THE RELATIONSHIP BETWEEN GOVERNANCE MECHANISMS AND SOCIAL RESPONSIBILITY PRACTICES IN GAÚCHA COOPERATIVES

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ABSTRACT

Purpose: To analyze the relationship between Corporate Governance (GC) mechanisms and Corporate Social Responsibility (CSR) practices in cooperatives in Rio Grande do Sul.

Theoretical framework: Grounded in stakeholder theory, social responsibility and corporate governance.

Method/design/approach: The study is classified as descriptive, field and quantitative research. The sample consisted of 35 cooperatives from the state, from different areas of activity, who responded to the survey, containing questions about the 4 dimensions of CSR, proposed by Carroll's pyramid model (1991) and questions about the mechanisms of KM. For data analysis, Pearson's correlation was used.

Results and conclusion: The results show that the KM mechanisms are positively associated with CSR practices in the studied cooperatives, regardless of their field of activity, indicating that the intensity of the CSR practices presented by the model of Carroll (1991), are shown to be more consistent as the intensity of application of the studied GC mechanisms increases. It is concluded that among the ten (10) hypotheses tested, the investigation indicates rejection of one of them, which was the association between the Board of Directors (CA) and the CSR, which despite having found a positive association, it was not significant.

Research implications: The findings confirm the theoretical assumptions brought to this study that good Corporate Governance practices contribute to the establishment of Social Responsibility strategies and practices in cooperatives in Rio Grande do Sul.

Originality/value: Expansion of knowledge about the importance of CSR practices, as well as the verification of the relationship with KM mechanisms in cooperative organizations, in order to understand whether or not they are associated and what type of association occurs.

Keywords: Ethics, Philanthropy, Development, Transparency, Stakeholders.
A RELAÇÃO ENTRE OS MECANISMOS DE GOVERNANÇA E AS PRÁTICAS DE RESPONSABILIDADE SOCIAL EM COOPERATIVAS GAÚCHAS

RESUMO

Objetivo: Analisar as relações entre os mecanismos de Governança Corporativa (GC) e as práticas de Responsabilidade Social Corporativa (RSC) nas cooperativas do Rio Grande do Sul.

Referencial teórico: Fundamentação na teoria dos stakeholders, responsabilidade social e governança corporativa.

Método: O estudo se classifica como pesquisa descritiva, de campo e quantitativa. A amostra foi constituída por 35 cooperativas do estado, de diferentes ramos de atuação, que responderam à pesquisa, contendo questões a respeito das 4 dimensões de RSC, proposta pelo modelo da pirâmide de Carroll (1991) e questões acerca dos mecanismos de GC. Para a análise dos dados, foi utilizada a correlação de Pearson.

Resultados e conclusão: Os resultados dão conta de que os mecanismos de GC, estão positivamente associadas às práticas de RSC nas cooperativas estudadas, independente do ramo de atuação das mesmas, indicando que a intensidade das práticas de RSC apresentadas pelo modelo de Carroll (1991), se mostram com maior consistência a medida que a intensidade da aplicação dos mecanismos de GC estudados, aumentam. Conclui-se que dentre as dez (10) hipóteses testadas, a investigação indica rejeição para uma delas, que foi a associação entre o Conselho de Administração (CA) e a RSC, que apesar de ter sido encontrada uma associação positiva, ela não foi significativa.

Implicações da pesquisa: Os achados confirmam os pressupostos teóricos trazidos para este estudo de que as boas práticas de Governança Corporativa contribuem com o estabelecimento de estratégias e práticas de Responsabilidade Social em cooperativas do Rio Grande do Sul.

Originalidade/valor: Ampliação do conhecimento acerca da importância das práticas de RSC, bem como na verificação da relação com os mecanismos de GC em organizações cooperativas, de modo a entender se elas estão ou não associadas e qual tipo de associação ocorre.

Palavras-chave: Ética, Filantropia, Desenvolvimento, Transparência, Stakeholders.

1 INTRODUCTION

With the growing plurality of an increasingly challenging market and whose transformations are noticeable in various fields of economic, social and cultural life, cooperative organizations seek to impart greater trust and identity among members, a commitment that also ensures survival (Schneider & Hendges, 2006).

