allowed us to identify the primary stakeholders of the study for data collection (CPFL, 2023; Donaldson & Preston, 1995; Freeman, 2010b; Lepak et al., 2007). We also reviewed government reports, industry analyses, firm communications, and undisclosed internal documents. Finally, interviews with the company's managers, industry experts, and researchers helped us define the primary organization stakeholders according to (1) the relevance to the business activities, and (2) the depth of the relationship (Bourne & Walker, 2005; CPFL, 2023; Figge & Schaltegger, 2000; Miles, 2017). Based on that, we focused on employees, customers, and suppliers.

We adopted the focus group technique with guided discussion for qualitative data collection (Malhotra, 2019). The goal was to stimulate more profound reflections of the participants through their interaction. The focus groups had six to twelve participants. All of them were guided by two authors involved in the prior field research. The average time duration of each group's discussion was one hour and a half. In total, we had 51 participants distributed in three groups with employees (general staff, middle managers, and executive management team, separately), two groups with customers (residential and corporate, separately), and one with suppliers. We also supplemented

the focus group data with semi-structured interviews with four trade associations for cross-validation.

Our initial field research supported the development of the script for the focus group. After the introduction, the first part of the script addressed the focus of the study (i.e., the utility experienced by stakeholders because of corporate decisions and actions on sustainability). We also asked for examples and opinions to stimulate reflection on the topic. In the second part, we focused on corporate sustainability at CPFL, and stakeholders had to describe and discuss how they judged the practices implemented or not.

Data Analysis

We adopted an interactive process using content analysis to codify and categorize the qualitative data collected (Miles et al., 2014). For data organization and the first categorization stage, we applied the NVIVO 11 software. Firstly, we used open codes to classify the themes in the data. Secondly, we moved back and forth between our data and existing stakeholder theory to create theoretical codes for the potential themes for stakeholder value in corporate sustainability (Strauss & Corbin, 1998).

Findings

In Study 1, seven themes associated with stakeholder value in corporate sustainability emerged: pride, safety/stability, credibility, accountability, environmental dimension, social dimension, and economic dimension. Appendix A summarizes the themes with representative quotes. The examination of what stakeholders perceive regarding the value they receive through their interactions with CPFL reveals a few factors driving their utility function.

Interestingly, we observed themes unrelated to material benefits for stakeholders, such as pride, credibility, and trust (Neubert & Dyck, 2016). For example, *credibility* directly relates to the perception of trust and transparency, which influences value perception positively. It was possible to infer some association with a marketing strategy that enhances the organization's brand and reputation. Stakeholders treated this topic both with positive (strengthening the brand) and negative (greenwashing) references (Darnall, 2008). Suppliers valued trust and transparency since they considered these aspects necessary for a win-win commercial relationship with the company. In turn, employees emphasized trust, explaining that reliance is one of the most relevant elements in the employer-employee relationship. On the other hand, customers mentioned corporate sustainability as a mere possibility in companies' marketing strategy. Sometimes, some stakeholders demonstrated a certain irony regarding the alleged companies' good intentions in corporate sustainability, which reinforces our conclusion.

Moreover, to account for omitted themes, participants were also stimulated to discuss missing practices or suggestions for improvement. Accountability, for example, addresses the legal issues and obligations that companies must comply with regarding corporate sustainability (Armstrong & Green, 2013; Kolk, 2008). The discussions involved proactivity and voluntary action toward corporate sustainability rather than simple compliance with the law. In this sense, the topic tended to have a neutral bias, without a consensus in the focus groups. Customers mentioned the subject more prominently, followed by employees and suppliers.

In sum, Study 1 revealed the themes involved when stakeholders judge the value of corporate sustainability at CPFL. Whereas the overall assessment of CPFL is positive, in line with the clues that led to this case selection, stakeholders have different factors driving their utility from corporate sustainability. However, we highlight that some customers doubted the company's corporate sustainability position, which endorses the CPFL alignment with the present study's

scope since it seems to fail to create value for stakeholders. Next, we examine in Study 2 how these themes converge into reference points to judge stakeholder value at CPFL.

Study 2

Data Collection

We designed Study 2 to examine the reference point across stakeholders and how they judge corporate sustainability in terms of gains or losses considering this reference. A questionnaire based on Study 1 was developed to collect data from the company's stakeholders. We referred to prior studies to meet the stakeholder value measures, named here *categories*, whenever possible. Table 2 summarizes the categories measured in Study 2.

