



This is a repository copy of *Authoritarian state, global expansion and corporate social responsibility reporting: The narrative of a Chinese state-owned enterprise*.

White Rose Research Online URL for this paper:

<http://eprints.whiterose.ac.uk/133474/>

Version: Accepted Version

Article:

Li, T. and Belal, A. orcid.org/0000-0001-6144-8907 (2018) Authoritarian state, global expansion and corporate social responsibility reporting: The narrative of a Chinese state-owned enterprise. Accounting Forum, 42 (2). pp. 199-217. ISSN 0155-9982

<https://doi.org/10.1016/j.accfor.2018.05.002>

Reuse

This article is distributed under the terms of the Creative Commons Attribution-NonCommercial-NoDerivs (CC BY-NC-ND) licence. This licence only allows you to download this work and share it with others as long as you credit the authors, but you can't change the article in any way or use it commercially. More information and the full terms of the licence here: <https://creativecommons.org/licenses/>

Takedown

If you consider content in White Rose Research Online to be in breach of UK law, please notify us by emailing eprints@whiterose.ac.uk including the URL of the record and the reason for the withdrawal request.

**Authoritarian state, global expansion and corporate social responsibility reporting:
The narrative of a Chinese state-owned enterprise**

Teng Li

College of Business, Arts & Social Sciences, Brunel University London, UK

Ataur Belal*

Sheffield University Management School, The University of Sheffield, UK

***Contact details**

Professor Ataur Belal PhD

Sheffield University Management School

The University of Sheffield

Conduit Road

SHEFFIELD S10 1FL

United Kingdom.

Tel. 0114 222 3464.

E-mail: a.r.belal@sheffield.ac.uk

Full Citation

Li, T., & Belal, A. (2018). Authoritarian state, global expansion and corporate social responsibility reporting: The narrative of a Chinese state-owned enterprise. *Accounting Forum*, 42(2), 199-217.

doi: <https://doi.org/10.1016/j.accfor.2018.05.002>

ABSTRACT

This case study examines why stand-alone Corporate Social Responsibility (CSR) reporting has been initiated in a Chinese state-owned enterprise (SOE). Chinese SOEs have been pioneering CSR reporting since the mid-2000s and extant literature interprets its development as no more than a consequence of government interventions. However, there is a dearth of qualitative evidence illuminating the subtle interrelationships between the global, national and internal organisational dynamics mediating CSR reporting initiative of Chinese SOEs within the authoritarian state. To fill this gap, we provide a nuanced multi-level institutional analysis of the drivers underlying the initiation of CSR reporting within the case examined.

Key words: Institutional theory; Stand-alone CSR reporting; State-owned enterprises (SOEs); China; Case Study

1. Introduction

The reason why organisations report on social and environmental matters is not a new issue for accounting research. There is an established tradition of social and environmental accounting (SEA) research that has examined organisational motivations for undertaking Corporate Social Responsibility (CSR) reporting (Adams, 2002, Owen, 2008, Deegan, 2017). However, what is less well known is why organisations in a complex and unique environment like Mainland China undertake CSR reporting. It is from this Chinese perspective that we contribute to the SEA stream of accounting research.

Because of the uniqueness of the Chinese context, Tilt (2016) argued that knowledge on CSR reporting developed in the Western context should not be extrapolated to China. In the context of Chinese economic development and the social and environmental consequences arising from it, a body of knowledge is emerging that examines Chinese SEA practices. Previous Chinese studies (Patten et al., 2015, Du and Gray, 2013, Marquis and Qian, 2014, Zhao and Patten, 2016) that examined the drivers for CSR reporting were mainly cross sectional in nature and missed the opportunity to provide in-depth insights offered by field-based case study approaches. The lack of field-based Chinese CSR reporting case studies is confirmed by a recent survey of research methods used in previous research (Yang et al., 2015). We fill this gap by adopting a field-based case study approach and developing an explanation of why a Chinese multinational Stated-owned Enterprise (SOE) (ALPHA, hereafter) introduced stand-alone CSR reporting in 2006 – a time when this was a rare practice in China.

By doing so we respond to the calls for more field-based case studies made in this regard by Hopwood (2009), Owen (2008) and Parker (2005), that urges researchers to examine the ‘variety of motives’ underlying the initiation of social and environmental accounting practices. In their recent review of Chinese SEA studies Yang et al. (2015) advocated the application of institutional theory in studying CSR accounting and reporting by Chinese business organizations. Following this theoretical tradition we mobilise a multi-level institutional lens based on Scott (2002) and Whelan and Muthuri (2017) to interpret the drivers for the initiation of ALPHA’s CSR reporting in China. In order to achieve this research objective, we have conducted an extensive qualitative field-based case study (Adams and Larrinaga, 2007). As part of this research design one of the authors spent five months inside the organisation voluntarily working for their CSR team and undertook a series of semi-structured interviews with various participants inside the organisation.

We proceed by a discussion of the prior research in the Chinese CSR reporting by SOEs. We then explain the theoretical framework used to make sense of the empirical results of this study. The research method section describes the research design and the in-depth case study approach used in this study. The next section of the paper presents the empirical findings followed by a discussion and conclusion section.

2. CSR Reporting in China

Over the last four decades, China has implemented a series of economic reforms and achieved rapid economic growth that consequentially resulted in demoralizing social and environmental consequences (Kojima, 2016). To address this, various Chinese (non-) governmental bodies have since the early-2000s issued a range of policies, regulations and guidelines promoting corporate social and environmental sustainability (refer to Marquis and Qian (2014) for a review). In particular, CSR reporting, among others, has been emphasised as a means by which businesses could improve CSR-orientated decision-making processes by incorporating CSR principles. Since the mid-2000s, an increasing number of Chinese SOEs started to report on their CSR practices. By 2012, all key Chinese SOEs, directly governed by State-owned Assets Supervision and Administration Commission (SASAC),

had produced a CSR or sustainability report following reporting standards, such as international GRI sustainability guidelines, and domestic China Academy of Social Sciences (CASS) CSR Reporting Guide (Du and Gray, 2013).

The growing level of CSR reporting in the Chinese context has drawn attention from academic, practitioners and policy makers. Extant studies have documented somewhat mixed and controversial findings with regard to the influence of governmental policies on SOEs' initiation of CSR reporting practices (see Appendix A for a systematic summary). Some researchers conceive CSR reporting as a means by which SOEs maintain their political legitimacy and material gains (e.g. political standings, state subsidies, national loan exemptions, and operation licence) from the Chinese Communist Party (CCP)-ruled political regime (Lee et al., 2017, Luo et al., 2017, Marquis and Qian, 2014, Patten et al., 2015, Situ and Tilt, 2012), whereas others argue that SOEs are owned and governed by the state government and thus there is no point for them to utilise CSR reporting to obtain legitimacy from the government. While the government is referred to as the main driver for SOEs' CSR reporting, few studies have appeared to denote the growing impact of non-governmental bodies (e.g. the general public, NGOs and media) on CSR reporting in Chinese SOEs (Liu and Anbumozhi, 2009, Rowe et al., 2009, Zeng et al., 2012), even though how they mediate SOEs reporting remains unclear.

It is noteworthy that existing studies have paid particular attention to the imposition of government's forces upon the initiation of CSR reporting in Chinese SOEs. While the above studies have highlighted the extent to which government can influence the incidence of SOEs' reporting depending on their identity, size and financial capability (Lee et al., 2017, Luo et al., 2017, Marquis and Qian, 2014), they particularly emphasize the one-way influence of government upon the SOEs. Thus, the interdependent relationships between the Chinese state government and SOEs in particular industries and their role in forming government's policy-making procedure in the Chinese context, is largely omitted in the current literature.

In this study, we argue that existing literature has overstated the overriding role of the government in driving Chinese SOEs adoption of CSR reporting, and the material benefits that they gain from such a government-directed activity. Little attention has been paid to the implications of globalization for the Chinese government and its SOEs. Researchers have made scant effort to investigate the complexity and peculiarity of interrelationships between the global institutions, national/political ideological orientation in an authoritarian regime, and the decision-making processes within the distinctive organizational configurations of Chinese SOEs. The empirical investigations into the organisational internal factors leading to the adoption of CSR reporting by SOEs remains under-specified. We contribute to filling this gap by offering nuanced insights into the driving factors for the development of a stand-alone CSR reporting process into a large Chinese multinational SOE since 2006. We explore the global, national and the organisational factors responsible for the development of CSR reporting in ALPHA by mobilising a multi-level institutional theory framework (Scott, 2002, Whelan and Muthuri, 2017).

3. Theoretical Framework

In this paper, we have made a combined use of Scott (2002)'s multilevel institutional analysis framework and a three-level analytical model developed by Whelan and Muthuri (2017) to gain a nuanced understanding of the complex decision-making process about the initiation of stand-alone CSR reporting within the Chinese SOEs. The two analytical frameworks have been used to investigate organisational changes (Scott, 2002) and social (human rights) disclosure (Whelan and Muthuri, 2017) in the Chinese SOEs. Combining the two theoretical analysis frameworks enables us to examine in detail why and how the wider external institutional and internal factors imposed on SOEs operating in China and overseas affected their production of CSR report in such a complex institutional environment.

Institutional theorists have specified the impacts of regulative/coercive, normative and cultural-cognitive institutions upon organisational structures within a specific or multiple organisational fields (Ball and Craig, 2010, Scott, 1987, Scott, 2008, Scott, 2002, Meyer and Rowan, 1977, Lounsbury, 2008). Specifically, regulatory institutions, underpinned by coercive sanctions and penalties, impose legal rules on organisations, and therefore organisational conformance is expedient and instrumental (Scott, 2002, DiMaggio and Powell, 1983, Lounsbury, 2008). Normative elements are based on binding expectations that lead organisational obedience based on their internalised moral obligations to act in a socially appropriate manner (Dacin et al., 2002). Cultural-cognitive elements focus on orthodoxy; conformity represents recognition of taken-for-granted beliefs, culture, and norms within a given society (Contrafatto, 2014, Scott, 2008). In general, organizational conformity to institutional pressure is conceived as a means to survive and grow in institutional contexts.

The cultural-cognitive framework seems relevant in understanding the behaviours of SOEs due to its unique socio-economic, political, and cultural specialities in the Chinese context, for instance, the so-called Socialist Market Economy, Communist Ideology, and Confucian Cultural and Value System. In particular, cultural elements have, to a large extent, influenced and shaped the perception of organisational managers with regard to the regulative and normative elements within the Chinese institutional arrangements (Hofstede, 1991). In addition, institutional regulative, normative and cultural-cognitive elements are manifested, transmitted and sustained by various carriers, including symbolic systems such as cultural models and cognitive schema, representations and social logics; relational systems, or social networks; routines, or structured activities in the form of habitualised behaviour (Scott, 2003).