Cooperatives, as collective organizations, have a hierarchical structure in order to obtain better economy of scale in production and commercialization, in their various branches, besides aiming for equality of rights in the defense of free enterprise, in social divisions, and in the maintenance of the economic balance, necessary for human survival (Pinto, 2009).

In this sense, the principles and norms of cooperativism and corporate governance guide cooperative organizations in their activities, where the dual role of organizing and associating people tends to have a combination of economic rationality and the social responsibility of the cooperative (Schneider & Hendges, 2006).

Along these lines, Corporate Governance (GC) is a management mode that encompasses internal practices and relationships, and can be translated into principles and recommendations, providing opportunities for organizational monitoring by stakeholders, and involvement
between partners, Board of Directors, Board of Directors, supervisory bodies and other stakeholders, which comes to improve the transparency of results and the efficiency of decision-making (Rossetti & Andrade, 2012; Eugênio, 2013; IBGC, 2015).

GC has been gaining prominence in recent decades, responding to a growing demand for better tools and practices that are gaining support within organizations. Through GC communication channels are established, aiming to minimize and/or resolve conflicts arising from established relationships (Baggio, 2015; Pereira & Vilaschi, 2006; Rossetti & Andrade, 2012), to highlight possible fraud, and to become more attractive to the set of stakeholders involved with organizations (Eugênio, 2013). Thus, GC goes beyond managerial and administrative aspects, to encompass the society as a whole (Rossetti &... Andrade, 2012; Eugênio, 2013).

Just as GC has been increasingly incorporated among organizations, it is noticeable the gradual increase in the search for Corporate Social Responsibility (CSR) knowledge, inserting itself into the market in an expansive way through adoption by organizations, since from their practices there can be sustainable positive results (Sartore, 2006). The RSC seeks to listen to the demands of stakeholders, thus enabling the practice of actions that meet these interests, adding value to the organization and decreasing the risks before its shareholders (Sartore, 2006).

It is possible to realize benefits with SNS practices, such as strengthening loyalty, attracting good employees, transmitting confidence in the resolution of problems, value aggregation, consumer appreciation, organizational climate improvement, among other aspects. Thus, CSR becomes seen as a component of organizational culture, having repercussions internally, as well as in society as a whole, because it is a topic of global interest (Neto, Santos & Pompeu, 2021; do Nascimento Duda et al., 2022).

Following this same line of thought, the integration between GC and RSC can be observed when looking at GC in a more comprehensive way, not only transparency, honesty and accountability to shareholders, but when one has responsibility to all parties involved, exceeding the limit of obligations (Jamali, Safieddine & Rabbath, 2008).

Buertey et al. (2020) explain that the development of RSC practices must be carried out together with the institutional monitoring of the GC mechanisms, where these will guarantee for managers the opportunistic tendencies not to overturn the ethical and legitimate purpose of the RSC initiatives. Also according to the same authors, GC mechanisms corroborate to improve CSR practices and thus promote accounting transparency, protecting shareholder interests, and increasing market confidence.

In light of the above, this study aims to analyze the relationship between the mechanisms of Corporate Governance and the practices of Social Responsibility in cooperatives of Rio Grande do Sul, since, according to Garcia-Salazar, Echeverri-Rubio and Vieira-Salazar (2021) the relationship between CSR and GC is a topic of growing importance, given the role of organizations in facing social and environmental problems, and that at the investigative level still demands advances in filling gaps in knowledge.

It is worth highlighting the carrying out of studies that analyze the two theories, such as the integration of CSR and GC in third sector organizations (Amarante, Deretti & Silva, 2015), the deepening of SNS concepts using the principles of GC as drivers for monitoring the applicability of SNS practices in large organizations (Osinski, Deretti & Silva, 2016). Furthermore, the carrying out of a bibliometric study on the relationship between CSR and GC, carried out by Garcia-Salazar, Echeverri-Rubio and Vieira-Salazar (2021) where it showed a growth in scientific productions in the last two years, but its concentration in developed countries, pointing to the research gap in organizations that operate in emerging countries, whose results can be compared and serve as a guide for the strengthening of these organizations with positive impacts on the whole society.
Thus, we seek to advance in this field of study by bringing new relations of investigations about corporate social responsibility (Roveda, Brizolla & Dias Lopes, 2021) by presenting an approach that considers the relationship of GC with CSR practices, from the four-criteria model (economic, legal, ethical and discretionary) of Carroll (1991), under the perspective of the stakeholders Theory, considering as study population cooperative organizations operating in the state of Rio Grande do Sul, Brazil. Thus, the study brings theoretical and pragmatic contributions related to the expansion of knowledge about the importance of SNS practices, as well as in the verification of the relationship with the mechanisms of GC in cooperative organizations, in order to understand if they are associated or not and what type of association occurs.