TABLE 2 - Measures of Stakeholder Value in Study 2

Categories	Operationalization	# Items	Reference
Pride	Self-conscious emotions related to admiration, reverence, and elevation. Positive feelings regarding the presence of corporate sustainability in the company as a sense of belonging, future vision.	2	Anand & Gaur (2019) Algoe & Haidt (2009)
Safety/Stability	Perception of firm survival in the long-term, uninterrupted operations, and value generation for the future.	4	Neubert & Dyck (2016)
Credibility	Perception of trust and transparency. It is considered a psychological state referring to the intention to accept vulnerability considering positive expectations of the intentions or behavior of others.	5	Rolland & O'Keefe Bazzor (2009)
Accountability	Perception of accountability in terms of environmental, ethical/social issues, employee and community matters, the organizational structure in place to control all this, financial aspects, and legal issues and obligations.	3	Kolk (2008) Armstrong & Green (2013)
Environmental dimension	Perception of effective management of natural resources and protection of the environment.	2	Enticott & Walker (2008) Placet, Anderson & Fowler (2005) Elkington (1997)
Social dimension	Perception of social responsibility for a better quality of life and equal treatment of employees and society as a whole.	2	Enticott & Walker (2008) Placet, Anderson & Fowler (2005) Elkington (1997)
Economic dimension	Perception of economic prosperity through the creation of opportunities for the company and its stakeholders.	2	Enticott & Walker (2008) Placet, Anderson & Fowler (2005) Elkington (1997)

Source: Created by the authors.

All measurement items were evaluated on a 5-point Likert scale (Malhotra, 2019). We submitted our questionnaire to a panel including academic and industry experts to verify the statements' content, clarity, and wording (Creswell et al., 2011). We also conducted a pilot study before data collection to ensure the clarity of the questions (n=15).

We collected 479 complete questionnaires (183 employees, 174 customers, and 122 suppliers) in a 3-month data collection with the support of an online form (Deutskens et al., 2004). To verify the appropriateness of these primary informants, we measured their experience with the

company, and more than half of them had six years or more of a relationship. To reduce concerns about social desirability and common method bias, we reassured participants that their firm/personal details would be kept secret and that the questionnaire had no right or wrong answers. In addition, we verified to what extent common method bias was a threat to our findings with Harman’s one-factor test, which suggested no concerns (Podsakoff & Organ, 1986).

Data Analysis

Our data analysis followed two stages. First, we used principal component analysis to reduce the number of questionnaire items (Malhotra, 2019). Thus, we captured two factors representing our study's prevalent reference points across stakeholders. Second, we used cluster analysis to identify stakeholder value dynamics along the previously identified factors (Hair Jr. et al., 2005). Moreover, we used Tukey’s test to describe which final dimensions of the cluster differ in both factors (Pacheco et al., 2018). Tukey’s test is an accurate pairwise comparison method for cluster differences. We performed bootstrapping procedures (1000 re-sampling; 95% CI BCa) to obtain higher reliability of the results, correct deviations from the normal distribution of the sample, and differences between groups’ sizes (Haukoos, 2005). Welch’s correction was applied considering the heterogeneity of variance (Field, 2015). Therefore, at the end of Study 2, we found (1) prevalent reference points to stakeholder value in corporate sustainability, and (2) groups of stakeholders based on different judgments of value that we called *profiles*.

Findings

The Reference Points in Stakeholder Value. The qualitative investigation in Study 1 yielded seven themes, measured by 20 items in Study 2. Table 3 presents the descriptive statistics and bivariate correlations of the items collected in our survey. From the 20 items studied, 17 presented an average equal to or higher than 4, considering a 5-point scale, in which 5 represents total agreement with the proposed sentence. This is in line with the results of Study 1, which showed a generally positive evaluation of corporate sustainability at CPFL. The level of correlation among the items is generally not high, signaling that multicollinearity is not a problem in our data.

