



PETROBRAS NARRATIVES TO INVESTORS: CHALLENGES AND COMPETITIVENESS

NARRATIVAS DA PETROBRAS PARA INVESTIDORES: DESAFIOS E COMPETITIVIDADE

Recebido em 27.06.2025 Aprovado em 16.10.2025

Avaliado pelo sistema *double blind review*

DOI: <https://doi.org/10.12712/rpca.v.193.67894>

Rodrigo Vereza Caldas

rodrigovereza@gmail.com

Programa de Pós-Graduação em Administração da Pontifícia Universidade Católica do Rio de Janeiro (IAG/PUC-Rio)

[https:// orcid.org/0009-0006-7351-4039](https://orcid.org/0009-0006-7351-4039)

Alessandra Costa

alessandra.costa@iag.puc-rio.br

IAG – Escola de Negócios da PUC-Rio

[https:// orcid.org/0000-0003-3207-2888](https://orcid.org/0000-0003-3207-2888)

Paula Furtado Hartmann de Queiroz Monteiro

paulafhartmann@gmail.com

Professora do Departamento de Ciências Administrativas da UFRRJ

[https:// orcid.org/ 0000-0001-5841-6816](https://orcid.org/0000-0001-5841-6816)

Abstract

The study analyzes how Petrobras communicates its strategy to the financial market, focusing on competitiveness and challenges in the annual earnings conferences held by the Investor Relations Department, between 2012 and 2022. Exploratory and qualitative in nature, the research employs a case study and thematic narrative analysis, organized around the themes "Competitive Petrobras" and "Petrobras – Factors Beyond Control." The results show that cohesive narratives align investor expectations with corporate objectives. The research contributes to understanding discursive practices in mixed capital companies, highlighting the role of narratives in building trust, shaping perceptions, and enhancing competitive positioning.

Keywords: Investor Relations. Organizational Communication. Narrative Analysis. Thematic Analysis.

Resumo

O estudo analisa como a Petrobras comunica sua estratégia ao mercado financeiro, focando em competitividade e desafios, nas conferências anuais de resultados realizadas pelo Departamento de Relações com Investidores, entre 2012 e 2022. De natureza exploratória e qualitativa, a pesquisa utiliza estudo de caso e análise de narrativa temática, organizando-se nos eixos "Petrobras Competitiva" e "Petrobras – Fatores Fora de Controle". Os resultados mostram que narrativas coesas alinham expectativas dos investidores aos objetivos corporativos. A pesquisa contribui para compreender práticas discursivas em empresas estatais, destacando o papel das narrativas na construção de confiança, percepção e posicionamento competitivo.

Palavras-chaves: Relações com Investidores. Comunicação Organizacional. Análise de Narrativa. Análise Temática.

1. Introduction

On March 8, 2024, Petrobras' preferred shares plummeted by more than 10% on the São Paulo Stock Exchange following an institutional announcement regarding the suspension of dividend distributions and a decline in profits (Filgueiras et al., 2024). This disclosure triggered apprehension and uncertainty within financial markets, raising concerns about potential political interference and suspicions that the company's management might be channeling resources into an ambitious strategic agenda at the expense of shareholder remuneration. Such episodes underscore how corporate decisions—and the narratives constructed around them—can significantly shape a firm's financial performance and market dynamics, thereby drawing the sustained attention of investors. These stakeholders are increasingly interested not only in financial outcomes but also in the broader societal implications of the organizations in which they invest (Treiger, 2021).

For mixed capital companies such as Petrobras, the challenges of communicating with investors are compounded by the unique characteristics of their ownership structure—marked by the State as controlling shareholder—and the inherent complexity of operating within highly regulated and strategically sensitive sectors. These challenges encompass the need to assert institutional autonomy vis-à-vis political domains, navigate the volatile expectations of financial markets, and respond to stakeholder skepticism, often fueled by informational asymmetries and competing institutional narratives (Busco et al., 2020; Bolt & Tregidga, 2023). In such a context, effective investor communication must transcend conventional reporting obligations and function as a mechanism of organizational sensemaking—particularly through the deployment of strategic, coherent, and adaptive narratives aimed at fostering legitimacy and alignment with key constituencies (Bose, 2020; Maitlis & Christianson, 2014).

Despite notable advances in the literature on organizational sensemaking, significant gaps remain in the understanding of discursive and narrative practices within investor relations, particularly in the context of state-owned enterprises with high public visibility. Empirical investigations into how these organizations construct, organize, and disseminate strategic meaning through institutional artifacts—such as annual reports, reference forms, and earnings calls—are still relatively scarce (Favato et al., 2020; Whittle et al., 2023). In light of this, the present study seeks to examine how Petrobras constructs strategic meaning and communicates it to financial markets, while simultaneously reinforcing its competitiveness and attempting to mitigate the effects of exogenous challenges beyond its immediate control.

This research contributes to addressing this gap by conducting a longitudinal analysis of the institutional communications produced by Petrobras' Investor Relations Department from 2012 to 2022. The objective is to identify key themes related to competitiveness and perceived challenges as articulated in the company's narratives, and to understand how these themes are structured and mobilized to facilitate strategic sensemaking directed toward investors.

2. Narratives and Sensemaking in Organizations

Narrative, in its broadest sense, refers to the articulation of a sequence of events arranged temporally to convey a specific meaning to a target audience. By selecting, organizing, and connecting relevant elements from experience or reality, the narrator constructs a coherent plot with a clear communicative intent (Riessman, 2014). Within organizational contexts, narratives transcend the mere recounting of events, serving as mechanisms for argumentation, persuasion, political mobilization, and the construction of collective identities (Bochner & Riggs, 2014; Riessman, 2014). Analyzing such narratives entails not only their explicit content but also the surrounding context, omissions, rhetorical structure, target audience, and discursive strategies, thereby revealing symbolic struggles and underlying interests.

Organizational narratives are privileged tools for understanding how individuals and groups construct meaning amid the complexities of everyday organizational life (Maitlis & Christianson, 2014). Narratives function both as reflections of reality and as active instruments in shaping organizational life, used to

interpret, connect, and socially share experiences (Rhodes & Brown, 2005). Through narrative processes, organizations are co-created and continually reconstructed, with actors interpreting events in light of past experiences, personal and collective identities, and future expectations (Bochner & Riggs, 2014).

