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Yang, Yoori

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Institutional Pressures for Convergence and Divergence of Corporate Social Responsibility:  
Collaborative and Adversarial Networks of NGO-Governmental Organization-Corporations  
in South Korea

A dissertation submitted in partial satisfaction of the  
requirements for the degree Doctor of Philosophy  
in Communication

by

Yoori Yang

Committee in charge:

Professor Cynthia Stohl, Chair

Professor Michael Stohl

Professor Jennifer Gibbs

Professor Ziad Matni

September 2021

The dissertation of Yoori Yang is approved.

---

Michael Stohl

---

Jennifer Gibbs

---

Ziad Matni

---

Cynthia Stohl, Committee Chair

June 2021

Institutional Pressures for Convergence and Divergence of Corporate Social Responsibility:  
Collaborative and Adversarial Networks of NGO-Governmental Organization-Corporations  
in South Korea

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Yoori Yang

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## VITA OF YOORI YANG

June 2021

### EDUCATION

Bachelor of Arts in Communication, University of Pennsylvania – Annenberg School for Communication, May 2013 (Magna Cum Laude)

Master of Arts in Communication, University of California, Santa Barbara, June 2017

Doctor of Philosophy in Communication, University of California, Santa Barbara, September 2021 (expected)

### AWARDS

Top Student Paper Award, Public Relations Division, International Communication Association, Washington DC, 2019

Top Student Paper Award, Association for Business Communication, National Communication Association, Salt Lake City, 2018

UCSB Nominee for the 2017-18 Distinguished Master's Thesis Award, Western Association of Graduate Schools (WAGS) and PROQUEST, 2018

### GRANTS AND FELLOWSHIPS

Graduate Division Dissertation Fellowship, Graduate Division, University of California, Santa Barbara, 2020

Faculty Research Assistance Program (FRAP), Undergraduate Research & Creative Activities, Division of Undergraduate Education, University of California, Santa Barbara, 2020

### PROFESSIONAL EMPLOYMENT

2015-2021: Graduate Teaching Assistant, Department of Communication, University of California, Santa Barbara

2016-2017: Comm Tech Computer Support, Department of Communication, University of California, Santa Barbara

### PUBLICATIONS

Yang, Y., & Stohl, C. (2020). The appropriation of traditional media content in online contexts: A South Korean textbook case. *Communication Monographs*, 87, 92-113, doi: [10.1080/03637751.2019.1641730](https://doi.org/10.1080/03637751.2019.1641730).

Yang, Y., & Stohl, C. (2020). The (in)congruence of measures of corporate social responsibility performance and stakeholder measures of corporate social responsibility reputation. *Corporate Social Responsibility and Environmental Management*, 27, 969-981, doi: [10.1002/csr.1859](https://doi.org/10.1002/csr.1859).



## CONFERENCE PAPERS AND PRESENTATIONS

Yang, Y. (2021). NGO Roles for Corporate Social Responsibility: Network Analysis of NGO-GO-Corporate Collaborative and Adversarial Relationships in South Korea. To be presented at the *International Communication Association*, Organizational Communication Division.

Yang, Y. (2020). Institutional pressure for Corporate Social Responsibility: The relational dynamics among NGOs, GOs, and corporations, and their association with CSR practices. Presented at the *National Communication Association*, Indianapolis, Indiana. Organizational Communication Division.

Yang, Y. (2020). The network and relational dynamics among MNCs, NGOs, and governmental institutions, and their association with CSR practices in a state-led economy. Presented at the *International Communication Association*, Gold Coast, Australia. Organizational Communication Research Escalator.

Yang, Y. (2019). Institutional pressure by global NGO digital networks on Corporate Social Responsibility. Presented at *National Communication Association*, Baltimore, MD. Research in Progress Roundtables.

Yang, Y. (2019). Institutional pressure on CSR: The influence of NGO networks and embeddedness with government institutions on CSR practices in South Korean corporations. *Organizational Communication Mini-Conference*. University of Illinois at Urbana Champaign.

Yang, Y. (2019). The actual CSR practices vs. public perspective of CSR: a factor analysis of CSR indices. Paper presented at the *International Communication Association*, Washington, D.C. Top Student Paper. Public Relations Division.

Yang, Y. (2019). Institutional pressure on CSR practices in the context of globalization and digital ubiquity. Paper presented at the *International Communication Association*, Washington, D.C. Organizational Communication Division.

Yang, Y. (2018). A comparative analysis of scandalous vs. non-scandalous South Korean Chaebol corporations in their CSR reporting practices. Paper presented at the *National Communication Association*, Salt Lake City, Utah. Top Student Paper. Association for Business Communication Division.

Yang, Y., & Stohl, C. (2018). The appropriation of traditional media contents in online contexts: A South Korean textbook case. Paper presented at the *International Communication Association*, Prague, Czech Republic. Activism and Social Justice Division.

Yang, Y. (2018). The convergence of old and new media as legitimation practice in online organizational protests. Paper presented at the *International Communication Association*, Prague, Czech Republic. Organizational Communication Division.

## ABSTRACT

Institutional Pressures for Convergence and Divergence of Corporate Social Responsibility:  
Collaborative and Adversarial Networks of NGO-Governmental Organization-Corporations  
in South Korea

by

Yoori Yang

This study explores the network and relational dynamics among NGOs, governmental organizations (GOs) and corporations associated with Corporate Social Responsibility (CSR) practices in South Korea, a state-led market economy. The study integrates and advances institutional theory, utilizing a network perspective to further understand the mechanisms through which NGOs develop pressures on corporations to practice CSR. The study explores the ways in which the South Korean institutional context is related to NGOs' network dynamics for driving CSR practices. The findings suggest that (1) the network positions that benefit NGOs' CSR networks are different depending on the type of sector in which networks are formed (cross-sector vs. within-sector); (2) the efficacy of network positions and the nature of relationships (collaborative or adversarial) vary by the type of CSR practiced by the NGOs and corporations – *convergent CSR*, which represents those practices that are embraced by both the global community and the South Korean state, and *divergent CSR*, which represents those practices that are framed by local economic, political and social conditions; and (3) NGO and corporate leaders' perspectives regarding network dynamics are not consistent with one another.

The study uses a mixed methods approach. Network analyses were based upon archival data collected from the annual NGO reports and CSR reports produced from 2014 to 2019. Three different centralities – *degree centrality*, *eigenvector centrality* and *betweenness centrality* – were used to understand how NGOs’ network dynamics within and across sectors are related to the frequency with which they practice certain type of CSR (convergent and divergent CSR). The relationships among CSR networks and practices were analyzed using established commercial metrics measuring Environment, Social and Governance dimensions of CSR (ESG). Network results were also compared and contrasted with the findings from 28 interviews of South Korean NGO and corporate leaders who discussed their motives and perspectives on their network activity.

The analyses found that *eigenvector centrality*, representing ties to influential or central others in the network, emerged as the most important position of the NGOs in their networks with GOs that helped develop strong networks with corporations. In their within-sector NGO network, however, *degree centrality*, representing the density of their ties, emerged as the most important centrality that benefited the NGOs’ networks with GOs and corporations. The degree to which the NGOs and corporations engaged in convergent CSR was significantly related to collaborative network dynamics. On the other hand, the degree to which they engaged in divergent CSR was significantly related to adversarial network dynamics. The ESG outcomes suggest that it is only convergent CSR and collaborative network dynamics, rather than divergent CSR and adversarial network dynamics, which are significantly related to the companies’ ESG scores. Theoretical and practical implications are discussed to inform the network dynamics for CSR institutional pressures, the significance of national institutions and state-led economic systems in CSR networks, and

the significance of sector type and nature of relationships in CSR institutionalization.

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## Chapter 1. Introduction

*It is more critical than ever that businesses in the 21st century are focused on generating long-term value for all stakeholders and addressing the challenges we face, which will result in shared prosperity and sustainability for both business and society. (Darren Walker, President of the Ford Foundation.)*

*No profession has remained untouched by the three crises of 2020: the COVID-19 pandemic, the resulting economic downturn, and the reckoning with racial injustice. Corporate Social Responsibility (CSR) is no exception. This past year shined a bright light on the increasing importance of corporations redefining their value to society and expanding their commitment to all stakeholders - customers, employees, regulators, investors, and the communities in which they work (Carolyn Berkowitz, President & CEO, Association of Corporate Citizenship Professionals (ACCP))*

*We are calling for closer collaboration between politics, civil society and business to urgently act together and tackle global warming, accelerate inclusive growth and sustainable prosperity, with the SDGs (sustainable Development Goals) as our compass. (Solvay CEO Ilham Kadri, at the 2019 Brussels SDG Summit)*

*Some of the ancillary benefits of a public sector CSR include their ability to help inspire new strategies to address gaps in public sector capacity. Further, a solid CSR can offer valuable insights for partnerships by creating synergies between the complementary skills of public, private and civil society actors to achieve public policy goals related to sustainable development. (Halina Ward, Director, Corporate Responsibility for Environment and Development International Institute for Environment and Development)*

Across the globe and from all sectors of society, demands are increasing for corporations to adopt more sustainable business, social and environmental practices, what is often referred to as corporate social responsibility (CSR). CSR is defined as the responsibilities of a company to go beyond its legal and fiduciary responsibilities to take into account the impact they have on the society and environment and take actions to protect and improve the welfare of society along

with their own interest. Through CSR, companies are expected to be socially accountable to itself, its stakeholders and the public. The major goal associated with CSR is to achieve the triple bottom line – *people*, *planet* and *profit* (Kraaijenbrink, 2019). *People* refers to the communities, employees, consumers and the public; *planet* refers to the environment and ecosystems; and *profit* refers to the economy and financial performances of companies. Whether these calls for action come from industry associations, governments, international organizations, NGOs, unions, civil society, or the corporations themselves, there is a growing consensus that global sustainability requires collaboration among stakeholder groups, across organizational sectors and national boundaries. Sustainability is the term generally used to refer to improvement and maintenance of global ecosystems and quality of life in modern societies, through processes and actions that prevent depletion of natural resources and preserve an ecological balance (Youmatter, 2021), whereas CSR is the term used to reflect a particular organization’s approach to some or all aspects of sustainability.

But despite the universal rhetoric of the importance of corporate social responsibility and cross-sector communication and collaboration in issues of governance, employee rights, community and environmental sustainability, there are tensions among national and international standards, arguments about whether Corporate Social Responsibility (CSR) should be legally mandated or voluntary, and discussions about how stakeholders should be addressed and prioritized. Even when there is agreement regarding sustainable goals, the frameworks for what is and should be socially responsible behavior and how corporations should form relations with various stakeholders are different, based in part on the differences across the economic, cultural and political institutions of the nations in which they are embedded. Institutional studies suggest that such tensions and challenges for practicing CSR emerge particularly in organizations

operating in non-Western national institutions, as they seek to practice CSR that is compatible with both national and global contexts (Kang & Moon, 2012; Kim et al., 2013; Matten & Moon, 2008). This dissertation addresses the development of intersectoral CSR networks in South Korea, a state-led market economy, which is an institutional context that is characterized by strong state interventions in corporate behavior and engagement in CSR that is far different from Western countries such as the US or Scandinavian countries.

Because most of the literature on intersectoral organizational roles for CSR has not focused on state-led market economies, literature has rarely examined the influences governmental institutions may have on cross-sector interorganizational relationships for CSR, especially the relationships between non-governmental organizations (NGOs) and corporations. NGOs refer to private, not-for-profit, voluntary citizens' organizations that serve particular societal interests, including human rights, health and environment. When examining NGOs' roles and relationships with corporations, CSR institutional studies have paid little attention to NGO-government relationships and have primarily considered NGO-corporate relationships as rather unrelated to the NGOs' relationships with governmental institutions. Rather, most often studies have looked into CSR practices in liberal market economies such as the US and coordinated market economies such as the Scandinavian countries (Brammer, Jackson, & Matten, 2012; Matten & Moon, 2008). In a liberal market economy, which is an economic system in which businesses are highly dependent on the private sector and operate relatively independently from the state, NGO relations with corporations tend to form without state control. In a coordinated market economy, an economic system in which economic and social governance are coordinated by public systems mandated by the state, both corporations and NGOs are embedded within a public system that regulates socially responsible practices by law, and therefore naturally come

into contact with one another without direct governmental mediation.

These studies produced beliefs about the independence of NGOs from the government in communicatively developing pressures for CSR. Thus, most research focused on NGO-corporate interactions, exploring collaborative NGO/corporate relationships, involving reciprocal exchanges of information and resources to bring about changes in corporate behavior and CSR outcomes (Allard & Martinez, 2008; Bator & Stohl, 2013; Guay et al., 2004; Syam et al., 2020), and adversarial NGO/corporate relationships involving oppositions and confrontations such as boycotts, strikes and protests (Mutti et al., 2012; Schepers, 2006; Winston, 2002). What is unclear, however, is the role governments play in the development of these network relations and their implications for CSR. Even in the few studies that do examine state-led economies, such as China, the primary focus is on the government's direct influence on CSR (Hofman, Moon & Wu, 2015; Moon & Shen, 2010). NGOs' relational dynamics with GOs and the influence of NGO-GO networks on NGO-corporate networks and CSR are left unexamined, and yet the networks of GOs do make a difference in the corporate networks in these economies.

This study integrates and advances institutional theory from a network perspective by exploring the mechanisms through which a complex blend of international and domestic pressures are created upon companies in the global business environment. More specifically, it observes how civil society and NGOs in the state-led market economy of South Korea communicatively influence corporations to behave responsibly and ethically.

## **What is CSR?**

Corporate Social Responsibility (CSR) embodies the notion that corporations should integrate concerns and actions pertaining to sustainability into their businesses decisions, daily

operations and interactions with all their stakeholders around the globe. Stakeholders include anyone who is affected by a corporation's actions, ranging from their employees to their stockholders to the communities and environments in which they are embedded. Generally CSR is defined as corporate commitment to "improve societal well-being through discretionary business practices and contributions of corporate resources" (Du, Bhattacharya, & Sen, 2010, p. 8).

At a global level, the United Nations Global Compact's Sustainable Development Goals (SDGs) provides the foundation and standards for what comprises corporate social responsibility, integrating environmental, social and governance goals into a non-binding voluntary platform. It is important to note that the voluntary nature of CSR has been critiqued by many scholars and activists (Rahim, 2013). According to Human Rights Watch (2000), due to "the lack of legal enforceable standards, the lack of monitoring and enforcement mechanism, and a lack of clarity about the meaning of the standards themselves" CSR can easily become an exercise in greenwashing and corporate hypocrisy. Within the voluntary sphere, NGO and other sectors in civil society become critical actors for pressuring corporations to comply with the goals and values of CSR and sustainability.

The need for accountability and compliance in this voluntary realm has resulted in the development of several independent measures (*KLD*, *Thomson Reuters*, *CSR Hub*) to evaluate a corporation's CSR, its social impact and returns on investment. These assessments tend to focus on three performance/reputational factors: Environment, Social and Corporate Governance (ESG). The ESG ratings, as guided by the UN guidelines, create a landscape for corporations and their stakeholders to develop a coherent set of globally expected responsible practices and entail complex inter-organizational communicative dynamics that constantly monitor, maintain or

improve responsible practices. Various stakeholders assess companies' CSR performances with the ESG measures to understand companies' social impact and returns on investment.

Corporations also utilize the measures to evaluate how they are positioned in their industries, and develop strategies to develop and benchmark successful ESG performances of their competitors to uncover new business opportunities and improve stakeholder communication.

### **The Increasing Importance of Understanding CSR from an Institutional Perspective**

Most recently, unprecedented events including the pandemic, climate crises, the murder of George Floyd, and the #MeToo movement have made understanding and evaluating CSR from an institutional perspective even more important. Business enterprises across the globe are being pressured to “shift towards more genuine and authentic CSR and contribute to address urgent global social and environmental challenges” (He & Harris, 2020, p. 176).

What is most notable today is that local events are no longer contained within domestic boundaries but have a transnational impact on societies and communities across the world. Global social justice has become part of the global CSR agenda. For example, the Black Lives Matter movement, which started in the US, spread throughout the world to develop social responses that were both similar AND different based on different national level interpretations, cultures and institutions. In Europe, protesters took to the streets in Germany, Spain the UK and the Netherlands to revisit racial injustice and police violence from the past several years in their own countries (King, 2020). The event even impacted ethnically homogenous countries in Asia, like South Korea, by triggering movements against xenophobia and inequality faced by immigrant communities and foreign populations which have not gained much attention in the past (Strother, 2020).

These events have created greater pressures on multi-national corporations to converge

upon a set of similar expectations, practices and responses. For example, even though corporations have traditionally avoided taking a stance on racial injustice and potentially being viewed as politically polarized, corporations have started taking more responsibility to respond to sensitive subjects (Handshake, 2020). In response to Black Lives Matter, for example, Netflix posted this statement on Twitter: “To be silent is to be complicit. Black lives matter. We have a platform, and we have a duty to our Black members, employees, creators and talent to speak up.” Hyundai, a South Korean automobile company, developed a website on diversity where they posted their statement of support for the movement and disclosed the amount of donations they have made to multiple relevant social justice and welfare programs (Brooks, 2020). Korean entertainment industries have joined in making their statements on social media and donating to the movement (Yonhap, 2020).

### *Challenges*

However, despite responding in a manner that seems to correspond with the global expectations, multinational companies still face multiple CSR challenges. They are expected not only to converge with global standards but diverge insofar as they adapt to local conditions and expectations. Specifically, national level institutional arrangements, including the political, economic, historical and cultural contexts, often cause companies to diverge from one another in their responses to global social issues. For example, in the US, because there is no national health or safety net for workers, and their families, COVID-19 response strategies focused on addressing the needs of their workers with modified schedules, community relief funds, and customer accommodations (JUST Capital, 2020). However, in South Korea, a primary issue that corporations have focused on was supporting the survival of small and medium-sized enterprises

(SMEs) through emergency funds, rather than health care protection plans for workers (KPMG, 2020). This stemmed from an existing national agenda driven by the government initiatives to increase economic opportunities for smaller firms in the South Korean market, which has long been dominated by large conglomerate firms. Moreover, some stakeholders, including the civil societies and the public in South Korea criticized the corporate responses to BLM. Groups of local stakeholders resented that the companies' responses to BLM were relatively untimely in the South Korean context, and that the companies remained insensitive and ignorant towards other local level inequality issues (Jeong, 2020). Local civil society also criticized the South Korean companies for their failure to address more serious corporate corruption in governance structure, which have long posed more serious problems to the economy and society in South Korea (Roh, 2020).

Clearly, multinational corporations must cope with tensions between emerging global institutional pressures to converge upon the globally expected practices, such as that contained in the UN Global compact, and domestic institutional pressures to diverge in accordance with local needs, norms and culture (see Jamali & Neville, 2011; Kim et al., 2013; Matten & Moon, 2008). This creates uncertainty and complexity for global and domestic NGOs that are seeking to make contributions to CSR and create pressure on corporations for responsible behavior. As NGOs develop their actions for sustainability across different national contexts, they need to decide not only what their priorities will be in approaching CSR but also what kinds of relationships and networks they need to form in different national contexts in accordance with institutional arrangements of the country. However, it is unclear from existing studies how NGOs' actions and communication networks relate to the complex convergent and divergent pressures for CSR.



## **Theoretical Framework: Institutional Theory from a Network Perspective**

To better understand the pressures for *convergent* and *divergent* CSR (see Jamali & Keshishian, 2009; Jamali & Neville, 2011), this study integrates and advances institutional theory from a network perspective to further understand the mechanisms by which a complex blend of international and domestic pressures are exerted upon companies in the global business environment. Convergent CSR refers to a set of CSR practices that are commonly adopted by multinational corporations and other related organizational agencies across sectors and national institutions in accordance with the global standards. Divergent CSR refers to a set of CSR practices that vary across different national institutions because of the different organizational structures, cultures and/or values that organizations adopt in accordance with different national institutional arrangements, including the primary economic models, history, cultures and political backgrounds. This study observes how the civil society and NGOs in South Korea develop networks with governmental institutions and corporations to influence the corporations to engage in both forms of CSR practices. According to institutional theory, organizations develop normative practices that are regarded as legitimate and socially acceptable within a particular social system and national institutional arrangements (Deephouse & Suchman, 2008; Meyer & Rowan, 1977). Organizational CSR practices are engendered and shaped within this process, under the influence of the global standards, national culture, regulations and cultural contexts in which organizations are embedded (Matten & Moon, 2008).

Network theory explains the mechanisms by which organizations adopt the social structures in which they are embedded, and converge upon similar sets of practices and norms (Jamali & Neville, 2011; Zucker, 1987). Organizations are influenced by transnational networks with different stakeholders and sectors (Keck & Sikkink, 1998; Stohl & Stohl, 2017), as well as

by their national level networks composed of various organizational agencies including NGOs, governmental organizations, supply chains, and consumers (Campbell, 2006). The mechanisms that are found to be most closely associated with CSR institutionalization are the network contagion mechanisms engendered by processes of cohesion and structural equivalence (Burt, 1987; Cheney et al., 2004; Galaskiewicz & Burt, 1991; Yang & Rivers, 2009). Organizations that are connected to the same others in their global network become exposed to similar types of information, requirements, standards and expectations, and thus they eventually adopt similar types of practices. It is by these mechanisms that companies are believed to eventually converge upon a set of global expectations and practices. Under this logic, companies are believed to adopt similar CSR practices towards *isomorphism*, which refers to the pressure to move towards homogeneity in organizational processes and structures, under coercive, mimetic and normative mechanisms (Cheney et al., 2004; DiMaggio & Powell, 1983).

However, there are empirical and theoretical shortcomings in these studies. First, they focus primarily on Western neoliberal economic systems, and thus are unable to specify how CSR practices vary in non-Western contexts. Second, institutional studies almost entirely focus on network dynamics of convergence, despite the fact that organizational norms and CSR practices may vary and diverge across different national institutions (Kim et al., 2013; Matten & Moon, 2008). Third, the institutional studies of CSR often lack NGO perspectives, even though NGOs play a significant role in shaping CSR. Institutional studies have typically explored institutional pressures for CSR from the perspective of corporate management and governance (Brammer et al., 2012; Fransen, 2012; Vigneau, Humphreys, & Moon, 2015; Witt & Redding, 2012). These studies often overlook civil society roles and perspectives (Skouloudis, Evangelinos, & Malesios, 2013). Even though NGOs are known to play a critical part in

determining how companies practice CSR (Arenas et al., 2009; Doh & Guay, 2006), it is unclear how NGO actions and communication networks relate to complex pressures of convergence and divergence.

CSR practices and networks differ across nations, and therefore to some extent companies are subject to divergence from the global convergent CSR model. This suggests that all organizational agencies involved in CSR, including NGOs, non-profit organizations, corporations, and governmental organizations need to adapt to these different conditions, using various other network mechanisms that best suit the national contexts in which they operate. But these dynamics remain unclear. This study will fill these gaps by (1) understanding how institutional pressures for CSR are created in non-Western economic systems, (2) uncovering more diverse network mechanisms that predict both *convergence* and *divergence* in corporate practices of CSR, beyond contagion mechanisms, and (3) enriching the construct of the institutional field that is conducive to driving CSR practices by bringing in NGO perspectives.

### **South Korean Case**

The study looks at the South Korean case, a state-led market economy that has rarely been explored in literature of CSR from an institutional lens. In a state-led market economy, organizations, including companies and NGOs, are strongly influenced by governmental institutions and state interventions (Hofman et al., 2015; Kang & Moon, 2012). According to Matten & Moon (2008), CSR practices and networks in the US, a liberal market economy, are focused more on meeting the needs of the shareholder private sector, while European firms, operating in coordinated market economies, have been found to be more driven by state mandates and the public sector. CSR practices in South Korea are historically grounded in strong

corporate connections with the government and thus often are driven by pressures to abide by government policies. Therefore, the main question addressed in this study is: in an economic system where government interventions are relatively strong, how do NGOs develop their networks in relation to governmental institutions to form networks with corporations to drive CSR practices (*convergent* and *divergent* CSR)?

## **Chapter Layout**

The following chapters will uncover the impact of NGOs' institutional networks on convergent and divergent CSR practices in South Korea by addressing the following main questions:

1. How do NGOs' cross-sector inter-networks with governmental organizations (GOs) predict their networks with corporations?
2. How do NGOs' within-sector intra-networks predict their networks with GOs and corporations?
3. How are the resulting networks among NGOs and corporations related to convergent/divergent CSR practices?
4. How do the ESG (Environment, Social and Governance performance) outcomes relate to convergent/divergent CSR practices?

In the second chapter, a history of the economic development, NGOs, governmental institutions, corporations and CSR in South Korea is provided. It explains how CSR in South Korea developed throughout the political and economic transitions of the country, during post-Japanese colonialism, an authoritarian regime, and the periods of democratization in the midst of globalization. The chapter discusses the implications of this unique history for NGO-GO-

corporate network dynamics and how CSR is practiced today in South Korea. The third chapter develops the theoretical foundations for the study and reviews the current literature on CSR networks and institutions which explain the objectives of the study and the network mechanisms to be explored.

Building upon the reviews in the second and third chapter, six hypotheses and five research questions are developed to explore the network mechanisms that drive CSR institutionalization in South Korea's state-led market economy and their impact on convergence and divergence of CS. The fourth chapter presents the methods used – mixed methods using quantitative network analyses and qualitative interview analyses. Important concepts are operationalized, and all procedures for data collection and analyses are described. The fifth chapter presents the results that address the research questions and hypotheses, and the final chapter discusses the theoretical significance and implications of the findings.

## **Chapter 2. Historical Background of South Korean Government-Chaebol-NGO Relations**

This dissertation is focused on the role of NGOs in the development of CSR within a state led economy. The study is premised on two foundational findings in the literature on institutions and inter-organizational networks related to corporate social responsibility which are reviewed in chapter 3.

1. The national and international institutional contexts in which corporations are embedded strongly influence their CSR activities and attitudes. The economic context, history, culture and political backgrounds influence how CSR is managed by corporations and how organizations across different sectors develop relations for CSR. Most especially, the type of economic market model has been found to significantly influence variations in CSR practices vary across nations, including across US and Europe (Matten & Moon, 2008).
2. The structure of inter-organizational CSR networks strongly influence and are influenced by institutional dynamics. The network in which an organization is embedded creates institutional norms so as to pressure the organization to develop similar sets of values and practices of CSR to the others in the network.