TABLE 3 - Descriptive Statistics and Intercorrelations

	Mean	SD	Min	Max	Pride1	Pride2	Safety 1	Safety 2	Safety 3	Safety 4	Credib 1	Credib 2	Credib 3	Credib 4	Credib 5	Credib 6	Credib 7	Credib 8	Credib 9	Accou nt1	Accou nt2	Accou nt3	Enviro n1	Enviro n2	Social 1	Social 2	Econo 1	Econo 2	
Pride1	4,07	1,20	1	5	1,00																								
Pride2	4,01	1,13	1	5	0,81	1,00																							
Safety1	4,23	0,99	1	5	0,74	0,74	1,00																						
Safety2	4,42	0,84	1	5	0,64	0,66	0,70	1,00																					
Safety3	4,04	1,00	1	5	0,68	0,68	0,70	0,64	1,00																				
Safety4	4,38	0,87	1	5	0,60	0,59	0,65	0,76	0,56	1,00																			
Credib1	4,47	0,86	1	5	0,62	0,64	0,68	0,77	0,57	0,76	1,00																		
Credib2	4,34	0,91	1	5	0,63	0,67	0,66	0,79	0,65	0,72	0,77	1,00																	
Credib3	4,33	0,89	1	5	0,66	0,67	0,68	0,78	0,64	0,69	0,76	0,82	1,00																
Credib4	4,01	1,11	1	5	0,76	0,76	0,74	0,64	0,68	0,59	0,62	0,67	0,67	1,00															
Credib5	4,19	1,02	1	5	0,78	0,74	0,74	0,66	0,69	0,61	0,66	0,70	0,67	0,73	1,00														
Credib6	4,05	1,09	1	5	0,81	0,74	0,73	0,62	0,73	0,56	0,58	0,66	0,65	0,75	0,81	1,00													
Credib7	4,05	1,07	1	5	0,75	0,76	0,74	0,68	0,71	0,61	0,64	0,71	0,70	0,83	0,73	0,75	1,00												
Credib8	2,93	1,31	1	5	-0,30	-0,30	-0,25	-0,22	-0,24	-0,21	-0,21	-0,25	-0,22	-0,27	-0,32	-0,31	-0,27	1,00											
Credib9	4,29	0,93	1	5	0,68	0,68	0,68	0,77	0,62	0,73	0,75	0,78	0,80	0,72	0,64	0,65	0,74	-0,25	1,00										
Account1	4,11	0,97	1	5	0,73	0,84	0,76	0,65	0,69	0,59	0,61	0,63	0,65	0,71	0,76	0,71	0,71	-0,26	0,65	1,00									
Account2	3,82	1,03	1	5	0,61	0,64	0,67	0,55	0,63	0,50	0,50	0,50	0,50	0,62	0,59	0,59	0,64	-0,18	0,56	0,64	1,00								
Account3	3,09	1,35	1	5	-0,19	-0,22	-0,18	-0,13	-0,12	-0,10	-0,16	-0,15	-0,15	-0,17	-0,22	-0,19	-0,15	0,58	-0,11	-0,19	-0,18	1,00							
Environ1	4,04	1,07	1	5	0,74	0,75	0,78	0,64	0,71	0,62	0,63	0,67	0,68	0,72	0,73	0,73	0,72	-0,26	0,65	0,74	0,65	-0,15	1,00						
Environ2	4,04	1,10	1	5	0,74	0,74	0,74	0,63	0,73	0,59	0,60	0,68	0,69	0,73	0,72	0,74	0,74	-0,29	0,68	0,74	0,64	-0,17	0,84	1,00					
Social1	4,03	1,08	1	5	0,77	0,78	0,81	0,66	0,72	0,61	0,63	0,66	0,69	0,74	0,76	0,75	0,75	-0,27	0,69	0,75	0,69	-0,17	0,83	0,81	1,00				
Social2	4,02	1,12	1	5	0,76	0,77	0,76	0,67	0,74	0,61	0,66	0,69	0,71	0,77	0,74	0,75	0,83	-0,31	0,71	0,75	0,66	-0,20	0,81	0,88	0,84	1,00			
Econo1	4,13	0,99	1	5	0,68	0,69	0,77	0,67	0,78	0,62	0,65	0,66	0,66	0,72	0,73	0,68	0,70	-0,23	0,63	0,70	0,64	-0,15	0,76	0,59	0,75	0,73	1,00		
Econo2	4,28	0,85	1	5	0,56	0,56	0,55	0,78	0,57	0,67	0,68	0,71	0,72	0,56	0,57	0,55	0,62	-0,17	0,73	0,58	0,51	-0,07	0,59	0,58	0,59	0,63	0,57	1,00	

Source: created by authors.

The items were intercorrelated, so we reduced them to scales using principal component analysis with varimax rotation to winnow down the initial list of themes (Malhotra, 2019). Table 4 shows that two very strong factors emerged based on the analysis of the number of eigenvalues greater than 1,0 and the scree plot⁷. All loadings are higher than .72 on both factors. Unlike the traditional application of prospect theory in Economics with single utility functions, we observed that stakeholders seem to form the level of utility provided by CPFL on two main dimensions, which suggests two reference points operating in this context. A close examination of the content of these factors reveals that one relates to actions that explicitly affect stakeholders' utility, while the other contemplates actions that affect stakeholders' utility implicitly. Accordingly, the factors were labeled as *Explicit Utility* (13 items) and *Implicit Utility* (5 items).

TABLE 4 - Result of Principal Component Analysis

Item	Explicit Utility	Implicit Utility
Account1	.77	
Pride2	.79	
Account2	.72	
Safety1	.76	
Social1	.82	
Environ1	.81	
Econo1	.73	
Credib2	.76	
Credib3	.74	
Social2	.81	
Environ2	.82	
Safety3	.75	
Pride1	.77	
Safety4		.81
Credib5		.74
Econo2		.80
Safety2		.81
Credib1		.80
Percentage of explained variance	47.93	28.77
Eigenvalue	5.18	4,75

Note. Loadings higher than .50 are in boldface. Kaiser–Meyer–Olkin measure of sampling adequacy = .967. Bartlett’s test of sphericity, $p = .000$.

Source: Created by the authors.

Source: created by authors.

