CSR 活動における国有企業のステークホルダーエンゲージメントモデルの構築:情報発信と活動参画の視点から

When Missions Collide: Building a Stakeholder Engagement Model of

Communication and Participation in State-Owned Enterprises

大学院	経営管理	研究科
博士後期課程	経営管理	専攻
氏名:	李佳蓉	

謝辞

　博士課程の研究生活も終わりを迎え，博士課程が始まる前に指導教官の佐々木先生から言われた「孤独と自由な博士研究生活を楽しんで」という励ましの言葉を思い出した。

　20代後半になると，同世代の人たちは，結婚，出産，昇進など，世間一般的な価値観に基づいて働き，生活を営み，さまざまな人生の定式化したタスクを達成することに忙しくなっている。しかし，一橋大学のお陰で，私は綺麗なキャンパスで静かに考えたり，本を読んだり，研究したりすることができた。人生で最も精力的に活動することができる時期に，余計で複雑な世事のために生きるのではなく，平和に自由に自分のために生きることができた。マーキュリータワー，講義棟，そしてキャンパスの隅々で過ごした六年半は，私の人生を癒す美しい思い出となるだろう。「自由」という意味を満喫しながらも，周りの先生たちや友達，遠くから応援してくれる両親や親友のおかげで，一瞬も「孤独」を感じていなかった。ここでは，一橋大学の春夏秋冬，街路樹や植物と動物たちに感謝の気持ちを捧げたい。多くの人が博士課程の3年間が一番辛いと言うけれども，私はこの3年間で人生の不安や焦躁，自己不信がすべて解消された。そのおかげで，私は世間一般的な価値観の束縛を取り除くことができ，いわゆる「社会的基準」で自分の人生を測ることがなくなった。

　この度，博士課程の修了と学位論文の完成に際して，多くの方々からのご指導やご支援をいただいた。この場を借りて，深く感謝を申し上げたい。

　誰よりもまず，指導教員である佐々木将人先生に感謝を申し上げたい。研究生としてゼミに参加させていただいてから，現在に至るまでの六年半，佐々木先生からは，研究課題と理論的意義の考え方，研究調査の実行に関するご指導をいただいた。未熟な私の些細な質問に対しても，常に丁寧に答えてくださった。先生のおかげで，私は研究テーマの発見に悩んでいる入門研究者から成長し，広大な研究の中で自分の研究の位置づけを見つけ，理論の奥深さと面白さを知ることができた。研究上のご助言に加えて，佐々木先生からは私に将来のキャリアアップと異国での生活に関する多くの有益なアドバイスをいただいた。私が，博士段階の研究生活を楽しむことができたのは，いつも先生に励ましていただいたからだと考えている。佐々木先生の，優秀な研究者としての批判的かつ建設的な思考力，そして教育者としての最大の包容力と温厚な態度から多くを学ばせていただいた。私も先生の教えを忘れずに，今後もさらなる研究成果をあげて，受けたご恩に報いることができるよう，努力していきたい。

　本研究を進めるにあたり，副演習の坪山雄樹先生からのご指導に心から感謝したい。坪山先生には研究上の悩みについて快く相談に乗っていただき，定性研究の展開と具体的な研究調査の方法，本論文の理論的課題とその意義を考えていく上で重要なご指摘をいただいた。坪山先生は私

たち学生に対して学術的には厳しくありながらも、寛容で辛抱強くご支援をしてくださり，どのような研究上の問題においても対等に相談してくださった。先生は決して常識や慣例で生徒を拘束することはなく，むしろ多様な思考や自由な研究のための十分なスペースを私に与え，必要に応じて私を助けてくださった。坪山先生の姿勢から定性研究者としてだけではなく、教育者としてのありかたも学ばせていただいた。

　大学院では，講義などの機会を通じて，多くの先生と接する機会に恵まれた。本論文の執筆に入るころ，研究領域演習の酒井健先生からは，研究の理論展開や初期段階の研究デザインに関してご助言をいただいた。お忙しい時期にも関わらず，時間を割いていただき，個別相談で後半の実地調査について建設的なアドバイスをいただいた。また，博士一年生の時に，私の最も精神的に落ち着かなかった時期に，福川恭子先生からは熱心に相談に乗っていただいた上に，異国留学の経験，CSR 研究についてのアドバイス，研究者のキャリアについて，様々なお話を伺った。

　修士二年間には，福地宏之先生から発想の豊かさと柔軟さの重要性を教えていただいた。私の稚拙な質問に対して，福地先生はいつも熱心かつ丁寧に答えてくださり，研究の進め方や論文の執筆に関する有益なアドバイスだけでなく，研究者としてのキャリアに関する助言も数多くくださった。また，私が大学院で勉強を始めた時，遠藤貴宏先生が質的研究の道への最初のガイドであった。長い間，遠藤先生の謙虚さと誠実さ，熱心で無私の態度は，私の心の中で一流の学者のイメージとして具体化している。

　大学院での院生の皆さんからの精神的な支援も，論文の完成には欠かせないものであった。私と一緒にタロットカードと星占いを学び，定期的にカラオケで 6 時間一緒に歌っている李樹萱さんは，いつも私を褒めてくださり，私の体力向上と健康的な心身状態の維持に最も貢献してくださった。また，猫の育て方についてたくさんのアドバイスをいただき，生活の楽しみを共に分かち合った趙悦紅さん，私に優しく声をかけていただき，散歩や人生の深い話しにいつでも付き合ってくれた楊翹楚さん，口数が少ないけど私に対する気遣いを忘れない廖冉欣さん，研究の苦しみと楽しみについて互いに共有してくれた張嘉怡さん，研究室でよく一緒にウォー・シミュレーションの PC ゲームをしてくれた高翔さんにもお礼を申し上げたい。また，本研究を進めるあたりに，佐々木ゼミナールで共に学ばせていただいた，高橋和宏さんと猪瀬廉太郎さんからは研究上の有益なコメントをいただいた。とりわけ，猪瀬さんには，いつも親切に接していただいて，中国と日本との文化的差異と面白い人間観察の話などを一緒に楽しんで話していただいた。

　いつも私のことを信じ，私の留学生活を支えてくれた両親に最大の感謝を申し上げたい。父親と母親が提供してくれた多大なサポートと，変わらぬ精神的な支援は，私が学業を続ける上での大きな力となった。両親は現在，中国国内の各地を旅しており，毎日送ってくれた自然の風景や文化的名所の写真が私の日常生活の最大の慰めになった。幼い頃から，正義感，責任感，冒険心

のある父と，楽観的で寛大な母の影響を受けたからこそ，私は将来，恐れることなく勇敢に先端的な良い研究の道に進んでいけると信じている。

　また，これまでの 6 年半にわたる留学生活において，人生の知己として 11 年間に苦楽を共にしてきて，しばらく会わない時期があっても私のことをよく理解してくれた李暁雅さんにお礼を申し上げたい。本論文の 3 週間にわたる集中的な実地調査の間，彼女は仕事を一時的に辞めて，中国の北から南まで私に同行してくれて，たくさんの研究上の話しを聞いてくださった。古都揚州で暁雅さんと風の音を聞きながら雨を待つ日々，一緒に蘇州の古い街並みを散策する夜が目の前にあるようだった。彼女の存在がなかったら，こんなに心通い合える友達がこの世に存在するなんて，私は知らなかっただろう。心理的に応援してくれた他の中国国内の親友にも心から感謝したい。中国と日本の文学作品や博物館の文物情報および各国料理の作り方を共有してくれた米戈さん，私に最大の信頼を寄せて自分の子供に名前を付けさせてくださった田苑さんからは，計り知れないほどの心理的なサポートをいただいた。

　最後に，今，私の傍にいる猫のエカチェリーナ(ブルーゴールデンシェーデッド色のブリティッシュショートヘア）と私の熱帯魚たち（魚 10 匹とエビ 1 尾）に感謝したい。特にエカチェリーナちゃんは，私が帰宅するといつも真っ先に出迎えてくれた。料理をするときも，勉強するときも，お風呂に入るときも，いつも静かに付き合ってくれた。エカチェリーナちゃんにしても熱帯魚たちにしても，命をいたわる気持ち，小動物に信頼される喜び，部屋の中に生態系を構築する楽しさを感じさせてくださった。悲しい時にも楽しい時にも辛い時にも，猫ちゃんと魚たちは，私にたくさんの幸せを運んでくれた。

　私の人生には多くの偶然があり，博士課程への進学もその一つだった。新疆のウルムチ市から北京まで，そして日本海を越えて東京まで，長い道のりを歩いた。これからの人生でも，両親，先生，親友，学友の皆さんから受けた愛と教えを胸に，新たな挑戦に向かっていきたい。理論と実務のギャップを埋めたり，ステレオタイプを打破したりすることができるようなアジアを代表する CSR 研究者になれるように，頑張っていきたい。

“ 长风破浪会有时
（長風が荒波を突き破る時はきっと来る）
直挂云帆济沧海
（船に帆を揚げてこの海原を渡らん）”

李佳蓉

2024 年 1 月 30 日　国立市

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CHAPTER 1 INTRODUCTION

This thesis aims to investigate a theoretical issue in the Corporate Social Responsibility (CSR) and stakeholder engagement fields, that is, how the hybrid nature deriving from state ownership shapes stakeholder engagement in State-Owned Enterprises (SOEs)' CSR practices. Since the 20th century, SOEs have been present in key industrial sectors of the economy worldwide, especially in developing countries (Kwiatkowski & Augustynowicz, 2015). As a pivotal part of many economies, SOEs contribute 10% to the global gross domestic product and generate revenues equivalent to 19% of world trade (Florio et al., 2018). Although SOEs play a significant role in solving social issues worldwide, the stakeholder engagement literature on this enterprise type still needs to be developed. Particularly in relation to their competing institutional logics, conflicting goals, and diverse corporate functions, SOEs exhibit a more ambiguous scope of accountability, complex interplays with external and internal groups, and different CSR tasks when compared to other companies. This paper argues that SOEs warrant investigation and investigates this sector in the nuanced context of a state-led emerging country. Chapter 1 introduces the background, the study setting, and the composition of this thesis.

1.1 Introduction

The global economy continues to be plagued by stark disparities in human well-being, even in light of recent considerable advancements. Although a lot of governments and non-governmental groups work to advance social justice, the business sector also plays a vital role in solving social issues (Sonenshein, 2016). With the adoption of the notion of Corporate Social Responsibility (CSR), companies have begun to tackle and formally engage in social issues.

Despite the fact that there is no universally accepted definition of CSR, the concept used in this study involves actions that appear to create social benefit beyond the company's economic goals and legal requirements (e.g., Carroll, 1991; McWilliams & Siegel, 2006). Remarkably, it embraces the idea that CSR has far broader roots than just corporate basic functions. The accomplishment of CSR and resolution of social issues are intricate and might involve a variety of groups, such as a local community affected by poverty, a nonprofit, or governmental units aiming to wean people off of public support (Sorour et al., 2021).

Solving social challenges requires active engagement with stakeholders, and thus, building trust-based collaborative relationships is becoming increasingly vital for a company (Freeman et al., 2010). Stakeholder engagement refers to any practices that the organization undertakes to involve stakeholders in a positive manner in organizational activity (Greenwood, 2007). The notion is highly applicable in CSR agendas in understanding the interplay between company and stakeholders, as well as the outcomes arising from those relationships (Kujala & Sachs, 2019; Mitchell et al., 2022; Sachs & Kujala, 2021). It is worth noting that stakeholder engagement must be seen as separate from but related to corporate responsibility, as the engagement may coincide with moral social practices and can also be based on those business activities in a neutral or immoral way.

In the past decade, practitioners' attention to interplays between companies and stakeholders has led to a vibrant body of academic research on stakeholder engagement in the CSR field. Indeed, there are many respected publications that discuss the conception, incentives, outcomes, efficiency, and operation of stakeholder engagement in the CSR area. However, the academic literature to date has focused primarily on CSR in the domain of the private sector,

especially in multinational companies and large-scale businesses (Jenkins, 2004). Even the inclusion of the word "corporate," by definition, indicates an emphasis on privately-owned companies. This trend has overlooked how publicly owned companies engage in CSR with multiple stakeholders, which could bring new perspectives on the sophisticated structure of internal and external stakeholders to existing theoretical ground.

State-owned enterprises (SOEs) are a typical example of publicly owned companies and refer to "any corporate entity recognized by national law as an enterprise, and in which the state exercises ownership" (OECD, 2018, p. 12). Since the 20th century, SOEs have been present in key industry sectors of the economy worldwide, especially in developing countries (e.g., Kwiatkowski & Augustynowicz, 2015). They are controlled by state owners in a sophisticated ownership structure that combines the private sector; in this way, the state can still exert influence over SOEs through a whole, majority, or minority shareholding, known as "golden shares" (Argento et al., 2019). State ownership creates the hybridity characteristic of SOEs, meaning that multifaceted goals (both financial and public policy targets) are combined with incompatible institutional logic, including market (responsive to profitability and effectiveness) and state (focusing on public value creation) logic (Yetano & Sorrentino, 2023).

In recent years, SOEs have attracted a growing number of scholars in the CSR field (e.g., Ervits, 2023; Tang et al., 2020). However, its hybrid nature arising from state ownership is rarely explored in the CSR literature on stakeholder engagement. I argue that this hybrid organization type warrants further investigation for the following reasons: First, a mixture of social value concerns and financial objectives makes SOEs face ambiguous accountability. Private enterprise, governed by the logic of a single system, has a clear scope of responsibility;

as such, an investigation of SOEs' accountable structure would be beneficial to scholars in understanding the scope of stakeholder engagement and CSR under the dictates of competing institutional logics. Second, SOEs show a distinct state-led governance system, which makes the mutual interplay between insiders (e.g., state-affiliated sub-organizations, top management) and external social agents (e.g., government, public institutions) more obvious to be investigated. The relational dynamics between internal and external stakeholders are merely explored in the existing research, as private enterprises have relatively clear lines of interest between their insiders and outsiders. Third, SOEs might enrich the understanding of the roles of sub-organizations or individuals inside the company. Previous research has well investigated how companies manage and respond to the demands of outsiders, as most studies focus on companies with a clear profit-seeking goal. As such, there is a lack of exploration of the roles of internal arrangements. SOEs provide a survey ground for observing complex inner mechanisms, including specialized affiliations, several proprietary departments, and distinctive individuals.

Based on the above, this research aims to answer the core question: ***how does the hybrid nature deriving from state ownership shape stakeholder engagement in SOEs' CSR practices?***

To address the theoretical issue, this study focuses on China, where rapid economic growth has been accompanied by serious social and environmental problems. Owing to a shift in policy calling for a balance of social and environmental development in China (See, 2009), substantial authoritative guidance from state and quasi-state organizations promotes the dramatic growth

of CSR (Patten et al., 2015). China provides a typical scenario for investigating SOEs. Since China's marketization reform in 1978, SOEs have grown dramatically and now play a significant role in China's economy and social development.

In recent years, most CSR scholars have emphasized the significance of exploring the context-dependence of CSR, calling for attention to specific institutional constellations and unique national business system configurations (Jamali & Neville, 2011; Okoye, 2012). In response to this academic call, this paper explores the SOE sector in a nuanced national context. Remarkably, some of the findings should not be generalized without taking into consideration the complex national business system of China, alongside the nuances of the specific country in question. Nevertheless, this paper attempts to find more conclusions that can be generalized to other nations in terms of the commonalities of SOEs.

1.2 Study Setting

To answer the core research question of how hybrid nature derived from state ownership shapes stakeholder engagement in SOEs' CSR, I aim to deconstruct the main theoretical issue in terms of the communication and implementation of SOEs' CSR. According to precious studies, measures of stakeholder engagement can be information activities, which reveal stakeholders' facts about the company that are provided by the company (Provasnek et al., 2018); and participatory activities, which require the implementation and engagement of companies (Dobele et al., 2014). In this paper, the aim is to identify and assess both levels of stakeholder engagement, namely, corporate communication and practical implementation. Thus, I set the following sub-research questions to advance the investigations and discussions:

◆ **RQ 1:** How does hybrid nature shape the SOEs' CSR communication toward stakeholders?

Empirical Study 1: What is the scope of accountability structure in SOEs' CSR communication?

Empirical Study 2: What is the communicative pattern shaped in SOEs' communication?

◆ **RQ 2:** How does hybrid nature shape the SOEs' CSR implementation?

Empirical Study 3: How does the internal CSR engagement mechanism of SOEs work?

Empirical Study 4: How do SOEs engage with external stakeholders?

This paper mixes a methodology with both an inductive and deductive approach to enrich the total discussion on the focused theoretical topic. The relationship between each study is displayed in Figure 1.
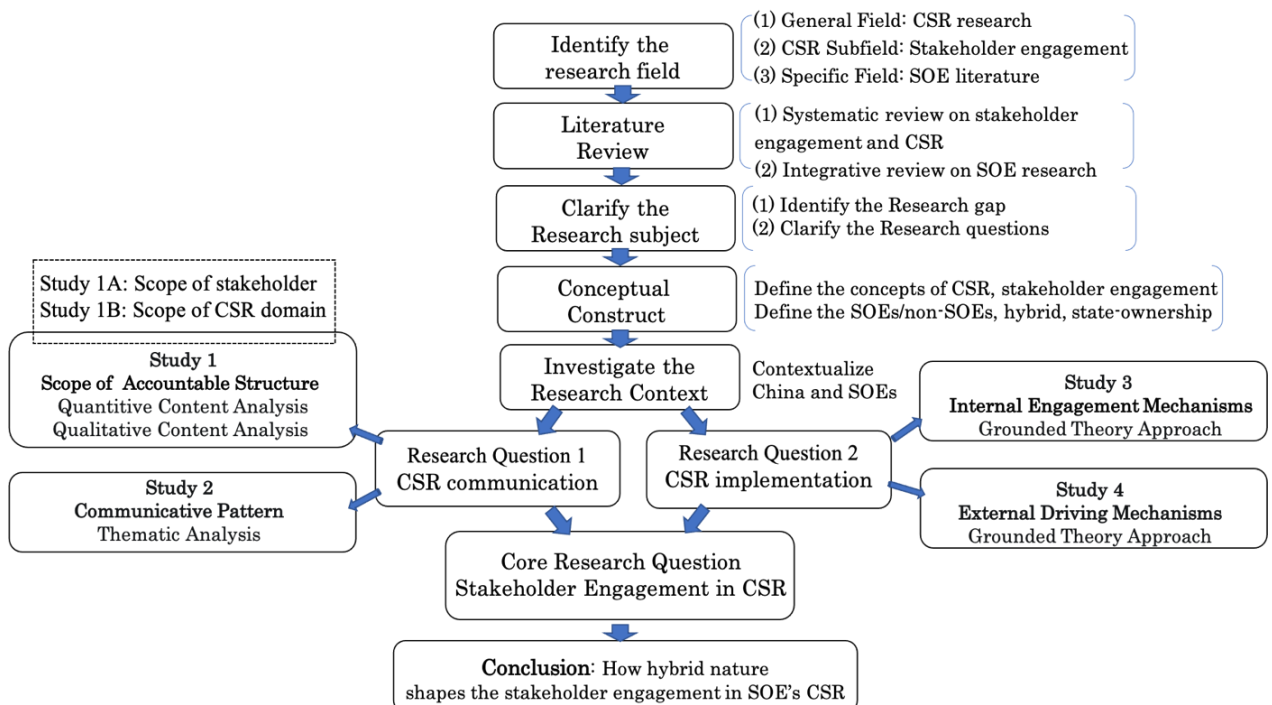
Figure 1: Core theoretical issue and Sub-Research Question

1.3 Composition

This paper consists of seven chapters. Chapter 1 provides an overview of this study, the theoretical background, and an introduction to the main research issues. To organize prior studies, Chapter 2 offers a systematic literature review on stakeholder engagement and an integrated review of CSR research in a SOE context. The first part of Chapter 2 explains the basic concepts of CSR and discusses the differences between the concepts of CSR and stakeholder engagement. Then, by reviewing existing research on stakeholder engagement systematically, I present the definitional structure of each concept, the main theoretical approaches adopted, and the research contexts investigated. On this basis, I summarize the main focus of research dealing with exogenous and endogenous antecedents of stakeholder engagement and identify research gaps. I further point out the potential theoretical challenges for exploring diverse hybrid organization types to pave the way for discussions on SOE research in the second part. The second part of Chapter 2 utilizes an integrative review approach to explain the main concepts and issues of the SOE research. I explain the hybrid feature, inherent tradeoffs, and multifarious institutional logics in a SOE context. Then, this part summarizes the conclusions of CSR research in SOEs and illustrates that a research topic related to stakeholders and CSR requires further exploration. Finally, this chapter argues that investigating stakeholder engagement in SOEs could fill the theoretical gaps identified in the CSR field and stakeholder engagement literature by comparing it with other organization types.

Chapter 3 presents the main theoretical focus of this study and the sub-research questions based on it to clarify the theoretical position. Further, this chapter explains what new findings these research issues would bring to existing research in the stakeholder engagement field and

how they would fill the theoretical gaps in CSR research.

Chapter 4 looks back at the development of CSR practices in China and compares sectors with different capital ownership. Further, I outline the distinct party-state logic and the network of party systems SOEs embed to introduce the uniqueness of China as a research subject. It indicates that this paper would go beyond the general theory of SOEs, responding to a call for investigation of CSR in more nuanced country and sector contexts.

In the following Chapter 5, this paper investigates how hybrid nature derived from state ownership shapes SOEs' CSR communication. I employed the CSR reports of 160 companies as a data source and conducted two-stage research, which included a mixed approach of quantitative and qualitative content analysis and inductive thematic analysis. The first stage of the research is to answer sub-research questions 1 and 2. I identified SOE's accountable structure to clarify the scope of CSR in their communication, that is, (a) the extent to which SOE is accountable to diverse stakeholders and (b) the extent to which SOE is responsible for each stakeholder in terms of CSR domains. This stage aims to clarify the ambiguous accountability of SOEs' CSR. The second stage of the research is to answer Sub-Research Question 3. I extracted the relevant contents of SOEs' reports to make a thematic analysis, categorizing the different CSR practices that emerged in SOEs' communications. This stage aims to analyze the communicative pattern of SOEs.

Chapter 6 investigates how hybrid nature derived from state ownership shapes SOEs' CSR implementation. This chapter conducts in-depth interviews with a total of 27 survey respondents from Chinese enterprises (both SOEs and non-SOEs) and five supplemental interviews toward an NPO, a government NPO, a public institution, and a voluntary

organization. Further, I used a grounded theory approach based on multiple case analysis (Eisenhardt, 1989) to conduct two-stage research. Specifically, the first stage theorizes the internal CSR governance mechanism of Chinese SOEs to deconstruct the roles of party organizations, enterprise unions, and the corporative administrative system. I illustrate the engaging process of internal interest groups in SOEs' CSR activities and explain how conflicting institutional logics shape the inner stakeholders' participation. This stage further analyzes how SOEs cope with multifarious corporate functions through organizational differentiation and the structural design of SOEs. In the second stage, we analyze how external stakeholders engage in SOEs' CSR activities and how outsiders influence the insiders through a network of party systems. The purpose of this stage is to conceptualize the driving mechanisms that facilitate SOEs collaborating with external interest groups in CSR practices.

Chapter 7 describes the total conclusions and implications of this paper. First, I review the composition of the whole thesis. Second, I draw conclusions regarding the uniqueness of SOEs' CSR communication and implementation with a comparison with non-SOEs. Third, I clarify the theoretical contribution to the general CSR field, the literature on stakeholder engagement, studies of SOEs' CSR and governance, as well as the research field on CSR in emerging countries. On this basis, I pointed out the practical implications for decision-makers, individuals in companies, and interest groups. Finally, I conclude this paper by discussing the limitations and remaining issues, indicating directions for future research.

CHAPTER 2 LITERATURE REVIEW

In this chapter, I consider the core concepts and theoretical frames that have been applied to the proposed study. First, this review highlights key research in the areas of CSR, stakeholder engagement, and the intersection of CSR and stakeholder engagement. I begin by first discussing the definitions of CSR and stakeholder engagement in the literature to clarify how scholars conceptualize the social responsibilities of companies. I then consider the prior theoretical and empirical work in the intersection study of CSR and stakeholder engagement, including (a) the main theoretical concerns, (b) different research contexts of interest to researchers, and (c) an overview of prior findings on how stakeholders are involved in CSR. A growing number of explorations on stakeholder involvement in CSR activities have been studied by previous scholars in which, issues surrounding hybrid organization arise.

Second, the integrative literature on SOEs demonstrates the prevalence and significance of this sector as well as the characteristics that make this business segment different from other companies. This discussion will focus on (a) the discussion around defining state ownership, (b) a description of SOE literature in the CSR field, and on this basis, (c) the potentially valuable issues of its stakeholder engagement are indicated. Specifically, the discussion of CSR in SOEs provides an overview of this burgeoning area of research indicating the hybridization nature of SOEs. I demonstrate that, despite the adoption of theoretical perspectives to account for how privately-owned companies engage with core stakeholder groups, there is insufficient explanation for the differences seen in stakeholder relationships and CSR behavior across those companies located in both the public and market sphere, which are dominated by heterogeneous goals, competing institutional logics and complex stake.

2.1 Literature Review on CSR and Stakeholder Engagement

2.1.1 Defining Corporate Social Responsibility

CSR has attracted growing attention from both academia and practical circles, gaining popularity all over corporate organizations. A large number of companies have set up dedicated internal units to manage their social engagement, and over 8000 corporations around the world have signed the United Nations' Global Compact to address important societal challenges (Wang et al., 2016). Corporations are implementing socially responsible business with divergent meanings in varied regions, for different stakeholder groups (Campbell, 2007). There have been various debates on defining CSR and this section aims to throw light on various definitional constructs of CSR that are firmly established.

Initially, the emphasis was on duty to shareholders and the view that maximizing shareholders' benefits (Friedman, 1962), however, society itself reacted strongly to the disillusion of the liberal economic model that brought moral compromises along with business success (Carroll, 1999). In 1953, Bowen introduced the idea of 'social responsibilities' of businesspeople in a wider sphere than pure profit-seeking. The core idea was that business could and should be reasonably expected to serve society in a way that goes beyond its previous obligations. Absorbing various views of national backgrounds and practical settings, a variety of perspectives have been taken, ranging from corporate governance to sustainable development, from social contracts to good corporate citizenship. Particularly, the prevalence of the shareholder-centered model is somewhat lower in Asia and several European countries in contrast to its predominance in America.

Table 2-1 shows the development of CSR concepts that took shape after moving away from

the narrow perspective of shareholder wealth creation. There are many guidelines and standards, but the absolute standards of socially responsible business do not exist. Although there is still no overarching definition of CSR, the above definitions indicate several common grounds, that is (1) discretionary behaviors that beyond the purview of those allowed by legal statutes, (2) corporate actions integrating with social imperatives, and most importantly, (3) multiple stakeholder orientation. Many academics have attempted to delineate CSR by considering stakeholder and social viewpoints, accordingly, conceptualizing it as a voluntary effort to incorporate social concerns into a company's business operations and engagement with stakeholders.

In this article, I adopt the definition by Carrolls (1991), which encompasses economic, legal, ethical, and discretionary responsibilities; That means CSR can be seen as an organization's initiatives beyond profit-making or compliance with the law (Hamid et al., 2020). Moreover, the concept of CSR will be deconstructed by embedding it in a more nuanced research scenario, emphasizing the company's accountabilities to various interest groups (rather than limiting it to a single financier-centered perspective). Economic functions and observance of the law are inherent duties that companies can perform on their own. When it comes to handling challenging social issues (e.g., ethics and philanthropic, and improving social welfare), enterprises are called on to cooperate and co-construct with interest groups for greater social value creation.

To summary, CSR initiatives can have positive effects on stakeholder relationships and be based on substantial engagement measures (Syn, 2014). However, it is worth noting that, Greenwood (2007) suggests that stakeholder engagement must be seen as separate from but

related to corporate responsibility. The engagement activities may coincide with the moral treatment of stakeholders, but they can also be based on amoral or even immoral motives. The next section will introduce the definitional construct of stakeholder engagement.

Table 2-1 Development of CSR concepts

Author	Definition of CSR
Bowen (1953)	CSR is the obligation of businessmen to pursue those policies, to make those decisions, or to follow those lines of action that are desirable in terms of the objectives and values of our society.
Jones (1980)	CSR is the notion that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law and union contracts.
Kotler (1991)	CSR is a means of running a firm to maintain and improve social well-being.
Carroll (1991, 2016)	CSR refers to policies and procedures adopted by the company to ensure that shareholders are recognized and covered in their strategies and operations by society or stakeholders. CSR includes economic and legal obligations, and the ethical and philanthropic responsibility required by society.
Lantos (2001)	CSR is an imperative responsibility steaming from the implicit social contract between the company and society for businesses to respond to long-term needs and maximize the positive impact on society.
McWilliams & Siegel (2001)	CSR is actions that appear to further some social good, beyond the interests of the firm and that which is required by law. For them, this definition underscores to them that CSR means going beyond obeying the law.
Mohr et al. (2001)	CSR is the commitment made by a company to remove or reduce its adverse impact on society and boost the long-term beneficial influence

on society. The social perspective addresses societal issues at the core of CSR.

Smith (2001)	CSR is the obligation of the firm to its shareholders – people affected by corporate policy practices. These obligations go beyond the legal requirements and duties of a firm to its shareholders. Thus, the fulfillment of these obligations is to minimize any harm and maximize the long-run beneficial impact on the firm in society
Hopkins (2003)	CSR is to treat a company's stakeholders morally and responsibly to attain the two-fold goal of maintaining profit and improving the living standard of stakeholders inside and outside the company.
Kotler & Lee (2005)	CSR is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources.
European Commission (2006)	CSR is a concept whereby companies integrate social and environmental concerns in their business operations and their interaction with their stakeholders voluntarily
Hopkins (2007)	CSR is concerned with treating the stakeholders of the firm ethically or responsibly. The wider aim of social responsibility is to create higher and higher standards of living, while preserving the profitability of the corporation, for people both within and outside the corporation.
Crane et al. (2008)	CSR is a set of company values such as follows: (1) voluntary activities that go beyond those prescribed by law; (2) internalizing or managing negative externalities, for example, a reduction in pollution; (3) stakeholder orientation and not only focusing on shareholders; (4) alignment of social and economic responsibilities to maximize the company's profitability; (5) practices and values about why they do it; and (6) more than philanthropy alone.
The United Nations Industrial	CSR is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions

| Development | with their stakeholders. |
| Organization | |

2.1.2 Overview of Stakeholder Engagement Research in CSR Field

Stakeholders are persons or groups that have, or claim, ownership, rights, or interests in a corporation and its activities, past, present, or future (Clarkson, 1995). Stakeholders with similar interests, claims, or rights can be classified as belonging to the same group (Provasnek et al, 2018). Competitors, consumer advocates, customers, employees, environmentalists, governments, institutions, community organizations, media, neighbors, suppliers are qualified to be actual or potential current or future stakeholders of companies, with interests, claims, or rights (Sachs & Rühli, 2011; Wilburn & Wilburn, 2011). Companies can vary substantially in their stakeholder identification processes, stakeholders' specific interests, and commitment to certain stakeholder relationships (Schaltegger et al., 2013). Companies that do not engage with their stakeholders are not socially viable and can experience operational turbulence.

In the CSR field, scholars and practitioners have increasingly called on corporations to improve welfare and address social issues, beyond maximizing the wealth of shareholders or even core stakeholders (Sonenshein, 2016). Worldwide, companies are dedicating resources to social issues that can benefit the greater good, such as health care, poverty alleviation, or natural environment protection. Solving social challenges requires active engagement with stakeholders, and thus, building trust-based collaborative relationships is becoming increasingly vital for a company (Freeman et al., 2010). Thus, business management is getting more challenging since it necessitates a greater understanding of shifting stakeholder

preferences as well as the general environment (Sorour et al., 2021).

Prior studies reached a consensus that stakeholder engagement is highly applicable in CSR agendas in understanding the interplay between company and stakeholders, as well as the outcomes arising from those relationships (Kujala & Sachs, 2019; Mitchell et al., 2022; Sachs & Kujala, 2021). Considering this burgeoning interest in the role of stakeholders in CSR, this section is to document and analyze the context, the multiform, and the issues setting of how stakeholders engage in CSR through a literature review. Furthermore, we seek to determine how the conclusions will contribute to the broader literature on CSR and which could be the valuable research issues to be developed in the future.

To review research on stakeholder engagement in CSR field, this paper followed the principles of "Scope Investigation" (Arksey & O'Malley, 2005). Specifically, I identified a list of journals following the literature selection procedure outlined by two reviews in the Journal of Management (Aguinis & Glavas, 2012; Laplume et al., 2008). To cover a wide range of literature, we used the Web of science, one of the most important databases of scientific publications in the social sciences, to search a wide range of academic paper, not limited by date. We combined and used the key terms from the research fields of stakeholder engagement and CSR, including stakeholder engagement, stakeholder involvement, stakeholder participation, stakeholder integration, and moreover, CSR, sustainability and business ethics. Alternatively, a keyword search was conducted using the search criteria "anywhere", searching for title, abstract, subject, full text, and keywords with the specified terms. At this stage, 269 articles were extracted. The titles and abstracts were reviewed with particular attention, irrelevant articles and response paper were removed. Finally, 87 articles were remained.

Compared to Kujala et al., (2022), the research set from the structured material collection is as below, (a) Included in the analysis were primarily peer-reviewed scientific journal articles written in English and with a focus on business management (Articles from Environmental management and ecology filed are excluded), (b) Solely journal articles which contribute to the subject of integrating stakeholder engagement into CSR field are considered.

Definitions Invoked

Stakeholder engagement has been ascribed to several conceptions. Practically, the ISO 26000 principles for social responsibility conceptualize such activities as any initiatives implemented that foster chances to engage in dialogue between a company and its stakeholders for the purpose create an informed basis for the organizational decision-making. While the concept of "stakeholder engagement" remains inconsistent across diverse fields, this paper adopts the most widely accepted definition of Greenwood (2007), which refers to any practices that the organization undertakes to involve stakeholders in a positive manner in organizational activity. It encompasses the process involved in forming, cultivating, and sustaining interactions with stakeholders, through stakeholder identification, communication, dialogue and reciprocal giving (Burchell & Cook 2006; Greenwood, 2007).

Occasionally, stakeholder engagement is employed as a synonymous term for stakeholder management (see Nair, 2020). Stakeholder management is fundamentally unilateral, in opposition to the notion of reciprocity inherent in stakeholder engagement (Kujala et al., 2022), as companies manage their stakeholders normally but take efforts to preserve themselves against the requirements of stakeholders occasionally (Pedrini & Ferri, 2019). Kujala et al

(2022) show other similar constructs including stakeholder collaboration [1], stakeholder inclusion, and stakeholder democracy, which often overlap with the meaning of stakeholder engagement. First, stakeholder collaboration refers specifically to companies' partnerships with dispersed external interest groups (e.g., customers, communities, advocacy groups, or other parties) to pursue or accomplish wicked goals. These external partnerships could help to reduce operational costs or enhance the organization's efficiency (Martinez & Dacin, 1999), prevent imitation or maintain other competitive advantages (Montiel et al., 2012) or directly preserve access to outside resources (Julian et al., 2008). Second, stakeholder inclusion often refers to the presence of stakeholders in organizational activities, such as decision-making, to include stakeholders' perspectives and knowledge in improving value creation (Mitchell et al., 2015). Third, stakeholder democracy refers to the idea that "stakeholders participate in processes of organizing, decision making, and governance in corporations" (Matten & Crane, 2005).

Other similar concepts such as stakeholder involvement, which refers to a corporate strategy that by engaging in dialogue with stakeholders, the company ideally ensures that it keeps abreast not only of its stakeholders' concurrent expectations but also of its potential influence on those expectations, as well as letting those expectations influence and change the company itself (Morsing & Schultz, 2006). In an interconnected and globalized society, value creation in an issue-based stakeholder network is dependent on co-operation among actors from the

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[1] See Desai (2018). Desai employs a term collaborative stakeholder engagement to describe a collaboration relationship between companies and stakeholders. Stakeholder collaboration is defined as cooperative activities with external stakeholders and can be regarded as a way for organizations to pursue goals that would otherwise be difficult to achieve internally.

public, private, and not-for-profit sectors to take into account the dynamics and complexity of the corresponding stakeholder relationships (Schneider & Sachs, 2017). Another term named stakeholder network emerged when cross-sectoral organizations build cooperative relations and do not rely on either market or hierarchical mechanisms to address integrative social issues (Hardy et al., 2005).

These constructs cover specific aspects and contents of the stakeholder engagement construct. Various stakeholder-related conceptions overlap and are not thoroughly unified, nevertheless such frequently emerged terminologies indicate a growing focus on resolving issues and fulfilling goals that stakeholders and businesses share. This paper argues that the definitional construct of stakeholder engagement is more of an umbrella concept, with a broader meaning that encompasses all of the above: management, democracy, intervention, co-operation, involvement, and so on. Crucially, the cognitive transition, which company should engage in dialogue or work with interest groups to sort out issues (rather than simply complying with their requests), empowers the enterprise and capitalist system to best deploy resources and generate synergic benefit for all stakeholders (e.g., Freeman, 2007).

Another point that needs to be made clear in definition of constructs is the term "engagement". As previous studies did not stipulate the degree of participation clearly, the viewpoints of past research are fragmented regarding defining the "engagement". Stakeholder engagement literature encompasses a variety of explorations from simple unidirectional corporate information transmitting to a collective and shared approach of collaboration (Bridoux & Stoelhorst, 2016; Jones et al, 2018). Some scholars conceptualize the "engagement" as corporate communication toward interest groups by default, because

transmitting information could be the first step in engaging stakeholders involved in corporate activities (e.g., Castello et al., 2016; Morrison et al., 2018). On the other hand, several scholars perceive "engagement" as a practical action employed by companies to incorporate interest groups in their operational endeavors or decision-making which goes beyond the one-way dissemination of information on corporate activities (e.g., Desai, 2018; Sorour et al 2021).

Following Greenwood (2007)'s discussion, the term 'engagement' can be used to achieve agreement, accountability, partnership, management, and involvement, to increase trust and fairness; as such, the impetus behind contains both efforts for dialogue and work on interactive participation. On this basis, this paper adopts an umbrella definition of stakeholder engagement for two reasons. First, engagement starts out with the company communicating with stakeholders to disseminate information, discuss opinions and expectations, so that how companies communicate with stakeholders could be studied as an initial stage of the participatory process. Second, one trend in stakeholder literature is to look more at the practice with different levels of participation (Kujala et al., 2022; O'Riordan & Fairbrass 2014). Prior research lacks a comparative perspective on deconstructing the efforts of "corporate dialogue" and the process of "practical participation". This paper contends that future research linking the two might bring richer implications for stakeholder engagement literature, by providing the bilateral view including what companies say and how they put into practice.

Methodologies Used and Theories Employed

To provide an overview of the research trends, as well as the widely utilized methodologies and theories, this paper offers a descriptive summary of stakeholder engagement studies

through a systematic review approach. Compared with other subordinate fields of CSR, although empirical studies (N=55) are more numerous than conceptual papers (N=29) in the stakeholder engagement literature, conceptual discourse can even account for 1/3 of all theoretical discussions. This descriptive finding might indicate that the conceptual development in this field is rich, and there is still a lot of room for investigation of empirical evidence.

In terms of the research approaches adopted, the empirical studies are heavily dominated by qualitative analyses (Qualitative N = 40; Quantitative = 13, Mixed = 2), with the main data sources being interviews (e.g., open-ended, semi-structure), secondary data (e.g., CSR reports, sustainability reports), observations and experiments (e.g., focus group). With regards to data deconstruction and interpretation, several studies employed qualitative data analysis with thematic analysis and other inductive methods (N = 10), grounded theory for the purpose of theory generation (N = 7). The most commonly used method in qualitative research is the case study approach (N=19), which include single case analysis (Eger et al., 2019; Slack & Morris, 2015), multiple case studies (Gifford et al., 2010; Goodman et al., 2014), and comparative case studies (Ramus & Vaccaro, 2017). In case study approach, three types of case analysis units are identified: organization level, industrial sector level, and specific CSR projects. Further, qualitative methodologies such as historical/longitudinal research (N=7), discourse analysis (N=2), qualitative behavioral research (N=1), and ethnographic study (N=1) are also available. Of the case studies and small sample material, most are unsystematic or anecdotes-basis, indicating that standardized conclusions are rarely drawn.