This chapter provides historical background for the economic development of the country, governmental institutions, civil society and corporations in South Korea in relation to the emergence of CSR. The chapter will discuss how the state played a central role in the economic and industrial development of the country, and how corporations, their positions within the economy and relationships with governmental institutions, developed in this context. These relationships served to establish a strong government-corporate network that might, to some extent, distinguish CSR practices in South Korea from global practices and influence NGOs'

network roles.

The chapter then discusses how NGOs and civil society have developed throughout the transition from the authoritarian regime to democratization in South Korean institutions, and the implications of this historical context for NGOs' relationships with governmental institutions and corporations in the present. The backgrounds provided in this chapter inform the inter-organizational relational and network dynamics explored in this study and addressed in the research questions/hypotheses and the findings.

### **Emergence of State-Capitalism**

South Korea has an economy that is distinct insofar as the state has had strong control over market liberalization ever since the very beginning of its industrialization and modernization. When 35 years of Japanese colonial rule in Korea came to an end in 1945, Korea was divided into the US controlled South Korea and the Soviet Union controlled North Korea. The South Korean government was led by Syngman Rhee, the first dictator of the country. He led modernization efforts in the country by opening up to Western influence until 1960 (Yang, 2016). Then in the years from 1960 to 1987, there was a period of rapid development of state-capitalism characterized by the rise of national capitalism under state authority (Im, 1987). During this period, the leader, President Chung Hee Park, strengthened the state-authoritarian regime by introducing the Yushin (Revitalizing Reform) regime, which amended the Constitution to allow a third term for himself as the president (Cho, 2000). Under his dictatorship, and in the decade after his assassination in 1979, with the absence of a strong civil society, the state drove rapid modernization and economic development until 1987.

As part of its core initiatives for rapid modernization during this period in 1961-1987, the

South Korean government took absolute control over the financial system and all banks, so as to dominate and monitor the entire process of developing financial assets for the country's economic activities (Lim & Jang, 2007; Yang, 2016). By controlling the financial capital of the country, the government, in large part, controlled and facilitated the development of corporations. These corporations are known as *Chaebols*, the "rich-clans." They are large conglomerate firms founded and based in South Korea and are operated on the basis of strong family ownership systems (Chang, 1988; Kuk, 1988; Sial & Doucette, 2020). State support was critical for the Chaebols' businesses at this time. First, they did not have enough capital and assets to make large investments to expand their businesses. Second, they could not engage in trading, as the national market was too small to manufacture export products and compete in the global market. Investment was originally in the chemical industry, but in 1973, Park declared the government's commitment to sustainable state support, funding and tax benefits to six select industries: steel, machine, ship-manufacturing, electronics, nonferrous metal and petrochemical (Yang, 2016). This served as a critical opportunity for the Chaebols to expand their business across multiple different industry sectors and develop their power over the economy and market.

As the Chaebols developed their dominance over multiple industries, using state banks as the main financial resource, problems emerged, due in part to the close relationships they had established with the governmental institutions. These emergent highly interconnected networks among the Chaebol owners and political leaders led to various types of collaboration and collusion (Kuk, 1988). The Chaebols' dependence on the government and their heavy reliance on borrowing capital from state-owned banks not only caused the financial structures of the Chaebols to become debt-dependent, but also it stifled any dissent or disagreement with the government, enabling the political leaders to maintain their authoritarian position. At the same



time, the political institutions served to solidify the family ownership governance structures, enabling family inheritance of businesses and supremacy of the owners. In this system, there were and continue to be several types of corrupt practices related to corporate governance including legislative pardoning of the Chaebol owners, illegal tax-exemptions and internal trading amongst subsidiaries (Cho, 2000; Yang, 2016).

In return, the government utilized the Chaebols to drive rapid economic development, strengthen its reputation, and facilitate political campaigns that would protect their authoritarian regimes. Moreover, from these relations developed personal connections among the authorities and leaders of the Chaebols and governmental institutions (Kim, 2018; Yonhap, 2019). The resulting strong and dense networks among the industry and governmental authorities then served as a backbone for the development of many other institutions including the judiciary systems, the media industry, the public systems and labor systems (Park, 2021). The reciprocity of their strengths through constant exchanges of favor for each other to this day reinforce GO-Chaebol networks so that they are unbroken and tenacious.

### **NGO Development in the Regime of Dictatorship and during Political Transitions**

During the emergence of state capitalism within the authoritarian regime in South Korea throughout 1960-1980s, civil society was also under tight control and repression by the state. In order to gain legitimacy, NGOs had to submit to the military authority of the state and refrain from engaging in protests against the authoritarian actions of the state or the irresponsible activities of the Chaebols. Activist NGOs were prevented from becoming legal entities (Cho, 2000). Not surprisingly, many NGOs that existed during this period were government-patronized, and therefore functioned only within the boundaries set by the government and by no

means had any power to monitor government-Chaebol networks. They only acted in accordance with government expectations and regulations (Kim, 2009). The government used these pro-government NGOs to protect the authoritarian regime and disseminate political propaganda to Korean citizens (Choi & Yang, 2011). Scholars suggest that most South Korean NGOs merely served as “a one-sided transmission belt, relaying the government’s policies to the citizenry at large” (Kim, 2010, p. 167).

However, despite authoritarian rule and the closely knit governmental networks, there still existed radical civil society organizations that sought to overthrow dictatorship and achieve democracy, despite the fact that they were considered by the government as illegal bodies. These NGOs constantly raised issues with problems that emerged from the rapid state-led modernization and economic development. They primarily focused on pushing for democracy and labor rights in response to Park’s dictatorship. These illegal activist NGOs created a loosely coupled network that raised public awareness and resistance to corporate irresponsibility, corruption and Chaebol governance structures. In the mid-1960s, labor movements emerged to address the poor working conditions and wages that often went overlooked and excused by the state. These collective action networks became part of the formation of labor unions in the 1970s. Labor unions, although illegal at the time, drew societal attention to labor issues, and the irresponsible behaviors of the Chaebols (Federation of Korean Trade Unions, 2021). Beginning in the late 1960s, anti-authoritarian and anti-Chaebol sentiment further developed among younger populations, as democratic movements gained popularity among University students. In contrast to the NGOs that worked in close alignment with the government agenda, citizen-organized civil society organizations grew rapidly in efforts to overthrow the authoritarian regime and check government power (Cho, 2000; Choi & Yang, 2011; Kim, 2009; Kim &

Moon, 2003). They maintained their commitments to promoting human rights and democracy and “safeguarding against the abusive powers of government and big business” (Choi & Yang, 2011, p. 51).

Through consistent involvement and drive for democratic movements against anti-dictatorship and anti-corruption in governmental institutions and industries, civil societies in South Korea faced an era of transition to political democratization in 1987-1997 (Yang, 2016). Following the assassination of President Park in 1979 and the democratic movements that brought down his authoritarian Yushin regime, a “renaissance of Korean NGOs” emerged and empowered civil societies (Cho, 2000). Activist and social movement NGOs were legalized and could achieve autonomy, which enabled more diverse NGOs and interest groups to emerge. For example, the mass protests for labor rights, which cumulated in 1987, resulted in the establishment of official organizations for labor rights, such as the National Council of Trade Unions established in 1990, and the Korean Confederation of Trade Unions in 1995 (Cho, 2000). Other NGOs that had originally been government-patronized or functioned as government agencies also achieved autonomy. As local governments achieved autonomy from the central government, local NGOs working with provincial governments were able to expand their activities beyond those demanded by the central government (Choi & Yang, 2011).

A new era of civil society began in 1989, with the establishment of some large legal civil social movement organizations, such as the Citizens Coalition for Economic Justice (CCEJ) (founded in 1989) and People’s Solidarity for Participatory Democracy (founded in 1994) that addressed issues related to economic justice, and Chaebol corruption (Cho, 2000; Kim, 2009). Two others – the Korean Federation of Environmental Movement and Green Korea – emerged as the leading environmental NGOs to ignite environmental civil society movements. A large

number of NGOs that exist today branched out from these activist organizations during the 1990s (Choi & Yang, 2011). Most especially, as movements for Chaebol reform, initiated by People's Solidarity for Participatory Democracy, reached their climax in the 1997 financial crisis, social demands and pressures on NGOs increased to restrain and supervise Chaebol and state power. As NGOs embarked on largely networked activism and movements for democracy and social justice, mass radical movements to address government-corporate corruption were more accepted as a normative approach by the public and civil society to achieving a democratic society. From these movements emerged stronger adversarial networks among civil society organizations, the governmental institutions and corporations.

### **Global Influence on Sustainability and Corporate Social Responsibility in South Korea**

Consistent with political and economic democratization and the rise of stronger civil societies that came with the fall of the authoritarian regime and revision of the Constitution in 1987, South Korea became more open to global influence and pressures to adopt and endorse the global norms for human rights and sustainability. In early 1990s, South Korea started facing the pressures of global level monitoring systems beyond their local level civil societies, as the government joined multiple international organizations and became integrated within the global networks and communities. The local and global level pressures together developed an atmosphere and institutions that enabled South Korean companies to develop philanthropic corporate practices, as well as adopt Western business and CSR models from liberal market economies, such as those in the US (Kim et al., 2013). South Korea was increasingly pressured by its global institutional networks to adopt similar sets of practices and values of human rights.

### *A Global Regime for Sustainable Development*

The foundation of CSR development in South Korea was the development of sustainability standards and principles by global institutions. The global regime for sustainable development had been articulated since the early 1970s by the world leaders and state representatives who regularly came together to discuss the standards and guidelines for sustainable development. A series of world summits and conferences (a total of 17 summits) have been held since 1972, where common goals and principles were articulated and developed for achieving world sustainability, which embodied issues across human rights, environment, labor and anti-corruption (UN, 2017). Since the early 1990s, South Korea has participated in the global discussions for sustainability and human rights by becoming a member of the United Nations. The government had its first official global presence in the 1992 Rio de Janeiro Earth Summit and Sustainable Development, where world leaders and state representatives met to discuss and agree upon the integration of environmental initiatives into economic decisions. South Korea adopted the Rio Agenda 21 following the Earth Summit to develop the National Action Plan in 1996 and the Presidential National Commission on Sustainable Development in 2000. These agendas were then integrated into its national policies (UN, 2017). In 2000, South Korea engaged in discussions on a variety of global issues, including poverty, water quality and availability, cleaner energy, health, good governance, technology, production and consumption, oceans and fisheries and tourism and contributed to the millennium declaration development goals (MDG) to address world health, poverty, equality, environment and other human rights issues for bettering lives by the year 2015. These meetings culminated in the 2002 World Summit on Sustainable Development in Johannesburg where heads of the state, representatives of global businesses and NGOs were invited to further advance, and review progress on the topics

discussed since the Rio conference in 1992.

During its participation in these global summits and conferences, the South Korean government sought to address the 1997 Asian Economic Crisis and the Global Economic Crisis in 2008 to develop more sustainable economic and business models (UN, 2017). In the summits that followed, such as the 2012 United Nations Conference on Sustainable Development in Rio, South Korea participated in the development of the Sustainable Development Goals (SDGs), which were formally launched in 2015 to provide sustainable practice standards for global businesses and economic activities. In compliance with the global network and its isomorphic pressures to converge upon the same sustainability standards, member countries including South Korea actively integrated these standards into their national policies and guidelines. Governmental organizations, including the Ministry of Foreign Affairs (MFA), the Ministry of Environment and the Office for Government Policy Coordination, have played important roles in integrating the SDGs into government policies (UN, 2017).

### ***International Influence on Labor***

Other prominent influences that international organizations had on South Korea during this transitional stage to democracy were in labor policies and conditions. When the South Korean government joined the United Nations and the International Labor Organization (ILO) in 1991, and was elected a member of the ILO Governing Body in 1996, the country was pressured to adopt the ILO conventions to develop standards for improved labor conditions (Hurd, 2014; “The ILO in the Republic of Korea,” 2018). These included freedom of association, the right to collective bargaining, the prohibition of forced labor, equality of treatment and nondiscrimination in employment, and the minimum wage. The ILO Committee on Freedom of

Association also monitored labor and corporate policies to find and correct any inconsistencies which existed between South Korean labor practices and internationally accepted standards.

The networks that the ILO formed with the state then helped spread the norms throughout South Korean institutions and corporations to develop new labor policies. A decisive role that the ILO played in labor conditions in South Korea was in allowing labor unionization, which had been severely restricted since the 1950s (Kim & Kim, 2003). The South Korean economy had extensively focused on promoting Chaebol expansion, and labor unions were often framed as disruptive to this development and thus banned from most organizations (Gill, 2000). By issuing official recommendations to allow and legalize teachers' unions in Korea in 1991, the ILO helped South Korea take major steps to legalize multiple unions across industries and to remove prohibition on union involvement in political activity (Korea Ministry of Labor, 2000). By 1999, the number of unionized workers increased by about 79,000 (Kim & Kim, 2003). The ILO also frequently visited South Korea to examine the progress on their recommendations and to discuss future plans with the Korean government officials. With the legalization of labor unions and the following 1997 financial crisis, the level of attention to labor and employee rights and the number of related strikes drastically increased. The legal frameworks introduced by ILO transformed workers' rights into legally binding obligations for the industry sector.

The year 1996, when South Korea joined the Organizations for Economic Co-operation and Development (OECD), serves as a good reference point for South Korea in improving its economy, standards of living and social policies (Kim & Kim, 2003). Joining OECD raised Korea's aspirations for improved labor conditions, as the government started benchmarking the labor standards in advanced countries like Europe and North America as reference points. Also, South Korea took on more responsibilities for the well-being and sustainability of the global

communities, as members of OECD were expected to provide assistances to developing countries. As South Korea developed its position within the OECD and transformed from an aid recipient country to a donor country, Korea was able to develop stronger norms in the industry sector for making contributions to global sustainability (Sial & Doucette, 2019). Such global pressures created in the networks with international organizations helped develop formal and informal institutions that helped develop the foundations for CSR in South Korea. By developing their ties to international organizations through their close connections with the government, the Chaebol companies were able to develop mandated and voluntary CSR related to labor and worker's rights.

### ***Corporate Commitment to CSR***

As South Korea experienced greater global institutional pressures for democracy and human rights, South Korean Chaebol corporations became increasingly exposed to not only the pressures of their international networks, but also to national-level pressures (Kim et al., 2013). In response to the prolonged public and civil society resentment towards corporate-government relationships and their demands for transparency in corporate governance, the Chaebol firms had to integrate socially responsible practices into their business strategies to minimize their negative reputations and recover their legitimacy (Lim & Jang, 2006). As a component of CSR, many Chaebol corporations developed corporate philanthropy and social-welfare initiatives as an important part of their business (Chambers et al., 2003). During the transitional period from 1987 to 1997, corporate philanthropy emerged in various forms, primarily focused on community level philanthropic activities, including community volunteering, charity and eco-friendly businesses (Witt & Redding, 2012).

Local level pressures were also created in large part by the state and the prolonged close



relations and networks that Chaebols had developed with the governmental institutions. A significant amount of CSR practices in South Korea in fact have developed upon the government agenda that embodied parts of the UN Global Compact's sustainable development goals for innovation, technology and well-being. During President Lee's government in 2007-2012, the key themes in the policy agenda set for the government's task were "pragmatism" and "modernization," and during Park's government in 2012-2017, the key emergent themes were "creative economy," "citizens' well-being," and "culture." Other common themes across these two consecutive governments included improved social-welfare, support for education and development of the IT industry (Government Performance Evaluation Committee, 2017). In alignment with the government tasks during the same period, South Korean companies have been largely focusing their activities on corporate philanthropy for social well-being and community services, and on developing innovative business strategies and technologies. The governmental policies and the companies' close networks with the government significantly contributed to developing the institutional norms for CSR.

Moreover, the local level pressures created by the governmental institutions were interconnected with the institutional pressures created at the global level. The strong networks that the governmental institutions formed with international organizations provided corporations with the opportunities to develop the same global networks, which then compelled and pressured the corporations to integrate the global standards into their businesses as part of CSR. For example, when Korea's 1997 financial crisis broke out and the country entered a serious economic depression, the government sought the guidance of the International Monetary Fund (IMF). As a result, the Chaebols were pushed by the IMF to commit to active CSR reporting practices to increase transparency in their spending and political donations (Kim et al., 2013).

Not only did the Chaebol corporations adopt CSR reporting practices that were more common in the West, they also turned a vast amount of their political donations into CSR and societal donation budgets. Also, within the decade after South Korea joined the UN, the Chaebol corporations started joining the UN Global Compact in the early to mid-2000s. They started to develop global CSR practices on the basis of the Sustainable Development Goals laid out by the UN for companies across the world to integrate into the core of their businesses and CSR practices (UN Global Compact, 2015). To the present, South Korean Chaebol corporations continue to be embedded within the global networks of the governmental institutions and to work on developing CSR strategies that achieve a balance in their responses to both domestic and global level expectations and demands (Kim et al., 2013).

### **NGO-Government Relational Dynamics in Post-Transitional Period**

As South Korea became more integrated into the global human rights regime through local and global pressures and encouraged corporate social responsibility, NGO-government relational dynamics started seeing changes, from being characterized by hostile confrontations and authoritarian repression to becoming cooperative and supportive counterparts (Kim & Moon, 2003). Under the influence of democratization, the government in the late 1990s increased its support for the development of the civil society sector. The National Assembly in Korea passed the Nonprofits Assistance Act in 1999 to enhance NGO activities and roles. The Ministry of Public Administration and Security also provided financial support and tax reduction to NGOs, producing a drastic increase in the number of NGOs in Korea (Choi & Yang, 2011). In addition to financial support, the government became more accessible to the NGOs and considered their proposals and enact some of their proposals into law.

The two consecutive democratic governments from the late 1990s to mid-2000s increasingly promoted partnerships, collaboration, and mutual empowerment between the government and civil society sector (Kim, 2009). The increased need for welfare systems after the 1997 financial crisis and the government's past failures to provide welfare services engendered greater demands for collaborative governance characterized by "the civil society-government partnership in welfare service delivery" (Kim, 2010, p. 168). In the early 2000s, government initiatives for "participatory government" and "collaborative governance" promoted "collaboration between the state, market and civil society" (Kim, 2010, p. 168). The increasing density in the collaborative networks among the governmental institutions and civil societies created greater institutional norms and pressures for cross-sectoral engagement to address a variety of social welfare issues. As NGOs developed more friendly and collaborative networks with governmental institutions, they emerged as legitimate partners for both the government and the industry for addressing social issues. Such collaborative dynamics expanded into different areas of CSR activities, such as corporate volunteerism, philanthropy and consumer rights, which today are the most highly valued and normative CSR activities in Korea (Kim et al., 2013). In terms of volunteerism, NGOs have been engaged in collaborative projects with the government and the industrial sector to launch nationwide campaigns to institutionalize active citizen and corporate engagement in community volunteering (Kim, 2009).

To this date, the government fundamentally "provides the legal and institutional environment for civil society" (Kim, 2009, p. 880). NGOs are registered with government agencies, and the tax laws can significantly control how much private donations could be made to NGOs by external entities. Over the years, NGO leaders have also often entered government services and agencies. With the changes in the political atmosphere, NGOs, GOs and

corporations that often engage in collaborations with one another have developed beliefs that the adversarial approaches and radical stances that activist NGOs in the past used to often take are now outdated. They believe that the activist NGOs from earlier democratic movements may be over-politicized and lack credibility and effectiveness, because these activist NGOs now appear to be radical groups that support a specific political party (Kim, 2009).

However, at the same time, given the history of state's power over the non-profit sector during the era of pre-democratization, there remains skepticism regarding NGOs' cooperative embeddedness within governmental institutions. Those activist NGOs established in the late 1980s continue to refrain from forming collaborative relationships with GOs and corporations. Rather, they maintain their adversarial stances and goals to combat problems related to political authoritarianism and push for strong changes in the institutions. To address corporate governance issues that arise from corporate-government relationships, activist NGOs believe that it may still be critical that they establish autonomy from the government and strengthen self-regulation by communicatively establishing legitimacy and credibility (Choi & Yang, 2011; Kim, 2009).

There are several approaches that these activist NGOs take to establish autonomy and credibility. These include promoting genuine citizen participation and effective grassroots participation to enhance their non-partisan and non-governmental status (Choi & Yang, 2011; Kim, 2009). They also believe that forming strong civil society networks is critical and effective for liberating civil society sector from government dominance, because inter-organizational networks and coalitions can help enrich NGO resources and support, and thus increase citizen participation in their activities (Choi & Yang, 2011).

## **Conclusion**

Overall, the history of the economic and industrial development in South Korea indicates that the inter-organizational relational dynamics for CSR in South Korea strongly embody the transitions the country has faced in terms of its political atmosphere, democracy and human rights under local and global network pressures. Most especially, NGOs and their networks with the government and corporations have been at the core of these transitional periods and the development of CSR institutions within South Korea. South Korea was able to adopt the global regime for human rights and sustainability under the influence of local civil societies that arose against political repression and authoritarianism, as well as the country's integration into the global institutional networks following the strong civil society move towards democracy. This analysis suggests that the inter-organizational networks that organizations form across sectors create institutional pressures for CSR in various forms at both global and domestic levels. During these great transitions emerged both collaborative and adversarial relational dynamics among the governmental institutions, civil societies and the industry sector for local and global sustainability and well-being. CSR practices in South Korea, therefore, embody a complex blend of both collaborative and adversarial networks among governmental organizations, NGOs and corporations. This study will seek to uncover the dynamics of collaborative and adversarial networks across the three sectors, as well as how they influence different types and dimensions of CSR practices.

### **Chapter 3. Theoretical Framework**

This chapter develops the theoretical foundations for the study of the relationships among Chaebols, NGOs, and the Korean government organizations and the Chaebol's Corporate Social Responsibility (CSR) practices. CSR is defined as either discretionary and/or mandated business practices that contribute to global and societal well-being and sustainability. CSR practices embody the notion that corporations should integrate concerns and actions pertaining to world sustainability into their businesses decisions, daily operations and interactions with stakeholders, including services for community, environment, employees and corporate governance. Integrating institutional theory and network theories, this chapter highlights the importance of exploring CSR networks within institutional theory and develops the key research questions and hypotheses that emerge from the theoretical integration.

First, a review of the institutional and network literatures as related to CSR unpacks the ways in which CSR convergence and divergence are expected to occur in the South Korean context. The first section explores the ways in which CSR convergence and divergence are conceptualized in institutional and network frameworks, and the role of NGOs and national and international institutions play in their development. Centrality measures are proposed as important network mechanisms that will help explain CSR convergence and divergence across national institutions and the roles of cross-sector organizational agencies. Second, a discussion of South Korea's participation in the global CSR regime describes what convergent/divergent CSR have come to look like in the South Korean context. Third, a review of South Korean institutional arrangements provides the rationale for hypothesizing how the cross-sector network dynamics of NGOs may predict convergent and divergent CSR practices. Fourth, the significances of Environment, Social and Governance (ESG) measures for CSR are explained

from an institutional and network framework, followed by a discussion of how the ESGs can represent the outcomes of CSR pressures created in NGOs' networks.

Based on the preceding discussion, four research questions and six sets of hypotheses are developed to uncover (1) how NGOs' cross sector networks with governmental institutions predict their networks with corporations, (2) how NGOs' within-sector networks predict their networks with GOs and corporations, (3) how the resulting positions of NGOs within corporate networks predict convergent and divergent CSR practices, and (4) how the resulting engagement in convergent and divergent CSR practices are associated with the ESG outcomes.

### **Institutional Theory**

According to institutional theory, institutions are the formal and informal rules, incentives and norms that engender a stable, recurrent and coherent set of behaviors, interactions and values within a particular social system (Matten & Moon, 2008). Institutions embody a shared framework for actions that are considered to be legitimate (Deephouse & Suchman, 2008; Meyer & Rowan, 1977). Organizational communication, in a macro-level institutional framework, is a process of adopting and acting on a set of norms and social structures in which organizations are embedded (Lammers, 2003; Zucker, 1987). From an institutional perspective, CSR practices influence and are influenced by the global, national, cultural and institutional contexts in which organizations are embedded. Transnational networks that corporations form with global NGOs and stakeholders increase the likelihood that they will conform to global standards for ethical and moral business practices, and become increasingly involved in addressing global human rights issues (Keck & Sikkink, 1998; Stohl & Stohl, 2017). National level institutional conditions, including regulations, presence of NGOs, social norms and stakeholder communication, together

also increase the likelihood that companies will behave responsibly (Campbell, 2006).

An important school of thought that has developed within institutional theory is that organizations across the globe are under constant pressure to move towards homogeneity to conform to the globally accepted standards, norms and regulations, also referred to as isomorphism (DiMaggio & Powell, 1983). Organizations converge in their behavior, values and structure under the influence of globalization and increasing cross-boundary interdependence (Cheney et al., 2004; Zucker, 1987). Three isomorphic mechanisms are theorized to be at work in the developing resemblance of structures and practices among different organizational units when they are exposed to similar environmental conditions – *coercive*, *mimetic* and *normative* mechanisms.

Under *coercive* mechanisms, organizations develop similar practices through political influence, regulatory demands, and organizational need to maintain legitimacy (DiMaggio & Powell, 1983). They are related to formal and informal pressures put on organization by other organizations that practice authority, common legal environments or other cultural expectations. These may include government mandates, such as environmental regulations that put constraints on the practices of manufacturers and force their adoption of pollution control technologies. The coercive pressures could also be created by hiring officials, such as those that monitor organizational accounts, to meet tax law requirements. *Mimetic* processes involve adopting successful models set by the others in the network, adopting standard responses to uncertainty. In times when organizational goals are ambiguous, or when their environments change to create uncertainties about future directions, organizations may imitate other organizational practices that represent successful models in their environment. Lastly, *normative* processes involve professionalization through collective struggle to establish a cognitive basis for legitimate



practice. The pressures are created by professional institutions, such as universities or training institutions that develop organizational norms. Government recognition or credentials granted to corporations may signal their legitimacy and motivate others to adopt similar practices for their own professionalization.