Explicit Utility encompasses variables that reflect stakeholders' judgment considering the explicit benefits for stakeholders in general. In this case, specific stakeholders judge corporate sustainability as gains or losses, taking reference points on the benefits to them, including society. Overall, the scale showed good reliability to this factor (Cronbach alpha = .925). Explicit Utility addresses the company’s actions to different aspects of society like community (variables Social1 and Social2), natural resources (Environ1 and Environ2), legislation (Account 2), and innovation (Safety3 and Econo1). For example, a social project for developing a future workforce in the community around the firm represents an action that can be judged as a gain by different stakeholders. For some customers, it represents an investment in sustainable development (Account1, Account 2), helping to improve social and economic indicators in the long term

(Social1 and Social2). For some suppliers, the project contributes to building a capacitated workforce that can meet the demand of all local markets, not only the company’s (Safety3 and Social1).

Implicit Utility contains variables that indicate stakeholders’ judgment considering the implicit benefits for them. Here, specific stakeholders judge the value as an implicit consequence of the firm actions for sustainability. Again, the scale showed good reliability (Cronbach alpha = .933). Implicit Utility suggests that reference points depart from the company’s operational/managerial elements such as strategic positioning (variable Safety4), financial results (Econo2), reputation and image (Credib1), business long-term (Safety2), and the company’s relationship with its stakeholder (Credib5). For example, the inclusion of CPFL among the 20 most sustainable companies in the world or its inclusion in relevant sustainability indexes improves the company’s image and reputation (Credib1), which can result in better performance for the company and employees (Econo2). Similarly, some suppliers may consider maintaining commercial relationships with a good reputation partnership, empowering the value chain (Credib5, Credib1, and Safety4).

These two reference points – Explicit and Implicit Utility – reveal the value dimensions by which stakeholders can judge corporate sustainability actions at CPFL. While they are an interesting nuance to discuss different utilities across stakeholders’ views, we still do not know how stakeholders tend to judge the company along these dimensions or whether they differ in their judgment. Next, we conducted a cluster analysis to gain further insights into these questions.

Variations in Stakeholder Value. We conducted a cluster analysis to examine whether there are different judgment profiles among stakeholders. We applied the hierarchical agglomerative approach with Ward’s method and squared Euclidean distance to our data. This method was most adopted in prior research because it renders homogenous groups (Ketchen Jr & Shook, 1996). The dendrogram analysis and the marginal reductions in the within-cluster sum of squares showed that the three-cluster solution fits our data best (Table 5).

TABLE 5 - Result of Three-cluster Solution

Cluster	Explicit Utility	Implicit Utility	Number of cases (%)
1	0.51	0.29	317 (66.18)
2	-1.81	1.21	46 (9.60)
3	-0.66	-1.28	116 (24.22)

Source: Created by the authors.

The analysis reveals clusters with positive and negative loadings for each factor within the same cluster, which we interpret as relative perceptions of gain or loss along the reference points. Cluster 1 (66,18%) comprises stakeholders with perceptions of gains in both Explicit and Implicit Utility (+ +). In contrast, Cluster 3 (24,22%) has stakeholders who perceive losses in both (– –). Cluster 2 (9,60%) is an intermediate group of stakeholders with perceptions of losses in Explicit Utility and gains in Implicit Utility (– +). The results of Tukey’s *post hoc* tests between clusters (Table 6) confirm variation across clusters. The pairwise comparison of clusters shows that they all differ across Explicit and Implicit Utility ($p < .001$). Therefore, we observe three distinct profiles of judgment among stakeholders at CPFL.

TABLE 6 - Tukey’s Post Hoc Tests

Dimensions	Clusters	Std. Error	Sig.	95% Confidence Interval
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	I	J	Mean Difference (I-J)			Lower Bound	Upper Bound
Explicit Utility	1	2	2,32*	0.10	0.00	2.08	2.56
		3	1,17*	0.07	0.00	1.05	1.33
	2	1	-2,32*	0.10	0.00	-2.56	-2.08
		3	-1,15*	0.11	0.00	-1.41	-0.89
	3	1	-1,17*	0.07	0.00	-1.33	-1.01
		2	1,15*	0.11	0.00	0.89	1.41
Implicit Utility	1	2	-,92*	0.10	0.00	-1.16	-0.68
		3	1,567*	0.07	0.00	1.40	1.73
	2	1	,92*	0.10	0.00	0.68	1.16
		3	2,47*	0.11	0.00	2.22	2.75
	3	1	-1,57*	0.07	0.00	-1.73	-1.40
		2	-2,49*	0.11	0.00	-2.75	-2.22

Source: Created by the authors.

This result shows how stakeholders' value judgments stem from different reference points. Even if there are two reference points, it is essential to clarify that each individual considers only one reference point for processing the judgment. The reference point (Explicit or Implicit Utility) depends on the corporate sustainability understanding of each specific stakeholder (other elements will be investigated in another study). Profiles found in our results reveal that these new groupings join different role-based stakeholders (customers, employees, and suppliers) around corporate sustainability value judgments that seem to be similar.