In addition, Scott (2002) asserts that institutional elements and their carriers can function at multiple levels, each of which affect the operations of modern corporations, such as Chinese multinational SOEs, to varying degrees. Therefore, Scott (2002) developed a multi-level institutional analysis of the practices of Chinese SOEs that remains rapidly changing, including: the world system level; societal level; organisational field level (i.e. organisations operating in a specified social arena); organisational population level (i.e. similar organisations exhibiting same structural forms); the individual organisation level; and the organisational subsystem level (i.e. a department of an organisation) (Scott, 2002). Based on his ideas, we argue, therefore, that adoption of a new organisational practice or structure, such as CSR reporting, can be driven by collective institutional forces existing at both macro (e.g. world system level and societal level), meso (organisational field and organisation population levels), and micro (e.g. individual organisation level) levels.

In a Confucian society like China, legal rules are “nothing more than the commands of those who exercise political authority” (Carver, 1996), and the civil arena underpinned by the notion of individual rights remains vague. Confucian state represents, “a super family of Chinese people... constructed of morally binding relationships connecting all” (Redding, 1990). The patriarchal ideology of the Chinese state characterise the relation between superiors and subordinates is akin to that between father and son (Wang and Juslin, 2009). Of relevance is that in authoritarian China the primary function of the state is to develop, maintain and even force political harmony, rather than to accommodate political differences and thus appease the resultant political conflicts (Lee and Zhang, 2013, Stockmann and Gallagher, 2011). Confucian patriarchal authority offered a supportive framework for the introduction of Communist regime to the Chinese context in the 1940s (Sabet, 2011, Zhao, 1997). The party-state underscores affirmative inducements for compliance, representing a “clientelist system in which public loyalty to the party and its ideology is mingled with personal loyalties between party branch officials and their clients” and “a rich subculture of instrumental-personal ties through which individuals circumvent formal regulations to obtain official approvals” (Walder, 1986). Therefore, the Confucian patriarchal model and its multifarious hierarchy of personalist ties are interwoven with the communist model of coalesced party-state to suggest the significance of interpersonal connections and prescribed duties in Chinese society and organisations operating in it (Scott, 2002).

The Chinese Communist Party (CCP) and the state plays a proactive role in governing and facilitating socioeconomic developments rather than acting as a neutral referee protecting property rights and individual rights and freedom (Chen, 1995, Lee and Zhang, 2013). The possibility of agency, the power to make a difference, is predominantly reliant on the preference and intentions of superordinate actors in the hierarchy in organisations or the national political systems (Chen, 1995). In addition, instead of the pervasiveness of individualism in the Western society, Confucian system advocates collectivism as core for societal harmony (Earley, 1989, Hofstede and Bond, 1988). In other words, Chinese people “from birth onwards are integrated into strong, cohesive in-groups, which throughout people’s lifetime continue to protect them in exchange for unquestioning loyalty” (Hofstede, 1991). Therefore, in the Chinese settings, the distinctive features of the wider societal systems, organisational fields, and individual organisations, interweaving with the Confucian traditions and Communist ideology, have collectively engendered foundations for organisational structure and culture.

SOEs are deemed as fundamental for socio-political and economic stability in a socialist state. However, a vast majority of Chinese SOEs suffered from archetypal SOE weaknesses, such as inertia, over-staffing, heavy liabilities and waste (Yang and Modell, 2015). In the late-1970s, CCP Central Committee started to implement 'open door' policy and reform in societal and economic domains that are still evolving nowadays. Rather than relying on a fixed template for the reform, the CCP government led the reform through a recursive and gradual process named 'crossing rivers by touching the stones' (Yang and Modell, 2015) through which it learns advanced techniques from other countries, experiments novel practices in certain industrial sectors and finally

implements relevant regulations and policies. As an integral part of the reform, since the late-1980s Chinese SOE sectors have experienced an unprecedented transformation through large-scale, but gradual processes of corporatisation, privatisation, and mergers and acquisitions. In addition, other corporate ownerships, such as joint venture, private firms, and partnerships were allowed to establish and operate in certain industrial sectors. Nonetheless, the CCP-ruled state government intends not to embrace the Western capitalist market economy in China fully rather the state government remains a controlling ownership in many SOEs in the so-called strategically significant sectors (Xu et al., 2014).

In particular, the senior executives of SOEs are appointed, assessed and promoted by the state government agencies. The SASAC was formed in 2003, representing the governing body supervising all key SOEs in crucial industries (Kato and Long, 2006). Additionally, executives of SOEs possess a political standing in the CCP hierarchy and receive regular trainings organised by the central government agents, such as the Party School of the Central Committee of CCP, as a typical approach through which to perceive the intentions of the latest ideological discourses of CCP Central Committee and then enact necessary actions afterwards. As such, most Chinese SOEs are obliged to adjust their visions and goals according to the discourses of CCP in the forms of political leaders' discourses and documents, guiding principles released by governmental authorities, or the Five-year National Development Goals announced in the People's Congress held by the CCP central government (Hofman et al., 2017).

Also, Whelan and Muthuri (2017) argued that while Chinese SOEs are owned and governed by the state government, they have undergone large-scale corporate reform and most of them have adopted internationalisation strategy to engage into economic globalisation. One striking SOE reform is the 'going-abroad policy' advocated by the state government since the late-1990s when the Chinese central government started to advocate the strategic significance of internationalization to SOEs (Luo et al., 2017). In response to the national call, some leading SOEs began to engage with other multinational corporations (MNCs) to compete in the global market, and were subsequently listed in leading international capital markets. While Chinese SOEs have been transformed to be aligned with the governance structure of Western modern corporations, their monopoly in core industries and receipt of subsidies from the government reflect their responsibility to the society as a whole other than mere profitability (Gong and Cortese, 2017). Therefore, Chinese SOEs are subject not only to national demands in terms of government requirements, but also, like any other MNCs, to international pressures and demands for, for instance, more transparent and responsible operations.

In addition, the intra-organisational factors are also important when considering organisational accountability practices (Scott, 2002). In general, the aim of government-led SOE reform is to remedy SOEs' operational shortcomings by offering SOEs' management more autonomy in setting and implementing their own plans, rules and strategies, whilst the decision-making of SOEs to a large extent is subject to the macro-national plans declared by the central government. However, it is important to note that the managerial discretion that SOE executives have gained after the reform should not be underestimated in understanding SOEs decision-making process. Indeed, one crucial aim of SOE reform was to grant corporate executives more autonomy in decision-making about production plans and adoption of novel practices in accordance with market demands and societal and economic factors that are constantly changing. Moreover, the fledgling SASAC lacks appropriate, established and taken-for-granted instruments to advance SOEs reform process in the transitional period. Therefore, it has to rely on the practical experimentations by some large SOEs with new practices to formulate and implement relevant guidelines, rules and policies in the state-owned sectors. A typical example was the guidance on CSR practices launched in January 2008 (Marquis and Qian, 2014).

In short, by integrating the insights from Scott (2002) and Whelan and Muthuri (2017) and the Chinese contextual dynamics, this study develops a multi-level institutional analysis of the contextual factors to interpret the drivers of CSR reporting in ALPHA, the case organisation of the present study.

4. Research Method and Empirical Settings

This study embraces an engagement-based qualitative single case study approach to investigate why the Chinese SOEs began to voluntarily engage in CSR reporting since the mid-2000s, few years before the issuance of government guidelines in this regard. A prolonged fieldwork for the empirical investigation, including participant observation and semi-structured interviews with managers, was undertaken in ALPHA in early 2014.

We have selected ALPHA, a Chinese SOE in the energy sector, as the case study organisation for three main reasons. First, we focus on SOEs because of their long-standing significance to the Chinese social, economic and

political context. Given the main focus of the previous SER studies on the private sectors and listed firms through quantitative methods, studying CSR reporting of the parent company of SOEs via qualitative case study will offer more empirical evidence to SEA research in general. Second, SOEs have been pioneering CSR reporting in China since the mid-2000s and ALPHA has substantial track record in CSR reporting. It was also one of the few SOEs starting stand-alone CSR reporting since the mid-2000s. Finally, we were given substantial access to ALPHA to enable participant observation, interviews and documentary analysis. The result was very detailed access to ALPHA and its constituent departments to explore fully why it has started CSR reporting. Previous SER researchers had difficulties in obtaining comprehensive access to the organisation given the sensitivity of the issues involved (Hopwood, 2009). We have managed to overcome this limitation.

During the fieldwork undertaken between February and June 2014, one of the authors of this study acted as a volunteer in the CSR reporting editorial team as secretary to the editor-in-chief and thus had a chance to engage with the team to prepare CSR report for the year of 2013 (the first quarter of each reporting year was spent on compiling CSR report for the previous year). Owing to the inherently conservative and secretive nature of Chinese SOEs, being part of the reporting team was crucial in not only gathering first-hand empirical evidence about what is going on within the reporting organisation, but also familiarising with the potential interviewees involved in CSR reporting process and thus gaining their trust and permission to participate in the present study. This approach enabled insights that are considered relevant to the adoption of CSR reporting in ALPHA. This is also a means to avoid the very possibility of managers offering official lines about CSR issues to a strange researcher outside the organisation.

When the author and his purpose became known by the managers after two months working with them to produce a CSR report in ALPHA, a series of interviews with some organisational participants was conducted for this study. A purposive conversation with those who are involved in CSR reporting enables us to explore in more details the experiences, motives, perceptions, expectations, and explanations of those engaged in CSR reporting process (King, 1994, Qu and Dumay, 2011). The selection of interviewees from ALPHA was relatively straightforward as anyone who was engaged in CSR reporting and involved in CSR reporting decision-making at ALPHA became potential interviewees. During the process of producing CSR report in which the author participated, therefore, the author introduced himself and explained the research aims to all managers involved in the reporting processes and invited them to take part in the study by offering their insights into the initial reporting decision-making process. In addition, the current CSR report chief editor, who has worked in ALPHA's Research Department for more than 30 years, was supportive of this study. He/she provided the author a chance to view many official files and archival documents in relation to CSR reporting initiative over the last years. Furthermore, on our behalf, he/she contacted the founding researcher, who was also the first chief editor of ALPHA's CSR report and one of the most important champions of embedding CSR reporting into ALPHA's organisational structure. This significant interviewee was also supportive of our study and offered us vivid narrative of what occurred in the decision-making process about CSR reporting in the early-2000s.

The empirical findings rely mainly on the internal archival documents and meeting memos, and the discourse of managers interviewed during the fieldwork to understand the conditions under which ALPHA's management approved the decision to incorporate CSR reporting systems. It is vital to note here that conducting research in the Chinese SOEs needs support and endorsement from the senior or top management. The author managed to be granted a legitimate identity to conduct this study in ALPHA and received consents from its senior management.

Prior to each interview, an interview invitation letter was sent to potential interviewees to inform them of the objectives of the research, the purposes of conducting an interview with them and the broad themes/questions to be discussed, for example, background of CSR reporting at ALPHA, interviewees' role in it and their views about the main drivers of CSR reporting at ALPHA. More importantly, they are guaranteed that their response to the questions will be used for academic purposes only. Formally informing SOE managers of the possible actions to take in the academic interview is significant given their busy schedule and work routine. Sending interviewees the research pamphlets has two purposes: (1) to be seen as a significant and thoughtful project to engage and thus draw the attention from SOE officials; (2) to be able to obtain valuable empirical evidence by allowing them time to search archival files of CSR reporting over the last years, and reflect on their perception and insights into the practice of CSR reporting initiated in 2006. All interviewees were guaranteed with confidentiality and anonymity of participating in this study and their personal and organisational identity would never be revealed in any future publications. Eventually, 24 managers agreed to take part in the interview and some follow-up interviews were undertaken. The interviews lasted 45 minutes to 2 hours in an attempt to cover

as more managerial insights into CSR reporting practices as possible. All interviews were conducted in a face-to-face fashion, of which seventeen interviews were tape-recorded after receiving their permission and others were logged in memos. More details of these interviewees are summarised in Appendix B.