On the other hand, quantitative empirical studies (N = 13) use secondary databases, company

self-reports and surveys. With regard to data handling, most of quantitative research are based on model verification, of which three articles working on scale development (e.g., Girard & Sobczak, 2012; Delgado-Ceballos et al., 2012; Winkler et al., 2019). I found that no other quantitative approach such as quantitative content analysis is utilized. The result indicates that further investigation into viable quantification approaches in this area seems warranted. Considering the fact that quantitative examinations are significantly outnumbered by qualitative investigations (see Stutz & Sachs, 2018), it can be inferred that stakeholder engagement presents a comparatively emerging area compared with others and lacks validated measurement models (Kujala et al., 2022). Especially, organizations may maintain quite distinct relations and engagement procedures with various stakeholders (Bosse & Coughlan, 2016; Bridoux & Stoelhorst, 2016; Kujala et al., 2017). A fundamental issue that influences quantification is the decision of whether to conduct separate surveys for each stakeholder or to aggregate stakeholders as a whole for assessment.

Finally, with regard to the theoretical perspectives employed, the main concerns of the publications reveal the fragmentation of extant studies, presenting that a broad variety of issues were addressed rather than any particularly prevalent focal issues[2] (Kujala et al., 2022). Definitely, the predominant theoretical and fundamental discourses often encompass stakeholder theory, CSR, sustainable development, and business ethics, which reveals the

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[2] Academics focus substantially more on the interaction between stakeholders and businesses in the corporate activities such as (a)CSR and sustainability (Dobele et al., 2014), (b) social accounting and reporting (Böhling et al, 2019), (c) innovation/green innovation (Alvarez & Sachs, 2021; Watson et al., 2020), (d) value creation (Freudenreich et al., 2020), as well as strategic planning and decision making (Castelló et al., 2016; Ramus & Vaccaro, 2017).

origins of stakeholder engagement research in business and society literature. As Table 2-2

shows, stakeholder theory is the only dominant theory in the field of stakeholder engagement.

Commonly used theories include legitimacy theory, which is often used in the CSR field, and

political theory (e.g., Habermas's discourse ethics). Other general theories such as contingency

theory, social contract theory, social capital theory, and social exchange theory are also used as

a theoretical base in several literature.

Table 2-2 Roadmap of theoretical perspectives in stakeholder engagement research

Analytical level	Theoretical perspective	Example
Macro/Meso	Stakeholder theory	Ayuso et al., 2014; Burchell & Cook, 2013; Civera et al., 2019; Delgado-Ceballos et al., 2012; Gifford et al., 2010; Griffin et al., 2021; Kourula, 2010; Provasnek et al., 2018; Pucci et al., 2020; Strand & Freeman, 2013; Veronica et al., 2020
Macro	Harbamasian	Corus & Ozanne, 2012; Ferraro & Beunza, 2018; Goodman & Arenas, 2015; Noland & Phillips, 2010; Reynolds & Yuthas, 2007; Schormair & Gilbert, 2020
Macro/Meso	Legitimacy theory	Castello et al., 2016; Liu et al., 2010; Claasen & Roloff, 2012
Macro/Meso	Contingency theory	MacDonald et al., 2019
Macro/Meso	Social contract theory	Cava & Mayer, 2007
Meso/Micro	Social capital theory	Sonenshein, 2016; Maak, 2007
Micro	Social exchange theory	Slack & Morris, 2015
Meso	Resource based theory	Clarke & MacDonald, 2016
Macro	Deliberative democracy	Castelló & Lopez-Berzosa, 2021

	theory	
Macro/Meso	Transaction theory	Odziemkowska & Dorobantu, 2021
Multi-level	Application of multiple theory	Baranova & Meadows, 2017（Stakeholder theory、RBV）；Bendell & Huvaj, 2020（Stakeholder theory、KBV、Upper echelons theory）；Gupta et al., 2020 (Institutional theory、Configuration theory)

Source. Compiled by authors

Geographical Focus and Research Context

Among the empirical studies, more and more articles tend to focus on a specific national context (Research with a specific research context, N = 53) and especially, the number rapidly increased in 2020. Research concentrating on developed countries (N = 40) are far more prevalent than those focusing on developing nations (N = 13); such a review finding is consistent with the flow of CSR research. It can be inferred that to a certain extent, the prevailing view on stakeholder engagement is colored by the liberal market system where CSR is more competitive and instrumental, because the majority of prior studies have a special focus on United States (N = 10, e.g., Desai, 2018; Hoi et al., 2018; Simpson et al., 2020) and the United Kingdom (N = 10, e.g., Burchell & Cook., 2013; Hejjas et al., 2019; Slack & Morris., 2015).

As Table 2-3 shows, literature from other countries in Europe (e.g., Italy, German, Spain) and the North America (e.g., Canada, N=5) is increasing. New theoretical perspectives from multiple national contexts are being incorporated in the field of stakeholder engagement (e.g., Ve Lent & Smith, 2020; Passetti et al., 2019; Provasnek et al., 2018). For instance, the For-

Benefit Company (often known as the fBComp) was officially recognized by law in Italy since 2015. Those entities operate for profit, yet they base their business decisions on society's well-being rather than just shareholders (Czinkota et al., 2020). A new wave of research has emerged in response to the introduction of such a new business unit.

It is also noteworthy that the literature on developing economies centers solely on Africa (N=5), Latin America (N=4), and South Asia (N=3), which are characterized by weak national business systems, underdeveloped market and legal environments, and a heavy reliance on foreign capital. Those studies, however, mostly address conflicts or collaborations between multinational enterprises (MNEs) and local markets or marginalized indigenous peoples (e.g., Claasen & Roloff, 2012; Davila et al., 2018; Murphy & Arenas, 2010), which means they offer limited insights regarding the interplay of domestic enterprises and stakeholders in underdeveloped nations. Most studies tend to highlight the Western-centric, globalizing or postcolonial origins, assumptions and construction of stakeholder engagement. Only one study on emerging BRICs countries was published in 2020 (i.e., Chen & Liu, 2020). These findings reveal the necessity for further investigation on stakeholder engagement in multiple geographical and emerging country contexts.

Table 2-3 Geographical focus in empirical studies

	2005-2010	2011-2016	2017-2021	Total
U.S.	3	1	6	10
U.K	5	3	2	10
Italy		1	6	7
Canada		3	2	5
German		1	1	2

Spain	1	1		2
Austria			1	1
Australia		1		1
France		1		1
Nordic			1	1
Developing countries				
Africa	1	1	3	5
Latin America	2		2	4
South Asia	1		2	3
China			1	1

Source. Compiled by authors

2.1.3 Research Agendas for Stakeholder Engagement Research

Communication and Implementation：Engaging with Interest Groups

As companies have already surpassed the general expectations regarding their traditional role by undertaking diverse CSR activities, stakeholders attempt to influence their behavior in a multitude of ways (Castelló et al., 2016). Many accounts of stakeholder activities focus on the attributes of the organizations or the attributes of the stakeholders rather than on the attributes of the relationship between organizations and stakeholders (Greenwood, 2007). In the last few years, however, greater attention has been given to thinking about what shapes the interplay between enterprises and stakeholders, and how business engages with interest groups. In other words, in addition to thinking about which actions firms must and must not perform in order to meet moral standards, attention is now being paid to the relationship firms must

foster with their stakeholders (Noland & Phillips, 2010).

The transition towards a greater focus upon stakeholders has resulted in a broad range of engagement strategies being developed, stretching from increased dissemination of information through detailed reporting practices towards more interactive forms of stakeholder engagement (Burchell & Cook 2006). Payne & Calton (2002) describe this transition in manager–stakeholder relations as going from 'the need for unilateral managerial cognition and control to a perceived need by some for reciprocal engagement and new dialogic forms of collective cognition'.

Responsibility issues are framed by juxtaposing talk and action (Penttilä, 2020). Greenwood (2007) discuss on the moral stance of social reporting and internal stakeholder participation, to tease out the construct of stakeholder engagement. With regard to the former, CSR reporting is often depicted as a communication between the company and its stakeholder and a means by which the stakeholders can engage in the activities of the company (Greenwood, 2007). An increasing number of Scholars denaturalizes communication as simple reflection of reality or individual motivations and focuses on how communicative practices affect CSR engaging with stakeholders (Castelló et al., 2013; Iivonen & Moisander, 2015; Schoeneborn & Trittin, 2013). From a viewpoint on CSR communication (see Penttilä, 2019), reporting CSR information might create social realities, and words count in a profound way, that is, social reporting is not only a report on the results of stakeholder participation, but also regarded by scholars as an important first step in calling for stakeholder dialogue. Corporate communications about CSR could be beneficial for interacting with stakeholders, as such communication show the consequences of behaviors that have already occurred and also express the tendency of

behavioral development — even if such CSR talk only reflect part of what an organization is actually doing (Penttilä, 2019).

Business-initiated communication is a crucial beginning of stakeholder engagement, as companies invite stakeholder to engage with them as proof of their sincere and caring nature. A well-known case is social reporting of Royal Dutch Shell Company, which provides a detailed illustration of engagement. From 1995 to 1999, this company was mired in scandal (accused of involvement in the execution of activists) and spent four years restoring its corporate reputation through active involvement in environmental protection, human rights issues (Wheeler et al., 2002). Shell undergone this transition and rose to the top of the social and environmental reporting field, which promotes a higher-level stakeholder engagement. Shell made the statement in 1998: We care what you think of us. We want you to know more about how we work and how we strive to live up to our principles. This report is part of a dialogue and we will continue to seek your views. Its ethical reporting is viewed as a transformation from a defensive "trust me" approach to a proactive "join us" (Kaptein & Wempe, 1998).

Another research trend indicates that the significance of rising levels of engagement, from a one-way information transmission to two-way interaction. As 2.1.2 states, Greenwood (2007) views stakeholder engagement as practices that the organization undertakes to involve stakeholders in a positive manner in organizational activities. There are many illustrations of stakeholders volunteering their time, personal resources, and even cash to further not only their interests but also the common good (Pirson & Turnbull, 2016). Stakeholder engagement in the business, governance and strategy development process is crucial for enhanced CSR. The

Citizen Utility Boards established by Ralph Nader provide an example of where utility customers volunteered cash to lobby regulators not to accept management requests to increase prices for customer protection (Givens, 1991).

Despite the widespread adoption of the stakeholder notion and initiatives involving stakeholders, empirical research on stakeholder engagement is still fragmented and warrants more investigations (Kujala et al., 2022). Several studies have focused on the participatory behavior of specific interest groups, which are scattered in the areas of employee and community engagement. Indeed, engagement with stakeholders occur across a broad spectrum of corporate initiatives, encompassing public relations, service delivery, supplier collaboration, managerial accounting, and human resource management. As political CSR research evolves in capitalist country, recent theorizing has highlighted how companies are increasingly involved in solving social issues and public tasks, for instance, they consider the public interest and conduct ethical or philanthropic CSR complementing the task of governmental authorities in various ways (Scherer & Palazzo, 2016). In this emerging context, social issues are complex and can involve multiple stakeholders (e.g., communities in need of cultural assistance medical assistance, a non-profit organization working to alleviate poverty), thus stakeholder engagement not only serve as "as a mechanism for co-operation, accountability, and corporate governance (Greenwood, 2007, p. 318)", but could also function as a force that co-creates social value with enterprises. Examples include Weyerhaeuser's forest management joint ventures with First Nations bands, and Hook & Ladder Brewing Co.'s philanthropic support of local fire-fighters through the donation of 'A Penny for Every Pint' (Bowen et al., 2010).

Based on the above, engagement measures can be information activities, which reveal to

stakeholders' facts about the company that are provided by the company (Provasnek et al, 2018); participatory activities, which require context-dependent engagement (Dobele et al., 2014). In this paper, the aim is to identify and assess both the two level of stakeholder engagement, namely, corporate communication and practical implementation. Specifically, I aim to further examine whether the two trends reveal similarity and competing ideas about the scope, pattern and manner of engaging stakeholders.

Summarizing Multiple Antecedents of Relations between Business and Stakeholders

The stakeholder perspective adds a new quality to the CSR discussion by acknowledging that relationships form the basis for accelerating socially responsible business. In some cases, it is impossible to tackle complicated social issues without sound relationships with both internal and external stakeholders. Businesses are built around specific purposes that form the basis for stakeholders to cooperate and enter into relationships with them or refuse to do so (Freeman et al., 2010). Stakeholders have a variety of motivations to engage in relationships with a focal business and its value creation and exchange processes (Bridoux & Stoelhorst, 2016; Brickson, 2007). On the other hand, companies seek to involve stakeholders in their activities; as such, these stakeholder-initiated actions can be driven either by both exogenous and endogenous antecedents.

I summarize the predictors of stakeholder engagement in corporate activities at both exogenous and endogenous aspects, while the review indicates that these are still fragmented and nascent in this literature; This section thus channeled my efforts as a vital step to unpack the specific antecedents of stakeholder engagement in CSR contexts which refer to factors that

shape or predict the type or scope of corporate actions and sustainable policies. At the exogenous level, we focus on identifying external forces existing in the environment of the company. The literature explores macro-level, national and or supranational predictors, the most prominent of which fall into one of five categories, (a) social change and technology development, (b)national context, (c) community context, (d) civic need, (e) global grand challenge.

The first category of exogenous antecedents relates to the institutional level focused on political governance and public policy, the local infrastructure (e.g., NGO bases), economics, and the business operating environment, which generally depict or comment on the state of components of the national business system (NBS), namely, national-level factors shaping stakeholder engagement in business. The subcategories include public policy and institution system. First of all, public policy identifies substantive priority areas for including stakeholder concerns in organizational processes (Blake, 2007). Through policy call, governments have been involved in a new type of political relationship with businesses and civil society stakeholders to promote responsible and sustainable business practices. For example, Albareda et al. (2007) analyze the CSR public policies in European advanced democracies and observe coinciding lines of action among the different countries. The emerging new roles and soft tools of government (rather than hard power) promote multi-stakeholder dialogue through policymaking. Second, institutional systems shape the relationship between companies and stakeholders. Based on previous research, national institutions mirror business activities and stakeholder engagement strategies to some extent (e.g., Gupta et al., 2020; Kang & Moon, 2012; Matten & Moon, 2008) because institutional environments create rules and norms that

determine which stakeholders are given priority (Ioannou & Serafeim, 2012; Maignan & Ralston, 2002). In market-driven institutional systems, companies are reliant on equity financing and have access to flexible labor markets, and the state enshrines companies' fiduciary duty to their shareholders in law and emphasizes engaging with shareholders. In coordinated institutional systems, companies rely on long-term bank-based financing, provide greater employment security for their employees, and the state restricts employers' rights to unilaterally change employment terms (Gupta et al., 2020). Examples representing the national antecedents also include the NGO base (Kourula, 2010) and the complex NBS faced by MNEs (Davila et al., 2018).

The second antecedents repeatedly mentioned include the community context of multinational business, such as power structure, and civic norms in a county or a specified area. Within this literature, the contextualized backgrounds of local communities in host countries were frequently highlighted (e.g., Claasen & Roloff, 2012; Hoi et al., 2018). For instance, Claasen & Roloff (2012) explore De Beers' partnership with the Namibian government and emphasize the positive role of business in driving Africa's local development. As De Beer began operations in Namibia during the South African Apartheid regime, it encounters serious hurdles to its legitimacy. Through a jointly owned company held equally with the government, De Beers engages in CSR activities ranging from social investments in mining communities to the rehabilitation and ecological restoration of former mines to ''benefaction''. Its social activities meet the community's needs and thus promote relationship-building with local stakeholders. Such studies on specific community context highlight that a company's ability to generate appropriate value is conditioned by the level of political and social consent for its

operations, that is, by the support of its local nonmarket stakeholders (Odziemkowska &
Dorobantu, 2021). To secure such support, companies are devoting more resources to CSR
programs, collaborating with NGOs, paying more attention to the communities surrounding
their operations, and increasingly formalizing some of these relationships through contractual
agreements. Odziemkowska & Dorobantu (2021) investigate transactions between companies
and the local communities in the proximity of their operations. From the perspective of
relations between companies and communities, they collected novel data on the location of
indigenous communities and mines in Canada and identified the communities that are "at risk"
of entering into a contract with a company. Other specified factors related to community
characteristics, such as power structure (Hoi et al., 2018), strength of civic norms, and density
of social networks (Hoi et al., 2018), were explored as well. Those studies either demonstrate
a higher concern for stakeholder participation in developed areas or pay high attention to the
confrontational stance between MNEs and local communities in poorer regions.

Regarding the third antecedent, several articles touch on the grand challenge, including
sustainable development and global issues such as poverty, climate change, modern slavery,
political instability, and pandemic (Roulet & Bothello, 2021). The appearance of multi-
stakeholder dialogue proposals in the early years indicate that CSR is not a new and isolated
topic in a globalized background[3]. To address the prevalence and complexities of social
challenges around the world, organizations in the business, government, and non-profit sectors

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[3] Those dialogue proposals have included the UN Global Compact, the Global Reporting Initiative, and the
European Multi-Stakeholder Forum on CSR, which propose dialogue among the different agents involved
as a working methodology aimed at making headway in multilateral consensus proposals.

are increasingly collaborating via multi-stakeholder partnerships (MacDonald et al., 2019). Most studies in this category focus on how social issues worldwide promote multi-stakeholder partnerships. One of the empirical evidence provided by Sloan & Oliver (2013), is a multi-year case study of a business-stakeholder partnership among a MNE, four Aboriginal organizations located near its facilities, as well as the federal Canadian government and its provincial counterpart. This MNE's overarching objective was to ensure steady access to skilled workers, the Aboriginal partners wanted to develop employment opportunities for their communities, and the federal and provincial governments had public policy goals to enhance Aboriginal economic development. For a wider collaboration in handling social tasks, the authors deconstruct the cognitive and affective dynamics between companies and different groups engaged in.

Fourth, prior studies also highlight the effects of environmental changes (i.e., referring to societal evolution and technology transformation) on the relationship between business units and stakeholders. Castello et al. (2016) reveal that the introduction of social media will influence the transition of stakeholder engagement strategies. In addition to the advancement of communication technology, the scope and process of stakeholder engagement can be shaped by social movements or dialogue as well (Burchell & Cook, 2013). When external stress comes from unanticipated changes to the institutional environment, organizational governance including stakeholder engagement mechanisms, tends to adapt because key stakeholders may renegotiate the governance arrangements to support the organization's survival (Klein et al., 2019).

Fifth, a handful of researchers conceptualize the civic need as a predictor, whereby the

accelerating need of societal development is serving to shape engagement in corporate activities. These studies are dominated by conceptual articles and are looking at the value of co-creation by stakeholders and companies. They reach an agreement that catalyzing societal change and meeting citizens' needs are important drivers for collaborations between nonprofits and social innovators, socially minded start-ups and major corporations, and every level of government. For example, Lumpkin & BACQ (2019) explain how societal impact happens across categories of stakeholders by setting forth an integrative framework of civic wealth creation to account for social, economic, and communal endowments. Cava & Mayer (2007) propose that when faced with the deterioration of its economic base, any business community must make some difficult decisions about its role within the urban community and about its responsibilities to that larger group. These difficult decisions must be balanced alongside and against responsibilities to owners and relevant stakeholders.

Table 2-4 Summarizing exogenous antecedents of stakeholder engagement

Antecedent	Author/year	Argument
National context		
Public policy	Blake, 2007	Public policy might influence not only the process of community engagement, but also identify substantive priority areas for including community concerns in organizational processes.
	Albareda et al., 2007	CSR public policies in European advanced democracies provides explanatory keys on how governments have understood, designed and implemented their CSR public policies. The coinciding lines of action among the different

		countries has proposed a four ideal typology model: Partnership, Business in the Community, Sustainability, and Citizenship, and Agora.
Institutional system	Gupta et al., 2020	In market-driven institutional systems, companies are reliant on equity financing and have access to flexible labor markets, and the state enshrines companies' fiduciary duty to their shareholders in law. In coordinated institutional systems, companies rely on long term bank-based financing, provide greater employment security for their employees, and the state restricts employers' rights to unilaterally change employment terms. The findings highlight the multiple context-dependent paths, which link stakeholder engagement to high firm performance.
	Kourula, 2010	The institutional context, especially the local NGO base have important implications on the strategies (sponsorship, dialogue or partnership), and engagement forms (nine different forms are identified) of business–NGO engagement.
National business systems	Davila et al., 2018	Research highlights the relevance for MNCs of defining their CSR orientation in emerging economies because of the many socioeconomic issue endemic to these contexts. In turn, communities in emerging economies expect companies to develop a long-term commitment to improving local welfare and prosperity and ensuring trusting relationships

Community Context

Policies of multinational companies in local countries	Claasen & Roloff, 2012	De Beers's partnership with the Namibian Government and its strong emphasis of the "positive role of business in driving Africa's development" can be interpreted as an attempt to repair legitimacy damages resulting from its past. De Beers' companies engage visibly in CSR activities with stakeholders ranging from social investments in mining communities, the rehabilitation and ecological restoration of former mines to "beneficiation"
Strength of civic norms and density of social networks	Hoi et al.,2018	Community social capital facilitates positive CSR activities that benefit non-shareholder stakeholders and constrains negative CSR activities that are detrimental to non-shareholder stakeholders.
Property right/ Negative externalities	Odziemko wska & Dorobantu 2021	As managers devote more attention to nonmarket stakeholders, research on nonmarket strategy highlights that a firm's ability to generate and appropriate value is, at least in part, conditioned by the level of political and social consent for its operations, that is, by the support of its nonmarket stakeholders. The authors test the hypotheses using data on 124 mines and all indigenous communities within 500 km of those mines (a complete list of 187 mines that signed CBAs with Canadian indigenous communities between 1999 and 2013, reported by Natural Resources Canada, the Canadian government agency responsible for resource development).

Power structure	Watson et al 2020	Power balance (Holmes & Moir, 2007; Murphy, Perrot, & Rivera- Santos, 2012) and resource interdependence (Ashraf et al., 2017) have been established as contextual factors affecting business-nonprofit partnership outcomes.

Grand Challenge

Sustainable development challenges	MacDonald et al.,2019	To address the prevalence and complexities of sustainable development challenges around the world, organizations in the business, government, and non-profit sectors are increasingly collaborating via multi-stakeholder partnerships. Because complex problems can be neither understood nor addressed by a single organization, it is necessary to bring together the knowledge and resources of many stakeholders.
Sustainable development challenges	Roulet & Bothello 2021	Tackling grand challenges such as poverty, climate change, modern slavery, political instability – and more recently, the COVID-19 pandemic – have required, and continue to require, sustained collaborative efforts of companies and diverse stakeholders.
Critical emotional incident/Trust	Sloan & Oliver,2013	The analysis of the development of one multi-stakeholder partnership between a multinational corporation, two levels of government, and local indigenous peoples, show that trust-building is a dynamic process in which emotionality plays a key role. Critical emotional incidents can unexpectedly punctuate the engagement process, serving as turning points in the development of trust.

Social change and technology development

Change in the introduction of a new engagement environment	Castello et al., 2016	The introduction of social media into the process of stakeholder engagement challenged the effectiveness of previous legitimacy strategies. The new context of social media utilization enables the transition from a face-to-face, centralized strategic manipulation engagement strategy to an online networked engagement strategy.
Social Movements and the Threat of Co-optation	Burchell & Cook, 2013	The utilization of dialogue processes increases interaction between companies and NGOs. In a number of cases, they have resulted in increased trust and understanding between business and social organizations to deal with social movements and the threat of co-optation.
Changes originating in the institutional environment	Klein et al., 2019	When the external stress comes from unanticipated changes to the institutional environment, organizational governance including stakeholder engagement tend to adapt. Key stakeholders may renegotiate the governance arrangements to support the organization's survival

Civic need

Societal development/civic value creation	Lumpkin & BACQ, 2019	Achieving societal impact and catalyzing societal change are important drivers for nonprofits and social innovators, socially minded start-ups and major corporations, and every level of government. Three main stakeholder categories make critical contributions to societal change efforts.

| Societal development/civic value creation | Cava & Mayer,2007 | When faced with the deterioration of its economic base, any business community must make some difficult decisions about its role within the urban community and about its responsibilities to that larger group. These difficult decisions must be balanced alongside and against responsibilities to owners, shareholders and relevant ''stakeholders'' in a relatively new context. |

Source. Compiled by authors

At the endogenous level, antecedent categories include organizational internal factors such as (a) organizational setting and (b) organizational goal; moreover, several antecedents, including meso, micro, or multi-level perspective, fall into the remaining category (c) internal stakeholder-related factors.

The first antecedent category is organizational settings, which include culture, communication, design, strategic alignment, and governance structures (e.g., centralization and decentralization). Evidence presented by Slack & Morris (2015) suggests that employee participation in CSR activities is related to a perceived lack of CSR, which may be brought on by an obscure and weak CSR culture as well as inadequate communication. With regard to the engagement of particular stakeholders (i.e., employees), Hejjas et al. (2019) pointed out the key antecedents that vary depending on employees' existing level of broader engagement, containing culture, organizational intervention design, and CSR perceptions. Other factors related to organization design, such as the decentralization of power, can also facilitate meaningful stakeholder engagement to improve business operations, risk management,

stakeholder interests, and CSR (Pirson & Turnbull, 2018). In this way, CSR becomes integrated into corporate governance.

A second category refers to a company's motives to engage with stakeholders. In contrast to the organizational settings identified above, companies' motives have been conceptualized as an aim or desired result through stakeholder engagement. The organizational motives fall into two subcategories: market goal and non-market goal. Market goals are motives derived from benefit (e.g., Chen & Liu, 2020; Provasnek et al., 2018; Pucci et al., 2020) and those derived from business legitimacy (e.g., Griffin et al., 2019; Provasnek et al., 2018). Provasnek et al. (2018) note that meaningful stakeholder engagement is increasingly important for companies to secure their benefits and legitimacy in various industries. For example, customer participation offers an effective way to co-opt environmental pressure from customers and enable green product innovation in small and medium enterprises (Chen & Liu, 2020). Many companies invite customers to participate in green product development, which provides market knowledge that companies lack internally, such as detailed descriptions of customers' needs and preferences and potential solutions to problems (Chen & Liu, 2020). Furthermore, companies adopt engagement strategies for business legitimacy and social approval; Griffin et al. (2019) found that R.J. Reynolds immediately sought to improve its legitimacy and enhance social approval through "Most Admired Workplace" awards, engaging with stakeholders. However, Philip Morris failed to deal with stakeholder relationships and was slow to gain social approval, with its legitimacy severely questioned throughout the 10-year boycott led by INFACT[4].

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[4] INFACT, a global tobacco control organization, actively withheld public support by organizing a 9-year

Notably, literature that tends to explore those business organizations with non-market goals, although very limited, has shown a growing trend in recent years. Richards (2023) focuses on family business and builds on previous insights that non-financial goals might be a double-edged sword (Cruz et al., 2014) by conceptualizing when and why the same non-financial goals that promote proactive stakeholder engagement hinder the latter, explaining the mixed findings of existing research with regard to family business' social responsibility. Other empirical evidence includes social enterprises (Ramus & Vaccaro, 2017), where a focus on market performance may jeopardize their commitment to achieving their social mission, expose these organizations to mission drift, or abandon social concerns in favor of profit-seeking activities. Ramus & Vaccaro (2017) argued that stakeholder engagement strategies that social enterprises can adopt to prevent mission drift and improve efficiency and competitiveness while maintaining their social commitment.

The last category involves the company's internal stakeholder-related factors in shaping the engagement, which mainly contains the investigations of shareholders and employees. First, the role of special shareholders has attracted the interest of researchers (Goodman & Arenas, 2015; Logsdon & Buren, 2009). For instance, one of the largest and most active coalitions of shareholders working on social shareholder engagement, the Interfaith Center on Corporate

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public boycott of PM's branded consumer products and global tobacco operations, where it encouraged numerous other NGOs and organizations to join the effort in the boycott against PM. Tobacco activists, NGOs, special interest organizations (SIOs), and third-party organizations joined the boycott, bringing direct attention to the ills of tobacco companies while exerting considerable influence on PM. By enjoining sympathetic allies, INFACT employed an indirect strategy to withhold public approval and cast doubt on the PM's legitimacy.

Responsibility, claims that it is the impact on people, usually economically vulnerable people, who inspire us to act. Religious shareholders as active and experienced engagers are influenced by a variety of pragmatic and moral considerations when deciding on their engagement practices to push for greater social, environmental, and ethical responsibility from the companies they invest in (Goodman et al., 2014). Driven by principle rather than economic rationality, such social shareholders always have a different ideology from conventional market logic (Clark et al., 2008; Lee & Lounsbury, 2011). Second, the perceptions and involvement of employees are recognized as important predictors influencing stakeholder engagement. Slack & Morris (2015) demonstrate that when employees view CSR as not strategic enough or not sufficiently aligned to business and personal objectives, such perceptions may potentially impair greater employee engagement. Scholars consistently perceive that positive CSR perceptions of employees predict increased CSR engagement (Simpson et al., 2020), and several studies have even argued that it can facilitate external participation (e.g., Winkler et al., 2019).

Table 2-5 Summarizing endogenous antecedents of stakeholder engagement

Antecedent	Author/year	Argument
Organizational setting		
Internal barrier	Delgado-Ceballos et al., 2012	Stakeholder integration positively influences the development of proactive environmental strategies when managers perceive internal barriers to the development of such strategies. However, managers may use the stakeholder integration capability to support their own interests rather than to benefit stakeholders.

Communication/ Culture/ Employee perception	Slack & Morris，2015	There was evidence of a separation of organizational and personal engagement with CSR activities, relating to a perceived lack of embeddedness of CSR within the organization, perhaps attributable to poor communication of CSR to employees and a weak and low visibility CSR culture. Additionally, some employees felt that CSR is not strategic enough, not being sufficiently aligned to business and personal objectives, allowing it to become decoupled so potentially impairing greater employee engagement.
Culture/ CSR intervention design/ Employee Perception	Hejjas et al.， 2019	Employees are situated along a spectrum of engagement from actively engaged to actively disengaged. While there are some common drivers of engagement across the entire spectrum of employees, differences also exist depending on the degree to which employees, rather than senior management, support corporate responsibility within their organizations. Key antecedents to CSR engagement that vary depending on employees' existing level of broader engagement include organizational culture, CSR intervention design, employee CSR perceptions, and the observed benefits of participation.
Decentralized Governance Structures	Pirson & Turnbull,2016	The decentralization of power can facilitate stakeholder engagement to improve business operations, risk management, stakeholder interests, and CSR. In this way, CSR becomes integrated into corporate governance.
Internal legitimacy	Liu et al.， 2010	The bulk of the discussions on stakeholder engagement relate to corporate accountability and are based on the notion that the more an organization connects with its stakeholders and involves them in its CSR activities, the more likely they will understand, endorse and champion the

corporate message. Employee participation in decision-making fosters a sense of partnership whilst employee involvement in the deliberative processes of designing and organizing corporate social policy makes a firm appear more open, transparent and accountable

Organizational Goal

Market goal

Market benefit	Provasnek et al., 2018	Meaningful stakeholder engagement is increasingly important for companies in order to secure their legitimacy in various industries. Company managers can secure operations by identifying the interests of their relevant stakeholders, engaging with them, incorporating selected interests, responding adequately to stakeholders, and thereby reducing information asymmetries within the process.
Market benefit	Chen & Liu,2020. Pucci et al, 2020	Customer participation offers an effective way to co-opt environmental pressure from customers and to enable green product innovation in SMEs. Many companies invite customer participation in new product development, which provides market knowledges that companies lack internally, such as detailed descriptions of customers' needs and preferences, and potential solutions to problems.
Market legitimacy	Griffin et al.，2019	Within a similar sociopolitical and fiercely competitive environment, similar companies adapted differently, developing heterogeneous influence strategies to engage critical stakeholders. Differences persisted in each firm's sociopolitical relations as they competed for legitimacy and social approval. RJR immediately sought to improve its

legitimacy, limit public scrutiny, and enhance social approval through "Most Admired Workplace" awards, divesting assets, and creating a focused competitive strategy among other tactics. PM, on the other hand, was slow to gain social approval with its legitimacy severely questioned throughout the 10-year boycott led by INFACT.

Non-market goal

Non-market goal/family business	Richards,2022	This paper builds on previous insights that non-financial goals might be a double-edged sword by conceptualizing when and why the same non-financial goals that promote PSE hinder the latter.
Mission shift	Ramus & Vaccaro，2017	Social enterprises' focus on market performances may threaten their commitment to the accomplishment of their social mission, exposing these organizations to mission drift, that is, to abandon social concerns in favor of profit-seeking activities. This drift can cause internal tensions and lack of support from stakeholders, eventually jeopardizing social enterprises' survival. Stakeholder engagement strategies and managerial tools that social enterprises can adopt to prevent mission drift and improve efficiency and competitiveness while maintaining their social commitment.

Internal Shareholder-related factor

Stakeholder salience	Gifford et al., 2010	This article applies a model of stakeholder salience to the shareholder context, analyzing the attributes of power, legitimacy and urgency, to determine the factors that are likely to enhance shareholder salience.

Religious (social) shareholder	Goodman et al., 2014	Religious organizations do not base their exit and voice decisions on economic considerations but political ones using voice to further their beliefs and mission in society. Described as pioneers in SSE, religious organizations as active and experienced engagers are influenced by a variety of pragmatic and moral considerations when deciding on their engagement practices to push for greater social, environmental and ethical responsibility from the companies they invest in.
Religious (social) shareholder	Goodman & Arenas，2015	Driven by principle rather than economic rationality, social shareholder engagement (SSE) has a different ideology to conventional market logic. One of the largest and most active coalitions of shareholders working on SSE, the Interfaith Center on Corporate Responsibility, claims that "it is the impact on people, usually economically vulnerable people, who inspire us to act". Research has highlighted the challenge of measuring the impact and success of SSE.
Shareholder Activists	Logsdon & Buren，2009	In the Dialogue process where corporations and shareholder activist groups mutually agree to ongoing communications to deal with a serious social issue. Yet this is where a great deal of social change initiated by shareholder activists is negotiated. This article explains how Dialogues occur in the context of the shareholder resolution process and examine two Dialogues that focus on international labor issues in two industries. Then data on Dialogues during the period, 1999–2005, from the Interfaith Center on Corporate Responsibility are analyzed.
Employee ownership,	Winkler et al., 2019	In the community of B Corporations, both employee ownership and employee involvement further make a

involvement		difference to external stakeholder engagement.
Perception of employee	Simpson et al., 2020	The effectiveness of employee co-creation activities in increasing employees' positive CSR perceptions is moderated by self-construal (i.e., whether an individual views the self as relatively independent from or interdependent with others). In particular, the positive effect of co-creation on CSR perceptions emerges only for employees with a salient interdependent self-construal (either measured as an individual difference or experimentally manipulated). Moreover, increased positive CSR perceptions then predict increased CSR engagement and organizational engagement.
Responsible leadership	Maak, 2007	Business leaders have to deal with moral complexity resulting from a multitude of stakeholder claims and have to build enduring and mutually beneficial relationships with all relevant stakeholders. Responsible leaders bundle the energy of different constituencies and enable the creation of value networks of multiple stakeholders, which enhance social capital and thereby contribute to both a sustainable business and the common good.

Source. Compiled by authors

2.1.4 Research gaps and issues on Stakeholder engagement literature

In this section, I advance the claim that stakeholder engagement is emerging as a distinctive domain of study within CSR field. Based on the above descriptive and analytical review, this section discusses the changing research trends and theoretical gaps that might be exploring, which hopefully can enhance and broaden academic knowledge on CSR, but also help address

the practical challenges faced by executives and corporations.

Exogenous aspect: Changing societal foundation of stakeholder engagement

As most studies shown, actualization of CSR and treatment of social issues are complex and can involve multiple stakeholders (e.g., a local community impacted by poverty, a nonprofit attempting to help alleviate poverty, government institutions trying to get citizens off public assistance). In an interconnected and multicultural global stakeholder society, moral dilemmas are almost inevitable (Maak, 2007). Traditional stakeholder perspectives tend to focus on managing a company effectively rather than managing social issues responsibly (Harrison et al., 2010), thus provide little detail about organizational dynamics that company interact with stakeholders through a social issue. However, empirical contexts of stakeholder engagement have now become more diverse, the questions being asked to delve deeper into the nuanced contexts facing companies. The literature has shifted from pondering moral status on whether companies engage stakeholders in societal challenges to how companies address seemingly intractable challenges with stakeholders such as education, health, poverty, energy, and environment. Yet, there is more to be done. These areas include identifying boundaries of stakeholder participation, prioritizing and balancing different aspects of CSR domain, exploring complex internal mechanisms that promote stakeholder engagement, and dealing with complexities in social issues of different business organization type.

One of the notable changes in the literature is a marked shift in assumptions about the relationship between companies and stakeholders. It should be noted that while in business literature, the relationship between external stakeholders and companies has traditionally been

seen as adversarial, such as antagonistic relations with NGO and other civil organizations (Spar & La Mure, 2008). Now, more and more studies began to focus both on the cooperative as well as the adversarial nature of the business–stakeholder relationship. Even though the competing needs of the stakeholders involved in social issues lead to potential conflicts, the ambiguous nature of the CSR tasks calls for pro-active engagement and requires companies to enable inclusive stakeholder engagement and dialogue, and help balance diverse claims (Sonenshein, 2016). There is always a paradox in the past literature, where conceptual articles emphasize the equivocality of social issues, arguing that a part of companies are unable to promote engagement smoothly due to the ambiguity and illegitimacy of CSR issues itself, but the recent evolution of empirical work in this field has theoretically constructed the state of cooperation between organizations.

Another shift in research tendencies is reflected in the fact that, moving beyond the focus on market stakeholders, more of the literature has begun to extensively investigate the interactions between companies and non-market stakeholders. A growing number of studies seek to broaden the conversation on stakeholder governance to include not only market stakeholders (e.g., employees, suppliers, customers) but also nonmarket stakeholders (e.g., local communities, NGO). To date, theorizing on stakeholder governance has focused primarily on the interplay with market stakeholders (Barney, 2018; Klein et al., 2019). Several scholars began to highlight that the effective governance of a company's transactions with its nonmarket stakeholders is equally important; as such, their work argues that companies capable of identifying a suitable governance mechanism for their transactions with nonmarket stakeholders are likely to improve their exchange relations, their market (Henisz et al., 2014;

Dorobantu & Odziemkowska, 2017) and nonmarket returns (Odziemkowska & McDonnell, 2019).

Furthermore, the stakeholder literature has been affected by the drastic changes in the general global environment. In recent decades, social and political pressures have prompted companies to integrate social, environmental, and ethical responsibilities within their strategies and operations to create value for all their stakeholders (Lourenço et al., 2022). Consequently, there have been increasing theoretical concerns about the expended role of business organizations in society and their impact on climate change, environmental degradation, resource depletion, health crises, and human rights' inequalities (Trireksani et al., 2021; Schimperna et al., 2022); Grand challenges with a worldwide scope were emphasized in the literature as well. On the other hand, a part of investigations pay attention to a more subtle background, such as how companies can reshape the business environment in a particular community through stakeholder engagement. These studies generally explore specific social issues faced by MNEs or their overseas subsidiaries and local stakeholders, such as inadequate infrastructure, indigenous resistance to multinational corporations, and other liabilities of foreignness in international business (e.g., Davila et al., 2018; Sloan & Oliver, 2013). Following this line of literature, future research should continue to investigate the expansive roles of company that face contemporary global challenges, moving beyond a single perspective of corporate economic functions. On the other side, business-stakeholder interactions in specific community contexts should be expanded to include a broader range of business types than just MNEs and large enterprises, even if they are more easily regulated by society and the general public.

Whether the advent of the smart era will bring new opportunities and challenges for

business-stakeholders' relationship building, how MNEs involved in the Second Cold War win market benefits or operational legitimacy through stakeholder engagement, and what social roles companies will undertake in the post-pandemic era are topics that deserve further exploration. Although most studies point out that good stakeholder relations are the key to organizational viability and business success (Ramus & Vaccaro, 2017), nowadays, it is apparently very difficult to implement the integration of multiple stakeholders' requirements and their actions into business activities.