2 STAKEHOLDER THEORY, SOCIAL RESPONSIBILITY AND CORPORATE GOVERNANCE

The literature has pointed out changes in the relations between organizations and society, more intensively from the 80s, when new demands are imposed on organizations (Campos, 2006), coming from consumers, employees, suppliers, shareholders, member community, that is, from their stakeholders (Campos, 2006; Caccia, Zarelli & Gimenes, 2008), term used by Freeman (1984) to designate any individual or groups without which the organization fails to achieve its objectives.

These demands have been materializing through the engagement of organizations in social programs and the adoption of new positions in the face of the needs imposed by the set of stakeholders (Caccia, Zarelli & Gimenes, 2008), opening the field for new formulations around Corporate Social Responsibility - RSC (Campos, 2006).

CSR in the view of Carroll (1979) encompasses four perspectives: economic, legal, ethical, and discretionary, representing society's expectations towards the organization in a given period. Therefore, managers should seek the planning of strategies that can promote the well-being of stakeholders involved with the organization, practicing voluntary and not just normative actions, thus demonstrating values to the whole society (Caccia, Zarelli & Gimenes, 2008).

Carroll (1979) to accommodate his trajectory on CSR proposed, in 1979, a three-dimensional conceptual model of corporate social performance composed of three dimensions. The first is represented by the basic definitions of SNS (economic, legal, ethical, discretionary), the second is the dimension that captures the types of response behaviors (defense, reaction, accommodation, proaction) and the third dimension identifies the areas of programmed actions (consumers, environment, product safety, discrimination/safety of employees and shareholders) (Carroll, 1979; 2012).

The definitions of SNS from the first dimension of the three-dimensional model are presented by Carroll (1991) in a pyramid form divided into four parts: at the bottom of the pyramid the economic responsibilities (required), following for legal responsibilities (mandatory), ethical responsibilities (expected) and, at the top of the pyramid the discretionary responsibilities (desired).

Carroll (1979;1991) explains the category of economic responsibility as essential in the business world, seeking to maximize profits that ensure its continuity, return on investments, and economic commitments with stakeholders. In the category of legal responsibility, the author highlights rules described by laws and regulations, seeking to perform the functions according to what is foreseen. Next, in the category of ethical responsibility, it is highlighted the compliance and implementation of operations within the precepts of moral and ethical values, avoiding harm to the interested parties. Finally, in the discretionary category, it prioritizes philanthropy and includes individual discretion, being characterized as voluntary or
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guided by a desire of the organization to seek spaces in the social sphere, which are not
designated by laws.

Moreover, it has been gaining prominence in recent decades, as a response to the
growing demand for best practices within organizations, Corporate Governance. GC has its
origin in the United States - USA as a result of the enormous dispersion of capital ownership in
that country and the high degree of independence achieved by the professional management of
tompanies (Dubeux, 2001). In this line, GC is a mechanism that non-controlling investors have
at their disposal to limit the misuse of resources by controllers and/or directors (Dubeux 2001;
Silveira, 2006; Rossetti & Andrade, 2012).

Thus, GC is understood as a set of mechanisms that assist the monitoring and control of
organizations (Birth & Bianchi, 2005; Rossetti & Andrade, 2012). That is, through this control,
the management and performance of organizations can be defined as an ongoing effort to align
the goals of top management with the interests of shareholders or owners by adopting the most
effective monitoring practices.

In the case of cooperatives, the structure is corporate, and the members participating in
this structure are also owners, however, not all have access to control (Silva, Souza & Silva,
2015). Even the controlling agent, being one of the partners elected by the other members, can
have his control influenced by opportunistic attitudes, such as maximizing his own interests
(Silva, Souza & Silva, 2015), a situation that reports us to the problem between agent and
principal (Jensen & Meckling, 1976), but whose GC precepts can act in the strengthened
cooperative context by administrators and associates (Silveira, 20064).