The analysis process comprises three major reviewing and coding steps (O'Dwyer, 2004). Firstly, because all interviews were conducted in Chinese and documents analysed were written in Chinese, the initial activity was to translate the transcripts into English. The first round of analysis process represented the initial empirical analysis. Drawing from our adopted theoretical framework on institutional theory three broad categories of institutional elements that appear to have affected ALPHA's adoption of CSR reporting were identified, including: (1) global-level institutional factors; (2) national-level changes to political ideology and development agenda, and (3) organisational-level internal dynamics of ALPHA. Also, managers were found to have different perceptions of, and even conflicting insights into, the initiation of CSR reporting by ALPHA. Secondly, in accordance with the three core themes identified above, we have used an Excel spreadsheet to systematically code and record the specific managerial quotations and discourse and excerpts of official documents regarding the drivers and purposes of undertaking CSR reporting by ALPHA. For example, each column of the sheet contains: (1) what elements, singularly or collectively, stimulated ALPHA's management to consider CSR reporting practice; (2) why these elements led managers to regard CSR report as something necessary for ALPHA to publish; and (3) how they explain the role and purpose of engaging into CSR reporting. Finally, the classified managerial narratives on ALPHA's adoption of CSR reporting was discussed between the authors and the emerging confusions and questions were further addressed by contacting the respective interviewees.

We present here a brief introduction to ALPHA¹ and its stand-alone CSR reporting practice. In the late-1990s, despite being a full SOE ALPHA emerged as an independent legal entity with more autonomy in making decisions on production plans, strategic policies and managerial remunerations. Since the mid-1990s, ALPHA has grown into a multinational energy corporation. The ALPHA group packaged its outstanding assets to establish BETA, which has been subsequently listed in some overseas and domestic stock markets. In particular, the majority of ALPHA's international businesses and operations have been carried out by BETA. BETA gained membership of the United Nations Global Compact (UNGC) in the early-2000s and some International Associations of its sector, and has frequently attended global conferences through which its interaction with other international peers has been enhanced. As one of the earliest CSR reporting organisations in China, ALPHA in the mid-2000s introduced a stand-alone CSR reporting mechanism into its governance structure. ALPHA, as the parent company of the group, and its largest subsidiary, BETA, started producing stand-alone CSR and sustainability reports in both Chinese and English respectively from 2006 on a yearly basis. According to the press conference for ALPHA's publication of the first CSR report, the CEO declared:

ALPHA engages in CSR reporting practices to diffuse the principles of CSR and sustainability into our organizational governance structure, to promote the effective implementation of CSR activities, and gradually, to cultivate a corporate culture centred on the notions of CSR and sustainability in ALPHA in the long run; therefore, it is a perpetual activity. (Excerpts of CEO Speech in CSR Report Press Conference in 2007)

While ALPHA's top management seems to favour a systematic CSR reporting process, adoption of the voluntary CSR reporting at ALPHA was not a straightforward event. As contended by the founding editor of ALPHA's CSR report:

The novel CSR reporting involves all departments in ALPHA's headquarters; the decision-making about the reporting underwent a long process of convincing other departments to take part in it.

The following sections seek to articulate why CSR reporting was considered necessary and appropriate for ALPHA in the mid-2000s.

5. Drivers of CSR Reporting

5.1 Global Institutional Factors

Most managers interviewed mentioned the demands and requirements from global context as one of the main reasons why they considered the practice of CSR reporting in the mid-2000s. Because of its continued global

¹ ALPHA is specialised in natural resources exploration, drilling and extraction activities, and acts in sectors such as energy-related transportation, provision of energy-related engineering techniques and equipment manufacturing, technological innovation as well as financing services. More information about ALPHA cannot be provided for confidentiality reasons.

expansion process, ALPHA was compelled to adhere to the principles, rules and norms that many other global actors have collectively determined and universally accepted. For ALPHA, a consideration and adoption of globally prevailing practices, including CSR reporting, played a vital role in reinforcing its competitive advantage, reputation, and legitimacy globally; otherwise, it would be positioned in a passive situation in the competitive global market. As claimed by an interviewee:

We noticed that there was a prominent trend that an increasing number of multinationals tend to perform socially and environmentally friendly activities under the guidance of government authorities, NGOs, and professional bodies. They also engaged in CSR reporting practices through annual reports, online reporting, and stand-alone reports in relation to their social and environmental performance. (Deputy Director, General Office)

It is clear to see that the mimetic force of global CSR reporting practices appears to have driven ALPHA to align with other global peers. The increasing prevalence of CSR reporting among energy multinationals had particularly attracted the attention of ALPHA's senior managers. ALPHA's top executives were attracted to CSR reporting practices as a result of their extensive interaction with their peers through attending international conferences and events. Some interviewees, who used to act as ALPHA's delegates attending international conferences, highlighted their frustrations when they noted that many other global peers presented their CSR or sustainability reports to them but they could not do the same. For example:

Many energy multinationals presented us CSR reports in addition to their annual reports, and this seemed to have become a big 'business card' among multinationals. However, we did not have it. (Secretary to the CEO)

Also, the normative elements of international CSR reporting standards and guidelines played a role in driving ALPHA to construct CSR reporting systems, and guiding it to initiate the first stand-alone CSR report. For example, the GRI Sustainability Reporting Guideline, ISO 26000 Standards, and guidelines by some global industry associations in which ALPHA was a member. The internationally accepted standards for CSR reporting means that CSR reporting had become an appropriate activity for multinationals like ALPHA to conduct. As contended by the former chief editor of ALPHA's CSR report who was involved in the initial preparation of CSR reporting:

The popularity of international guidelines and standards for a particular organizational practice was an indication that this type of organizational practice was feasible to undertake. (Former Chief Editor of CSR Report)

The internationally recognized reporting standards and guidelines are valuable resources and knowledge for making the CSR reporting practice possible in ALPHA. (Chief Editor of CSR Report)

Moreover, the regulatory or coercive requirement of CSR reporting imposed by international organisations and capital markets on the globally listed subsidiaries of ALPHA also motivated its headquarters to report CSR information to the public. Since BETA assumes an integral part of ALPHA's global expansion plans, the conditions in which BETA operated had an impact on the CSR reporting of ALPHA as its parent company. In preparing to join the United Nations Global Compact (UNGC) in 2006, BETA was required to submit annual reports on its social and environmental performance. Given the intimate relations between BETA and ALPHA, the reporting requirement of UNGC drew managerial attention from both BETA and ALPHA. In fact, BETA's sustainability report and ALPHA's CSR report were produced by the same reporting editorial team and reviewed using the same process. As argued by the director of the Policy Research Department:

A key driver was the requirement for BETA to join the Global Compact of the United Nations in the mid-2000s as an important step in the global expansion process of the ALPHA Group. UNGC advocates social and environmental reporting. As BETA is an indispensable part of ALPHA's operation, we viewed the reporting requirement for BETA as also a requirement for ALPHA as its parent company. (Director, Policy Research Department)

Similarly, the demands for CSR disclosure from international stock markets on which BETA was listed influenced ALPHA to take into consideration CSR reporting. ALPHA held controlling stake in BETA's shares. Given the close relationship between BETA and ALPHA, this, from the managerial perception of ALPHA, directly affected the decision of ALPHA as the parent company of BETA to issue a CSR report at the group level with the aim of supporting BETA's continued operation.

Foreign investment institutions and investors in developed countries may consider information about corporate social and environmental performance when they make their investment decisions. Because BETA is listed not only on the domestic stock market but also on the New York and Hong Kong stock markets, the parent company ALPHA and BETA together have consistently published CSR reports in Chinese as well as English versions. (Director, Policy Research Department)

ALPHA now operates globally and hence has been confronted by many unforeseen problems, issues and challenges raised by its overseas stakeholders. These issues have undoubtedly influenced the adoption of new behaviours and practices by ALPHA. The operating sites of ALPHA are mainly concentrated in deprived developing countries that rely on foreign investment for economic development (Belal et al., 2013, Lauwo et al., 2016), however, the movement by international NGOs to intervene in multinationals' economic activities is relatively more dynamic than it is in China, even though their power is limited by the economically oriented political regime (Lauwo et al., 2016). NGOs have made local community more aware of the impact of energy extracting activities on their personal lives. The overseas contexts led ALPHA's management to consider a means of communication with local NGOs and communities. As such, CSR reporting is considered appropriate for this intended purpose.

When we operate overseas work, the local communities and some international NGOs also monitor whether we conduct operations consistent with our CSR-related promises. If we do not, they will lobby the government to withdraw the contract and organize protests to intervene in our work in progress. We have learned some big lessons from some African and Latin American countries. A stand-alone CSR report, among others, is viewed as a reasonable medium to respond to their calls for more CSR activities. (Deputy Director, Production & Operation Management Department)

As foreign host countries became more concerned with the social and environmental impact of multinationals' operations, ALPHA had to adjust its practices and strategies to respond to the emerging demands from foreign government bodies and stakeholders. One of the strategies was more open communication with foreign stakeholders in terms of ALPHA's involvement in not only economic development but also its engagement with making social contributions and commitment to environmental conservation in the host countries.

We used to rely on the Chinese government for gaining contracts to operate in foreign countries. In recent years, however, our government has required us to pay attention to the CSR activities in overseas operation sites because the foreign governments have gradually considered CSR as one condition for signing contracts with energy multinationals. Therefore, for an international company that has multiple operations in many countries, having a responsible image is crucial for their survival. (Deputy Director, General Office).

From the analysis of the aforementioned managerial quotations, the adoption of CSR reporting in ALPHA appears as an expedient response to the global pressure and demands. Producing a stand-alone CSR report by both ALPHA and its global subsidiary was regarded as appropriate to help BETA attain UNGC membership, satisfy global stock markets listing, obtain the endorsement of international professional organisations, and thereby continue the global expansion process of ALPHA at the corporate level. In addition, in order for continued operations in such uncertain and complex global institutional environment, ALPHA's management perceived the need to communicate with and convince host governmental authorities, international NGOs and local communities in terms of its socially and environmentally responsible activities. Therefore, producing an official document containing information for relevant stakeholders was envisaged by ALPHA as a means to justify its legitimate presence in the foreign contexts. Nevertheless, the participant observation of the reporting process indicates that the report was compiled by information discreetly selected by editors and reviewed by other departmental managers, attempting to advocate a favourable image of ALPHA as a Chinese multinational SOE contributing not only to China but also to other countries and the global prosperity.