### **Institutional Theory from a Network Perspective**

Institutional studies suggest that there may be network mechanisms creating the coercive, mimetic and normative pressures and driving corporate practices in CSR towards convergence, as CSR practices are constrained and structured by the others that are embedded in their networks within and across nations (Jamali & Neville, 2011; Zucker, 1987). From a network theory perspective, organizational convergence upon similar sets of practices is in large part a result of contagion mechanisms – *cohesion* and *structural equivalence* (Burt, 1987; Galaskiewicz & Burt, 1991).

The key to a *cohesion* mechanism and its effects on isomorphism is the notion that a dyadic contact between two nodes is able to develop mutual knowledge and awareness, which could lead to similar organizational structures and behaviors (Burt, 1992; DiMaggio & Powell, 1983). In this communication process, the evaluation by an alter (the node connected to an ego in a network), would influence that of the ego (the focal node) (Burt, 1987). Frequent communication between ego and alter would increase the likelihood that the ego and alter will share the same evaluation of the other entities that are outside their network boundaries (Galaskiewicz, 1985).

Whereas contagion by cohesion predicts development and adoption of normative practices through dyadic personal contact, contagion by *structural equivalence* predicts norm

development through social peer pressure created by the *social structure* within which an actor is embedded. Contagion by structural equivalence posits that if actors (ego and alters) are positioned in the same way within a network, they will perceive each other as having the same symbolic roles to the extent that they can substitute one another. Those other organizations, or alters, positioned in the same way as the egos will be regarded by the egos as the most attractive partners and sources of information and resources (Galaskiewicz & Burt, 1991). The ego will therefore be influenced by the alter to adopt certain behaviors and attitudes to the extent that they have similar relations to all others in their network (Monge & Contractor, 2003). These similarly positioned actors will likely hold and express similar perceptions, beliefs and attitudes, to develop and solidify their in-group membership and distinguish themselves from the out-group.

The contagion mechanisms have most often been used to highlight how individuals or organizations within their network boundaries develop coercive, mimetic and normative pressures to develop similar attitudes through their interactions and network positions. For example, Tortoriello, Reagans and McEvily (2011) explored how cohesion facilitated knowledge sharing and innovation within organizational contexts. They found that boundary spanners who bridged contact between different units within an organization are able to increase the amount of knowledge transfer across the units and help establish common knowledge acquisition in cross-unit interactions. In CSR literature, contagion mechanisms were found to produce mimetic and normative pressures on corporations to adopt global CSR practices in global competitions and interactions. For example, Ameeta & Azizul (2016) evaluated how CSR reporting practices were institutionalized among corporate leaders in the financial industry from a social contagion and institutional theory perspective. Once a group of “early adopters” composed of the world’s largest transnational financial service companies like Citigroup adopted the Global Reporting

Initiative (GRI) guidelines for their CSR reporting in the early 2000s, companies in their networks, particularly those in Asia and Europe, started to rapidly adopt the guidelines in the mid-2000s. Mimetic and normative mechanisms were at work to drive social contagion of global standards for CSR reporting in the financial industry as corporate leaders adopted reporting practices of successful competitors, to gain professional credentials, maintain legitimacy and develop a positive reputation to their stakeholders and in the media.

### **Convergent CSR**

In the contemporary global environment, corporate social responsibility (CSR) is increasingly important in the midst of emerging issues that pose great environmental and social concerns and uncertainties. CSR embodies corporate integration of actions for world sustainability into their business and interactions with stakeholders, including their services for community, environment, employees and corporate governance. As suggested above, scholars of CSR have argued that CSR is becoming a global convergent practice under the logic of isomorphism (Matten & Moon, 2008; Stohl et al., 2005). Organizations are increasingly moving towards universal adoption of CSR, driven by a “network of contacts among organizations or their agents” (Galaskiewicz & Burt, 1991, p. 88). From an institutional perspective, CSR is not merely a strategic practice devised at the level of a single organization, but rather a collective practice that engages various entities across the globe. The state, corporations, NGOs, civil societies, the public and stakeholders are part of an evolving CSR network. Global firms have increasingly developed consensus that CSR is a much needed component of their global business.

Stohl et al. (2005) suggest that CSR is a practice that has developed and coevolved in

close connectivity to global procedures. Global CSR mirrors the global regime of the third generation of human rights, which entitles all global citizens to basic human rights through national participation and cooperation in various international institutions such as the UN, the Geneva Convention and the involvement of NGOs within what had previously been a closed human rights network of state actors. They show how global institutions and networks have played central roles in the emergence of CSR as a global concern. At the same time however, they note the interplay among national and international institutions, arguing that “a global CSR is responsive to the multiple cultures, value sets, and communicative practices of different nations while recognizing that (inter)organizational contexts are no longer bounded by the nation-state” (Stohl et al., 2005, p. 34)

According to the convergence thesis, CSR is becoming similar in practice across the globe, as companies are strongly influenced by globalization, “whereby national and regional heterogeneity inevitably gives way to a superior, universal form” (Jamali & Neville, 2011, p. 601). Whether the universal form is “superior” is of course subject to debate, but research has shown that various non-Western countries have started to adopt Western models of CSR practices under the pressures of the global market and competition (Chapple & Moon, 2005). For example, the Scandinavian approach to CSR has seen rapid changes towards that practiced in more liberal market economies like the US under the influence of the isomorphic mechanisms. Prior to the past decade, CSR practices and corporate philanthropy in many Scandinavian countries, such as Sweden and Denmark, were what scholars term “*implicit CSR*,” a form of CSR that refers to socially responsible practices that are embedded in the day-to-day business activities and corporate roles within the wider institutional system, primarily driven by state mandate and legal systems rather than practiced voluntarily at corporate discretion (Matten &

Moon, 2008). These practices are not articulated in individual terms, because most social responsibilities, including community and workers' rights, are mandated by the public sector. Because there are regulations and policies addressing a significant amount of social issues, corporations have not developed the norm of actively articulating CSR as an independent and discretionary practice. However, various coercive, mimetic and normative pressures from global competition, engendered by global pressures including but not limited to membership in the UN Global Compact and adoption of the global standards for CSR reporting, have pressured Scandinavian companies to adopt CSR policies issued by international bodies and engage in explicit CSR practices (see Azizi & Jamali, 2016; Matten & Moon, 2008). Unlike implicit CSR, explicit CSR is practiced at corporate discretion more so than reflecting the broader formal or informal institutions. It is actively articulated to stakeholders as part of voluntary corporate practices, and in most cases is positively related to businesses' competitive advantage.

### ***NGO Networks for CSR Convergence***

Global NGOs play important roles in encouraging the convergence of CSR values and practices internationally, most particularly in linking universal human rights with CSR (Keck & Sikkink, 1998). In response to the adoption of the Universal Declaration of Human Rights that set the standards for human rights across nations, NGOs took on important roles as information brokers and knowledge managers that bridged structural holes in global organizational networks (Stohl & Stohl, 2005). In response to issues of human rights violations, global NGOs urged international responses and at the same time pressured nation states and the public to respond through boycotts and embargos. They also addressed issues that were overlooked by the state and other institutional actors. By coming into contact with nation states and international and local

organizations to form transnational activist networks (TAN), global NGOs were able to broker information and responses between nation states and significantly contribute to the development of similar global values and codes of conduct (Risse et al., 1999).

NGOs have also played a critical role in creating pressures on multinational corporations (MNCs) to enhance social responsibility by taking political action (Wong, 2012). NGOs that are focused on achieving global level CSR, regardless of their national context, work towards establishing and maintaining strong independence so as to empower civil society and push for important changes in corporate CSR actions (Campbell, 2006; Choi & Aguilera, 2009). They try to develop strong agendas on the basis of the consensus they achieve with global civil societies. These global NGOs are typically large organizations, for example Greenpeace, Human Rights Watch or Habitat for Humanity, which operate semi-independently across national contexts but are still tied to some form of international headquarters. Their roles for CSR are diverse. NGOs actively engage in collaborations with corporations to exchange and complement each other's strengths and resources for a common objective (Bator & Stohl, 2013). They also collaborate with consumers to mobilize consumer boycotts (Adams & Zutshi, 2004) and work with investment communities to pressure socially responsible investment (Guay et al., 2004). Their embeddedness with government institutions and corporations can significantly open up opportunities for corporations to engage in global CSR practices (Allard & Martinez, 2008). For example, in Sweden, the government often provides guidance on how to practice CSR and open up opportunities for NGOs to engage in CSR collaborations with corporations (Fontana, 2018).

Overall, NGOs are an integral part of the institutional networks that shape CSR practices (Doh & Guay, 2006). It is the large transnational network formed by the connections among the nation states, governmental institutions, corporations and civil societies that develops a global

consensus and norms for sustainable and responsible practices for the society, under coercive, mimetic and normative pressures.

### **Divergent CSR**

Institutional and network theories, as described above, explicate how normative evaluation and common understanding develop in inter-organizational communication so as to drive convergence in organizational structures and behaviors. However, the contagion mechanisms have several limitations for understanding the network processes that institutionalize global CSR practices. First, the mechanisms are unable to fully explain *divergence* in organizational structures and behaviors that is found across different nations. Second, they are unable to fully explain the ways in which organizations from different sectors, including NGOs, governmental organizations and corporations, form networks beyond their own sectoral boundaries. CSR institutionalization across sectors may not be fully explained through contagion mechanisms alone when organizations may vary in characteristics, priorities, and cultures depending on the sector they belong to and the different degree to which each sector can practice power on CSR based on national institutional arrangements. The following sections describe how CSR divergence occurs and what NGO networks look like in the context of CSR divergence, as well as how these may pose challenges to contagion network theory.

Despite the pressures to practice convergent forms of CSR, recent work by globalization scholars suggests that CSR development may be far more complex than a simple process of convergence towards global isomorphism. Coercive, mimetic and normative pressures are created not only at the global level, but also at the national institutional level, and these global and national institutional factors “interact in intricate ways to create complex and dynamic

pressures for CSR practices” (Kim et al., 2013, p. 2581). An institutional perspective on CSR suggests that national institutional arrangements, such as political, financial, labor and education systems, drive *divergence* in CSR practices (Matten & Moon, 2008). Divergent CSR is defined as CSR infrastructure that “will either not be absorbed, or alternatively will be tailored to each developing country’s particular historical, cultural, economic and political context, thus potentially reflecting in new hybridized expressions” (Jamali & Neville, 2011, p. 602). One of the causes of divergence is the different types of economic systems across different nations. Divergent CSR practices can be observed across countries that have liberal market economies (e.g. US, UK), coordinated market economies (e.g. Germany, Japan) and state-led market economies (e.g. China, South Korea, France) (Kang & Moon, 2012).

While national institutional systems and arrangements, such as political, financial, labor and education systems, work together through macro institutions for convergence in CSR, they also cause divergence in CSR practices, in terms of the forms in which they are practiced, as well as the types of networks and relationships organizations form for CSR purposes. For example, companies in the US, which operate in liberal markets, practice CSR at their own discretion (Matten & Moon, 2008). To gain competitive advantage in this context, companies engage in active explicit articulation of their CSR practices, as well as focus on developing strong networks with their investors and shareholders. On the other hand, under the influence of a stronger state, public training systems and labor policies, companies in Germany are mandated to engage in social activity, and thus find less need to voluntarily and explicitly articulate CSR practices as part of competitive strategies. Because there is strong state involvement in social and economic activities, companies find greater need to form strong networks with the public sector than do those in the US. Companies from state-led market economies, such as South Korea, also tend to



be strongly guided by the state regulations and guidelines, and thus prioritize national development and act as “pseudo-public institution,” or organizations with public duties (Kang & Moon, 2012, p. 94). Many of their CSR strategies and practices are typically characterized by strong interactions and relationships with governmental organizations and the state. Clearly, corporate behaviors related to CSR and their networks across sectors vary significantly across nations, depending on the institutional arrangements within each country.

Although CSR practices are adopted in some form across the globe, the forms in which they are normally practiced and priorities vary depending on the national institutional arrangements. It is also impossible for all organizational agencies to come into contact to achieve cohesion or position themselves equally across countries to achieve structural equivalence. Contagion mechanisms alone cannot fully explain how CSR practices in different nations simultaneously converge and diverge from one another.

These variations make it clear that despite global pressures toward convergence of CSR practices, CSR is shaped in large part by the economic, historical and cultural backgrounds of different nations. However, the theoretical framework and empirical studies that identify the communicative network dynamics that may lead to convergence or divergence in CSR practices are underspecified.

### ***NGO Roles in Different National Institutions***

Another challenge for the contagion mechanisms in understanding CSR institutionalization across different national contexts is that it is unable to uncover the different types of roles each organizational sector plays in creating institutional pressures on CSR. All network links are not equal in importance, power, or content. Depending on the national

institutional arrangements, different sectors develop different degrees of power and types of influence on corporate practices and CSR. For example, in liberal market economies, corporations operate in the stock market-based financial system and contract-based labor relations, and therefore are most especially sensitive to the demands of the shareholder private sectors (Kang & Moon, 2012). In response to this, NGOs that seek to influence corporate behavior and CSR engage in market-based social movements (i.e. Fairtrade Foundation in UK) and engage in boycotts that may have direct influence on corporate financial performances. They also develop networks with the private sectors so as to influence their investment decisions and create indirect pressures on corporations. In coordinated market economies, the public sector has significant roles for addressing social welfare issues and providing mandated services to the communities. In this context, NGOs develop activist networks with the public sector and engage in protests and campaigns to trigger changes in legal regulations and policies that motivate corporate engagement in CSR. As stated by Allard & Martinez (2008), “the institutional environment provides the framework in which an NGO operates, but an NGO can also establish formal rules and informal norms of its own that in turn influence, over time, other actors in society” (p. 2).

There are also national level conditions and constraints that create uncertainties about the roles of civil society and nonprofit sector for CSR. For example, in China, where the state has a dominant control over CSR practices by developing relevant policies and mandates, NGOs are found to have relatively minimal roles for CSR (Hofman et al., 2015; Moon & Shen, 2010). NGOs cannot have the same amount of influence on corporations as governmental organizations do and hence their links to corporations have little effect. In developing countries, civil society generally lacks knowledge about CSR and the public institutions at the national level lack social

accountability (Huijstee & Glasbergen, 2010). Jamali and Keshishian (2009) found that for this reason, NGOs engage less in collaborations with corporations in developing countries, and even if they do, CSR collaborations tend to lack depth as compared to those in developed countries. In Lebanon, it is part of the norm to form partnerships that are focused on “satisficing” rather than on “maximizing” each other’s needs (Jamali & Keshishian, 2009, p. 292). Fewer efforts are made to bring NGO-corporate partnerships to a more sophisticated level, and thus their collaboration often tends to be less successful, simple in objective, lack depth and be merely instrumental. This raises a possibility that NGOs’ normative roles in some non-Western national contexts may be different from those of global NGOs operating in the West. It may not be part of the norm in certain cultures for NGOs to take on powerful roles related to CSR and instead NGOs may need to seek different agencies to gain legitimacy and power on corporate behavior.

Contagion mechanisms of cohesion and structural equivalence fail to take into account the different levels of power and influence a certain type of organization may have more than the others in the same network and how they may influence or constrain the processes of developing normative practices. Certain sectors may be given more importance and power over others depending on the national institutions. Their receptiveness to normative practices may also vary despite having equivalent network positions. To understand CSR institutionalization in network terms, it is important to understand the network mechanisms that explicate the *roles* of each sector for CSR institutionalization, which vary under the influence of national institutions. Network roles can implicate the manner in which organizations from each sector offer information and knowledge to the others within and across their networks based on how they are positioned so as to develop certain norms for CSR. In this study, organizational centrality measures will be examined as potential network mechanisms for cross-sector CSR

institutionalization processes.

### **Importance of Network Centrality in CSR Institutionalization**

Centrality measures (i.e. degree centrality, eigenvector centrality, betweenness centrality) have been used in many studies to understand inter-organizational processes and their outcomes in reaching organizational goals (Moore et al., 2003; Steinberg, 2012; Vu et al., 2020). According to the classic distinctions of the advantages of centrality by Freeman (1978), a central node can have more advantages over others by having more ties, reaching the others more quickly and controlling the flow of information among the others. As such, an advantage of centrality measures in understanding inter-organizational networks, most especially for this study, is that they explicate the *roles* that different organizational agencies play in transferring and providing information to the others within and across sectoral network boundaries to achieve a collective goal (Grassi et al., 2010; Monge & Contractor, 2003). This contrasts with the benefits of contagion mechanisms which primarily focus on the effects of the overall network structure within a boundary on the focal node, and overlook each individual node's function within the network.

*Degree centrality* is one of the most commonly used centrality measures for understanding organizational roles in inter-organizational networks. It represents the degree to which a node has direct contacts with all the other nodes in the network (Freeman, 1978). A high degree centrality of a node indicates how embedded it is within its network. A node with high degree centrality is perceived as a major channel of information, a focal point of communication with respect to the others in its network, the main source of information flow in the network and active in participation in the communication process of the network. A key indication of degree

centrality is the organization's exposure to diverse resources and the speed at which it can access them in comparison to the others in the network (Maharani et al., 2014; Yang et al., 2011).

Degree centrality therefore can represent an organization's social capital (Monge & Contractor, 2003), importance and visibility (Fraust, 1997; Zhang & Luo, 2017), and the ability of an organization to provide and exchange diverse resources and information (Gibbons, 2011; Grassi et al., 2010).

In inter-organizational networks, degree centrality has been found to mostly represent an organization's access to and ability to contribute to diversity of resources and knowledge in their networks to enable greater innovation. For example, Jiang et al. (2020) explored the effects of the network structures of a firm's partners on the focal firm's innovation performances. The study computed the degree centrality measures of each partner and their effects on the focal firm's successes in patent applications, so as to uncover the roles that each partner organization played in enhancing the focal firms' performance. Diversity in their partners' degree centrality in different network domains enhanced the firm's exposure to more divergent thinking styles and thus diversified novel knowledge gained through their partners. Studies have also found that high degree centrality and access to diverse knowledge can benefit organizational contributions to innovation for sustainability. Li and Tang (2021) found that organizations in the biomass energy industry including firms, universities and research institutes that establish strong degree centrality in their technical cooperation network perform stronger in scientific knowledge generation for clean and renewable energy. Their embeddedness in their network increased the diversity and the amount of external scientific knowledge that they could access.

*Eigenvector centrality* represents a focal node's position to influence the others in the network by forming ties to others that have high centrality in the same network (Fraust, 1997;

Friedkin, 1991). High eigenvector centrality can be used to measure relative status and popularity of a node. In industry context, a firm's eigenvector centrality represents a firm's social status and network resources, as its connections to central others in the network can increase efficiency in obtaining the key knowledge and resources (Wang et al., 2018). It can also represent an organization's role as a boundary spanner or ambassador that has the ability to communicate outside their groups with other central individuals or groups, so as to increase opportunities for alliances and new ideas (Grassi et al., 2010)

In inter-organizational networks, eigenvector centrality can represent an organization's capabilities to bring efficiency to their network in acquiring knowledge and successfully achieving innovation. In organizational communication contexts, eigenvector centrality was found to predict the successes of growing firms. Wang et al. (2018) found that small and medium sized enterprises (SMEs) that had high eigenvector centrality by forming links with well-connected lead-firms in their network were more likely to have higher level of registered capital and more access to key resources for future growth. Eigenvector centrality is also positively associated with maintaining sustainable supply chain. Kim and Zhu (2018) found in their study that suppliers were able to enhance their R&D capacities and investment in innovation while minimizing risks, by increasing connections with influential business partners that were densely networked and enhancing their eigenvector centrality.

*Betweenness centrality* indicates the frequency with which a node lies between or bridges two other nodes that are not directly linked to one another (Freeman, 1978). It represents a node's intermediary roles and power to control information flow between other organizations, and broker over structural holes, or absence of direct ties between the nodes within a network structure (Burt, 1992; Monge & Contractor, 2003). It could even represent the node's ability to

manage the interpretation of information being transferred (Grassi et al., 2010).

In organizational network contexts, betweenness centrality represents organizational resourcefulness and power to bring consensus in knowledge, behavior and attitudes, most especially in times of uncertainty and transitions or development of an organizational and institutional field. For example, Taylor and Doerfel (2006) found that in times of political uncertainty and post-communist transition in Croatia during the 2000 parliamentary election, the foundational members and creators of nonprofit networks for the election campaign acted as important and highly trusted brokers of information for civil society. The brokers played important roles of bridging civil society, media and an international donor as they moved towards political reform and nation building. Also, brokers play an important role in maintaining the resilience of interorganizational networks in times of crisis. Provan et al. (2003) examined the community network building initiatives by the Community Care Network program of the American Hospital Association in response to chronic disease between 2000-2001. The study found that those hospitals that had maintained their strong linkages to their partners in times of crisis in the health sector, despite seeing many hospitals close down or reduce services, emerged as important brokers that contributed significantly to the revitalization of health sector through the funding provided by the program.

An important premise for high degree, eigenvector and betweenness centralities is that each is able to assign specific roles to organizations to help their networks achieve certain goals – the roles of acquiring diverse knowledge (degree centrality), increasing efficiency in obtaining resources by forming connections with other central actors (eigenvector centrality), and acting as brokers and controllers of knowledge (betweenness centrality). In inter-organizational networks, those central organizations will in general be put at an advantage to gain access to various

resources critical for organizational success, as well as become regarded as important actors by others in their networks. A critical outcome of centrality development, in terms of embeddedness (degree centrality) and positions (eigenvector and betweenness centrality), is that the central nodes are perceived as dominant, influential and powerful actors by the others and therefore will find more opportunities to consistently reinforce and increase their centralities (Grassi et al., 2010). Indeed centrality measures were found in various studies to be associated with organizational reputation and capacities to amplify their influences throughout their networks (Flanagin et al., 2001; Taylor & Doerfel, 2006), and increase the likelihood that they will appear as desirable partners or allies (Moore et al., 2003). This study posits that these centrality measures will similarly predict an NGO's ability to form relations with corporations and help them develop critical roles in creating pressures for both convergent and divergent CSR.

### **NGO Networks in Governmental Institutions and Their Impact on NGO/Corporate Networks for CSR**

Throughout the history of South Korea (detailed in Chapter 2), the government has long had strong influence on corporate behavior. Ever since corporations were put in charge of the economic development of the country during the authoritarian regime pre-democratization, corporations developed tight connections to the governmental institutions and became strongly dependent on the state policies and financial support in developing their businesses (Cho, 2000). In terms of CSR, Chaebol corporations today not only comply with global standards, but also are strongly guided by governmental policies and regulations in determining their CSR practices. In this context, we would expect it to be important for NGOs to develop cooperative relationships with governmental institutions in order to participate in sustainability initiatives and develop



influence on corporate behavior. NGOs that have central positions and strong status within governmental institutions are most likely to be deemed as the most desirable partners with access to knowledge and information about relevant policies from the perspective of corporations. The degree centrality that NGOs establish in their networks across sectors can increase the likelihood that they will be perceived by corporations as high in importance for having diverse resources about governmental policies. Establishing high eigenvector centrality will enable the NGOs to enhance their status and legitimacy as sources with efficient and fast access to information and knowledge about relevant government policies and resources. Betweenness centrality will enable NGOs to be perceived as powerful brokers of new information in times of uncertainty, most especially when corporations need new directions for CSR strategies.

NGOs will not only develop stronger roles for CSR and opportunities to form relations with corporations by establishing centrality in governmental networks, but may also develop similar centrality positions within corporate networks as those they establish in governmental networks. The centralities that NGOs establish within GO network in fact will be mirrored by their networks with corporations, because corporations develop relations under the influence of the governmental institutions and tend to develop network structures that resemble those of governmental organizations. For example, under the influence of the 1997 financial crisis, the government formed global networks with international organizations that provided global guidance, aids and standards to revitalize the economy. South Korea's labor policies were strengthened as the state developed relations with the International Labor Organization (ILO) and adopted their guidelines, and joined the UN (Hurd, 2014). Similarly, the Chaebol firms also came into contact with and were monitored by the ILO and joined the UN Global Compact to follow global and state initiatives for sustainability and anti-corruption. These dynamics suggest

a great possibility that NGOs' positions within their networks with GOs may significantly reflect how they may position themselves in the corporate network.

Along with centrality positions, the nature of relationships NGOs form with GOs may also be transferred to and mirrored by their relations with corporations. Over the past decades of industrial development, political transitions and civil society development in South Korea, the nature of relationships that NGOs have established with GOs have been consistent with the nature of their relationships with corporations. When the liberal party came into power after the democratic movements in the country in late 1990s, a three-way collaboration among NGO-GO-corporations emerged as an important dynamic for addressing community and social issues (Kim, 2010). NGOs therefore expect that their collaborations with the government will engender corporate participation in government-led community projects. Activist NGOs, on the other hand, maintain adversarial stances against both the government and corporations, with the intention of resolving corruption in corporate governance systems and problems that arise from collusions between Chaebol owners and the government (Choi & Yang, 2011). When they engage in activism to address corporate irresponsibilities, their primary actions often involve criticizing the government for its collusion with corporations and failure to produce effective policies to monitor corporate corruption (Kim, 2009; Lim & Jang, 2006). Based on these dynamics, it is highly likely that the nature of relationships that NGOs form with corporations are dependent on their relationships with governmental organizations. Those NGOs that are collaborative with GOs will find more chances to collaborate with corporations, whereas those maintaining adversarial stances against GOs will likely develop more adversarial networks with corporations.

The study therefore first addresses how NGOs' centralities in their networks with

governmental organizations (GOs) will be positively associated with their centralities in corporate networks. A hypothesis is developed to suggest that the positions NGOs take in collaborative NGO/GO networks, the more likely it is that they will develop the same kinds of positions in collaborative NGO/corporate networks, and the same dynamic will be shown in the ways NGOs form adversarial networks with GOs and corporations. The following hypotheses articulate these predictions and a research question follows each hypothesis to uncover the motives or reasons that drive these relationships.

H1a: NGOs' centralities (degree centrality, eigenvector centrality and betweenness centrality) in the NGO/GO *collaborative* network will be most strongly associated with the same type of network centrality of the NGOs in the *collaborative* NGO/corporate networks.

RQ1: What motivates NGO leaders to seek collaborations with governmental institutions?