Dynamics across External and Internal Actors, Salience of Insiders

In the stakeholder engagement literature, there have been conceptual articles freshly postulating that changes in the external institutions or interest groups have an impact on organizational governance of companies that include stakeholder engagement mechanisms (e.g., Klein et al., 2019), while the interplay between external and internal stakeholders have seldom been mentioned in the prior studies. Several commentators indicate the necessity of exploring the impact occurring to complex external systems and variations of interest groups, which may determine the scope and extent of core stakeholder engagement for the corporations. Klein et al (2019) draw on institutional economics and organization theory to explain that in the face of radical legal and social change, company adapted to ensure its survival as institutional environment was transformed. As one of the cases, the institutional environment of South African changed in the early 1990s with the end of apartheid and the election into power of Nelson Mandela's African National Congress. Subsequently, new regulations were implemented mandating that corporations enfranchise blacks in ownership,

leadership, and operational decisions.

De Beers responded first and offering equity to black investors, which led to newly enfranchised stakeholders with different control and ownership rights. Science-based pharmaceutical companies have created advisory boards that reflect the health requirements, medical infrastructure, and legal positions of jurisdictions that may seek access to medicines. Open-source software development companies create panels to represent the interests of potential customers and to advise participants on technical and legal issues regarding the commercialization of applications built on the general-purpose technology. Each of these examples represents changes in external institutions could enfranchise internal stakeholder groups.

This reflects two theoretical shortcomings. First, although the literature emphasizing the conflict and cooperation between stakeholders is growing (Davila et al., 2018; Sloan & Oliver, 2013), it focuses on the analysis of the dynamics between external stakeholders, and the exploration of how external stakeholders cooperate with and dichotomize internal stakeholders has not been on the research agenda. One of the reasons for this shortcoming is that existing research has focused unilaterally on large and MNEs, which value their reputations and follow international CSR standards and are subject to greater environmental expectations and pressures (than any other type of business organization). In particular, these two types of companies are inherently tainted by "illegitimacy" attached by the external environment. For example, the threat of monopoly by large private companies and the harm that MNEs have done to local communities in undeveloped countries (e.g., cheap labor, overwork, natural destruction) have been well documented. For both types of companies, it is particularly vital to

respond to changes in the external environment and to manage the expectations of external groups; hence, it has led to the fact that the explorations of external stakeholders have seldom been connected to the internal actors inside the companies, yet scholars and practitioners have widely recognized that internal and external stakeholder groups of companies are linked and interact with each other. In addition to the theoretical work of Klein et al. (2019), Sonenshein (2016) has also shown that social agents within the company can bring the power of external groups into the social governance mechanisms inside. However, the above discussions remain conceptual and unempirical, and thus, future research should enrich the understanding of the mutual shaping of internal and external stakeholders.

Given existing theories primarily based on large private companies and MNEs, prior research tends to conceptualize how companies effectively manage their external stakeholder relationships rather than how interplay how internal actors engage in CSR activities jointly with multiple stakeholders outside. Future research could not only further develop the study of large companies and MNEs but also explore hybrid companies that cross the blurring line between internal and external stakes, such as social enterprises, community enterprises, state-owned enterprises, or other public enterprises.

Second, the historical focus of stakeholder engagement has been on the attributes of organizations or the attributes of stakeholders, resulting in the neglect of engagement mechanisms inside the company. Referring to the endogenous antecedents shown in Table 2-8, most explorations of intra-firm stakeholders have been limited to employee groups and special types of shareholder groups. However, little empirical evidence has looked at the more nuanced mechanisms of engagement within companies; for example, do enterprise unions participate in

and contribute to CSR practices or employee-oriented social activities? What is the role of the other departments responsible for CSR activities (e.g., department of public relations, specialized CSR departments, marketing department, specific project team, etc.) in facilitating stakeholder engagement? Is the board of directors or its subordinate bodies effective in promoting the stakeholder participation process? Similar to the research trend in the CSR field, the analysis of insiders, internal mechanisms or drivers of CSR engagement is still limited, as most of the studies tacitly premise that the internal groups of companies are only limited to employees and shareholders by default.

Stakeholder engagement in BRICs countries as a new field of study

Consistent with the flow of CSR research, much of the existing theoretical perspectives in stakeholder engagement literature are colored by the capitalist system under a free market economy. The original focus of these endeavors has been on the United States and the United Kingdom, with a more recent impetus to document business systems and the concomitant variations in stakeholder engagement and CSR across other Western countries (e.g., Van Lent & Smith, 2020; Passetti et al., 2019; Provasnek et al., 2018).

It is also worth noting that the literature on undeveloped areas such as Africa, Latin America, and South Asia emerged. These developing countries generally have weak NBS which is characterized by a lack of market mechanisms and legal environments and relies heavily on capital from developed countries. However, those investigations have focused on how MNEs deal with conflicts and disputes among stakeholders in poor local communities (Claasen & Roloff, 2012) and how to partner with marginalized indigenous peoples (Davila et al., 2018;

Murphy & Arenas, 2010). They have in fact demonstrated the phenomenon that the diverse socio-political functions of MNEs facilitate the development of the infrastructure and institutional environment in poor countries. It would seem that these studies are not essentially about focusing on the context of developing economies, but rather about the process of MNEs' adaptations and legitimacy building, which is still dominated by Western perspectives. Actually, in addition to dependence on foreign capital, a part of developing countries has a low capacity of their own companies to respond to markets and to organize or involve stakeholders in corporate activities, where the voice of civic organizations and the power of institutions are weak as well; as such, the phenomenon of stakeholder engagement may be relatively infrequent.

Nevertheless, the BRIC countries (i.e., Brazil, Russia, India, China, and South Africa), representative of emerging economies that are expected to develop significant economic growth, appear to be the most important target for the investigation of stakeholder engagement for homegrown companies in developing world. First, these countries have well-developed domestic markets and a high level of economic and technological growth in some particular industries where their large companies are influential in the global scope. Many local companies possess not only the ability to adapt to international markets, but also the motivation to engage diverse stakeholders in their activities. Second, they have more complex and multifaceted corporate-stakeholder relationships and are thus likely to have theoretical implications that have not been indicated by existing studies. In BRICs, powerful stakeholders can have a significant impact on corporate activities (e.g., religious organizations and governments in India, environmental non-profit organizations in Brazil, party organizations

and governments in China, and national institutions in Russia). Most importantly, given the power of government, the recent development of NGOs, and increased consumer awareness in those countries, it can be inferred that the phenomenon of stakeholder engagement would exist. Third, due to the complexity of social issues and the lack of basic facilities in some areas of BRICs, companies tend to undertake social and political functions, and the range of stakeholders involved in social activities may differ from those in developed countries. Therefore, the multifaceted cooperation between companies and stakeholders in BRIC countries warrants examination.

2.1.5 Diverse Organization Types Emerged: Hybridized Goals

Traditional companies keep social value creation at the periphery of their economic functioning (Battilana & Lee, 2014) and complement the core objective of wealth generation (Bronn & Vidaver-Cohen, 2009). In the stakeholder engagement literature, diverse organization types have drawn the attention of several academics and practitioners over the last 20 years (e.g., Mair et al. 2012; Pache & Chowdhury, 2012). This has led to a discussion on business entities that are mixed with complicated missions and conflicting goals rather than from an economic objective standpoint, such as those companies for public interests but competing in the market (e.g., social enterprises, community enterprises and a part of family business etc.)

One of the special business organizations are social enterprises which have acquired prominence worldwide, particularly in the United States and Europe (Ramus & Vaccaro, 2017). These enterprises address a gamut of human development concerns such as homelessness,

employment skills training, translating and interpreting services for non-native standard English speakers, counselling and training for those with mental health problems and drug abuse issues. For instance, some of them provide work for the unemployed and generally offer innovative products and services previously overlooked by the private and public sectors, especially for hard-to-reach groups (Cornelius et al., 2008). Through employing a market-based organizational form with the purpose of creating positive change in society, social enterprises are at the intersection between the traditional business and charity model (Battilana & Lee, 2014). However, the mixed two organizational forms are based on largely divergent and sometimes conflicting motivations and goals (Battilana & Lee, 2014). Because the business model is traditionally associated with rational and selfish objectives and principles whereas the charity model is organized around altruistic and pro-social incentives, values and goals. Ramus & Vaccaro (2017) has pointed out the importance of stakeholder engagement to counterbalance the strategic positioning of a social enterprise, as they are easily to be delegitimize by external stakeholders.

Second, community enterprise provides an alternative mechanism for corporations to behave in socially responsible ways with stakeholders[5], which has its roots in 'civil society' –

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[5] There are two distinctions between community and social enterprise. First, unlike most social enterprises, community enterprises are based around strong local linkages and have democratic structures which allow the involvement of organizational members in the governance of the enterprise. Boards of Trustees are usually elected by the membership and include community representatives, with the membership normally defined as the residents of a specific location. In addition to engaging with stakeholders and allowing them a voice in organizational affairs, community enterprises are expected make explicit efforts to be accountable to them. Local people have the opportunity to become involved in the development of organizational

organizations (Tracey et al., 2005). These companies act in the public interest but independently of the state or the private sector. Like social enterprises, they have a strong commercial ethos and generate a substantial part of their revenue through trading, that means they are not wholly dependent upon external sources of funding (e.g., philanthropy or government subsidy) and rely on market to finance their social objectives (Tracey et al., 2005). Unlike social enterprises, community enterprises are multifunctional organizations engaged in social initiative designed to contribute to local regeneration in a holistic way and include democratic governance structures which allow members of the community or constituency they serve to participate in the management of the organization (Tracey et al., 2005). For example, Riccall Regen 2000 runs a conference facility and catering service, the profits from which are used to subsidize a range of community-focused services including literacy and numeracy classes for adults, sports facilities and a nursery. Other common examples include public transport and banking facilities in rural areas, the development of renewable sources of energy, and support services for marginalized groups[6].

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objectives, and the initiatives in which community enterprises direct their resources. Second, they differ in the scope of their respective activities. While social enterprises tend to be focused on a small number of core activities and operate as single businesses, community enterprises are multifunctional organizations responsible for a variety of local initiatives, including supporting enterprise (both social enterprise and mainstream enterprise), developing property and other local assets, and sponsoring community benefit schemes (Tracey et al., 2005).

6 As Tracey et al (2005) investigated, Attercliffe and Darnall Community Enterprises has its own driving school which offers subsidized driving lessons for local unemployed people in an effort to help them back into the labor market and improve their mobility. Another well-known example in the United Kingdom is Westway Development Trust, a large community enterprise which uses the surpluses it generates from

Third, research on stakeholder engagement in family business has arisen and generated detailed accounts on the unique characteristics of family-derived non-financial goals (e.g., Richards, 2022). Family members seek to cherish positive emotions associated with the business and foster binding ties to important stakeholders (Gomez-Mejia et al., 2011). Some scholars theorize that all major family-centred non-financial goals discussed in the literature could increase companies' proactive stakeholder engagement (Cennamo et al., 2012) whereas other studies postulate that certain non-financial goals likely decrease stakeholder engagement (Cruz et al., 2014). Because companies driven by externally oriented non-financial goals wish to promote a favorable firm image, which can sometimes be in conflict with internal family goals, for instance, the wish to exert family control over generations (Hauck et al., 2016).

Fourth, a new organizational form has also come to the attention of scholars in the CSR and stakeholder engagement field. After the United States and the United Kingdom, the for-Benefit Company (fBComp) was introduced by law in Italy since 2015 (Czinkota et al., 2020). Such companies are for-profit business whose statute explicitly recognizes and intends the impact of managerial decisions on the wellbeing of society as well as of its shareholders. FBComp integrates social and competitive behaviors and achieves its objectives by creating and maintaining biunivocal relations with stakeholders, co-creating contextual sustainability conditions, and increasing its reputation.

Based on the above, this paper argues that the interest in diverse business units is consistent with the increasing demand imposed on companies to trigger positive social change by

renting workspace to local businesses and running a sports Centre to invest in a range of community-focused services including education and training opportunities for local people and supporting local enterprise.

engaging in social and environmental initiatives (Aguilera et al., 2007; Bronn & Vidaver-Cohen, 2009). All of these organizations have distinctly hybrid attributes and present a complex and diverse logic of business and philanthropic. Given their characteristics, they can address social issues as they combine the efficiency and resources of the traditional business model with philanthropic mission. However, they are often exposed to persistent contradictions and tensions regarding which values and motivations to prioritize, which objectives to address, and which strategies to pursue (Tracey et al., 2011; Pache & Santos, 2013).

Table 2-6 Diverse organization types emerged in the stakeholder engagement literature

	Social enterprises	Family business
Capital Source	Financial self-sustainability/Market not public fund	Financial self-sustainability
Central function	Social value creation	Economic function
Competing point	Business & Charity	Business & Family control
Type	Civil society organization	Business sector
Main target	Benefit creation for Marginalized groups	Family wealth creation
Scope of business	Market base	Market base
	Community enterprises	State-owned enterprises
Capital Source	Financial self-sustainability/Market not public fund	Market benefit & Public fund
Central function	Community development	Nation construction
Competing point	Business & Charity	Business & State
Type	Civil society organization	Public organization
Main target	Benefit creation for local community	Nation building
Scope of business	Local market base	Nation base

Source. Compiled by authors

Similar to the CSR field, a type of organization that is often overlooked in the literature is the state-owned enterprise or other publicly owned enterprise. I assert that this hybrid organization type deserves further exploration due to the following three reasons. First, compared to other hybrid organizations mentioned above (e.g., social enterprises, community enterprises), publicly owned enterprise resort to government subsidies or other public fund instead of self-sufficiency business models. Although publicly owned companies compete in the market, they don't operate on a single market base; their public nature allows them to retain a distinct social governance structure from the business units in the ordinary private sector. As a result, the scope and roles of stakeholders might be extended to a nation scope, and the scope of their accountability may be different from those of ordinary enterprises. This point will enrich our understanding of the relationship between market and non-market stakeholders and companies.

Second, strong public relations agencies (e.g., governments) tend to have strong ties with one of the internal stakeholders of the organization, such as government shareholders, several proprietary departments, and special insiders. This provides a direct and easy-to-observe sample of the interactions between internal and external stakeholders. While the existing literature has always focused on external stakeholders or on internal actors separately, for many publicly owned firms (a) the boundary between public and private is not very sharp, and the attributes of the publicly owned shareholders themselves possess closer and more complex ties to several external groups, and (b) the unique governance systems within such organizations often result in unique institutional setups.

Third, such organizations have not only social, economic and even political functions,

leading to a debate on the compatibility (or incompatibility) of the various institutional and goals existing in one organization. How the hybrid institutional of publicly owned companies shape CSR activities? Under the influence of different corporate roles, whether the engaging paths of stakeholders and companies are compatible or confrontation? Several studies on new forms of hybrid organization tried to show the conflict between corporate goals; for instance, due to the funding constraints, social enterprises are prone to mission drift, whereby their social mission is gradually replaced by economic objectives so that stakeholder engagement to counterbalance the strategic positioning of those enterprises is vital (e.g., Ramus & Vaccaro, 2017). However, where there is a stable source of public funding, it may be possible to deduce that the social functions might not be substituted by economic goals in publicly owned companies. Future research could further deconstruct how enterprises with diverse corporate roles (e.g., economic, political, social) balance CSR and stakeholder engagement mechanisms.

Based on the above, this paper aims to utilize SOE as a research objective to further address the research gaps in the CSR and stakeholder engagement literature. This organization type with a hybrid nature could be a suitable empirical ground for exploring the following issues: (a) interactions between internal and external stakeholders; (b) specialized internal systems for promoting stakeholder engagement in the CSR field; and (c) complex interplays between business and environment shaped by competing institutional logics. Through a narrative literature review of SOE research, Section 2.2 introduces the appropriateness of choosing SOEs as a target to supplement the existing theoretical viewpoints of stakeholder engagement and CSR literature.

2.2 Literature Review on State-owned Enterprise

2.2.1 State-Owned Enterprises: A Public Organization Competing in the Market

State-owned enterprises (SOEs) are a typical example of public sector organizations and refer to "any corporate entity recognized by national law as an enterprise, and in which the state exercises ownership" (OECD, 2018, p. 12). Since the 20th century, SOEs have been present in key industry sectors of the economy worldwide, especially in developing countries (e.g., Kwiatkowski & Augustynowicz, 2015). As a pivotal part of many economies, SOEs contribute 10% to the global gross domestic product and generate revenues equivalent to 19% of world trade (Florio et al., 2018). Although the terminology often differs, the existence of SOEs is commonplace (Roper & Schoenberger-Orgad, 2011). For example, state-owned enterprises in countries such as China and New Zealand, government business enterprises in Australia, state-controlled companies in Norway, government-linked companies in Malaysia.

In some cases, SOEs are controlled by state owners in a sophisticated ownership structure that combines the private sector; in this way, the state can still exert influence over SOEs through a whole, majority, or minority shareholding, known as "golden shares" (Argento et al., 2019). State ownership creates the hybridity characteristic of SOEs, meaning that multifaceted goals (both financial and public policy targets) combined with incompatible institutional logic, including market (responsive to profitability and effectiveness) and state (focusing on public value creation) logic (Yetano & Sorrentino, 2023). SOEs should integrate both types of logic because of the need to meet societal expectations and prove that their provision is efficient and effective in promoting social and ecological targets (Dragomir et al., 2022). As a hybrid of

institutional logic and multiple targets, SOEs are typified by citizens as distant stakeholders, with public value taking a prominent position (Argento et al., 2019).

The state retains ownership and control over these enterprises, satisfying various appeals from diverse stakeholders. Particularly when the state subsidies those companies, SOEs are accountable not only to management but also to the public and subject to more stringent public scrutiny (Manes-Rossi et al., 2021), as they are publicly funded. Their primary role is to achieve public policy goals over financial goals and participate in the development of a region or the provision of public goods and services (Cunningham, 2011). Moreover, government authorities and regulatory agencies exert coercive pressure on companies with a high level of state ownership (Zeng et al., 2012). According to the stakeholder salience theory (Mitchell et al., 1997), companies typically react to powerful stakeholders; therefore, dominant shareholders, such as state-owners of SOEs, may significantly affect strategic decision-making.

National capital drives the shaping of state logic for SOEs' action. SOEs set up a 'role models' of how to engage with a wide range of stakeholders in society (e.g., investors, citizens, politicians, the state, shareholders, employees, etc.), setting an example for other organizations, and promoting socially responsible policies and development (Garde-Sánchez et al., 2018). Although SOEs accept the responsibility for comprehensive social and environmental affairs worldwide (Wilson & Game, 2011), in the organizational, public relations, and strategic management literature, CSR is virtually a universal issue specific to the private sector. The stakeholder engagement literature has concentrated more on the private sector, as has the debate on CSR; the states or governments are generally assumed to function outside the economic and public spheres (Lee & Carroll, 2011). However, recent years, the reallocation of governance

assignments between the private and public sectors worldwide has sparked a political concern for CSR in the academic world (Scherer et al., 2016). Given the pervasiveness of SOEs and their critical position in non-Western contexts (Kwiatkowski & Augustynowicz, 2015), stakeholder engagement within this crucial sector of the global economy merits further examination.

2.2.2 Hybrid Feature and Inherent Tradeoffs of SOEs

This chapter introduce the hybrid feature and competing institutional logics in the SOE context. SOEs generally have the basic objective of providing public services (e.g., telecommunications, electricity, water and transport) to society, not necessarily with the ultimate aim of securing financial benefits (Rodríguez-Bolívar et al., 2015). The state actually has multiple interests in these enterprises: (1) pure economic interests focused on profitability and market share; (2) public policy interests in the state performing certain functions related to public health, education, employment, environmental protection and regional development; and (3) strategic interests related to specific fields of activity that are essential to the state and cannot be privatized interests (Papenfuß & Keppeler, 2020).

Many researchers argue that SOEs are hybrid organizations (Argento et al., 2019), whose hybrid nature arising from state ownership has attracted several CSR scholars. Compared to other corporate organizations, SOEs as hybrids have two characteristics: (1) the pursuit of multiple goals; and (2) the coexistence of public and private capital. First, SOEs face the same managerial challenges and risks as the private sector and take on social tasks as well. This means that they need to balance both profitability and sustainability objectives, thus ensuring

financial stability while at the same time creating value for a wide range of stakeholders and society. SOEs have to balance multidimensional objectives (reacting to policy, maintaining profitability, achieving sustainability, and performing public interest activities), but the 'peaceful' coexistence of these goals is difficult (Alberti & Varon Garrido, 2017). Second, SOEs have complex ownership structures that combine public and private capital; as such, they are required to simultaneously maintain the functioning of political and economic units (Alexius & Cisneros, 2015). Accordingly, SOEs often face different institutional logics and inherent tradeoffs.

Based on the above, SOEs engage in contradictory forms of activity and face logic multiplicity unavoidably on many occasions (Grossi & Thomasson, 2015; Zappettini & Unerman, 2016). While following the market logic, SOEs should accomplish financial targets in its mandate to enable the acquisition of profit, efficiency, and risk eversion. Those companies also undertake social tasks related to environmental impact, gender equality, anti-corruption, and labor rights, which are consistent with the state logic (Saz-Carranza & Longo, 2012).

2.2.3 Multifarious Institutional Logics in a SOE Context

Building on the previous discussion regarding SOEs' hybrid nature, this section explains the institutional logics that govern SOEs' complexity. Applying an organizational-sociological viewpoint on institutionalism, Jepperson (1991) outlined institutions generally as socially constructed, routinely reproduced, programmatic or regulatory systems. He further stated that by offering companies cognitive shortcuts in addition to arrangements and regulations, institutions concurrently promote and restrict structures. Prior classic work investigated how

organizations handle conflicts arising from multiple sources and institutional expectations (Cyert & March, 1963). To grasp the contradictory expectations created by diverse demands, scholars later developed the concept of competing institutional logics. The "symbolic constructions" and "material practices" known as institutional logics direct actors in how they perceive organizational practice and perform in social settings (Friedland & Alford, 1991). Institutional logics represent symbolic structures that specify the objectives, function, and identity of a company. As material practices, they have the power to determine the sources of legitimacy and the hierarchy of decision-making authority as well.

Disparate institutional logics that develop distinct relationships permeate many companies (Besharov & Smith, 2014). As for the relationship between logics, scholars have largely made two claims. One stream focuses on logic compatibility and approaches to resolving competing logics. One of the scholars has studied how institutional logics progressively reduce the distinctions between logics that were at first incompatible, whereas others have observed that separate borders might be retained because multiple logics can coexist (McPherson & Sauder, 2013). Another stream shows the mutually exclusive nature of various logics and the unresolvable tensions that may arise from them (Chow & Tsui-Auch, 2020). For instance, mixture, which frequently results in an unsettling union, may be a move to gain dominance and could trigger one institutional logic to dissolve or be subjugated (Haveman & Rao, 2006).

Several scholars have examined how logic multiplicity work within SOEs recently. Alexius & Örnberg (2015) and Alexius et al. (2019) distinguished two mutually opposing logics in SOEs: the public or political (alluding to public and state interest) and the business or market (concentrating on the institution of the joint stock corporation). In SOEs, extant research has

offered different insights as to whether market and state logics coexist or are in tension. Johanson & Vakkuri (2017), for instance, discussed how state logic and market logic coexist by emphasizing how the government creates institutional protections. On the other hand, Yiu et al. (2014) observed how commercial groups were impacted by the dueling logics of the state and the market in the background of a state-capitalist market. They contended that the imbedded state logic of preserving unaltered political power hindered the utilization of market logic to foster strategic entrepreneurship in business organizations. Another piece of evidence regarding the incompatibility of logics refers to Liang et al. (2015), focusing on Chinese SOEs and finding that the primary responsibility of those hybrids has shifted to pursuing financial objectives since the reform of corporate governance in 2006, indicating a weaned trend in state control.

Earlier literature viewed a SOE hybrid as a distinct model, system, or structure; prior research identifies the hybrid models and systems from different markets (e.g., Battilana & Dorado, 2010). Despite an increase in recent years, there is still a dearth of empirical studies that concentrate on how hybrid nature shapes SOEs' CSR. That is, the existing findings are determining whether competing institutional logics within SOEs are coexisting or opposite, but they do not present how these logics coexist or are antagonistic in the context of a particular corporate activity. The latest research by Yang et al. (2023) puts forward a vital theoretical direction and calls for future research to examine various practices that hybrids adopt. To be specific, future studies should examine how SOEs handle the trade-offs and social issues that come with hybrid organizing and, additionally, how they strike a balance between business self-reliance and state authority in their CSR efforts (Yang et al., 2023).

2.2.4 Integrative Review and Research Issues of State-Owned Enterprises and CSR

As the former sections show, investigations of SOEs' CSR activities, illuminating the hybrid CSR mechanisms, might shed light on ways of managing contending logics, the hybridization process, and the implicit ethical issue. This section provides an integrative review of SOEs' CSR and further points out the two research gaps in the SOE's CSR field: under the influence of hybrid nature, (a) the accountable structure of SOEs needs to be clarified, and (b) the mechanism for SOEs to interact with stakeholders in CSR activities warrants exploration.

Bearing in mind the aforementioned points, this section first presents a summary of CSR research in the SOE field. In this type of organization, public and private interests conflate (Roper & Schoenberger-Orgad, 2011). Given that the state can act as a shareholder, its scope as a stakeholder could even be extended to non-direct interest groups nationwide. SOEs constitute a vital sector in diverse national contexts, and their response to existing and future challenges could largely affect the national development (not only economic growth) of most regions worldwide. For the CSR field, the theoretical exploration of the SOE sector follows a twofold objective. On the one hand, SOEs would constitute an ideal setting to test out theories and presumptions around CSR that have been developed via research on businesses in the private sector. On the other hand, stakeholder engagement in SOEs, in which close interactions are observable between organizations and their internal sub-organizations and external stakeholders, could shed light on possibilities to advance our understanding of CSR.

However, the literature on CSR in SOEs is rare and usually confounded with that of

marketing communications or public relations (Córdoba-Pachón et al., 2014). The following example is likely a case of public relations management research. Roper and Schoenberger-Orgad (2011) cite an example of an SOE in New Zealand that publicly tried to distance itself from both the decision and the consequences of its corporate scandal. Their results demonstrate how the SOE admitted to its failure in an effort to preserve its standing in the public eye and, consequently, safeguard its stock price. Most of these CSR studies don't provide many details regarding how the hybrid nature triggered by state ownership shapes corporate action or relations with stakeholders. In other words, they only investigate public relations in an enterprise context but do not substantively reflect the characteristics of sophisticated capital ownership and complex interest groups in SOEs.

Thus, I further expanded the literature search to the field of management accounting to capture more business and management research on SOEs' CSR. I show the relevant analyses as follows:

Research Trend of the Literature on CSR in SOEs

The chronological distribution of research allows us to understand changes in the research focus over time. As shown in Figure 2-1, since 2011, SOEs have attracted the attention of CSR researchers. For the next 10 years until 2022, there was an overall tendency for the amount of literature to increase, and in particular, the number of studies reached its highest in the period from 2020 to 2022. The increase in the number of publications shows the growing attention given to diverse organizational types in the CSR field. Notably, the rising line in Figure 2-1 represents that future interest in the roles of SOEs or other hybrids in responsible business will

continue to increase.
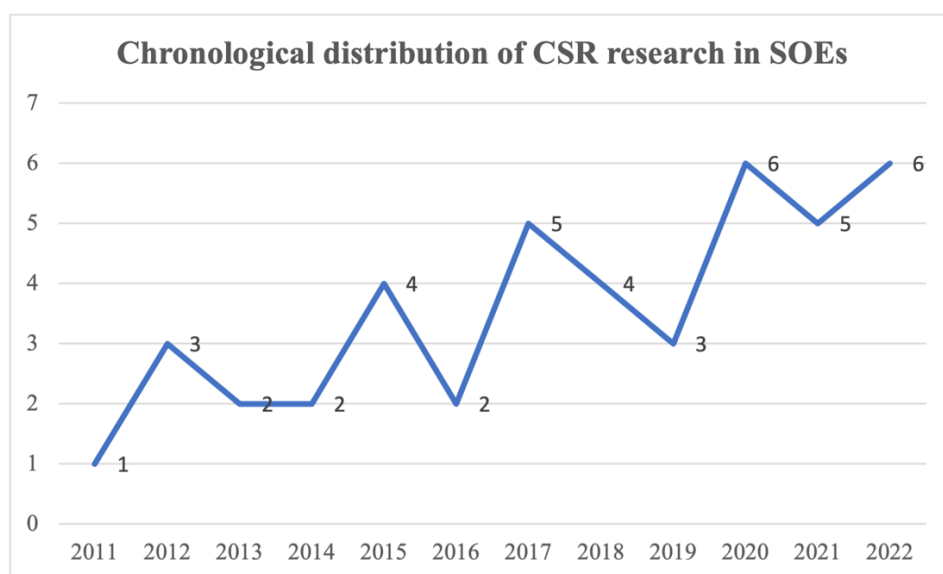
Figure 2-1 Research Trend of the literature on CSR in SOEs

The journals in which studies in this area are distributed are listed in Tables 2–7. Remarkably, the literature on CSR in SOEs is concentrated in the accounting and finance areas. Among them, the majority of papers focus on rating the quality and quantity of SOEs' CSR disclosure from a numerical perspective. The evidence means that the exploration of the more subtle impact on CSR brought about by the hybrid attributes of SOEs has not been carried out.

Table 2-7 Distribution of the Representative Journals

	Journal	Count
	Journal of Accounting and Public Policy	1
	International Journal of Accounting	1
Accounting	Accounting forum	1
	Accounting, Auditing & Accountability Journal	1
	Accounting and Finance	2

	Accounting in Europe		1
	Accounting Research Journal		1
	Australian Accounting Review		1
	Journal of Contemporary Accounting & Economics		1
	Sustainability Accounting, Management and Policy Journal		2
	Managerial Auditing Journal		1
	Meditari Accountancy Research		1
		Total	14
	Emerging Markets Finance and Trade		1
Finance	Finance Research Letters		2
	Corporate Governance		1
		Total	4
	Business & Society		2
General management, CSR	Business Ethics: A European Review		1
	Journal of business ethics		1
	Organization Science		1
		Total	5
	Asian Business and Management		1
International business	Chinese Management Studies		1
	Emerging Markets Review		1
	Corporate Social Responsibility and Environmental Management		1
		Total	4
	Total		**27**

Summary on Research Gaps

Recently, there has been a noticeable increase in CSR research on SOEs, especially in the social accounting field. Existing research mainly relies on the rating and scoring of SOEs' CSR

disclosures. To be specific, scholars have paid close attention to whether state owners alter the disclosure level and quality of CSR disclosure, and the results report a positive, neutral (Garde Sánchez et al., 2017), or negative (Argento et al., 2019) influence of state ownership in different contexts. Several studies have indicated that SOEs have a stronger incentive to initiate CSR reports and increase the reporting amount (Guo et al., 2019). Because SOEs are owned wholly or partially by the state, they receive dominant shareholding power from the state and experience stricter pressures toward accountability (Argento et al., 2019). They are subject to intense public scrutiny by different stakeholders (Manes-Rossi et al., 2021). However, other empirical evidence has demonstrated the opposite—that state ownership leads to a lower quality of CSR information (Dragomir et al., 2022). Corporate transparency and national interests have an intricately complicated relationship in a variety of countries.

Accounting research along these lines is quantitative and based on results from measurements such as CSR indices and ratings (Fatemi et al., 2018). Nevertheless, scoring CSR reports generates potential problems because of the multidimensional nature of CSR (Setó‐Pamies, 2015), and numerical indices are often deficient in offering detailed information on SOEs' CSR that is inherently ambiguous and created by hybridity. Recent research has begun to go beyond a rating perspective, demonstrating the communication difference in a specific field and an isomorphic pattern between SOEs and non-SOEs (Ervits, 2023). Although Ervitz (2023) did not emphasize the hybridity related to SOEs' CSR, the qualitative findings indicated that SOEs have a set of priorities in addressing social problems toward multiple stakeholders, paving the way for further explorations of SOEs' CSR.

To summarize, although CSR research in SOEs has increased in recent years, the literature

is still very limited and has yet to examine how multiple conflicting goals and dual-purpose responsibilities would shape the CSR of enterprises in state-dominated regimes. I propose why this research issue, which has not yet been explored, merits further investigation. First of all, the exploration of SOEs' context could promote understanding of the relationship between competing institutional logics and corporate response behaviors. As Sections 2.2.2 and 2.2.3 alluded to earlier, given that SOEs serve a multitude of social, economic, or political purposes, there is debate regarding whether the conflicting institutional logics that collectively form one organization can coexist harmoniously or not. Research on hybrid organizations has attempted to demonstrate the tension between the public and market logics in their activities of social value creation. Mission drift—the progressive replacement of social goals by economic ones— is a common problem for hybrids (like social enterprises) facing resource constraints (Ramus & Vaccaro, 2017). Nevertheless, in SOEs, where there is a stable source of public funding and a distinct governance system, it may be possible to deduce that social functions might not be substituted by economic goals. That means conflicting institutional logics might coexist within SOEs through organizational design and task arrangement, which might bring additional perspectives to ongoing theoretical debates.

Second, investigating SOEs' CSR could enhance our comprehension of the dynamics between market and non-market stakeholders and corporations. In addition to developing self-sufficient business models, SOEs also rely on public funds or government subsidies. While SOEs compete in the market, they don't operate on a single market base; their public attribute brings a distinct scope of CSR compared to the companies in the private sector. Especially, the scope and roles of stakeholders might be extended to a nation scope.

Third, scholars could gain a better grasp of the government's role in facilitating CSR through conducting CSR research in SOEs. Researchers have acknowledged the government's role in promoting sustainability and the construction of responsible business systems. Yet, powerful governments could cultivate close connections to SOEs, including shareholder power, specialized affiliations, several proprietary departments, and distinctive insiders. In this regard, the government's impact on the enterprise is not limited to external legal constraints and institutional guidance; its more subtle internal shaping effects on corporate behavior would also appear in SOEs. A SOE context offers an intuitive and observable ground for the interactions between internal and external interest groups.

CHAPTER 3 THEORETICAL ISSUES

3.1 Theoretical Issues

Based on the literature review, this section aims to address the research gaps in the CSR and stakeholder engagement fields, that is, how the hybrid nature deriving from state ownership shapes stakeholder engagement in SOEs' CSR practices. Particularly in relation to their accountability to whole-scale stakeholders and their complex relationships with diverse interest groups in CSR, this paper argues that SOEs warrant investigation. This section introduces the main theoretical issues and sub-research questions of this paper, based on the descriptions of the importance of this research topic.

As mentioned in Chapter 2, stakeholder engagement refers to all practices that companies undertake to actively involve stakeholders in organizational activities (Greenwood, 2007). More broadly, the engagement processes led to the development of a wide range of participation strategies, from detailed CSR reporting to the implementation of CSR practices. In particular, alongside the expansion of corporate functions around the world and the politicization of corporations, a growing number of scholars have begun to explore the complex relations between stakeholders and public organizations in the CSR field. Those economic units, which are characterized by hybrid attributes, would incorporate new theoretical perspectives into CSR research. Especially publicly owned organizations, which are experiencing tougher expectations and pressures for accountability when it comes to solving social challenges, have been largely underdeveloped in the existing studies.

As a typical example of business units operating in the public sector, SOEs are owned in whole or in part by the state, receive overwhelming ownership power from the state, and are

subject to greater pressure towards CSR and accountability to stakeholders (Argento et al., 2019). In many economies, SOEs play an important role in social development and national economic growth. Remarkably, SOEs have (1) hybrid attributes deriving from state ownership (i.e., competing institutional logics and conflicting organizational goals); (2) unique internal stakeholder groups whose interests are closely linked to external institutions (Enser-Jedenastik, 2014); and (3) complex corporate functions (i.e., political and social functions); all those features bring about a distinct scope of CSR activities and different CSR mechanisms.

I argue that investigating SOEs' stakeholder engagement in CSR could supplement the prior knowledge base from three points of view. First, this paper presents a factor that has not been touched upon in previous studies: the hybrid nature of enterprises (derived from state ownership). For state-led business organizations, the pursuit of both public interest and market efficiency is vital, and the interest groups that might influence corporate management are expanded to include people nationwide. They are not only accountable to core stakeholders but also undertake a wider scope of non-direct stakeholders. Given that SOEs serve a multitude of social, economic, or political purposes, there is debate regarding whether the conflicting institutional logics that collectively form one organization can coexist harmoniously or not. Through answering how state ownership shapes companies' relationships with stakeholders in the face of complex and competing interests, this study seeks to provide a new perspective on the stakeholder engagement field.

Second, an all-encompassing exploration of SOE's stakeholders involved in CSR could complement two research shortages in understanding CSR mechanisms: (a) the interactions between internal and external stakeholders and (b) the roles of sub-organizations or individuals

inside the company. As for the former, private enterprises have relatively clear lines of interest between their external and internal interest groups, whereas SOEs show a distinct state-led governance system, which offers a testing ground for observing the mutual influence between state-affiliated sub-organizations and external interest groups. With regard to the latter, powerful governments could cultivate close connections to SOEs, including shareholder power, specialized affiliations, several proprietary departments, and distinctive insiders. Hence, SOEs might enrich the understanding of organizational design in CSR tasks and diverse interest groups' dynamics.

Third, this theoretical issue also provides implications for the scholar group on the CSR of SOEs. Although SOE research in the area of sustainable development has increased in recent years, the trend of literature has mostly centered on the impact of state-owned capital on social accounting through rating CSR based on numerical indicators. It is difficult to understand the ambiguous accountability of SOEs with only quantitative evaluations from the perspective of social accounting and information disclosure. As described in Chapter 2, SOEs are dominated by contradictory institutional logics of market (corresponding to profitability and effectiveness) and state (focusing on creating public value) (Yetano & Sorrentino, 2021). A quantitative assessment would neglect the dynamics between companies and external stakeholders as well as the nuanced mechanism of internal stakeholders' participation in CSR. This paper goes beyond a single-scoring viewpoint of SOEs' social accounting and examines SOEs' stakeholder engagement from both quantitative and qualitative approaches.

3.2 Sub-Research Questions and Research Procedure

Based on the above theoretical issue, I set the core research question of how hybrid nature derived from state ownership shapes stakeholder engagement in SOEs' CSR. From the comparative perspective of different capital ownership systems, I explore the main theoretical issue in terms of the communication and implementation of SOEs' CSR. Hence, the empirical part could be divided into two stages.

I would answer the first sub-research question regarding SOEs' CSR communication, which is how hybrid nature shapes the SOEs' CSR communication toward stakeholders. From the analytical level of communicative domain and tendency, this research consists of two empirical studies. The former is to explore the scope of accountability structure in SOEs' CSR reports, with the focus on identifying the stakeholders (i.e., for whom) and CSR domains (to what extent) that emerged in SOEs' communication. The latter is to clarify the tendency toward communication, with a focus on exploring the inclination to communicate CSR information to different stakeholder groups.

The second sub-research question is to investigate how hybrid nature shapes the SOEs' CSR implementation. From the analytical level of internal engagement and external driving mechanisms, this research also consists of two empirical studies. The former is to explore the internal CSR governance structure through theorizing the engagement mechanisms of diverse insiders involved in SOEs. The latter is to seek different driving forces for SOEs engaging with external stakeholders by conceptualizing the different impetus for SOEs collaborating with interest groups outside.

In summary, I set two sub-research questions to address the main research issue, containing

four empirical studies as below.

- **RQ 1:** How does hybrid nature shape the SOEs' CSR communication toward stakeholders?

    Study 1: What is the scope of accountability structure in SOEs' CSR communication?

    Study 2: What is the communicative pattern shaped in SOEs' communication?

- **RQ 2:** How hybrid nature shapes the SOEs' CSR implementation?

    Study 3: How does the internal CSR engagement mechanism of SOEs work?

    Study 4: How do SOEs engage with external stakeholders?