Within this framework emerges the concept of sensemaking, defined by Weick (1995) as the process through which individuals interpret ambiguous or unexpected events by organizing them cognitively to render them intelligible and actionable. According to Maitlis and Christianson (2014), sensemaking is central to organizational dynamics, particularly in critical moments such as strategic change, innovation, crises, stakeholder communication, and decision-making. These practices influence not only the allocation of resources and value creation but also institutional legitimacy (Ali & Mustafa, 2023; Bolt & Tregidga, 2023).

Recent studies highlight the relevance of sensemaking in mediating between organizational discourse and external audiences, especially within the field of corporate finance. Although financial environments are often associated with rationality and objectivity, there is growing recognition that accounting disclosures, integrated reports, and investor communications are deeply embedded in narrative and symbolic practices (Busco et al., 2020; Whittle et al., 2023). Scholars such as Abolafia (2010) and Whitehouse (2018) emphasize that organizations construct meanings based on dominant institutional models, shaping the kinds of stories that may be legitimized within financial arenas.

Both narrative analysis and sensemaking offer powerful interpretive lenses for the fields of Management and Accounting, enabling deeper investigation into how organizations construct and communicate their identities, manage perceptions, and negotiate meaning with diverse publics. These approaches reveal the discursive and relational nature of organizational practices and contribute to a richer understanding of the symbolic structures that underpin corporate action (Edgar & Stewart, 2025).

3. Investor Relations (IR)

The Investor Relations (IR) function holds a strategic role in mediating expectations between corporate management and both the financial community and broader stakeholder groups (Laskin, 2018). Drawing upon communication and financial expertise, the IR function promotes a clear understanding of the company and its operations among investors and market actors. Operating as an interface between the organization and the market, IR professionals disseminate corporate information externally and gather feedback from stakeholders to inform internal decision-making processes (Instituto Brasileiro de Relações com Investidores [IBRI], 2012). Key stakeholders include shareholders, analysts, investment professionals, the media, and regulatory bodies, all of whom influence the market's perception of the firm's value.

Information constitutes a strategic asset for investors, as it reduces both uncertainty and capital costs. Accordingly, the IR function is tasked with ensuring the accurate, transparent, timely, and equitable disclosure of corporate information, thereby minimizing gaps between intrinsic company value and market valuation (IBRI, 2012; Laskin, 2018). Treiger (2021) argues that IR activities must go beyond financial reporting, emphasizing the company's competitive advantages, strategic direction, social impact, and the origin and allocation of capital resources. As such, IR professionals face challenges that encompass financial communication, corporate marketing, public relations, and strategic positioning. Healy and Palepu (2001) assert that transparency in corporate disclosures is fundamental to capital market efficiency. Information is disseminated through both mandatory channels, such as financial statements, and voluntary ones, including earnings calls. These calls allow senior executives to articulate the firm's financial performance, engage with investor concerns, and reinforce leadership credibility. Brown et al. (2018) emphasize that earnings calls are perceived by top management as a primary channel for transmitting key messages to institutional investors, with IR officers playing an influential role in shaping corporate disclosures.

The IR function must act strategically and proactively, aligning closely with executive leadership and core business units to strengthen corporate reputation, mitigate reputational risks, and manage potential crises (Treiger, 2021). Trust is a foundational principle for IR professionals, shaping relationships between companies and their stakeholders. In contemporary society, trust is not inherent but must be cultivated and sustained through credible communication and consistent corporate behavior (IBRI, 2012; Laskin, 2018).

The financial sector, characterized by rapid change and heightened sensitivity to information, often reacts strongly to signals that may seem minor but carry significant symbolic weight (Whitehouse, 2018). Laskin (2018) highlights that IR functions as a two-way communication channel, balancing market expectations and managerial intentions. Managing such expectations is crucial to effective investor engagement and long-term value creation.

Founded in 1953 as a state-owned company tasked with developing Brazil's oil industry, Petrobras has grown into one of the world's largest energy companies, operating across the oil and gas value chain. It is currently one of the largest publicly traded companies in Latin America, with 50.26% of its common shares held by the Brazilian federal government, BNDES, and BNDESPAR. The IR department at Petrobras plays a pivotal role in promoting transparency and facilitating effective communication with financial markets. Since its establishment in the 1990s, following the company's capital market entry, the IR function has adapted to evolving regulatory frameworks and best practices, building strong relationships with stakeholders and ensuring compliance with capital market standards.

4. Methodology

The methodological design of this study is qualitative and exploratory in nature (Bryman, 2012; Gray, 2011), based on a case study approach (Yin, 2010). This approach enables an in-depth investigation of a single organization—Petrobras—with the aim of understanding how strategic messages directed at investors are constructed and communicated. The case study method is particularly appropriate for capturing the complexity of organizational phenomena in real-world contexts, allowing for a close examination of communication practices related to organizational culture, governance, and engagement with the financial market in the energy sector.

Petrobras was selected as the case due to its representative role among publicly traded companies in Brazil. As one of the largest companies listed on B3, Petrobras embodies the typical practices of Investor Relations (IR) observed in major corporations, especially those that must comply with the regulatory requirements of the Brazilian Securities and Exchange Commission (CVM) and adhere to well-established corporate governance standards. Furthermore, its communication practices with the market are highly institutionalized and sophisticated, aiming to promote transparency, ensure effective information dissemination, and align with the expectations of global financial stakeholders.

The data for this study consists of institutional materials and official communications from Petrobras directed at investors, covering the period from 2012 to 2022. These documents were retrieved from publicly available sources on the company's Investor Relations website. Table 1 presents the documentary sources analyzed.

Table 1 – Documentary Sources

| Documentary Sources | |
|-----------------------------|-----------|
| Source | Frequency |
| Production and Sales Report | Quarterly |
| Fiscal Report | Quarterly |
| Earnings Release | Quarterly |
| Financial Statements | Quarterly |
| Webcast Presentation | Quarterly |
| Webcast Audio | Quarterly |
| Webcast Transcript | Quarterly |
| Material Facts and Releases | Varies |
| Form 20-F | Annual |
| Reference Form | Annual |
| Sustainability Report | Annual |
| Management Report | Annual |
| Climate Report | Annual |
| Strategic Plan | Annual |
| Corporate Presentations | Varies |

Note. Adapted from Petrobras – Investor Relations (<https://www.investidorpetrobras.com.br/>)

The analysis and triangulation of the selected documents revealed that the most relevant information for Petrobras investors is systematized and presented primarily through Earnings Conference Calls (webcasts). Brown et al. (2018) emphasize that these earnings calls constitute one of the most important ways in which top management communicates its message to investors. Furthermore, it was found that the year-end earnings calls offer a comprehensive overview of the organization's annual performance, effectively meeting the needs of investors (Treiger, 2021).