H1b: NGOs' centralities (degree centrality, eigenvector centrality and betweenness centrality) in the *adversarial* NGO/GO network will be most strongly associated with the same type of network centrality of the NGOs in the *adversarial* NGO/corporate network.

RQ2a: What motivates NGO leaders to seek adversarial relationships with governmental institutions?

Despite the importance of NGO-GO connections for NGOs' roles for CSR, there are possibilities that corporations hold different views from NGOs about adversarial relationships for CSR. The relationships among NGOs, Chaebols and GOs have long been under tension, ever since as early as 1960s, when labor movements emerged in response to corporate-government corruptions during the authoritarian regime. By the late 1990s, especially during the financial crisis, NGOs had developed primary roles in monitoring corporate behavior and constantly

confronting corporations to correct their misdeeds to the society. It was not until more relatively recently, in the mid-2000s, that the NGOs started engaging in more cooperative conversations and interactions with GOs and corporations to form CSR networks. From these transitions in the relational dynamics among the NGOs, GOs and corporations, tensions may have emerged between corporations and NGOs in their views of adversarial activities for CSR, as well as greater ambiguity about what kinds of relationships are the most optimal for engaging in CSR. While Chaebols are increasingly adopting collaborative approaches to engage in CSR in pursuit of global trends (Cheney et al., 2004), the values and communicative approaches by some NGOs in South Korea are still deeply rooted in the historical adversarial relationships with GOs and corporations. Taking this historical background into account, an additional research question will address how it is that corporate managers' perceptions of NGOs' adversarial networks for CSR differ from those of NGO leaders.

RQ2b: How do the perceptions of corporate managers regarding NGOs' adversarial networks differ from those of NGO leaders?

### **The Significance of NGOs' Within-sector Networks on Their Networks with GOs and Corporations**

In addition to developing networks with GOs, it is also important that the NGOs in South Korea develop strong internal networks within their own sector. During the era of democratization from 1987 to the late 1990s, it became part of civil society values and norms to work towards enhancing internal solidarity and resources to strengthen their legitimacy and credibility, so as to liberate civil society from state control and authoritarianism. They developed civil society coalitions to enrich NGO resources and support that would drive more citizen

participation (Choi & Yang, 2011). They also sought to promote genuine citizen participation and effective grassroots participation that would enhance their non-partisan and non-governmental status (Kim, 2009).

Such internal solidarity and connectedness have important implications for their collaborations with GOs and corporations. For collaborating with GOs and corporations, NGOs' internal resourcefulness and embeddedness may enhance their abilities to strengthen their collaborative relationships with GOs and corporations and successfully carry out collaborative CSR projects. Indeed, studies have found that those NGOs that are strongly embedded and forming dense ties with the others in their networks have strong impact on sustainability initiatives across sectors beyond their own (Lam et al., 2020). Also, the density of NGOs' within-sector networks could signal their neutrality and autonomy from the government, and thus strengthen their positions when engaging with GOs and corporations (Choi & Yang, 2011; Kim, 2009). This study therefore predicts that degree centrality, representing the density or the number of ties NGOs form with the others, in their NGO/NGO network will most strongly predict their collaborative networks with GOs and corporations among all three types of centralities.

H2a) When forming collaborative relationships with GOs and corporations, NGOs' degree centrality will be most strongly associated with all centralities in the collaborative NGO/GO and NGO/corporate networks.

It is clear from both past literature and the history of South Korean civil society that NGOs' internal solidarity is critical for helping the NGOs enhance their network positions across sectors (governmental and corporate networks). However, the history of prolonged adversarial actions by the civil society indicates that the Chaebol corporations may have grown repellent towards the influences of the NGOs that form adversarial relationships with corporations (Choi

& Yang, 2011). As suggested by Lux & Straussman (2004), NGOs' internal networks and solidarity, developed with a purpose of engaging in activism in a state-led economy, can be perceived as a threat from outside their own sectors. Their solidarity can also be deemed as an act of distancing and independence from the state and thus vulnerable to corruption and inefficacy. In the South Korean context, while NGOs' internal solidarity and network density have been useful for gaining the attention of the governmental institutions for forming adversarial NGO/GO networks (Choi & Yang, 2011), they often created great tensions between the NGOs and the Chaebols when the NGOs were protesting and confronting the Chaebols regarding corporate governance and corruption issues. The second part of hypothesis 2 therefore predicts that NGOs' degree centrality, among all other centralities, will be the most strongly associated with the NGOs' centralities in NGO/GO networks but not in NGO/corporate networks, when they are forming adversarial relationships. A research question then addresses how such internal networks are perceived by NGO leaders regarding their relevance in forming cross-sector networks with GOs and corporations.

H2b) When forming adversarial relationships with GOs and corporations, NGOs' degree centrality will be most strongly associated with all centralities in the adversarial NGO/GO network but not in the adversarial NGO/corporate network.

RQ3: What is the importance of forming internal networks for NGOs in relation to cross-sector networks with GOs and corporations?

### **Network Impact on Convergent and Divergent CSR Practices**

CSR practices in different national institutions are clearly shaped by the network structures that develop upon the institutional arrangements, and NGOs' embeddedness and

positions within these networks may have significant implications for how cross-sector networks develop CSR pressures. This section seeks to develop hypotheses and research questions that explore the potential impact of NGOs' network dynamics in South Korean institutions on CSR practices that converge upon and diverge from the global level practices. First, the forms of convergent and divergent CSR that emerged in South Korea on the basis of the policies by governmental institutions and their embracement of the global standards are presented. Second, a review of literature leads to the development of a research question and hypotheses related to corporate-NGO engagement in CSR practices and outcomes.

### ***Convergent CSR in South Korea***

In as much as the government plays a central role in shaping institutional networks of NGOs and corporations, the degree to which they have embraced the global regime for sustainability practices over time have also significantly shaped convergent and divergent CSR practices in South Korea. Embedded in many global institutions (e.g. UN, ILO, World Trade Organization, WHO, etc.) while maintaining a strong state-led market economy, it is not surprising that South Korean CSR embodies both convergent and divergent CSR practices. South Korean "Chaebol" (rich clan) companies have developed CSR practices that are tailored to the national history of economic development characterized by strong state control and interventions, while at the same time they are members of the UN Global Compact. These corporations have also developed their CSR agendas over time in tandem with the government guidelines which have embodied a hybrid of globally convergent CSR and divergent CSR.

The South Korean government's partial convergence with the global regime for sustainability in policy making, as explained in Chapter 2, is reflected in convergent CSR

practices in South Korean companies. In South Korea, a state-led market economy, the degree to which the government embraces the global standards for sustainability set by the UN has significant implications for corporate convergence with global CSR standards. South Korean corporations have long developed their businesses on the basis of strong adherence to the state and to this day determine their operations with strong consciousness of state policies and the political atmosphere within the country. The degree to which South Korean companies embrace the global standards set by the UN for corporate sustainability in their CSR agendas (i.e. the UN Global Compact SDGs), therefore, is strongly dependent on the degree to which the state embraces the SDGs in their policies consistently over time. *Convergent CSR* in South Korea embodies the values that the state constantly and successfully embraces and integrates in agreement with global communities.

In the past 19 years in South Korea, during which CSR was introduced and developed in South Korean industry, a total of 14 topics specified by the UN Global Compact SDG were consistently embraced by the three consecutive governments (see Table 1 for the list of these topics). These periods coincide with the time period during which the South Korean government has been actively involved in developing agendas that integrated sustainability goals, following their participation in the 2002 World Summit on Sustainable Development in Johannesburg with member states, global businesses and NGOs. The 14 topics were constantly integrated into South Korean policy agendas by all three consecutive governments, and thus represented global convergent values fully embraced by the state.

These government agendas then developed more motivation and pressure upon corporations to develop CSR practices that integrated the global standards. For example, in accordance with the UN SDG's goal for *reduced inequalities*, all three consecutive South Korean



governments over the years have produced policies for supporting low-income communities in education in underserved local universities (Government Performance Evaluation Committee, 2017). In correspondence with these policies, Chaebol corporations have designed their CSR agendas to improve education opportunities for low-income populations. For example, Hyundai Motors has launched campaigns every year, called “Gift-Car Campaigns,” which provided start-up funds and consulting programs to underserved youth to help them develop economic independence (Hyundai Motor Group CSR). The consistency with which global values are embraced by the government significantly increases the chances that the same global agenda will be adopted and integrated into CSR agendas and thus institutionalized across different sectors.

**NGO-GO-corporate Collaboration for Convergent CSR.** Through “participatory government” and “collaborative governance” initiatives started by the liberal party in power in the early 2000s, collaboration among NGOs, governmental organizations and corporations has emerged as a normative approach to implementing state policies and integrating them into CSR initiatives (Kim, 2010). It is through collaborations with governmental institutions and the integration of state policies and guidelines that both NGOs and corporations are able to engage in sustainability activities that converge with global standards and norms (Hofman et al., 2015). NGOs and corporations would also find more opportunities to form partnerships and collaborate with one another through the mediation of the government and joint objectives to pursue the state’s goal to become a responsible OECD member nation, under global normative pressures (Yin & Jamali, 2021). NGOs’ network positions within governmental institutions therefore enable NGOs to form collaborations with corporations more frequently and with greater depth, and respond to issues that matter at the global level so as to enable corporate actions to converge upon the UN Global Compact’s sustainability standards (Bator & Stohl, 2013; Bryson, Crosby &

Stone, 2006). It is unclear from previous studies how the centrality positions and roles that the NGOs develop in collaborative networks with corporations, under the influence of their networks with the governmental institutions, lead to their engagement in convergent CSR practices. This study predicts that the centrality positions that enable NGOs to provide diversity of governmental and civil society resources through their embeddedness in the network (degree centrality), efficiency with which the resources can be accessed (eigenvector centrality), and broker the flow of information and resources throughout the network (betweenness centrality) will each increase NGO-corporate engagement in convergent CSR practices. The following research question and hypothesis are developed:

H3: NGOs' degree centrality, eigenvector centrality and betweenness centrality within the collaborative NGO/corporate network will each be positively associated with NGO-corporate engagement in convergent CSR practices.

RQ4: How are NGO-GO-corporate collaborations associated with convergent CSR?

### ***Divergent CSR in South Korea***

In contrast to convergent CSR, which embodies consistency between the UN standards for sustainability and South Korean state regulations, divergent CSR embodies inconsistency in the values and practices embraced at the global and national levels. It represents practices and communicative dynamics that are not consistently adopted across different national contexts. Divergent CSR in South Korea emerges in two forms: (1) those practices that are embraced by the global regime under UN guidelines but not fully embraced by a national institution, and (2) those that are only embraced within a particular national institution but are not specified by the global guidelines.

**Global CSR Not Embraced by the National Institution.** Even though South Korea has been an active participant in the global discussions and articulation of the global principles and sustainable development goals, the South Korean government has yet to fully embrace the global regime. As described in Chapter 2, South Korea has experienced a relatively short history of opening up to and becoming integrated within the global institutions as compared to the nations in the West. Also in the midst of the rapid economic development and political transition over the past few decades, South Korea is still in the process of developing the policies and systems in pursuit of fully adopting and integrating the global principles and norms into its national institutions. For this reason, even though the government has integrated most of the UN Global Compact’s SDG topics, there are a total of three SDG-specified topics that have not been fully embraced by the South Korean government (Government Performance Evaluation Committee, 2017) (see Table 1). The three topics – *Peace and Justice Strong Institutions*, *Life Below Water*, *Responsible Consumption and Production* – have been omitted from South Korean policies by at least one government that was in power over the past 15 years. For example, the South Korean government has most often been criticized at the national level for its insufficient response and lack of effective policy agenda for corporate anti-corruption, specified under “Peace and Justice Strong Institutions” of the UN Global Compact SDG. It was not until Moon’s government came into power – elected in 2017 following Park’s impeachment due to a major political scandal involving collusion with Chaebols – that anti-corruption policy for Chaebol corporations was made more prominent in the government’s task agenda.

A major reason why Chaebols’ governance and corrupt practices have not been addressed by either corporate or governmental regulations, discussions or approaches to CSR is the strong interconnections between the government funding and the Chaebols’ contributions to the

economic development of the country after Japanese colonialism. To this day, however, these connections remain so strong that the South Korean government and Chaebol corporations are often accused of collusion, bribery, tax evasion and legislative pardoning of Chaebol owners. Despite international pressure, anti-corruption issues are still rarely addressed by corporations in their CSR departments, nor have they been part of their CSR agenda.

Even though the UN Global Compact SDGs emphasize corporate anti-corruption to an equal extent as the other standards, anti-corruption of governance has not been fully absorbed in both South Korean government institutions and corporate CSR agenda due to institutional barriers that arose from the history of state-led industrialization and Chaebol development. Anti-corruption issues therefore represent divergent CSR in South Korea, or practices which a larger global force has difficulty enforcing upon companies due to some national level institutional factors and circumstances. These practices are often molded in accordance with the national institutional context. In other words, the ways in which South Korean Chaebols address anti-corruption may significantly diverge from the ways that corporations in Western countries would normally address anti-corruption issues. Whereas global companies in the West would address anti-corruption of governance directly in their CSR departments, companies in South Korea do not deal with governance issues in their CSR departments. Rather, it may be the responsibility of corporate departments other than CSR departments to address anti-corruption, perhaps with strong input from civil society organizations.

**National Level CSR Not Embraced by Global Standards.** The other form of divergent CSR consists of topics that are specific to the national context and yet are not addressed at the global level. In the agendas set by the three consecutive governments in South Korea, three topics belong to this type of divergent CSR – *Security in the Korean Peninsula, Support for the*

*Growth of Small and Medium-Sized Enterprises (SMEs), and Support for Cultural Life and Development of the Arts* (see Table 1). These topics embody recurrent government tasks in South Korea over the past 15 years but are unaddressed by the UN Global Compact SDGs (Government Performance Evaluation Committee, 2017).

First, the policies for the *Security in the Korean Peninsula* are unique to the South Korean context and rooted in its history, as the country, having experienced the Korean War, faces various tensions that arise from the prolonged demilitarization between the South and the North. Many of these policies embody the approaches for reconciliation and/or cooperation with the North and for denuclearization in the Korean peninsula. Second, the policies for supporting SMEs are also unique to the South Korean context and relatively more serious for South Korean industry than those in other countries. SMEs in South Korea face great challenges with a lack of opportunities to grow, as Chaebol firms have long dominated the economic market in South Korea throughout the history of the country's industrial and economic development. Third, the policies to support cultural life and development of the arts have also stemmed from the past when there were great desires within the country, a developing country at the time, to make the nation and its culture known to the global communities. These efforts to spread the country's culture, such as the music (Hanyu), tourism and sports to enhance the country's reputation, have constantly remained in the policies and to this day still exist, although not specifically instructed by the UN standards.

**Adversarial NGO-GO-Corporate Networks for Divergent CSR.** In efforts to address the inconsistencies between South Korean policies and the global standards and human rights regime, activist NGOs in Korea have developed organizational identities, culture and norms to take adversarial stances against the government (Choi & Yang, 2011). They would constantly

monitor state policies and take actions against corruptions that remain since the authoritarian regime (Kim, 2009). Also, because Chaebol corporations have long developed close relationships with the government and been involved in collusion with the government for economic gains (Kuk, 1988), it is highly likely that NGOs addressing corporate anti-corruption issues would develop adversarial networks with both GOs and corporations. NGOs engage in activism on the basis of the beliefs that social issues that are overlooked by the state and/or the global institutional regulations are most effectively corrected and addressed through strong demonstrations and protests that help amplify their voices and visibility (Doh & Guay, 2006). They believe that such adversarial communicative approaches help create stronger stress on the state and the global institutions to achieve a consensus on issues that have yet to gain consistent national and international attention. This study therefore posits that activist NGOs' embeddedness and positions within adversarial networks with corporations, which they would develop through their adversarial networks with GOs, will positively be associated with their engagement in divergent CSR, the practices that the state and the global communities fail to converge upon. A research question follows to address how divergent CSR is related to adversarial NGO-corporate relationships.

H4: NGOs' degree centrality, eigenvector centrality and betweenness centrality within the adversarial NGO/corporate network will each be positively associated with divergent CSR practices.

RQ5: How are NGO-GO-corporate adversarial relationships associated with divergent CSR?

## **ESG Outcomes of Convergent and Divergent CSR Practices**

The outcomes of convergent and divergent CSR practices have become important factors that determine the overall success of companies in the competitive global market. Most especially, stakeholders pay the most attention to firms' CSR practices measured and represented in three dimensions – environmental, social and governance (ESG) (Velte, 2017). It is believed that the overall values, performance and efficiency of a company is positively related to its ESG performances and policies. Because of the implications that ESG scores have for companies' financial gain and economic success, companies engage in CSR and develop strategies with the intention of improving ESG scores (Friede et al., 2015; Landi & Sciarelli, 2019; Zhao et al., 2018). They are also motivated by their ESG scores to enhance their CSR practices and strategies.

From an institutional and network framework, ESG scores are important indicators of CSR pressures corporations experience in their institutional stakeholder networks within which they are embedded. Because ESG scores are indicative of companies' performances in pursuit of competitive advantage in the market and their financial success, the scores embody the mimetic and normative pressures corporations experience to adopt the best CSR models practiced by the others and to follow the norms for sustainability developed within their institutional networks. For example, ESG scores are important factors that investors take into account in their decision making for sustainable investment, to generate long-term returns and best manage risks (Okuma, 2019). Positive ESG scores would indicate to investors the companies' capacity for innovation, ability to successfully join the global pursuit of renewable energy, and a lack of corporate governance concerns (Albino et al., 2012; Okuma, 2019). ESG performances are also an important part of companies' reputation management, which is believed to predict positive financial outcomes (Aguilera-Caracuel & Guerrero-Villegas, 2018; Odriozola & Baraibar-Diez,

2017). To ensure financial success, companies seek to gain competitive advantage through reputation building, which often involves gauging ESG performances relative to the actions of the others in their organizational field (Bertels and Peloza, 2008). In order to secure stakeholder investment, enhance positive reputation and ensure profitability, companies need to continuously monitor their performances in ESG, integrate ESG evaluations into their business and CSR strategies, and enhance their ESG scores to ensure sustainable profitability.

In this study, ESG scores will be examined as the final outcome that indicate the effectiveness of the pressures created by NGO-GO-corporate networks for convergent and divergent CSR. Studies have recently suggested that CSR performance is multidimensional and the strength of company performance and network pressures vary across the different dimensions of CSR (i.e. environment, social and governance) (Galant and Candez, 2017; Huang et al., 2019; Yang & Stohl, 2020). Therefore, this study will assess the impact of convergent and divergent CSR practices on the CSR performance outcomes by the different dimensions of CSR. The final set of hypotheses predict positive associations between convergent/divergent CSR practices in the ESG dimensions (see Table 1) and their corresponding ESG scores.

H5: Corporate-NGO engagement in the Environment, Social (Community and Employee) and Governance dimensions of *convergent* CSR practices will be positively related to their corresponding ESG scores.

H6: Corporate-NGO engagement in the Environment, Social (Community and Employee) and Governance dimensions of *divergent* CSR practices will be positively related to their corresponding ESG scores.

The following chapter will discuss the methods used to address these research questions and hypotheses.



Table 1. Convergent/Divergent CSR Topics

Convergent/ Divergent CSR	CSR Dimensions (ESG)	Sub-category Topics (Specified in UNGC SDGs)
<b>Convergent CSR</b> SDG-specified topics embraced by the South Korean government	Community	No Poverty
	Community	Zero Hunger
	Community	Good Health and Well-being
	Community	Quality Education
	Community	Gender Equality
	Environment	Clean Water and Sanitation
	Environment	Affordable and Clean Energy
	Employees	Decent Work and Economic Growth
	Community	Industry, Innovation and Infrastructure
	Community	Reduced Inequalities
	Community	Sustainable Cities and Communities
	Environment	Climate Action
	Environment	Life on Land
	N/A	Partnerships for the Goals
<b>Divergent CSR:</b> SDG-specified topics not embraced fully by the South Korean government Institution (over the past 15 years)	Governance	Peace and Justice Strong Institutions (corporate governance and anti-corruption)
	Environment	Life Below Water
	Community	Responsible Consumption and Production
<b>Divergent CSR:</b> Recurrent government tasks in South Korea (over the past 15 years) unaddressed by the UN Global Compact SDGs (specific to South Korea)	Community	Security in Korean peninsula/South-North Reconciliation and cooperation/Denuclearization
	Community	Support for growth of SMEs
	Community	Support for cultural life and development of the arts

## **Chapter 4. Methods**

The previous three chapters introduced the problem, discussed the scope of the study and developed six hypotheses and five research questions. This chapter explains the methodologies and analytic procedures used to address the research questions and hypotheses. The study uses a mixed-method approach, the explanatory sequential design, where quantitative method is used as the primary method and qualitative interviews are used to supplement the quantitative findings (Creswell & Plano Clark, 2018). The six hypotheses are addressed using quantitative methods and qualitative methods are used to address the five research questions designed to explain the findings from the quantitative portion. Hypotheses one and two are addressed with network analyses. For hypotheses three to six, correlation and regression analyses are used to inform the outcomes of the network dynamics found, reflected by the ESG scores. Qualitative interview analyses, by addressing the five research questions, supplement the quantitative network analyses primarily by uncovering the motives and reasons that explain the network dynamics found and how the perceptions of NGO and corporate leaders may be different from one another and from the network findings. As part of the explanatory mixed-methods design, the interviewees were contacted and recruited from the sample of the NGOs and corporations used in the network analyses. In this chapter, the processes of data collection, operationalization of variables and analytic procedures are presented for each method used. First, the processes of network analyses are described, followed by the approaches taken for interviews.

### **Network Analyses**

Network data were extracted from CSR reports annually produced in the past five years from fifty-two (52) South Korean Chaebols found on the Global 2000 index, which was a total of

260 reports, and from publicly available annual reports produced annually between 2014-2019 from eighty six (86) NGOs found in three major civil society forums in South Korea, a total of 430 reports. The 52 corporations cover a variety of industrial sectors including semiconductors, auto manufacturers, financial sector, retail, oil and gas, telecommunications, iron and steel, chemicals and construction services. The 86 NGOs address a diversity of social issues including the environment, poverty, hunger, health and welfare, education, democracy, human rights, equality, economic growth, labor and community development. All of the 430 annual NGO reports were in Korean and all of 260 CSR reports collected were in English. A group of 20 research assistants (11 English speaking research assistants and 8 bilingual speaking research assistants) created a corpus of network data from the reports over the course of three months. The English-speaking RAs collected corporate ego network data from the English versions of the CSR reports produced by the 52 South Korean companies. The other 8 bilingual RAs who spoke both English and Korean collected NGOs' ego network information from NGOs' annual reports that was only available in Korean. There were a total of five steps in obtaining the network data for the analyses: network tie unitization, node categorization, the nature of relationship categorization, data cleaning, and obtaining the network centrality measures.

To assure inter-coder reliability, all research assistants went through three weeks of collective training. During these sessions, three aspects of data collection and coding were addressed – network tie unitization, node categorization, nature of relationship categorization, and convergent/divergent CSR categorization. Krippendorff's alpha was computed as the inter-rater reliability statistic, and the Kalpha values greater than 0.80 were considered acceptable as high inter-coder reliability (Hayes & Krippendorff, 2007). First, in order to achieve inter-coder reliability in network tie unitization, the coders met three times over the course of two weeks to

discuss coding and achieve inter-coder reliability. With each of the 11 English speaking RAs coding six CSR reports, an inter-coder reliability of 0.92 was achieved for these CSR reports after three rounds of coding. Each of the eight Korean-speaking RAs coded eight NGO reports, and achieved a high inter-coder reliability of .90 after three rounds of coding (Hayes & Krippendorff, 2007). Once all network information was collected, the assistants and I recorded the organizations that were named in each network information. To categorize the nodes identified in the network information, each of the 11 English speaking RA coded three different datasets extracted from the CSR reports and after two rounds of coding over the course of two weeks achieved a high inter-coder reliability value of 0.88. Also each of the eight Korean speaking RA coded four datasets from the NGO reports to categorize organizational nodes and after two rounds of coding over the course of two weeks, achieved a high inter-coder reliability value of 0.94 (Hayes & Krippendorff, 2007). Lastly, for nature of relationship categorization, the 11 English speaking RAs each coded three datasets from CSR reports and achieved high inter-coder reliability of 1.00 after two rounds of coding over a course of one week. The eight Korean speaking RAs each coded three data sets from NGO reports and achieved a high inter-coder reliability of .83, after three rounds of coding over the course of two weeks (Hayes & Krippendorff, 2007).

Once network tie unitization, node categorization and nature of relationship categorization were completed, the types of activities – convergent/divergent CSR – were identified in each network information. One English speaking coder and I met twice a week over the course of three weeks, and we agreed upon some keywords per topic that could assist us in coding. We each coded three data sets from CSR reports and three data sets from NGO reports every time we met. We achieved high inter-coder reliability of 0.86 by the end of three weeks of

meeting and holding discussions (Hayes & Krippendorff, 2007). We then went off individually to code the rest of the data.

### ***Network Tie Unitization***

A network tie was operationalized as every instance that an organization other than the ego, whether NGO, GO, corporation or others, was named and described to be engaging in some form of interaction and contact with the ego. Using each paragraph as a unit of analysis, those paragraphs that contained network tie information were identified, and the year of the report production was recorded for each information.

### ***Node Categorization***

Each organization was categorized into one of four organizational types – NGO, corporation, GOs and others. NGOs are considered non-profit organizations that contribute to world sustainability issues identified in the UN Global Compact’s 17 Sustainable Development Goals that fall in the areas of human rights, labor, environment and anti-corruption. An NGO was operationalized as an organization that self-identified. Looking at their websites, in their mission statements and activity overview sections, an organization was identified as NGO when they themselves indicated they were involved in the above sustainability-related initiatives and goals. Corporations were identified as for-profit private organizations. They were operationalized as those organizations that can be found on the Global 2000 list and identified as Chaebols in the list of South Korean companies on the Financial Supervisory Service, a South Korean platform that provides all information related to all corporations that operate in South Korea. GOs were state-owned organizations founded and operated by the central government. GOs were

operationalized as those organizations that self-identify on their official websites as state-founded or have the Korean flag mark on their logos that most government-owned organizations have. “Others” included all other types of organizations that do not fall in the above three organizational categories, including schools, universities, hospitals, etc.