Further analysis suggests that while the global institutional elements exerting coercive, normative and cognitive forces appear to have led ALPHA's management to consider the necessity of engaging in CSR reporting in a way similar to other global corporations around the mid-2000s, this is not the whole story. An interviewee who participated in the decision-making process about the CSR reporting recalled that the prevailing trend of CSR reporting at the global level failed to convince all department managers to implement such a time-consuming and costly practice because they generally considered CSR reporting inappropriate, ineffective and risky at that time. In addition to accommodating global institutional pressures and demands for CSR reporting, ALPHA's final decision to produce first stand-alone CSR report in 2006 also resulted from detailed consideration of the dynamics within the Chinese domestic context, without which CSR reporting would not have started in ALPHA.

5.2 National Institutional Factors

As noted earlier the China and its SOEs have experienced a dramatic change over the last few decades. Some interviewees referred to increased public awareness and government expectations of the CSR and sustainable development performance of SOEs in China. They emphasised the communicative function of the CSR report in informing the public about the impact of ALPHA's operations on society and the environment. The government remains one of the most important stakeholders for SOEs, but as the reform continues, ALPHA has become much closer to a wider range of stakeholders. In this respect, some managers have become more concerned with the information needs of stakeholders with regard to how ALPHA's operations may affect their personal interests. Indeed, the transformative reform in China has affected the relationships between SOEs and the local community. Due to the prosperity of private firms, some provincial governments are no longer reliant on SOEs for GDP growth. Although the process of societal democracy has progressed slowly, it has permitted local residents to organize campaigns against irresponsible or opaque corporate operations in their community.

Indeed, there were some conflicts between the activities of ALPHA and the local government and community across China in the early-2000s. To mitigate such tensions, ALPHA has engaged in intense dialogues with local government officials and community representatives. It represents an indication that ALPHA recognised the significant role of communication in increasing the mutual understanding between ALPHA and local stakeholders. According to some managers, ALPHA tended to use a stand-alone CSR report as a means through which to improve communication of ALPHA with local stakeholders in terms of the social and environmental impact of its operations to respond to the hostility of stakeholders towards ALPHA.

The growth of private firms substantially reduced the provincial governments' dependency on SOEs for GDP growth. We suffered from the resistance of the local governments in respect of our poor environmental protection standards and stricter regulations on our operations. In addition, some local communities organized campaigns against SOEs' activities. For example, our subsidiaries operating in Sichuan, Liaoning and Fujian Provinces suffered from the protests of local communities against our new projects that potentially resulted in toxic emissions and soil pollution. This was a challenge, we had to become better in communications and address the calls made by the wider range of stakeholders. (Director, Policy Research Department)

However, this reciprocal communication and interaction between the public and government affiliates is rare to emerge within an authoritarian regime, where the socioeconomic discourse of hegemony is predominated by powerful SOEs backed by the ruling party. Effective and sufficient communication with the public via CSR reporting seems unrealistic in the current transitional period of China directed by CCP's political ideology. In fact, some interviewees admitted the difficulties of identifying the expectations of stakeholder groups and the best way to respond to them and satisfy their expectations. Thus, they expressed their scepticism about the role of CSR reporting in satisfying the information needs of society and expectations of stakeholder groups. While some managers regarded the motivation for CSR reporting as a recognition of the need to discharge accountability to a wider range of stakeholders in the Chinese society, none of them were able to provide evidence about the way in which ALPHA responds to stakeholders' requirements for CSR information.

ALPHA is a multinational corporation as well as a SOE in China, so everyone seems to be our stakeholders. How can we meet all of their needs? The effectiveness of CSR reporting in communicating with stakeholders is contested. (Deputy Director, International Affair)

The empirical observation unveils that CSR reporting is captured and utilized by corporate management as a communication tool that is nothing more than a device to appease public pressures imposed on SOEs' irresponsible operations and challenges to the legitimate identity of SOEs in a transforming socialist country (Patten et al., 2015). Unsurprisingly, most interviewees focused on the potential capacity of CSR reporting to mitigate negative public viewpoints relating to the adverse consequences of ALPHA's operations. They stated that the general public held an antagonistic attitude towards SOEs whose contributions to the society was viewed with suspicion mainly due to the layoff of millions of former SOE employees for the purposes of improving operating efficiency and productivity, and the predominance of SOEs obstructing the survival of private firms that were expected to re-employ these redundant employees. While SOEs have had enhanced efficiency and profitability, the growing social injustice was usually attributed to the nature of SOEs as monopoly players in core industries in China.

Indeed, ALPHA recognised the escalating public concerns regarding SOEs' recent wrongdoings in terms of its abuse of political power and privileges offered by the state government. As a result, ALPHA became more concerned with the 'dark side' of its operations and intended to "use CSR reporting to defend its responsible

operations" (Former Chief Editor, CSRRET).

The economic reform and transformation of SOEs led to profound change in our governance structure. We have a double-focus on political missions and market competition. Our primary mission is to complete political tasks allocated by the central government. Nonetheless, the significant contribution and sacrifices we made in that process to societal advancement are ignored by society. (Director, Research Institute)

SOEs' CSR performance is much better than private firms, but why did we lose the legitimate right to speak? One reason might be our ignorance of environmental responsibility during the pursuit of economic success. However, public opinions of our performance tend to be bad, especially after the devastating safety-related accidents that occurred at our sites in the early-2000s. As such, we considered the benefit of communicating with the public through a report". (Former Chief Editor, CSRRET)

The media also played a role in exposing the negative news about SOEs to the public. In particular, the growing public attention focused on the negative social and environmental impact of ALPHA was intensified by heavy media exposure in light of its workplace safety accidents and environmental pollutions. Since the early-2000s the role of media agencies in monitoring corporate behaviours was strengthened because of societal reforms. The government started to employ the state official media and encourage various public and social media platforms to prevent further irresponsible operations by business entities including SOEs. Some managers emphasized that exposure to some of ALPHA's accidents by various media outlets was one source of motivation for starting CSR reporting.

For example, the [name of a city] explosion and pollution [of a river] in the early-2000s were reported by many media and led ALPHA to seriously consider CSR issues. In addition, CSR became an inescapable topic for ALPHA and other SOEs to consider. Well, CSR report is a response to wider media exposure of our accidents. (Deputy Director, Public Relations)

Our managers fear media coverage regarding ALPHA's operations that may cause an adverse public reaction. Therefore, we need to defend ourselves by actively explaining something misrepresented by the media. A CSR report serves this purpose. (Director, Research Institute)

This considerable media exposure endangered the public impression of ALPHA, seriously challenging the executives of ALPHA, as one of the key performance indicators (KPIs) for their career prospects was the public image of their organisation, instead of mere financial performance. While some managers of ALPHA were sceptical of the effective role of CSR reporting in reducing the impact of its devastating accidents on public opinion, they generally indicated that CSR reporting at least represents a chance for the public to know more about ALPHA's effort in avoiding further accidents and it also gives ALPHA a chance to speak for itself.

However, in an authoritarian state the role of the state government in directing SOEs' activities should not be discounted. The ruling party, CCP, plays a fundamental role in shaping behaviours and practices of individuals and organisations (Chen, 1995, Yang and Modell, 2015). In other words, the national ideology buttressed by the CCP government to a large extent guides actions taken by the public and media, and prescribe SOEs' reactions (Luo et al., 2017, Marquis and Qian, 2014). In particular, the notion of CSR was introduced to China when it applied to join the World Trade Organisation in early-2000s, whilst the CCP government as the governor and ultimate owner of SOEs, started to advocate the significance of CSR and sustainability through mobilising state propaganda movement (Shambaugh, 2007).

Since 2003 the State Council and various government bodies have announced the significance of constructing "a harmonious society via scientific development manners" (Zhao and Patten, 2016), and started to promote CSR-related activities, including reporting practice, through formal and informal means, such as political discourses, official guidelines and legislative amendments (Marquis and Qian, 2014). In 2005, the Central Party Committee Congress specifically incorporated the strategic importance of CSR practices for business organisations into the 11th Five-year National Development Agenda (Zhao and Patten, 2016). In addition, SASAC has also emphasized the urgency of responding to the national tasks via interactions with SOEs' leaders. Most interviewees claimed that undertaking CSR reporting represents ALPHA's response to the government's concerns about the inherent duty and obligation of SOEs to contribute to the society. ALPHA is viewed as an old son of the country, and from this view it naturally tend to uphold the preference of state government by showing its efforts to implement CSR practices. For instance:

Since the early-2000s, the CCP Central Committee has emphasised the necessity for Chinese organisations to consider CSR. The third Plenary Session of the 16th Central Committee in 2004 confirmed and declared the latest national development policy as: we must insist on human-centric, comprehensive, coordinated and sustainable views of economic development, in order to promote the scientific development perception combining the development of the economy, society, and humans.in 2006, the sixth Plenary Session of 16th Central Committee confirmed that the next pivotal strategic mission would be to construct a socialistic harmonious society, which obviously proposed higher requirements for CSR practice in China. SOEs needed to be the first ones to respond to and support this political signal. A CSR report is an objective mechanism that demonstrates our efforts to promote CSR in our corporation. (Deputy Director, General Office)

ALPHA is not the first SOE to publish CSR report in China. It appears that the emergence of CSR reporting practices in the Chinese SOE field inspired ALPHA to quickly publish its first stand-alone CSR report. More importantly, ALPHA's managers cited the praise acclaimed by the leaders of CCP to CSR reporting of the National Grid Corporation as a stimulus for the publication of CSR report.

The National Grid Corporation was the first SOE to release a stand-alone CSR report in 2006. The high praise bestowed by the Prime Minister on the first CSR report indicates that it is the right thing to do in the eyes of CCP leaders. At the same time, the SASAC grasped this opportunity to promote CSR activities among SOEs in order to supplement the inadequate ability of the government in dealing with some societal and environmental problems. Therefore, whether to have a CSR report represents the degree to which a company accepts and supports the calls made by SASAC, SOE executives who have perceived this signal might be motivated to prepare a stand-alone CSR report attempting to make their CSR performance more visible and thus fulfilling their own interests, such as their career promotions as well as access to more resources granted by the SASAC. (Former Chief Editor, CSRRET)

Considering the national context of China ruled by a single political party, it is unsurprising that ALPHA produces a CSR report with the purpose of drawing attention from political leaders of CCP. Given the career development path of executives of SOEs, complying with the advocacy and propaganda of the state government is vital for their career prospect. However, we cannot simply say that the government influence is more salient than global factors in affecting the adoption of new CSR reporting of Chinese SOEs because the global pressure appears to have impact on both the Chinese government and SOEs. And in the socialist country with Chinese characteristics, the state government relies on the international operating experience of leading SOEs, or collaborates with them, to design and implement further regulations and guidelines in relevant industries. While some managers emphasized the collaborative relations between the government and SOEs in learning the best way of producing CSR report to satisfy expectations of wider stakeholders in China and overseas, there is a possibility of collusion between them to pretend to be responsible government and sustainable commercial entities. The latter becomes more apparent as the empirical analysis proceeds.