Based on this observation, it can be inferred that these events synthesize the main content of corporate reports, directly addressing the specific needs of investors and analysts. Given their strategic relevance, our analysis focused in depth on these events, considering their importance for institutional communication and alignment with financial market expectations.

Earnings calls are dedicated occasions for disclosing the company's financial and operational results as well as discussing future outlooks (Treiger, 2021). These events provide investors with updated information on company performance and allow them to ask questions directly to executives. It is important to emphasize that these calls play a key role in constructing meaning for investors by offering context, building a strategic narrative, addressing concerns and questions, promoting transparency and credibility, and facilitating two-way dialogue. This dialogue is essential for ongoing understanding in the business environment. The presentations and narratives prepared by the Investor Relations Department (IR) for the financial market are developed by various departments and professionals to meet company goals and market expectations. Thus, this practice can be considered a form of strategic communication (Kunsch, 2008), aimed at disseminating information in a timely and symmetrical manner throughout the financial community (Healy & Palepu, 2001; Treiger, 2021).

The analysis of earnings calls was conducted using narrative analysis as proposed by Riessman (2014). This method is particularly suitable for document-based investigations, as it focuses on the content — that is, what is being communicated. To operationalize the analysis, we used the thematic analysis method suggested by Braun and Clarke (2022), which follows systematic steps to ensure the rigor of the process.

Table 2 – Operationalization of Thematic Analysis

| Step | Activities |
|--|--|
| Familiarization with the dataset | Immersion in the data, analysis/reanalysis, and development of initial notes. |
| Coding | Identification of relevant segments, coding, and compilation of most relevant codes/segments. |
| Initial theme generation | Identification of patterns, grouping of codes with shared meanings, and development of preliminary themes. |
| Theme development and review | Evaluation of the compatibility between preliminary themes and research |
| Theme refinement, definition, and naming | Fine-tuning the analysis, final naming, and writing brief summaries for each theme. |
| Writing | Review of notes/texts and written development of the analysis. |

Note. Adapted from Thematic Analysis: A Practical Guide by V. Braun & V. Clarke, 2022, Sage.

Initial coding was carried out by one of the authors, who conducted an exploratory and systematic reading of the material, assigning preliminary codes based on criteria such as recurrence, relevance, and content density. Subsequently, the codes and emerging themes were validated by two external researchers with experience in qualitative methods and thematic analysis applied to organizational studies.

To ensure validity and reliability in the interpretive process, an intersubjective validation procedure was adopted. This involved independent coding followed by discussion sessions — conducted both in person and asynchronously — to align the meanings assigned to the coded excerpts. Although not a formal application of the Delphi technique, a similar iterative deliberative method was used: divergences were identified and discussed in successive rounds until consensus was reached on the central themes. To support the organization, categorization, and visualization of the data, the qualitative analysis software MAXQDA was used, providing greater transparency and traceability to the coding process.

It is important to note that this article stems from a broader research project conducted as part of a master's dissertation, focusing on Petrobras's institutional communications aimed at investors. In this research, nine thematic axes were identified, representing the discursive strategies used by the company: Petrobras as Protagonist, Competitive Petrobras, Responsible Petrobras, Accomplishing Petrobras, Petrobras – Factors beyond control, Petrobras and Brazil, Confident Petrobras, Resilient Petrobras, and The New Petrobras.

For this article, two of these axes were selected for presentation: “Competitive Petrobras” and “Petrobras – Factors beyond control.” The selection of these axes was primarily motivated by their interconnection. The Competitive Petrobras axis describes the company as solid and efficient, with a focus on generating value for the capital markets and its investors. On the other hand, the Petrobras - Factors beyond control axis explores external contingencies — such as economic volatility and geopolitical factors — that affect the company's performance but fall outside its control.

The integrated analysis of these two axes offers a perspective on how Petrobras constructs its institutional narrative for investors by balancing its ability to adapt and compete with the justification of its performance in the face of external factors. Tables 1 and 2, presented below, illustrate the codifications made for the designation of these thematic axes.

Table 3 – Coding of Thematic Axis 1: Competitive Petrobras

| Thematic Axis 1 | Main Codes | |
|-----------------------|-----------------------|------------------------|
| Competitive Petrobras | Sustainability | Efficient Management |
| | Divestments | Competitive Advantage |
| | Value Generation | Fuel Pricing |
| | Pre-salt Exploration | Digital Transformation |
| | Dividend Distribution | Deepwater Focus |
| | Cultural Change | Partnerships |
| | Reserves | Portfolio Management |

Note. Elaborated by the authors

Table 4 – Coding of Thematic Axis 2: Petrobras – Factors beyond control

| Thematic Axis 2 | Main Codes | |
|---|----------------------------|--|
| Petrobras – Factors beyond control | Exchange Rate Fluctuations | |
| | Macroeconomic Aspects | |
| | Brent Price | |
| | Class Action Lawsuits | |
| | Car Wash Operation | |
| | Justifications | |
| | Impairment | |

Note. Elaborated by the authors

5. Analysis

5.1 Axis 1 – Competitive Petrobras

The analysis of thematic codes generated over the studied period allowed the identification of a thematic axis called “Competitive Petrobras.” Throughout its history, Petrobras has positioned itself in its institutional narratives as a highly competitive company across various areas of the oil sector. This positioning is supported by several pieces of evidence highlighting its ability to remain at the forefront of the global industry.

One of the main aspects that reinforces this image is Petrobras’ competitiveness in discovering and developing the vast pre-salt oil reserves. This achievement not only elevated the company to a prominent position on the international stage, but also highlighted its leadership and expertise in deepwater exploration and production—areas that require high technology and technical know-how:

I would like to highlight that in the pre-salt area, we can celebrate reaching two very important milestones this year: the production of 1 million barrels per day of oil operated by Petrobras in the pre-salt, and the milestone of 1 billion barrels already recovered from the pre-salt layer [our translation] (Petrobras, 2016, p. 3).