### ***Nature of Relationship Categorization***

The nature of the relationships represents the type of relationships organizations may have with each other. They can be seen in forms of collaborative interactions such as partnerships and exchange of information and resources, as well as in adversarial interactions where one organization confronts another organization in the form of protests, advocacy or boycott to push for a change in behavior or a specific response. Coders identified the nature of relationships for each tie that an ego had with another node – collaborative and adversarial. Collaborative relationships were operationalized as any instances in which one or more alter were named by an ego in its report to be engaged in some form of reciprocal and collaborative joint projects or activities, using terms such as “under instructions,” “guided by,” “alliance,” “partnership,” “collaboration,” “resource exchange” and “interact” (see Bryant & Monge, 2008). Adversarial relationships were operationalized as any instances in which one or more alter were named by an ego in its report to be engaged in some form of confrontation, monitoring activities, activism or protests, indicated by the keywords including “monitor,” “on guard,” “protest,” “sue,” “lawsuit,” etc.

### ***Data Cleaning***

Once all network data, including the nodes and edges (ties), and their information

(organizational type and nature of relationship) were collected, the data were cleaned. All names of the nodes collected were reviewed to make sure that each organization was named consistently throughout the network data to ensure that no organization would be read by an analytic software as multiple different organizations by error. Also, repetitive network ties were deleted if they occurred more than once within a year. But repetitive ties named in different years were each counted as a distinct occurrence. All data were then organized into a chart of ego networks of all 86 NGOs and 52 corporations, which recorded the names of the nodes to which each of the NGO and corporation was tied, the year in which each tie was formed, each node's organizational type (NGO, GO, corporation, others) and the nature of relationship of each tie (collaborative/adversarial).

A total of 4285 nodes and 8915 edges (ties) were recorded. Of the 4285 nodes, 857 nodes were NGOs, 568 nodes were GOs, 1216 nodes were corporations and 1644 nodes were others. In this study, the 1644 nodes representing "other" kinds of organizations than NGOs, GOs and corporations were excluded from the analyses given their irrelevance to the questions and hypotheses addressed in this study. Of the 8915 edges, 2187 edges represented collaborative NGO/GO network ties, 116 edges represented adversarial NGO/GO network ties, 4105 edges represented collaborative NGO/corporate network ties, 53 edges represented adversarial NGO/corporate network ties, and 1215 edges represented NGO/NGO network ties. Some edges in the NGO/NGO networks overlapped with the edges in NGO/GO and NGO/corporate networks when ties among NGOs were embedded within their networks with GOs and corporations. 1885 edges represented ties between other types of organizations and NGOs, which were excluded from the analyses. The graphs examined in this study were undirected.

## ***Network Measures***

The entire network data set was divided into five distinct network types based on the specific type of organizations and nature of relationships being examined - *NGO/GO collaborative*, *NGO/GO adversarial*, *NGO/corporate collaborative*, *NGO/corporate adversarial*, and *NGO/NGO within-sector network*. Using R Studio, three different centrality measures of NGO and corporate egos were calculated – degree centrality, eigenvector centrality and betweenness centrality – in each of the five types of networks. ***Degree centrality*** of NGOs indicates the degree to which the NGOs are embedded within the network (Freeman, 1978). ***Eigenvector centrality*** indicates the level of influence the NGOs have within their network or their ties to other influential organizations (Nita, Ciocanea, Manolache, & Rozyłowicz, 2018). ***Betweenness centrality*** indicates the NGOs’ potential to control and broker communication in their network (Freeman, 1978).

## **Convergent and Divergent CSR**

Convergent CSR is conceptualized as those globally identified standards for CSR that have been integrated into the South Korean “government tasks” and policies) in the past 15 years over the three consecutive governments. These include 14 sustainable goals: *No Poverty*; *Zero Hunger*; *Good Health and Well-Being*; *Quality Education*; *Gender Equality*; *Clean Water and Sanitation*; *Affordable and Clean Energy*; *Decent Work and Economic Growth*; *Industry, Innovation and Infrastructure*; *Reduced Inequalities*; *Sustainable Cities and Communities*; *Climate Action*; *Life on Land*; and *Partnerships for the Goals*. These topics were specified by the UN Global Compact’s Sustainable Development Goals (UNGC SDGs), which also coincided with the topics covered in the three sets of “government tasks” (the formal guidelines for policy



making while the government is in power) declared by the Lee government (2007-2012), Park government (2012-2016) and Moon government (2017-present). The list of “government tasks” produced by each government can be found on the Government Performance Evaluation Committee, a government-led platform that provides historical documents related to South Korean government performances. Convergent CSR is operationalized as any statements or descriptions about CSR activities found in each of the network tie information collected from the reports that relate to the following 14 sustainable goals.

Divergent CSR is conceptualized as either (1) those practices that are embraced by the global regime under UN guidelines but not fully embraced by a national institution, or (2) those that are only embraced within a particular national institution but are not specified by the global guidelines. Both groups of divergent CSR were combined in the analyses because they both entail adversarial movements of NGOs that wish to create pressures on issues that global or national level institutions have yet to develop official consensus and solid guidelines on.

Divergent CSR is operationalized as any statements or descriptions about CSR activities that pertained to the following six topics: *Peace and Justice Strong Institutions*; *Life Below Water*; *Responsible Consumption and Production*; *Security in Korean Peninsula*; *Support for Growth of SMEs*; and *Support for Cultural Life and Development of the Arts*. The first three topics were stated in the UN SDGs but not declared as part of the “government tasks” by at least one of the past three consecutive governments, and the other three were topics not mentioned in the UN SDGs but were declared by all three consecutive South Korean governments in their “government tasks.”

### ***Coding***

A research assistant and I met several times to develop coding schemes, by taking three network data sets (used in the previous analysis for node and tie identification, extracted from NGO and CSR reports) each week and categorizing each CSR activity specified per network data into one or more of the Convergent and Divergent CSR topics. Each data could be assigned more than one code. We used ATLAS.ti for coding the reports for convergent and divergent CSR, a software often used for coding qualitative data sets by searching through texts and assigning codes. This tool was just right for coding the archival textual data with some pre-determined coding schemes. See Table 1 for some examples of CSR activity descriptions that belong to each topic and the keywords used to assist with the coding. The keywords were searched for using logic OR, meaning that if more than one keyword belonging to a specific CSR topic appeared in a data, they were considered mutually exclusive. Once each CSR topic was searched for using the corresponding keywords, the coder and I read through, discussed and decided whether the keywords indeed represented the topic. If any of the keywords overlapped with the others in different topics or did not accurately represent the topic being searched for, the data was disregarded and was not coded as the specific topic being searched for. When we completed coding, the frequency at which the organizations engaged in the Convergent and Divergent CSR topics in each network tie were extracted into a dataset that could be analyzed on SPSS.

### **CSR Scores**

The CSR scores of the 52 South Korean companies found on Global 2000 were obtained from *CSR Hub*, a CSR rating institution which aggregates and normalizes ESG scores (Environment, Social and Governance performance scores) of over 40,000 corporations across the globe from 735 sources. Four different dimensions of CSR scores of the South Korean

companies – *Community, Employees, Environment, and Governance* – were collected for this study.

## **Quantitative Analyses**

Using IBM SPSS Statistics 2, regression analysis was used to find the relationships among the network measures, convergent/divergent CSR, and CSR scores in ways that would appropriately address the research questions and hypotheses. The analyses were conducted in the following four stages.

### ***Regression Analyses among Network Measures***

To address the first set of hypotheses (H1a and H1b), which predicted that each centrality of the NGOs in NGO/GO networks will be most strongly associated with the same type of centrality of the NGOs in NGO/corporate networks, stepwise multiple regression analyses were conducted. Stepwise multiple regression was the most optimal model for addressing the hypotheses, as it resolved multicollinearity problems, and was able to distinguish which particular centrality measure in each model is most strongly associated with each centrality in the NGO/corporate networks. For each sub-hypothesis on collaborative (H1a) and adversarial networks (H1b), three separate stepwise regression models were run with all three centrality measures of NGOs in NGO/GO networks (IVs) and each centrality measures (degree/eigenvector/betweenness) (DV). A total of six models were run, three for each collaborative and adversarial networks.

Stepwise regression models were again run to address the second set of hypotheses, which concerns the extent to which degree centrality of NGOs in their NGO/NGO network, of

all other centralities, will emerge as an important position most associated with the NGOs' centralities across sectors. A total of twelve separate stepwise regression models were run. Each model was run with all three centrality measures in NGO/NGO network (IVs) for each of the three centrality measures as a DV from each cross sector network (collaborative NGO/GO, adversarial NGO/GO, collaborative NGO/corporate, adversarial NGO/corporate). The centralities that emerged as the most important independent variables were accepted and used in the analyses if the R-squared values were satisfactory.

### ***Relationships between Network Measures and CSR practices***

For addressing H3 and H4 on the associations between NGOs' three centralities in NGO/corporate networks on convergent/divergent CSR, two separate standard regression models were run, each with all three centralities of NGOs in NGO/corporate networks as IVs predicting either convergent CSR or divergent CSR as a DV. These models helped uncover which centrality in each network was positively associated with the frequency at which convergent or divergent CSR were practiced.

### ***CSR Outcomes***

Finally, to address the last research question and hypotheses, which questioned how convergent/divergent CSR practices were related to CSR performance scores, correlation analyses were conducted between the frequency with which the 52 corporations engaged in the ESG dimensions of convergent/divergent CSR and their corresponding ESG scores measured by *CSR Hub*. *CSR Hub* produces ESG scores in four dimensions – Environment, Community, Employee and Governance – and Community and Employee fall under the “Social” dimension

of the ESG. Once correlation analyses proved significant positive associations, standard regression analyses were run to add rigor and explore whether any practices directly predicted their correspondent scores.

Each of the sub-category topics of Convergent CSR (14 topics) and Divergent CSR (6 topics) was categorized into the four dimensions of CSR measured by *CSR Hub* (Environment, Community, Employee, Governance) as shown in Table 1. The guidelines provided by CSR Hub were used to operationalize the four CSR dimensions and categorize the CSR topics found in the data into the four dimensions (CSR Hub). Based on the measures used by CSR Hub, the *Environment* dimension was operationalized as the topics that pertain to “environmental policy, environmental reporting, waste management, resource management, energy use, climate change policies and performance.” The *Community* dimension was operationalized as the topics related to “human rights, supply chain, product quality & safety, product sustainability, community development, and philanthropy.” The *Employee* dimension was operationalized as the topics related to “diversity, labor rights, treatment of unions, compensation, benefits, training, health and worker safety.” Finally, the *Governance* dimension was operationalized as those topics related to “leadership ethics, board composition, executive compensation, transparency and reporting, and stakeholder management.”

Among the Convergent CSR sub-category topics, eight topics were categorized as *Community* (*No Poverty; Zero Hunger; Good Health and Well-Being; Quality Education; Gender Equality; Industry, Innovation and Infrastructure; Reduced Inequalities; Sustainable Cities and Communities*), four topics were categorized as *Environment* (*Clean Water and Sanitation; Affordable and Clean Energy; Climate Action; Life on Land*), and one topic was categorized as *Employee* (*Decent Work and Economic Growth*) (see Table 1). “Partnerships for

Goals” was excluded from computing the relationships between CSR practices and CSR scores, because it did not fall within a particular ESG dimension. Partnership signifies a communicative process for CSR, rather than a CSR topic itself. Among Divergent CSR sub-categories, one topic was categorized as *Governance (Peace and Justice)*, another topic was categorized as *Environment (Life Below Water)*, and four topics were categorized as *Community (Responsible Consumption and Production; Security in Korean Peninsula; Support for Growth of SMEs; Support for Cultural Life and Development of the Arts)*.

Correlation analyses were conducted to compute the relationship between each sub-category topic and the performance scores of the corresponding CSR dimensions. Once all correlation measures between each of the sub-categories and the correspondent CSR dimension scores were computed, linear regression analyses were conducted to understand to what degree Convergent and Divergent CSR practices (Environment, Community, Employee, and Governance) predicted their CSR scores. The frequencies with which the companies engaged in the sub-categories (13 topics of Convergent CSR, 6 topics of Divergent CSR) were combined by the ESG dimension the topics belonged to (Environment, Community, Employees, Governance). Linear regression analyses were then conducted to find how the frequency at which companies engaged in each of the ESG dimension of CSR within Convergent and Divergent CSR predicted their corresponding scores.

Table 1. Coding Schemes for Convergent and Divergent CSR

Convergent/Divergent CSR	Sub-category Topic	CSR Dimension (ESG)	Relevant CSR Actions	keywords used for text-search
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<b>Convergent CSR</b> SDG-specified topics embraced by the South Korean government	No Poverty	Community	<ul style="list-style-type: none"> <li>- set up collaborative institutes for alleviating poverty in international communities (i.e. Farming Promotion Institute)</li> <li>- launch programs to support underprivileged communities and children</li> <li>- declare commitment to UN SDG goals to reduce global poverty</li> <li>- subscribe to the Korean Association for Supporting UN SDGs (ASD)</li> </ul>	poverty, poor, low income (빈곤, 서민, 저소득)
	Zero Hunger	Community	<ul style="list-style-type: none"> <li>- support and collaborate with NGOs to end hunger, educate families about healthy eating and cooking, and engage in fundraise activities in international communities</li> <li>- provide support for farmers and sustainable agriculture and food</li> <li>- provide education in farming and livestock to international communities</li> <li>- promote development of agricultural technology</li> </ul>	hunger, eat, cook, agriculture, farm, livestock, under nutrition (농어촌, 농식품, 농산어촌, 가축, 음식, 식품, 굶주림, 영양)
	Good Health and Well-being	Community	<ul style="list-style-type: none"> <li>- collaborate with local NGOs in international communities to provide health education</li> <li>- establish and manage health care centers in Asia</li> <li>- provide support for local hospitals in international communities</li> <li>- provide support and education programs for health and safety with GOs in South Korea</li> </ul>	health, hospital, well-being, safety, cancer, homeless, welfare, charity, disaster relief (보건, 병원, 건강, 안전, 희망, 암, 복지, 재난 지원, 자선, 노숙자)
	Quality Education	Community	<ul style="list-style-type: none"> <li>- provide support for public education through collaboration with Ministry of Education</li> <li>- provide consulting programs for highschool students on job applications and career search</li> <li>- provide education expenses to University programs</li> <li>- promote education for sustainable development in elementary schools across the nation</li> </ul>	student, youth, scholarship, classroom, elementary, middle school, high school, educational environment (교육, 보육, 유아, 아동, 청소년, 대학, 교실, 학교)

	Gender Equality	Community	<ul style="list-style-type: none"> <li>- promote childcare leave policies for both men and women, in collaboration with the Ministry of Gender Equality and Family</li> <li>- provide support and education for female employees (i.e. Women Empowerment Project in China) and women from underprivileged populations</li> </ul>	gender equality, female, women (성평등, 차별, 여성)
	Clean Water and Sanitation	Environment	<ul style="list-style-type: none"> <li>- provide support for improving the quality of water supply in developing countries</li> <li>- produce technology for water purification</li> </ul>	corp: water purification, clean water, sanitation (깨끗한 물, 정화)
	Affordable and Clean Energy	Environment	<ul style="list-style-type: none"> <li>- engage in electricity saving campaigns and provide facilities and technologies for saving energy to non-profit organizations</li> <li>- provide smart energy management systems and technologies</li> <li>- provide energy efficiency facilities to lower-income families</li> </ul>	energy, renewable, green (에너지, 원전, 신재생, 친환경, 청정에너지, 에너지 절감, 녹색기술)
	Decent Work and Economic Growth	Employees	<ul style="list-style-type: none"> <li>- provide support for female workers' economic activities</li> <li>- provide equal employment opportunities</li> <li>- provide internship opportunities to train young future employees</li> <li>- work on resolving youth unemployment issues and SMEs' labor shortage.</li> </ul>	labor, union, employment, work environment, contractor, job, economic growth (일자리, 노동, 근로자, 고용, 직업, 비정규직)
	Industry, Innovation and Infrastructure	Community	<ul style="list-style-type: none"> <li>- develop sustainable technology that helps resolve local issues</li> <li>- strengthen technology partnerships with SMEs</li> <li>- Improve technology cooperation network</li> <li>- strengthened technology innovation capacity</li> </ul>	innovation, technology, industry, infrastructure, invest (산업, 혁명, 과학, 기술, 발전, 인프라, 투자)



	Reduced Inequalities	Community	<ul style="list-style-type: none"> <li>- provide support for multicultural families</li> <li>- support the social integration of people with disabilities</li> <li>- support women's economic activities</li> </ul>	<p>equality, inequality, minority, equal rights, marginalized, multicultural family, disability, handicap, discrimination</p> <p>(평등, 차별, 다문화, 장애, 소외계층, 서민, 취약계층)</p>
	Sustainable Cities and Communities	Community	<ul style="list-style-type: none"> <li>- extend safety training to local communities to build safe communities</li> <li>- provide technologies to ensure citizens' safety and prevent accidents</li> </ul>	<p>sustainable city, safe community, local community</p> <p>(도시, 커뮤니티, 안전, 지역사회)</p>
	Climate Action	Environment	<ul style="list-style-type: none"> <li>- collaboration within the industry to establish a guideline for domestic institutions' responses to climate risks</li> <li>- contribute to developing solar energy technologies</li> <li>- Join and participate in environmental councils to encourage businesses to take proactive measures against climate change and advise the Government on policy making</li> </ul>	<p>climate change, climate risk, solar technology</p> <p>(기후, 기후변화, 환경)</p>
	Life on Land	Environment	<ul style="list-style-type: none"> <li>- provide support for animals and plants that can no longer stay in their original habitats</li> <li>- provide adequate breeding environment for endangered animals</li> <li>- provide financial support to relevant NGOs</li> </ul>	<p>ecosystem, forest, desert, biodiversity, wild life</p> <p>(국토, 숲, 생태계, 생물, 사막, 야생)</p>
	Partnerships for the Goals	N/A	<ul style="list-style-type: none"> <li>- form global partnerships with international NGOs operating in specific overseas nations and regions where the company seeks to practice CSR</li> </ul>	<p>partner, collaborate</p> <p>(파트너, 협력)</p>
<b>Divergent CSR:</b> SDG-specified topics not embraced fully by the South Korean government Institution (over the past 15 years)	Peace and Justice Strong Institutions (corporate governance and anti-corruption)	Governance	<ul style="list-style-type: none"> <li>- join anti-corruption commissions</li> <li>- comply with anti-corruption laws in the countries they operate (i.e. US Foreign Corrupt Practices Act)</li> <li>- sign the Joint Agreement for Integrity and Ethics</li> </ul> <p><i>*note: CSR reports suggest convergence with global standards for anti-corruption, and yet, interviewees regard this area as something more unique to</i></p>	<p>governance, anti-corruption, ethics, integrity</p> <p>(재벌, 지배구조, 공정거래, 내부거래, 윤리)</p>

			<b><i>Korean companies, and divergent from what global companies normally do</i></b>	
	Life Below Water	Environment	- companies work on raising public's awareness about the importance of biodiversity under water (these actions may be limited to chemical and heavy industries)	ocean, seas, marine (바다, 어장, 해양)
	Responsible Consumption and Production	Community	- strengthen competitiveness in the supply chain - develop sustainable and environmentally friendly supply chain	consumer, supply chain, consumption, production (소비자, 공급망, 소비, 생산)
<b>Divergent CSR:</b> Recurrent government tasks in South Korea (over the past 15 years) unaddressed by the UN Global Compact SDGs (specific to South Korea)	Security in Korean peninsula/South-North Reconciliation and cooperation/Denuclearization	Community	- provide philanthropic and educational support for North Korean defectors - participate in government-led national security projects <b><i>*Note: these are actions strongly determined by the government party in power.</i></b>	security, North Korea, Korean peninsula, denuclearization (안보, 통일, 북한, 남북, 한반도, 북핵, 비핵화)
	Support for growth of SMEs	Community	- collaborate with and provide support for SMEs - help SMEs conduct environmentally friendly business (reduce gas emissions etc.) <b><i>*Note: lack of opportunities for SMEs is a relatively more serious problem in the South Korean context, where Chaebol firms have long dominated the economic market - interviewees identify this issue as something more unique to South Korea relative to other countries</i></b>	SME, enterprise, small and medium sized, start-up, small company (중소, 벤처, 창업)
	Support for cultural life and development of the arts	Community	- support and conduct cultural events and education for students and adolescents - support culture and arts education for enterprises <b><i>* Note: These actions are strongly encouraged by the government institutions</i></b>	culture, art, Hanlyu, tourism, sports (문화, 예술, 한류, 관광, 스포츠)

## Interviews

Semi-structured interviews were conducted with South Korean NGO leaders and Chaebol corporate managers for subsequent qualitative analysis. Interviews were conducted primarily to

supplement the network data by addressing the reasons for why certain network results may have emerged, and to explore the findings from the perspective of the NGO leaders and corporate managers. Prior to conducting the interviews, the study obtained an IRB approval from UCSB. The same NGOs and corporate sample from the archival network data were contacted and recruited for interviews, primarily through personal connections, snowball sampling and direct emailing if their contact information was publically available. A total of 24 organizations – 11 NGOs and 13 Chaebol corporations – agreed to participate and were all interviewed in person. Of the initial 50 organizations contacted via email for interviews, three NGO leaders and two corporate leaders responded and agreed to be interviewed. Through personal connections, five NGOs and six corporations were contacted via phone and were interviewed. Two other NGOs and five other corporations were contacted and interviewed through referrals by the NGO and corporate leaders that were interviewed. Four organizations (two NGOs and two corporations) were interviewed twice, first for a preliminary interview and then another round for a refined semi-structured interview; in total, 28 interviews were completed. Each interview lasted about an hour on average. All interviewees were in executive or senior positions in their organizations and thus were able to speak for their organizations. In conducting the interviews, I took on a role as a researcher who was studying NGO and corporate perspectives of CSR. In order to reduce the insider-outsider tension, the interviewees were told that they will be provided with findings that will inform how the organizations outside their sectors viewed and approached CSR and with suggestions for how they would need to develop strategies for CSR in the future. Seven first-round interviews were done in the summer of 2019 in South Korea with representatives from three NGOs, three corporations and one CSR consulting firm, and two more trips were made to South Korea from November through December 2019 for 21 additional interviews. A fourth

round of interviews was planned for the Spring of 2020, but due to the COVID-19 pandemic, the trip could not be made and the interviews were cancelled.

The NGOs and corporations that were interviewed represented a diverse set of focus areas/sectors. The interviewee sample of NGOs represented six distinct areas of sustainability related issues – environmental sustainability, human rights and democracy, responsible production and consumption, health and well-being, peace in Korean peninsula, and social/gender inequality (see Table 2 for interviewee information). The interviewee sample of corporations represented nine distinct industry sectors – Oil and gas, chemicals, life and health insurance, electronics/semiconductors, finance and investment, construction, auto manufacturer, property and casualty insurance, and home appliances.

### ***Interview Protocols***

NGO leaders and corporate managers were interviewed face-to-face in Korean. All interviewees were first given an introduction about the project and the purpose of the interviews. They were told that the goal was to understand how their organizations formed inter-organizational relationships for sustainability and CSR practices. In the interviews with NGO leaders, the primary questions asked included, but were not limited to: 1) What is it that your organization does in relation to CSR? 2) In carrying out your work, how closely do you work with governmental organizations? 3) What are your relationships like with MNCs in relation to CSR practices? 4) In what ways are your relationships with governmental organizations and MNCs important in influencing companies to practice CSR? The primary questions asked in the interviews with corporate managers were similar: 1) What is it that your company does in relation to CSR? 2) What are your relationships with NGOs like in relation to CSR practices? 3)

How do your relationships with NGOs influence the way your company practices CSR? 4) What types of CSR practices and relationships are important in relation to the industry and business sector your company belongs to?

Follow up questions were asked to probe deeper into each primary question. These included: Are you collaborative with governmental organizations? Which ones and why? In what ways is your interaction with government organizations related to your relationships with MNCs? Are your relationships with NGOs collaborative or adversarial? Which NGOs? What makes the difference? For what issues/events/projects/purposes are you collaborative with NGOs? To what degree is NGO-GO relationship important for what your company does for CSR? In what ways? See Table 3 for the full interview protocols.

### *Analysis*

The analyses of interviews started with open coding to address each research question. A total of six themes were searched through reviews of each interview transcript, which two Korean research assistants have transcribed. The six themes were: 1) motives for NGO-GO collaboration (RQ1); 2) motives for NGO-GO adversarial relationships (RQ2a); 3) differences found in corporate managers' perspectives from those of NGO leaders regarding NGO-GO adversarial relationships (RQ2b); 4) motives for internal NGO/NGO network formation (RQ3); 5) association between NGO-GO-corporate collaboration and convergent CSR (RQ4); and 6) association between NGO-GO-corporate adversarial relationships and divergent CSR. For each emergent code, the frequency with which each code appeared was recorded. The number of organizations that mentioned each code was also recorded per code. In order to ensure credibility of the emergent codes, a triangulation method was used, which involved observing whether two or more sources of data converged on the same conclusions related to the emergent codes (Tracy,

2010). Only the emergent codes that were mentioned repeatedly by more than two organizations were included in the analyses. Also, credibility of the interviews was enhanced by ensuring multivocality, as the interviews were designed and conducted to enable the freedom and space for each speaker to express their viewpoints that may diverge from the views and cultures of the other sectors or from academic perspectives (Tracy, 2010). This enabled both NGO and corporate leaders to provide elaborations and additional data that could triangulate the emergent codes and analysis. The study in fact was also able to integrate the emergent discrepancies in the views held by corporate leaders as compared to NGO leaders to enrich the findings.