The essence of the GC concept is tied to the basic principles of the Brazilian Institute of
Corporate Governance (IBGC) Code that consist of Transparency, Equity, Corporate
Responsibility and Accountability related to the organization and the means used by it to reduce
the information incompatibility, existing between those who generate the information and those
who use it (IBGC, 2015; Nascimento & Bianchini 2005).

According to IBGC (2015), GC consists of a system through which organizations can
be directed, encouraged and monitored, also involving the relationships between stakeholders,
such as partners, councils, directors, oversight bodies, control, among others.

In cooperatives, the principle of cooperativism is the joining of efforts to generate
results, arousing the interest of the members in monitoring the accountability of the directors
and/or managers of cooperatives on the operations of resources and the division of profits
(Silva, Souza & Silva, 2015).

Thus, this study seeks to identify whether there is a positive relationship between the
mechanisms of GC and the CSR practices adopted by the organizations studied. To this end,
the GC mechanisms used in this investigation are based on the study by Liszbinski et al. (2016)
and IBGC (2015) and are as follows: Risk Management, Board of Directors, Audit Committee,
Audit Board, Compliance with the Code of Ethics.

In this way, it is understood that CSR is positively associated with the GC mechanisms,
considering that Daher (2006) mentions support in stakeholder theory for strategies aimed at
CSR practices, which aim to guide organizations to social aspects, customers and society,
indicating value creation and guarantees of long-term profits.

Furthermore, a model of economic development, based on ethical and legal precepts,
could allow more social equality, reducing poverty and maintaining the preservation of species
and natural habits (Mebratu, 1998).

Dyllick and Hockerts (2002) further highlight that the concept of CSR, which is applied
to corporate reality, needs to devote its efforts to meet the needs of the current and future
stakeholders. Based on this assumption, it is up to organizations to amplify their economic,
social and environmental capital, bringing actively Contributions to society. Thus, the following
hypotheses are presented:
H1: There is a positive relationship between GC mechanisms and CSR practices in cooperatives.
H1a: There is a positive relationship between GC mechanisms and Economic Responsibility.
H1b: There is a positive relationship between GC mechanisms and Legal Responsibility.
H1c: There is a positive relationship between GC mechanisms and Ethical Responsibility.
H1d: There is a positive relationship between GC mechanisms and Discretionary/Philanthropic Responsibility.
H1e: There is a positive relationship between the risk management committee and cooperatives’ SNS practices
H1f: There is a positive relationship between the supervisory board and the CSR practices of cooperatives
H1g: There is a positive relationship between the board of directors and the CSR practices of cooperatives
H1h: There is a positive relationship between the Audit Committee and cooperatives’ CSR practices
H1i: There is a positive relationship between compliance with the code of ethics and cooperatives’ SNS practices

Starting from the idea that CSR is being studied today and having an applicability in organizations, one seeks to identify whether the mechanisms of Corporate Governance have a positive relationship with CSR, thus one has the hypothesis H1. Michelon and Parbonetti (2012) highlight great evidence between the positive association of the spread of Socio-Environmental Responsibility with GC mechanisms, which have been provided by concern for stakeholders and legitimacy. In this way, they emphasize that organizations need to seek to meet all the information needs of the parties with which they relate in order to legitimize their actions with the public.

CSR actions by organizations can be understood as an extension of GC, which adopt means to highlight to their public, which values responsible partner behavior by the organization in relation to the community in which it is inserted (Bomfim, Teixeira & Monte; 2015). Also, in the understanding of Bomfim, Teixeira and Monte (2015), it is important to use governance mechanisms that can guarantee the authenticity of their actions, as well as the performance of independent directors on the Board of Directors, in the creation of committees or delegated directors to develop the society and present reliable accounting and management information.

Risk Management (RM) is incorporated into the work routine, in order to enable the identification and analysis of scenarios to protect, create and aggregate values, improving economic-financial and socio-environmental performance, as well as promoting innovation and the achievement of objectives (BRAZIL, 2019).

The Board of Directors (CA) responds and decides on the accountability of organizations, considering this to be a task of constant change, highlighting the needs of the members of the board to decide on the CSR practices adopted by organizations (Veiga & França, 2015).