Additionally, Petrobras emphasizes its advanced technical knowledge in exploration and production, especially in challenging environments such as deep and ultra-deep waters. The narrative highlights the company’s innovative technologies and techniques, which ensure a solid position and significant competitive advantage:

As you know, the Company is highly innovative, with a very important ability to deliver results in terms of innovation [our translation] (Petrobras 2022, p. 7).

Regarding refining infrastructure, Petrobras reinforces its position as one of the companies with the greatest refining capacity in Latin America, enabling it to process a wide variety of refined products and compete effectively in the fuel market. In addition to its strong domestic presence, Petrobras also highlights its international operations, positioning itself as one of the largest oil and gas producers in the world:

And in the international area, we operate in E&P, with an emphasis on oil and gas exploration in Latin America, Africa, the United States, and the Americas. The international area means exploration and production [our translation] (Petrobras, 2013, p. 12).

Petrobras also highlights its substantial oil reserves, which place it in a privileged position in terms of production and resources:

With that, we have managed to maintain a fundamental competitive advantage for our Company, which is the delivery reliability index, where we reached the 99% mark [our translation] (Petrobras, 2020, p. 15).

The company's competitiveness narrative also includes strategies related to partnerships and divestments. These narratives gained momentum particularly after the leadership change in 2016 and the unfolding of Car Wash Operation. That context revealed the company's high debt levels and delicate financial situation. Thus, partnerships and divestments were advocated as ways to reduce debt and allow the company to focus on profitable segments, enhancing business competitiveness. Initially, the narrative focused more on developing partnerships, since talking about asset divestment was never a comfortable subject within Petrobras' identity and corporate culture. However, the company's financial situation compelled it to seek ways to implement its strategic plan by mitigating costs and risks and managing its debt:

The sale of assets is closely related to Petrobras' need to reduce its leverage, but also due to a strategic decision by the company to focus on those assets—not just the core activity [our translation] (Petrobras, 2016, p. 20).

In 2019, following changes in the federal government and the adoption of a more liberal economic policy, divestment projects and their respective narratives gained strength within the company. At the time, the CEO argued that the company should actively manage its portfolio, just like other major industry players, focusing its resources where it had greater competitive advantage and could deliver greater returns, especially for shareholders:

Deleveraging is the result of several initiatives. The most important one is a more aggressive divestment program, exiting areas where we are not the natural owner—and exiting completely, not just selling part of the asset or a minority stake in a company. We really need to focus on what's most important, on what truly contributes to value generation for shareholders [our translation] (Petrobras, 2018, p. 8).

It is impossible to discuss competitiveness without addressing the topic of fuel pricing, a constant subject of internal debate. While the financial market often criticizes the company for not implementing necessary price adjustments—at the expense of internal losses—the company's narrative, regardless of management cycles, has consistently emphasized the pursuit of convergence with international market prices:

Regarding refining and derivatives markets, our constant pursuit is international price convergence [our translation] (Petrobras, 2012, p. 10).

Always practicing competitive prices, but closer to competitive prices [our translation] (Petrobras, 2022, p. 9).

Narratives related to managerial efficiency have also been recurrent over the studied decade. Efficiency is described in various ways by the managers, such as achieving positive financial results, managing debt, reducing internal expenses and costs, and distributing dividends:

Although we have not reached the same dividend yield level as our peers, Petrobras' total shareholder return was significantly higher than our competitors [our translation] (Petrobras, 2019, p. 6).

Narratives concerning the implementation of digital transformation solutions to enhance competitiveness gained traction starting in 2018. Digital transformation at Petrobras represented a significant shift in operations and organizational culture. By adopting advanced technologies, digitizing internal processes, promoting innovation, and prioritizing cybersecurity, Petrobras presented itself to investors as a modern company prepared for the challenges and opportunities of today's energy market:

We are taking the lead, making efforts to cut costs, improving processes, starting a digital transformation process using tools such as data analytics, augmented reality, and artificial intelligence. We are investing in this, for example, by increasing high-performance computing capacity to process increasingly sophisticated algorithms that greatly support artificial intelligence. It's a broad set of measures to make the company much better [our translation] (Petrobras, 2019, p. 2).

Starting in 2020, there was a significant increase in sustainability-related narratives, with greater attention to energy efficiency in operations and reducing carbon emissions. This was not a random occurrence. Larry Fink, CEO of one of the world's largest investment fund managers, BlackRock, had emphasized that values and actions related to sustainability would drive the group's investment decisions. This movement catalyzed similar initiatives in many organizations worldwide, pressuring them to demonstrate how they are addressing these issues:

Also in 2021, we played an important role in terms of carbon capture and forest recovery, directly and indirectly. As I mentioned earlier, we have important levers for carbon excellence, which we disclosed in our most recent strategic plan. We are meeting the environmental goals we've set [our translation] (Petrobras, 2021, p. 4).

Within this same perspective, debates around just energy transition gained momentum. A just energy transition refers to a process of transitioning energy systems that not only prioritizes environmental sustainability but also social and economic equity for all involved stakeholders. In this context, Petrobras frames a competitiveness narrative to investors that goes beyond carbon footprint reduction to also include the pursuit of a fair energy transition.

5.2 Axis 2 – Petrobras – Factors beyond control

The analysis of thematic codes generated over the studied period revealed that throughout its history, Petrobras has faced various macro- and microeconomic challenges, many of which are beyond its direct control but have significant impacts on its operations and strategies. These challenges include macroeconomic aspects—related to global scenarios and government policies—and microeconomic issues, which involve more specific operational and competitive risks.

Among the macroeconomic aspects highlighted in Petrobras' narratives is the volatility of international oil prices. As an integrated and globally connected company, Petrobras is subject to price fluctuations that can directly impact its revenues, especially during sharp declines usually associated with economic crises or geopolitical events.

We did not prepare for a \$70-per-barrel scenario; we prepared for much more challenging scenarios, such as project approvals based on a long-term breakeven of \$35 per barrel [our translation] (Petrobras, 2021, p. 7).