As the societal transformation in China progresses in the last decade or so, non-government organizations and social activist organizations are expected to emerge in China. In particular, some interviewees noted the rise of social actors such as Chinese environmental NGOs. Several of ALPHA managers mentioned the potential influence of local NGOs on their decision to produce a CSR report that NGOs would prefer to read. As reported by the chief editor of CSRRET:

Although NGOs are not strong enough to influence corporate reporting behaviours in China, we did consider the advocacy of NGOs as they are emerging in Chinese business domains. NGOs will become more influential in future. (Chief Editor, CSRRET)

This indicates the intention of CSR reporting initiative to rise to the potential challenge to ALPHA's operation raised within the domestic context. Reporting on CSR performance seems to be able to help ALPHA forestall to take actions to defend external suspicion on its operations. While the government might permit certain programs of NGOs in China, their power in challenging SOEs' activities is rather limited. Under these circumstances, CSR reporting appears to be an exercise in public relations rather an exercise motivated by transparency and accountability.

The aforementioned external factors, global and national, appeared to have led to the first wave of CSR reporting in the Chinese SOEs, including Alpha, in the mid-2000s. However, the majority of SOEs started CSR reporting practices after 2008 when SASAC enacted the CSR Guidelines for SOEs, and all core SOEs had produced a CSR report after 2012. This indicates combined influence of global factors and government policy

on different SOEs (Luo et al., 2017, Marquis and Qian, 2014). At this stage of the analysis, it is also necessary to ascertain the internal organisational dynamics for the inauguration of CSR reporting in ALPHA since 2006.

5.3 Organizational Internal Factors

Most managers interviewed in this study referred to the SOE identity of ALPHA as a crucial reason for its CSR reporting initiative. They envision ALPHA as the ‘elder son of the Republic’ who is obliged to demonstrate their continued contributions to advancing social welfare by producing regular reports for the public.

CSR reporting is not merely a passive response to pressure. ALPHA, which has been called the ‘senior son of the Republic’, needs to deliver a message to the society that we embrace the important notion of CSR and adopt necessary reforms regarding the management of CSR activities. We should build an image as a CSR leader and as a role model to other organizations in China. (Director, Public Relations)

Additionally, the government has a long expectation on SOEs to act as role models to embrace and experiment with novel practices introduced from the global context. Their experimentation and experiences of operating new CSR reporting mechanism was crucial for the government agencies to update and substantiate existing regulations and guidelines in relation to CSR and corporate sustainability. For instance:

We respond to government’s call for CSR practices such as CSR reporting because government department such as SASAC have no idea about how to promote notions of CSR in corporations in China. SASAC also expects us to offer more practical insights into how to improve CSR practices in other SOEs and other types of companies. (Director, General Office)

Notably, the interviewees emphasised the characteristics and mind-set of top corporate leaders as an impetus for the initiation of CSR reporting in ALPHA in the mid-2000s when the majority of Chinese business entities had not produced CSR report. As a SOE, ALPHA is mainly accountable to government authorities, and external reporting, financial or social, for the general public is largely considered a voluntary activity despite the existence of a range of financial, social and environmental reporting standards and guidelines available in the Chinese context. Therefore, top management or board directors plays an important role in the decision-making about the voluntary reporting initiation in Chinese SOEs. In other words, implementing a new practice not legally mandated, such as CSR reporting, tends to fail to work in the absence of support of top corporate executives.

Differing from our previous leaders who ignored communication with the society about our operations, plans, and performance, the incumbent leaders realised that they needed to perform better in doing, and more importantly, reporting our performance not only in terms of profitability but also with regard to social and environmental performance. (Director, Policy Research Department)

Given the Chinese contextual attributes, organizational structure and decision-making procedures in SOEs, it is not surprising that the top leaders within ALPHA played a dominant role in incorporating stand-alone CSR reporting practice into the existing governance structure. However, we should not ignore the implication of career promotion opportunities for SOE executives to their mind-set change. It cannot be denied that there is a possibility that the top corporate leaders seek promotion opportunities by swiftly responding to the propaganda advocated by the state government by producing a CSR report similar with other global peers and acting like a role model for experimenting with novel reporting system while it’s a voluntary activity.

Additionally, the intention of ALPHA’s leaders to undertake CSR reporting would probably have been aborted if there was no intellectual backing from its internal actors who have ambition, knowledge and expertise in promoting CSR practices. In particular, it was some employees from ALPHA’s own research department that made CSR reporting feasible for ALPHA. Through an in-depth investigation into the roles and functions of CSR reporting, these employees demonstrated their research findings to all departments about the relevance of CSR reporting to deepening SOE reforms in general, and enhancing the reputation and image of ALPHA in particular. It was the detailed research findings that ultimately persuaded all departmental management to agree to engage in CSR reporting processes. As contended by the director of the Research Department:

Since the early-2000s we made plenty of efforts to study the advanced notions of CSR and other global corporations’ CSR report..... and we reported to the top management the necessity and appropriateness of producing CSR report in ALPHA.....after few years they agreed.....finally, the other departmental management were convinced.

Furthermore, the intensifying SOE reforms offered an opportunity for the top leaders and committed employees

of ALPHA to take into account the emerging practice of CSR reporting. ALPHA had undergone substantial restructure over the last decade in line with national economic strategies and governmental policies, and faced challenges and issues raised as it developed in global and domestic contexts. As such, some managers noted the incorporation of the notion of CSR into its governance structure in an attempt to achieve the desired result of SOE reform similar to other modern multinational corporations. The process of CSR reporting involving all functional departments was expected as an effective approach to diffuse the relevance of CSR principles and improve the implementation of CSR activities by ALPHA. In other words, some managers viewed CSR reporting as a means to foster a sustainability-based corporate culture within ALPHA and to achieve its ultimate development goal of developing into a modern Chinese multinational SOE.

Voluntary CSR reporting represents an excellent practice by excellent corporations. We believed the voluntary CSR report was the right thing to do, and it was consistent with our continuing governance reform that emphasises the undertaking of CSR activity by ALPHA. As one of the largest SOEs, ALPHA had to carry on promoting the concepts of CSR. A systematic reporting could be an effective tool. (Deputy Director, Corporate Management Department)

Recently, however, as a result of continually declining profitability and occurrence of production accidents, ALPHA fails to achieve the desired role of CSR reporting in leading the decision-making process towards more sustainability-focused by diffusing CSR concepts and cultivating a sustainability culture. During the fieldwork we observed that the anticipated innovation of CSR reporting process within ALPHA was largely jeopardized due to its predominant focus on profitability or superficial compliance with global pressures and government advocacy. The director of the Research Center obscurely commented:

We have been promoting the role of CSR reporting in directing ALPHA to become a responsible and sustainable multinational corporation. However, our experience has also taught us that our dream is grandiose. We need to face the reality.

In summary, combining the interview data and observation of CSR reporting process within ALPHA, the production of stand-alone CSR report appears to be an organizational response, championed by top executives and few employees, to the global and national institutional drivers. In other words, it might have been initiated by the top leaders and dedicated employees of ALPHA in an attempt to continue its global expansion, national domination, and ensure top executives' promotion prospects.

6. Discussion

In short, we find that a constellation of global institutional factors (forces or pressure), national ideological shift and internal organisational dynamics (championing of CSR reporting by top management and dedicated employees), has resulted in the initiation of CSR reporting in ALPHA since 2006. From a critical perspective, however, the embedding of CSR reporting into organisational structure as part of sustainability strategy does not necessarily lead to organisational change towards undertaking more responsible and sustainable economic activities. In ALPHA, while there are some top management and dedicated employees championing the realisation of CSR reporting, their potential of pursuing personal interests and career prospects should not be ignored given the particular organisational lives and career development path of executives of SOEs in an authoritarian state.

For Chinese multinational SOEs, the superficial compliance with global demands and engagement with government advocacy or state propaganda through deploying an apparent, rather than transparent, CSR reporting seems more of a possibility than actual implementation of substantive CSR practices. The CCP remains the single ruling political party and controls SOEs in core industries in China, which has been accused of impeding the advancement of democratisation processes. Therefore, it is possible that the government propagates the notions of CSR and sustainability through internal and external means, and 'dictate' SOEs to disseminate their CSR performance, as a means to enable the party to retain its legitimacy of ruling the country. This tactic can also legitimise the continued existence of monopoly SOEs that further strengthens the socioeconomic and political stability and thus the ruling position of CCP in China.

The empirical findings resonates with Zhao and Patten (2016) that reveals a range of coercive, mimetic and normative institutional forces that collectively exerted influence on Chinese SOEs to engage in SER practices. However, this study suggests the necessity of considering the role played by global stock markets that required BETA, the largest subsidiary of ALPHA, to disclose social and environmental information. In response, in the mid-2000s, both of them produced stand-alone sustainability report and CSR report, respectively. While the pressure was not explicitly placed on ALPHA, many managers asserted that pressures directly related to BETA

were relevant to the decision-making in ALPHA as its parent company. The empirical data implies that BETA represents ALPHA when undertaking projects in many foreign countries and therefore ALPHA, as the parent of BETA, need to show its obligations to support its subsidiary in order to gain its respect and maintain a cohesive relations. This discourse resonates with the Confucian patriarchal ideology that is prominent in the Chinese society. This finding differs from existing CSR reporting studies on Western multinational subsidiaries operating in developing countries. For instance, Beddewela and Herzig (2013), Momin and Parker (2013) and Belal and Owen (2015) found that the initiation, continuation, and termination of the subsidiaries' SER practices are largely affected by and dependent on the culture, policies, and practices of their parent companies located in developed countries. We have found that the initiation of a CSR report by ALPHA was at least partly influenced by factors associated with the global institutional context in which its subsidiaries operate. As such, ALPHA produced a CSR report at the corporate level, attempting to maintain legitimacy for them both to operate in the global context and to accelerate its global expansion process within the national context.

Nevertheless, this case study finds that the Chinese national domestic factors matters (Tilt, 2016). Although a new institutional imperative emerged within the global context in the late-1990s that exerted mimetic and normative pressures on transnational companies, it failed in leading ALPHA and other Chinese SOEs to engage in CSR reporting practices along with other global peers and competitors at that time. This is mainly because almost all the operations of ALPHA were based in very poor countries that have prioritised economic imperatives over social and environmental performance (Belal et al., 2013, Lauwo et al., 2016). Thus, it is vital to explore what happened domestically to stimulate the initiation of CSR reports in ALPHA.

The previous empirical studies have observed that the state government has relied on large SOEs to maintain socio-political and economic stability and provided them with political subsidies under adverse circumstances (Lee et al., 2014, Lee et al., 2017, Patten et al., 2015). To a large extent, SOEs operations are protected by the government and, in turn, are subjected to the government's dictates and expectations. However, the economic reform has led to a socialist market economy where the government has absolute control over strategically significant SOEs in core sectors. Following the reform SOE sectors saw a series of employee layoffs leading to serious societal unrest around the late 1990s. As such, the general public came to challenge the reputation and legitimacy of SOEs by expressing dissatisfaction through various media channels. These reasons are cited as motivations for ALPHA to communicate with external stakeholders in terms of its contributions to advancing societal development in order to mitigate the undesirable, or unfair sentiments of the public to SOEs. Meanwhile, in the early-2000s the Chinese central government was put under pressure from the global context to attend to the relevance of CSR and sustainability for further development of the nation. Between 2003 and 2005, a series of political events successively emphasised the significant notions of societal harmony and sustainable development that were officially incorporated into the national development policy in 2005. The officially declared notions represented an indication of a shift in existing institutional logics in the Chinese socioeconomic context from a predominant focus on economic growth at all costs to a balanced development model. A handful of SOEs started CSR reporting in early 2006 and were overtly acclaimed by the Chinese Prime Minister and SASAC. It accelerated the production of CSR report in ALPHA. Operating in an authoritarian nation, large SOEs such as ALPHA have an innate sensitivity to follow the politically charged signals (Marquis and Qian, 2014).