The mission of the Supervisory Board (CF) is to assure the associates that CSR and management practices in cooperatives are being carried out in accordance with the social objectives defined in the general assembly, by validating the accounting statements (Pagnussat, 2004).

Whitaker and Ramos (2013) mention ethics in operationalizing management practices. Among these practices may be corporate social responsibility practices, which allow the
organization to achieve its end by signaling to stakeholders the fulfillment of the proposed objectives and compliance with the code of ethics.

Therefore, we seek to understand the relationship of GC with CSR from the perspective of the Stakeholder Theory. In this sense, the Audit Committee (UCC), as one of the mechanisms of Corporate Governance, is understood as fundamental in the improvement of quality, the elaboration and dissemination of financial reports, being a function of the GC contribute to the improvement of information presented to users (Ball, 2001).

In this way, H1a seeks to test the positive relationship of the mechanisms of Corporate Governance with Economic Responsibility. In this sense, a set of GC mechanisms comprise incentives and controls, internal and external, in order to minimize the costs that can be brought about from the managers' agency problems. Thus, GC mechanisms bring their managers security and reliability around the organizations' economic and financial indicators, for the purpose that they can be considered by the stakeholders (Shleifer & Vishny, 1997).

Based on this assumption, H1b and H1c are intended to establish the positive relationship between the ethical responsibility and legal responsibility of organizations, indicating that the mechanisms of Corporate Governance have a positive association with these criteria of establishment of CSR. Whitaker and Ramos (2010) emphasize that ethics refers to commitment to values, regardless of the economic outcome of the organization. Thus, society believes that organizations are ethical and obtain a degree of responsibility (Nogueira, Garcia & Ramos, 2012).

H1d seeks to verify whether there is a positive link with discretionary/philanthropic responsibility. Dylick and Hockerts (2002) argue that the adoption of actions guided by the guiding principles of CSR may indicate behavior based on ethics, compliance with legislation, philanthropic actions and healthy economies.

The H1e presented by Risk Management highlights that the implementation of this mechanism is to ensure that the process is applied within companies, through a management plan at all its levels and functions (Oliveira, 2020). According to Almeida (2012), management should make risk assessments that may affect the implementation of financial presentation objectives within organizations, a control environment is fundamental in reducing risk.

Ramos (2018), highlights how fundamental it is to have a Risk Management within companies in the concept of Corporate Governance, given that its efficiency has an impact on the aggregation of the value to the business. Considering H1f, the Supervisory Board is seen as a control body and at some times can join the activities that are developed by the internal audit, so that the burden of warning the shareholders falls to the body of the collegiate (Tinoco, Escuder & Yoshitake, 2011).

The H1g and H1h hypotheses present two mechanisms of GC, the Board of Directors being a body responsible for preserving the financial life of organizations, where it can direct strategies adding economic value, so besides working as responsible for financial management the Board of Directors can rely on other mechanisms, i.e. the Audit Committee (Monici & Costa, 2019).

Finally, in accepting the H1 hypothesis, in view of the fact that it is a question of testing the positive association of GC and CSR, it is accepted that the attributes of CSR have a positive influence on the mechanisms of GC, which is the subject of study.

3 METHODOLOGY

To meet the proposed objective, a descriptive research was carried out, in order to measure how frequently the phenomena occur and their connections and, with a quantitative approach, which is based on measurements of magnitude and statistical techniques (Sampieri, Collado.
The population of this study consists of 445 cooperatives of the state of Rio Grande do Sul, divided between its different branches of activity (SESCOOP, 2020). 35 cooperatives responded to the survey, which is a non-probabilistic sample, which according to Richardsan (2010) is made up of individuals chosen by certain criteria and by accessibility.

In relation to the research data collection instrument, it is based on the SNS model proposed by Carroll (1991), which highlights the SNS Pyramid and presents in its constitution four Responsibilities: economic (ECO), legal (LEG), ethical (ETI) and discretionary/philanthropic (DIS). For the Corporate Governance mechanisms, the questions are based on the study by Liszbinski et al. (2016) and IBGC (2015), listing five mechanisms selected for analysis: risk management (GR), board of directors (CA), audit committee (CAU), supervisory board (CF), compliance with the code of ethics (CE). The instrument used was the questionnaire (Survey), with closed questions, applied in cooperatives to capture adherence to CSR and GC practices within these organizations.