From a business segment perspective, as I mentioned, in upstream we see a significant impact from the appreciation of Brent [our translation] (Petrobras Conference, 2021, p. 9).

In addition, government and regulatory policies represent another significant area of influence for the company. Changes in tax, environmental, investment, or local content policies can substantially affect its operations and growth prospects, requiring strategic adjustments and shifts in how institutional narratives are constructed:

We clearly perceive the regulator's efforts to meet the industry's demands regarding how to comply with local content requirements. [...] The regulator has clearly shown its intention to promote greater investment not only from foreign companies but also from Brazilian firms, and it's important to develop and grow national oil and gas production. I believe this is everyone's main goal, knowing the challenges that some Brazilian suppliers are facing [our translation] (Petrobras, 2015, p. 24).

Exchange rate fluctuations are also a challenge for Petrobras, given the global nature of its operations and the direct impact of currency variations on revenue, costs, and payment capacity, especially for debts denominated in foreign currencies:

Net debt to EBITDA grew, surpassing 2x—which is the alert threshold—and exceeded 2.5x due to the company's higher indebtedness, resulting from new borrowings and the strong effect of the Real's depreciation against the USD on net debt [our translation] (Petrobras, 2013, p. 7).

From a business segment perspective, as I mentioned, in the upstream segment we have a significant impact from the appreciation of Brent [our translation] (Petrobras 2021, p. 7).

It is important to highlight that, within the context of Car Wash Operation, Petrobras was identified by the Federal Prosecutor's Office as a victim of an extensive criminal scheme. As such, the developments and impacts of this episode were described by the company as unpredictable, placing upon it the responsibility of dealing with the consequences of this event in the best way possible:

Discussing these additional expenses stemming from the Car Wash Operation investigation, this amount is based on the 3% commission rate applied to contracts signed between Petrobras and the 27 companies involved in the cartel. These contracts were signed between 2004 and 2012, according to the findings of the Federal Public Prosecutor's Office [our translation] (Petrobras, 2014, p. 2).

This had a major impact, as already mentioned by everyone here, regarding impairment tests, and for that, the company will need to reinvent itself. The company will have to adapt its costs to this new reality. Therefore, it will be a continuous process in which we will identify every possible opportunity for cost reduction in order to remain competitive in a lower Brent environment [our translation] (Petrobras, 2015, p. 26).

In the summary of our results, on slide eight, I already mentioned the negative R\$ 446 million result we reported. Without the impact of the class action settlement, this profit would have been R\$7 billion [our translation] (Petrobras, 2017, p. 4).

Regarding operational risks, the company adopts a meticulous approach to address potential situations that may fall outside its direct control. In this context, the company implements a comprehensive and detailed risk management strategy aimed at mitigating the adverse effects of external factors on its operations and financial performance. This approach encompasses a range of measures designed to prepare the company to respond effectively to unforeseen and uncertain events, which may include anything from political instability to natural disasters.

The other six contracts were all realigned — whether due to changes in the execution plan, rebalancing local content requirements, or by taking on financial administration through escrow accounts — with a high level of assertiveness. All of them are now operational, renegotiated, and currently offering a more promising outlook. Yes, there are risks — risks inherent to the construction process — but we are now in a much more comfortable position in terms of delivery timelines. So, just to add, today we have significantly increased the reliability of our deliveries, and from the perspective of the contracts, we are not anticipating any project delays [our translation] (Petrobras, 2015, p. 10).

In this regard, Petrobras, in its narrative, addresses situations deemed beyond its control and that negatively impact its business plan by justifying and managing these events within a safety margin accounted for in its strategic planning.

We experienced a delay with the FPSO Cidade de Itajaí, which serves the Baúna and Piracaba fields — 100% owned by Petrobras. Production was initially expected to start in October 2012, and we are now ready to begin at any moment in the coming days. However, we had a significant loss of time due to a fire in the engine room at the shipyard in Singapore. This production unit is operated by a consortium between Odebrecht and TK. So, this was something beyond Petrobras' control [our translation] (Petrobras, 2012, p. 2).

We had a justification for the delay, a justification for not meeting the target: we experienced delays especially with the P-55 and P-58. Their startup was delayed by three to four months [our translation] (Petrobras, 2013, p. 3).

Net debt to EBITDA increased, surpassing 2x — which is the alert threshold — and exceeded 2.5x due to the Company's higher level of indebtedness, resulting from new funding and the strong impact of the depreciation of the Brazilian Real against the USD on net debt [our translation] (Petrobras, 2013, p. 7).

Taking these observations into account, we observe that external aspects present significant challenges for Petrobras, requiring the company to engage in continuous monitoring, adaptation, and strategic narrative management to mitigate risks and seize opportunities in a dynamic and complex business environment.

5.3. Discussion

The analysis of Petrobras' institutional narratives, directed at investors between 2012 and 2022, reveals how the company utilizes discursive practices to construct meaning (sensemaking) and manage perceptions in a highly complex and volatile environment.

The investigation of the thematic axes "Competitive Petrobras" and "Petrobras – Factors Beyond Control", in light of the theories of Weick (1995), Riessman (2014), and Maitlis and Christianson (2014),

demonstrates that the narratives not only report events but actively shape organizational reality and investor perception.

Constructing the "Competitive Petrobras" Narrative: Leadership, Efficiency, and Strategic Adaptation

The "Competitive Petrobras" axis positions the company as a leader in innovation, operational efficiency, and technical excellence. The narratives highlight milestones such as pre-salt exploration, digital transformation, and technological advances. This discursive construction aligns with Riessman's (2014) concept of narrative as a mechanism of argumentation and persuasion that organizes events into a coherent plot to convey specific meaning.

A clear example is the emphasis on pre-salt:

I would like to highlight that, in the pre-salt area, we can celebrate the achievement of two very important milestones this year: the production of 1 million barrels per day of oil operated by Petrobras in the pre-salt, and the milestone of 1 billion barrels already recovered from the pre-salt layer [our translation] (Petrobras 2016, p. 3).

This narrative is not merely a report of production; it functions as a symbol of progress and leadership. By connecting historical milestones to a vision of the future, Petrobras structures a temporality that projects continuity and reinforces its positive corporate identity to investors, as discussed by Rhodes and Brown (2005).