Table 4 shows the emergent codes and some sample quotes. For the first theme addressing RQ1, the motives for NGO-GO collaboration, a total of five codes emerged (*legitimacy and expertise, resourcefulness, knowledge of government policies and laws, transparency, and administrative power*). The correspondent quotes were analyzed to explain the findings from network analyses about the association between NGO/GO collaboration and NGO/corporate collaboration for H1a. For addressing RQ2a, regarding the motives for NGO-GO adversarial relationships, two codes emerged: *Enhancement of organizational identity and capacities to change the law*. The interviewees' testimonies with these codes were then analyzed to explain the relationships found between NGO/GO adversarial networks and NGO/corporate adversarial networks in the network analyses for H1b. For RQ2b, which addresses the differences in corporate managers' perspectives from those of NGO leaders about NGOs' adversarial networks, two codes emerged: *skepticism about NGO activism* and *disconnection*. The findings from corporate managers' testimonies with these codes were then used to supplement the explanations for the network findings for H1b.

For addressing RQ3, the motives for internal NGO/NGO network formation, two codes

emerged: *NGO solidarity*, and *exchange of expertise*. The NGO leaders' testimonies with these codes were then analyzed to explain network findings for H2 regarding the significance of NGO/NGO network centralities for NGO/GO and NGO/corporate networks. In addressing RQ4, regarding the association between NGO-GO-corporate collaboration and convergent CSR, two codes emerged: *collaboration as resources for meeting the global standards* and *UN Global Compact SDGs as an important mechanism of collaboration for convergent CSR*. The interviews with these codes were analyzed to supplement and explain the quantitative findings for H3 regarding the associations between NGOs' centralities and convergent CSR. Lastly, to address RQ5, regarding the associations between NGO-GO-corporate adversarial relationships and divergent CSR, two codes emerged: *push for issues uncovered by government policies* and *limitations of UN Global Compact SDGs*. The interviews with these codes helped explain the reasons why adversarial NGO-GO-corporate relationships were deemed significantly related to divergent CSR to further explain the findings for H4.

Table 2. Interviewee Information

Interviewee	Organization Type	Sector/Focus	Number of Interviews
Manager 1 (MNG 1)	Corporation	Oil and gas	2
Manager 2 (MNG 2)	Corporation	Holdings	1
Manager 3 (MNG 3)	Corporation	Electronics/Semiconductors	1
Manager 4 (MNG 4)	Corporation	Chemicals	1
Manager 5 (MNG 5)	Corporation	Oil and Gas	1
Manager 6 (MNG 6)	Corporation	Auto Manufacturer	2
Manager 7 (MNG 7)	Corporation	Life & Health Insurance	1
Manager 8 (MNG 8)	Corporation	Finance and Investment	1
Manager 9 (MNG 9)	Corporation	Electronics/Semiconductors	1
Manager 10 (MNG 10)	Corporation	Finance and Construction	1
Manager 11 (MNG 11)	Corporation	Property & Casualty Insurance	1
Manager 12 (MNG 12)	Corporation	Home Appliances	1
Manager 13 (MNG 13)	Corporation	Consulting	1
NGO Leader (NGO L 1)	NGO	Environment	1
NGO Leader (NGO L 2)	NGO	Environment	1
NGO Leader (NGO L 3)	NGO	Human Rights and Democracy	1
NGO Leader (NGO L 4)	NGO	Human Rights and Democracy	2
NGO Leader (NGO L 5)	NGO	Health and Well-being	1
NGO Leader (NGO L 6)	NGO	Environment	2
NGO Leader (NGO L 7)	NGO	Responsible Production and Consumption	1
NGO Leader (NGO L 8)	NGO	Reduce Inequality	1
NGO Leader (NGO L 9)	NGO	Peace in Korean Peninsula	1
NGO Leader (NGO L 10)	NGO	Environment	1
NGO Leader (NGO L 11)	NGO	Environment	1



Table 3. Interview Protocol

<b>Major Interview Questions</b>	
<b>NGO Interviews</b>	<b>Corporate Interviews</b>
<p><b>1) What is it that your organization does in relation to CSR?</b></p> <ul style="list-style-type: none"> <li>- How do you define CSR?</li> <li>- Missions and values</li> <li>- CSR area of focus (environment, social, governance)</li> <li>- Programs/campaigns/activities/protests</li> </ul>	<p><b>1) What is it that your company does in relation to CSR?</b></p> <ul style="list-style-type: none"> <li>- How do you define CSR?</li> <li>- Missions and values; relevance to their business identity</li> <li>- CSR activities and focus (environment, social, governance)</li> <li>- Procedures for developing CSR strategies</li> </ul>
<p><b>2) In carrying out your work, how closely do you work with governmental organizations?</b></p> <ul style="list-style-type: none"> <li>- Collaborative with government organizations? Which ones? How? Why?</li> <li>- Refrain from interacting with government organizations? Which ones? How? Why?</li> </ul>	<p><b>2) What are your relationships with NGOs like in relation to CSR practices?</b></p> <ul style="list-style-type: none"> <li>- Are your relationships with NGOs collaborative or adversarial? Which NGOs? What makes the difference?</li> <li>- Is it important to you that the NGOs you collaborate with have positive collaborative relationships with the government? Or, is it important that the NGOs are distanced from the government? Why or why not?</li> </ul>
<p><b>3) What are your relationships like with MNCs in relation to CSR practices?</b></p> <ul style="list-style-type: none"> <li>- Collaborative vs. adversarial relationships – which ones? What makes the difference?</li> <li>- Which MNCs do you work with most?</li> <li>- In what ways do you try to influence companies to practice CSR? On what basis do you form relationships with companies?</li> <li>- In what ways is your interaction with government organizations related to your relationships with MNCs?</li> </ul>	<p><b>3) How do your relationships with NGOs influence the way your company practices CSR? How are these relationships important for meeting local/global standards and expectations?</b></p> <ul style="list-style-type: none"> <li>- For what issues/events/projects/purposes are you collaborative with NGOs?</li> <li>- For what issues/events/projects do you deal with adversarial NGOs (protests/activism)?</li> <li>- To what degree is NGO-GO relationship important for what your company does for CSR? In what ways?</li> </ul>

<p><b>4) In what ways are your relationships with the governmental organizations and MNCs important in influencing companies to practice CSR?</b></p> <ul style="list-style-type: none"> <li>- For what issues/events/projects/purposes are you collaborative with corporations?</li> <li>- For what issues/events/projects/purposes do you form adversarial relationships with corporations?</li> <li>- Are collaborative/adversarial relationships with government organizations and corporations effective in influencing companies to comply with the global/domestic standards for CSR? In what ways?</li> </ul>	<p><b>4) What types of CSR practices and relationships are important in relation to the industry and business sector your company belongs to?</b></p> <ul style="list-style-type: none"> <li>- Are there particular global and domestic expectations towards your industry and business sector (B2B/B2C)?</li> <li>- What kinds of CSR practices at both global and domestic levels are important to your industry and sector?</li> <li>- In what ways is collaboration with NGOs important to your industry?</li> <li>- Are NGOs sensitive towards or contentious about anything specific to your industry? How do you respond? Why?</li> </ul>
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Table 4. Interview Analyses Emergent Codes and Sample Quotes

RQs Addressed	Emergent Codes	Sample Quotes
RQ1: What motivates NGO leaders to seek collaborations with governmental institutions?	Perceived legitimacy and expertise	"These semi-governmental NGOs have the most experiences for the kinds of projects that our company wants to launch. They have the abilities to best manage and plan things out."
	Resourcefulness	"Those NGOs that are large in scale and size almost always receive governmental financial support, and those NGOs that develop financial resources only based on membership donations are very rare."
	Knowledge of policies and laws	"Those NGOs that work closely with governmental organizations have good knowledge and abilities to adhere to the laws and regulations"
	Transparency	"the nationally-recognized NGO are transparent and efficient in their spending compared to the others"
	Administrative power	"If GOs are this powerful, then this might mean that we need to borrow the government's administrative power to become more efficient in carrying out our original roles and expand our impact"

RQ2a: What motivates NGO leaders to seek adversarial relationships with governmental institutions?	Enhancement of Organizational identity	"the foundational role of our organization is to monitor the authority and their misdeeds, so we primarily monitor and check governmental organizations"
	Capacities to change the law	""There are not many ways to change the structure of the board of directors in companies, so all we can do right now is to continue to engage in a movement pushing for at least the revision of the commercial law"
RQ2b: How do the perceptions of corporate managers regarding NGOs' adversarial networks differ from those of NGO leaders?	Skepticism about NGO activism	"Those particular NGOs that are quite proactive in demanding what they want (in forms of protests) often have different goals, interests and basic focusses from the areas that we are interested in"
	Disconnection	"Apparently, the NGOs raise lots of issues. But our CSR department has no communication with any of those adversarial NGOs. There is a separate team that focus on responding to those NGOs"
RQ3: Why is it important for NGOs to form internal networks in order to form strong cross-sector networks with GOs and corporations?	NGO solidarity	"we like to always maintain and strengthen our civil society networks, because then we can stay informed about where opportunities lie and this makes us more resourceful and attractive partners for collaborating with governments and corporations" "
	Exchange of expertise	"For this recent lawsuit, we started a negotiations with athe a big human rights activist NGO (that we cannot name) about how we will obtain related documents, conduct related debates, how we will open press conferences, how we will make the issue known to the public and citizens."
RQ4: How are NGO-GO-corporate collaborations associated with convergent CSR?	Resources for meeting the global standards	"we could say that NGOs are a lot of help in reaching international standards, since we never directly carry out projects by ourselves to reach these global standards, but rather participate in projects being carried out by the NGOs"
	UN Global Compact SDGs as an important mechanism of	"we are well aware that many corporations select CSR projects based on the SDGs, so we try to demonstrate that we are engaged in following the SDGs"

	collaboration for convergent CSR	
RQ5: How are NGO-GO-corporate adversarial relationships associated with divergent CSR?	Push for issues uncovered by government policies	"the disadvantaged populations living in these regions (where corporate factories are located) are in the grey areas of the government attention, so we have no choice but to confront the government and push for policy changes."
	limitations of UN Global Compact SDGs	"the abstract declarations made by the SDGs don't do much to change the ways these Chaebols behave - there probably is no other country than South Korea where companies' family owners have such strong influence"

## Chapter 5. Results

Chapter 4 introduced the methodology and procedures designed to address six hypotheses and five research questions. In this chapter the results of the analyses are described in detail. First, the results of the network analyses including the centrality scores are presented. These results are then interrogated in light of the information derived from the interviews. In some cases, the participants' responses were consistent with the quantitative network findings, whereas in others, there was great disparity between the respondents' beliefs about the importance of their network positions across sectors and the quantitative findings. Also, the interviewees' responses were not always consistent depending on the sector they belonged to and the perceptions they held of the other sector. In this chapter I note where the disparities and consistencies emerge. Then to address the last research question related to the relationship between convergent and divergent CSR and independent assessments of CSR, the results of the regression analyses are presented. The theoretical and practical implications are explored in Chapter 6.

### NGOs' Cross-Sector Inter-Network Relationships

The first set of hypotheses predicted that NGOs' centralities (degree, eigenvector, betweenness) in the NGO-GO collaborative network will each be the most strongly and positively associated with the same type of centrality of the NGOs in the collaborative NGO/corporate networks (H1a), and the same type of relationships will show in the NGO-GO-corporate adversarial networks (H1b). As the results presented below indicate, H1a was supported – each of the degree ( $\beta = .783, p < .05$ ), eigenvector ( $\beta = .743, p < .05$ ), and betweenness centralities ( $\beta = .777, p < .001$ ) in the collaborative NGO/GO networks were significantly associated with the same centralities in the collaborative NGO/corporate networks.

However, H1b was only partially supported. Eigenvector centrality of NGOs in their adversarial NGO/GO network was the most strongly associated with all of the three centralities – degree ( $\beta = .970, p < .001$ ), eigenvector ( $\beta = .953, p < .001$ ), and betweenness ( $\beta = .961, p < .001$ ) centralities in the adversarial NGO/corporate networks. What was notable from the results for H1a and H1b was that eigenvector centrality emerged as the most important position in the NGO/GO networks that were able to ensure NGOs' successes in developing strong networks with corporations, whether their communicative approaches were collaborative or adversarial.

### ***Collaborative NGO-GO-Corporate Networks***

*H1a: NGOs' centralities (degree centrality, eigenvector centrality and betweenness centrality) in the NGO/GO collaborative network will be most strongly associated with the same type of centrality of the NGOs in the collaborative NGO/corporate network.*

Stepwise regression analyses found that the NGOs' three centrality measures in NGO/GO collaborative networks were each strongly related the same centrality measures in the NGO/corporate collaborative networks. Table 5 shows that NGOs' degree centrality in the NGO/GO collaborative network emerged in the first model as the most significantly related to the NGOs' degree centrality in the NGO/corporate collaborative network ( $\beta = .783, p < .05$ ), explaining 61.4% of the variance ( $R^2 = .614, p < .001$ ). In the second model, betweenness centrality emerged as significantly related ( $\beta = .593, p < .001$ ) but only explained an additional 0.2% of the variance in degree centrality in NGO/corporate collaborative network, at higher p-value ( $R^2 \text{ change} = .002, p < .05$ ). Table 6 shows that NGOs' eigenvector centrality in the NGO/GO collaborative network emerged in the first model as the most significantly associated with the NGOs' eigenvector centrality in the NGO/corporate collaborative network ( $\beta = .743, p < .05$ ), explaining 55.1% of the variance ( $R^2 = .551, p < .001$ ). Although betweenness centrality

emerged as another significantly related independent variable in the second model ( $\beta = .172, p < .001$ ), it only explained 1.4% of the variance ( $R^2 \text{ change} = .014, p < .001$ ). Lastly, as Table 7 shows, NGOs' betweenness centrality in the NGO/GO collaborative network emerged as the most significantly associated with their betweenness centrality in the NGO/corporate collaborative network ( $\beta = .777, p < .001$ ), explaining 60.4% of the variance ( $R^2 = .604, p < .05$ ). Eigenvector centrality in the second model ( $\beta = .075, p < .001$ ) only explained 0.3% of the variance at higher p-value ( $R^2 \text{ change} = .003, p < .05$ ).

These results suggest that NGOs' centralities in the NGO/GO collaborative networks indeed are mirrored in their centralities in the NGO/corporate collaborative networks. The more embedded they are within their collaborative networks with GOs, the more likely it is that they will become more densely embedded within collaborative networks with corporations. The greater their collaborative ties with influential GOs, the more likely it is that the NGOs will form collaborative ties with influential and central corporations. Also, the greater their brokerage roles within collaborative networks with GOs, the more likely it is that they will be important brokers for corporations.

Table 5. Stepwise regression analyses predicting NGOs' degree centrality in collaborative NGO/corporate network

MODEL	Predictor	UNSTANDARDIZED COEFFICIENTS		STANDARDIZED COEFFICIENTS		<i>p</i>	<i>R</i> <sup>2</sup>	<i>R</i> <sup>2</sup> change	<i>F</i> change	<i>p</i>
		<i>B</i>	<i>SE</i>	$\beta$	<i>t</i>					
<b>1</b>							.614	.614	1362.46	.000
	Degree centrality (NGO/GO collaborative)	1.009	.027	.783	36.91	.000				
<b>2</b>							.616	.002	4.460	.035
	Degree centrality (NGO/GO collaborative)	.764	.119	.593	6.412	.000				
	Betweenness centrality (NGO/GO collaborative)	.000	.000	.195	2.112	.035				

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Table 6. Stepwise regression analyses predicting NGOs' eigenvector centrality in collaborative NGO/corporate network

MODEL	Predictor	UNSTANDARDIZED COEFFICIENTS		STANDARDIZED COEFFICIENTS		<i>p</i>	<i>R</i> <sup>2</sup>	<i>R</i> <sup>2</sup> change	<i>F</i> change	<i>p</i>
		<i>B</i>	<i>SE</i>	$\beta$	<i>t</i>					
<b>1</b>							.551	.551	1053.55	.000
	Eigenvector centrality (NGO/GO collaborative)	.709	.022	.743	32.46	.000				



<b>2</b>							.566	.014	28.27	.000
	Eigenvector centrality (NGO/GO collaborative)	.592	.031	.619	19.15	.000				
	Betweenness centrality (NGO/GO collaborative)	.000	.000	.172	5.317	.000				

Table 7. Stepwise regression analyses predicting NGOs' betweenness centrality in collaborative NGO/corporate network

MODEL	Predictor	UNSTANDARDIZED COEFFICIENTS		STANDARDIZED COEFFICIENTS			$R^2$	$R^2$ change	$F$ change	$p$
		$B$	$SE$	$\beta$	$t$	$p$				
<b>1</b>							.604	.604	1306.20	.000
	Betweenness centrality (NGO/GO collaborative)	2.201	.061	.777	36.14	.000				
<b>2</b>							.607	.003	5.971	.015
	Betweenness centrality (NGO/GO collaborative)	2.048	.087	.723	23.49	.000				
	Eigenvector centrality (NGO/GO collaborative)	23598.85	9657.26	.075	2.444	.015				

### *Interviewee Perceptions of Collaborative Networks*

*RQ1: What motivates NGO leaders to seek collaborations with governmental institutions?*

The interviews with both NGO and corporate leaders further highlighted the importance of developing collaborations with governmental organizations in a state-led market economy. NGO leaders and corporate managers consistently noted that ties to influential and powerful GOs helped NGOs gain greater capacities and opportunities to increase their chances of collaborating with corporations for CSR activities. Five codes indicating the reasons emerged from interview coding – *legitimacy and expertise, resourcefulness, knowledge of government policies and laws, transparency, and administrative power.*

**Institutional Embeddedness as Legitimacy and Expertise.** NGOs' collaborative ties with powerful and well-known GOs were perceived by both corporate managers and the NGO leaders themselves as a sign of legitimacy, expertise and trustworthiness. NGO leaders engaged in collaboration with GOs primarily with the belief that it would strengthen their roles and influence, and attract more corporate financial support and opportunities for industry cooperation. One environmental NGO leader explicitly noted that their partnerships with GOs have a significant influence on their likelihood of engaging in collaboration with corporations:

Would corporations support us if we didn't have any positive relationships with the government? We worry about these things. I think government influence is pretty big here. One of the main reasons that large corporations support our projects is that we have strong partnerships with GOs. Because our organization will consistently have strong partnerships with the government, the corporations think that collaborating with us will in part benefit whatever they want to do – the corporations would collaborate with us for this reason (NGO L 5).

Corporate managers strongly agreed that the NGO leaders who were tightly connected to and manifested their positive collaborative relationships with powerful GOs were considered high in legitimacy and credibility. More specifically, many corporate managers named these NGOs as “semi-governmental,” which they identified as the most resourceful and beneficial to their CSR projects.

These semi-governmental NGOs have the most experience for the kinds of projects that our company wants to launch. They have the abilities to best manage and plan things out. Even when we lack experience with deciding on the locations and human resource management etc., these NGOs are running the most optimal platforms for our projects. So we can just launch our projects successfully through these NGOs (MNG 5).

As explained by the above statement, corporate managers perceived the NGOs that operated with close connections to the governmental institutions as having high capacity and reliability to launch the desired projects effectively.

**Resourcefulness.** From the company managers’ perspective, what made the NGOs with strong governmental connections seem legitimate and credible were their resourcefulness and financial capacity. NGOs’ connections to strong governmental institutions meant that the NGOs had enough financial support and resources, and thus could successfully engage in and competently carry out large scale projects that met the scale of their company goals and projects. As a global company, with goals to thrive in the global market with their CSR practices, corporate managers felt that they need NGOs that were compatible with their company in terms of financial capacity, skills and future outlook. Corporate managers pointed out that government support was a critical sign and evidence of such capacities and reliability of NGOs.

This is a special characteristic of the NGOs in Korea – Most of Korean NGOs receive the financial support from the government to carry out their projects – including World Vision – they receive the money provided by KOICA or the government. Those NGOs that are large in scale and size almost always receive governmental financial support, and those NGOs that develop financial resources only based on membership donations are very rare. Forming connections with government I think is inevitable to some extent. So the most important abilities and roles that an NGO could have is how well they engage in communication with the government. Because a large part of their funding comes from the governmental institutions, it is difficult for these NGOs to successfully work without fully understanding the administrative or governmental processes and if their relationships with the government are bad (MNG 8).

Another company manager regarded those NGOs that did not have connections to strong GOs as rather incompetent, “too small” and “difficult to work with” (MNG 11). The manager believed that “these NGOs without governmental financial support tend to only carry out projects that they are interested in with self-collected money in rather small quantities,” and therefore were “too different to work with in terms of scale.”

**Knowledge of Government Policies and Laws.** The results also indicate that NGOs’ connections to powerful GOs signal to corporate leaders their awareness of and sensitivity to government policies and laws, which is deemed as critical knowledge in a state-led market economy. Managers emphasized the power of governmental decisions directly related to CSR. The government even put out the keywords which determined the primary CSR activity that companies should focus on for the year. “Once the government changes, new keywords are laid

out, then we launch many projects that meet these keywords” (MNG 8).

The interviewees strongly noted that NGOs gain credibility from their networks with powerful GOs because these connections were reflective of their knowledge and “abilities to adhere to the laws and regulations.” For Chaebols, collaborative ties to GOs signaled NGO capacities to assist companies in meeting government CSR demands when implementing new projects.

Whether or not we consider NGOs’ connections to GOs important really depends on our activity goals. Let’s say that we need to make changes not just to the automobile features but also wish to know what’s new in terms of the laws, regulations and policies regarding safety for reducing car accidents. In those cases, we reach out to NGOs that have good knowledge about these and try to prepare for changes in our engine production prior to the new policy enactment (MNG 10).

**Transparency.** Corporate managers also believed that NGOs with strong governmental connections were more transparent and thus more trustworthy, because the NGOs would be subject to constant monitoring by the government and regulations. They judged that “nationally-recognized NGO are transparent and efficient in their spending compared to the others” (MNG 4). Another noted, “the ways they manage their financial accounts and documents are very tight, and they report in much detail on how they executed each funded project” (MNG 2). In this context, centrality in the NGO/GO network indicates that an NGO “has the right structure that adequately adheres to the law,” and can rest assure that “the NGO will not waste any of the funding we provide” (MNG 4). Inherent distrust of NGOs was mediated by these linkages with governmental institutions. A manager explained:

For example, Community Chest of Korea is affiliated with the Ministry of Health

and Welfare. So they get inspected every year on their spending and cost-efficiency. In other words, they get checked whether or not they ever secretly take and spend the money for self-interest or for unjust purposes. Because of these systems, we feel it's fine to provide them with funding. We've had issues in the past when we provided funding for a disaster relief foundation, but they used up our money for something else. Ever since we faced that issue, we couldn't possibly give them any more funding. All these operations are done by humans, and there are people that do not act out of genuine interests, so I think there needs to be these systems implemented by the governmental institutions to monitor these activities (MNG 5).

In other words, the NGOs that were under strong governmental monitoring system appeared to corporate managers as tightly managed for transparency and credibility.

**Administrative Power.** Another important reason that NGOs' linkages with powerful GOs were deemed important was because of the administrative power that GOs had to effectively carry out and amplify the impact of CSR projects. According to one NGO leader, GOs' roles have evolved from the past to become more powerful and efficient, and NGOs increasingly needed to interact with these GOs to enhance their own capacities:

In the past, the NGOs' roles were to fill in the gaps that the governmental institutions could not possibly cover, but today, the governmental institutions' administrative actions have become much faster and almost taken on the roles that NGOs used to have in the past. If GOs are this powerful, then this might mean that we need to borrow the government's administrative power to become more efficient in carrying out our original roles and expand our impact (NGO L

2).

Corporate managers agreed: “it would be more effective to have connections to governmental organizations or the central government or municipality to be able to efficiently carry out our projects” (MNG 8). GOs would also seek collaborations with corporations to “increase social impact.” For these reasons, it has become part of the norm for organizations to seek a “three-way cross-sector collaboration” among NGO-GO-corporations.

NGOs were also developing the roles as the mediators of GO-corporate communication through their networks. An environmental NGO leader noted, “because the government and corporations cannot communicate directly about new policies, we have to play a mediating role by providing a communicative platform” (NGO L 10). Many corporate managers agreed, pointing out that because of their transparency and efficiency, government-supported NGOs played important roles and had capabilities for facilitating and mediating effective collaboration with the civil society. One corporate manager reported that the semi-governmental NGOs “would recommend other NGO partners that would best facilitate our projects for us” and that they were “objective,” “transparent,” and “fair mediators” (MNG 4). Another summed up the significance of NGO inter-sectoral linkages when he stated “in order to solve their concerns for dealing with various NGO requests, we prefer to have certain semi-governmental NGOs select the collaborating NGOs for us rather than selecting them ourselves” (MNG 9).

### ***Adversarial NGO-GO-Corporate Networks***

*H1b: NGOs’ centralities (degree centrality, eigenvector centrality and betweenness centrality) in the adversarial NGO/GO network will be most strongly associated with the same type of network centrality of the NGOs in the adversarial NGO/corporate network.*

Hypothesis 1b was only partially supported. NGOs’ centralities in the adversarial

NGO/GO networks were not each related the most strongly to the same centralities in the adversarial NGO/corporate networks. Instead, NGOs' eigenvector centrality in the adversarial NGO/GO networks alone was significantly and positively related to all three centralities in the adversarial NGO/corporate networks. As shown in Table 8, NGOs' eigenvector centrality in the adversarial NGO/GO network significantly related to the NGOs' degree centrality in the adversarial NGO/corporate network ( $\beta = .970, p < .001$ ), explaining a high variance of 94% ( $R^2 = .940, p < .001$ ). Degree centrality emerged only in the third model as significantly associated ( $\beta = .226, p < .001$ ), but it only explained a very small portion of the variance ( $R^2$  change = .001,  $p < .001$ ). Similarly, as Table 9 shows, the NGOs' eigenvector centrality was significantly associated with their eigenvector centrality in the adversarial NGO/corporate network ( $\beta = .953, p < .001$ ) explaining 90.9% of the variance ( $R^2 = .909, p < .001$ ). Betweenness centrality in model 2 ( $\beta = -.001, p < .001$ ) and degree centrality in model 3 ( $\beta = -.009, p < .001$ ) were not strong associated, as model 2 ( $R^2$  change = .050,  $p < .001$ ) and model 3 ( $R^2$  change = .002,  $p < .001$ ) only additionally explained the variance by very little. Lastly, as shown by Table 10, eigenvector centrality again was significantly positively related to the NGOs' betweenness centrality in the adversarial NGO/corporate network ( $\beta = .961, p < .001$ ), explaining 92.3% of the variance ( $R^2 = .923, p < .001$ ). Betweenness centrality in the adversarial NGO/GO network emerged in the second model as being significantly and negatively related ( $\beta = -.243, p < .001$ ) but explained a very small portion of the variance ( $R^2$  change = .022,  $p < .001$ ).