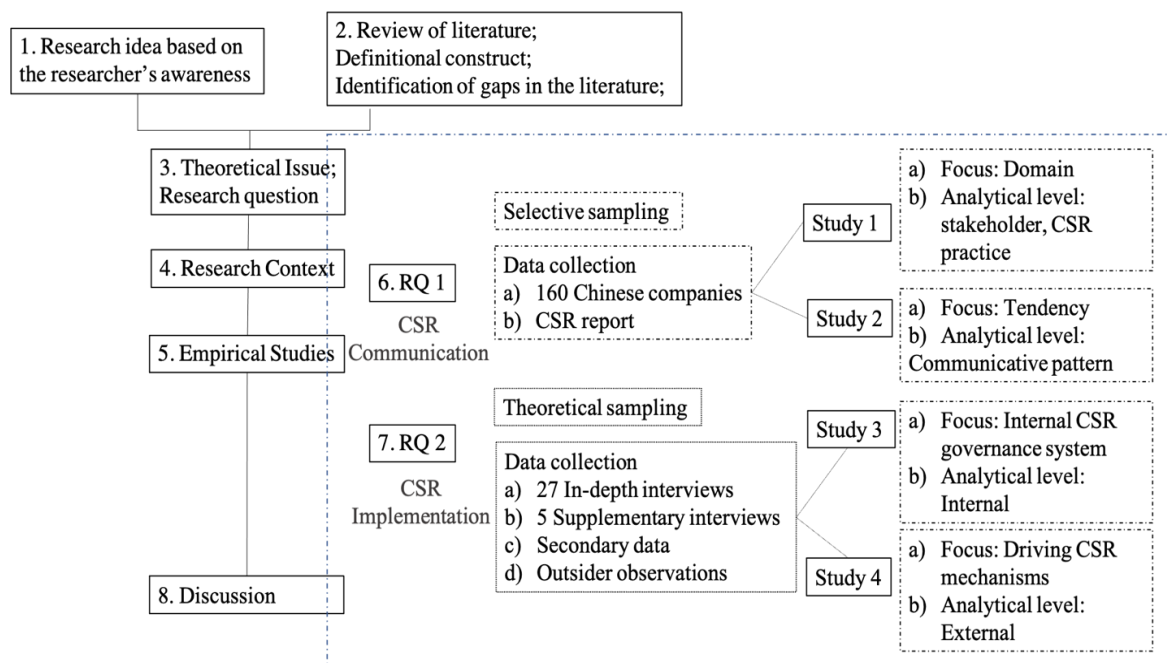The research procedure is as the following Figure 3.

Figure 3: Research Procedure

CHAPTER 4 RESEARCH CONTEXT

Using the research setting of the state-led market in China, this chapter draws on practical experience of CSR development in China and examines the impact of state owners and the innate condition of SOEs' business operations. I further distinguish the development of CSR between SOEs and non-SOEs. Finally, this section summarizes the literature on SOEs in China and introduces the distinct corporate governance systems of those companies. Through contextualizing the research objectives, this chapter aims to lay the groundwork for further empirical investigations.

4.1 Development of Corporate Social Responsibility in China

Since the reform and opening-up policy, China has made a dramatic transition from a state-planned economy to a socialist market economy. While the transition to a market economy has led to economic development, it has also identified behaviors that have lacked ethical and social responsibility for a long time (Lu, 2009). The modern Chinese business environment has been characterized by intense competition, resulting in significant moral sacrifices (Harvey, 1999). This is because companies' excessive pursuit of profit maximization and material gain in their day-to-day business activities sometimes leads them to engage in behavior that is not in line with basic ethical principles.

In China, as economic liberalization progresses, the need for CSR activities is increasing due to both external environmental and company-related factors. External factors include China's accession to the World Trade Organization (WTO) in 2001, which was the result of its integration into the global economic system over the past two decades. As a result of its

participation in the global economy, China has become the world's factory and part of the supply chain supplying Western markets. Consequently, Chinese companies have imported social norms from developed countries. Foreign export-oriented companies have become aware of the need to achieve higher social and environmental standards in order to compete in the global market (Christmann & Taylor, 2006). Further, many SOEs were freed from strict state and institutional regulation following privatization reforms, which led to problems such as environmental pollution and socially irresponsible corporate actions. Then along comes increasing demands from the public for basic CSR and socially responsible business. As a result, Chinese listed companies deeply realized the public clamor for CSR and started to integrate CSR practices into their daily operations. In particular, CSR initiatives have become more active among SOEs and small and medium-sized enterprises with an orientation towards overseas expansion.

Although China has adopted aspects of the Anglo-American corporate governance system, no institutions aimed at curbing anti-social behavior existed between the government and the market for a long period of time. As a result, the national and local governments, and in some cases, the companies themselves, have turned to developing CSR and rebuilding their social legitimacy spontaneously. Similar to developed countries, the Chinese government has used lax regulations to encourage CSR initiatives (Moon & Shen, 2010). For example, the first revised Company Law emphasizes the managerial need for Chinese companies to maximize shareholder profits, and the new 2008 Labor Law provides very clear legal guarantees for employees whose rights have been violated, essentially requiring written employment contracts. The state's legal infrastructure and its monitoring capabilities regulate the dynamics

between the economic environment and companies in a socially responsible manner (Campbell, 2007).

Since 2006, the Chinese government has been promoting CSR to restructure social rationality (Moon & Shen, 2010). The central government has placed 'Promote Scientific Development and Harmonious Society' at the top of its economic and social policy goals, with energy conservation, emission reduction, and the protection of workers' rights as national strategies. The government advocated a shift from speeding up GDP growth to sustainable development. Provincial, municipal, and local government officials have contributed to the promotion of CSR. For example, the Shandong Provincial Bureau of Industry and Commerce promoted an index system and developed a CSR association involving more than 4 000 enterprises, and Wenzhou City in Zhejiang Province established China's first CSR evaluation system for privately owned enterprises (Yin & Zhang, 2012).

As well as the above-mentioned regulations from governments, pressures from society have also encouraged companies to promote CSR activities. Internal industry self-regulation, social media, global civic organizations, and consumer groups have encouraged companies to behave responsibly (Campbell, 2007). Self-regulating industry associations participated in raising CSR standards by setting guidelines on how the industry should behave and facilities best practices. Pioneering media in China, such as the Southern Weekly, have highlighted corporate accountability for CSR in order to expose corporate scandals and fraud and push CSR in diverse industries.

One type of civic group, NGOs (Non-Government Organizations) and INGOs (International Non-Government Organizations), has played a more autonomous role in boosting the

development of CSR practices in China recently. In some countries, NGOs and INGOs have tackled problems that government agencies have failed to address (Castells, 1997) and exerted a significant impact on corporate strategy, government policy, and government-business relations (Doh, 2003). Those civic groups raise the public's understanding of CSR activities worldwide. In the past, NGOs in China were strictly monitored and had no substantial influence (Tang & Li, 2009), but during the past two decades, both government-organized NPOs and voluntary civic-organized NGOs were far more prominent figures in China (Lu, 2007). Examples of the former include the China Youth Development Foundation, the China Children and Youth Foundation, and the Poverty Alleviation Foundation. These are also referred to as 'governmental non-profit organizations', and their quasi-governmental status gives these NPOs legitimacy and institutional support to operate in China (Young, 2002). Despite the popular belief that NPOs in China are merely puppets of the government, Lu (2007) notes that the government agencies that manage NPOs commonly do not implement careful monitoring and control, especially when the groups are financially independent and are in effect autonomous in their activities. The latter NGOs of civil organizations are in strategic mutual partnership with the state and take the position of assisting the state in fulfilling its social obligations towards citizens (Hsu, 2010). It can be assumed that Chinese civil society NGOs typically appeal to cooperation with the interests of the state as their overriding motive (i.e., they have a proactive stance on social issues such as support for education, healthcare, and poverty alleviation).

Other organizations in the private sector, such as industry associations, chambers of commerce and industrial relations with a public background, and economic and trade economic

zones, have come to act as bridges between society and the market, although they have become completely disconnected from the government. Together with MNEs, NGOs, and social media, they are driving the development of CSR, including rulemaking, standard-setting, human resource development, knowledge sharing, project collaboration, risk management, issue focus, performance evaluation, and brand communication in the CSR field, guiding Chinese companies to enter a new stage of socially responsible business (Tang & Li, 2009). As described above, with the cooperation of multiple sectors, including government, industrial associations, social media, consumer groups, NGOs, and INGOs, the CSR of Chinese enterprises has developed compared to the past: from 1999 to 2019, the number of listed companies publishing CSR reports has increased from 1 to 945.

Amidst this rise in responsible business, the development of CSR activities in China could take the next stage in 2016, when the Chinese government advocated the integration of the poverty alleviation agenda into CSR practices. The CSR activity of poverty alleviation is driven by the Chinese government and central party commissions. In emerging markets such as China, governments have a significant influence on economic and market development by setting regulations, providing subsidies and tax incentives, issuing licenses, and granting access to equity and debt finance (Allen et al., 2005; Wong, 2016). Alongside a national campaign related to the policy of poverty alleviation, the party system nationwide drives incentives for companies' CSR engagement in China's political structure and economy.

4.2 Governing for Business and Sustainability in China

The formulation and implementation of CSR in China relies on a unique history and system

where the Chinese government is the primary owner of SOEs (Li & Zhang, 2010) and even the

private sector actively builds partnerships with the state (Wong, 2009). Given the background

of China's planned economy, SOEs embody the government's ideology and hold the bulk of

national resources. The top management teams of SOEs usually have the same official status

as senior government officials. In many cases, top management is placed under the jurisdiction

of the Party Committee (Li et al., 2020). As a result, SOEs have strong political ties, allowing

them access to favorable conditions such as government subsidies, large-scale national

projects, and land acquisition (Detomasi, 2008; Li & Zhou, 2005).

In contrast, although the privately owned sector has significantly contributed to China's

economy (Allen et al., 2005), it has always been at a competitive disadvantage due to a lack of

public trust, lower legitimacy compared to SOEs, credit discrimination from financial

institutions, and a lack of political connections. These problems are underpinned by the

remaining discordance between privatization and China's communist ideology (Li et al., 2020),

leading to a disparity in the economic and political status of SOEs and non-SOEs. Non-SOEs

are therefore at a competitive disadvantage vis-à-vis SOEs in areas such as applying for

government subsidies, bidding for major projects, and optimizing the tax regime. Due to their

economic position, non-SOEs also find it difficult to raise funds through the bank credit market,

initial public offerings, and bond markets (Brandt & Li, 2003). In China, the world's largest

bank-based market, all major banks are state-controlled, so SOEs are given priority when

lending, and non-SOEs are forced to rely on underground moneylenders and often have to take

out loans at exorbitant interest rates to meet their funding needs (Tsai, 2002).

For these reasons, Chinese non-SOEs differ significantly from SOEs in terms of their ability

and willingness to fulfill their social responsibilities and their implementation of CSR (Huang & Yu, 2006). First, compared with SOEs, non-SOEs disclose significantly less CSR information (Li et al., 2020), with most CSR disclosures being in response to regulatory pressure and only a small proportion being voluntary (Campbell, 2007). It is generally assumed that SOEs are obliged to respond through CSR to government (central and local) demands that prioritize employment, price stabilization, and social welfare. It has been noted that the pressure to implement CSR is greater in the case of large SOEs (Schmitz & Schrader, 2015). In contrast, non-SOEs are hampered in their CSR activities due to the aforementioned issues of capital constraints, market competition with SOEs, or disadvantages in terms of access to various resources. This is likely to lead to differences in CSR between non-SOEs and SOEs.

On the other hand, these disincentives may increase the incentive for non-SOEs to undertake CSR activities. Competitively inferior and financially constrained non-SOEs need to avoid managerial disadvantages as much as possible. Indeed, it has been pointed out that there are a number of non-SOEs that use CSR as propaganda or as a means of avoiding regulation (Maxwell et al., 2000). For example, there are frequent examples of non-SOEs engaging in donation activities to avoid taxes. Apart from the aforementioned objective of avoiding disadvantage, some of these CSR activities by non-SOEs also follow a strategic philanthropic approach to building relationships with the government (Ma & Parish, 2006). A survey conducted by the Chinese Academy of Social Sciences in 2000 of about 500 companies found that non-SOEs were more active in philanthropy than all other enterprises, including SOEs and foreign-funded enterprises (Li, 2005). In addition, in recent years, non-SOEs have been more active in donating to victims of disasters than SOEs. This pro-activeness of non-SOEs is due

to the strong role of the state, which has the important advantage that managers of non-SOEs are keen to foster political linkages, which in turn facilitate access to state resources (Nee & Opper, 2010). Indeed, in the 1990s, managers of non-SOEs generously donated to government-sponsored charities in order to gain political access and social status through appointments to political councils (Ma & Parish, 2006).

However, another debate is that the behaviors of SOEs are heavily influenced by national and local government in terms of appointing top management teams and making long-term strategic decisions. In addition, SOEs have, to some extent, inherited government functions (Yiu et al., 2003). In this regard, non-SOEs are relatively less subject to government control and more independent in strategic decision-making. In summary, there are differences between SOEs and non-SOEs in terms of managerial rationality and resource procurement, due to the degree to which they are constrained by the government and their political status. Consequently, there are significant differences in their ability and willingness to fulfill their social responsibilities and in their implementation of CSR. Specifically, SOEs' capital ownership system is expected to result in a different range of stakeholders involved in CSR activities due to their different financial resources and corporate networks.

4.3 State-Owned Capital, State-Owned Enterprises in China

The contentious transition from "Maoist state socialism" to marketization is intimately linked to China's state restructuring (Jones & Zou, 2017). Chinese elites have reorganized the state away from a "command and control" system—direct state control over all production and distribution of goods and services—and toward a "regulatory state" in the image of the Chinese

Communist Party (CCP) to promote economic growth and uphold CCP dominance. Governments in "regulatory states" move away from "positive intervention," which aims to achieve the desired outcomes directly, and toward "negative coordination," which entails issuing guidance to guide a variety of public, private, and hybrids—to which control and accountability are distributed—in the direction of desired goals (Jones & Zou, 2017). Party-state officials increasingly utilize legislation and guidelines—commonly ambiguous declarations referred to as tentative ordinances or suggestions—to guide actors rather than giving straightforward commands (Zhang, 2018).

The shift to regulatory statehood is primarily expressed in the gradual separation of SOE ownership and control. In 2003, ownership of central SOEs was transferred to the State Asset Supervision and Administration Council (SASAC) under the State Council. SASAC is a shareholder, not a direct owner, planner or manager. Its remit is to protect and enhance state asset values (Gill & Reilly, 2006). The State Council's 2004 'Decision on Reforming the Investment System' further separated governmental functions from enterprise management, making SOEs responsible for their profits and losses. Additionally, SASAC encouraged "corporatization" for the ensuing mega-firms, which comprised enhancing corporate governance and applying private-sector management approaches to partially privatize through stock issuance, including on foreign exchange markets. This resulted in the removal of direct ministerial or CCP authority over SOEs, and management were now accountable to profit-driven shareholders (Zhang, 2018). In the last decade, several researchers have claimed that China's SOEs are basically autonomous, market-driven entities (Gonzalez-Vicente, 2012).

As a result, party-state monitoring has been undermined, which explains the evidence of

independent and even irresponsible SOE behavior. Nevertheless, party-state control still has means at their disposal to influence SOEs; Party-state control has not completely disappeared but rather changed. According to this viewpoint, the relationship between party-state and SOE can be described as an ongoing conflict between various stakeholders inside a disjointed, ill-coordinated governance framework rather than in binary (either state control or complete autonomy).

Nowadays, SOEs in China are still influential business units, which has achieved market competitive efficiency to a greater extent than in the past. For example, China's National Petroleum is the largest integrated energy group worldwide according to the Fortune Global 500 list. Some Chinese SOEs are governed by the SASAC of the State Council at the national level, containing the appointment of top executives, drafting guidelines, and so on. Regional governments own the others (See, 2009). The legacy of central planning[7] is the structure of remuneration that encourages SOEs to utilize government assistance in exchange for increased civic engagement and charitable giving (Ervits, 2023). To address social issues, governments desire expanded engagement from relevant companies; CSR thus becomes a practicable instrument for alleviating the ramifications of a neoliberal economy (Tan-Mullins & Hofman, 2014). SOEs are expected to provide social services similarly in other nations, but the scope of

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[7] Before the privatization reforms, Chinese SOEs carried a significant social burden, including daycare centers, residences, recreation centers, and employment commitments. Many SOEs relieved from social tasks are listed on the stock markets through ownership reconfiguration; however, the government has retained a sizable stake (Ervits, 2021).

this expectation may vary (Ervits, 2021). In China, the mission of SOEs is to behave as a conduit for social and economic policies in China; on many occasions, they resolve public issues or preserve social stability (Bai et al., 2006). Non-financial goals are stipulated in their CEO agreements and are viewed as vehicles of governmental policy to promote CSR (See, 2009).

Notably, the Party has been steadily engaging in SOEs' corporate governance, and it released information on the set-up of the Party organization inside the companies in January 2020. For the first time, the "Regulations of the Communist Party on the Work of the Party Organizations of SOEs" publicly clarified how the Party sees its role in business operations and updated the previous regulations on the work of party organizations. According to the new regulations, party members shall establish party committees in companies with more than 100 members; general party branches in companies with 50–100 members; and party branches in companies with 3–50 members. With the approval of the Central Committee, centrally managed enterprises shall also set up party groups. The regulations stipulate that the Secretary of the Party Committee (or other party groups) shall be the director of the company, and the general manager shall be the Deputy Secretary. Generally speaking, in accordance with the principle of "two-way entry, cross-appointment," members of the party organizations should join the board of directors, the supervisory board, and the management team. The party organizations of the subsidiaries of central SOEs provide guidance and supervision to the party organizations of their own subsidiaries.

Based on the above, this paper argues that Chinese SOEs possess both the public attributes under the influence of the party system and the administrative efficiency of a competitive

market mechanism. In this context, the following empirical part will analyze and explore

Chinese SOEs, which are under the hybrid domination of state and market logics, as well as

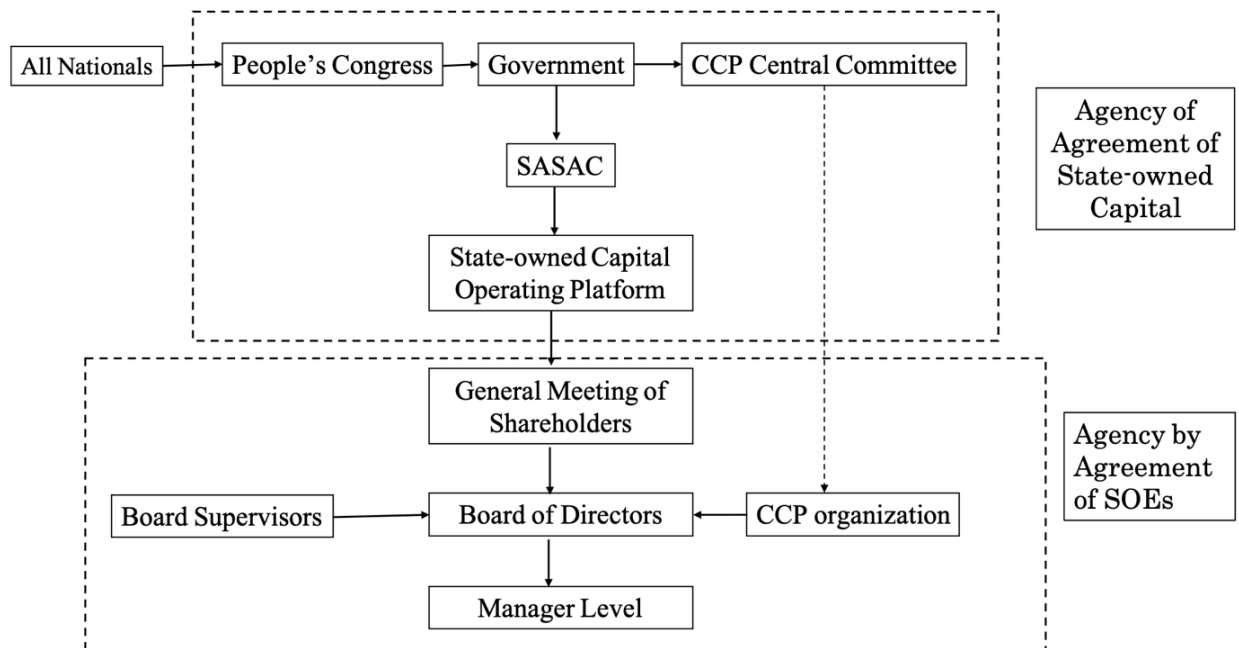their interactions with stakeholders in a more nuanced way.

Figure 4: State-owned Capital, State-Owned Enterprises in China

CHAPTER 5 SOES' CSR COMMUNICATION

In the CSR field, CSR reporting is a communication channel between companies and stakeholders; it can be regarded as an effective way to appeal for stakeholder engagement and as descriptive documentation on a series of companies' past activities. In this chapter, I examine the features of CSR communication among SOEs and how diverse logics co-exist in their CSR discourse. Through examining SOEs' accountability structures and reporting features, I attempt to address the following two sub-research issues, namely, compared to non-SOEs: (1) what are the scope of stakeholders and CSR domains involved, and (2) what are the engaging modes formalized in SOEs' CSR communication. The former is to identify the scope of SOEs' accountability toward stakeholders (see Study 1a and Study 1b), whereas the latter is to typologize what the communicative modes are in SOEs' discourse (see Study 2).

I utilized CSR reports of 160 companies to conduct the analytical procedure. While critics of CSR reports point to the discrepancy between social disclosure and actual performance (Sweeney & Coughlan, 2008), I did not use them as a measure of CSR substantiality but as an indicator of the communication topics and communicative pattern in reporting; I followed Krippendorff's (1980) assumption that the extent of the disclosure could be taken as some indication of the importance of an issue to the reporting entity.

With regard to the analysis approach, I used quantitative and qualitative content analysis in Study 1, which is suitable for analyzing common reporting issues mentioned in data[8]. Further,

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[8] This approach is useful for gaining valid inferences and understanding the focus of written text in three ways (Weber, 1990): (1) inferences about the creator of the text, in this case the SOEs and non-SOEs whose reports are analyzed; (2) inferences about the text itself, in this case what is transmitted in the CSR reports;

I employed thematic analysis in Study 2 to typologize the communicative modes in CSR communication. Based on the thematic model, I conducted a qualitative content analysis to further explore the tendency of SOEs' communicative modes by qualifying their frequency in CSR communication.

Based on a comparative perspective with non-SOEs, this chapter extends the insights into which insider and outsider SOEs are accountable and which interactive modes they tend to document to formalize their interactions with stakeholders. To advance my inquiry, I review the pertinent CSR communication literature and present three research questions. Next, I outline the research procedure and the methods employed. After the explanations of the findings, this chapter will conclude with a discussion.

5.1 Background

5.1.1 Theoretical Background on SOE and CSR Communication

Companies have voluntarily transmitted their CSR information through reports, including CSR policies, progress, and results, to respond to ongoing stakeholder and societal scrutiny (Chiu & Sharfman, 2011). Generally, they orient themselves to particular stakeholder groups through communicating the people, places, and practices comprising CSR commitments, thereby clarifying for whom and what they accept responsibility (O'Connor & Shumate, 2010). Compared with financial reports that are mainly designed for investment targets and require consistent financial information disclosure, CSR reports are distinctive in that they are written

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and (3) inferences about the audience of the message in the text, in this case core stakeholders and interest groups.

to address the demands of multiple stakeholders, resulting in a multiplicity of frames that companies can follow at their discretion (Tschopp & Huefner, 2015). Although the information transmitted varies owing to the lack of an enforced framework (Campopiano & De Massis, 2015), most CSR reports include information about (a) stakeholders for whom companies are socially responsible; and (b) CSR domains which responsibilities are undertaken for each stakeholder. For instance, companies in a given industry tend to frame CSR reporting related to specific social issues and common stakeholders (O'Connor et al., 2017). Based on the different supply chain positions, companies focus on particular stakeholders as prime targets and lean toward relevant CSR practices to ensure communication effectiveness (O'Connor & Shumate, 2010).

As Chapter 2 stated, prior research has focused on examinations of companies with explicit financial goals, especially large and multinational enterprises; thus, scholars reach a consensus that the efficiency and effectiveness of stakeholder-specific communication are vital features for profit-making companies (Knebel & Seele, 2015). However, unlike those companies, which are only accountable to core stakeholders, SOEs must take on broader duties toward stakeholders nationally. A mixture of social value concerns and financial objectives make SOEs face ambiguous accountability, which creates the communicating features of hybrid organizations and is yet to be fully explored in the business communication field. SOEs are run according to market principles but inevitably carry much of the state's will; therefore, they are driven by non-economic goals and unique internal value systems, thus may involve distinct stakeholders and CSR domains compared with the traditional reporting paradigm. When communicating CSR information to various stakeholders with heterogeneous (even

conflicting) interests, SOEs share the same reporting issues: who are they accountable to? for what are they accountable? and what levels of accountability can each stakeholder expect from their collectively owned organizations?

5.1.2 Stakeholders Involved in SOEs' CSR Communication

Traditionally, primary stakeholders who can directly influence business operations include suppliers, employees, and shareholders, who provide the basic resources for business; customers who consume the products and services and create profit for the company; communities who belong to the area in which the company operates; and government who have direct legal authority over companies (e.g., Clarkson, 1995; Freeman, 2010). Frequently, secondary stakeholders indirectly influence or are influenced by the company without legal duties, such as environmentalists, NGOs, and the media (e.g., Clarkson, 1995; Freeman, 2010). As an organization straddling the public sector and market, SOEs involve more complex stakes.

First, even while SOEs experience managerial issues and market challenges akin to those faced by companies operating in the private sector, they are unique owing to their vital societal function (Argento et al., 2019). SOEs, whose management teams usually have a formal status equivalent to government officials and embody the government's ideology (Li et al., 2022), need to supplement the government in fulfilling some of its political and social functions. The advantages of resource acquisition and wider networks from such political legitimacy inspire companies to disclose CSR more widely for legitimacy building. Lin et al. (2020) imply that such shareholding rights led to over-diversifying attention or accountability toward various parties, including the state, financiers, citizens, clients, and other national actors, all of whom

may have competing interests. Subsequently, a distinction may arise between for whom SOE prioritizes its accountability and to what extent it covers a wider scope of stakeholders in reporting.

Second, prior research focusing on non-SOEs has seldom discussed the stakeholders within companies or that shareholders and employees appear to be the only internal groups for which companies have accountabilities by default. However, within SOEs, there are unique internal institutions that are often directly affiliated with the state (Ennser‐Jedenastik, 2014). The literature proved that the most effective strategy to align business actions with the state owner's preferences is to staff the party affiliates inside, such as SOEs under the European parliamentary system (Ennser‐Jedenastik, 2014). That is, the role of the state-related department may be emphasized or emerge in SOE information transmitting.

Based on the above, to understand the features of SOEs' CSR reporting, it is vital to grasp a wider scope of external stakeholders and divide internal actors:

Research Question 1. Compared to non-SOEs, which stakeholders are SOEs accountable to?

5.1.3 Domains Covered in SOEs' Communication

The dominant control power of state ownership means that the state's demands and interests are reflected in corporate activities (Ervits, 2023). State-owned entities concentrate more on non-financial goals and thus involve a full-scale social benefit nationally for stakeholders—and even non-stakeholders. Stakeholder relevance should be represented in CSR reporting by providing documents containing specific events that stakeholders engage with (Schlegelmilch

& Pollach, 2005). We can thus infer that SOEs may emphasize the social benefit for overall stakeholders in reporting and are more proactive in disclosing various CSR practices. However, controversy exists in CSR reporting of SOEs with congenital advantages of legitimacy building, strong political ties, and a favorable position for state subsidies, national projects, and resource acquisitions (Li et al., 2022). Several studies in the accounting literature reveal that non-SOEs have higher disclosure levels than SOEs, especially when the political status attaches legitimacy to SOEs (Lee et al., 2017). These findings also indicate that SOEs can pursue disclosure efficiency toward specific groups rather than assert the whole-scale accountability at their disposal in CSR communication.

In considering national interests, are SOEs declaring an all-around social benefit creation for a broader scope of stakeholders or even non-stakeholders nationwide? Or do they take advantage of the innate resources that come with political rationality to narrow the scope of their CSR domains in reporting? In such situations, SOEs create meaningful issues for organizational communication scholars. Thus, we propose the second question:

Research Question 2. Compared to non-SOEs, to what extent do SOEs undertake accountabilities toward each stakeholder?

5.1.4 Communicative Pattern in SOEs' CSR Communication

Based on the above, because of (1) the attributes of the stakeholders involved and (2) the different tendencies of the social activities they engage in, the communicative modes that emerged in SOEs' CSR communication may differ from those of non-SOEs. In particular, SOEs' CSR discourse embraces issues of how different institutional logics are compatible and

coexisting (or embodying contradictory oppositions). The special institutional logic of state-owned capital endows it with dual goals of 'profit-making mission' and 'public policy tasks' to ensure benefit creation for whole-scale stakeholders. Thus, their communicative tendency might involve a series of stakeholders unrelated to the company's core business because their CSR initiatives prioritize public missions and social welfare over commercial goals. Their practices probably emphasize collaboration from all societal interest groups rather than selected core stakeholders who are related to business operations.

Moreover, SOEs and state-owned capital should guide non-SOEs and other forces to actively undertake social tasks in public social interests, safety production, social morality, and environmental protection, and jointly contribute to the creation of a stable and harmonious society and the realization of common prosperity (Zhang et al., 2023). Regarding communicative modes, it can be inferred that SOEs might display a very different expression of the role of stakeholders than those of non-SOEs due to the manifestation of national will and ideology. They may place more emphasis on participation in activities and value co-creation with all sectors of society than the core roles of SOE itself. Moreover, its demonstration roles have become important components of the principles of SOEs (Zhang et al., 2023). The question of whether non-SOEs are influenced by SOEs to homogenize their CSR discourse or whether non-SOEs will consciously differentiate themselves from SOEs remains to be examined.

Research Question 3. Compared to non-SOEs, what is the communicative pattern shaped in SOEs' communication?

5.2 Study 1

The purpose of Study 1 is to identify the features of SOEs' accountability structure, including the scope of stakeholders (i.e., for whom SOEs are accountable) and the scope of the CSR domain toward each interest group (i.e., to which extent SOEs are accountable). Specifically, this paper subdivides the insiders who contribute to CSR activities and categorizes the outsiders into two groups, including those who collaborate with the companies and those who benefit from CSR activities.

5.2.1 Methodology

Sample and Data Collection

I relied on a sample of companies from a trans-industry list offered by Cninfo, an official website designated by the China Securities Regulatory Commission for securities information disclosure. Because SOEs concentrate in particular sectors and industrial characteristics may affect the results, I conducted sampling to ensure that each industry received proper representation across eight economic sectors (food, pharmaceutical, machinery manufacturing, information communication technology, chemical, energy, real estate, and financial services). I extracted 182 companies and downloaded their 2019 financial reports from the website of the Shanghai Stock Exchange and Shenzhen Stock Exchange to check their basic information, including ownership and integrity records. I further confirmed the status of their CSR disclosure on the Shanghai Stock Exchange and Shenzhen Stock Exchange.

Finally, this paper retained a sample of 160 companies as they met the following criteria: (1) the company continuously engaged in and posted CSR in official CSR reports; (2) the company provided a detailed description of stakeholders and CSR activities information; and (3) the company had not been involved in any scandal in the research period to deliberately exclude reporting aimed at image recovery. The 160 companies included 49 SOEs and 111 non-SOEs. Moreover, the 49 SOEs included wholly and partially state-owned shareholdings, whose ultimate dominant shareholder is the State-owned Assets Supervision and Administration Commission (national level) or local governments (regional level). The CSR reports collected ranged from 2 to 95 pages.

While critics of CSR reports point to the discrepancy between social disclosure and actual performance (Sweeney & Coughlan, 2008), I did not use them as a measure of CSR substantiality but as an indicator of the communication topics and issues in reporting; I followed Krippendorff's (1980) assumption that the extent of the disclosure could be taken as some indication of the importance of an issue to the reporting entity. In Study 1, I employed a quantitative content analysis to code all the CSR reports, following a qualitative examination to identify the reporting features. The quantitative approach deals mostly with frequencies of specific words or themes, while a descriptive analysis is context-dependent and might reveal latent meanings not easily discernible by word count. In study 2, I employed an inductive thematic analysis to theorize the communicative modes emerged in SOEs and non-SOEs' CSR communication.

Research Procedure and Data Analysis

Content analysis techniques are used to codify textual content into multiple groups or categories according to predetermined criteria (Krippendorff, 2018). These techniques eliminate overly subjective analyses and generally offers improved dependability and reproducibility (Krippendorff, 2018). This paper used MAXQDA 2020 to deal with my extensive qualitative data set. I first conducted a pilot analysis of the CSR reports with other coders to familiarize ourselves with the process and classification rules of the coding process; this also tested whether my coding scheme could effectively correspond to the stakeholders and CSR domains that emerged in the paragraphs when coding. Moreover, I increased reliability using several assessors (Bernard et al., 2016).

Pre-Set Stakeholder Codes and Coding Framework of CSR Domains

Based on the stakeholder literature (Freeman, 2010), I assumed three core internal stakeholders: (1) management, (2) financier, and (3) employee. If any internal actors or configurations emerged that could not be classified into these categories, I performed a subdivided inductive coding process for a more detailed analysis. Because SOEs address various benefit creations, it was important to cover a wide scope of external stakeholders in our analysis. I assumed the following external groups: (4) customer, (5) business (e.g., suppliers and other business partners), (6) community, (7) citizen group (e.g., citizen groups such as non-governmental organization, non-profit organization); (8) government (e.g., Civil Affairs Bureau, regional public security bureau, fire department); and (9) media. Moreover, I added a group named (10) non-direct stakeholder to refer to any stakeholders without a direct

stake in companies, such as the poor in remote regions. Table 5-1 illustrates the descriptions

of our pre-set stakeholder codes.

Table 5-1 Descriptions of Pre-Set Stakeholder Codes

Code	Description
Management	Management positions above the middle level
Financier	Actors who provide capital to the business projects or operations of the company (e.g., shareholders, creditors, and institutional investors)
Employee	Regular full-time members working in the company
Customer	Actors who purchase commodities or services
Business partner	Actors with which the company has joint projects or established business relationships
Community	Residents in the business locations where companies operate their business
Citizen group	Any not-for-profit groups of persons organized for the advancement of a civic, cultural, social, health, philanthropic, or recreational purpose
Government	Government organization or public agency at the national level or the grassroots level or an appointed group that is affiliated with the local or central government
Media	Social media groups or workers that reach or influence people widely
Non-direct stakeholder	Any stakeholders who do not have a direct stake in companies

Source. Compiled by authors

To address the second research question, I borrowed the conceptual framework of Carroll's (1991) pyramid to ascertain the CSR domains covered in the SOEs' reporting (see Table 5-2). First, Carroll considered the CSR domain in a pragmatic and more comprehensive way, taking into consideration the altruistic characteristics of a firm without ignoring the basic economic responsibility of a company (Dusuki & Yusof, 2008). As such, this approach is appropriate to analyze the information disclosure of SOEs with whole-scale responsibilities and functions. Second, many studies have used Carroll's classification to examine CSR in different contexts. As a widely accepted CSR concept in exploring the context of developing countries (Hamid et al., 2020), it is suitable for analyzing China.

In this pyramid, Carroll framed the four-part CSR domain. Economic responsibility refers to the primary economic role, including maximizing economic value, retaining a competitive position, and maintaining high operational efficiency. Legal responsibility reflects the basic concepts of fair business practices established by law and legal institutions. Ethical responsibility is broader and includes practices strongly expected by society, even if not codified in law, reflecting society's various values and norms. Philanthropic responsibility is not strongly expected ethically or morally, referring to discretionary or voluntary social value-creation activities. To explain how SOEs frame the scope of the CSR domain toward each stakeholder in reporting, I integrated the above-assumed stakeholders into the CSR pyramid to conduct further analyses (see Figure 5-1).

Table 5-2 Examples of CSR Domains Disclosed in CSR Reports

CSR domain	Examples disclosed in CSR reports
Economic	Presence of product quality controls; Contribution to the national

Domain								

exchequer; Economic value maximization; Competitive position retaining; High level of operational efficiency maintaining; Reducing production costs (through green supply chains)

Legal	Environmental compliance; Pollution control; Non-discrimination of employees; Safety Production; Occupational health and safety; Anti-corruption measures; Protection of shareholders' rights; Customer right
Ethics	Water recycling; Information on environment protection measures; Diversity and equal opportunity for employees; Corporate commitment; Code of business ethics; Effective use of resources and energy
Philanthropy	Health and medical donation; Donation and charitable activity; sponsorship and welfare schemes for underprivileged social class; Poverty alleviation; Betterment of infrastructure construction; tree plantation; Promotion and support for education; Disaster relief efforts; Donation to environmental fund

Source. Compiled by authors

	Type of CSR domain							
	Actor							
Domain	Financier	Employee	Customer	Business	Community	Government	Non-direct stakeholder	etc.
Economic								
Legal								
Ethical								
Philanthropic								

Figure 5-1 Coding Framework of CSR domain

Coding Process and Reliability of Agreement of Code Integration

I conducted a third-step content analysis procedure using MAXQDA with the co-coders. In the first phase, we split texts into paragraphs, and the people involved in the activities (the subjects and objects of the texts) were extracted. Referring to O'Connor et al. (2017), we classified all individuals who emerged in the text into two categories—those identified as participating in CSR (i.e., Participant category) and those identified as benefiting from CSR

(i.e., Beneficiary category). We subdivided the Participant category, identifying internal stakeholders participating in CSR as a "Contributor" and external stakeholders who assisted the company in CSR as a "Collaborator." Similarly, the paragraphs related to CSR activities were assigned to the "CSR domain" category.

In the second phase, we reviewed the "Contributor" category and gave the words under this category-specific code names. For any word that could not be classified into the Pre-code, we assigned a new code name through discussions. We re-examined all the reports each time a new code emerged and ascertained whether the codes had overlapping concepts. Then, we reviewed the "Collaborators" and "Beneficiaries" categories and assigned all the people-related words to our pre-set ten stakeholder codes. Further, based on the coding framework, all the paragraphs related to CSR domains were given specific code names. During this phase, the authors independently took part in code assignment and met regularly to review the results. To improve credibility, we invited additional coders in the same field to code independently (Bernard et al., 2016). Eventually, we identified five types of "contributors" inside the company, eight types of "collaborators," eight types of "beneficiaries," and 16 types of "CSR domains." We provide a final coded example below:

> Our employee groups (Contributor category: Employee) worked with Dalian Charitable Foundations (Collaborator category: Citizen group) in 2019, donating a total value of 400,000 yuan for children living in poverty in mountainous areas (Beneficiary category: non-direct stakeholder) in Guizhou (CSR domain: Philanthropic). (extracted from HaiXin Corporation)

In the third phase, I assessed inter-coder agreement to ensure the reliability of the deductive code classification. All "collaborator" and "beneficiary" codes were identified as nominal qualitative variables, and the Fleiss' kappa coefficient was evaluated to validate reliability between the four coders. As Table 5-3 illustrates, the classifications of "beneficiary" codes (k = 0.80), and "collaborator" codes (k = 0.74) demonstrated substantial agreement. Then, each code of the "CSR domain" was identified as a nominal qualitative variable; so I calculated the kappa coefficients to assess the inter-coder agreement between two coders. The overall inter-coder agreement of the "CSR domain" was 0.79, which is sufficiently high. After reviewing the material back to the text, all the codes judged to have divided opinions by the coefficients were reformulated through discussion.

On a company-by-company basis, I used MAXQDA to count the code types under the Contributor, Collaborator, Beneficiary, and CSR domains in each company's CSR report. I divided sample companies into "SOE" and "non-SOE," and the number of companies mentioning each type of Contributor, Collaborator, Beneficiary, and CSR domain in each sector was automatically counted.

Table 5-3 Reliability of Inter-Coder Agreement

Item	*K*	Agreement	*SE*	*P*
Beneficiaries	0.80	Substantial	0.022	0.00
Collaborators	0.74	Substantial	0.025	0.00
	KV	Asymptotic standard error	T	Sig
Measure of agreement	0.79	0.056	24.346	0.000

Note. K = value of Fleiss' kappa, *SE* = standard error, *P* = p-value (if a p-value is less than

.0005, Fleiss' kappa coefficient shows a statistically significant result), *KV* = value of Kappa, T = Approximate T, Sig = Approximate significance

5.2.2 Results

In this section, we offer insights into the stakeholders involved in CSR reporting, providing detailed information on the contributors participating in CSR internally, collaborators assisting companies in CSR externally, and beneficiaries for which companies are responsible.