Partnership and divestment strategies, intensified after 2016, are also framed within this narrative of competitiveness. Initially presented as a necessity to reduce debt, they were redefined as active and strategic portfolio management aligned with industry best practices:

Divestment is the result of several initiatives. The most important of these is a more aggressive divestment program, leaving areas where we are not the natural owner [...] We really need to focus on what is most important, what effectively contributes to value generation for shareholders [our translation] (Petrobras, 2018, p. 8).

This discursive shift highlights the sensemaking process, where the organization reinterprets events (the need to sell assets) to make them not only intelligible but also aligned with a narrative of strengthening and strategic focus.

Similarly, from 2020 onwards, the growing mention of sustainability and just energy transition themes reflects an adaptation to new financial market expectations. By incorporating the ESG discourse, Petrobras demonstrates its ability to respond to institutional pressures, shaping its narrative to align with the dominant, legitimized models in the financial arena, as pointed out by Abolafia (2010).

The "Factors Beyond Control" Narrative: Mitigating Risks and Managing Expectations

In contrast, the "Petrobras – Factors Beyond Control" axis addresses external contingencies, such as oil price volatility, exchange rate fluctuations, and political crises, including the Car Wash Operation. These narratives are crucial to the organizational sensemaking process described by Weick (1995), in which ambiguous or unexpected events are discursively organized to become comprehensible and guide future actions. The company justifies adverse impacts on financial results while simultaneously highlighting its mitigation strategies.

For instance, when discussing Brent volatility, management underscores its planning for adverse scenarios:

We are not preparing for a \$70 per barrel scenario; we are preparing for much more challenging scenarios, such as project approvals based on a long-term breakeven of \$35 per barrel [our translation] (Petrobras, 2021, p. 7).

This statement transforms an external vulnerability (oil price) into a demonstration of prudence and strategic resilience. In the context of the Car Wash Operation, Petrobras positioned itself as the victim of a criminal scheme, describing the consequences as unpredictable. This narrative construction enabled the company not only to manage reputational damage but also to reinforce values such as integrity and transparency, realigning its image with stakeholder expectations.

The mention of the impacts of the class action settlement illustrates this strategy:

In the summary of our results, on slide eight, I already mentioned the negative result of R\$ 446 million that we reported. Without the effect of the class action settlement, this profit would have been R\$ 7 billion [our translation] (Petrobras, 2017, p. 4).

By isolating the negative impact, the narrative dissociates the external event from the underlying operational performance, an effective discursive tactic to preserve investor confidence.

To deepen the analysis of how Petrobras constructs strategic meaning and manages investor perceptions (Laskin, 2018; Treiger, 2021), we identified and summarized the main discursive mechanisms employed in the thematic axes. Tables 5 and 6 below detail how the company narratively transforms events (Axes 1 and 2) into acts of sensemaking (Weick, 1995), aiming to reinforce legitimacy and align expectations in the financial market (Bolt & Tregidga, 2023; Bose, 2020).

Table 5 – Discursive and Sensemaking Mechanisms of Axis 1: Narrative Strategies for the Construction of "Competitive Petrobras"

| Discursive Practice | Sensemaking Mechanism | Example Axis 1 |
|--|--|---|
| Strategic Framework (Focus on Value) | Reinterpret ambiguous or negative events (such as divestments) to align them with the company's overall strategy and shareholder value creation. | Divestments: Initially a necessity to reduce debt, asset sales are redefined as active portfolio management, focusing on "what effectively contributes to shareholder value generation." This is an act of sensemaking to legitimize strategic action. |
| Leadership Projection and Continuity | Connecting historical milestones to a future vision to reinforce positive corporate identity and credibility (Rhodes & Brown, 2005). | The emphasis on pre-salt oil, highlighting the production of 1 million barrels per day and the milestone of 1 billion barrels recovered, is not just a report; it is a symbol of progress and leadership that projects continuity. |
| Institutional Convergence (Legitimation) | Incorporating and adapting to dominant external discourses to gain or maintain legitimacy in the global financial market (Abolafia, 2010). | The growing inclusion of ESG (sustainability, just energy transition) themes since 2020 reflects the narrative's adaptation to global financial market pressures, especially following pressure from major investors. This is a discursive alignment to shape perception and ensure legitimacy in the financial market. |

Note. Elaborated by the authors

Table 6 – Discursive and Sensemaking Mechanisms of Axis 2: Narrative Strategies for Crisis Management and Mitigation of Exogenous Factors

| Discursive Practice | Sensemaking Mechanism | Example Axis 1 |
|--|---|--|
| Vulnerability Transformation (Resilience Projection) | Cognitively organize ambiguous or unexpected events (Weick, 1995; Maitlis & Christianson, 2014) and redefine them as evidence of managerial prudence. | Regarding Brent volatility, Petrobras states that it does not prepare for a \$70/barrel scenario, but rather for more challenging scenarios, approving projects with a breakeven of \$35/barrel. This practice transforms external vulnerability into a demonstration of strategic planning and resilience. |
| Dissociation and Isolation of Impact (Crisis Management) | Isolate critical or negative events (crises, fines, legal contingencies) from underlying operational performance to preserve market confidence. | Regarding the Class Action Settlement, management mentions that, without the negative impact of the settlement, the company's profit would have been R\$7 billion. By isolating the external event, the narrative dissociates the impact from operational performance, an effective discursive tactic for preserving investor confidence. |
| Victim Framing/Exogenous Justification (Liability Mitigation) | Positioning the company as affected by external forces (macroeconomic volatility, criminal acts, or third-party delays) to mitigate direct liability and reputational damage. | Regarding Car Wash Operation, the company positions itself as a victim of a criminal scheme, describing the consequences as unpredictable, which allows it to manage the reputational damage and realign its image with integrity. Furthermore, regarding Operational Delays, the justification for the FPSO delay due to "a fire in the engine room at the shipyard in Singapore" was categorized as "something beyond Petrobras' control." |

Note. Elaborated by the authors

The Interconnection of Narrative Axes: Creating a Coherent Plot

The analysis reveals a profound interaction between the two thematic axes, where external challenges often justify competitive strategies.

This interrelation reflects the organizational ability to co-create narratives that connect internal and external events to build a coherent strategic meaning, as described by Maitlis and Christianson (2014).