Despite the overall positive evaluation of CPFL, we observe that Profile 1 and Profile 2 indicate that perceptions of gains from stakeholders predominantly stem from the Implicit Utility. That is, actions in corporate sustainability that explicitly benefit the company and generate positive externalities that implicitly benefit stakeholders. In contrast, perceptions of losses are found in Profiles 2 and 3. Interestingly, we did not find stakeholders with perceptions of gain in Explicit Utility and perceptions of loss in Implicit Utility (+ -). Given the generally positive assessment of CPFL, this might suggest that the perception of losses by stakeholders is often the result of their reference points that emphasize Explicit Utility or actions that can benefit the company more. Then, we explore the aspirations for reference points (Tversky & Kahneman, 1991) at CPFL.

Formation of Aspirations for Reference Points. Up to this point, we examined the reference points from which stakeholders judge value, the different judgments around the actions taken by the same company, and the predominant judgment profiles among its stakeholders. Still, we did not examine why some stakeholders judge corporate sustainability at CPFL as a gain or a loss. Therefore, we explored the role of aspirations in stakeholder value at CPFL to unpack these differences in judgments toward our research goal.

Prior literature suggests that primary stakeholders have aspirations based on their company interactions and transactions (Hillman & Keim, 2001). Examining the stakeholders across clusters in Table 7, we conclude they do not have evenly distributed⁸ judgment profiles on CPFL, $\chi^2(4, N = 479) = 111.56, p. < 0.001$. Profile 1 (cluster 1) concentrates more employees and suppliers than customers, while Profile 3 (cluster 3) concentrates almost half of the respondents from the

customers' category. This pattern suggests that the characteristics of the interactions between CPFL and each category of stakeholders partially explain the judgments.

TABLE 7 - Distribution of Stakeholders among Clusters

Stakeholders	Cluster 1	Cluster 2	Cluster 3
Employees	154 (84.15%)	12 (6.56%)	17 (9.29%)
Customers	62 (35.63%)	32 (18.39%)	80 (45.98%)
Suppliers	101 (82.79%)	2 (1.64%)	19 (15.57%)

Note: Number of respondents in each cluster; in parentheses, the distribution of each stakeholder category across clusters. Source: Created by the authors.

An essential driver of aspirations is *external comparisons*, particularly social comparisons (Harrison & Wicks, 2013). Social comparison theory states that individuals compare themselves to other individuals, groups, and standards to evaluate themselves and set their aspirations. In the case of Profile 1, where employees and suppliers prevail, we can infer that these stakeholders compare CPFL and other companies' utility. As CPFL is a leader in the sector regarding corporate sustainability, these stakeholders likely tend to judge the value of CPFL's actions with higher standards. Furthermore, unlikely customers who do not have much choice because the energy market in Brazil is regulated, suppliers and employees are very likely to make comparisons while searching for the best company to work with. This interpretation of the importance of social comparison is consistent with the gains observed on Implicit Utility (Profiles 1 and 2). This form of utility derives from public actions in corporate sustainability, such as reputation and pride, making the social comparison more readily available to stakeholders to form their aspirations.

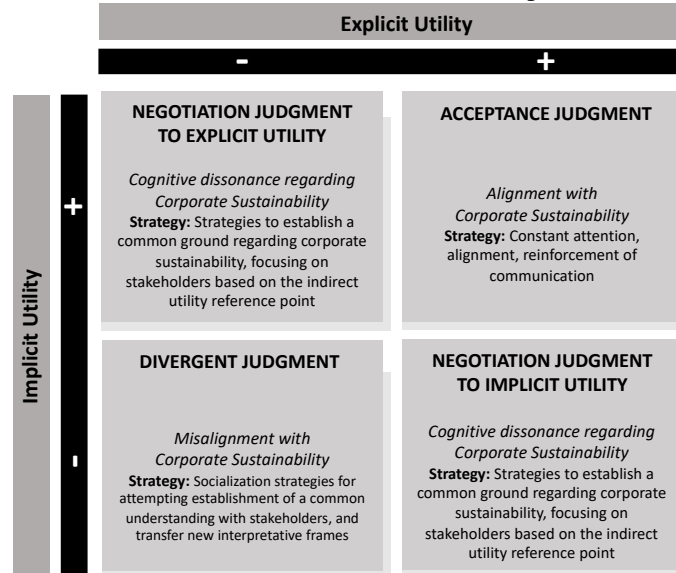
On the other hand, we suspect that internal aspirations play an important role in the perceptions of loss on corporate sustainability at CPFL (Wood & Jones, 1998). By operating in a regulated market, CPFL is the only energy provider most customers will ever know. A similar situation occurs for some employees and suppliers, given that the company operates in very remote regions for energy generation. Without external comparison, customers may form their aspirations based on ideal standards, current needs, and company expectations, which may be higher than the standards of Profile 1 (suppliers and employees). In this scenario, customers may perceive a loss when CPFL's corporate sustainability initiatives do not fulfill their expectations, as seen in Profile 3. This interpretation is also consistent with the prevalent judgments of losses in Explicit Utility generated by actions related to private benefits to stakeholders. Besides, this analysis helps to explain why the failure in stakeholder value creation can happen in the context of outstanding companies. As stakeholders' aspirations, expectations, and social comparisons can influence reference point formation (Tversky & Kahneman, 1991), when the formation process presents any misalignment or contradiction of information regarding corporate sustainability, the reference point will carry this aspect, which can lead to differences in judgment of value and failure on creating value for stakeholders.