The questionnaires were sent by email, using the google docs tool, and cooperatives were not identified. The e-mail addresses of the cooperatives were obtained by the website of SESCOOP/RS, thus allowing contact with the cooperatives and sending the research instrument.

In the data analysis and interpretation stage, we sought to identify the degree of relationship between GC mechanisms and SNS practices of the studied cooperative organizations. To do so, bivariate statistics was used, the Pearson correlation, which measures the degree of relationship between the two variables. The Pearson correlation coefficient measures the linear association between variables (Moore, 2011).

### 4 RESULTS AND DISCUSSION

This stage presents the analyzes of the relationship between GC mechanisms and CSR practices in Rio Grande do Sul Cooperative Organizations. The intensity and direction of the relations between the variables of the research are presented, being: Mechanisms of Corporate Governance (GC), Board of Directors (CA), Board of Audit (CAU), Fiscal Council (CF), Council of Ethics (CE) and Risk Management (GR); and Corporate Social Responsibility (CSR), Economic Responsibility (ECO), Legal Responsibility (LEG), Ethical Responsibility (ETI), Discretionary Responsibility (DIS).

Thus, based on the described variables, Table 1 was prepared that shows the correlation of the data of the Pearson, indicating the degree of significance at level 0.01 (***, 0.05 (**), and 0.10 (*). The results obtained show the existence of a positive correlation for most variables, even if in varying degrees of intensity.

<table>
<thead>
<tr>
<th>Table 1 - Pearson Correlation</th>
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<tbody>
<tr>
<td>VARIÁVEIS</td>
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<tr>
<td>ECO</td>
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<td>CE</td>
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<tr>
<td>GR</td>
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<tr>
<td>GC</td>
</tr>
</tbody>
</table>

*** Correlation is significant at level 0.01 (2 ends)
**. Correlation is significant at level 0.05 (2 ends)
*. Correlation is significant at level 0.10 (2 ends)

Source: Search Data
Significant positive correlations at level 1% were found for the Economic Responsibility variable when related to Legal Responsibility (0.737); Ethical Responsibility (0.685); Discretionary Responsibility (0.715); Corporate Social Responsibility (0.878), similarly when analyzing the relationship of the Economic Responsibility variable with the GC mechanisms is related to the Audit Board (0.588); Fiscal Board (0.483) and Corporate Governance (0.661). For the variable Legal Responsibility when related to Ethical Responsibility (0.648); Discretionary Responsibility (0.732) and Corporate Social Responsibility (0.863), for the Supervisory Board (0.504) and Corporate Governance (0.479).

The Ethical Responsibility variable has a positive and significant correlation at level 1% with the variables Discretionary (0.832) and Corporate Social Responsibility (0.895) as well as with the mechanisms of Corporate Governance, CAU (0.541), CF (0.467), CE (0.665), GR (0.489) and GC (0.778). The discretionary variable is correlated with CSR (0.927), UCC (0.616), CF (0.510) and GC (0.701). This same relationship is perceived for the variable of Corporate Social Responsibility with the mechanisms of Corporate Governance, CAU (0.597), CF (0.550), CE (0.514) and with GC (0.743). Board of Directors has correlation with Fiscal Council 0.533, CAU with GC (0.706), CF with GC (0.599), CE with GC (0.684) and GR with GC (0.661).

Significant positive correlations at the 5% level were found for the Economic variable when related to Risk Management (0.416), for the Legal Responsibility variable when related to Ethics Board (0.397), for the Discretionary Responsibility variable when related to CE (0.445) and for GR (0.400). At the level of 10% positive actions were found between Economic Responsibility and Ethics Council (0.314), Legal Responsibility and Audit Council (0.351) and between Ethics and Risk Management Council (0.355).

From these findings it is possible to infer that there is a positive and significant relationship between the dimensions of CSR and the mechanisms of GC, except with the Board of Directors (AC), which did not show a relationship with CSR and its dimensions. The positive relations found indicate that the more intense the performance of the controls represented by GC, the greater the intensity of the CSR practices.

These results are in line with the findings of the studies by Bomfim, Teixeira and Monte (2015), which studied Brazilian companies. Likewise, Buertey et al. (2020) and Chrysostomo, Vasconcelos and Carneiro (2021), published in Brazilian publicly traded companies, which studied the relationship between the dissemination of sustainability practices with the characteristics of GC.