The Discursive Mechanism of Fuel Pricing establishes the strongest empirical evidence of the strategic role of the Investor Relations (IR) (Laskin, 2018) function, acting as a sensemaking and sensegiving mechanism (Bolt & Tregidga, 2023; Edgar & Stewart, 2025) to manage Petrobras' complex institutional tension. The explicit dialogue regarding fuel pricing illustrates this management of tensions: when there is a failure or difficulty in implementing price adjustments criticized by the financial market, the company mobilizes Axis 2 ('Petrobras – Factors Beyond Control') to justify performance, attributing it to the influence of government policies or exchange rate volatility. Simultaneously, Petrobras uses Axis 1 ('Competitive Petrobras') to reinforce the long-standing commitment to pursuing convergence with international prices, reaffirming its responsibility for shareholder value generation and market expectations. This dual and strategic approach is crucial: it allows Petrobras to navigate the inherent tensions of being a mixed-capital company (Busco et al., 2020; Bolt & Tregidga, 2023), building a cohesive narrative that interconnects internal and external events (Maitlis & Christianson, 2014), which is essential for maintaining credibility with investors and fulfilling the role of transmitting key messages from senior management (Brown et al., 2018; Laskin, 2018).

In this way, earnings calls are established as a key channel for senior executives, emphasizing that the Investor Relations (IR) function transcends mere financial reporting obligations, operating instead as an organizational sensemaking mechanism. This function achieves this by constructing a coherent plot that connects internal and external events, thereby ensuring the transparency and credibility needed to sustain trust in the volatile financial market

6. Final Considerations

This study investigated the organizational narratives presented by Petrobras in its annual earnings calls, focusing on the thematic axes "Competitive Petrobras" and "Petrobras – Factors Beyond Control."

The results demonstrate that the company strategically uses its narratives to connect historical milestones, mitigation strategies, and corporate values into coherent plots that promote trust and legitimacy in a highly complex environment.

The research contributes to the academic literature by exploring discursive practices in the financial sector, linking them to sensemaking and narrative analysis theories.

As argued by Riessman (2014) and Maitlis & Christianson (2014), Petrobras' narratives not only report events but shape perceptions, enabling the company to manage expectations and negotiate meanings with various audiences. This approach is particularly relevant in the context of corporate finance, where narratives play a central role in building legitimacy.

The findings also highlight the importance of earnings calls as strategic communication tools, essential for managing corporate reputation and aligning stakeholder expectations, as suggested by Laskin (2018) and Brown et al. (2018). The analysis of thematic axes helps understand how mixed-capital companies balance political and economic demands in their strategic communications.

For future research, comparing Petrobras' narratives with those of its national and international peers, especially on ESG themes, is suggested. Additionally, investigating how different segments of investors interpret these narratives could provide valuable insights into the effectiveness of the company's communication, contributing to the improvement of strategic communication practices and the strengthening of the relationship between companies and their stakeholders.

References

- Abolafia, M. Y. (2010). Construction as sensemaking: How a central bank thinks. *Organization Studies*, 31(3), 349–367. <https://doi.org/10.1177/0170840609357380>
- Ali, Z., & Mustafa, G. (2023). Dynamic external environment and value creation in small and medium-sized accounting practices: A sensemaking perspective. *Journal of Accounting & Organizational Change*. Advance online publication. <https://doi.org/10.1108/JAOC-08-2021-0125>
- Bochner, A. P., & Riggs, N. A. (2014). Practicing narrative inquiry. In P. Leavy (Ed.), *The Oxford handbook of qualitative research* (pp. 195–222). Oxford University Press.
- Bolt, R., & Tregidga, H. (2023). Materiality is...: Sensemaking and sensegiving through storytelling. *Accounting, Auditing & Accountability Journal*, 36(1), 403–427. <https://doi.org/10.1108/AAAJ-06-2021-5314>
- Bose, S. (2020). Corporate communication and the role of integrated reporting: Addressing corporate legitimacy and stakeholders' trust. *Journal of Business Ethics*, 162(3), 545–561. <https://doi.org/10.1007/s10551-018-3992-6>
- Braun, V., & Clarke, V. (2022). *Thematic analysis: A practical guide*. Sage.
- Brown, L. D., Call, A. C., & Sharp, N. Y. (2018). Managing the narrative: Investor relations officers and corporate disclosure. *Journal of Accounting and Economics*, 67(1), 58–79. <https://doi.org/10.1016/j.jacceco.2018.08.014>
- Bryman, A. (2012). *Social research methods* (4th ed.). Oxford University Press.
- Busco, C., Frigo, M. L., Quattrone, P., & Riccaboni, A. (2020). *Integrated reporting and management: Insights from leading practitioners, regulators, and academics*. Springer.