These findings suggest that in order to ensure that NGOs effectively pressure corporations through adversarial relationships, it is important that the NGOs developed ties with other central GOs to develop strong influence within the adversarial NGO/GO network. More specifically, those NGOs that develop influence or target influential GOs in their adversarial



networks with GOs (i.e. protesting against and/or monitoring GOs) will be able to engage in a large number of protests and monitoring activities (degree centrality) against corporations, develop influential positions (eigenvector centrality) and take on important brokering roles (betweenness centrality) when engaging in adversarial activities against corporations. Only forming adversarial ties with GOs through a large number of protests or monitoring activities (degree centrality) without developing this influential position would not significantly strengthen their abilities to establish network density, influence and brokerage positions in pushing for changes in corporations.

Table 8. Stepwise regression analyses predicting NGOs' degree centrality in adversarial NGO/corporate network

MODEL	Predictor	UNSTANDARDIZED COEFFICIENTS		STANDARDIZED COEFFICIENTS			$R^2$	$R^2$ change	$F$ change	$p$
		$B$	$SE$	$\beta$	$t$	$p$				
<b>1</b>							.940	.940	13501.234	.000
	Eigenvector centrality (NGO/GO adversarial)	29.82	.257	.970	116.20	.000				
<b>2</b>							.961	.021	466.410	.000
	Eigenvector centrality (NGO/GO adversarial)	45.83	.769	1.490	59.57	.000				
	Betweenness centrality (NGO/GO adversarial)	-.014	.001	-.540	-21.60	.000				
<b>3</b>							0.963	0.001	33.33	.000
	Eigenvector centrality (NGO/GO adversarial)	43.90	.826	1.427	53.17	.000				
	Betweenness centrality (NGO/GO adversarial)	-.020	.001	-.754	-16.98	.000				
	Degree centrality (NGO/GO adversarial)	.226	.039	.277	5.773	.000				

Table 9. Stepwise regression analyses predicting NGOs' eigenvector centrality in adversarial NGO/corporate network

MODEL	Predictor	UNSTANDARDIZED COEFFICIENTS		STANDARDIZED COEFFICIENTS			$R^2$	$R^2$ change	$F$ change	$p$
		$B$	$SE$	$\beta$	$t$	$p$				
<b>1</b>							.909	.909	8513.15	.000
	Eigenvector centrality (NGO/GO adversarial)	.900	.010	.953	92.27	.000				
<b>2</b>							.959	.050	1036.99	.000
	Eigenvector centrality (NGO/GO adversarial)	1.659	.024	1.756	67.85	.000				
	Betweenness centrality (NGO/GO adversarial)	-.001	.000	-.833	-32.20	.000				
<b>3</b>							.961	.002	52.92	.000
	Eigenvector centrality (NGO/GO adversarial)	1.735	.026	1.837	66.85	.000				
	Betweenness centrality (NGO/GO adversarial)	.000	.000	-.558	-12.29	.000				
	Degree centrality (NGO/GO adversarial)	-.009	.001	-.357	-7.275	.000				

Table 10. Stepwise regression analyses predicting NGOs' betweenness centrality in adversarial NGO/corporate network

MODEL	Predictor	UNSTANDARDIZED COEFFICIENTS		STANDARDIZED COEFFICIENTS			$R^2$	$R^2$ change	$F$ change	$p$
		$B$	$SE$	$\beta$	$t$	$p$				
<b>1</b>							.923	.923	10310.66	.000
	Eigenvector centrality (NGO/GO adversarial)	449.02	4.914	.961	101.54	.000				
<b>2</b>							.945	.022	338.01	.000
	Eigenvector centrality (NGO/GO adversarial)	773.581	15.503	1.490	49.90	.000				
	Betweenness centrality (NGO/GO adversarial)	-.243	.013	-.549	-18.39	.000				
<b>3</b>							.947	.002	31.04	.000
	Eigenvector centrality (NGO/GO adversarial)	811.09	16.66	1.562	48.69	.000				
	Betweenness centrality (NGO/GO adversarial)	-.134	.024	-.303	-5.711	.000				
	Degree centrality (NGO/GO adversarial)	-4.401	.790	-.319	-5.571	.000				

### *NGO Leaders' Perceptions of NGOs' Adversarial Networks*

*RQ2a: What motivates NGO leaders to seek adversarial relationships with governmental institutions?*

To the NGO leaders, keeping adversarial stances against GOs was seen as one of the most important ways of maintaining strong influential stances and enhancing their positions against corporations, supporting the network findings. Seven of the 11 NGO leaders identified their organizations as fully or partly engaged in activism. Two codes emerged from coding the interviews of the NGO leaders about how NGO leaders perceived adversarial relationships with GOs: most of them believed adversarial networks with GOs contributed to *enhancement of organizational identity*, and enhanced NGOs' *capacities to change the law*. However, none of the 13 corporate managers believed that their corporations were in any way influenced by activist confrontations. One of the NGO leaders expressed awareness of these views.

**Enhancement of Organizational Identity.** For NGOs that self-identified as activist civil society organizations, adversarial relationships with governmental institutions were critically linked to their organizational identity and for strengthening their positions to advocate for CSR practices. As one NGO leader put it, “we never collaborate with governmental organizations when we are trying to change the way corporations behave and corporate governance systems” (NGO L 4). Another NGO leader suggested, “the foundational role of our organization is to monitor the authority and their misdeeds, so we primarily monitor and check governmental organizations” (NGO L 7). Another concurred: “the government is one of our subjects of scrutiny, so having close contact with the government can engender unnecessary misunderstanding, and can weaken our positions” (NGO L 6).

Network positioning was seen by NGO leaders as a key mechanism for developing

legitimacy in the eyes of the public, the civil society and the media. As one NGO noted, “one of our main priorities is to enlarge the citizen supporters and encourage their participation in our movements, as well as make effective appearances in the media” (NGO L 4). In order to maintain support, NGOs saw it as important to “show that we guard against governmental influence and input” and “maintain powerful stances against corporations without allowing any tolerance” (NGO L 9). The NGO leaders generally believed that close contact and connections with governmental organizations might weaken their legitimacy and influence on the corporations.

There are some media outlets that attack us. [Media1] and [media2] for example attack us a lot. We don't want to provide them with something to bite on. For example, let's say we received some financial support from the government. Then the media might say that we're not monitoring this company properly because of this money. These things can really bring us down (NGO L 7).

**Capacity to Change the Law.** For the NGO leaders, strengthening this adversarial identity and objectives was especially important for pushing for changes in policies and laws that opened up opportunities to bring drastic and strong changes in CSR which global standards have yet to resolve (i.e. anti-corruption in corporate governance). They believed that in order to bring changes in corporations and correct their misdeeds effectively, they must push GOs to take action.

NGO leaders believed that corporate governance and corruption were the most serious issues in many Chaebol companies. These problems were often closely associated with Chaebols' historical connections to the government and political authorities, and corporate governance issues have thus emerged as a form of CSR that diverged from the global move

towards anti-corruption and responsible governance under the UN principles. NGO interviewees indicated that “Chaebols’ internal mechanisms of checks and balances are not effective at all” and “our society, the legal sector and the court have so far been too lenient on the Chaebols’ misdeeds” (NGO L 8). They argued that it is therefore difficult to criticize these issues and push for changes effectively “if we co-work with the government while taking the stance to check and criticize the government” (NGO L 6). By remaining adversarial towards governmental institutions and constantly monitoring their policies to raise issues with them, NGO leaders sought to address corruption in corporate governance and structural issues which were not properly and effectively addressed by the existing laws and global standards. “There are not many ways to change the structure of the board of directors in companies, so all we can do right now is to continue to engage in a movement pushing for at least the revision of the commercial law” (NGO L 7). In order to make these changes in the law, the NGOs formed adversarial relations with influential GOs to develop influence in adversarial NGO/corporate network.

### ***Corporate Managers’ Perceptions of NGOs’ Adversarial Networks***

*RQ2b: How do the perceptions of corporate managers regarding NGOs’ adversarial networks differ from those of NGO leaders?*

While the NGO leaders’ views were consistent with the network findings in that they believed that confronting GOs helped enhance their protests and activism against corporations, corporate managers contradicted these ideas. Corporate managers rather expressed reluctance to interact with NGOs that developed adversarial relationships with GOs, primarily because they believed that the NGOs that developed adversarial relationships with GOs were less able to have positive influence on their CSR practices. Two codes emerged from coding the interviews of

corporate managers' perspectives: *skepticism about NGO activism*, and *disconnection*.

**Skepticism about NGO Activism.** Chaebol managers generally expressed skepticism and discomfort towards maintaining regular contact with adversarial NGOs and denied that the NGOs influenced their CSR practices. One petroleum company manager, for example, suggested that they avoided forming network relationships with NGOs. Rather, his team took precautionary actions by closely analyzing and learning from mistakes made by other corporations in their CSR practices and responses to NGOs. They “took action and respond fast before anything goes wrong with an NGO” (MNG 5). When a health and environmental scandal happened at another larger corporation, his team “had environmental experts from academia check all our factories, and we helped them write reports on the evaluations,” so as to prevent the same NGOs from monitoring and finding the same problems in their corporation.

Not only did corporate managers strongly disfavor forming relationships with NGOs that were engaged in adversarial activities, but also avoided contacting NGOs that were not cooperatively connected with governmental institutions. Many corporate managers noted that they were cautious about working with and opening up to NGOs with “political colors” that did not align with or could go against the major political party in power. They believed that those particular NGOs engaged in political issues often had “different goals, interests and basic focusses from the areas that we are interested in” (MNG 4). Some NGOs were also cognizant of these corporate perceptions and were cautious not to present themselves as having any political affiliations.

This is a bit of a sensitive topic, but you know, the political party in place and its political affiliation affects how corporations behave. I personally don't think we are so affected by politics, but sometimes corporations tend to be more or less



proactive in working with us depending on the political atmosphere of the country. For example, when President Park was in power, some corporations thought our organization was closer to being liberal because our organization makes contributions to environment activities to some extent, and maybe to some degree because our organization was originally founded by the mayor of Seoul (who is part of the liberal party). So when companies perceived us as possibly opposing the current government in power and to have a different political affiliation, then they tended to be quite less proactive in contacting us (NGO 1).

The skepticism held by corporate managers towards the perceived nature and characteristics of some NGOs primarily seemed to prevent corporate managers from not just linking with these NGOs but even from admitting that NGOs have influence on their CSR activities.

**Disconnection.** Corporate managers found NGOs that took powerful adversarial stances were rather distant from their CSR initiatives and indicated that it was rather cumbersome to respond to their requests. An automobile corporate manager, for example, described the issues raised by the NGOs as matters that were not directly related to or which could affect their CSR practices. Rather, the issues raised by NGOs transcended what the managers saw as CSR related activities.

Because we are an automobile firm, there are certain NGOs (that we cannot name) that continuously raise issues with our environmental conduct, asking if we're using environmentally friendly materials, if we're using any compartments that emit environmental hormones, and demanding that we reduce them etc. Apparently, they raise lots of issues. But our CSR department

has no communication with any of those adversarial NGOs. There is a separate team that focus on responding to those NGOs (MNG 10).

Corporate managers in the financial sector argued that the NGOs that took strong adversarial actions violated normative expectations within the South Korean context and hence should be avoided.

The pressures that corporations get from NGOs engaged in adversarial activities, like Greenpeace, are not as strong in South Korea as other global cases. NGOs here don't play a very good adversarial role because they have to operate with the funding they get from us. Of course that's kind of the same for Greenpeace because they also get funded by corporations, but it's more than that in many NGOs in South Korea. From what I know, Greenpeace gets a lot of personal donations and support because they deal with global environmental issues. But it's not the same for domestic NGOs. NGOs operating in South Korea are much more dependent on corporations – they can't survive without us. They can't even pay their employees if it isn't for corporate support (MNG 8).

Corporate managers in general did not seem to find a connection between NGO networks and their CSR departments, and rather seemed dismissive about the impact the NGOs could have on their actual CSR practices. Their lack of interest in and skepticisms of NGO networks might be part of the reasons why the internal NGO networks were least positively related to NGOs' embeddedness and positions within the adversarial NGO/corporate network.

### **NGOs' Intra-Network and Its Relationships with Cross-Sector Networks**

The second set of hypotheses addressed how the within-sector NGO/NGO network might

be associated with the NGOs' networks with GOs and corporations. Overall, according to the findings, NGOs' *degree centrality* emerged in the NGO/NGO network as the most significantly associated with the NGOs' network centralities within both the NGO/GO and NGO/corporate networks when their relationships were collaborative in nature. This contrasted with the findings for inter-network dynamics, where NGOs' *eigenvector centrality*, rather than *degree centrality*, emerged as the most significantly associated with all centrality measures within the NGO/corporate network.

### ***The Association between NGO/NGO Network and Collaborative NGO/GO and NGO/Corporate Networks***

*H2a) When forming collaborative relationships with GOs and corporations, NGOs' degree centrality will be most strongly associated with all centralities in the collaborative NGO/GO and NGO/corporate networks*

Stepwise regression analyses were conducted to test if degree centrality of NGOs in their NGO/NGO network emerged as the most strongly associated with their centralities in the collaborative NGO/GO and NGO/corporate networks. Hypothesis 2a was supported. In predicting NGOs' centralities in collaborative networks, the NGOs' degree centrality in the NGO/NGO network was most strongly associated with their degree centrality ( $\beta = .864, p < .001; R^2 = .747, p < .001$ ) and betweenness centrality ( $\beta = .859, p < .001; R^2 = .738, p < .001$ ) in the collaborative NGO/GO network (see Tables 11 and 13), as well as with their degree centrality ( $\beta = .812, p < .001; R^2 = .659, p < .001$ ) and betweenness centrality ( $\beta = .787, p < .001; R^2 = .619, p < .001$ ) in the collaborative NGO/corporate network (see Tables 14 and 16). Degree centrality in the NGO/NGO network was also significantly and positively related to the NGOs' eigenvector centralities in the collaborative NGO/GO network ( $\beta = .290, p < .001; R^2$  change

= .047,  $p < .001$ ) and the collaborative NGO/corporate network ( $\beta = .187, p < .05$ ;  $R^2$  change = .005,  $p < .05$ ), although they explained a relatively small additional portions of the variances (see Tables 12 and 15). These findings show that the greater the density of NGOs' ties within their own sector with many other NGOs, the greater the likelihood that they will enhance the density of ties and stronger brokerage roles within their collaborative networks with GOs and corporations, and even influential positions in the same networks to some degree.

Table 11. Stepwise regression analyses (of NGO/NGO network) predicting NGOs' degree centrality in collaborative NGO/GO network

MODEL	Predictor	UNSTANDARDIZED COEFFICIENTS		STANDARDIZED COEFFICIENTS			$R^2$	$R^2$ change	$F$ change	$p$
		$B$	$SE$	$\beta$	$t$	$p$				
<b>1</b>							.747	.747	2534.18	.000
	Degree centrality (NGO/NGO)	1.433	.028	.864	50.34	.000				

Table 12. Stepwise regression analyses (of NGO/NGO network) predicting NGOs' eigenvector centrality in collaborative NGO/GO network

MODEL	Predictor	UNSTANDARDIZED COEFFICIENTS		STANDARDIZED COEFFICIENTS			$R^2$	$R^2$ change	$F$ change	$p$
		$B$	$SE$	$\beta$	$t$	$p$				
<b>1</b>							.683	.683	1848.52	.000
	Eigenvector centrality (NGO/NGO)	1.042	.024	.827	42.99	.000				
<b>2</b>							.730	.047	149.33	.000
	Eigenvector centrality (NGO/NGO)	.800	.030	.634	26.76	.000				
	Degree centrality (NGO/NGO)	.004	.000	.290	12.22	.000				

Table 13. Stepwise regression analyses (of NGO/NGO network) predicting NGOs' betweenness centrality in collaborative NGO/GO network

MODEL	Predictor	UNSTANDARDIZED COEFFICIENTS		STANDARDIZED COEFFICIENTS			$R^2$	$R^2$ change	$F$ change	$p$
		$B$	$SE$	$\beta$	$t$	$p$				
<b>1</b>							.738	.738	2412.24	.000
	Degree centrality (NGO/NGO)	1257.01	25.59	.859	49.12	.000				
<b>2</b>							.740	.003	9.577	.002
	Degree centrality (NGO/NGO)	1326.80	34.02	.907	39.00	.000				
	Eigenvector centrality (NGO/NGO)	-10041.15	3244.71	-.072	-3.095	.002				
<b>3</b>							.742	.002	6.161	.013
	Degree centrality (NGO/NGO)	1186.24	66.01	.811	17.97	.000				
	Eigenvector centrality (NGO/NGO)	-11392.34	3280.45	-.082	-3.473	.001				
	Betweenness centrality (NGO/NGO)	.192	.077	.111	2.482	.013				

Table 14. Stepwise regression analyses (of NGO/NGO network) predicting NGOs' degree centrality in collaborative NGO/corporate network

MODEL	Predictor	UNSTANDARDIZED COEFFICIENTS		STANDARDIZED COEFFICIENTS			$R^2$	$R^2$ change	$F$ change	$p$
		$B$	$SE$	$\beta$	$t$	$p$				
<b>1</b>							.659	.659	1658.78	.000
	Degree centrality (NGO/NGO)	1.734	.043	.812	40.73	.000				
<b>2</b>							.672	.013	33.45	.000
	Degree centrality (NGO/NGO)	1.948	.056	.912	34.90	.000				
	Eigenvector centrality (NGO/NGO)	-30.79	5.324	-.151	-5.783	.000				
<b>3</b>							.677	.005	13.27	.000
	Degree centrality (NGO/NGO)	1.611	.108	.754	14.93	.000				
	Eigenvector centrality (NGO/NGO)	-34.03	5.361	-.167	-6.348	.000				
	Betweenness centrality (NGO/NGO)	.000	.000	.183	3.643	.000				

Table 15. Stepwise regression analyses (of NGO/NGO network) predicting NGOs' eigenvector centrality in collaborative NGO/corporate network

MODEL	Predictor	UNSTANDARDIZED COEFFICIENTS		STANDARDIZED COEFFICIENTS			$R^2$	$R^2$ change	$F$ change	$p$
		$B$	$SE$	$\beta$	$t$	$p$				
<b>1</b>							.437	.437	666.02	.000
	Betweenness centrality (NGO/NGO)	.000	.000	.661	25.81	.000				
<b>2</b>							.472	.035	56.50	.000
	Betweenness centrality (NGO/NGO)	.000	.000	.498	15.09	.000				
	Eigenvector centrality (NGO/NGO)	.299	.040	.248	7.517	.000				
<b>3</b>							.477	.005	8.435	.004
	Betweenness centrality (NGO/NGO)	.000	.000	.339	5.294	.000				
	Eigenvector centrality (NGO/NGO)	.276	.040	.229	6.844	.000				
	Degree centrality (NGO/NGO)	.002	.001	.187	2.904	.004				



Table 16. Stepwise regression analyses (of NGO/NGO network) predicting NGOs' betweenness centrality in collaborative NGO/corporate network

MODEL	Predictor	UNSTANDARDIZED COEFFICIENTS		STANDARDIZED COEFFICIENTS			$R^2$	$R^2$ change	$F$ change	$p$
		$B$	$SE$	$\beta$	$t$	$p$				
<b>1</b>							.619	.619	1393.05	.000
	Degree centrality (NGO/NGO)	3261.80	87.39	.787	37.32	.000				
<b>2</b>							.638	.019	44.72	.000
	Degree centrality (NGO/NGO)	1924.18	217.43	.464	8.850	.000				
	Betweenness centrality (NGO/NGO)	1.715	.257	.351	6.687	.000				
<b>3</b>							0.653	0.015	36.53	.000
	Degree centrality (NGO/NGO)	2178.23	217.16	.525	10.03	.000				
	Betweenness centrality (NGO/NGO)	1.971	.255	.403	7.733	.000				
	Eigenvector centrality (NGO/NGO)	-65230.71	10792.20	-.165	-6.044	.000				

### ***The Association between NGO/NGO Networks and Adversarial NGO/GO Networks***

*H2b) When forming adversarial relationships with GOs and corporations, NGOs' degree centrality will be most strongly associated with all centralities in the adversarial NGO/GO network but not in the adversarial NGO/corporate network.*

Hypothesis 2b was only partially supported. Unlike what it had predicted, NGOs' degree centrality in the NGO/NGO network was not strongly associated with their centralities in the adversarial NGO/GO networks. The hypothesis was, however, supported in that their degree centrality in the NGO/NGO network was not significantly associated with their centralities in the adversarial NGO/corporate network. In other words, NGOs' degree centrality within their own sector was not strongly associated with any of their centralities in adversarial networks with GOs and corporations. Although NGOs' degree centrality in the NGO/NGO network, among all centralities, was the most significantly associated with their degree centrality ( $\beta = .263, p < .001$ ;  $R^2 = .069, p < .001$ ) (see Table 17), eigenvector centrality ( $\beta = .228, p < .001$ ;  $R^2 = .052, p < .001$ ) (see Table 18), and betweenness centrality ( $\beta = .228, p < .001$ ;  $R^2 = .052, p < .001$ ) (see Table 19) in the adversarial NGO/GO network, they explained only a small portion of the variances. Similarly, their degree centrality in the NGO/NGO network only significantly explained a very small part of the variances in degree centrality ( $\beta = .212, p < .001$ ;  $R^2 = .045, p < .001$ ) (see table 20), and betweenness centrality ( $\beta = .1812, p < .001$ ;  $R^2 = .033, p < .001$ ) (see Table 22) in the adversarial NGO/corporate network, and did not significantly relate to their eigenvector centrality in the same network in any way (see Table 21). In other words, strong internal ties and positions within their own sector were not strongly associated with how much they were able to develop dense ties, influential positions and brokerage roles in adversarial relations with GOs and corporations.

Unlike the ways they positively related to centrality measures in collaborative networks,

NGOs' centrality measures within the NGO/NGO network were not strongly associated with their centrality measures in the *adversarial* NGO/GO and NGO/corporate networks. That is, tight within-sector embeddedness and strong positions hardly benefit NGOs' adversarial ties and positions against GOs and corporations. These results indicate that development of strong internal embeddedness within the NGO/NGO network is rather detached from the processes of forming adversarial relations with GOs and corporations. This poses a possibility that even though many NGOs develop internal connections within their own sector with the intention of strengthening their adversarial stances against GOs and corporations in relation to CSR issues, their internal networks may not necessarily help the NGOs to span across their boundaries to connect with other sectors and develop strong stances on sensitive topics.

Table 17. Stepwise regression analyses (of NGO/NGO network) predicting NGOs' degree centrality in adversarial NGO/GO network

MODEL	Predictor	UNSTANDARDIZED COEFFICIENTS		STANDARDIZED COEFFICIENTS			<i>R</i> <sup>2</sup>	<i>R</i> <sup>2</sup> change	<i>F</i> change	<i>p</i>
		<i>B</i>	<i>SE</i>	$\beta$	<i>t</i>	<i>p</i>				
<b>1</b>							.069	.069	63.64	.000
	Degree centrality (NGO/NGO)	.067	.008	.263	7.977	.000				
<b>2</b>							.093	.024	22.89	.000
	Degree centrality (NGO/NGO)	.102	.011	.401	9.220	.000				
	Eigenvector centrality (NGO/NGO)	-5.039	1.053	-.208	-4.784	.000				

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Table 18. Stepwise regression analyses (of NGO/NGO network) predicting NGOs' eigenvector centrality in adversarial NGO/GO network

MODEL	Predictor	UNSTANDARDIZED COEFFICIENTS		STANDARDIZED COEFFICIENTS			<i>R</i> <sup>2</sup>	<i>R</i> <sup>2</sup> change	<i>F</i> change	<i>p</i>
		<i>B</i>	<i>SE</i>	$\beta$	<i>t</i>	<i>p</i>				
<b>1</b>							.052	.052	47.10	.000
	Degree centrality (NGO/NGO)	.002	.000	.228	6.863	.000				
<b>2</b>							.079	.027	24.75	.000
	Degree centrality (NGO/NGO)	.003	.000	.373	8.507	.000				

Eigenvector centrality (NGO/NGO)	-.140	.028	-.218	-4.975	.000
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Table 19. Stepwise regression analyses (of NGO/NGO network) predicting NGOs' betweenness centrality in adversarial NGO/GO network

MODEL	Predictor	UNSTANDARDIZED COEFFICIENTS		STANDARDIZED COEFFICIENTS		<i>p</i>	<i>R</i> <sup>2</sup>	<i>R</i> <sup>2</sup> change	<i>F</i> change	<i>p</i>
		<i>B</i>	<i>SE</i>	$\beta$	<i>t</i>					
<b>1</b>							0.052	0.052	47.12	.000
	Degree centrality (NGO/NGO)	1.804	.263	.228	6.864	.000				
<b>2</b>							.083	.031	29.15	.000
	Degree centrality (NGO/NGO)	3.040	.345	.385	8.802	.000				
	Eigenvector centrality (NGO/NGO)	-177.84	32.94	-.236	-5.399	.000				

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Table 20. Stepwise regression analyses (of NGO/NGO network) predicting NGOs' degree centrality in adversarial NGO/corporate network

MODEL	Predictor	UNSTANDARDIZED COEFFICIENTS		STANDARDIZED COEFFICIENTS		<i>p</i>	<i>R</i> <sup>2</sup>	<i>R</i> <sup>2</sup> change	<i>F</i> change	<i>p</i>
		<i>B</i>	<i>SE</i>	$\beta$	<i>t</i>					
<b>1</b>							.045	.045	40.38	.000

	Degree centrality (NGO/NGO)	.044	.007	.212	6.354	.000				
<b>2</b>							.061	.016	14.71	.000
	Degree centrality (NGO/NGO)	.067	.009	.325	7.338	.000				
	Eigenvector centrality (NGO/NGO)	-3.356	.875	-.170	-3.836	.000				

Table 21. Stepwise regression analyses (of NGO/NGO network) predicting NGOs' eigenvector centrality in adversarial NGO/corporate network

MODEL	Predictor	UNSTANDARDIZED COEFFICIENTS		STANDARDIZED COEFFICIENTS		<i>p</i>	<i>R</i> <sup>2</sup>	<i>R</i> <sup>2</sup> change	<i>F</i> change	<i>p</i>
		<i>B</i>	<i>SE</i>	$\beta$	<i>t</i>					
<b>1</b>							.033	.033	29.39	.000
	Betweenness centrality (NGO/NGO)	.000	.000	.182	5.421	.000				
<b>2</b>							.049	.016	14.27	.000
	Betweenness centrality (NGO/NGO)	.000	.000	.292	6.599	.000				
	Eigenvector centrality (NGO/NGO)	-.102	.027	-.167	-3.778	.000				

Table 22. Stepwise regression analyses (of NGO/NGO network) predicting NGOs' betweenness centrality in adversarial NGO/corporate network

MODEL	Predictor	UNSTANDARDIZED COEFFICIENTS		STANDARDIZED COEFFICIENTS			$R^2$	$R^2$ change	$F$ change	$p$
		$B$	$SE$	$\beta$	$t$	$p$				
<b>1</b>							.033	.033	28.87	.000
	Degree centrality (NGO/NGO)	.632	.118	.181	5.373	.000				
<b>2</b>							.049	.017	15.15	.000
	Degree centrality (NGO/NGO)	1.035	.156	.295	6.636	.000				
	Eigenvector centrality (NGO/NGO)	-57.89	14.87	-.173	-3.893	.000				

### *Interviews about NGO/NGO Networks*

*RQ3: What is the importance of forming internal networks for NGOs in relation to cross-sector networks with GOs and corporations?*

Whether they are primarily engaged in collaborative or adversarial relationships with GOs and corporations, NGO leaders believed that their internal network within their own sector was beneficial in general for enhancing their social impact and performances. They found their internal solidarity in their intra-network to be closely associated with how well they were able to develop both their collaborative and adversarial cross-sector networks and ultimately enhance their power and pressures on corporations. Interestingly, these views did not fully support the network findings. Unlike the NGO leaders' beliefs that their internal networks were beneficial for forming cross-sector networks at all times, the network findings suggest that NGOs' centralities within NGO/NGO network are not quite associated with their positions in adversarial cross-sector networks with GOs and corporations. Network data rather indicate that it is only by forming strong adversarial relations with GOs that the NGOs will be successful in developing strong adversarial relations with corporations. Two codes emerged from interviews with eleven NGOs about their perceptions of the impact of their internal NGO/NGO networks on their cross-sector networks with GOs and corporations: they noted the benefits of *NGO solidarity*, and *exchange of expertise* as the primary reasons why they believed internal networks were important for their cross-sector network formation for CSR.