The abovementioned Chinese indigenous characteristics suggest that in a nation characterised by a socialist market economy ideology and complete state ownership in SOE sectors, the influence of governmental declarations and related actions upon SOEs' behaviours cannot be underestimated. Actually, many interviewees highlighted the compatibility of CSR reporting with the national ideological orientation towards the principles of CSR and sustainability. When the government send political signal, SOE leaders, such as ALPHA, possessing acute political sensitivity, tend to recognise the necessity and advantages of producing a CSR report in due time (Marquis and Qian, 2014, Marquis et al., 2017). This government-led agenda inspired some SOEs to learn about CSR reporting practices from their global peers and study the reporting standards of professional bodies (Greenwood et al., 2011, Thornton et al., 2012). Government signals played a role as catalyst to stimulate the engagement of ALPHA in CSR reporting. This phenomenon was common within a patriarchal system, such as China, where public loyalty to the party and its ideology is mingled with personal loyalties between party branch officials and their clients, which generates a rich subculture of instrumental-personal ties and absolute compliance with the instructions of the superiors (Scott, 2002).

Nonetheless, we should note that the majority of key Chinese SOEs began to produce CSR reports after 2008 when SASAC, the governing body of SOEs, issued the CSR practice guidelines. The empirical investigation

reveals that ALPHA's experience of producing CSR report provided SASAC with valuable references for designing and promulgating the later CSR practice guidelines in early 2008. This reflects the distinct contextual dynamics of China. The Chinese government's policy-making for business organisations largely relies on the practical experiences of large SOEs operating in a global context. From this perspective, most managers interviewed in this study claimed that the publication of a CSR report by ALPHA in 2006 was not simply regarded as a corporate strategy deployed to respond to pressure imposed by the government. Both the Chinese state government and its global SOEs were put under pressure exerted from the global context to attend to the notions of CSR and its reporting practice in the early to mid-2000s. Owing to their intimate relations, the leading SOEs such as ALPHA were encouraged by the government to experiment with CSR reporting as a new organisational practice to promote the notions of CSR and sustainability in the Chinese business realms, and in turn provide necessary insights to the government to enact related guidelines or regulations in the broader corporate world.

However, this finding should not be interpreted by simply taking the face value of the managerial discourses. There could be an alternative interpretation as to the close inter-relationships between the government and SOEs with regard to CSR reporting prevailing in SOE sectors. From the empirical study, it became clear that the global pressure appeared to have influenced both the Chinese state government and its SOEs to be seen as responsible and sustainable. This is likely to indicate collusion between the government and SOEs that the state intends to propagate the significant application of CSR and sustainability to business, the country and the world and, at the same time, SOEs are intended to disclose their positive CSR performance to reinforce the state propaganda that the Chinese nation is a harmonious and prosperous one. Nevertheless, the government-SOEs complicity might not be a deliberate conspiracy maneuvered to serve for the legitimacy of CCP government and SOEs. Rather, it represents an inertia that SOEs and other government affiliates spontaneously promote the state propaganda by involving into the mass movement regarding CSR concept without any substantive changes within the communist neo-traditional society (Walder, 1986).

Additionally, SOEs continue to retain a predominant position in the Chinese society and economy and their executives have political standings in CCP Committee. They still have ability to negotiate with government and influence the national policy-making process and its implementation. The sustained unity of, instead of complete separation between, the government and politically powerful SOEs may never lead CSR reporting to include material information to satisfy the expectation of stakeholders. Indeed, ALPHA's managers have mentioned the potential role of CSR reporting in addressing the challenges posed by emerging social activists organizations in China to the operations of SOEs such as environmental NGOs. Although the power of these activists is emerging to affect the operation of Chinese SOEs, there is also danger that their voice and efforts to hold SOEs to account might be diluted by SOEs utilizing CSR reporting as a tool for this purpose.

Apart from the global and national factors, the empirical fieldwork also finds that the role of organizational internal agency and dynamics in responding to these institutional forces by producing CSR report cannot be downplayed (DiMaggio and Powell, 1988, Lounsbury, 2008, Scott, 2008). Top management and some dedicated employees played a decisive role in making CSR reporting a reality even though some departmental managers disputed its necessity and appropriateness at that particular time. ALPHA's top management board members (i.e. chairman of board directors, CEO and department director), who have senior political standing in CCP, have an inherent sensitivity to government signals relating to CSR. This empirical finding concurs with Marquis and Qian (2014) that the senior membership of the State Council of China might be more likely to lead SOE to engage in CSR reporting. In addition, echoing Miska et al. (2016), it was implied that the global multicultural experience of top management (e.g. global working experience and global conference attendance) played an important role in embracing CSR reporting practices prevailing in the international context. For ALPHA, it was the collective efforts made by both top corporate leaders and some committed ordinary employees that eventually convinced all department management to agree on the decision to produce CSR report in 2006, few years before the vast majority of Chinese SOEs undertook CSR reporting.

Nevertheless, in contrast to Contrafatto's (2014) finding that SER was a 'natural and logical result' of the previous creation of meaning systems around the notions of social and environmental responsibilities inside the organisation, the present study reveals that given the top-down governance pattern in the Chinese SOE sectors, the CSR reporting system was embedded in the organisational structure of ALPHA in the first place to diffuse and disseminate the significant principles of CSR and sustainability. In other words, the systematic CSR reporting practice was implemented in ALPHA in order to construct a meaning system around concepts of CSR

and sustainability, and in turn reinforce the institutionalization of CSR reporting practice in such a complex governance structure.

However, we need to make cautious judgement on the role of championing members and actual effect of CSR reporting processes on the governance structure innovation even though the top management supports the practice to be implemented in a SOE like ALPHA. Given the particular corporate lives and career development path in Chinese SOEs, what really drove them to favour CSR reporting may not mirror what they claimed in this study. For example, the decision of top management to engage in CSR reporting may be associated with their intention to attract attention from the state government authorities such as SASAC in order to exploit an opportunity for their career prospect. Similarly, some departmental management who seem dedicated to promote CSR reporting within organisations may be tempted to draw attention of top management to their works in an attempt to be promoted. This is not surprising to observe in conservative organisations located in an authoritarian state where unconditional compliance with commands of superiors is regarded as a principle of harmonious society.

7. Summary and Conclusion

This study sets out to investigate the driving forces behind the initiation of stand-alone CSR reporting by Chinese SOEs in the mid-2000s. We have undertaken an engagement-based case study and utilized a multi-level institutional analysis framework by Scott (2002) and Whelan and Bur (2017) to interpret the empirical evidence. The empirical finding implies that it was a combination of institutional factors derived from the global setting, national context, and organizational internal dynamics that collectively resulted in the organizational decision to produce a CSR report. In summary, CSR reporting initiated by ALPHA in 2006 represents a practice that was inspired by global context, mediated by the state government and championed by the leading multinational SOEs.

This study makes several contributes to social and environmental accounting and reporting research. Firstly, as a response to the calls for more engagement research, this field-based case study makes a methodological contribution to SEA research. The previous Chinese SER studies have used secondary data and cross-sectional primary data (Du and Gray, 2013, Marquis and Qian, 2014, Patten et al., 2015, Zhao and Patten, 2016, Marquis et al., 2017), our study provides ample empirical evidence on the emergence and development of CSR reporting in the largest emerging economy, namely China by undertaking an in-depth fieldwork based qualitative case study.

Secondly, this study adds more theoretical insights into the CSR reporting practices in emerging economies in particular. Employing a multi-level institutional analysis framework developed by Scott (2002) and Whelen and Bur (2017), the present study demonstrates that the initiation and evolution of CSR reporting in Chinese SOEs was driven by an assemblage of global, national and internal organisational factors with different level of influence on organisations to respond. Existing CSR reporting literature on developing countries have indicated CSR reporting in many organisations emerges as a passive response aimed at meeting requirements imposed by powerful stakeholders from the Western contexts, such as the World Bank, IMF, western customers and parent companies, on whom they are dependent in order to survive (Islam and Deegan, 2008, Belal et al., 2013, Belal and Owen, 2015, Momin and Parker, 2013). More recent research have explored the implications of domestic contextual factors such as the intervention of the state government and politicians in the CSR reporting practices of local firms who were publishing more information to reconcile their relations with the local community (Belal and Owen, 2015, Soobaroyen and Mahadeo, 2016, Lauwo et al., 2016, Comyns, Forthcoming, Lehman and Kuruppu, 2017). This empirical investigation reveals that the global peers offer Chinese SOEs examples, template and guidance on how to construct CSR reporting system and the state government provides a stimulus for them to produce CSR report to the public. However, the important role played by some internal organisational dynamics, such as the self-motivated employees with ambition, knowledge and resources, and the support of the top management, in facilitating a new reporting system in a Chinese SOE, should not be ignored (Adams, 2002, Adams and Larrinaga, 2007, Ball and Craig, 2010, Bebbington et al., 2009, Belal and Momin, 2009, Contrafatto, 2014, Deegan, 2014, Deegan, 2017). This study also reflects on the interrelationship, or interdependency, between the government and SOEs. The government encourages multinational SOEs to learn CSR reporting practice from their global peers and then relies on their practical experience to formulate further CSR-related policies and regulations.

Finally, departing from the finding of the extant SER literature that it is the parent company's governance structure that influence subsidiaries to engage in CSR reporting activity in developing countries (Belal and Owen, 2015, Soobaroyen and Mahadeo, 2016, Lauwo et al., 2016, Lehman and Kuruppu, 2017), this study offers evidence that in a developing country the engagement of parent company in CSR reporting practice can also be

influenced by its subsidiaries in other jurisdictions. This is due to the entangled relationship that exists between ALPHA and BETA. ALPHA holds a controlling stake in BETA and to a large extent depends on BETA to expand its going global strategy. Therefore, it is considered necessary for ALPHA at the group level to report on CSR issues in support of BETA's operation and performance in the global settings where CSR concerns have been rising.