Contributor: Distinctive Internal Party Affiliates Inside the SOEs

There were two characteristics of SOEs' reporting in the contributors' domain: (a) SOEs specified the contributions of diverse internal stakeholder groups rather than uniformly using "the whole company" as the subject of the narrative; and (b) there were unique internal specialized departments with strong ties to the party that emerged to drive CSR internally. As Table 5-4 illustrates, employees comprised a large proportion of contributors (freq = 69%), demonstrating that their role is increasingly valued in reporting. The contribution of SOE managers, which usually have an official status equivalent to government officials and have stronger political persuasion power (Li et al., 2022), was the second most frequent (freq = 50%). With a historical institutional influence, SOEs with socialistic trade unionism emphasized the working-class representative as a contributor (freq = 40%). Like non-SOEs (freq = 15%), the least frequently mentioned contributor was a specialized department within the company for SOEs (freq = 27%). The reason for this finding is that party organizations within companies have substituted CSR departments. Most SOEs (freq = 63%) host a party organization that promotes CSR, which obviously differs from the non-SOEs (freq = 17%).

Table 5-4 Distribution of CSR Contributors across SOE and Non-SOE

	SOE (N=49)		Non-SOE (N=111)	
	Count	Frequency	Count	Frequency
Employee	33	69%	44	40%
Manager	24	50%	27	24%
Party organization	31	63%	19	17%
Enterprise union	19	40%	22	20%
Internal CSR department	13	27%	17	15%

Note. SOE = state-owned enterprises, non-SOE = non-state-owned enterprises, Count = number of companies disclosing these contributors in CSR reports, Frequency = ratio of the number of enterprises disclosing these contributors to the total number of enterprises in their industry sector.

Our results demonstrate that most SOEs emphasize the role of party organization—a specialized internal unit functioning independently within the company—in CSR reports. This indicates the existence of two parallel systems in Chinese SOEs: the regular corporate system and the party system (Lin & Milhaupt, 2021). In China, companies must establish a party organization if they employ more than three employees of the Communist Party of China (CPC) (Beck & Brødsgaard, 2022). The company must provide the necessary conditions and resources for party organization activities, and the party organization participates in decision-making and social responsibility fulfillment inside the company. Through the effort of employees with CPC membership, the party's work can be integrated into the company's CSR routine. Although the number of non-SOEs affiliated with party

organizations is small, they are still susceptible to party-state influence and are eager to respond to the institutional environment in their pursuit of close ties with the party.

To distinguish its uniqueness, we categorized the roles of the party organization that appear in CSR reports into five types (Table 5-5). Across both SOEs and non-SOEs, the common function of party organizations disclosed involved initiating CSR, including donations, medical assistance, cultural support, environmental protection, and local voluntary activities, all of which are characterized by a self-discretionary nature. Thus, the role of party organizations to promote philanthropic responsibility was highlighted within the CSR report.

The unique roles of party organizations in SOEs were classified as (a) responding to the national policy, (b) promoting the institutionalization of CSR within the company, and (c) participating in safeguarding local stability. First, most of the SOEs' reports recorded detailed information regarding the operations and performances of party organizations in "poverty alleviation," a nationwide campaign launched by the central government in 2016[9]. Promoting the internal institutionalization of CSR practices is the second unique function of the party organization embodied in SOEs' CSR reporting. Jamali and Karam (2018) have argued that in emerging countries where market mechanisms and legal institutions are not in place and there is a complex national business system, other CSR mechanisms may exist. The current findings indicate the potential existence of alternative mechanisms in China wherein party

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9 In China's 13th Five-Year Plan for 2016–2020, the central government invested RMB 250 billion into poverty alleviation efforts and launched a nationwide campaign to eliminate poverty. This is a "targeted approach" to ensure that aid reaches poverty-stricken villages and households. A distinctive feature of this national event was the mobilization and participation of actors and organizations from all walks of life (Li et al., 2016).

organizations established by employees with CPC memberships may guide companies to

engage in CSR. Moreover, party organization safeguards local stability, implying that SOEs

may undertakes social functions such as maintaining public order. Unlike SOEs that

emphasize the diverse roles of party organizations in CSR reports, non-SOEs affiliated with

party organizations mainly provided detailed information on the effective functions of their

party branches in party-building initiatives (i.e., the introduction of party policies and the

promotion of awareness of state affairs).

Table 5-5 Diverse Roles of Party Organizations Involved in CSR Reporting

Role of party organization	Examples of descriptions in CSR reporting
CSR initiatives (SOE/non-SOE)	*In 2019, our party committee visited Qinghe Village many times and donated money and goods worth RMB22,400 …. … donated a batch of books, stationery, and school supplies worth RMB1,600 to Primary School (HongTa Securities, 2019 CSR report).* *In 2019, Party Branch members continued to carry out the "Love and Care Activities for Autistic Children" and donated to one family living in poverty for RMB 1,000 yuan (China National Accord Medicine Corporation, 2019 CSR report).*
Response to policy (SOE)	*The Party organization selected CCP members to be stationed on the front line as village cadres……helped 183 households and 472 people living in poverty and continued poverty alleviation work. Two villages achieved the poverty eradication goal (Green Real Estate, 2019 CSR report).* *Our party branch visited Xinghu Village and set up a specific project team for poverty alleviation work ……we donated 500,000 RMB…… By holding the fruit festival, we solved the problem of fruit stagnation of farmers and increased the income of poor households (HengShun Food, 2019 CSR report).*
Development of CSR system (SOE)	*To protect the health and safety of employees, our party branch has developed a series of standardized processes to improve work environment safety. (CosmosGroup, 2019 CSR report)*

	In 2019, the party committee set up a special group for production safety work to build a standardized system (HundSun, 2019 CSR report).
Local stability safeguard (SOE)	*Our party branch actively launched the Criminal Syndicate Combat activities... members went to Liaocheng and collaborated with the local party branch, conducted regular security patrols, and held local stability safeguard meetings (Luxi Energy, 2019 CSR report).*
Party-building (non-SOE)	*During the reporting period, our party committee continued to organize party-building activities……carried out thematic practical activities and studied the party constitution and policies… the Party Branch utilized the online platform to conduct daily education and management (Wangsu, 2019 CSR report).*

Note. (SOE) = Activities only in SOEs, (non-SOE) = Activities only in non-SOEs, (SOE/non-SOE) = Activities both in SOEs and non-SOEs

Collaborator: Collaborations with Multiple Stakeholders

Companies embed CSR deeply into the social structure and legitimize their social activities through social networks with external stakeholders (O'Connor et al., 2017). As Table 5-6 illustrates, more than half of the SOEs in our sample mentioned partnerships with citizen groups (freq = 53%), whereas one-third of non-SOEs did the same (freq = 33%). Their collaboration forms were mainly self-discretionary and concentrated on philanthropic activities (see Table 5-7). With the development of market liberalization, there has been an explosion of NGOs in China working on issues such as poverty alleviation, education

support, and environmental protection, among others (Hsu, 2012). These NGOs prefer to work with SOEs with higher political legitimacy to avoid social criticism and gain the resources required to carry out social activities. Compared with non-SOEs, SOEs tend to maintain a long-term partnership with citizen groups, engaging in efforts toward improving the employment possibilities and livelihood of local communities, further leading industry progress.

Further, the SOEs in our sample had a wider range of business partners cited in CSR reports (freq = 43%) than non-SOEs did (freq = 26%), such as universities in industry-academia partnerships. The cooperation between SOE and supplier is mainly reflected in the specific column named "construction of green supply chain" in reports. In our study, SOEs (freq = 41%) disclosed their relationships with local government and administrative agencies, indicating their increased attention to political legitimacy. There was also a linkage with the community (freq = 35%) and non-direct stakeholders (freq = 33%) for SOEs, whereas non-SOEs tended to solely emphasize the relationship with the community. The frequency of customers and media being emphasized as collaborators was minimal in SOEs and non-SOEs.

Table 5-6 Distribution of CSR Collaborators across SOE and Non-SOE

	SOE (N=49)		Non-SOE (N=111)	
	Count	Frequency	Count	Frequency
Citizen group	26	53%	37	33%
Business partner	21	43%	29	26%
Government	20	41%	23	21%

Community	17	35%	24	22%
Non-direct stakeholder	16	33%	16	14%
Media	6	12%	6	5%
Customer	6	12%	6	5%

Note. SOE = state-owned enterprises, non-SOE= non-state-owned enterprises, Count = number of companies disclosing these collaborators in CSR reports, Frequency = ratio of the number of enterprises disclosing these collaborators to the total number of enterprises in their industry sector.

Table 5-7 Collaboration between Companies and External Stakeholders in Reporting

Collaborator	Form	Examples of descriptions in CSR reporting
Citizen group	Environmental initiatives/ Philanthropic activities/ Donations	*The company, together with China Children and Teenagers' Foundation, launched a large-scale public welfare project to set up the "Spring Buds Music Classrooms" for elementary schools (People.Cn, 2019 CSR report).* *We collaborated with China Environmental Culture Promotion Association, jointly launching the environmental welfare project ...... More than 160 online interactive activities and 54 offline activities were carried out (SAIC General Motors, 2019 CSR report).*
Community	Community Engagement	*The company has boosted the employment of the jobless in the local regiment and nearby regiments and has recruited more than 100 college students to fill the positions of supply, packaging, and brewing; it has cooperated with the Local Vocational Skills Training Group to run classes (Yilite Wine, 2019 CSR report).*

Citizen group, Community	Industry development	*To standardize the process of logistics service providers, we promoted collaboration with the Red Cross, Pharmaceutical Logistics Association, and hospitals……. jointly led the drafting of the first industrial standard of "pharmaceutical product logistics service (Shanghai pharmaceuticals, 2019 CSR report).*
Business partner	Industry-academia partnership	*With the goal of becoming a leader in environmental protection, we cooperated with Harbin Institute of Technology, Tsinghua University, to participate in the development of medicine production standards… successively invested nearly 800 million RMB for industrial environment management… (Huabei pharmaceuticals, 2019 CSR report).*
Business partner	Green supply chain	*We continued to implement the green supply chain strategy, leading suppliers to practice sustainable production in terms of energy saving and emissions …33 suppliers participated in our 105 sustainable programs … saved natural gas 1,960,000 m3/year ...... reduced solid waste emission 50.11 tons per year (SAIC General Motors, 2019 CSR report).*
		Through certificating supplier qualification, Yili ensured that packaging and production materials were environmentally friendly. In 2019, in cooperation with suppliers, Yili saved 1,350 tons of plastic packaging materials and 4,520 tons of paper (Yili Corporation, 2019 CSR report).
Government	Local stability safeguard	*The company accomplished a leading application of big data in local safeguard stability to assist the Guangzhou police stations, involving the front-end program of public*

Source. Compiled by authors

Beneficiary: Extended Range of Beneficiaries

Table 5-8 illustrates a trend of attaching importance to non-direct stakeholders in China; these included poverty groups, disaster-affected areas, and individuals living with a disability, especially in SOEs (freq = 100%). As publicly-funded organizations, SOEs face higher expectations and obligations toward society, as they must allocate tax money to national public missions (Garde Sánchez et al., 2017). However, both SOEs and non-SOEs in our study explicitly mentioned their response to the poverty alleviation policy. All SOEs provided detailed information regarding their support for poverty-stricken areas.

In SOE reporting, the second highest emphasized stakeholder was the employee (freq = 94%). Before transforming into a market economy, Chinese state-controlled economic units functioned as the service center of a specified region where employees were citizens. In our research, most SOEs emphasized the company building a protection system and openly disclosing the information regarding providing social insurance and a housing fund for employees. The willingness and ability to address CSR issues have been found to differ significantly between SOEs and non-SOEs; in our research, this is demonstrated by the difference in reporting CSR toward customers (SOEs freq = 76%, non-SOEs freq = 47%).

Further, SOEs (freq = 69%) placed a high value on business partners, thereby differing from non-SOEs (freq = 44%).

Another gap was reflected in the emphasis on local communities. SOEs are under intense pressure to prove the goal achievement of a variety of non-financial objectives, such as infrastructure development and solving local fiscal or unemployment problems for the community (freq = 67%). Although there is no particular need to communicate their business justification or fulfillment of responsibility to the government, more than half of SOEs in our study (freq = 55%) directly conducted CSR, mainly through direct cash and material donations to local grassroots governments. Finally, SOEs (freq = 20%) mentioned support for managers and protecting their fundamental rights, a higher mention rate than non-SOEs (freq = 8%). The difference in the mentioning rate between SOEs and non-SOEs was the smallest for financiers, such as shareholders and investors.

Table 5-8 Distribution of CSR Beneficiaries across SOE and Non-SOE

	SOE (N=49)		Non-SOE (N=111)	
	Count	Frequency	Count	Frequency
Non-direct stakeholder	49	100%	89	80%
Employee	46	94%	85	77%
Financier	38	78%	75	68%
Customer	37	76%	52	47%
Business partner	34	69%	49	44%
Community	33	67%	49	44%
Government	27	55%	21	19%

Management	10	20%	9	8%

Note. SOE = state-owned enterprises, non-SOE= non-state-owned enterprises, Count = number of companies disclosing these beneficiaries in CSR reports, Frequency = ratio of the number of enterprises disclosing these CSR beneficiaries to the total number of enterprises in their industry sector.

Wider Scope of CSR Domain

The second research question sought to explore the scope of the CSR domain described in CSR reporting. As Table 5-9 illustrates, for financiers, 36 SOEs (freq = 73%) emphasized the legal protection of their primary interests. Standardization of board member selection, adoption of outside directors, open board rules, and establishing decision-making and supervisory mechanisms for effective corporate governance were frequently formulated as "financial-legal" CSR. Twenty-five SOEs (freq = 51%) engaged in ethical CSR for financiers, such as open communication with investors. The discrepancy in the mention rate for this code between SOEs and non-SOEs was not obvious.

Most SOEs (freq = 88%) emphasized legal CSR to protect employees' basic rights and interests (e.g., clarification of employees' rights under the Labor Law, the guarantee of the salary distribution system, and establishment of welfare system). Ethical responsibilities for employees, such as improving working conditions and developing training programs, were mentioned frequently (freq = 80%). SOEs also stressed "employee-philanthropic" CSR, including organizing entertainment and cultural events for and donations to retired employees in poverty (freq = 76%). As for customers, more than half of the SOEs highlighted a legal responsibility to establish a protection system for consumers' basic rights (freq = 61%),

whereas non-SOE concerns for consumers demonstrated room for improvement (freq = 44%). Because activities such as humanized services delivery and consumption environment improvement are not legally governed, we classified them as "customer-ethical" CSR, which SOEs (freq = 55%) mentioned more frequently than non-SOEs did (freq = 36%).

Most SOEs (freq = 82%) declared ethical responsibilities toward communities in CSR reporting, including stability safeguards and solving employment problems for those with disabilities and impoverished minorities. Half of the non-SOEs (freq = 51%) were also interested in providing local employment opportunities. However, less than half frequently mentioned philanthropy for local areas regardless of capital ownership. In our study, Chinese companies emphasize philanthropic activities in a wider world context rather than specific regions. Moreover, SOEs paid the most attention to social value creation for the non-direct stakeholders, as they described "non-direct stakeholder philanthropy" most frequently. More SOEs (freq = 92%) also emphasized ethical responsibilities toward non-direct stakeholders, such as human rights issues, compared with non-SOEs (freq = 68%).

As for government-related stakeholders, CSR practices in philanthropic and legal responsibility reports were found in descending order of frequency. Activities such as party building, development of special economic zones, and support for grassroots government agencies were formulated as "government-philanthropic." Law compliance, such as corruption eradication, was formulated as "government-legal." Among them, philanthropy for government differs significantly between SOEs (freq = 82%) and non-SOEs (freq = 13%).

Like non-SOEs (freq = 19%), SOEs accepting the legal responsibility to protect partners' rights was still limited (freq = 27%). Only a few SOEs clarified their legal responsibilities,

such as protecting the basic rights of partners, preventing fraud in transactions, and establishing fair procurement and a supply system free of bribes. The results demonstrated an urgent need to implement a rights protection system for partners in China. For business partners with financial difficulty, a few SOEs (freq = 27%) provided direct donations, support in the form of human and material resources, and the free provision of technology and equipment through "business-philanthropic" CSR relatively more actively than non-SOEs (freq = 13%). However, the priority of business partners in SOEs' reporting was not as high as that of other core beneficiaries with a direct stake. Less than half of the SOEs identified economic responsibility (freq = 49%), such as maximizing earnings per share, maintaining a strong competitive advantage, and increasing operational efficiency.

Table 5-9 Distribution of CSR Domain across SOE and Non-SOE

	CSR Domain	SOE		Non-SOE	
		Count	Frequency	Count	Frequency
Total	Economic	24	49%	28	25%
	Legal	36	73%	76	68%
Financier	Ethic	25	51%	52	47%
	Legal	43	88%	83	75%
Employee	Ethic	39	80%	72	65%
	Philanthropic	37	76%	59	53%
	Legal	30	61%	49	44%
Customer	Ethic	27	55%	40	36%
	Legal	13	27%	21	19%
Business partner	Philanthropic	13	27%	14	13%

Community	Ethic	40	82%	57	51%
	Philanthropic	20	41%	17	15%
Non-direct	Ethic	45	92%	76	68%
stakeholder	Philanthropic	46	94%	89	80%
	Legal	9	18%	10	9%
Government	Philanthropic	40	82%	14	13%

Note. SOE = state-owned enterprises, non-SOE = non-state-owned enterprises, Count = Number of companies disclosing these CSR practices in CSR reports, Frequency = ratio of the number of enterprises disclosing these CSR practices to the total number of enterprises in their industry sector.

5.2.3 Discussions

Given the prevalence of SOEs and their critical role globally, we analyzed SOEs to move beyond the discussion limited to the private sector in the CSR communication field; the findings revealed several characteristics of SOEs in CSR reporting.

Multiple Stakeholders Involved in CSR communication

First, compared with non-SOEs, SOEs mentioned the contributions of diverse internal stakeholders, revealing multipurpose considerations in a systematic reporting system. Moreover, we identified a new type of internal stakeholder, an internal body with political involvement inside the SOEs, one that plays a vital role in driving CSR: party organization. Further, we demonstrated the multiple roles of party organizations mentioned by SOEs, including response to national policy, social stability safeguarding, and development of an internal CSR system, whereas only a few non-SOEs have set up party organizations and mainly disclosed information regarding party building activities.

Second, SOEs cited more multiple partnerships than non-SOEs in CSR reporting. With a network of political contacts and business legitimacy, SOEs build multilateral cooperation with citizen groups, business partners, government, and local communities (Guo et al., 2018). In our study, SOEs reported long-term partnerships involving philanthropic activities with citizen groups and emphasized their duty to collaborate with business partners to improve the industry and work with local communities to address livelihood and employment issues.

Third, SOEs emphasized social benefits for a whole scale of beneficiaries than non-SOEs, owing to the government's impact and the requirement for higher-level accountability. SOEs attach particular importance to protecting and creating social value toward employees and non-direct stakeholders. Labor in state-controlled economic units is highly prioritized—a pattern following other post-communist countries (Kuznetsov et al., 2009). However, the concern for non-direct stakeholders demonstrates the influence of institutional ideology and the non-financial goals of state owners, which should harmonize the interests nationwide (Lin et al., 2020).

Scope of CSR Domains in CSR communication

This study elucidated the CSR domain closely toward each stakeholder in reporting, suggesting that SOEs emphasize CSR in wider domains more than non-SOEs. We also revealed that the domain reported differs depending on the stakeholder type in SOEs—SOEs placed the highest value on the responsibilities toward employees and non-direct stakeholders through the disclosure of total CSR domains. While companies with different ownership exhibit visible distinctions, they also reveal a concern for common stakeholders (Ervits,

2023), meaning that a homogenizing behavior of non-SOEs imitating SOEs may exist. Interestingly, both SOEs and non-SOEs in our study targeted non-direct stakeholders, which can be identified as core beneficiaries. Such an extension of the scope of core stakeholders results from a poverty alleviation event triggered by the government (Li et al., 2016), which most companies mentioned. Companies cannot be divorced from the political context, even among non-SOEs (Li et al., 2022). This indicates a need to explore the non-regulatory aspects of company-government interaction over legal compliance, such as proactive policy response.

5.3 Study 2

Through the first study, I clarified the scope of stakeholders involved and CSR domains to pave the way for Study 2, which theorizes the communicative modes that emerged in SOEs' CSR communication. The aim of Study 2 is to explore the communication tendency of communicative modes in the SOE sector.

5.3.1 Methodology

Analytical Method Selection

As 5.2 shows, content analysis is a systematic coding and categorizing approach used for exploring large amounts of textual information unobtrusively to determine trends and patterns of words used, their frequency, their relationships, and the structures and discourses of communication (Gbrich, 2010). The purpose of content analysis is to describe the characteristics of the document's content by examining who says what, to whom, and with what effect (Wood & Bloor, 2006). Thus, it is suitable for Study 1, which is designed to identify

the stakeholders and CSR domains in formalized issues of CSR reports. Content analysis uses a descriptive approach in both the coding of the data and its interpretation of quantitative counts of the codes (Morgan, 1993), whereas thematic analysis provides a purely qualitative, detailed, and nuanced account of the data (Braun & Clarke, 2006).

Thematic analysis, as an independent qualitative descriptive approach, is mainly described as a method for identifying, analyzing, and conceptualizing reporting themes within data (Braun & Clarke, 2006). It seems that both content analysis and thematic analysis share the same aim of analytically examining narrative materials by breaking the text into relatively small units of content and submitting them to descriptive treatment. Content analysis is suitable for the reporting of common issues mentioned in data, whereas thematic analysis is more flexible and provides a rich and detailed, yet complex, account of the data (Braun & Clarke, 2006), and most importantly, it involves the search for and identification of common threads that extend across texts (DeSantis & Noel Ugarriza, 2000).

To match the research objective of Study 2, I integrated the two approaches to offer the systematic element characteristic of content analysis and combine thematic analysis of their meaning within a particular context (Loffe & Yardley, 2004).

Research Procedure and Data Analysis

In Study 2, I employed thematic analysis, which involves searching for recurring themes that show up as crucial to describing the phenomena, by thoroughly reviewing and rereading the qualitative data (Rice & Ezzy, 1999). It's a kind of pattern recognition where the categories generated for analysis are required to be recurrent themes seen in the data. Referring to Sarvaiya et al. (2018), I adopted a hybrid theme analysis procedure that combined the data-driven

inductive approach with the deductive a priori template of codes approach proposed by Crabtree & Miller (1999). On this basis, I further conducted a content analysis to see SOEs' communicative patterns through quantifying the frequency of specialized themes.

Using data gathered from the 160 CSR reports, I extracted all of the paragraphs regarding CSR domains into the MaxQDA software and carried out a procedure of theme identification and data coding through an iterative and reflexive process (Braun & Clarke, 2006). I followed several steps of thematic analysis as below. I first undertook data familiarization, and Study 1 provided me with a basis for familiarizing myself with the text, reading it carefully before commencing an in-depth analysis of the data. Transcripts were read and re-read, and notes were taken to ensure data familiarization.

Second, I conducted a process of generating initial codes; this is concerned with the generation of open codes from the transcripts. In the initial coding process, I follow an abductive approach mixed in with the idea of Crabtree &Miller (1999). That means a researcher can establish the template (i.e., it can also be called a codebook in several works) based on a preliminary scanning of the text or sometimes develop it a priori based on the research question and the theoretical framework premised (Crabtree & Miller, 1999). By integrating the principles of social phenomenology into the thematic analysis method and enabling themes to arise through inductive coding straight from the data, this technique can complement the research aims (Sarvaiya et al., 2018).

Third, all the remaining transcripts were then processed and coded using the template, but flexibility was allowed for changes to the transcripts. I searched for themes; this included the revision and reduction of the coding template where similar initial codes were merged.

Furthermore, all the codes were reviewed to search for themes. The fourth step involved reviewing and naming based on the conceptualization of the themes. As a result, four major themes were developed with various sub-codes. Finally, I established a quadrantal diagram that shows the relationship between the extracted four themes. It is worth emphasizing that the procedure of analysis was iterative and reflexive, despite being depicted as a linear, step-by-step approach.

5.3.2 Thematic Analysis

The next stage of the study involved typologizing the communicative modes that emerged in SOEs' CSR communication by describing the four-typology quadrants. Based on the 160 CSR reports and stakeholder engagement literature, I articulated the typology further by operationalizing each of the four quadrants in terms of a set of key topics describing the contents of that quadrant. I describe four types of communicative modes (e.g., charitable donation, public value co-creation, business for social marketing, business for sustainability) that are based on the level of involvement and stakeholder orientation of CSR activities.

As shown in figure 5-2, the horizontal axis represents the level of stakeholder involvement, referring to the extent to which the reporting entity emphasizes stakeholder participation in CSR activities. These CSR initiatives that emerged in the reporting fall into two categories: one is unilateral corporate donations, while the other is multilateral collaboration. On the other hand, the vertical axis represents the predisposition of stakeholders targeted in CSR communication. When a company addresses primary stakeholders related to its core business, such as employees, shareholders, customers, suppliers, and other business partners, I consider

that such CSR information transmission tends to be driven by market logic, including

operational stability, profitability and efficiency, commercial reputation, and access to business

opportunities. In contrast, when a company targets civic organizations, socially marginalized

groups, communities, governments, or other groups that are not directly related to the

company's business operation, this paper argues that such CSR information transmission is

more public logic-driven, including sharing social tasks, pursuing public good values, and

constructing political legitimacy.

This quadrant diagram serves as the basis for my discussion in the next section to analyze

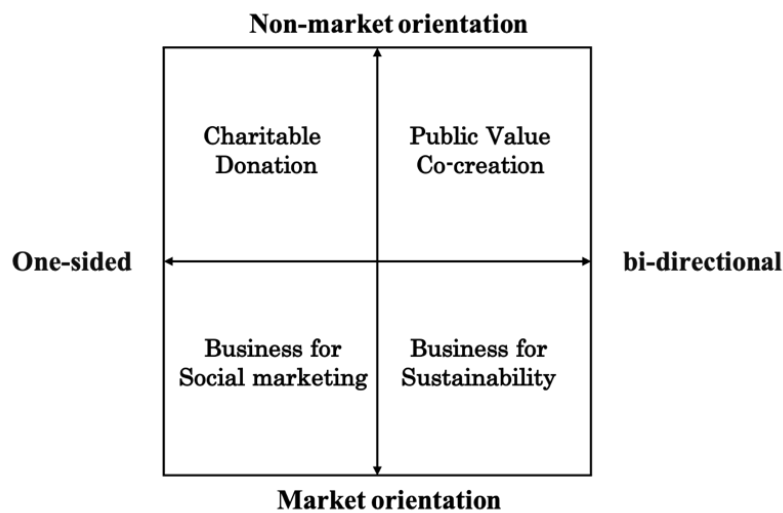the different communicative patterns between SOEs and non-SOEs.

Figure 5-2 Theorizing the communicative modes of SOEs

5.3.3 Results

Based on the thematic analysis of the abductive approach and content analysis, this section

will specifically advance the discussions of the communicative pattern that emerged in the CSR

report. Referring to Figure 5-2, the typified modes are those oriented toward market

stakeholders (i.e., business for social marketing and business for sustainability) and those oriented toward non-market stakeholders (i.e., charitable donations, public value co-creation).

Business for Social Marketing

"Business for social marketing" refers to a communicative mode that is targeted at stakeholders related to the enterprise's main business, transmitting information about CSR practices that are initiated and led by the enterprise. The stakeholder group acts more as a beneficiary than as a collaborator in the operation and progress of those CSR activities. Regardless of capital ownership, both SOEs and non-SOEs are more inclined to disseminate their normative CSR initiatives to core stakeholders. Such initiatives often tend to support the company's fulfillment of its ethical obligations without the need for deep stakeholder involvement. In the case of normative CSR initiatives, companies repeatedly mention the establishment of their internal governance system, with a significant amount of space focused on the process of developing a responsible business, as opposed to the social outcomes they contribute to. For example, both SOEs and non-SOEs mention that customers are involved as beneficiaries in their normative CSR initiatives.

"*During the year, the company provided safe products and quality services to consumers by implementing strict quality standards and taking meticulous quality control measures to improve product and service quality.*" (SANYUAN Corporation)

With regard to financiers, non-SOEs relatively emphasize the responsibility system for different types of shareholders, whereas SOEs rarely make such a statement as state-owners have a stronger dominance over the enterprise, so there is no need to argue that. Descriptive

quotation examples of non-SOEs show the most concern for their financiers (which are very rare in CSR reports of SOEs).

"Ensuring the interests of shareholders is the core demand of the company's operation ......the company has formulated the 'Sinopharm Consolidated's Shareholders' Return Plan for the Next Three Years (2018-2020) to ensure the continuity and stability of the company's profit distribution policy by planning the future shareholders' returns in a pragmatic manner." (China National Accord Corporation)

In the column on supply chain management, SOEs have more disclosure about the conditions under which suppliers are selected, whereas non-SOEs tend to indicate the responsibilities that the company itself can assume towards its suppliers. This point reflects the difference in CSR communication between the two, with SOEs' sense of self-guidance and non-SOEs' sense of service. To be specific, SOEs carefully note down the screening paths of suppliers and the details of the supply chain management process.

"During the current year, the company selected excellent suppliers of raw and auxiliary materials in a fair and just manner and selected suppliers who comply with national laws and regulations and have good social responsibility." (Fujian Longxi Bearing Corporation)

However, non-SOEs tend to report their responsible system for suppliers, such as "The *company is honest and trustworthy to suppliers, and business negotiations follow the principles of openness, fairness, and impartiality to eliminate deception and cajoling. This year, the company increased the transparency of procurement information announcements so that suppliers have equal access to information."* (Longxing Chemical Corporation)

Overall, based on the text of the sample CSR reports, the mode of "Business for social

reporting" is likely to be undertaken for business purposes, such as developing partnerships with business partners, and winning the goodwill of shareholders and investors. The differences between SOEs and non-SOEs in terms of this type of communicative mode are minimal, with both (1) placing more emphasis on "process recording" than on "results reporting", and (2) placing more descriptive statements on normative CSR (i.e., what firms are obligated to do) rather than on the level of discretionary social responsibility (i.e., what firms give beyond the bounds of their legal obligations). This suggests that SOEs operating in the marketplace and transmitting information to core stakeholder groups follow the dictates of market logic and show a consistent tendency toward non-SOEs.

As Table 5-10 shows, both SOEs and non-SOEs attach great importance to sending messages to core stakeholder groups with business objectives in their CSR discourse. The vast majority of SOEs communicate a unilateral contribution of the company towards core interest groups (N = 47, Freq = 96%). It is equally crucial to show the business logic in their CSR communication in SOEs, where state logic and business logic coexist. Remarkably, non-SOEs have a stronger orientation toward emphasizing their contributions to core business-related stakeholders (N = 110, Freq = 99%).

Business for Sustainability

"Business for sustainability" defines a communication model intended for multiple stakeholders connected to the core business, emphasizing the information that companies and interest groups collaborate for sustainable development on an equal and reciprocal basis (i.e., not that one group only benefits but does not pay). According to the original text, companies

always mention CSR activities alongside "sustainable business," indicating this mode may be designed for long-term strategic interests or to promote the development of the industry, to promote co-construction with employees, and to seek stable and sustainable business growth through dialogue and resolution of issues with investors.

This type of communicative mode is mainly raised in conjunction with three categories of stakeholders, including employees, business partners, and financiers. SOEs in particular emphasize the first two, while non-SOEs place more emphasis on the latter. Remarkably, there is generally little mention of corporate-consumer co-development activities in the reports of Chinese companies, whether they are state-controlled or privately held. First, employee participation in responsible business is an important reporting theme for both SOEs and non-SOEs. SOEs' CSR report shows that enterprise unions are the largest force not only in holding recreational activities for employees but also in the improvement of employee well-being. On the other side, non-SOEs tend to have a greater introduction to full engagement in employee training and career development. That means SOEs pay more attention to the welfare and life of employees, which is closely related to the social and livelihood functions remaining in the central business unit in the planned economic era. Non-SOEs, on the other hand, emphasize how employees participate in promotion and training programs and the construction of compensation systems. Information dissemination related to employee engagement in a typical SOE is described as follows:

"In 2019, our enterprise union promoted the establishment of psychological counseling rooms for employees and started several livelihood projects, as well as sports and cultural tourism activities, so as to enable employees to live a healthy life and work happily and to

effectively enhance their sense of gain, happiness, and sense of belonging." (MOUTAI Corporation)

Second, in the SOE sector, building a green supply chain with suppliers, promoting industrial upgrading with industrial associations, and their active participation in technology forums are mentioned far more frequently. Beyond a single profit-seeking goal at the company level, the more special business function of SOEs is to promote the development of the industry.

Third, the construction of regular forums for shareholders and investors is the main form of shareholder engagement mentioned by non-SOEs. This finding indicates that non-SOEs attach more importance to the cultivation of financier-oriented relations. On the other hand, most Chinese SOEs are controlled by either the central or local State-owned Assets Supervision and Administration Commissions (SASACs); as such, SOEs seldom disclose interactive activities with those state-owners but more often emphasize how they build responsible systems for other financiers, such as setting up investor-oriented counseling windows (i.e., these initiatives are categorized as the first type of engage mode).

Table 5-10 indicates that most SOEs and non-SOEs favor transmitting information about their joint engagement with core business-related stakeholder groups. Overall, there is a consistent trend between SOEs' emphasis on their own one-way contributions and their emphasis on bidirectional cooperation in their communications to market-based stakeholders (N = 46, Freq = 94%). Non-SOEs, similarly, tend to transmit information regarding both their unilateral contributions and the two-side engagement activities (N = 103, Freq = 93%). This reflects the tendency of non-SOEs to emphasize their own social outcomes as well as their process of co-construction with interest groups.

Charitable Donation

"Charitable donation" refers to a communicative mode where companies emphasize their unilateral contribution to a non-market stakeholder group. Most of the CSR initiatives that are reported take the form of grants, sponsorships, and donations, from which non-market stakeholders receive benefits from the enterprise. According to Table 5-10, all SOEs emphasize unilateral contributions to non-market stakeholders in their activities, reflecting the public welfare nature of companies governed by state logic (N = 49, Freq = 100%). In contrast, a proportion of non-SOEs also underline their contribution to interest groups not directly related to their main business, which may reflect a potential soft homotypic pressure from the same institutional environment. More than half of the non-SOEs have chosen to pay additional social contributions to a wider scope in addition to their financial and legal responsibilities (N = 77, Freq = 69%). Discretionary charitable activities of the private sector in emerging countries always contribute to a certain extent to the solution of social issues and share the public tasks of the public sector. However, overall, non-SOEs are significantly more concerned with stakeholders related to their main business than peripheral non-market stakeholders.

The results also show that when disclosing unilateral philanthropic activities, non-SOEs are more likely to use quantitative indicators to disclose social outcomes, such as detailed amounts of donations. In contrast, when disclosing activities for stakeholders related to their core business, they replace simple reports on social outcomes with detailed descriptions of the process. This is similar to the tendency of several SOEs, suggesting that regardless of capital ownership, companies tend to quantify and report on the outcome of their philanthropic activities but provide detailed descriptions of activities for stakeholders connected to their main

business. An example of a typical SOE's CSR discourse to non-market stakeholders is shown below:

"During the reporting period, SAIC Group carried out another round support of urban-rural twinning with 7 economically weak villages in Zhongxing Town… … completing 43 signed projects and accumulating 7.3 million yuan of project support funds; in addition, we helped 2,304 people in distress and schooling, and issued a cumulative total of 1,696,000 yuan of various kinds of schooling support and assistance, and financial aid in distress. Among them, in 2017, it completed 16 contracted projects and invested project support funds of 1,469,500 yuan; it helped 2,850,000 people in distress and schooling and distributed all kinds of schooling assistance and hardship grants amounting to 220,000 yuan." (SAIC Motor Corporation)

Public Value Co-creation

Transmitting CSR information regarding how companies collaborate with non-market stakeholders to create public interest is recognized as a communicative mode named "public value co-creation." The reported CSR initiatives involve joint social welfare projects, the construction of national infrastructure, civic value creation, community co-construction activities, disaster response, etc. Non-market stakeholders are involved to a large extent in such information. Table 5-10 shows that the vast majority of SOEs still prefer to disclose their practices to a wide range of non-market stakeholders on public issues (e.g., civic groups, non-profit organizations, the government, etc.). (N = 42, Freq = 86%). Public issues cannot be solved by the private or public sector alone. Hence, SOEs, which have more resources and prestige and a higher ability to mobilize a whole-scale range of stakeholders, act as a bridge

between the two sectors. A part of non-SOEs in the same national business system also transmit information regarding the collaborating roles of non-market stakeholders in solving social issues as well, but this is not a mainstream trend (N = 54, Freq = 49%). They have a higher tendency to emphasize market-related stakeholders in CSR communication.

There is the biggest gap regarding the communicative mode of public value co-creation between SOEs and non-SOEs. The emphasis on co-creation and participation in public issues and social tasks is very typical of SOEs, while non-SOEs do not show a mainstream focus on collaboration with non-market stakeholders. Related to the institutional environment of China, in many cases, SOEs, which used to be called national economic units, still retain their political and social functions nowadays. This is also an indication that the actions of SOEs are dominated by public logic to a large extent.

The vast majority of SOEs are engaged in joint projects with the government, such as the construction of social infrastructure, the redevelopment of disaster zones, local security and stability, and contributions to national events, as well as medical and cultural support projects with government-affiliated NPOs or public institutions and support for marginalized groups of the population with the local community. This mode also includes cooperation between SOEs across industries in projects related to the economic development of special regions, nationwide poverty alleviation, border construction, and so on. There is very little cooperation between SOEs and civilian NPOs, which indirectly implies that despite the growth of civil organizations in China over the years, they are still underdeveloped in the context of a large number of governmental NPOs and institutions dealing with public affairs.

Table 5-10 Distribution of CSR Domain across SOE and Non-SOE

Quadrant	Definitional construct	Examples
Business for social marketing	This communicative mode refers to activities that are targeted at stakeholders related to the enterprise's main business and are initiated and led by the enterprise, with the stakeholder group acting more as a beneficiary than as a participant in the operation and progress of social activities.	Support for business partner, Customer protection, Service-systems building for customer, Owner and Investor Protection, Salary and welfare system building for customer, Media responsibility, Equality of nationality, Integrity management, Regulation of pollution in the business
Business for sustainability	This communicative mode refers to activities organized for stakeholders related to the main business, with the participation of multiple stakeholder groups, whereby the interest groups and the company work together for sustainable development on an equal and reciprocal footing (not that one group only benefits but does not pay).	Platform building for industrial development, Industry drive, Physical and mental health related activities for employees, Customer engagement in green product innovation, Investor communications and relations management, Green office
Charitable donation	This type of communicative mode refers to the unilateral contribution of a company to a non-market stakeholder group that is not directly related to its core business. Most of these activities take the form of grants, sponsorships and donations. Non-market stakeholders act as beneficiaries and receive benefits from the enterprise.	Support for vulnerable groups, Medical assistance, Education support, Philanthropy & charitable donation, Sponsoring activity, Emergency action, Material support for poor regions, Poverty alleviation

| Public value co-creation | This type of communicative mode refers to generating public interest with non-market stakeholders. It involves social welfare, construction of national infrastructure, civic value-creation, community co-construction activities, disaster response, etc. Non-market stakeholders are involved to a large extent in such activities. | Recreational and sports activity engagement, Frontier construction, Educational resource construction, Infrastructure construction, Disaster response, Regional development, Community engagement, Employment creation for national minority, Public security |

Source. Compiled by authors

Table 5-11 Distribution of communicative modes across SOE and Non-SOE

	SOE N = 49		non-SOE N = 111	
	Count	Frequency	Count	Frequency
Business for social marketing	47	96%	110	99%
Business for sustainability	46	94%	103	93%
Charitable donation	49	100%	77	69%
Public value co-creation	42	86%	54	49%

Note. SOE = state-owned enterprises, non-SOE = non-state-owned enterprises, Count = number of companies disclosing these modes in CSR reports, Frequency = ratio of the number of enterprises disclosing these modes to the total number of enterprises in their industry sector.