- Edgar, V. C., & Stewart, E. (2025). Making sense of climate change in central government annual reports and accounts: A comparative case study between the United Kingdom and Norway. *Financial Accountability & Management*, 41(1), 116–135. <https://doi.org/10.1111/faam.12409>
- Favato, K. J., Neumann, M., Sanches, S. L. R., & Nogueira, D. R. (2020). Sensemaking of financial institution actors in the adoption and elaboration of integrated reporting. *Revista Brasileira de Gestão de Negócios*, 22(3), 553–570. <https://doi.org/10.7819/rbgn.v22i3.4075>
- Gray, D. (2011). *Pesquisa no mundo real* (2nd ed.). Penso.
- Healy, P. M., & Palepu, K. G. (2001). Information asymmetry, corporate disclosure, and the capital markets: A review of the empirical disclosure literature. *Journal of Accounting and Economics*, 31(1–3), 405–440. [https://doi.org/10.1016/S0165-4101\(01\)00018-0](https://doi.org/10.1016/S0165-4101(01)00018-0)
- IBRI – Instituto Brasileiro de Relações com Investidores. (2012). *O estado da arte das relações com investidores no Brasil*. IBRI.
- Kunsch, M. M. K. (2008). Comunicação organizacional: Conceitos e dimensões dos estudos e das práticas. In M. Marchiori (Ed.), *Faces da cultura e da comunicação organizacional* (pp. 170–189). Difusão Editora.
- Laskin, A. V. (2018). *The handbook of financial communication and investor relations*. John Wiley & Sons.
- Maitlis, S. (2005). The social processes of organizational sensemaking. *Academy of Management Journal*, 48(1), 21–49. <https://doi.org/10.5465/amj.2005.15993111>
- Maitlis, S., & Christianson, M. (2014). Sensemaking in organizations: Taking stock and moving forward. *The Academy of Management Annals*, 8(1), 57–125. <https://doi.org/10.5465/19416520.2014.873177>
- Petrobras. (2023). *Site de Relações com Investidores da Petrobras*. Petrobras. Retrieved September 22, 2023, from <https://www.investidorpetrobras.com.br/>
- Petrobras. (2023). *Portal de informação pública da empresa*. Petrobras. Retrieved September 22, 2023, from <https://petrobras.com.br/>
- Petrobras. (2012). *Petrobras Earnings Conference 2012* [Transcript]. Retrieved from https://mz-filemanager.s3.amazonaws.com/25fdf098-34f5-4608-b7fa-17d60b2de47d/central-de-resultadoscentral-de-downloads/e8d0117549874328809396c4563bb944ab9fef38ded27a0e0289f529b247b03a/transcricao_do_conferencia_callwebcast_2012.pdf
- Petrobras. (2013). *Petrobras Earnings Conference 2013* [Transcript]. Retrieved from https://mz-filemanager.s3.amazonaws.com/25fdf098-34f5-4608-b7fa-17d60b2de47d/apresentacoescentral-de-downloads/5e4a439d9fb59a1f1edab8b9aaabbd540dbeb9a60f2854595b7ab1ff3c567019/transcricao_pe_2030_p_ng_201418_petrobras.pdf
- Petrobras. (2014). *Petrobras Earnings Conference 2014* [Transcript]. Retrieved from https://mz-filemanager.s3.amazonaws.com/25fdf098-34f5-4608-b7fa-17d60b2de47d/central-de-resultadoscentral-de-downloads/352d69c2a00753a08a6074b0e626f50d73ef57401a46af1b43d2e2771919288c/4q14_transcription.pdf
- Petrobras. (2015). *Petrobras Earnings Conference 2015* [Transcript]. Retrieved from https://mz-filemanager.s3.amazonaws.com/25fdf098-34f5-4608-b7fa-17d60b2de47d/central-de-resultadoscentral-de-downloads/7073b3993572ca994b7e40b098eb194b8b1baebbd0db489dda4e3866b76497f2f/transcricao_do_conferencia_callwebcast_2015.pdf
- Petrobras. (2016). *Petrobras Earnings Conference 2016* [Transcript]. Retrieved from https://mz-filemanager.s3.amazonaws.com/25fdf098-34f5-4608-b7fa-17d60b2de47d/central-de-resultadoscentral-de-downloads/f4b180821f233191fef9685ce1198d64bec522a23a3718848c22c82df39f0a98/transcricao_do_conferencia_callwebcast_4t16.pdf
- Petrobras. (2017). *Petrobras Earnings Conference 2017* [Transcript]. Retrieved from https://mz-filemanager.s3.amazonaws.com/25fdf098-34f5-4608-b7fa-17d60b2de47d/central-de-resultadoscentral-de-downloads/3f104b52398894569a98a356625f4d5b0b3a2e78593515132235a730799fdeab/transcricao_do_conferencia_callwebcast_2017.pdf
- Petrobras. (2018). *Petrobras Earnings Conference 2018* [Transcript]. Retrieved from https://mz-filemanager.s3.amazonaws.com/25fdf098-34f5-4608-b7fa-17d60b2de47d/central-de-resultadoscentral-de-downloads/ed75fb2f0dcc055c341f67e13c89b23b3727f04b1116434c295b91400279f59d/transcricao_do_conferencia_callwebcast_2018.pdf
- Petrobras. (2019). *Petrobras Earnings Conference 2019* [Transcript]. Retrieved from https://mz-filemanager.s3.amazonaws.com/25fdf098-34f5-4608-b7fa-17d60b2de47d/central-de-resultadoscentral-de-downloads/597438334430f5a64fa71beeb03562743d568c53344fec73800bbda3ceb76bee/transcricao_da_teleconferencia_4t19.pdf

- Petrobras. (2020). *Petrobras Earnings Conference 2020* [Transcript]. Retrieved from <https://api.mziq.com/mzfilemanager/v2/d/25fdf098-34f5-4608-b7fa-17d60b2de47d/59120a64-1902-488b-0600-81b448b71f1b?origin=1>.
- Petrobras. (2021). *Petrobras Earnings Conference 2021* [Transcript]. Retrieved from <https://api.mziq.com/mzfilemanager/v2/d/25fdf098-34f5-4608-b7fa-17d60b2de47d/6f5aa2da-6934-5327-5b51-88da82f10674?origin=1>.
- Petrobras. (2022). *Petrobras Earnings Conference 2022* [Transcript]. Retrieved from <https://api.mziq.com/mzfilemanager/v2/d/25fdf098-34f5-4608-b7fa-17d60b2de47d/a3778fdf-0edd-95da-9d86-2f963586a30d?origin=1>.
- Rhodes, C., & Brown, A. D. (2005). Narrative, organizations and research. *International Journal of Management Reviews*, 7(3), 167–188. <https://doi.org/10.1111/j.1468-2370.2005.00112>
- Riessman, C. K. (2014). *Narrative methods for the human sciences*. Sage.
- Treiger, J. M. (2021). *Introdução a relações com investidores: Um guia prático e conciso sobre a comunicação com o mercado de capitais*. Alta Books.
- Weick, K. E. (1995). *Sensemaking in organizations*. Sage.
- Whitehouse, M. (2018). The language of numbers: Transdisciplinary action research and financial communication. *AILA Review*, 31(1), 81–112. <https://doi.org/10.1075/aila.00014.whi>
- Whittle, A., Mueller, F., & Gilchrist, A. (2023). Organizational storytelling and sensemaking: The performative nature of narrative in the context of strategy. *Organization Studies*, 44(1), 67–91. <https://doi.org/10.1177/01708406221111820>
- Whittle, A., Vaara, E., & Maitlis, S. (2023). The role of language in organizational sensemaking: An integrative theoretical framework and an agenda for future research. *Journal of Management*. Advance online publication. <https://doi.org/10.1177/01492063221147295>
- Yin, R. K. (2010). *Case study research: Design and methods* (4th ed.). SAGE Publications.