Stakeholder Value Model for Corporate Sustainability

Stakeholders form judgments about the value of corporate sustainability by combining available information with their mental processes and personal experiences. Our study reveals that those idiosyncratic characteristics tend to form value judgments along two dimensions. On the one hand, stakeholders have Explicit or Implicit Utility reference points for corporate sustainability, as emerged in our study. On the other hand, stakeholders perceive gains or losses in corporate sustainability. From this, we propose a framework with four stakeholders' judgment modes about

the value of corporate sustainability (Figure 1). Because companies have limited control over stakeholders' mental processes and experiences, we propose strategies managers might adopt to respond to misalignments between material practices and stakeholder judgments. It is important to note that this framework applies to outstanding companies that display a high corporate sustainability maturity level (Baumgartner & Ebner, 2010), following our case study.

FIGURE 1 - Stakeholder Value Framework for Corporate Sustainability



Source: Created by the authors.

In the first mode, we observe no distance between company corporate sustainability and stakeholders' judgments. We name this quadrant "acceptance judgment". Stakeholders judge the value of the company's corporate sustainability favorably and need a few signals to complete their mental models. This does not mean those stakeholders display lower expectations or standards for corporate sustainability. Instead, they judge the result of the company's action as acceptable for both parties. Managers must pay close attention to these stakeholders. From a cost perspective, changing or reversing perceptions requires much more time and investment than simply maintaining them. From a psychological perspective, given the natural human tendency to loss aversion (Kahneman & Tversky, 1979; McGraw et al., 2010), these stakeholders might be very sensitive to any change in corporate sustainability with potential negative connotations.

On the opposite side, we have a group of stakeholders with perceptions of losses on Explicit Utility or Implicit Utility reference points. We named this quadrant "divergent judgment". These stakeholders reveal a significant misalignment with the company in corporate sustainability. In this situation, rhetoric strategies are likely insufficient to change stakeholders' interpretations. Companies should adopt socialization strategies to influence the establishment of a common understanding with stakeholders. Socialization is particularly effective by increasing stakeholders' familiarity with corporate sustainability initiatives, which helps transfer new interpretative frames to stakeholders (Nonaka & Takeuchi, 1995) and strengthens firm-stakeholder identification (Hatch & Schultz, 2002). Focusing on influential stakeholders, who are more likely to sway others' judgments, is potentially helpful. In doing so, stakeholders would get familiar with the initiatives and update their beliefs about what corporate sustainability accomplishes.

Finally, in the third and fourth judgment modes, we have stakeholders with both positive and negative perceptions of value in corporate sustainability. We named these quadrants “negotiation judgment to explicit utility” and “negotiation judgment to implicit utility”. Stakeholders have signals that support perceptions of gain and loss in both reference points, which leads to a state of negotiation about the meaning of corporate sustainability. Those situations in which individuals perceive contradictory information are usually associated with psychological stress (Festinger, 1954; Suls et al., 2002). In such cases, companies can use a natural tendency to avoid contradictions and provide stakeholders with additional arguments to rationalize the conflict. In practice, individuals reduce the magnitude of their cognitive dissonance by accepting one argument or generating new cognitive representations.

Consequently, companies can negotiate a shared understanding of corporate sustainability with stakeholders by providing additional arguments (Snow et al., 1986). This is likely to be an interactive exchange with potential counterarguments from stakeholders. Repeated exposure to the information is critical in reducing dissonance since it increases the stakeholders' orientation for the cognitive elements in the negotiated understanding (Monahan et al., 2000; Zajonc, 1968), making adoption more likely.

In conclusion, the proposed framework displays the potential misalignments among the company and stakeholders when considering the value of corporate sustainability. By recognizing and managing these misalignments, companies might increase the acceptance and shared interpretation of corporate sustainability initiatives by stakeholders. As a result, companies can maximize the value of corporate sustainability by addressing stakeholders' expectations and creating a win-win situation.