5.3.4 Discussion: Communicative modes in SOEs' CSR communication

Study 2 typologized the communicative modes in SOEs' CSR communication and explored how business logic and state logic coexist in the discourse of organizations dominated by state

capital. Using the unidirectional and bidirectional nature of social activities and the tendencies to emphasize the diverse stakeholders as the axis of analysis, I compare the different communicative modes between SOEs and non-SOEs.

First, both non-SOEs and SOEs exhibit a highly consistent inclination to focus their communications on the stakeholders associated with their core business. It implies that, subject to business logic, both SOEs and non-SOEs frequently mention normative responsibility towards customers. However, regardless of ownership, Chinese companies are not inclined to utilize the power of customers to solve social issues. On the other hand, although SOEs and non-SOEs are similarly influenced by business logics, there are still differences between their embodiments of CSR discourse. SOEs emphasize co-creation with employees most in their CSR communication, whereas non-SOEs focus most on financiers, especially shareholders. This is not because shareholders are not vital to SOEs; rather, the most frequently mentioned stakeholder groups, which are extended to a national-wide scope, show the evidence on the significance of state owners.

The unique business function of SOEs is reflected in their role in promoting the development of industry. The emphasis on SOEs' leading role in the revitalization of industrial competition and technological upgrading implies their special role in the market, which has a certain degree of public economic functioning. Moreover, unlike non-SOEs that disclose their "responsible normative services" to suppliers and business partners, SOEs show a stronger sense of guidance in their CSR discourse. They are not inclined to transmit CSR information to prove that they are "worthy of being chosen," but rather, they seek out potential business partners by disclosing the criteria for the selection of responsible suppliers for the current year to remind them "why

those partners are worthy of being chosen." This highlights the superiority of the status of SOEs in a particular research context.

Most importantly, there is an obvious tendency in SOEs' CSR communication to give more priority to the demonstration of state logic than non-SOEs. SOEs put emphasis on social issues, sharing public tasks, responding to policies, and leading in state activities, and clearly document the public value co-creation with a wide range of interest groups. The above findings show that public and business logics co-exist in SOEs' CSR discourse, as there is no tendency for one side to have overwhelming disclosure. While previous studies have shown that SOEs' operations cannot be simply measured by the private sector's so-called "efficiency and effectiveness," the results further suggest that in the realm of stakeholder dialogue, the use of "scope" rather than "efficiency" is suitable for measuring the communication of public organizations.

5.4 Summary: Chapter 5

Chapter 5 investigates the CSR communication of SOEs, elucidating their accountable structure toward each stakeholder as well as their communicative tendencies in reporting. Through comparative analysis with non-SOEs, this paper analyzes how competing institutional logics dominate SOEs' CSR discourse. In a nutshell, this article contends that various institutional logics can coexist in SOEs' CSR communication, but the public and social objectives governed by state logic are given priority, while economic goals dominated by market logic come in second. SOEs' CSR communication exhibits the following three characteristics:

First, the scope of SOEs' accountability is broader than that of non-SOEs, reflecting that state and market logic coexist in SOEs' CSR discourse. Remarkably, public tasks and political missions associated with state logic take precedence over their pursuit of market interests. Compared with SOEs in European countries (e.g., Alexius & Örnberg, 2015), Chinese SOEs are less likely to shift their mission away from the public. Although SOE researchers have always believed that SOEs are operated with public funds and therefore need to respond to the needs of more groups by default, there has been no investigation into unraveling SOEs' accountable scope. This study conducts a detailed descriptive analysis of each type of stakeholder and presents empirical evidence regarding SOEs' boarder accountability. The conclusions not only prove that the core groups targeted by the social information disclosure of SOEs have expanded to non-direct stakeholders but also offer the priority of different interest groups in communication. In CSR information disclosure, the "efficiency" that the private sector emphasizes more in information transmitting may not be appropriate to evaluate SOEs' communication, and the "broadness" of the beneficiary groups could be a suitable indicator. Interestingly, non-SOEs' priorities for different stakeholders are similar to those of SOEs. It implies that in a state-led market, non-SOEs might adopt homogeneous behavior towards SOEs.

Second, the reporting contents on contributions to a specific stakeholder group reflect highly reinforced state logic in a SOE context. With regard to the characteristics of an accountable structure, SOEs emphasize the role of party organizations, a sub-organization type of internal affiliated institution affiliated with the state. For non-SOEs that are in a state-led market, a very small portion of them also set up party organizations within the enterprise. The very few non-

SOEs that report information related to party organizations only emphasize their functions in politically ideological mobilization and party-building activities. However, SOEs attach great importance to the roles of party organizations in whole-scale public functions and social tasks, such as policy response, social security safeguards, institutionalization of CSR, and promoting social initiatives.

Third, conflicting institutional logic and organizational goals simultaneously influence the communicative tendency of SOEs to transmit CSR information. Notably, when reporting on market-oriented CSR activities, SOEs tend to demonstrate their ability to regulate the public economy. Its market logic could not be simply explained as profit goals; it reflects the promotion of industrial development and the constraints on suppliers' behavior. On the other hand, neither economic goals governed by market logic nor public tasks and political missions governed by state logic occupy an overwhelming amount of space in SOEs' CSR communication. While SOEs emphasize unilateral contributions and multilateral cooperation in creating social welfare, they also advocate contributions to core market stakeholders as well as co-creation value.

CHAPTER 6 SOE' CSR IMPLEMENTATION

In this chapter, I examine the internal governance and collaboration building with external stakeholders among SOEs and how diverse logics co-exist in their implementation of CSR activities. Through examining the engagement of SOEs' insiders and outsiders, I attempt to address the following two sub-research issues, namely, compared to non-SOEs: (1) How does the internal CSR engagement mechanism of SOEs work, and (2) How do SOEs promote CSR co-engagement with external stakeholders? The former is to explore the engagement mechanisms of internal stakeholders (see Study 3), whereas the latter is to investigate the interactive action between SOEs and outsiders (see Study 4). With regard to the analysis approach, I used the grounded theory approach by using qualitative data from 27 in-depth interviews, 5 supplementary interviews, secondary data (e.g., publications of sample companies, official documents, etc.), and field observation. To advance my inquiry, I review the relevant CSR engagement literature and present two research questions. Next, I outline the research procedure and the methods employed. After the explanations of the findings, this chapter will conclude with a discussion.

6.1 Background

Information and communication technologies, higher public expectations for corporate roles, and NGO activities have led to a historically unique level of transparency in matters of business ethics. Companies are powerful forces in social life and have the opportunity and obligation to supplement traditional roles once served by governments and to address social issues to make the world a better place (Sonenshein, 2016). Failure of CSR fulfillment in any

related business areas may create significant reputational damage, leading to consumer boycotts or delegitimization, or even worse, to the loss of the license to operate (Castelló et al., 2016). Against this backdrop, companies have to make sure that organizational actions are ethically sound, in responding to a multitude of stakeholder claims. Those specific initiatives or projects give a practical shape to the notion of CSR. The actualization of CSR and treatment of social issues are complex and can involve multiple stakeholders, such as a local community impacted by poverty, a nonprofit attempting to help alleviate poverty, or government institutions trying to get citizens off public assistance.

As Husted (2007) notes, companies could choose an internal or an external way to accomplish CSR initiatives with stakeholders. Several companies internalize CSR through their governance systems, whereas others outsource CSR through charitable contributions (in an external way) or establish a collaborative alliance to handle CSR tasks. As an internal way, substantial corporate involvement in the planning, implementation, and assessment of social projects is a feature of in-house initiatives. Those inner-company projects include CSR initiatives that could benefit both internal and external stakeholders. For example, China National Petroleum Corporation mobilizes its subsidiaries to promote the general health of its employees and retirees, with the employees as the internal stakeholders benefiting from the CSR efforts. Other inner-company CSR initiatives concentrate on benefiting outside groups, like China Construction Bank, which meets the underserved financial requirements of low-income and minority populations. In the above cases, companies plan, construct, and carry out their own CSR initiatives without the support of external stakeholders. Using inner-company initiatives offers executives the primary benefit since it allows them to carefully allocate

resources to fulfill company and community goals.

On the other hand, Husted (2007) categorized CSR initiatives engaging with external stakeholders into charitable contributions and collaborative projects. The former entails the company donating money or other resources to NPOs that carry out social, philanthropic, educational, medical or humanitarian projects. Organizations and communities with specialized knowledge of the specific social issues at hand can receive funding from a company. This indicates a generally low degree of company participation in implementing projects. For example, by giving donations or materials toward foundations, a lot of Chinese privately owned companies provide resources to NPOs that address environmental and social problems (Ma & Parish, 2006). With regard to the latter, in collaborative projects, a company and other stakeholders form a relationship and the company supplies resources to the collaborator thus ensuring they can carry out CSR activities jointly. For example, Alipay frequently engages with NGOs on environmental, medical, and educational support issues. Shanghai Pharmaceuticals continually cooperates with academic institutions to facilitate and assist minorities working and training toward career development. In each case, the company and its partner both contribute substances for the CSR program's establishment and implementation.

The above CSR initiatives have always been synonymous with co-creation with internal or external stakeholders, which has been overlooked in prior studies for a long time. As a literature review of Chapter 2 noted, traditional stakeholder perspectives tend to focus on how companies manage external stakeholders effectively rather than how they engage with whole-scale stakeholders in managing social issues responsibly (Sonenshein, 2016). To be specific, the

existing empirical evidence (1) provides less empirical evidence about the mechanisms of how inner stakeholder engagement in promoting CSR initiatives and (2) offers little detail about the inter-organizational dynamics through which companies interact with external interest groups in their CSR initiatives. This chapter aims to address the above theoretical shortcomings through the exploration of two sub-research questions related to SOEs' CSR implementation.

Research Question 1: How does the internal CSR engagement mechanism of SOEs work?

Research Question 2: How do SOEs engage with external stakeholders?

6.2 Study 3

Study 3 is to answer the first research question about how the internal CSR engagement mechanism of SOEs works by theorizing an internal governance structure in a SOE context. To be specific, I aim to clarify the way different institutional logics derived from state ownership coexist (or in another incompatible way) in a hybrid organization. This step is important to deconstruct the intricate and finely nuanced interplay between interest groups inside the company. For this purpose, I employed a grounded theory approach that is appropriate for understanding 'how' questions when analyzing complex phenomena (Eisenhardt, 1989), as it facilitates the exploration of new themes and allows for the development of a deeper understanding of existing theoretical perspectives (Talbot & Boiral, 2015).

6.2.1 Methodology

Theoretical Sampling

To investigate how the internal CSR engagement mechanism of SOEs works, I employed a grounded theory based on a multi-case approach, which is appropriate for understanding 'how' questions when analyzing complex phenomena (Eisenhardt, 1989). This approach facilitates the exploration of underdeveloped issues (Talbot & Boiral, 2015). This paper chose theoretical sampling rather than random or large-scope sampling, as the former sampling is a core feature of the grounded theory method (Eisenhardt, 1989; Strauss & Corbin, 1998). The biggest difference between theoretical sampling and random sampling is that the former is driven by the research question and the core constructs, and it focuses on whether the sample could provide the chance to explore differences in the target constructs or inter-conceptual relationships (Corbin & Strauss, 1990). Data collection and primary analysis proceed in tandem, and ongoing analysis steers the course of the inquiry in grounded theory (Foley et al., 2021). Emergent concepts in the data being generated are used to guide where to go for more data, from whom more data should be collected, and for what purpose (Bagnasco et al., 2014).

In the initial sampling stage, all the samples met the following conditions: (1) the company has been promoting CSR activities for the past five years; (2) there is a duty person or specialized department in charge of CSR activities; (3) the company disclosed messages in the articles of association regarding the construction of its internal ethics system; (4) the company tends to interact with stakeholders and involve stakeholders in their own company's activities; (5) the sample set allows this paper to simultaneously compare, control, and consider the effects of different locations, industries, company sizes, and political identities of top decision-makers,

which may influence CSR implementation. The sample companies can be divided into two groups: (1) the SOE group (11 SOEs) and (2) the non-SOE group (10 non-SOEs).

Finally, 21 companies were included when the results reached theoretical saturation (i.e., where additional cases provided no new information or ideas) (Strauss & Corbin, 1998). The sample contains 11 SOEs for analyzing the state-owned sector and 10 non-SOEs for exploring the private sector. The number of corporate cases in each sector was greater than four and less than 12 (i.e., SOE N = 11, non-SOE = 10), which meets the guidelines on appropriate sample size for qualitative analysis (Eisenhardt, 1989). The sample set is enough cases to provide some variation in the phenomenon such that the constructs can also be well-defined and measured and that the propositions can be seen in multiple situations, which can also be managed in the researcher's mind (Eisenhardt, 1989).

Data Source and Collection

As grounded theory approach with multi-case bases are rooted in empirical data, contextualized data play a pivotal role as carriers of phenomenon. This section introduces the data source and collection. Totally, my data were gathered via a range of sources: in-depth, semi-structured interviews, outsider observational data collected through site visits and meeting participation, secondary data collected from public documents, company publications and company internal documents.

I used semi-structured, in-depth interviews as the primary data sources and conducted supplementary interviews over a period of 3 months, from June to August 2023. I interviewed 27 people in different roles and positions to gain a comprehensive understanding of the internal governance structures and stakeholder engagement mechanisms. The majority of the

respondents were experts in the CSR practical field, with lots of experience and knowledge in social activities. Based on material collection and the findings of Study 1 and 2, in China, social activities could be undertaken by party organizations within companies, enterprise unions, departments of public relations (PR), and departments of government relations (GR). In some cases, CSR activities are organized by the well-being and social welfare teams arranged in the human resource department and under the direct control of the senior management team. In this paper, 27 interviewees represent different internal stakeholder groups (see Table 6-1) and their positions cover (1) secretaries of the party branch and committee; (2) top and middle managers, and section chiefs as a part of the corporate administrative system; (3) chairman and administrative staff of the enterprise union; (4) administrator of the poverty alleviation office; (5) chairman of the foundation; (6) CSR project team leader; (7) human resource business partner; and (8) employees with lots of experience participating in CSR activities.

I conducted the interviews primarily in Mandarin Chinese, which is the official language of China and the investigator's native language. Lengths of interviews ranged from 30 minutes to 1.5 hours with each interviewee, and the average was 60 minutes. All the data were tape-recorded with interviewees' consent. The interview guideline contains questions on six subject areas, such as the respective businesses of companies, their work experience regarding CSR engagement, processes and strategies related to companies' CSR implementation, the evaluation process of CSR projects, and how they realized that these companies contribute to society's development. The amount of data collected on each subject area varied from respondent to respondent because of different areas of position and work. All statements made by interviewees are presented in an anonymous form because several respondents asked for

confidentiality, and anonymity ensured a deeper and more open investigation.

During the interview process, preliminary analysis was also carried out. I further conducted supplementary interviews with five interviewees from different stakeholder groups after the primary analytical phase (see Table 6-2). The respondents are members of NPO, educational institution and land office, governmental NPO and private voluntary teams. All those organizations have common projects with SOEs or non-SOEs.

To ensure the triangulation of qualitative data analysis, I used secondary sources to collect publicly or internally available information, including websites, press articles, and internal documents obtained from the companies (see Table 6-1). The above documents enabled the investigator to explore the evolution of formal representations of CSR and to trace the development of these representations over the study period. Further, I complemented this database by collecting first-hand data via outsider observations. To inspect participants' perceptions toward CSR and observe the practical operation of the social governance system, I attended two formal meetings of party building and one informal meeting of the CSR project team as a bystander. Through visiting the 12 head offices, I gained a better understanding of the work situations and was involved in the business banquets of three sample companies, which in China are often considered to be a place for in-depth communications on social issues. I made field notes along the way.

Table 6-1 Characteristics of Interviewees

Code	Industry	Location	Type	PC/non-PC	Job role	Timing	Duration	Form
S1	Manufacturing and trade	Jiangsu	SOE	PC	Secretary of the Party Branch	15-Jun	60 min	Face-to-face
					General manager	15-Jun	45 min	Face-to-face
S2	Manufacturing and trade	Zhejiang	SOE	PC	Secretary of the Party Branch/Middle manager	19-Jun	60 min	Face-to-face
S3	Manufacturing and trade	Shanghai	SOE	PC	Secretary of the Party Committee	21-Jun	60 min	Face-to-face
					Administrative staff of Enterprise union	21-Jun	30 min	Face-to-face
S4	Manufacturing and trade	Shanghai	SOE	PC	Secretary of the Party Branch/Middle manager	22-Jun	60 min	Face-to-face
S5	Manufacturing and trade	Shanghai	SOE	PC	Secretary of the Party Committee	22-Jun	50 min	Face-to-face
					General manager	22-Jun	40 min	Face-to-face
S6	Medical devices	Beijing	SOE	PC	Member of the Party Branch	14-Jun	40 min	Face-to-face
S7	Energy	Beijing	SOE	PC	CSR Participants	13-Jun	60 min	Face-to-face
S8	Energy	Inner Mongolia	SOE	PC	Administrator of Poverty Alleviation Office	12-Jun	85 min	Face-to-face
					CSR Participants	12-Jun	30 min	Face-to-face
S9	Energy	Jilin	SOE	PC	Staff of CSR Department	5-Jul	30 min	Online
S10	Transport and logistic	Jilin	SOE	PC	Member of the Party Branch	8-Jul	30 min	Online
S11	Transport and logistic	Guangdong	SOE	PC	Secretary of the Party Branch	12-Jul	45 min	Online
P1	Manufacturing and trade - textile	Jiangsu	non-SOE	non-PC	Top manager	17-Jun	50 min	Face-to-face
					General manager	17-Jun	30 min	Face-to-face
P2	Manufacturing and trade - textile	Jiangsu	non-SOE	non-PC	Top manager	18-Jun	60min	Face-to-face
					CSR Project Team Leader from collaborative company	18-Jun	30min	Online
P3	Information communication technology	Shanghai	non-SOE	PC	Manager of CSR Department/Member of the Party Branch	23-Jun	80 min	Face-to-face
P4	Information communication technology	Zhejiang	non-SOE	PC	Manager of CSR department/ PR department	19-Jun	45 min	Face-to-face
P5	Information communication technology	Beijing	non-SOE	PC	Chairman of the Foundation	16-Jun	90 min	Face-to-face
P6	Financial service	Beijing	non-SOE	non-PC	Chairman of the Enterprise Union/Human Resource Business Partner	14-Jun	30 min	Online
P7	Medical devices	Beijing/Shanghai	non-SOE	PC	Manager of Public Relation Department/ Member of a external NGO	20-Jun	90 min	Face-to-face
P8	Real estate	Beijing	non-SOE	PC	Manager of Department of Public and Government Relations	13-Jun	60 min	Face-to-face
P9	Real estate	Xinjiang	non-SOE	non-PC	Top manager	2-Jul	40 min	Online
P10	Energy	Jiangsu	non-SOE	non-PC	Top manager	17-Jun	70 min	Face-to-face

Note. Code = Interview code, Location = Key locations of company operations, Type = Type of corporation, PC = Companies with Party Committee, non-PC = Companies without Party Committee, Job role = Position of Respondents

Table 6-2 Descriptions of Supplemental Interviews

Interview	Description	Duration	Form
Non-profit organization (1 Interviewee)	Civil organizations that have common projects with non-SOEs	40 min	Online
Public Institution (2 Interviewees)	Educational institution and Land office that have common projects with both SOEs and non-SOEs	70 min	Online
Governmental NPO (1 Interviewee)	Civil organizations that are affiliated to government and have common projects mainly with SOEs	30 min	Online
Volunteers (1 Interviewee)	Civilian volunteers for CSR activities of both SOEs and non-SOEs	60 min	Online

Source. Compiled by authors

Table 6-3 Descriptions of Data sources

Data source	Type of data	Quantity	Use in the analysis
Public documents	Reports from public institutions, governments, homepages of civic organizations	127 pages	Familiarization with the social context and national business system
Company publications	CSR reports, Sustainable reports, Environmental and Social Activities Bulletin	45 documents (2020~2023)	Supporting, integrating and triangulating evidence from the interviews
Interviews	Semi-structured interviews	15 interviews toward SOEs,	Reconstruction of the set of concepts and themes produced in the

		12 interviews toward non-SOEs, 5 supplementary interviews toward interest groups, 26h and 40min	data structures
Outsider observations	Formal and Informal meetings, business banquets, observation of events	12 head offices visited, 2 formal and 1 informal meeting observed, 3 business banquets	Triangulation of findings from interviews; insights into the practical operation of social activities
Internal documents	Reports and news, Notes on Party Building, In-house publications	45 documents	Supporting, integrating and triangulating evidence from the interviews

Source. Compiled by authors

Procedure of Data Analysis

The grounded theory approach was appropriate for this study as it both describes a process or action and generates a theoretical explanation for it (Corbin & Strauss, 2008). I followed the procedures and techniques widely accepted in grounded theory literature, with the theories and concepts emerging from the data and its analysis, not from prior assumptions (Strauss &

Corbin, 1998). The literature review on several concepts to emerge from the data and its analysis were thus developed to theorize the results of the study (Talbot & Boiral, 2015). As pointed out by Suddaby (2006), grounded theory is not an excuse to ignore the literature" (p. 634) and authors can note that, although they are presenting theoretical concepts in a traditional manner, the concepts did, in fact, emerge from the study (Suddaby, 2006).

I started the analysis soon after collecting the first bit of data, following the principles of grounded theory (Corbin & Strauss, 1990). The data analysis went through several overlapping stages. First, I immersed myself in the data by reading through the transcripts and making notes on general themes in each transcript. As part of the theoretical coding process (one of the key tenets of grounded theory), I used the constant comparison method and triangulated across different data sources to compare notes to ensure the completeness and accuracy of each analysis and reporting of one case before moving on to the next. The constant comparison method is a hallmark of the grounded theory approach, as it allows for the development of ideas early in the analysis and for frameworks to emerge from both new data and already-analyzed data (O'Reilly et al., 2012). It was used throughout the entire data analysis process.

Second, interviews were uploaded into MaxQDA. I then conducted an inductive, open-coding process to group related issues and concepts into first-order codes (Strauss & Corbin, 1998), which allowed me to compare incidents, events, and information with one another to check for similarities and differences. To avoid bias, I conducted the coding process with another practitioner with abundant CSR working experience (who are not involved in data gathering but expert in business and economics and corporate non-market strategy), discussing differences and reaching agreement on concepts. As I proceeded through the data collection

and analysis process, I revised codes and went back and forth between cases to search for similar issues, ideas, and patterns.

Third, I undertook axial coding via a combination of inductive and deductive thinking to relate the first-order codes to one another (Strauss & Corbin, 1998). This process was iterative and required moving between the transcripts and the relevant literature to develop a more comprehensive theoretical picture of the data (Corbin & Strauss, 2008), allowing first-order categories to be collapsed into more integrated, conceptual second-order themes (Eisenhardt, 1989). The axial coding process led to the identification of seven second-order themes, along with lasting discussions with the CSR practitioner.

Fourth, the final stage involved selective coding (Strauss & Corbin, 1998), whereby we aggregated the seven second-order themes into overarching core theoretical dimensions. We did this by going back and forth between the first-order categories and second-order themes to better understand how these could be refined further into simpler, overarching categories. These coding procedures were conducted in combination with analysis through a process of taking conceptual memos, which allowed for the capture of different ideas of the emerging theory (Holton, 2007). Figure 1 illustrates the data structure of my findings and forms the basis for the latter analysis.
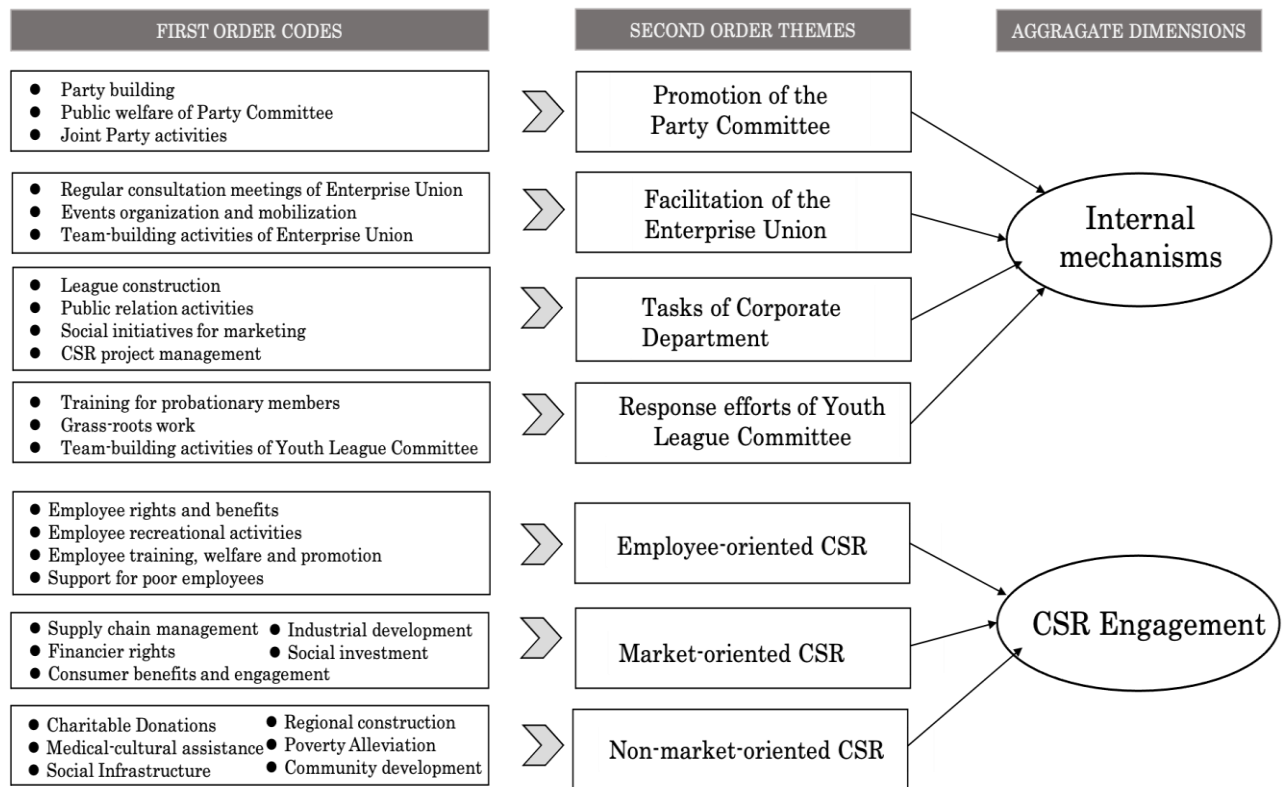
Figure 6-1 Data structure of Study 3

6.2.2 Results

Alternative Mechanisms Promoting CSR: Party Organization as Helmsman vs. Auxiliary

"*The grass-roots organizations of the Party in state-owned and collective enterprises carry out their work around the production and operation of the enterprise, lead ideological and political tasks, the construction of spiritual civilization, co-operation with enterprise unions and the Youth League Committee, co-ordinate the relations between the enterprise and its employees and among the employees, and promote the sustained, stable development of SOEs.*"

(Constitution of the Communist Party of China)

In fact, Chinese SOEs are jointly owned by those that exercise shareholder power on behalf of all the nationals (Yu et al., 2022). Senior executives of companies are not from the free

manager market but from the leading cadres within the China Communist Party system (CCP) (Li, 2023). Therefore, the theoretical assumptions regarding governance structure, such as the board of directors, the board of supervisors, and incentives and restraints for managers in accordance with Western firm theory, has a limited effect on the corporate governance of Chinese SOEs (Yu et al., 2022).

In contrast, China's internal governance system is driven by the "DangZhengGongTuan (党政工团) system." Specifically, "Dang(党)" refers to the internal party committee and the party branch (with different subordinate organs depending on the size of the company). "Zheng(政)" refers to the company's general administrative system, including the top-, middle-, and basic management and their subordinate departments. "Gong (工)" refers to the enterprise union, which is composed of employees and is the organization of regular employee congresses. The chairman acts as an agent for all employee-related affairs and activities. "Tuan (团)" refers to the grassroots organization of the Communist Youth League within the enterprise. According to the constitution of the Communist Youth League, members of the Youth League committee should be over 14 and under 28 years old. The Youth League committee exists to assist the affairs of the enterprise union and channel new blood to the party organization. The above four subordinate systems jointly affect the business operations of SOEs.

What emerged from the data was that most companies established a sub-organization affiliated with the Party, both in the SOE and non-SOE sector. Due to China's special political system, CCP Committees exist at all levels of government and SOEs. It is through this power structure, the enterprise party committee is formed as part of the CCP's organizational power network, and through it to achieve the CCP's actual control of the sector. Due to the special

nature of SOEs, executives are appointed by higher level CCP committees. Figure 6-2 shows

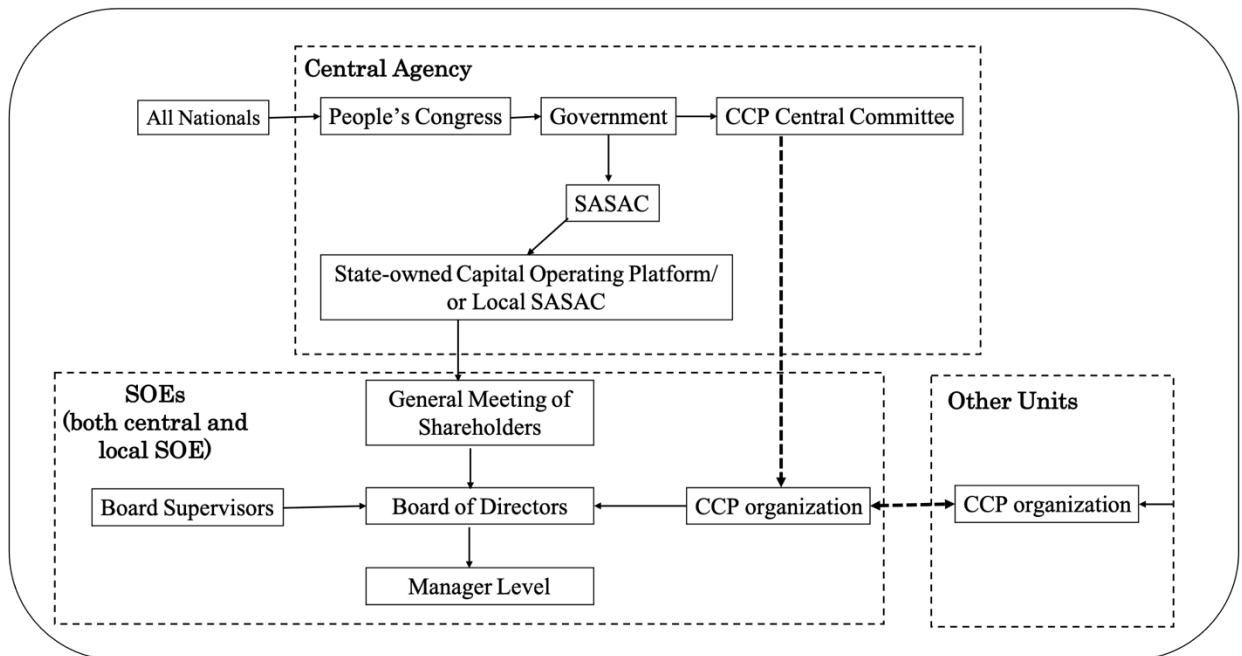the organizational relationship between the CCP committee, the government and SOEs.

Figure 6-2 SOEs under the network of Party system

Several interviewees in SOEs referred to the role of the party organization as "a helmsman."

On the one hand, this metaphor suggests that the party organization of a SOE is often the

primary decision-maker for the company's CSR activities, and that the political orientation or

social mission behind it will directly empower the SOE's public benefit and social value

creation. On the other hand, "a helmsman" who steers the ship also implies the meaning of

"constraint on the traveling track," indicating that the party organization not only undertakes

an ethical nature of public welfare but also needs to regulate the most basic social

responsibilities that the company should comply with. That is, the person at the helm of the

ship must ensure that the navigation does not stray from the right course. As the secretary of

one of the SOEs' party committees explained below,

"I liken our company to an elaborate ship; then the party committee is the helmsman. Generally, the party committee decides the way forward for various matters [of the company] rather than a supporting position. In some cases, the top manager and the secretary of the party committee are one and the same, meaning that the party committee has a direct influence on the activities of the business, especially which social activities are to be done. The helmsman of the party committee should keep SOE on the right track to steer the ship and not deviate." (Interview code: S4)

Remarkably, the party organization plays a central role in promoting CSR activities, especially for non-market stakeholders such as medical aid, support for education, and the development of social infrastructure (defined in this paper as non-market-oriented CSR). SOE interviewees generally emphasized that CSR activities promoted by party organizations should be directed towards people in "remote areas" (e.g., disadvantaged groups, poverty-stricken regions, non-direct stakeholders in a national scope), which is a manifestation of the dominance of state logic over corporate behavior. China's state-owned economy is both responsible for its own economic objectives and a variety of political and social goals set by central local governments, such as participation in local economic strategic development plans, macroeconomic regulation and control, and the maintenance of stable employment. In line with the current governance of central and local government in China, CSR practitioners reach a consensus that SOE's main goal is to maximize the overall well-being of society rather than service delivery for a specific interest group (Yang et al., 2023). A secretary of the Party Branch said,

"We keep doing a lot of charitable and social well-being activities through our [party] branch, what the public calls' significative social contribution'. These activities are sometimes organized by the higher-level party committee [outside the company] or policy documents from the SASAC, such as poverty alleviation activities some years ago or calls for rural revitalization in recent years; sometimes the activities are also initiated by our branch. Generally, the development and construction of social infrastructure, stable employment, and safeguarding stability here require the collaboration of the [party] committees or branches at all levels." (Interview Code: S1)

Notably, when party organizations take the main position, the SOEs' interviewees repeatedly mention the supporting role of enterprise unions and the Youth League Committee. As shown in Figure 6-3, the dotted box contains the cooperation between each sub-organization within SOEs. The constituent units of all three internal institutions—the party organization, the enterprise union, and the Youth League Committee—are employees. To be specific, the party organization can mobilize employees with CCP membership, the Youth League Committee can mobilize young employees under 28 years old, and the chairman of the enterprise union acts as the spokesperson for all employees, promoting wider employee engagement. As stipulated in the Constitution of the Chinese Enterprise Union,

"Enterprise unions are the bridge and link between the party and the masses of employees."

An administrative staff member of the enterprise union pointed out below:

"Both the enterprise union and the Youth League Committee are assistants to our [party] branch. The enterprise can, for one thing, mobilize young employees across the company and, for another, enable the party branch's strategic plans and programs to be better implemented at

the grassroots level. This is certainly difficult to promote with just the [party] branch."

(Interview Code: S3)

Moreover, the party organization that drives the implementation of CSR internally often undertakes the company's external liaison affairs through its party networks. Particularly when participating in social co-construction projects with public institutions and other government agencies, the internal party organizations use their advantaged status and natural network to liaise with other party organizations embedded in external governmental units or public institutions. Such a political network offers SOEs a basis for cooperation with outsiders and strengthens the ability of SOEs to carry out their public tasks. One of the SOE interviewees described this political network as follows:

"The party organizations embedded in local institutions, government at the grassroots level, or subdistrict offices are all old acquaintances with us. Whether the corporate tasks involve public infrastructure or community development, it's easier for us to connect with other [party] branches or committees [outside], as we are part of the party system. Of course, what the specific social issues are, what scale of participation can be achieved, also determine what kind of partner we will choose." (Interview code: S6)

It's necessary to note that, influenced by the national business system of China, non-SOEs set up a party branch on many occasions if three or more employees have party membership; as the number of people grows in size, it can evolve from a party branch to a party committee. Actually, it took a long time for the central Party Commission to encourage and accept applications for membership from the pool of private business owners. After the initiation of privatization reform, the central Party Commission gradually liberalized its tight control over

society and downplayed its original ideology. A major breakthrough occurred at the Party's Sixteenth Congress in 2002, when the membership charter was revised and private entrepreneurs were formally allowed to apply for Party membership.

However, in contrast to SOEs, party committees in non-SOEs do not follow the public logic of mobilizing social activities but instead assist the enterprise union to take on responsible activities for employees. A top manager from non-SOEs especially introduced that,

"Commonly in SOEs, it may be said that the party committee is at the helmsman of the SOE's CSR activities. However, in non-SOEs, there is sometimes a person specializing in party affairs who does such a job, but it does not play a decisive role. On many occasions, the secretary of the [party] branch or the committee of a SOE also holds the post of executive. But if you say in the privately-owned companies, the secretary [of the party branch] is seldom in the position of executive, unless the executive wants to develop a party-related identity." (Interview code: P10)

In SOEs, the party organization tends to maintain a backbone role in the CSR field and is mainly in charge of all non-market-oriented CSR activities for a wide range of non-direct stakeholders in a nation's scope. Enterprise unions and the Youth League Committee act as auxiliaries, assisting the party organization to mobilize and engage employees within the company. On the contrary, the presence of party organizations tends to assist the corporate administrative system (i.e., enterprise unions as a part) and deal with employee relations, employee welfare, and the protection of employees' rights.

Assistant Role of Enterprise Union

Facilitation of enterprise unions emerged as the second-order theme that led to understanding different internal mechanisms promoting CSR within SOEs. With regard to the former, enterprise unions are common in SOEs; non-SOEs of a certain size also have enterprise unions to be on behalf of all the employees. Interviewees from party organizations in SOEs repeatedly mentioned the vital function of enterprise unions in mobilizing employees.

"Enterprise unions are often our second-in-command in CSR activities, assisting us to mobilize and organize employees. As you probably know, they have more information about our employees and know the situation at the job site at the grassroots level better than we do. We need them." (Interview code: S2)

Common to both SOEs and non-SOEs is that enterprise unions play a major role in the company in protecting the rights and interests of employees, ensuring their rights and benefits, mediating conflicts when necessary, and speaking out on their behalf. While enterprise unions in SOEs have the following characteristics: (1) they provide a wider range of employee assistance and benefits, which fully reflect the public nature of their employee-oriented CSR; (2) they don't have a clear evaluation system for measuring social outcomes within SOEs, thus it is more difficult to trace the substantive benefits obtained by employees compared to those of non-SOEs. Remarkably, (3) in addition to safeguarding employees' rights and interests, unions in SOEs are able to play a supporting role in the day-to-day activities of the party organization.

First, enterprise unions in SOEs are solely responsible for all employee-oriented CSR activities, including not only basic protection for rights stipulated by labor law but also various

charity and support activities for employees. This empirical evidence suggests that the functions of enterprise unions in SOEs are similarly governed by public logic. An administrative staff of an enterprise union described their employee-oriented CSR as follows:

"We pay more attention to whether we can help employees deal with their basic necessities of daily life, such as food, clothing, shelter, and transportation in need... … We handle their daily issues, including whether the schooling problem of their children is addressed, whether those who have suffered a serious accident can receive timely assistance, whether employees in difficulty receive material and cash assistance, and so on." (Interview code: S3)

Secondly, the work of SOEs' enterprise unions suffer from several disadvantages of public project organizations, in that it is difficult to track and evaluate the social outcomes; on many occasions, this causes ineffectiveness in the implementation of the various employee-oriented activities. Another administrative staff of enterprise union said,

"The union does not really have a tracking or an evaluation system for benefits gained by employees. It's hard to find a way to evaluate how much the employees are benefiting. We think. Perhaps focusing on the outcomes of basic liability protection is easier to measure." (Interview code: S10)

However, in many non-SOEs, the scope of responsibility of enterprise unions is relatively limited, so the evaluation system of CSR outcomes is clearer. An interviewee who holds the positions of both chairman of the enterprise union and human resources business partner said,

"We measure the quarterly social performance by whether and how much subsidies are paid and by the number of hours worked by the employees, which are visible figures. Evaluating the extent to which basic protection for employees is within our reach and the most important

tasks." (Interview code: P6)

Thirdly, a vital function of SOEs' enterprise unions is to serve the party organization and assist it in organizing daily employee engagement activities. The following ordinance implies that enterprise unions and the party have a close cooperative link.