Based on the investigation, we sought to analyze the relationship of GC mechanisms with SNS practices in the cooperatives studied, and the results of the hypotheses tested, which indicate acceptance or rejection, are presented in Board 1.

<table>
<thead>
<tr>
<th>Board 1 - Outcome of assumptions</th>
<th>Expected</th>
<th>Found</th>
<th>A/R</th>
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<tbody>
<tr>
<td><strong>H₁</strong> There is a positive relationship between the mechanisms of Corporate Governance and the practices of Social Responsibility of cooperatives.</td>
<td>Positive</td>
<td>Positive</td>
<td>A</td>
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<tr>
<td><strong>H₁α</strong> There is a positive relationship between Corporate Governance mechanisms and Economic Responsibility.</td>
<td>Positive</td>
<td>Positive</td>
<td>A</td>
</tr>
<tr>
<td><strong>H₁β</strong> There is a positive relationship between Corporate Governance mechanisms and Legal Responsibility.</td>
<td>Positive</td>
<td>Positive</td>
<td>A</td>
</tr>
<tr>
<td><strong>H₁γ</strong> There is a positive relationship between the mechanisms of Corporate Governance and Ethical Responsibility</td>
<td>Positive</td>
<td>Positive</td>
<td>A</td>
</tr>
<tr>
<td><strong>H₁δ</strong> There is a positive relationship between Corporate Governance mechanisms and Discretionary/Philanthropic Responsibility.</td>
<td>Positive</td>
<td>Positive</td>
<td>A</td>
</tr>
<tr>
<td><strong>H₁ε</strong> There is a positive relationship between the risk management committee and the CSR practices of cooperatives</td>
<td>Positive</td>
<td>Positive</td>
<td>A</td>
</tr>
<tr>
<td><strong>H₁ψ</strong> There is a positive relationship between the Supervisory Board and the practices of Social Responsibility of cooperatives</td>
<td>Positive</td>
<td>Positive</td>
<td>A</td>
</tr>
</tbody>
</table>
The findings concerning the first hypothesis of the survey (H1), which sought to verify the existence of a positive relationship between the mechanisms of GC and the practices of CSR were confirmed, since a positive association was found, significant at the level of 1% margin of error, considering the responses obtained from the cooperatives from Rio Grande do Sul. These results confirm indications from previous studies such as Shahin and Zairi (2007), Jamali, Safieddine and Rabbath (2008), Sahut, Peris-Ortiz, Teulon (2019) and Zaid, Wang, Abuhijleh (2019) that had also found a positive relationship between GC and RSC.

In the Stakeholders view, GC may be the use of mechanisms that seek better performance and guarantee the return of its members, thus meeting the objectives of all interested parties (Chris, 2008). An organization with good GC practices protects the right of stakeholders, being able to mediate the organization's relationship with its audiences, presenting the results transparently and acting ethically (Aguilera et al., 2015).

The reading of Board 1 shows that the hypotheses: H1a, H1b, H1c and H1d have been confirmed. Thus, it is observed that the GC mechanisms present significant positive relationship, at the level of 1% error margin, with the four dimensions of the Carroll SCR model (1991) used in this study, indicating that the more consistent and aligned the GC mechanisms, the greater the intensity of SCR practices.

These findings confirm what was observed by Pillai and Al-Malkawi (2018), which highlight that the improvement of the GC system with high compliance standards in which legal standards and good conduct practices contribute to the decrease of corporate misconduct cases, ensuring transparency, more consistent Social and Environmental Responsibility practices and disclosure of information, beyond mandatory but also voluntary ones. In addition, Chrysostom, Vasconcelos and Carneiro (2021) highlight that CSR has shown evolution from philanthropy, grouping a list of organizations' concerns with their stakeholders and with the environment.

The hypotheses H1e, H1f, H1h, H1i present a positive and significant relationship at the level of 5% error margin for GR and at the level of 1% error margin for CF, CAU and CE, indicating the acceptance of these hypotheses, since the measure increasing the consistency of these CG mechanisms improves the intensity of SCR practices.

These results confirm the findings of Silveira and Ribeiro (2015), which highlight that the ethics that permeates social responsibility validates the actions of the organizations, reinforcing the importance of the supervisory board (CF) and the ethics committee (CE), although it is still, very linked to the results.