Discussion and Conclusion

Achieving a high maturity level of corporate sustainability does not seem enough to ensure value creation for stakeholders. Outstanding companies considered sophisticated in corporate sustainability maturity by displaying outstanding efforts towards sustainability (Baumgartner & Ebner, 2010) have faced tensions with stakeholders despite their excellence. It can suggest a failure to create value for stakeholders regarding corporate sustainability. To understand this mismatch, we developed a mixed-method study and examined the role of judgment in stakeholder value applied to corporate sustainability. By engaging with a diverse set of primary stakeholders at CPFL, an outstanding company from the Brazilian electric sector, we found two reference points from which stakeholders judge value in the context of corporate sustainability: Explicit Utility and Implicit Utility. We identified three distinct clusters of judgments that we called *profiles*, from which most stakeholders judge corporate sustainability as a gain rather than a loss. We also found that perceptions of gains predominantly stem from the Implicit Utility (Profiles 1 and 2), while perceptions of losses are closely related to the Explicit Utility, mainly drawing from Profile 3. We further explored the role of aspirations, both internal and external. Finally, we integrated the insights from the case into a framework to manage stakeholder perceptions of value. Next, we discuss the study's contributions and suggest future research avenues.

Contributions to Theory

Considering the previous literature in which stakeholder value still demands discussion (Harrison & Wicks, 2013; Lankoski et al., 2016) and that does not seem enough to explain the outstanding companies' case, our main theoretical contribution is to bring a new path of stakeholder value analysis as an alternative to the body of existing research on this topic (Bowman & Ambrosini, 2000; Garcia-Castro & Aguilera, 2015; Lepak et al., 2007; Priem, 2007). While the

previous literature on stakeholder theory has focused on the economic notion of value (e.g. Garcia-Castro & Aguilera, 2015; Lepak et al., 2007) and stakeholder value studies have approached firm performance (e.g., Flammer, 2015) or a specific category of stakeholder (e.g., DesJardine, Marti, & Durand, 2021), our study dialogues with the *subjective approach* of value.

The behavioral theoretical lens from prospect theory helped us examine the value judgment from which we could infer that an outstanding company's failure to create value for stakeholders is related to the reference point considered by stakeholders for judging it and, consequently, the reference point formation. Stakeholder value implies subjective judgment (Lankoski et al., 2016) related to utility experienced (Harrison & Wicks, 2013; Kahneman & Tversky, 1982), considering a reference point (Tversky & Kahneman, 1991). As stakeholders' reference points can be influenced by aspirations, expectations, and social comparisons (Tversky & Kahneman, 1991), any misalignment or contradiction regarding corporate sustainability may impact the reference point formation, the judgment of value, and value creation, i.e., failure to create value for stakeholders.

Our study also results in specific contributions to stakeholder and prospect theories. Firstly, the capture of the prevalent reference points across stakeholders communicates with many scholars (Barberis, 2013; Holmes et al., 2011; Köszegi & Rabin, 2006; Lankoski et al., 2016) to improve discussions about reference points and prospect theory in business. Our study diverges from the most common approach in prospect theory research about a *status quo* as a reference state (Holmes et al., 2011; Kahneman, 2003) by positing that stakeholders usually consider two different reference points for judging corporate sustainability in terms of value – Explicit Utility and Implicit Utility. Each stakeholder is based on one of these references according to the understanding of corporate sustainability, as well as other elements that still need to be investigated in future studies. In this case, the company's corporate sustainability is judged considering the specific reference point in terms of gain or loss related to utility experienced. The level of utility stems from the actions that explicitly impact stakeholders (Explicit Utility), besides actions whose impact is explicit for the firm but implicit for them (Implicit Utility). This criterion from corporate sustainability evaluation dialogues with Tapaninaho and Kujala (2019, 2020) regarding the existence of a focal firm orientation and a stakeholder orientation for the field of stakeholder value creation. The present analysis showed us that the reference points do not necessarily represent a specific current position as in some studies (Holmes et al., 2011). Instead, it can be defined by particular interactions between stakeholders and the company (Hillman & Keim, 2001), external comparisons, and internal aspirations based on ideal standards, current needs, and company expectations (Tversky & Kahneman, 1991), especially when the comparison is not available.

Secondly, our study opens the field for the theoretical connection between stakeholder and prospect theories in Management research. Our empirical research answers the call from Lankoski et al. (2016) to join both theories for a better understanding of the stakeholder's judgment of value. The novelty here lies in studying the proposed connection through an empirical study that allows us to interpret the profiles' relative perceptions of gain and loss along the reference points (Explicit Utility and Implicit Utility) as a consequence of the experienced utility by stakeholders (Harrison & Wicks, 2013) from corporate sustainability strategies and actions. In this vein, we analyzed the dynamics of stakeholder value from the prospect theory lens and verified that stakeholders judge corporate sustainability as a gain when the actions positively affect any value component of the stakeholder utility function (Harrison & Wicks, 2013; Lankoski et al., 2016) from both reference points – Explicit Utility and Implicit Utility. It means that corporate sustainability actions can represent an explicit benefit for a stakeholder or an implicit benefit for them (and an explicit benefit for the company).

Similarly, stakeholders judge corporate sustainability as a loss when their utility function is negatively affected (Harrison & Wicks, 2013) from the same reference points. In this case, corporate sustainability actions represent explicit damage for a stakeholder or still implicit damage for them (and explicit benefit for the company). This finding also provided the basis for explaining the outstanding companies' cases. Besides the issues on reference points, the *utility function* is another aspect related to the failure to create value for stakeholders. If there is no value creation, or if a value is destroyed, some activity from the company's corporate sustainability negatively affects the stakeholder utility function, and the judgment reflects loss, as in the case of Patagonia.