"Enterprise union is a mass organization of the working class under the leadership of the Party in which employees combine voluntarily, and they are the bridge and link between the Party and the masses of employees." (Extracted from Constitution of the Chinese Enterprise Unions)

In non-SOEs, however, the enterprise unions on many occasions take the leading position, and the party organizations tend to act in a complementary way to jointly conduct various employee-oriented responsibility activities. In other words, party organizations in non-SOEs contribute more resources and time to promoting employee engagement but do not import public functions from the external party system. They formally keep carrying out party-building activities to justify their mission, but they don't introduce the state logic into non-SOEs. As a top manager of non-SOEs said,

"Enterprise unions certainly need the cooperation of the party organization. The party branch always carries out some recreational activities for party building from time to time during the year, but most of the other time is spent in the office doing other things. When some of the workers living a hard life needed help, they would lend a hand. Regular safety inspections are also carried out by the [party] branch." (Interview code: P1)

Youth League Committee: Reserve Corps vs. Coagent

The establishment of the Youth League Committees is another feature of SOEs' internal governance system. SOE interviewees described such a committee as a "reserve corps." Together with enterprise unions, Youth League Committees support the work of the party organization and jointly promote CSR activities for non-market-oriented stakeholders nationwide. A secretary of the party branch emphasized the leading role of party organization,

"SOEs normally have a party organization [committee or branch], a union, and a league committee, which is required by law. But the responsibilities of these sub-organizations are different. We [Party Committee] are the leaders of the other two. To be specific, the main function of the Youth League Committee is to develop new party members, young people in their 30s or generally under 35 who wish to join the party." (Interview code: S11)

By contrast, interviewees from non-SOEs described the committee as a "coagent," as party organizations, enterprise unions, and the Youth League Committee share the responsibilities for employees. According to the authors' fieldwork, in SOEs, the offices of the enterprise unions and the party organizations were usually located next to each other, whereas in non-SOEs, the offices of enterprise unions and the Youth League committees were located right next to each other. This further reflects the fact that the cooperation between the Youth League Committee and enterprise unions in non-SOEs is very close, as the interviewee of a non-SOE's top manager said as below:

"The work of the Youth League Committee is mainly to assist us in handling employee-related affairs. For example, all our cultural and sports activities are basically co-organized with our Youth League Committee. Their staff helps us organize all the young employees here.

In some other tasks for employees, their cooperation is also important." (Interview code: P9)

In summary, in both SOEs and non-SOEs, Youth League Committees are promoting CSR with a supporting role. In the former, Youth League Committees cooperate with the party organization in various public tasks for national stakeholders, whereas in the latter, they mainly assist in employee-related matters with enterprise unions.

Corporate Administrative System as an Implementer of Market Goals

The findings above show that the activities of SOEs, which are governed by multiple organizational objectives, are, to a large extent, dominated by state logic. However, this study found that market logic coexists in SOE as well and governs the social activities of the corporate administrative system, where their market objectives and need for profitability still remain. Specifically, while SOE interviewees emphasized their broader philanthropic activities for the nation, such as investment in infrastructure, medical assistance, and support for culture and education, at the same time they also referred to their CSR activities, which are constructed in relation to their market objectives, business partners, consumers, and investors. These activities are generally carried out by the specialized department administrative system (not the party system). For example, several SOEs and non-SOEs establish a dedicated CSR department, while others assign CSR tasks to the PR department (Interview code: P4), GR department (Interview code: P8), department of marketing and consumer service (Interview code: S9), and HR department (Interview code: P6). The names of these departments may differ, but they are all operationally interfacing with external stakeholders.

This empirical evidence shows that although SOEs must undertake public tasks, they also

value maintaining relationships with market stakeholders to ensure their economic functioning. Government documents show that in 2003, ownership of central SOEs was transferred to the SASAC. SASAC is under the control of the State Council, and its role is to protect and enhance the value of the state's assets—to promote their profitability—and not just to fulfill public or politically strategic objectives. The State Council's 2004 Decision on Reforming the Investment System further separates government functions from corporate management by making SOEs responsible for their profits and losses. This means that SOEs also need to pay attention to market efficiency and interests; therefore, CSR, as a non-market strategy, facilitates competitive advantage, improves corporate image, and wins the favors of investors and consumers by building long-term relationships through social activities. A general manager of SOEs mentioned that:

"Although SOEs belong to the state, they are ultimately enterprises, right? We need to be self-financing, even if the capitalist behind us is the state. I believe that no matter what level of SOEs there will be a common perception, that is, we need to think about competition so that the country's assets will increase in value consequently. This is closely related not only to the development of ourselves but also to the development of our industry and our nation. That is to say, we think that a lot of the upstream and downstream of the industry chain. We value the R&D institutions or universities we work with. Most importantly, we also value consumers and the market. SOEs need to establish good relationships with them through CSR activities." (Interview code: S1)

Past studies have shown that, influenced by both the state and the market logic, the dual mission of hybrid organizations is often reflected in the tension between managing the

exploitation of business opportunities and pursuing a public mission (Zahra et al., 2009). For example, while it is legitimate for social enterprises to generate profits, they cannot seek maximum profit alone (Wilson & Post, 2013). The results of this paper show similar awareness in SOEs, where profit seeking is not the primary goal but they need to be profit and loss responsible. Even if there is a dichotomous perception that the market and the state are opposed, SOEs can differentiate their CSR tasks through organizational design to balance competing institutional logics.

Likewise, non-SOEs' corporate administrative systems are also responsible for CSR activities. They tend to concentrate more on market-oriented CSR, which is related to the stakeholders related to their core business. Non-SOEs will inevitably be subject to strong state dominance in the state capitalist system.

Interestingly, most non-SOEs conduct non-market-oriented CSR through "outsourcing" to respond to public tasks. For example, one respondent said his company commonly donates goods, materials, and cash to a local NPO, which will carry out CSR activities on its behalf.

"Frankly speaking, NPOs are more professional than us. After all, we are a business unit, not a specialized social service organization. We are not experts in the area of philanthropic or social activities. Compared to boosting a project team of our own to go to the countryside to do charity work and educational support, it would be better to fund a professional NPO directly, don't you think so? They have the mission and the expertise in social activities, and we have the money and resources." (Interview code: P1)

It is not a shift in the mission of SOEs to take on CSR activities oriented towards market-related stakeholders. Rather, SOEs require operators to establish a balance between state/public

logic (value creation) and market/commercial logic (value capture) (Santos, 2012). Unlike social enterprises that pursue a dual mission and operate in resource-poor environments, Chinese SOEs often have a strong enough backer (i.e., the state) and abundant resources to maintain a balance between market and public to avoid mission shift. For example, one SOE interviewee said,

"We need to be able to serve vulnerable groups, such as the unemployed and socially disadvantaged groups, but also to be able to safeguard the rights of our business partners and support them when necessary. I've got to say, we don't see the interests of nationals and the demands of business partners as conflicting and competing because SOEs have enough capital and capacity not to lose sight of one or the other." (Interview code: S5)

CSR Alliance with External Social Agents

The paper goes on to find that SOEs strengthen their public and social functions through cooperation with outsiders. As shown in Figure 6-3, when engaging in non-market-oriented CSR initiatives, SOEs typically collaborate with other entities. These stakeholders are usually party organizations of other enterprises, governmental institutions, and subdistrict offices. The party system provides a broader path of cooperation for SOEs. Interviewees from SOEs talk about such cooperation, as below:

"Our first priority for cooperation is SOEs... SOEs are better at reaching consensus when dealing with social matters and fulfilling public targets; on the other hand, it is easier for the party committee to liaise with them. Of course, in some community activities, we also work with the party branches of non-SOEs, or the local labor security bureau, and other

governmental institutions. According to our work experience now, we currently work most with SOEs and local grassroots government agencies." (Interview code: S3)

An interviewee from the poverty alleviation office mentioned their cooperation with SOEs, describing the relationship as follows:

"Projects with SOEs are relatively more; after the poverty alleviation policy came out in 2016, the number of projects we co-constructed with local SOEs increased a lot in 2018 and 2019. After the recent rural revitalization policy came out, there will be more cooperation after that. SOEs have a similar social goal as us, which is to serve people's livelihoods." (Interview code: S8)

As for the social activities of non-market stakeholders of non-SOEs (see Figure 6-4), non-SOEs also interact with external groups, and a part of them always tends to delegate social activities to external stakeholders. For example, through donating materials and funds to NPOs, which they think are more professional, non-SOEs conduct non-market-oriented CSR through "a form of CSR outsourcing."

As interviewees of non-SOEs said, non-SOEs are inclined toward business opportunities and profitability, so they tried to "outsource" CSR to ensure public tasks from the institutional environment don't disturb the core business operation.

"Whatever the policy calls for, we have to make sure that we are able to earn profits. After all, business is not charity. If our employees go to support poor areas and work on environmental greening every day, who will finish the work? We don't have enough time and resources. What is most important? We just hope to use materials and money to let people know that we are a responsible company in the most efficient way. That's enough. But we cannot

make these social activities interfere with our main business operations. Thus, donating to civic organizations is the most effective way. We each get what we want from each other." (Interview code: P2)

In a state-capital market, privately owned companies are forced to take on social activities in order to maintain their legitimacy. The results show that those non-SOEs seek to offload their public tasks by entrusting agents that specialize in social activities (e.g., NGOs, governmental NPOs). It is worth mentioning that several larger-size non-SOEs often have foundations with corporate names. Those foundations are also a manifestation of the externalization of CSR tasks, as foundations and enterprises registered in China do not follow the same regulatory system, nor do they have any legal affiliation. That is, a foundation is not considered an internal sub-organization of the enterprise but an NPO that exists independently. The chairman of a corporate-titled foundation said,

"The license of our foundation is registered with the institution of civil affairs. We used the money donated by the company, which is our starting capital. When an enterprise wants to have their own foundation, they donate money to the founder of the foundation, or they can also select an insider to be their chairman. Once there is initial funding from the company, the agent can set up the foundation if it passes the registration and certification. In other words, the enterprise can only be the initiator. The relationship between the enterprise and the foundation is not like a parent company and a subsidiary. Once the foundation is set up, the donor can be more than just one company; the chairman can find someone else to donate money, right?" (Interview code: P5)

In summary, small and medium-sized non-SOEs tend to entrust CSR to NPOs specializing

in public welfare, while large non-SOEs tend to inject initial capital into groups or individuals to form a legally independent foundation under the name of the enterprise. Foundations represent large non-SOEs doing CSR activities for a wider scope of non-direct stakeholders. When non-SOEs have to receive the influence of political penetration and policies, they tend to outsource CSR tasks to ensure the absolute dominance of their own market logic.
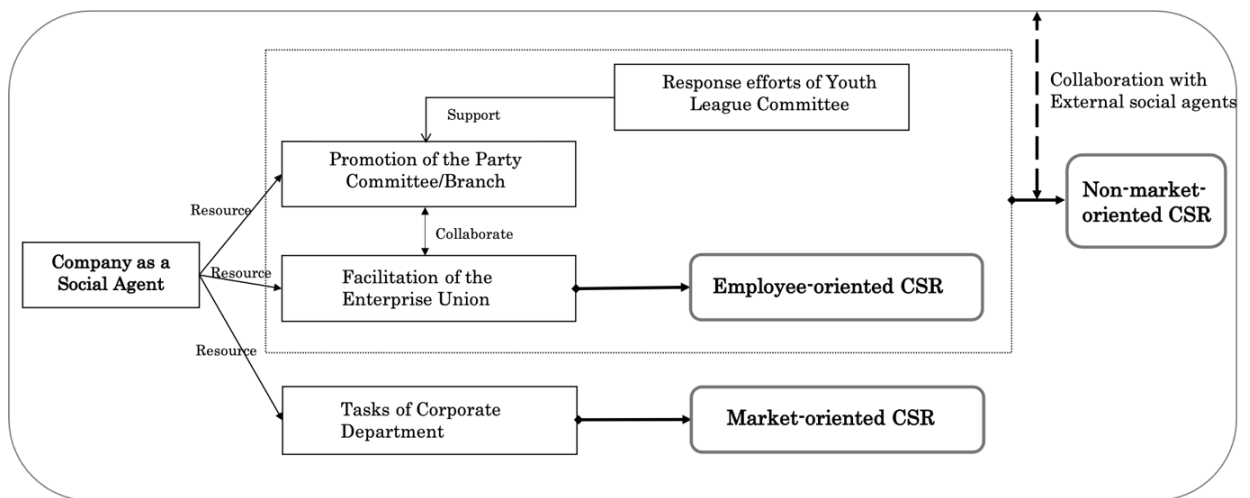

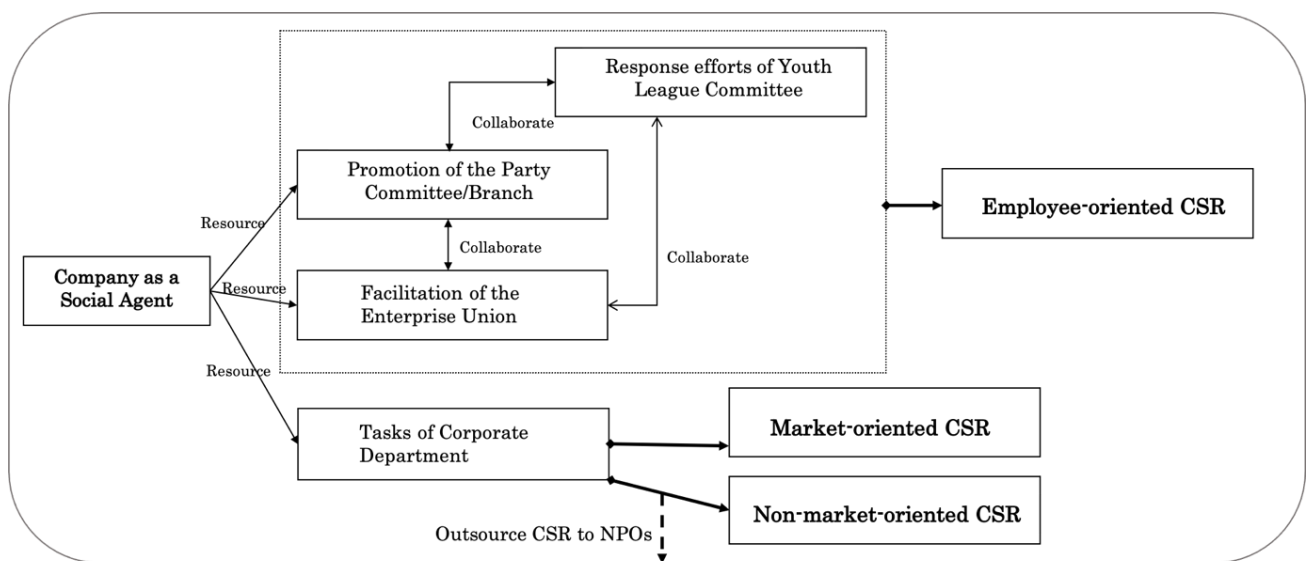**Figure 6-3 Internal CSR governance structure of SOEs**

Figure 6-4 Internal CSR governance structure of non-SOEs (with Party organization)

6.2.3 Discussion

We found that SOEs utilized a CSR task differentiation approach to run their social and political roles as well as business operations. In documenting how SOEs mobilized insiders to engage in CSR, a model for building CSR governance structures that differed from those of non-SOEs emerged. This model, illustrated in Figure 6-3, revealed two key theoretical dimensions: (1) differentiation of CSR tasks (e.g., employee-, market-, and non-market-oriented CSR engagement); and (2) internal mechanisms for promoting CSR (e.g., promotion of the Party Committee, facilitation of the enterprise union, tasks of the corporate department, and response efforts of the Youth League Committee). As we delved deeper, the results revealed different relationships between these dimensions, allowing the SOEs to absorb different institutional logics and maintain social and political function through dehybridization. This section will demonstrate the inner stakeholder engagement in the development of CSR by discussing the main findings.

How do Competing Institutional Logics Co-exist in a SOE Context

By modeling the internal CSR governance system, this paper explores how the state and market logics coexist within SOEs and shape their internal stakeholder engagement. An interesting finding is the differentiation of subordinate organizational design accompanying the division of CSR tasks in SOEs. To be specific, enterprise unions undertake employee-oriented CSR, whereas party organizations govern non-market-oriented CSR with the support of the Youth League Committee and the enterprise unions. Further, the corporate administrative department directly carries out market-oriented CSR for interest groups that have a close stake

in core business. In hybrid organizations such as SOEs, market objectives and public missions coexist, and the horizontal differentiation brought about by the more detailed division of tasks enables the coexistence of multiple institutional logics.

Prior studies of hybrid organizations have highlighted an increasing alignment toward a market logic (Alexius & Furusten, 2020) amid economic liberalism (Battilana et al., 2020). Especially in the European context, despite the formal ambitions to account for a high degree of value pluralism or even a value hierarchy of equally balanced values, there is a risk of mission drift in the corporate governance of SOEs, as several studies find a clear hierarchization of values, prioritizing financial values (Alexius & Örnberg, 2015). Especially in the U.S. and U.K. contexts, SOEs tend to dehybridize with a growing alignment toward market logic. However, our findings show that, in the state capitalism market, SOEs reinforce party power and retain a certain degree of commitment to the pursuit of market objectives.

Such a refinement of CSR tasks and differentiation of organizational governance design allows the coexistence of the public mission and the market goal. In such a situation, one sub-organization, that is party organization, is in an overwhelming position of dominance. Under the party system, the leading role of the party organization and the supporting role of enterprise unions and Youth League Committees reinforce the dominance of the state's logic in SOEs. The economic function of market logic, on the other hand, is preserved under the corporate administrative system, with specialized departments undertaking CSR activities targeting consumers, suppliers, business partners, and so on. This evidence further suggests that hybrid organizations can divide the tasks of public service delivery and market benefit creation to promote the differentiation of the subordinate organizations. In this way, a company can expand

the dominant competencies of a particular sub-unit to achieve dehybridization or adjust the authorities between sub-organizations to balance different institutional logics.

Core Status of State Logic: Differentiation and Integration

Under the conditions of a changing political system in China, the internal CSR governance system tends to reinforce the dominance of state logic. Even though SOEs are required to be self-financing, they still govern the process of their business operations with regard to public missions. In China, SOEs (including overseas-listed subsidiaries) are legally required to set up party branches or party committees in their enterprises (Hughes, 2017). Particularly, the party organization will take the lead and participate in the strategic decision-making process (Feng, 2016; Hunter & Russolillo, 2017). The setup of party organizations greatly promotes the development of non-market-oriented CSR within the company and has the effect of aiding and supervising the protection of employees' rights and charitable support.

Based on explorations of other hybrid organization types, researchers pointed out that social enterprises (Battilana & Dorado, 2010), profit-with-purpose corporations (Levillain & Segrestin, 2019; Levillain et al., 2018), and benefit corporations (i.e., a legal business entity intended to offer a public benefit beyond returning profits to shareholders) often experience the difficulty of supporting the dictates of competing institutional logics and suffer from mission shift. Consequently, they are completely transformed by the excessive pursuit of economic efficiency. Similarly, European research on hybrid organizations such as SOEs has shown that SOEs will tend to follow the market logic and either adopt a strategy of decoupling or begin to radically pursue financial goals through dehybridization (Alexius & Furusten, 2020).

In China, on the other hand, the party organization within the company is influenced by the higher-level party committee outside. Higher-level party committees outside SOEs exert their influence on social activities and even the decision-making of SOEs in an internally infiltrated way. The powerful stakeholder (i.e., the government) not only promotes the implementation of CSR through legal constraints or policy guidance but also influences the internal governance structure by setting up subsidiary bodies within the company, thus strengthening the public functions of the company.

We can see that Chinese SOEs are clearly divided into two parallel internal systems: the "Party, Union, and Youth League System" and the "Corporate Administration System." The former receives resources and instructions from the party-state and provides SOEs with the legitimacy to operate and generate social value. The latter, on the other hand, is the market operation system of SOE, contributing to its operational efficiency and the fulfillment of its market purpose. The two systems are both parallel and, in many cases, intersecting. For example, cross-appointment occurred between its board and its party committee, with the post of board chair assumed by the party secretary of the party committee while the president took the post of deputy party secretary (Yang et al., 2023). As the SOE's internal document noted,

"Cross-appointment brings the pre-procedure for strategic decision-making in an SOE. The party committee may now directly review the proposals for strategic moves, make decisions, and then pass them to the board for endorsement."

To summarize, we can infer that, leaving aside the SOE context, under different national business systems, perhaps not the government but other forceful external stakeholders can still influence corporate decisions and activities through a penetration approach in shaping the

corporate governance system. As our results show, the mission list in the annual report was rewritten to reflect the centrality of party-state logic. The mission of "serving the nation" became the priority once more, with "repaying the shareholders" a secondary consideration. SOEs are no longer simply economic instruments and are sometimes more understood as public instruments. Whether social, public, or economic functions are needed, our findings imply that it can be possible to enforce the dominant logic and even balance multiple logics through organizational differentiation. It depends on institutional choice.

How non-SOEs Cope with the Political Penetration: CSR Task Outsourcing for Mission Maintenance

The results also show that it is not only SOEs that set up party organizations, but also several non-SOEs. In the institutional context of state capitalism, all companies, whether state-owned or privately owned, have come under greater control by the state (Lucas, 2019). Through the lens of hybridity, scholars explain that crossing institutional boundaries means that hybrid organizations need to manage conflicting, competing commercial and public logics (Battilana & Dorado, 2010) as well as the needs of multiple stakeholder groups (Bridgstock et al., 2010). In the case of non-SOEs driven by a single market logic, there is still the possibility that they may be simultaneously permeated and influenced by the state logic in the context of a strong state capitalist system. This leads to tensions in non-SOEs that place relatively high priority on financial and have to handle several social objectives, which in turn may lead to mission drift and potential problems of stakeholder legitimacy. In order to resolve tensions, non-SOEs may be able to follow the example of social enterprises in employing trade-offs, such as deliberately

foregoing profits, to maintain a balance in the logic of the company's internal system, but it is difficult to link the creation of social value to the generation of commercial revenue in a way that can be successfully linked.

Our results show that non-SOEs tend to respond to the penetration of state power through outsourcing CSR tasks. To be specific, small and medium-sized non-SOEs choose to donate money and materials to specialized NPOs or governmental agencies, thereby transferring non-market-oriented public tasks to other institutions or citizens' organizations; as such, it can maintain the absolute dominance of the market logic within the company. On the other hand, neither market nor hierarchy, large non-SOEs that address philanthropic issues through network forms of organization, choose to sponsor groups or individuals to set up foundations externally to achieve dehybridization.

In summary, under the influence of political penetration and the party organizational system, SOEs adapt their internal governance system through subaltern organizational differentiation to achieve the coexistence of different logics. Compared to SOEs' internal hierarchal way, non-SOEs can choose to outsource CSR tasks or set up joint foundations to maintain the single market logic, preventing political penetration.

6.3 Study 4

Study 4 is to answer the second research question about how SOEs engage in social activities with external stakeholders. With the detailed understanding of the case organization through Study 3, I then turned the analytical focus from insiders to outsiders and tried to analyze SOEs' engagement with external stakeholders. I still used grounded theory building to construct an

inductive, data-driven understanding of the corporations between SOEs and their collaborators. I followed a similar analytical process as below.

6.3.1 Methodology

On the basis of Study 3, I continued to analyze the interview data for Study 4. Referring to Eisenhardt (1989), I triangulated the data with secondary data and other first-hand data, specifically using supplementary interview data to corroborate and validate the primary evidence (details of the supplementary interview see Table 6-2). The early insights directed the subsequent interviews, and the coding process was done in collaboration with a practitioner who has extensive experience in social activities. This practitioner has 5 years of experience working in the GR department of a large privately owned company in the past and has specialized in corporate and stakeholder co-social projects at a foundation affiliated with a Chinese multi-national company from 2017 to the present.

First, I open-coded and analyzed the transcripts (within and cross-case) to develop first-order descriptive concepts. In doing this, I was able to construct a story for each case. During the open coding phase, I sent a list of all the first-order codes and a pull-out of all the representative interview paragraphs, as well as relevant texts from other materials, to the CSR practitioner for categorization to further consolidate the accuracy and soundness of coding. Second, I did axial coding to develop second-order themes by identifying linkages between the first-order codes. This process involved iterations between theory and data to find informed and grounded connections between the first-order codes (Strauss & Corbin, 1998). I kept discussing with the coding collaborator as we repeatedly read representative paragraphs of each code. Third, I

created two aggregate dimensions by integrating the second-order theme in the final selective

coding stage. This final stage led to the development of grand constructs to explain the CSR

cooperation between companies and stakeholders (see data structure in Figure 6-5).
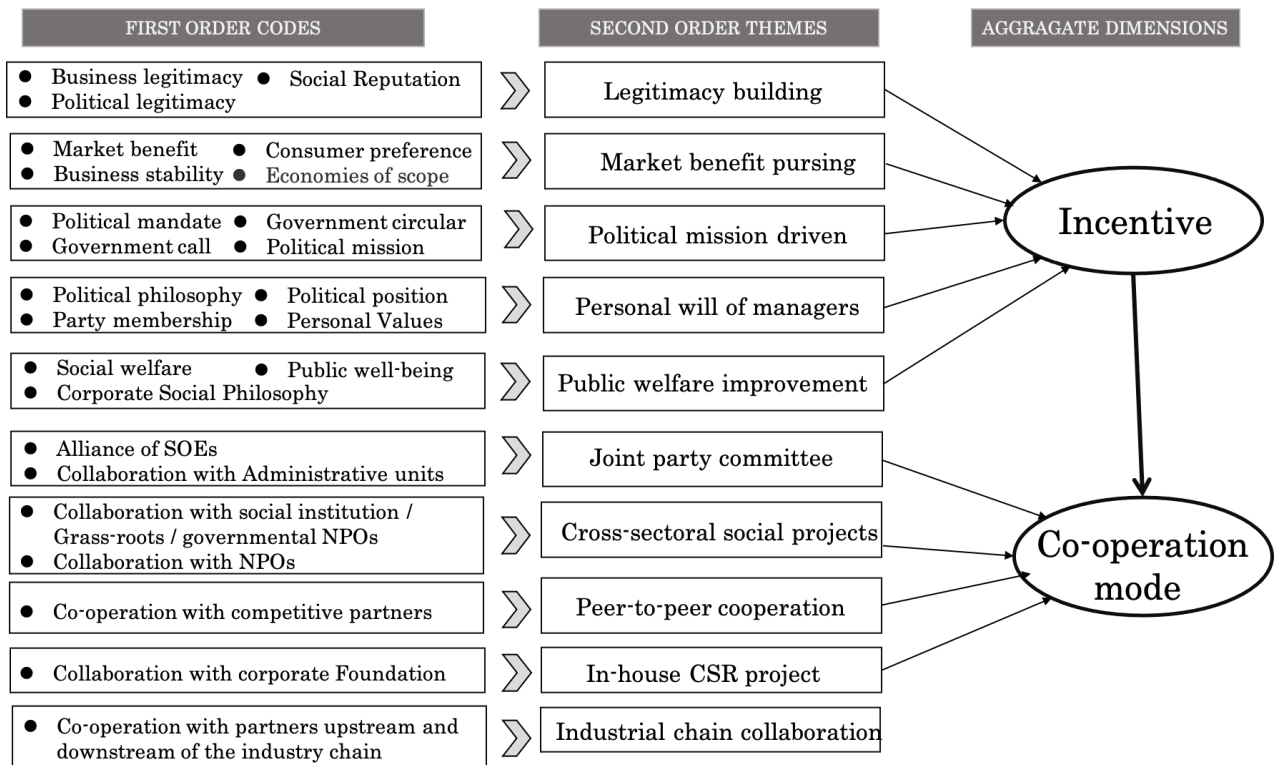

Figure 6-5 Data structure of Study 4

6.3.2 Results

Based on the analysis and theorization of interviewees, this paper explored that SOEs adopt

diverse cooperation mechanisms triggered by multiple incentives, which differ from those of

non-SOEs. The theoretical model revealed two core dimensions (see Figure 6-5): (1) Incentive,

entailing the antecedents of companies engaging with external stakeholders; (2) co-operation

mode (e.g., joint party committee, cross-sectoral social projects, peer-to-peer cooperation, in-

house CSR projects, and industrial chain collaboration). As we examined deeper, the result part

below indicated relationships between these dimensions, showing how different cooperation patterns are induced by the state, the public, and the market logic simultaneously.

Organizations under Party System: Joint Party Organization in SOEs' Alliance

Joint-party organizations are the most frequent form of collaboration in SOEs' CSR. According to Chapter 2 of the "Regulations on the Work of Branches of the Communist Party of China" issued by the Central Committee of the Communist Party of China in 2018, "organizational units with a small number of formal party members can establish joint party organizations based on the principles of geographical proximity, similar industries, appropriate scale, and ease of management." The joint-party branch generally covers no more than five organizational units. The establishment of a joint-party organization can be promoted through the introduction of a higher-level party committee, or it can be a spontaneous act between independent companies. Often, party organizations affiliated with SOEs can cooperate with others affiliated with other SOEs, public institutions, subdistrict offices, and grassroots governments. In some cases, they can even form co-construction relationships with party organizations affiliated with non-SOEs (such as private enterprises). The network of party systems formed by party organizations at all levels can bring a vast network of political relationships to SOEs, which brings abundant resources and managerial competitive advantages, as well as the ability to mobilize cooperation from other units with party organizations. A Secretary of the Party Branch who also serves as the middle manager of a SOE described the initial process of forming a joint party organization as below:

"Perhaps you have heard that in China's governments at all levels, or in public institutions

and district offices, there are generally party branches or committees. Compared with party groups established by relatively few people, the number of party committee members is relatively larger. … We [SOEs] usually carry out co-construction projects with party organizations of other enterprises at the same level through the introduction of the higher-level party committee. Of course, we are sometimes contacted by other party organizations or accept the tasks assigned by the higher-level committee." (Interview code: S2)

As shown in Figure 6–6, the incentives that trigger joint-party organizations among SOEs cover political missions, social goals, market returns, business legitimacy, and the personal wishes of senior managers. This suggests that joint-party organizations can contribute to corporate issues on multiple fronts, including public tasks, social welfare, and even business gains. An interviewee from a SOE mentioned that political tasks drove them to form joint party committees with surrounding party branches.

"We formed a joint party committee with a nearby state-owned energy company. The first cooperation, through the introduction of a superior party committee, was to jointly carry out medical assistance and the construction of infrastructure in a small county in the border area. Often, our cooperation was initially given by the superior [party committee], who issued documents and tasks. First-time cooperation is equivalent to establishing a cooperative relationship. After the first time, we will spontaneously organize every subsequent social event or charity project." (Interview code: S1)

A general manager from the same company explained the formation of a joint-party organization as a way to build business legitimacy.

"The establishment of a joint-party organization will be beneficial to us in forming a good

reputation and image in our conglomerate. After all, as an enterprise in the party system, we [the party committee] need to make social contributions to society. This is our organizational norm. Other [party] organizations also have such norms. [We] all need to abide by such value norms in the party system." (Interview code: S1)

Interestingly, the party organizations of SOEs could even coordinate the market activities with business partners, involving joint production, joint purchase, and joint research and development. It indicates that party organizations that conform to state logic can also help enterprises strengthen their economic functions and improve market competitiveness. An interviewer from a SOE's party branch in the transportation and logistics industry said:

"In terms of all logistics chains in Guangdong, we [party branch] kept cooperating with several SOEs' [Party] branches in Fujian, mainly for common circulation of commodities and cost savings in purchasing goods. In fact, as an outsider, you may not know that [party] branches can bring various [business cooperation] opportunities to enterprises, and other secondary subsidiaries in our [SOE conglomerate] group will also have cooperation in common technology development and production. The party branch serves as a bridge." (Interview code: S11)

The most widely mentioned function of joint-party organizations is to create public value, reflecting the emphasis on "broad benefits" under the party-state business system. A member of the party branch of a SOE in the medical device industry described its social functions as follows:

"In the beginning, the establishment of the party committee [here referred to as the joint party committee] was a joint decision of the party organizations of several companies. Several

of our small-scale SOEs realized that they needed to do some 'good deeds' for the local poor communities. This is a positive social effect that SOEs need to create. For example, in our joint poverty alleviation project, what we care most about is that left-behind children can study in the schools we built, local power supply and water are guaranteed, and poor people can also have a place for sports and leisure." (Interview code: S6)

In addition to organizational goals (i.e., regarding public tasks, market benefits, and social value), top managers of SOEs often promote the formation of joint-party organizations. A senior manager of a SOE introduced the issue of river management and mentioned his personal understanding of the formation of party committees.

"[The establishment of the Party Committee] is beneficial both for the long-term development and a better cooperation network for the company. Of course, based on my personal status as a party member, I have the obligation to promote cooperation between SOEs. The [establishment of] a joint party committee is also easier for us [decision-makers of SOEs] to plan the development of the company, department, and myself." (Interview code: S5)

It is worth mentioning that non-SOEs can also establish joint-party committees with SOEs to move the collaborating work forward. The reasons why non-SOEs promote the establishment of joint party committees are more due to the considerations of establishing business legitimacy or the personal wishes of senior managers with special political identities. A top manager of a non-SOE in the textile industrial sector mentioned why he promoted the establishment of the joint party committee.

"The joint party committee of our companies was first established on the issue of river management. Our company is responsible for the water quality maintenance of the local river,

and river ecological protection is in the middle reaches. The partners upstream and downstream of this river also happen to have party groups. The group size of the three companies is small, and sometimes it is difficult to get some nearby institutions and citizens to cooperate with our work. But after the establishment of a joint-party committee, our environmental protection activities will be easier to call for their help. When there are more members, our party committee's initiatives look more reasonable and persuasive." (Interview code: P2)

The interviewee also provided information regarding his personal situation.

"I know very well that it is difficult for an individual company to solve social issues. As a deputy to the People's Congress of Changshu City, I have to say that my political identity will make it easier to establish a joint-party organization. It will bring great benefits to the promotion of this cooperation [by the joint party committee]." (Interview code: P2)

Cross-Sectoral Social Projects

To address the prevalence and complexities of sustainable development challenges around the world, organizations in the business, government, and non-profit sectors are increasingly collaborating via multi-stakeholder partnerships (MacDonald et al., 2019). These partnerships are typically formed when a social issue is considered too complex and multifaceted for a single organization or sector to address alone, thus necessitating joint action across sectors (Selsky & Parker, 2005). Cross-sectoral social projects refer to social joint projects between companies and other organizations in the first or third sector.

As the results show, there are many cases of cross-sectoral cooperation among SOEs' practices in engaging with external stakeholders. SOEs tend to organize social co-construction

projects with local cultural and educational institutions, social service agencies, colleges, NPOs, and so on. The most typical case of a social joint project involves the national-level poverty alleviation activities started in 2016 and the national-level rural revitalization strategy in the past two years. Driven by national-level activities or government policies, SOEs will join hands with other departments to promote social projects for political missions. Several interviewees from SOEs all mentioned their awareness of completing public tasks.

"SOE Conglomerate will issue instructions to subsidiaries at all levels through official documents. Such instructions will clearly stipulate the areas where each company targets poverty alleviation, as well as the contact information of local institutions, hospitals, voluntary organizations, and grassroots offices. In this way, it can be said that such cooperation is promoted by the instructions of the headquarters." (Interview code: S3)

The interviewee, who once served as administrator of the Poverty Alleviation Office, further pointed out that the creation of social value is a vital incentive to promote cross-sectoral joint projects.

"As everyone knows, with the large-scale poverty alleviation activities launched by the central government recently, wealth inequality in various regions has basically been eased off to some extent. It was an achievement that can only be done with the joint participation of SOEs, private enterprises, grassroots governments, universities, voluntary organizations, and some local institutions. Such wide-scale [cross-sectoral] cooperation is actually intended to eliminate poverty and allow people in poor areas to enjoy social welfare." (Interview code: S8)

Compared with SOEs, non-SOEs usually consider long-term market interests when conducting cross-sectoral cooperation. During the data acquisition process, I participated in a

formal project meeting with this private enterprise. For example, a senior manager has been emphasizing that joint projects could benefit the company in future market activities.

"If there are any shortcomings in the project, we hope that during the advancement of this project, the donated items will have our corporate logo, and the specific amount donated can also be disclosed in NPO A's publication [A is a local charitable organization that requests anonymity] ... A participated in our market research activities last year. The slogans on the promotional posters at that time can continue to be used this time. Such repeated content can make the public remember a lot better." (Interview code: P2)

At the project meeting, the CSR project team leader from a collaborative company talked about how social value should be substantially created through cross-sectoral cooperation, as follows:

"Private enterprises also need to take on social welfare [responsibility]. Because our profits are received from 'society', we need to return them to 'society' within our capabilities. We need to understand what different groups really need, rather than blindly contributing. Therefore, only by cooperating with different voluntary organizations and NPOs can we understand more quickly how to achieve real public value. This cannot just rely on donations from our private enterprises." (Interview code: P2)

Peer-to-Peer Cooperation

Peer-to-peer cooperation refers to a cooperative relationship with peer companies in the same industry for social projects. This type of cooperation is common among both SOEs and non-SOEs. The difference is that non-SOEs tend to build relationships with their peers in social

joint activities, which are regarded as a strategy for future market activities such as cost reduction and efficiency improvement. Through cooperative relationships built into social activities, non-SOEs can further reconstruct the scope of competition in market activities. For example, a senior manager of a non-SOE company is described as below:

"Maybe it's my personal feeling that relationships built in social activities are more reliable and stronger than those built-in business activities. We think that companies that are willing to participate in CSR activities are generally creditworthy and responsible. It [refers to the social activities] is the best platform to find business partners. We found the R&D partners here, and our experience so far is that our cooperation is very pleasant. Because the other company has not engaged in any opportunistic practices, they have kept their promises and are punctual. Our respective marketing departments jointly organized support activities to assist disaster areas in 2017, and we have been promoting joint research and development projects every year since 2018." (Interview code: P9)

In comparison, mutual cooperation between SOEs and their peers is not only driven by market interests but also by government tasks or to achieve social goals. What needs additional explanation is that the cooperation between SOEs referred to here does not involve the form of a joint-party organization. Such cooperation can always be promoted by departments of the administrative system. A general manager of a SOE mentioned a partnership driven by market goals. The market goals he described not only include the connotation of SOEs obtaining market returns but also the creation of social and public interests.

"The cooperation with our peers is not entirely based on market interests, but if you choose peers, the probability of pursuing market goals will be much greater. As you know, even SOEs

have resource and status advantages, but what we define as the market goal of our company not only refers to our own unilateral income but also includes the benefit of the entire industry. Like you may know, the issues regarding how the industry upgrades its technology, how to satisfy the targets better, how to build a platform for communicating within the industry, and how to develop together with small and medium-sized businesses are all important. That's our generalized economic goal." (Interview code: S5)

Cooperation projects between SOEs and their peers may also be driven by political missions. As one interviewee from a SOE said, "Our cooperative relationship with our peers is led by the headquarters of our conglomerate. We say it is the lead, but in fact it means issuing policy documents instructing the two companies to cooperate at the production site or on the logistics network."

In-house CSR Project

In-house CSR projects specifically refer to foundations that are established as a public organization, registered with the Civil Affairs Bureau (not the Industrial and Commercial Bureau), and are nominally independent of any enterprises but actually dependent on specific enterprises. The foundation is actually a non-profit charitable institution established in accordance with the law and a carrier of a company's CSR initiative. In the initial stage of foundation establishment, the initiator and the provider of the original funds are usually a company. The foundation cannot be regarded as a subordinate organization within the enterprise, so this paper defines it as a form of cooperation between the enterprise and outsiders. According to the interviews, the foundation's decision-making on social projects often relies

heavily on the company's administrative system, such as senior managers, middle managers, or heads of specific departments. Moreover, the work and public welfare projects carried out by the foundation are also closely related to various activities of the enterprise; therefore, I name this form of cooperation 'In-house CSR Project'.

In the sample companies, there are common cases of SOEs' foundations jointly established with governmental NPOs, and there are also cases of joint foundations established with civil organizations. Most of the foundations of non-SOEs are dependent on their corporate administrative systems. A secretary of the party branch of a SOE pointed out that the establishment of foundations is mainly based on their goal of creating social welfare.