This qualitative case study is unavoidably subject to some limitations. While the fieldwork allowed access to some historical documents and the daily work of CSR reporting officers with interviews being conducted with the managers involved in the reporting processes, the author was only given access to organisational documents that are not confidential and therefore the empirical investigation is mainly based on the reflections of relevant members within the reporting processes. Future research could investigate whether the findings of this exploratory study can be generalised in other SOEs, or even in foreign and private firms in the Chinese context. The examination of private firms operating in China would be interesting because of their location in a relatively special socioeconomic, political and cultural context, compared with other country contexts. How have CSR reporting practices become institutionalised within an industry or at a field level? This has potential to offer empirical insights to policy makers that can help in the design of regulations for CSR reporting. The traditional culture, virtues or religion in a country are found to be factors influencing corporate decision-making about certain activities such as philanthropy and other ethical issues (Du, 2016). Future research could specifically explore the potential advantages and disadvantages of Confucian values in contributing to CSR and its reporting practices in China and other country contexts. Perhaps more importantly, examining external stakeholders' perceptions of CSR reporting would provide more complementary and insightful perspectives on CSR reporting in the Chinese context (Belal et al., 2013, Yang et al., 2015, Patten et al., 2015). While this study has focused on examining the drivers of CSR reporting future research could go further and illuminate the underlying processes behind the CSR reporting at Chinese SOEs.

Appendix A

An Overview of Literature on CSR Reporting by the Chinese SOEs

Author(s) and year of publication	Theory	Method	Industry	Findings
Chu et al. (2013)	Legitimacy Theory	Content Analysis	Top 100 A- Share companies	SOEs' reporting on greenhouse gas emission is not as good as their privately owned counterparts. They argue that SOEs have no legitimacy threats arising from non-reporting since the government protects them.
Dong et al. (2014)	Stakeholder Theory	Content Analysis	All mining and mineral companies listed in Shanghai and Shenzhen Stock Exchanges between 2007 and 2010	Firm age and location, instead of size, had no significant influence on SER. The main content of SER was related to the concepts of harmonious society and scientific development representing the national development agenda launched in the mid-2000s. In addition, the international customers were found to have a strong impact on the initiation of SER. However, industrial associations, local communities, and employees had limited impact on SER in the mining sector.
Liu and Anbumozhi (2009)	Legitimacy Theory	Content Analysis	175 listed Chinese firms	Substantial variations within environmental reporting across firms. Companies located in the eastern coastal regions were more likely to report on emission information.
Marquis and Qian (2014)	Institutional Theory	Content Analysis	1600 publicly listed Chinese companies between 2006 and 2009	Chinese corporations' responses to institutional pressures, the governmental signals for producing SER, are varied depending on their own characteristics, such as political legacy, socialistic imprinting, age, the political standing of top executives and their intimacy with the state councils. The notions of Harmonious Society and Scientific Development promoted by the government and quasi-governmental organizations had strong impact on the CSR reporting practices by Chinese corporations. In particular, SOEs need to issue a CSR report in order to gain governmental legitimacy because it is the government in China that controls scarce resource allocations (such as licenses and permits, subsidies, and project approval), owns and governs

				SOEs that have strong political ties with the government authorities. However, they argued that old SOEs may not necessarily need to use CSR reporting to obtain political legitimacy.
Patten et al. (2015)	Legitimacy Theory	Content Analysis	60 large companies drawn from the Forbes Global 100 from 2011 to 2012	The differences in SER are positively related to firm size and membership in socially exposed industries, but negatively related to status as a SOE. The number of Chinese companies starting to publish CSR report because of the shifted governmental policies and guidance from the state organizations. Similar to the Western countries, Stand-alone CSR reporting by companies in the Chinese socialist market economy appears to be more a legitimization tool than genuine accountability medium for the public.
Rowe et al. (2009)	N/A	Interviews	Interviews with corporate managers of listed firms	This study found emerging pressure from the general public, NGOs and the media has exerted a powerful influence on the development of the concept of CSR and the emergence of CSR reporting in China, including SOEs.
Situ and Tilt (2012)	Legitimacy & Stakeholder Theories	Content Analysis	Top 20 listed companies	The quantity of environmental reporting is increasing but the average amount of disclosure is low. Quality is low because information is general, declarative and positive in nature. Companies are influenced by their size, profitability, industry and ownership. This study also reveals that in a centralized economy government plays a vital role in affecting corporate environmental reporting. In order to be viewed legitimate, High-profile companies are subjected to the state regulatory requirements and therefore they are more likely to be motivated to deflect public attention from environmental concerns. Government should be viewed as the most important and powerful stakeholder.

Zeng et al. (2012)	Institutional Theory	Content Analysis	Around 800 Publicly listed companies from 2006 to 2008	SOEs and those operating in environmentally sensitive industries, those having more industrial peers that have engaged in environmental disclosure and those with better reputation are more likely to disclose environmental information. Coercive pressure triggered the initiation of, instead of the development of environmental disclosure. The internal factors also played an important role in initiating environmental reporting.
Zhao and Patten (2016)	Institutional Theory	Interviews	14 managers from 9 SOEs in Beijing in 2009	This study explores the coercive, normative and mimetic pressures that interplay to influence SER in the Chinese SOE context. Normative and mimetic pressures were perceived from the peer institutions. Other major influence was from a shift in governmental emphasis. However, the government did not exert coercive pressure on SOE managers to issue SER, rather it played a facilitating role. Coercive pressures were mainly from the regulatory guidance from both the Shanghai and Shenzhen Stock Exchanges and industry associations. SOE managers viewed SER as an image enhancement tool for the general public.
Luo et al. (2017)	Institutional Complexity	Regression Analysis		In general, by considering the co-existence of policies and priorities of the central government and regional governments in China, the timing and quality of CSR reporting by the Chinese corporations depend on the economic versus social and environmental orientation of regional government and their connectedness with the central government promoting CSR and sustainability practices. SOEs located in regions where the government is prioritising short-term GDP growth would be less likely to issue CSR report, whereas those directly connected with the central government underscoring CSR activities would more likely to produce CSR report swiftly but with a low quality. However, if the regional governments are also concerned with the social and environmental issues in the same way as the central government, SOEs operating in their

				jurisdiction would more likely to produce a high quality CSR report in due course.
Lee et al. (2017)	Political Cost Hypothesis	Regression Analysis	manufacturing firms listed on the Shanghai and Shenzhen Stock Exchanges from 2008 to 2012	Generally, the receipt of state subsidies is observed to have impact on the initiation of CSR reporting by SOEs and Non-SOEs. Owing to the voluntary nature of CSR practices and managerial discretions in allocating non-tax subsidies, and as a result of the preference of the state government authorities to CSR activities, corporations, both SOEs or NSOES benefiting from state subsidies, would consider CSR reporting in an appropriate manner to secure the allocation of subsidies from the state government by impressing relevant government agents about their CSR performance and compliance with their favours. This finding is more evident in regions where corruption prevails.

Appendix B
The List of Corporate Members Interviewed

	Position	Departments	Gender	Dates	Length
1	Deputy Director	General Office	Male	03/06/2014	1.5 hrs.
2	Director	Public Relation	Male	21/06/2014	2 hrs.
3	Deputy Director	Public Relation	Male	07/04/2014 21/06/2014	2.5 hrs.
4	Former Chief Editor	CSRRET	Female	15/05/2014 28/05/2014 12/06/2014	2 hrs. 2 hrs. 2 hrs.
5	Chief Editor	CSRRET	Female	16/05/2014 28/05/2014	3 hrs.
6	Assistant Chief Editor	CSRRET	Female	17/05/2014	2 hrs.
7	Editor	CSRRET	Female	17/05/2014	1 hr.
8	Director	Research Institute	Male	07/04/2014 22/05/2014 05/06/2014	1.5 hrs. 2 hrs. 2 hrs.
9	Deputy Director	Research Institute	Male	23/05/2014	1 hr.
10	Deputy Director	Human Resources	Male	16/05/2014	50 mins
11	Deputy Director	International Affair	Male	20/05/2014	50 mins
12	Deputy Director	Planning	Female	26/05/2014	1 hr.
13	Deputy Director	HSE Management	Male	26/05/2014	40 mins
14	Director	Policy Research	Male	27/05/2014	1 hr.
15	Deputy Director	Production & Operation Management	Male	27/05/2014	1 hr.
16	Deputy Director	Procurement	Female	29/05/2014	1 hr.
17	Deputy Director	Corporate Management	Male	29/05/2014	1 hr.
18	Deputy Director	Corporate Culture	Female	30/05/2014	45 mins
19	Deputy Director	Retiree Affairs	Male	30/05/2014	1 hr.
20	Deputy Director	Information Technology	Male	03/06/2014	1 hr.
21	Deputy Director	Overseas Exploration	Male	03/06/2014	1.5 hrs.
22	Deputy Director	Quality & Standard Management	Male	10/06/2014	1 hr.
23	Deputy Director	R&D	Female	13/06/2014	1 hr.
24	Deputy Director	Supervision & Inspection	Male	17/06/2014	1.5 hrs.
Total					39.5 hrs.

References

- Adams, C. (2002). Internal organisational factors influencing corporate social and ethical reporting. *Accounting, Auditing and Accountability Journal*, 15(2), 223-250.
- Adams, C. A., & Larrinaga, C. (2007). Engaging with organisations in pursuit of improved sustainability accounting and performance. *Accounting, Auditing & Accountability Journal*, 20(3), 333-355.
- Ball, A., & Craig, R. (2010). Using neo-institutionalism to advance social and environmental accounting. *Critical Perspectives on Accounting*, 21(4), 283-293.
- Bebbington, J., Higgins, C., & Frame, B. (2009). Initiating sustainable development reporting: Evidence from New Zealand. *Accounting, Auditing & Accountability Journal*, 22(4), 588-625.
- Beddewela, E., & Herzig, C. (2013). Corporate social reporting by MNCs' subsidiaries in Sri Lanka. *Accounting Forum*, 37(2), 135-149.
- Belal, A., & Owen, D. L. . (2015). The rise and fall of stand-alone social reporting in a multinational subsidiary in Bangladesh: A case study. *Accounting, Auditing & Accountability Journal*, 28(7), 1160-1192.
- Belal, A. R., Cooper, S. M., & Roberts, R. W. (2013). Vulnerable and exploitable: The need for organisational accountability and transparency in emerging and less developed economies. *Accounting Forum*, 37(2), 81-91.
- Belal, A. R., & Momin, M. (2009). Corporate social reporting (CSR) in emerging economies: A review and future direction. *Research in Accounting in Emerging Economies*, 9, 119-143.
- Carver, D. (1996). Open and secret regulations and the implications for foreign investment. In J. Child & Y. Lu (Eds.), *Management Issues in China* (Vol. 2, pp. 11-29). London: Routledge.
- Chen, D. (1995). *Chinese firms between hierarchy and market: The contract management responsibility system in China*. London: Macmillan.
- Chu, C. I., Chatterjee, B., & Brown, A. (2013). The current status of greenhouse gas reporting by Chinese companies: A test of legitimacy theory. *Managerial Auditing Journal*, 28(2), 114-139.
- Comyns, B. (Forthcoming). Climate change reporting and multinational companies: Insights from institutional theory and international business. *Accounting Forum*.
- Contrafatto, M. (2014). The institutionalization of social and environmental reporting: An Italian narrative. *Accounting, Organizations and Society*, 39(6), 414-432.
- Dacin, M. T., Goodstein, J., & Scott, W. R. (2002). Institutional theory and institutional change: Introduction to the special research forum. *Academy of Management Journal*, 45(1), 45-56.
- Deegan, C. (2014). An overview of legitimacy theory as applied within the social and environmental accounting literature In J. Bebbington, J. Unerman, & B. O'Dwyer (Eds.), *Sustainability Accounting and Accountability* (Second Editon ed.). New York: Routledge.
- Deegan, C. (2017). Twenty five years of social and environmental accounting research within Critical Perspectives of Accounting: Hits, misses and ways forward. *Critical Perspectives on Accounting*, 43, 65-87.
- DiMaggio, P. J., & Powell, W. W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review*, 48(2), 147-160.
- DiMaggio, P. J., & Powell, W. W. (1988). Interest and agency in institutional theory. In L. G. Zucker (Ed.), *Institutional patterns and organizations: culture and environment*. Cambridge, MA: Ballinger.
- Dong, S., Burritt, R., & Qian, W. (2014). Salient stakeholders in corporate social responsibility reporting by Chinese mining and minerals companies. *Journal of Cleaner Production*, 84(1), 59-69.
- Du, X. (2016). Does Confucianism Reduce Board Gender Diversity? Firm-Level Evidence from China. *Journal of Business Ethics*, 136(2), 399-436. doi:10.1007/s10551-014-2508-x
- Du, Y., & Gray, R. (2013). The emergence of stand-alone social and environmental reporting in mainland china: An exploratory research note. *Social and Environmental Accountability Journal*, 33(2), 104-112.
- Earley, P. C. (1989). Social loafing and collectivism: A comparison of the United States and the People's Republic of China. *Administrative Science Quarterly*, 565-581.
- Gong, X., & Cortese, C. (2017). A socialist market economy with Chinese characteristics: The accounting annual report of China Mobile. *Accounting Forum*, 41(3), 206-220.
- Greenwood, R., Raynard, M., Kodeih, F., Micelotta, E. R., & Lounsbury, M. (2011). Institutional complexity and organizational responses. *The Academy of Management Annals*, 5(1), 317-371.
- Hofman, P. S., Moon, J., & Wu, B. (2017). Corporate social responsibility under authoritarian capitalism: Dynamics and prospects of state-led and society-driven CSR. *Business & Society*, 56(5), 651-671.