Contributions to Practice

Understanding why outstanding companies can fail to create value for stakeholders allows us to develop mechanisms and propose strategies for helping these companies minimize the phenomenon or try to avoid it to improve the stakeholder value creation regarding corporate sustainability. In this sense, our main managerial contribution is the Stakeholder Value Model in Corporate Sustainability, which provides strategies that companies might adopt to respond to misalignments between material practices and stakeholder judgments. The framework proposed also helps managers related to stakeholder value judgment to influence the shift of the stakeholder reference point by promoting new paths of external comparisons and stimulating change in aspirations or expectations (Lankoski et al., 2016; Tversky & Kahneman, 1991). A reference point change implies different stakeholders' perceptions and judgments, which leads to new possibilities of engagement in corporate sustainability and, consequently, value creation. In sum, our study is useful for outstanding companies to improve stakeholder management toward corporate sustainability and value creation.

Limitations and Future Research

Despite the theoretical and managerial contributions, our findings are not free from limitations. The sample has only primary stakeholders for three reasons: (1) more convenience for research, (2) unfeasibility to cover all stakeholders in terms of data volume, and (3) some groups of stakeholders would not reach the sample size needed for the proposed statistical tools. Another limitation is that our study approached only one company's context, and the results can not be generalized.

Therefore, as a future research agenda, we suggest enlarging the present study with outstanding companies from other segments to understand the reference point establishment to stakeholders' value judgment of corporate sustainability. Another future agenda can approach which elements, besides the corporate sustainability background, can result in two different reference points for stakeholders regarding value judgment. We also suggest analyzing the press's role in shaping companies' judgments. Communication can be used to avoid, minimize, or reverse understanding misalignments regarding corporate strategies, such as sustainability ones, and media can impact this context in general.

Notes

1. <https://www.patagonia.ca/50/>
2. <https://www.reuters.com/business/retail-consumer/patagonia-founder-gives-away-company-help-fight-climate-crisis-2022-09-14/>

3. https://www.bloomberg.com/news/articles/2022-09-15/patagonia-billionaire-who-gave-up-company-skirts-700-million-tax-hit?utm_source=website&utm_medium=share&utm_campaign=copy
4. <https://www.businessinsider.com/patagonia-big-climate-donation-saves-1-billion-in-taxes-yvon-chouinard2022-9>
5. <https://capitalreset.uol.com.br/empresas/governanca/o-caso-da-natura-e-o-abismo-salarial-entre-cupula-e-base-nas-empresas/>
6. <https://www.nytimes.com/2023/02/25/us/unaccompanied-migrant-child-workers-exploitation.html>
7. The items Account3 and Credib4 were removed because they loaded on a third factor with insufficient statistical properties.
8. Profile 1 concentrates more than 80% of respondents from employees and suppliers categories. Profile 2 (cluster 2) has the smallest number of respondents in each category without a clear prevalent stakeholder. Profile 3 (cluster 3) concentrates more on customers.

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APPENDIX A - Representative Quotations on Stakeholder Value from Study

Themes	Representative Quotations
A. Pride	A.1 "My future is there, the company has planning everything, I am proud." (Employee) A.2 "I feel motivated to work in a company that is sustainable, that has these procedures." (Supplier)
B. Safety/Stability	B.1 "I associate sustainability with longevity, so how that business will be able to perpetuate itself. It's doing something that creates value for the future." (Employee) B.2 "I think it's about looking for balance, right?, balance between maintaining your business profitable, your image area..." (Supplier)
C. Credibility	C.1 "I'm confident in a company that thinks about the future, and that will not close at any time." (Employee) C.2 "It shows an image of greater reliability. Higher quality, greater concern for the universe." (Customer)
D. Accountability	D.1 "It still has a sustainable vocation, even if it's an incentive budget, an obligation." (Employee) D.2 "The company that complies with the law, is it really sustainable, voluntarily sustainable, or because is it required by law?." (Customer)
E. Environmental dimension	E.1 "What comes to mind when you talk about corporate sustainability is a company that has some work focused on the environment area, that's all." (Employee) E.2 "A company that is concerned with reducing, saving paper, energy, water ... recycling things, I understand so!" (Customer)
F. Social dimension	F.1 "I believe that it [the firm] respects the laws, the society in which it's inserted and mainly concerning the treatment of its employees, and the relationship it has with suppliers and clients, so it acts within the law preserving the people's right." (Customer) F.2 "Then, it comes into the concept of concern for life, for people." (Supplier)
G. Economic dimension	G.1 "For me, sustainability is that we guarantee that CPFL's revenue will happen at some point." (Employee) G.2 "If the company wants to continue maintaining itself, be sustainable economically for a long time, it has to look at this issue." (Customer)

Source: Created by the authors.