"The activities of our [party] committee and those of the foundation are generally not done together. Their person in charge is also the company's administrative manager. The purpose of injecting funds to establish the foundation is to promote the solution of specific social issues. For example, some social issues that everyone often talks about are environmental protection, community engagement, donations for patients with special diseases, and so on." (Interview code: S4)

Non-SOEs also establish foundations for social purposes, and further, the establishment of foundations is considered a means to strengthen the legitimacy of business operations. As the chairman of a non-SOE's foundation pointed out, the existence of a foundation is a certificate proving that the enterprise has become a 'philanthropic expert'.

"Our company injects initial capital into the foundation, provides manpower and materials, and the foundation bears the name of our company. As the public knows, the company and the foundation are one, and the foundation represents the company doing charity. It can even be

said that most people will feel that companies with foundations are more professional, systematic, and institutionalized in their CSR activities. At the same time, they will feel that the existence of a foundation is to prove that the company's operations comply with social and business norms. Just like a certificate of award." (Interview code: P5)

Industrial Chain Collaboration

Industrial chain collaboration refers to a form of cooperation in which companies and other companies at different positions in the upstream and downstream jointly promote CSR activities. This type of cooperation mainly takes the form of green supply chain management, and a few involve charity activities. SOEs and non-SOEs that cooperate with the upstream and downstream of the industrial chain pay more attention to environmental protection issues in the supply chain.

Regardless of capital type, all the companies mentioned that cooperative green supply chain management could help save social resources, thereby reducing the costs of each enterprise in the operating process and bringing them longer-term competitiveness. During the interviews, interviewees from SOEs emphasized their role in guiding the entire industry and their function in protecting the community environment; those joint activities are of a public nature to some extent. An interviewee from a manufacturing SOE said below:

"Our suppliers are strictly selected. We will initially consider how to work with upstream companies to achieve the goal of a 'green supply chain'. After all, it is very beneficial to improve industrial reputation in the market. Another purpose is to promote energy conservation and emission reduction through sustainable management of the supply chain. This initiative is

beneficial for the surrounding community environment. As you know, SOEs have a leading role in determining the direction of industrial development. We must call for a sustainable business." (Interview code: S2)

In comparison, respondents from non-SOEs are more concerned about the role of green supply chain construction in saving corporate resources, reducing production costs, and maintaining good supplier relationships to increase their market competitiveness.

	Legitimacy building	Market benefit pursing	Political mission driven	Public welfare improvement	Personal will of managers
Joint party committee	●	●	●	●	●
Cross-sectoral social projects			●	●	
Peer-to-peer cooperation		●	●	●	
In-house CSR project				●	
Industrial chain collaboration		●		●	

Figure 6-5 Grounded model of SOEs

	Legitimacy building	Market benefit pursing	Political mission driven	Public welfare improvement	Personal will of managers
Joint party committee	●				●
Cross-sectoral social projects	●	●		●	
Peer-to-peer cooperation		●			
In-house CSR project	●			●	
Industrial chain collaboration		●			

Figure 6-6 Grounded model of non-SOEs

6.3.3 Discussion

The results show that, driven by public functions and social goals, the cooperation of SOEs centers on cooperation among organizational alliances under the party system. The pursuit of managerial legitimacy and market interests are also incentives for engaging with other party organizations. Notably, although SOEs attach great importance to public interests and use various types of cooperation to promote stakeholder participation, they haven't given up following market goals. Their market goals drive the alliance between SOEs through joint-party organizations, their competitive peers, and partners in the same industry chain. By contrast, while non-SOEs choose to engage with external stakeholders in CSR practices, their participation mode is mainly driven by the goals of building legitimacy and pursuing market interests.

The commonality between SOEs and non-SOEs is that the decision-making of top managers is not the main incentive to promote joint participation with external stakeholders. Moreover, the top manager as a micro institution only promotes cooperation under the party system, which implies that executives may build personal political networks by facilitating the networking of their companies. This section provides further theoretical elaboration on these conclusions.

Innate Legitimacy of SOEs vs. Driving Forces of Acquired Legitimacy in Non-SOEs

The public background and political network of SOEs give them inherent legitimacy in their business operations; therefore, when engaging with external interest groups in CSR activities, they are rarely driven by the goal of building legitimacy. However, non-SOEs operating in a state-led market have to strengthen the business legitimacy of their survival through collaborating with the first or third sector. As an interviewee who is a top manager of non-SOEs argued, companies rely on cooperation with outsiders to continue and extend their market strategies.

"We [non-SOEs] need to build our own 'moats'. Unlike SOEs, we don't have the backing of a government background, do we? We have to work with other groups [stakeholders] to protect ourselves by tapping into the 'moat'. On the other hand, it's also about building up our own resilience through the 'moat'." (Interview code: P1)

Unlike SOEs, almost every interviewee from non-SOEs cited the concept of "moat" to describe the relationship between their enterprises and stakeholders. "Moat," in their words, means protection and maintaining the business operations. The results show that several non-SOEs are inclined to use the collaboration form of joint-party organizations, cross-sectoral

cooperation, and foundations to seek chances of engaging with interest groups for legitimacy building. Interestingly, these outsiders for non-SOEs' cooperation are all organizations dominated by public goals (i.e., party organizations, government and public institutions in the first sector, foundations, and citizen organizations in the third sector). This indicates that in China, establishing the business legitimacy of a company means that corporate practices should have public attributes to a certain extent.

Another metaphor widely mentioned by non-SOEs' interviewees is the "guiding signal." This metaphor is used to describe the hints that non-SOEs are reading from government policies and guidance. Interviewees explained the "guiding signal" as the government would not directly intervene in the main business operations and social activities of non-SOEs but would give a hint of policy guidance and set several good corporate examples. An interviewer vividly stated, as below:

"In order for some of our activities in the market to go smoothly, it is important to better grasp the 'wind direction'. To gain more profits, it is very vital to get the guiding signal. And then, to better read the 'guiding signal', it is vital to cooperate extensively with society in various public groups."

In contrast, a metaphor mentioned by several interviewees from SOEs explains the source of SOE's legitimacy. Non-SOEs use "moat" to describe cooperation with stakeholders, whereas SOEs use the term "city wall" to describe the protective barriers built by the state-owners. Companies dominated by state-owned capital have more credibility because, to the public, the activities of SOEs are often linked to the country's image, and the potential costs of SOEs' irresponsible behaviors are greater. High costs keep most SOEs operating on a legal and safe

track. As many existing studies have shown, state-owned capital provides a reputational guarantee and improves the relationship between the company and the stakeholders, facilitating more tax incentives, financial subsidies, credit resources, and other policy-related resources (Li & Zhang, 2010).

However, the undertaking of CSR initiatives by non-SOEs is typically more utilitarian, whereby it is always used as a tool to achieve specific goals, such as meeting the demands of stakeholders or enhancing company reputation. Private capital only has pure capital attributes (i.e., maximizing economic benefits through investment), and thus its potential to fulfill social responsibilities is inherently insufficient (López-Iturriaga et al., 2009). While SOEs have natural "city walls" to self-hold, non-SOEs need to justify their business legitimacy, that is, build their own "moats."

Driving Force of Inter-Corporate Party Networks

Under the network of party systems, the party-state tends to exert its impact on corporate activities and decisions through a state-affiliated sub-organization as well as calls for developing joint-party organizations. The results of Study 3 show that powerful stakeholders will place specific subordinate organizations within the enterprise to achieve internal penetration. Study 4 further indicates that SOEs can also strengthen their public functions through cooperation with social agents outside. In comparison, non-SOEs that choose to establish party organizations often enter the party network as marginalized individuals. Even if they enter the party network, non-SOEs rarely cooperate with the party organizations of other companies within the party system. Further, such a party-related cooperative relationship can

even be built on the unique political identity of senior managers, such as being a deputy to the National People's Congress or a member of the Chinese People's Political Consultative Conference. Based on the context of China's complex national business system, the conclusion of this article shows that if the scholars attempt to investigate Chinese enterprises, they must deconstruct the state logic shrouded in the color of the party.

On the other hand, it is worth noting that party organizations within SOEs can promote business cooperation between the company and other companies in market activities; those companies establish joint party organizations driven by market interests as well. The functional orientation of SOEs is to operate independently, assume full duty for their profits or losses, and pursue profits to achieve the preservation and appreciation of the value of state-owned assets. While SOEs pursue market interests, such economic goals and functions are also tainted with some public attributes. To be specific, the profit-making function of SOEs could promote the regional economy by pursuing market benefits and further protecting consumers' livelihoods. As the interviewees of SOEs generally argued, SOEs have made great efforts to improve their operational performance, which will also bring an increase in local government revenue and then help the government achieve its economic goals of local development. Even if SOEs are dominated by competing institutional logics of the market and the state, they might not have to abandon the other just to pursue one because of their absolute resource advantages. Even more, the network of party systems brings more extensive cooperation opportunities and promotes the realization of its economic functions.

Although the SOE has an absolute advantage in resources and networks, government control can also negatively affect the SOE's economic performance. Because the market function of

SOEs may push them toward production maximization as opposed to innovation and competition (Lerner & Waston, 2008), Prior research points out that senior managers whose backgrounds are not in government or in the SOE sector have more skills and experience to reshape SOEs to be more innovative and market oriented (Bruton et al., 2015). However, under a dominant party system, it can be difficult to appoint executives who are free of political background. That means SOEs following party-state logic actually strengthen their responsibility toward CSR tasks and preserve the administrative corporate systems that obey market logic. Nevertheless, the prerequisite for retention of market function means that it must be weakening.

Inapparent Driving Forces of Micro Institutions

Whether it is a SOE or a non-SOE, managers rarely have the personal willingness to proactively promote cooperation and co-construction with external stakeholders in CSR activities. Interestingly, our results show that managers of Chinese enterprises only actively exert their personal initiative in promoting joint party committees as a form of collaboration. Noninstitutional theory argues that institutions operate not only at the macro-level of analysis but also at the micro-level (Scott, 2014). Typically, noninstitutional theory is more commonly focused on the macro level. However, micro-level institutions shape values and perceptions of how to do business in a given industry or region (Wicks, 2001) while shaping key activities such as innovation and several commercial conventions (McCloskey, 2010). Thus, individual activities can act to build or maintain institutions (Nee & Opper, 2012).

In SOEs, one important type of micro institution is the office of the CEO, whose authority

and mindset are very important to firm operations. The background and experience of the CEO of the firm are critical in setting that mindset and driving key behaviors (McCall, 1998). If the CEO of the SOE comes from the government or has always worked for the SOE sector, the CEO may be more likely to inherit a mindset that stresses job maintenance and operations, not necessarily firm efficiency or strategic orientation. Therefore, the establishment of a joint-party organization in SOEs has become a necessary work path for their executives. On the other hand, SOEs' executives not only obey the administrative orders of the organizational departments of the superior CCP committees but can also spontaneously establish inter-organizational cooperation through cooperative relationships in the party network, gaining more potential benefits in status and allocation of resources at both the individual and corporate levels. According to the values of official hierarchical standards formed in China since ancient times, most SOEs' executives hope to transform into party and government officials with real power, so joint-party organizations have become an indirect way to build personal networks.

Similarly, in non-SOEs, the only driving force for the establishment of party organizations is top decision-makers' willingness. Regardless of capital ownership, Chinese corporate managers do not play a central role in promoting social value co-construction activities between enterprises and whole-scale stakeholders; instead, top managers have a strong tendency to integrate their companies into the network of party systems.

6.4 Summary: Chapter 6

Chapter 6 investigates the CSR implementation of SOEs, elucidating the mechanisms of SOEs' internal stakeholder engagement as well as the driving forces facilitating SOEs'

collaborations with external stakeholders. Through comparative analysis with non-SOEs, this study analyzes how competing institutional logics shape SOEs' stakeholder engagement in the CSR field. This section summarizes the total findings of Chapter 6 as below.

First of all, under the influence of political penetration, SOEs adapt their governance systems through sub-organizational differentiation to realize state logic compatible with market logic in the same organizational setting. The division of CSR tasks allows for the coexistence of competing institutional logics by separating governance into the "party system" and the "administrative system." Specifically, while corporate unions carry out employee-oriented CSR, party organizations undertake non-market-oriented CSR with the support of Youth League Committees and corporate unions. The leading role of party organizations and the supporting role of enterprise unions and union committees strengthen the influence of state logic in SOEs. On the other hand, the corporate administration system directly implements market-oriented CSR. As such, the economic function of market logic is maintained under an administrative system of SOEs, with specific business departments implementing CSR activities targeting consumers, suppliers, business partners, etc. In this way, SOEs can choose to achieve dehybridization by expanding the overwhelming power of specific sub-organizations. They can also adjust the power structure between sub-organizations to balance different institutional logics. When a specific subordinate organizational system is endowed with more power, its relevant institutional logic could occupy a dominant status.

In China, although SOEs are required to maintain a self-supporting accounting system to ensure market benefits, they manage their business operations processes with priority given to public missions because of the substantial influence of party organizations. Such a sub-

organization greatly promotes the development of non-market-oriented CSR in enterprises and even has the effect of supervising rights protection and charitable support for employees. An interesting finding is that, compared to SOEs', non-SOEs are more likely to outsource CSR tasks to external NPOs or to establish a foundation as an intermediate organization between the public and the private in order to avoid political infiltration and maintain a single market logic.

With regard to collaboration with external stakeholders in CSR tasks, SOEs' cooperative activities are shown to be centered on alliance formation within the network of party systems. Besides the public mission, the pursuit of political legitimacy and market interests also provide incentives to engage with other party organizations affiliated with companies, grass-roots government, public institutions, etc. Party organizations affiliated with SOEs have a tendency to build relationships under the network of party systems, which provide resource and managerial competitive advantages. Cooperation with external party organizations further strengthens the dominance of state logic inside.

SOEs also develop cooperation with the third sector to foster stakeholder participation and do not give up on following market objectives. Its market objectives drive collaborations with other companies in the industrial chain and competitive peers. Even though such incentives are not the main reason for SOEs to pursue external cooperation, they still show that SOEs retain the market logic for engaging actions to a certain extent. Different institutions or partners might have heterogeneous impacts on the compatibility of conflicting institutional logics.

7. DISCUSSION AND IMPLICATION

7.1 Overview of the Thesis

Hybrid organizations—such as SOEs, social enterprises, and community-based organizations—are increasing worldwide. In the stakeholder engagement literature, diverse organization types have drawn the attention of several academics and practitioners over the last 20 years. This has led to a discussion on business entities that are mixed with complicated missions and conflicting goals rather than from an economic objective standpoint, such as those companies for public interests but competing in the market (e.g., social enterprises, community enterprises, a part of family businesses, etc.). However, a type of organization that is often overlooked in the literature is the SOE, or other publicly owned enterprise.

Taking China as a case study, this thesis presents a scenario of SOEs' stakeholder engagement to clarify their features of accountability, communicative pattern and to theorize the internal CSR mechanisms and external driving models of their CSR practices. Through a two-stage research procedure involving four empirical studies, I have examined how hybrid nature (i.e., competing institutional logics, diverse corporate functions, and conflicting organizational goals) shapes stakeholder engagement in SOE's CSR practices. The structure of this thesis is as below:

Chapter 1 provides an explanation of the research background and study setting of this thesis.

Chapter 2 systematically reviews the existing research in the CSR and stakeholder engagement literature. This chapter also offers an integrative literature review on SOE to discuss state ownership, hybrid nature, and competing institutional logics in a SOE context. Based on the definitional construct, I identified the focused theoretical issue that can address

the research gaps clarified in the systematic review of CSR and stakeholder engagement literature.

Chapter 3 illustrates the focused research issue and two sub-research questions. Remarkably, this chapter indicates the newly emerging insights that these research questions could add to the body of knowledge in the field of stakeholder engagement and CSR.

Chapter 4 reviews the development of CSR in Chinese enterprises, compares the sectors of different capital ownership, and clarifies the uniqueness of the party-state system in China. This chapter aims to contextualize the research objective.

Chapter 5 investigates how hybrid nature derived from state ownership shapes SOEs' CSR communication. I utilized 160 Chinese companies' CSR reports as a data repository and carried out two phases of study. The first phase addresses sub-research questions 1 and 2 by identifying SOE's accountable structure and demonstrating the scope of CSR in their communication. The second phase provides the answer to sub-research Question 3 by specifying SOEs' communicative patterns.

Chapter 6 explores how hybrid nature derived from state ownership shapes SOEs' CSR implementation. I collected data from 27 in-depth interviews, public publications, corporate documents, and field observations and added 5 supplemental interviews. Further, I used a grounded theory approach based on multiple case analysis (Eisenhardt, 1989) to conduct two-phase research. The first phase theorizes the internal CSR mechanisms of SOEs to dissect the roles and engaging process of internal stakeholders in CSR practices. The second phase conceptualizes the driving mechanisms that promote SOEs collaborating with external social agents in CSR activities.

In this chapter, I will continue to summarize the overall conclusions of this paper and then propose the theoretical contributions to different research fields. Finally, I illustrate the limitations and the remaining theoretical issues of this thesis. The paper concludes with a perspective on future research.

7.2 Summary of Findings

7.2.1 Study 1: Accountable Structure of SOEs' CSR communication

Unlike non-SOEs, which are only accountable to core stakeholders, SOEs take on broader accountabilities toward stakeholders nationally. First, as SOEs are subject to higher-level accountability and undertake public tasks, they prioritize social benefits for a wider range of beneficiaries. Communication toward non-direct stakeholders displays the authority of ideology and state owners' public targets, which should harmonize interests nationwide (Lin et al., 2020). Second, SOEs reported more multiple cross-sectoral partnerships than non-SOEs in CSR reporting. For instance, some SOEs emphasized the necessity of engaging with civic organizations to boost local development and with communities to solve livelihood and employment challenges. Third, SOEs reveal the multipurpose concerns of a systematic reporting system through their mention of the contributions of multiple internal stakeholders. For example, party organization, as an internal body with political penetration inside the SOEs, plays a vital role in driving CSR. Forth, SOEs emphasize CSR in wider domains, especially in philanthropic and ethical CSR. Based on the above, such an extension of the scope of core stakeholders and the CSR domain indicates a need to explore the non-regulatory aspects of company-government interaction over legal compliance, such as the impact of state capital.

7.2.2 Study 2: Communicative Pattern among SOEs

Study 2 typologized the communicative modes in SOEs' CSR communication and explored how business logic and state logic coexist in the discourse of organizations dominated by state capital. First, both SOEs and non-SOEs exhibit a highly consistent inclination to focus their communication on the stakeholders associated with their core business. Second, SOEs' CSR reports emphasizes their leading role in the revitalization of industry and technological upgrading implies that their business target has a certain degree of public economic functioning. Third, while non-SOEs that disclose their "responsible normative services" to partners, SOEs show a stronger sense of guidance in their CSR discourse. Most importantly, there is an obvious tendency in SOEs' CSR communication to give more priority to the demonstration of state logic than non-SOEs. SOEs put emphasis on social issues, sharing public tasks, responding to policies, and leading in state activities, and clearly document the public value co-creation with a wide range of interest groups.

The above findings show that public and business logics co-exist in SOEs' CSR discourse, as there is no tendency for one side to have overwhelming disclosure. While previous studies have shown that SOEs' operations cannot be simply measured by the private sector's so-called "efficiency and effectiveness," the results further suggest that in the realm of stakeholder dialogue, the use of "scope" rather than "efficiency" is suitable for measuring the communication of public organizations.

7.2.3 Study 3: Internal CSR Engagement Mechanisms embed in SOEs' governance structure

By modeling the internal CSR engagement mechanisms, Study 3 explores how the state and market logics coexist within SOEs and shape their internal stakeholder engagement. In summary, under the influence of political penetration and the party organizational system, SOEs adapt their internal governance system through subaltern organizational differentiation to achieve the coexistence of different logics. Compared to SOEs' internal hierarchal way, non-SOEs can choose to outsource CSR tasks or set up joint foundations to maintain the single market logic, preventing political penetration. An interesting finding is the differentiation of subordinate organizational design accompanying the division of CSR tasks in SOEs. To be specific, enterprise unions undertake employee-oriented CSR, whereas party organizations govern non-market-oriented CSR with the support of the Youth League Committee and the enterprise unions. Further, the corporate administrative department directly carries out market-oriented CSR for interest groups that have a close stake in core business.

Such a refinement of CSR tasks and differentiation of organizational governance design allows the coexistence of the public mission and the market goal. In such a situation, one sub-organization is in an overwhelming position of dominance. Under the conditions of a changing political system in China, the internal CSR governance system tends to reinforce the dominance of state logic. Even though SOEs are required to be self-financing, they still govern the process of their business operations with regard to public missions. The setup of party organizations greatly promotes the development of non-market-oriented CSR within the company and has the effect of aiding and supervising the protection of employees' rights and charitable support.

Under the party system, the leading role of the party organization and the supporting role of enterprise unions and Youth League Committees reinforce the dominance of the state's logic in SOEs.

The economic function of market logic, on the other hand, is preserved under the corporate administrative system, with specialized departments undertaking CSR activities targeting consumers, suppliers, business partners, and so on. This evidence further suggests that hybrid organizations can divide the tasks of public service delivery and market benefit creation to promote the differentiation of the subordinate organizations. In this way, a company can expand the dominant competencies of a particular sub-unit to achieve dehybridization or adjust the authorities between sub-organizations to balance different institutional logics.

7.2.4 Study 4: Driving Forces for SOEs Engaging with External Social Agents

Based on the results of Study 3, Study 4 explored that SOEs adopt diverse cooperation mechanisms triggered by multiple incentives. I theorized five co-operation modes (e.g., joint party committee, cross-sectoral social projects, peer-to-peer cooperation, in-house CSR projects, and industrial chain collaboration) and investigated the driving forces behind those different cooperation patterns. The results show that, first of all, driven by public missions and social goals, the cooperation of SOEs centers on cooperation among organizational alliances under the network of party systems. The pursuit of managerial legitimacy and market interests are also incentives for engaging with other party organizations. Those party organizations affiliated with SOEs can cooperate with others affiliated with other SOEs, public institutions,

subdistrict offices, and grassroots governments. In some cases, they can even form co-construction relationships with party organizations affiliated with non-SOEs (such as private enterprises). The network of party systems formed by party organizations at all levels can bring a vast network of political relationships to SOEs, which brings abundant resources and managerial competitive advantages, as well as the ability to mobilize cooperation from other units with party organizations.

Second, although SOEs attach great importance to public interests and use various types of cooperation to promote stakeholder participation, they haven't given up following market goals. Their market goals drive the alliance between SOEs through joint-party organizations, their competitive peers, and partners in the same industry chain.

Third, when engaging with external interest groups in CSR activities, SOEs are rarely driven by the goal of building legitimacy. Because the public background and political network of SOEs give them inherent legitimacy in their business operations, Because, to the public, the activities of SOEs are often linked to the country's image, and the potential costs of SOEs' irresponsible behaviors are greater. The public perceives that high costs keep most SOEs operating on a legal and safe track.

Finally, the commonality between SOEs and non-SOEs is that the decision-making of top managers is not the main incentive to promote joint participation with external stakeholders. Moreover, the top manager as a micro institution only promotes cooperation under the party system, which implies that executives may build personal political networks by facilitating the networking of their companies.

7.3 Discussions

Based on the results of the above four studies, this section will return to the core theoretical issue to be discussed, namely, how does hybrid nature shape stakeholder engagement in SOEs' CSR? As defined in Chapter 2, hybridity means competing institutional logics, diverse corporate functions, and contradictory organizational goals. In Section 7.3, I will discuss the (a) the coexistence of diverse logics and (b) the dominant power of a specific institutional logic on SOE's CSR activities. A deliberation of SOEs' social and political functions and their multiple organizational goals was incorporated. On this basis, this section indicates the internal and external ways Chinese SOEs handle the tensions that may arise from diverse institutional logics when engaging with stakeholder groups in CSR practice.

7.3.1 Logic Multiplicity in CSR Communication and CSR Practices

Multi-Directional CSR Discourse Embraces Competing Logics: Scope Rather than Efficiency

The results demonstrate that, on the one hand, when competing institutional logic exists, SOEs in China prioritize the benefit and service of society as a whole. Below the state logic, the state and SOEs are in a symbiotic relationship, allowing the scope of their core focus to encompass the nationwide populace (Lin et al., 2020). The greatest concern for non-stakeholders regarding SOEs is a message of conformity and allegiance—in our research, SOEs did not mention the state when they mentioned benefiting the public, but its significance is implied. By contrast, SOEs in our study gave a second place to their accountability with specific stakeholders (e.g., employee, financier, and customer) who require the disclosure of

CSR to maintain market logic. Companies dominated by a single market logic highlight targeted transmission and efficiency (Knebel & Seele, 2015). Hybrid organizations, however, have competing logic and emphasize full coverage in their CSR disclosure. Therefore, rather than the disclosure level or quality of reporting, understanding the scope of accountability is a vital indicator in evaluating the CSR reports of such organizations.

Moreover, this paper found that SOEs and non-SOEs have a similar prioritization of beneficiaries, which is in line with the findings of Ervits (2023). From our observations of SOE communication, we further see a wider collaborative network, and that the scope of stakeholders and CSR domains involved in CSR reporting of SOEs is broader than those of non-SOEs. Specifically, a specialized internal organization is uniquely affiliated with the state frequently emerged in SOEs' CSR communication, with different roles in the discourse between SOEs and non-SOEs, with the former emphasizing policy response and socio-political functions while the latter highlights political legitimacy.

Regarding communication patterns, this paper demonstrates that the market and the state logic synchronize in SOEs' communication, given that there is no inclination for one side to disclose excessively. Prior work suggested that the initiatives of SOEs cannot be solely assessed by the private sector's supposedly "efficiency and effectiveness," the results of this study imply that, in the CSR and stakeholder engagement field, "scope"—rather than "efficiency"—is a more appropriate measure for assessing publicly owned organizations' initiatives.

Co-Existence of Multiple Logics: Task Decomposition of CSR and Organizational Differentiation

We can see that Chinese SOEs are clearly divided into two parallel internal systems: the "Party, Union, and Youth League System" and the "Corporate Administration System." The former receives resources and instructions from the party-state and provides SOEs with the legitimacy to operate and generate social value. The latter, on the other hand, is the market operation system of SOE, contributing to its operational efficiency and the fulfillment of its market purpose. The two systems are both parallel and, in many cases, intersecting. Whether social, public, or economic functions are needed, our findings imply that it can be possible to enforce the dominant logic and even balance multiple logics through organizational differentiation. It depends on institutional choice.

Based on explorations of other hybrid organization types, researchers pointed out that social enterprises (Battilana & Dorado, 2010), profit-with-purpose corporations (Levillain & Segrestin, 2019; Levillain et al., 2018), and benefit corporations (i.e., a legal business entity intended to offer a public benefit beyond returning profits to shareholders) often experience the difficulty of supporting the dictates of competing institutional logics and suffer from mission shift. Consequently, they are completely transformed by the excessive pursuit of economic efficiency.

Scholars have highlighted an increasing alignment toward market logic in a hybrid organization context (Alexius & Furusten, 2020; Cheung et al., 2020), in the background of hybrids in economic liberalism (Battilana et al., 2020). Especially in the European SOEs, the formal ambitions to account for a high degree of value pluralism or even a value hierarchy of

equally balanced values. However, there is a risk of mission drift in the corporate governance of SOEs, as several studies find a clear hierarchization of values, prioritizing financial values (Alexius & Örnberg, 2015). Similar in the U.S. contexts, SOEs tend to dehybridize with a growing alignment toward market logic (Alexius & Örnberg, 2020). However, this paper shows that, in the state capitalism market, SOEs reinforce party power and retain a certain degree of commitment to the pursuit of market objectives at the same time.

To summarize, hybrid organizations could cope with internal tensions derived from logic multiplicity, through task decomposition and organizational differentiation. In this way, they can expand the dominant competencies of a particular sub-unit to achieve dehybridization or balance different institutional logics through adjusting the authorities between sub-organizations. But there are two premises here. The first is adequate resources. This path is difficult to replicate in social enterprises that often face insufficient funds, while other public organizations with stable sources of resources, or community-based enterprises in some regions, can imitate and adapt. The second premise is that a strong dominant logic exists, that is enough to dominate and guide corporate activities, whereas other institutional logics might be compatible and coexist with it by being weakened and differentiated.

Network of Party Organization System Promoting Economic Function

Party organization within a SOE, as the subordinate organization that is most obviously subject to public functions and state logic, can promote business inter-corporate cooperation in market activities. Even these commercially collaborating companies can establish joint party organizations to strengthen their cooperative relationships on many occasions. In the eyes of

SOEs' party committee leaders, SOEs first need to operate their business independently, be liable for their own profits and losses, and pursue profits, although this goal is ultimately to maintain and increase the value of state-owned assets. In other words, not a few practitioners in the Chinese business economy implicitly acknowledge that market interests and public tasks are not contradictory in all situations and can even sometimes feed on each other. This perception results from the fact, that the market functions defined by SOEs' insiders often have some public attributes, such as promoting regional economic development through a SOE's technological upgrading, protecting the livelihood of marginal consumers through cooperation between party branches to gain brand effect. Even if SOEs are subject to the institutional logics of mutual competition between the market and the state, due to their absolute resource advantages, they may not have to give up one to pursue the other. More importantly, the party system network brings wider cooperation opportunities in business, which in turn promotes the realization of SOEs' economic functions.

7.3.2 Reinforcing the Dominant Power of State Logic

Surveys on both CSR communication and implementation have shown that among Chinese SOEs in recent years, the dominance of national logic has been significantly strengthened compared to the past. The first empirical evidence is the extended scope of accountability in SOEs' CSR communication. As Study 1 and Study 2 show, the CSR annual report of SOEs modified its mission list to emphasize the significance of party-state logic. The ultimate objective of serving the nation took precedence, with returning the shareholders coming in second. SOEs are not a simply economic instruments and are sometimes more understood as

public instruments. The state and SOEs have a symbiotic connection that enables the national populace to be included in the scope of their fundamental emphasis. SOEs emphasize value creation for non-direct stakeholders nationwide in their CSR discourse. Although they did not specifically mention the state, the wider scope of beneficiaries mentioned in CSR communication reflects a message of compliance and commitment from SOEs. It implies the significance of the state.

Second, this paper shows the dominant power of a state-affiliated sub-organization inside the SOE. As Study 3 shows, when SOEs carry out CSR initiatives, their party organization is in a leadership position, which can also be seen from the assisting roles of the enterprise union and the Youth League Committee. The party organizations within SOEs are mainly responsible for non-market CSR activities, indicating that SOE attaches greatest importance to the realization of social welfare, that is, CSR for groups nationwide that sometimes have no direct interest in the enterprise. The "DangZhengGongTuan" governance system in China allows SOE to have two parallel systems, one is headed by the party system, and the other is corporate administrative system. However, in many cases, the top decision-makers of the two systems are the same person, that is also a manifestation of SOEs strengthening state logic through centralization.

Third, SOEs tend to build collaborations under a network of party systems, which indirectly intensify the dominance of state logic inside the companies. Study 4 further indicates that SOEs can also practice their social and political functions through cooperation with social agents outside. Under the network of party systems, the higher-level party committee could exert its impact on corporate activities and decisions through a state-affiliated sub-organization as well

as calls for developing joint-party organizations. That means the powerful stakeholder (i.e., the government) not only promotes the implementation of CSR through legal constraints or policy guidance but also could influence the internal governance structure by setting up subsidiary bodies within the company in an internally infiltrated way.

7.4 Implication

7.4.1 Theoretical Contribution

Taking China as a case study, this thesis explores the stakeholder engagement in SOEs' CSR practices. The findings of this study have several implications as below.

First of all, the findings could benefit the stakeholder engagement literature in the CSR field. Because the paper addresses an underdeveloped issue that has not been touched upon in previous studies: the coexistence of mixed institutional logics in the CSR practices of hybrids. In other management and business research field, scholars argue that hybrids often bear the difficulty of supporting the dictates of diverse institutional logics and suffer from mission shift. For example, in the U.S. and U.K. contexts, hybrids like SOEs have to dehybridize with a growing alignment toward market logic (Alexius & Örnberg, 2020). However, this paper shows a way to allow multiple logics to coexist, which are based on the perspective on organizational design and task division. I propose that hybrid organizations could cope with internal tensions derived from logic multiplicity, through task decomposition and organizational differentiation.

Moreover, this study could also be useful to CSR researchers, as the findings fill two theoretical gaps: (a) the exploration of complex internal mechanisms promoting CSR practices and (b) the interplay between inner and external interest groups. With regard to the former,

most research on CSR and stakeholders focuses on how to manage external stakeholders, and thus, it lacks a more nuanced exploration of internal governance structure. Beyond the past attention on only shareholders or employee groups alone, this article introduces the viewpoints of organizational design to deconstruct an organization's internal power structure and the differentiation of subordinate organizations in CSR initiatives. Past research has pointed out that the ambiguous scope of social issues is a vital factor hindering internal participation in CSR (Sonenshein, 2016). The SOE context provides a paradigm design to solve this obstructive factor.

In terms of the latter theoretical shortcoming, the investigations of external stakeholders have seldom been connected to the internal actors inside the companies, yet scholars and practitioners have widely recognized that internal and external stakeholder groups of companies are linked and interact with each other (Klein et al., 2019). This paper indicates that a powerful stakeholder (i.e., the government) could not only promote the implementation of CSR through environmental pressures (i.e., legal constraints or policy guidance) but also could influence the internal governance structure by setting up subsidiary bodies within the company in an internally infiltrated way. Such as the government is to China, religious organizations are to India and the Middle East, and environmental non-profit organizations are to Brazil. Stakeholders with a strong voice control the company's lifeline, survival, and resources, and the deployment of departments within the company is not a unique feature of SOEs. Our study provides an initial exploration of a broader context. Further, the conclusion of this article also specifically explains how different incentives drive the cooperation model between enterprises and other interest groups, providing new insights for scholars to understand the relationship

between enterprises with different capital ownership and external social agents. This responds to the academic call in the stakeholder field in recent years to explore cross-sectoral (or inter-firm) collaborative relationships on social issues, as prior research on MNEs tends to emphasize the conflict and tensions between the companies and [local] outsiders.

Further, this theoretical issue also provides implications for the scholar group on the CSR of SOEs. Although SOE research in the area of sustainable development has increased in recent years, the trend of literature has mostly centered on the impact of state-owned capital on social accounting through rating CSR based on numerical indicators. It is difficult to understand the ambiguous accountability of SOEs with only quantitative evaluations from the perspective of social accounting and information disclosure. This paper goes beyond a single-scoring viewpoint of SOEs' social accounting and examines SOEs' stakeholder engagement from both quantitative and qualitative approaches. We complement SOE research in two way, (a) clarification of ambiguous accountable structure resulting from hybrid nature, and (b) an exploration of how its hybrid logic shapes stakeholder engagement and CSR activities.

In terms of the former, this paper shows that when competing institutional logic exists, SOEs in China prioritize the benefit and service of society as a whole. Below the state logic, the state and SOEs are in a symbiotic relationship, allowing the scope of their core focus to encompass the nationwide populace (Lin et al., 2020). By contrast, SOEs give second place to their accountability to specific market-related stakeholders to maintain market logic. This paper argues that although private companies highlight targeted transmission and efficiency in CSR communication (Knebel & Seele, 2015), understanding the scope of accountability is a vital indicator in evaluating the CSR reports of SOEs rather than efficiency. As for the latter

theoretical shortcoming in SOE research, while the CSR literature fundamentally addresses the complex relationship between business and specific stakeholders, the issues of how the government intervenes in corporate activities are unknown to SOEs. This thesis indicates that, regarding the role of government in shaping CSR, we infer that, aside from external constraint and guidance, the government may exert its influence through staff in SOEs, where party affiliations act as an internal penetration (see Beck & Brødsgaard, 2022). In China, party organizations formed by employees with CCP memberships may guide companies to engage in CSR.

Finally, this study can be extrapolated as a reference for specific emerging countries because it examines the Chinese situation in a non-Western context. Prior research has suggested that other mechanisms to promote CSR may exist in developing countries where market mechanisms and legal institutions are not in place (Jamali & Karam, 2018). This study shows that in China, SOEs embedded in the network of party systems set up internal party organizations, which accept instructions from a higher-level party committee on many occasions. The party organizations mainly carry out philanthropic and ethical CSR with the assistance of enterprise unions and Youth League Committees. The party system inside SOE has the greatest authority in business operations, supervision, and governance, as well as undertaking non-market-oriented CSR activities. By contrast, the management team of the corporate administrative system is often responsible for market-oriented CSR activities, and the enterprise union specializes in employee-oriented CSR. Remarkably, SOEs can form joint-party organizations with those of other enterprises or institutions to jointly undertake public welfare activities. It can be seen that in China, in addition to external regulations and market

mechanisms, the party system to which enterprises belong will also complementally promote the development of CSR. Nevertheless, these findings should not be generalized without taking into consideration the complex national business system of China and the nuances of the specific country in question.

7.4.2 Practical Implication

This study could provide several practical implications for policy makers, managers of hybrids, companies based in China as below.

First, in research on stakeholders, there has been active debate about what kind of CSR activities companies should carry out (Brammer &Millington, 2004), but little has been elucidated about what kind of activities they actually engage in for specific stakeholders. This study clarifies that the diversity of CSR domains differs depending on the target stakeholder and examines whether a specific stakeholder should be dealt with broadly or with a focus. The findings of Study 1 provide the information regarding SOEs' and non-SOEs' accountable structure as such the company located in China could get some hints.

Second, for Chinese policymakers and decisionmakers of SOEs, while party system might be the main driving force for CSR engagement, it is also important to develop sound CSR governmental institutions to avoid excessive authority of specific groups. Power imbalance within a company is detrimental to develop effective and sound corporate governance. Moreover, both in SOEs and non-SOEs, the decision-making of top managers is not the main incentive to promote joint participation with external stakeholders. The top manager as a micro institution only promotes cooperation under the party system, which implies that executives

may build personal political networks by facilitating the networking of their companies. It indicates that to avoid potential opportunistic behavior by individual managers with a dual identity of "politician" and "businessman," it is necessary to improve external institutional regulation system of top managers who have political identities.

Third, for senior managers of hybrid enterprises, when faced with conflicts between public logic and market logic and competing organizational goals, differentiation within the organization, subdivision of tasks, or other organizational structural designs might help the enterprise avoid mission shift and lose social legitimacy. The CSR mechanism of internal stakeholder engagement provided in this article provides an feasible approach and a example.

7.5 Limitations and Future research

This study has certain limitations, which provide opportunities for further research.

First, the sample of Study 1 and Study 2 was derived from listed companies; the samples focus on large and medium-sized companies, whereas the examination of small and micro-companies was limited (i.e., governmental constraints may affect micro-companies). Study 1 and Study 2 analyzed a single year's CSR reports. Cross-sectional data do not allow for causal and temporal exploration, whereas a longitudinal investigation would offer a more dynamic perspective.

Second, this thesis was limited to a single-country context. I encourage future research to analyze SOEs' CSR in other countries to verify whether the findings can be applied to other institutional contexts that may exhibit different effects of state ownership. As CSR efforts are highly dependent on context, we suggest adding comparative investigations of SOEs across

countries to provide fresh evidence.

Third, regarding Study 4 on cooperation modes between companies and external stakeholders, the interview samples in this article mainly focus on the interviewees in the enterprise; as such, the analysis might have an influence on the respondent's position as an insider in SOEs. More research centered on the perspective of external stakeholders should be carried out in the future. The stakeholder engagement field would be enriched by perspectives that explore the more dynamic interactions between companies and external stakeholders on the basis of investigations of all the groups involved.

Finally, future research could examine whether private enterprises engage in homogenizing behavior by imitating SOEs. The analysis results in Study 1 and Study 2 show that sectors with different capital ownership systems exhibit a similar communicative tendency in some CSR areas, revealing that they have common interests in specific stakeholder groups and CSR domains. Study 3 also indicates that non-SOEs might establish a party organization inside the company. Scholars who are interested in the relationship between the Chinese government and companies could explore the private enterprises entering the party system. For example, what are the incentives for these private enterprises to enter the network of party systems? Will these organizations face the risk of a mission shift from commercial organizations to hybrid organizations and then to public organizations in reverse? How do private enterprises find their position within the party system? Likewise, regardless of the corporate perspective, the interactions between stakeholder groups are also worthy of investigations.

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