Also Brizolla and Klann (2019), found a positive association of GR, CAU and CE with the evidence of Social and Environmental Responsibility, and Bastos Filho (2020) mentions that the monitoring mechanism must be present in a way to avoid governance failures and thus allowing an effective control of the actions of the organizations' managers, including socio-environmental ones. It also adds that the transparency of information and business ethics should be aligned with the strategies and actions of the entities, in order to better strengthen relations with stakeholders, generating value to the organization.

Sahut, Peris-Ortiz and Teulon (2019) mention that in their study they found evidence that the more active the ethics board (CE), the more innovative and consistent are the practices of CSR in business. The authors also highlight that the code of ethics is becoming popular in
the organizational structure, especially in large organizations and are strongly perceived in the actions of CSR.

Finally, considering the results, H1g, which tested the existence of a positive relationship between the Board of Directors and the practices of Social Responsibility of the cooperatives, was rejected and a positive association was found between the CA and the practices of CSR, but this relationship was not significant, within the margin of error considered for the study (0 to 10%). In this sense, for this investigation that considered the responses obtained from the managers of cooperatives in Rio Grande do Sul, this theoretical assumption was not validated. Such indicators contradict the results presented by Sahut, Peris-Ortiz and Teulon (2019), which highlight studies that relate the Board of Directors in the applicability of actions aimed at CSR, being important mechanisms in the formulation of CSR strategies, as well as in the monitoring and supervision of actions.

Still considering the Stakeholders Theory and its relational character, which interconnects individuals, groups, organizations, the State and the community, it is understood that these findings reinforce the theoretical assumptions that compliance with laws, ethics and the principles of transparency, equity and control, can contribute to the improvement of the relationship between the parties and consequently can revert in the creation of value and increased performance for cooperative organizations.

5 FINAL CONSIDERATIONS

The research aimed to analyze the relationships between the mechanisms of Corporate Governance (CG) and the practices of Corporate Social Responsibility (CSR) in cooperatives of Rio Grande do Sul. To this end, a survey was carried out with a sample of 35 state cooperatives operating in different branches according to SESCOOP/RS.

The results were observed from the Pearson Correlation, and the association between the GC and CSR variables was verified, in the cooperatives studied, independent of their field of activity. In this way it can be highlighted that the intensity of SNS practices presented by the Carroll model (1991), which contemplates the dimensions of Economic, Legal, Ethical and Discretionary Responsibility, show themselves with greater consistency as the intensity of the application of the GC mechanisms studied, increase.

It is worth highlighting the acceptance of the set of hypotheses that test this relationship, being verified the validation of the tests done for the four dimensions of SNS (economic, legal, ethical and discretionary) with the mechanisms of GC, as well as of the hypotheses that tested the relationship of the risk management committee (RG), the supervisory board (CF), the audit committee (CAU) and the ethics committee (CE) with Corporate Social Responsibility (CSR). In this sense, it is noted that among the ten (10) hypotheses tested, the investigation indicates rejection for one of them, which was the association between the board of directors (CA) and the RSC, that although a positive association was found, it was not significant.

With this, the findings confirm the theoretical assumptions brought to this study that the good practices of GC contribute to the establishment of strategy and SNS practices in cooperatives of Rio Grande do Sul analyzed, giving answer to the question of investigation of this study, and the findings indicate that there is a positive and significant association between the mechanisms of GC and the SNS practices in the cooperatives studied, which explicitly denotes that the stronger the mechanisms of GC, the more intense are the SNS practices.

It is worth highlighting that cooperatives that do not yet adopt SNS practices and, still, have given little visibility to the CG mechanisms, independent of the cooperative industry, bringing to light the perception that these practices can improve the relationship of these organizations with stakeholders and consequently improve their image with their consumers, making them competitive and references in the sector and territory they act, ensuring not only
profit for their members, but generating value for the cooperativism, contributing to the development of the regions where they are inserted.

As to the limitations of the study, it is suggested that future research may deepen the understanding of the Board of Directors (CA) contribution in SNS practices, since this hypothesis has not been validated, which denotes the absence of a significant positive association between the CA and SCR practices, thus needing further study in order to understand this indicative.

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The Relationship between Governance Mechanisms and Social Responsibility Practices in Gaúcha Cooperatives