- Hofstede, G. (1991). Cultures and organizations. Intercultural cooperation and its importance for survival. Software of the mind. *London: McGraw-Hill.*
- Hofstede, G., & Bond, M. H. (1988). The Confucius connection: From cultural roots to economic growth. *Organizational Dynamics, 16*(4), 4-21.
- Hopwood, A. G. (2009). Accounting and the environment. *Accounting, Organizations and Society, 34*(3-4), 433-439.
- Islam, M. A., & Deegan, C. (2008). Motivations for an organisation within a developing country to report social responsibility information: Evidence from Bangladesh. *Accounting, Auditing and Accountability Journal, 21*(6), 850 - 874.
- Kato, T., & Long, C. (2006). CEO turnover, firm performance, and enterprise reform in China: Evidence from micro data. *Journal of Comparative Economics, 34*(4), 796-817.
- King, N. (1994). The qualitative research interview. In C. Cassell & G. Symon (Eds.), *Qualitative methods in organisational research: A practical guide*. London: Sage.
- Kojima, R. (2016). Environmental Problems in China. In T. Shimaoka, T. Kuba, H. Nakayama, T. Fujita, & N. Horii (Eds.), *Basic Studies in Environmental Knowledge, Technology, Evaluation, and Strategy: Introduction to East Asia Environmental Studies* (pp. 33-53). Tokyo: Springer Japan.
- Lauwo, S. G., Otusanya, O. J., & Bakre, O. (2016). Corporate Social Responsibility Reporting in the Mining Sector of Tanzania:(Lack of) Government Regulatory Controls and NGO Activism. *Accounting, Auditing & Accountability Journal, 29*(6), 1038 - 1074.
- Lee, C. K., & Zhang, Y. (2013). The Power of Instability: Unraveling the Microfoundations of Bargained Authoritarianism in China 1. *American Journal of Sociology, 118*(6), 1475-1508.
- Lee, E., Walker, M., & Zeng, C. (2014). Do Chinese government subsidies affect firm value? *Accounting, Organizations and Society, 39*(3), 149-169.
- Lee, E., Walker, M., & Zeng, C. (2017). Do Chinese state subsidies affect voluntary corporate social responsibility disclosure? *Journal of Accounting and Public Policy, 36*(3), 179-200.
- Lehman, G., & Kuruppu, S. C. (2017). A framework for social and environmental accounting research. *Accounting Forum, 41*(3), 139-146.
- Liu, X., & Anbumozhi, V. (2009). Determinant factors of corporate environmental information disclosure: an empirical study of Chinese listed companies. *Journal of Cleaner Production, 17*(6), 593-600.
- Lounsbury, M. (2008). Institutional rationality and practice variation: New directions in the institutional analysis of practice. *Accounting, Organizations and Society, 33*(4), 349-361.
- Luo, X., Wang, D., & Zhang, J. (2017). Whose call to answer: institutional complexity and firms' CSR reporting. *Academy of Management Journal, 60*(1), 321-344.
- Marquis, C., & Qian, C. (2014). Corporate social responsibility reporting in China: Symbol or substance? *Organization Science, 25*(1), 127-148.
- Marquis, C., Yin, J., & Yang, D. (2017). State-Mediated Globalization Processes and the Adoption of Corporate Social Responsibility Reporting in China. *Management and Organization Review, 13*(1), 167-191.
- Meyer, J. W., & Rowan, B. (1977). Institutionalized organizations: Formal structure as myth and ceremony. *American Journal of Sociology, 83*, 340-363.
- Miska, C., Witt, M. A., & Stahl, G. K. (2016). Drivers of Global CSR Integration and Local CSR Responsiveness: Evidence from Chinese MNEs. *Business Ethics Quarterly, 26*(3), 317-345. doi:10.1017/beq.2016.13
- Momin, M. A., & Parker, L. D. (2013). Motivations for corporate social responsibility reporting by MNC subsidiaries in an emerging country: The case of Bangladesh. *The British Accounting Review, 45*(3), 215-228.
- O'Dwyer, B. (2004). Qualitative data analysis: illuminating a process for transforming a 'messy'but 'attractive'nuisance'. *The real life guide to accounting research: A behind-the-scenes view of using qualitative research methods*, 391-407.
- Owen, D. (2008). Chronicles of wasted time? A personal reflection on the current state of, and future prospects for, social and environmental accounting research *Accounting, Auditing and Accountability Journal, 21*(2), 240 - 267
- Parker, L. D. (2005). Social and environmental accountability research: a view from the commentary box. *Accounting, Auditing and Accountability Journal, 18*(6), 842-860.

- Patten, D. M., Ren, Y., & Zhao, N. (2015). Standalone Corporate Social Responsibility Reporting in China: An Exploratory Analysis of its Relation to Legitimation. *Social and Environmental Accountability Journal*, 35(1), 17-31.
- Qu, S. Q., & Dumay, J. (2011). The qualitative research interview. *Qualitative Research in Accounting & Management*, 8(3), 238-264.
- Redding, S. G. (1990). *The spirit of Chinese capitalism*. New York: de Gruyter.
- Rowe, A. L., Guthrie, J., & Paton, M. (2009). *Public environmental reporting in China*. Paper presented at the 1st International Conference on Sustainable Management of Public & Not for Profit Organisations Conference, University of Bologna, Italy.
- Sabet, D. (2011). Confucian or Communist, Post- Mao or Postmodern? Exploring the Narrative Identity Resources of Shanghai's Post-80s Generation. *Symbolic Interaction*, 34(4), 536-551.
- Scott, W. R. (1987). The adolescence of institutional theory. *Administrative Science Quarterly*, 32(4), 493-511.
- Scott, W. R. (2002). The changing world of Chinese enterprise: An institutional perspective. In A. S. Tsui & C.-M. Lau (Eds.), *The management of enterprises in the People's Republic of China* (pp. 59-78). U.S.: Kluwer Academic Publishers.
- Scott, W. R. (2003). Institutional carriers: reviewing modes of transporting ideas over time and space and considering their consequences. *Industrial and Corporate Change*, 12(4), 879-894.
- Scott, W. R. (2008). Approaching adulthood: the maturing of institutional theory. *Theory and society*, 37(5), 427-442.
- Shambaugh, D. (2007). China's propaganda system: Institutions, processes and efficacy. *The China Journal*, 57, 25-58.
- Situ, H., & Tilt, C. A. (2012). Chinese government as a determinant of corporate environmental reporting: a study of large Chinese listed companies. *Journal of Asia Pacific Centre For Environmental Accountability*, 18(4), 251-286.
- Soobaroyen, T., & Mahadeo, J. D. (2016). Community disclosures in a developing country: insights from a neo-pluralist perspective. *Accounting, Auditing & Accountability Journal*, 29(3), 452-482.
- Stockmann, D., & Gallagher, M. E. (2011). Remote control: How the media sustain authoritarian rule in China. *Comparative Political Studies*, 44(4), 436-467.
- Thornton, P. H., Ocasio, W., & Lounsbury, M. (2012). *The institutional logics perspective: A new approach to culture, structure, and process*. Oxford: Oxford University Press.
- Tilt, C. A. (2016). Corporate social responsibility research: the importance of context. *International journal of corporate social responsibility*, 1, 2.
- Walder, A. G. (1986). Communist Neo-Traditionalism. In. Berkeley, CA: University of Chicago Press.
- Wang, L., & Juslin, H. (2009). The Impact of Chinese Culture on Corporate Social Responsibility: The Harmony Approach. *Journal of Business Ethics*, 88(3), 433-451.
- Whelan, G., & Muthuri, J. (2017). Chinese state-owned enterprises and human rights the importance of national and intra-organizational pressures. *Business & Society* 56(5), 738-781.
- Xu, L., Cortese, C., & Zhang, E. (2014). Ideology diffusion and the role of accounting: A Gramscian approach to understanding China's transition from 1949 to 1957. *Accounting History*, 19(4), 434-451. doi:10.1177/1032373214542554
- Yang, C., & Modell, S. (2015). Shareholder orientation and the framing of management control practices: A field study in a Chinese state-owned enterprise. *Accounting, Organizations and Society*, 45, 1-23.
- Yang, H. H., Craig, R., & Farley, A. (2015). A review of Chinese and English language studies on corporate environmental reporting in China. *Critical Perspectives on Accounting*, 28, 30-48.
- Zeng, S. X., Xu, X. D., Yin, H. T., & Tam, C. M. (2012). Factors that Drive Chinese Listed Companies in Voluntary Disclosure of Environmental Information. *Journal of Business Ethics*, 109(3), 309-321. doi:10.1007/s10551-011-1129-x
- Zhao, B. (1997). Consumerism, Confucianism, communism: Making sense of China today. *New Left Review*(222), 43.
- Zhao, N., & Patten, D. M. (2016). An exploratory analysis of managerial perceptions of social and environmental reporting in China: Evidence from state-owned enterprises in Beijing. *Sustainability Accounting, Management and Policy Journal*, 7(1), 80-98.