**NGO Solidarity.** NGO leaders believed that their internal solidarity increased their power in expanding their collaborative relationships and their activism as they pushed for strong changes in governmental institutions and corporations. NGO leaders believed that developing diversity in their collaborative ties with other NGOs within their intra-network helped enhance



their organizational visibility, legitimacy and persuasiveness, which would benefit their cross-sector networks. As one NGO leader noted, “we like to always maintain and strengthen our civil society networks, because then we can stay informed about where opportunities lie and this makes us more resourceful and attractive partners for collaborating with governments and corporations” (NGO L 11). NGO leaders also believed that forming ties with other NGOs can create synergy to help amplify the perceived importance of the issues they care about and spread the news to other sectors and the public.

The fact that there are multiple and diverse NGOs that care about the same things we care about and that we are cooperating on these issues creates synergy...since every NGO has its own power and influence at different levels and different audiences. So by collaborating, we can further amplify the issue and become more persuasive. Whether we are up against governmental organizations, the Congress or corporations, it's much more powerful and influential to collectively propose something with diverse NGOs than as a single NGO (NGO L 6).

Because internal networks among NGOs enabled empowerment of their activist stances, NGO leaders especially sought internal collaboration when they were facing issues that needed immediate responses from corporations, or changes in laws or policies. For example, one environmental NGO leader explained that when it was revealed that an automobile company was producing carcinogens in their manufacturing processes, environmental NGOs got together to form a network called “a network for a non-carcinogen world” (NGO L 10). This network of NGOs was able to request that the company develop a specific manual for reducing carcinogen production.

**Exchange of Expertise.** NGO leaders also strongly believed that it was important to

contact large influential NGOs that were known to have lots of experience, knowledge and expertise in different forms of activism to enhance their influences on GOs and corporations. One NGO leader argued that exchanging expertise and ideas with influential NGOs would strengthen their impact on governmental institutions to enact policy and organizational change.

We make something like a ‘discussion table’ and talk, “let’s do this and that together.” For example, for this recent lawsuit, we started a negotiation with a big human rights activist NGO (that we cannot name) about how we will obtain related documents, conduct related debates, how we will open press conferences, how we will make the issue known to the public and citizens. We do these things together for sure. We also collaborate with labor rights organizations on issues related to Chaebol reform, lawmaking and amendment of laws, because we need the endorsement of these organizations to make it happen (NGO L 7).

## **Relationship between NGO/Corporate Networks and CSR Practices**

### ***Network Dynamics for Convergent CSR***

*H3: NGOs’ degree centrality, eigenvector centrality and betweenness centrality within the collaborative NGO/corporate network will each be positively associated with NGO-corporate engagement in convergent CSR practices.*

Hypothesis 3 predicted that the degree, eigenvector and betweenness centralities of NGOs within *collaborative* NGO/corporate networks will positively be associated with *convergent CSR practices*. H3 was only partly supported. It was only the degree centrality of the NGOs (embeddedness) in their collaborative networks with corporations that was positively associated with their engagement in collaborative convergent CSR practices with corporations ( $\beta = 1.101, p < .001$ ) (see Table 23). NGOs’ degree centrality explained 50.4% of the variance in

the frequency of involvement in convergent CSR practices ( $R^2 = .504, p < .001$ ). In other words, in order to ensure that the NGOs and corporations collaboratively engage in convergent CSR, or practices that converge upon the UN global standards, NGOs need to focus on developing a dense collaborative network with corporations. However, establishing ties with influential or central corporations did not necessarily increase the NGOs' collaborative initiatives for convergent CSR practices. Also, unlike the beliefs that NGOs gain power in driving global human rights by taking brokerage positions at the transnational level (Stohl & Stohl, 2005), developing brokerage positions in the NGO/corporate collaborative network in South Korean context did not significantly relate to the NGOs' engagement in global convergent CSR.

The annual reports of the NGOs, in fact, reflected the association between the NGOs' degree centralities in collaborative NGO/corporate network and their engagement in convergent CSR practices. Green Fund is an exemplary environmental NGO that had strong eigenvector centrality in collaborative NGO/GO network and high degree centrality in collaborative NGO/corporate networks. Green Fund reported in their annual reports primarily on their involvement in clean energy initiatives and climate actions, both of which are sub-categories of Environmental practices on the ESG dimensions of convergent CSR. Many of their core projects involved "producing solar-powered energy and lighting in rural communities," and providing "environmental education to children in regional childcare centers." For these projects, Green Fund collaborated with many Chaebol firms, including Samsung, Hanhwa Energy and Posco, with financial and resource support from the most central governmental organizations specializing in environmental protection, such as the Ministry of Environment and Korea Forest Service. Green Fund, however, rarely reported on their activities in any of the divergent CSR subcategory topics.

Also, ReDI, an NGO that focuses on various areas of sustainable development, including global health and well-being and education, also had significantly high eigenvector centrality in collaborative NGO/GO network and high degree centrality in collaborative NGO/corporate networks. ReDI mostly focused on reporting on their collaborations with several central GOs that primarily focused on addressing global sustainability issues, including health and well-being, education, and sustainable supply chain. The NGOs formed partnerships with some of the most powerful and central GOs, such as KOICA, South Korean Ministry of Trade, Industry and Energy, and a large number of conglomerate firms such as Samsung Electronics and Lotte group, to engage in what they called “public-private cooperation project.” They would work together on some global level issues, such as on “developing sustainable retail and production industry in Vietnam by improving relevant policies and creating jobs.”

Table 23. Regression analysis predicting Convergent CSR

MODEL	Predictor	UNSTANDARDIZED COEFFICIENTS		STANDARDIZED COEFFICIENTS			$R^2$	$F$	$p$
		$B$	$SE$	$\beta$	$t$	$p$			
<b>1</b>							.504	15.92	.000
	Degree centrality (NGO/corp collaborative)	2.955	.570	1.101	5.183	.000			
	Eigenvector centrality (NGO/corp collaborative)	-39.270	61.353	-.122	-.640	.525			
	Betweenness centrality (NGO/corp collaborative)	.000	.000	-.396	-1.883	.066			

### ***Interview Findings about Convergent CSR***

*RQ4: How are NGO-GO-corporate collaborations associated with convergent CSR?*

The interviews supported the network findings. The interviewees from NGOs and corporations supported the notion that collaborative relationships between NGOs and corporations indeed were positively related to the degree to which they engaged in convergent CSR practices (i.e. those guided by the UN Global Compact Sustainability Development Goals). The interviews offered several reasons NGOs collaborations with GOs and corporations might increase corporate engagement in convergent CSR practices. Two codes emerged from coding the interviews of all NGO leaders and corporate managers: they noted that NGOs act as *resources for meeting the global standards* and noted the *UN Global Compact SDGs as an important mechanism of collaboration for convergent CSR*.

**NGOs as Resource for Meeting the Global Standards.** Corporate managers believed that the connections NGOs had with important GOs provided their corporations with the resources needed for meeting the global standards, and thus helped their corporations successfully design global level CSR practices. One corporate manager of a financial company suggested that “we could say that NGOs are a lot of help in reaching international standards, since we never directly carry out projects by ourselves to reach these global standards, but rather participate in projects being carried out by the NGOs” (MNG 8). Another corporate manager of an automobile company stated that collaborating with NGOs could help their corporation develop stronger identity, values and initiatives for meeting global standards and expectations. He suggested that “in order to meet the global standards in terms of external CSR activities, we reach out to and contact NGOs to plan, enforce and execute CSR activities” (MNG 6). Through these collaborations, “the company is internally developing an atmosphere that increasingly puts

a great deal of emphasis on following and integrating the global standards” (MNG 10).

**UN Global Compact SDGs as an Important Mechanism for Collaboration for Convergent CSR.** From the perspectives of the NGO leaders, most particularly those actively collaborating with corporations, the UN Global Compact’s Sustainable Development Goals were important mechanisms that drove NGO-GO-corporate collaboration, which eventually led them to collectively engage in globally convergent CSR practices. An environmental NGO leader suggested that “we would let the UN Global Compact SDGs melt into our projects and produce reports based on the guidelines, since we are a member of the UN Global Compact” (NGO L 10). Another NGO leader was especially “well aware that many corporations select CSR projects based on the SDGs” (NGO L 2). By “demonstrating that we are engaged in following the SDGs,” the NGO leader felt that the organization and its activities would be deemed by corporations as having high importance and value (NGO L 1). NGOs’ positive and collaborative ties and integration with the GOs and corporations, in general, put them on the same page as the corporations in terms of following and converging their activities with globally practiced CSR.

Some NGO leaders were specifically guided by one of the guidelines laid out by the UN Global Compact, “Partnerships for Goals,” which specifically instructs organizations to “form collaborative partnerships among the governments, NGOs and corporations.” One NGO leader believed that this guideline was critical for their activities because “NGOs do not have the administrative power, which means NGOs, if they act alone, tend to waste their time” (NGO L 9). In order to ensure that their NGO effectively addressed social issues and increased efficiency, they needed to collaborate with different agencies that would take on different responsibilities with different types of expertise, as well as monitor each other’s activities. This suggested that NGOs and corporations could successfully engage in convergent CSR under the UN guidelines

only through active cross-sector collaborations.

We need to expand our activities and impact from individual to a community level. For this we might need data from the government. Or to pursue a ‘big picture,’ each different organization need to take on different roles. So for instance, the government could take care of certain regulations or making long term plans, while corporations could provide volunteers or human resources or funding, and NGOs could listen to individuals’ stories and engage with communities, and share these data to increase awareness and so on (NGO L 6).

Some corporate leaders, however, felt that there were limitations to meeting the SDG standards through collaboration with the NGOs at this point, because some NGOs “lack the knowledge of the details of the global standards, so we feel that the NGOs and our company need to do more studying and discussions about how to meet these standards in order for all of us to hold hands together” (MNG 4). They believed that it was when the NGOs became more reliable and competent in meeting the global SDG guidelines that their company will also become better at meeting the global expectations for CSR.

### ***Network Dynamics for Divergent CSR***

*H4: NGOs’ degree centrality, eigenvector centrality and betweenness centrality within the adversarial NGO/corporate network will each be positively associated with divergent CSR practices.*

Hypothesis 4 predicted that the degree, eigenvector, and betweenness centralities within *adversarial* NGO/corporate networks will positively predict *divergent CSR practices*. H4 was partially supported. It was only the betweenness centrality (brokerage position) that the NGOs



established within an adversarial network with corporations that was positively associated with the NGOs' push for divergent CSR ( $\beta = .325, p < .05$ ) (see Table 24). NGOs' degree centralities and eigenvector centrality did not emerge to have significant associations with divergent CSR. These results suggest that unlike the collaborative NGOs that establish a large number of collaborative ties with corporations to practice convergent CSR, NGOs develop brokerage positions within their adversarial networks with corporations to engage in divergent CSR practices.

The results suggest that the advantages of brokerage positions hold true particularly when the NGOs' relationships with corporations are adversarial in nature. Those NGOs that take brokerage positions may emerge as more powerful than those in other sectorial networks, because of the difficulties many South Korean NGOs normally face in developing regular contact and sufficient communication with corporations, and the consequent needs for stronger NGOs that could bridge these gaps. Those NGOs that are able to bridge, enable contact and provide opportunities for communication between NGOs and corporations may emerge as the most important influencers for the adoption of divergent CSR.

For example, People's Solidarity for Participatory Democracy (PSPD), an NGO focused on addressing divergent CSR issues such as corporate governance and anti-corruption issues, had the highest eigenvector centrality in the adversarial NGO/GO networks and highest betweenness centrality in the adversarial NGO/corporate networks. Leaders at PSPD stated in their interviews that the organization believed that it was important that they "always held both the government and corporation accountable for corruption in corporate governance and government-corporate collusion." Consistent with their interviews, their reports showed that they often confronted the most central governmental institutions, such as the Congress and the Office of Government

Policy Coordination, by engaging in protest movements for policy changes and filing lawsuits. For example, PSPD reported that they “successfully revealed the Vice President of Samsung, Lee Jae Yong’s illegal succession of presidency after the long years of monitoring Samsung.” Also they engaged in “protests and movements to urge budget information disclosure in Samsung Electronics to monitor their budget plans, in order to democratically control for their manipulation of public data.” In engaging in such activities, PSPD “filed reports that urged the government to make changes in policies and laws.” As such, NGOs like PSPD held various information related to internal and less publically disclosed information on corporate governance. By acting as the brokers of this information in their adversarial NGO/corporate networks, the NGOs seemed to hold significant amount of power and influence on corporate practices in divergent CSR related to corporate governance and anti-corruption.

Taken together, the findings from H1 to H4 suggested that the types of CSR primarily practiced by the NGOs and corporations, whether convergent or divergent from the global model, do indeed depend on the network dynamics among NGOs, GOs and corporations. Also, NGOs’ network strategies and approaches differ by what type of CSR it is (convergent or divergent) that they are aiming to engage in. Overall, in their cross-sector inter-networks, NGOs’ positions, rather than embeddedness, emerged as the most significant predictor of their convergent and divergent CSR practices. The NGOs’ connections to influential others (eigenvector centrality) emerged in both NGO/GO and NGO/corporate collaborative networks as the most important network measure that ultimately led to greater engagement in convergent CSR. In NGOs’ adversarial networks, influential position within NGO/GO adversarial networks and the resulting brokerage position in NGO/corporate adversarial networks led to stronger engagement in divergent CSR. Also, in order to enhance these positions in their cross-sector

inter-networks, it would be important for the NGOs to become more embedded within their intra-network in their own sector, in both cases when they are aiming for convergent and divergent CSR.

Table 24. Regression analysis predicting Divergent CSR

MODEL	Predictor	UNSTANDARDIZED COEFFICIENTS		STANDARDIZED COEFFICIENTS			$R^2$	$F$	$p$
		$B$	$SE$	$\beta$	$t$	$p$			
<b>1</b>							.278	6.020	.001
	Degree centrality (NGO/corp collaborative)	3.731	2.727	.279	1.368	.178			
	Eigenvector centrality (NGO/corp collaborative)	-1.259	21.25	-.010	-.059	.953			
	Betweenness centrality (NGO/corp collaborative)	1.615	.768	.325	2.102	.041			

### ***Interview Findings about Divergent CSR***

*RQ5: How are NGO-GO-corporate adversarial relationships associated with divergent CSR?*

Interviews supported the above network findings and confirmed that NGOs' adversarial relationships with governmental institutions and the correspondent adversarial relationships with corporations are positively and directly related to divergent CSR practices, most especially those focused on domestic issues. Many NGO leaders believed that adversarial networks with GOs and corporations would help fill the gap that is yet to be addressed by the global standards. Two codes emerged to explain why adversarial networks were related to divergent CSR: the reasons included the need to *push for issues uncovered by government policies* and *limitations of UN Global Compact SDGs*.

**Push for Issues Not Covered by Government Policies.** Many NGO leaders believed that in order to address problems at the domestic level that were not effectively covered by existing policies and regulations, they needed to form adversarial relationships with both governmental institutions and corporations. The NGO leaders that were focused on criticizing and correcting corporate misdeeds in relation to culturally specific issues often maintained adversarial relationships across sectors and refrained from forming collaborative ties with governmental organizations.

Because of the food delivery culture here, there are many problems with recycling disposable container garbage. So we requested the companies that are producing delivery applications to help us address this problem, but they all got back to us saying no. Eventually, there is no other way than continuously monitoring and pushing the Ministry of Environment to create new policies.

There is no other solution than changing the law and policies (NGO L 6).

NGOs' adversarial networks with governmental institutions were in general built upon divergent CSR issues considered unaddressed and overlooked by either the governmental institutions or the global agenda. For the issues that the NGO leaders felt were in the "grey area" from government or global attention, the NGO leaders felt a greater need to refrain from making close collaborative ties with GOs (NGO L 7). This was especially the case for when the NGOs were addressing regional issues. One environmental NGO leader suggested that their organization would "collaborate with the citizens of the region, who are often the most disadvantaged minorities and are hurt in the process of the government's implementation of policies" (NGO L 11). NGO leaders believed that environmental issues confined to a specific region could only be addressed through constant push and pressure on the governmental institution. To empower this pressure, it was necessary that the NGOs ensured their autonomy from the GO network.

Similarly, corporate managers also believed that divergent CSR practices that were specific to South Korea but were not part of the global agenda had to be dealt with through direct communication with the governmental institution, and did not involve collaborative relations with NGOs. For example, a company manager suggested that "win-win growth with Small-Medium Enterprises (SME) (identified as a divergent CSR issue specific to South Korea) is a CSR issue that we do not collaborate with NGOs on, because it is an issue that is closely tied to the policies, so we prefer to communicate directly with the government than with NGOs" (MNG 3). Overall, from both NGO and corporate perspectives, governmental institutions seemed to hold a central role in addressing divergent CSR issues, and corporations and NGOs hardly collaborated on these issues.

**Limitations of UN Global Compact SDGs.** NGO leaders also believed that issues

regarding corporate governance and corporate-government connections in South Korean Chaebol companies were specific to the South Korean context and remained unresolved and overlooked by global standards and pressure. The leader of an NGO addressing corporate governance issues criticized that “there probably is no other country than South Korea where companies’ family owners have such strong influence” (NGO L 3). He believed that “the abstract declarations made by the SDGs” were not very effective in addressing such issues, and “since everyone’s good at following such guidelines only on the outside, I don’t consider the SDGs so important and effective.”

Another human rights activist NGO leader believed that the only way her organization could resolve issues of anti-corruption in corporate governance, which were ineffectively addressed by the global standards, was to strongly push powerful GOs to change the laws. By maintaining adversarial relationships with governmental institutions, NGOs could continuously monitor the government regulations and policies. It was this tension they maintained with the governmental institutions and the resulting capacity to change the law that enabled them to create stronger pressures on corporations to improve their CSR practices in corporate governance.

There are not many ways to change the structure of the board of directors in companies, so all we can do right now is to continue to engage in a movement pushing for at least the revision of the commercial law (NGO L 4).

Divergent CSR, from the NGO’s perspective, was still unresolvable through collaborative efforts with the governmental institutions and corporations, and could only be addressed effectively by taking adversarial stances against both the governmental institutions and corporations.

## **Convergent and Divergent CSR Performance Outcomes**

*H5: Corporate-NGO engagement in the Environment, Social (Community and Employee) and Governance dimensions of convergent CSR practices will be positively related to their corresponding ESG scores.*

Hypothesis 5 predicted that the sub-categories of different CSR dimensions (Environment, Community and Employee) that fall under Convergent CSR (those embraced by both the UN and South Korean government) will each be positively related to companies' CSR scores in the corresponding dimensions. H5 was partially supported, as several sub-categories of the ESG dimensions under convergent CSR dimensions were positively associated with their corresponding ESG scores. Table 25 shows the correlations between the sub-categories of the ESG dimensions of Convergent CSR. In the Environment dimension, companies' involvement in "Clean Water and Sanitation" ( $r = 0.40, p < .01$ ), "Affordable and Clean Energy" ( $r = 0.40, p < .01$ ) and "Climate Action" ( $r = 0.29, p < .05$ ) were positively related to the companies' Environment scores. In the Community dimension, one sub-category "Sustainable Cities and Communities" was significantly and positively related to the companies' Community scores ( $r = 0.34, p < .05$ ). In the Employee dimension, "Decent work and economic growth" was positively related to the companies' Employee CSR performance scores ( $r = 0.29, p < .05$ ).

These results suggest that the greater the engagement in convergent CSR practices through collaborative networks with NGOs and GOs, the more likely it is that those companies will score higher on the corresponding dimensions of CSR. In other words, those companies that frequently engage in the sub-categories of CSR practices which both South Korean governmental policies and the UN global standards converge upon (those pertaining to the Environment, Community and Employee dimensions) will likely be evaluated positively in their CSR performance by the industrywide standard ESG measures of CSR. Or, those that score higher in



ESG are more likely to engage more frequently in the corresponding convergent ESG practices. This also suggests that NGOs' collaborative roles within both corporate and GO networks are positively related to companies' performances in Convergent CSR.

When standard regression analyses were conducted, only the Environment dimension of companies' convergent CSR practices was significantly related to the scores of the corresponding ESG score. Table 27 shows the regression analyses between the frequency of companies' involvement in each of ESG dimension and the ESG score outcomes. The companies' engagements in all four convergent environmental CSR sub-categories combined together ("Clean Water and Sanitation," "Affordable and Clean Energy," "Climate Action," "Life on Land") positively predicted the companies' Environmental scores ( $\beta = 0.30, p < .05$ ). The sub-categories of Community performance combined ("no poverty," "zero hunger," "good health and well-being," "quality-education," "gender equality," "industry, innovation and infrastructure," and "reduced inequalities") did not significantly positively predict the companies' Community performance scores ( $\beta = 0.10, p = NS$ ). The frequency of companies' involvement in the Employee dimension ("decent work and economic growth") also did not significantly predict higher scores in the Employee performance scores ( $\beta = .04, p = NS$ ).

Among all Convergent CSR practices, it was only the environmental practices that had a positive effect on increasing the environmental performance scores. This also suggests that of all dimensions of CSR, Environmental CSR (through engagement in "Clean Water and Sanitation," "Affordable and Clean Energy," "Climate Action" and "Life on Land") is the area that NGO-GO-corporate collaborative efforts can most directly help companies improve on in CSR performance outcomes.

*H6: Corporate-NGO engagement in the Environment, Social (Community and Employee) and Governance dimensions of divergent CSR practices will be positively related to their corresponding ESG scores.*

Hypothesis 6 predicted that different sub-categories of CSR that fell under the divergent CSR dimension (specific topics of Divergent Governance, Environmental and Community CSR practices) will each be positively associated with the corresponding dimension of the ESG scores. H6 was not supported (see Tables 26 and 27). Companies' engagement in the Governance dimension of Divergent CSR ("anti-corruption"), the Environmental dimension of Divergent CSR ("life below water") and the Community dimension of Divergent CSR ("consumption and production," "security in Korean peninsula," "support for SMEs," and "support for cultural life") were neither positively related to, nor could directly impact how they would perform in the same ESG dimensions of CSR.

The findings suggest that unlike convergent CSR practices, divergent CSR practices do not directly impact companies' CSR performance scores in any way. The voices of NGOs primarily involved in pushing for divergent CSR may not be effective in improving corporate performance if the government does not embrace the values and standards set by the global guidelines. This suggests that in order for NGOs to effectively set the agenda for improving and changing corporate performance in CSR, the government needs to first set the agenda so as to more fully embrace the global standards or develop an agreement with the global communities on addressing national-level issues.

## **Summary**

Overall, the findings show that different types of centrality positions can put NGOs at an

advantage in developing strong positions in collaborative and adversarial NGO/corporate networks, depending on whether the NGOs are forming ties with GOs or within their own sector. NGOs' influential position (eigenvector centrality) emerge as the most important position in the NGO/GO networks, and embeddedness (degree centrality) emerges as the most important network position in the NGO/corporate network. NGO and corporate leaders support these findings in that they believe the NGOs that are collaborative with GOs are more legitimate and desirable as their partners. But the leaders are not consistent in their views about adversarial networks. While the NGO leaders believe that their adversarial networks empowered their influence on CSR, corporate managers do not agree. Also, convergent CSR and divergent CSR are influenced by different types of centrality positions the NGOs establish in NGO/corporate networks and the nature of their relationships. Convergent CSR is positively associated with the density of NGOs' networks (degree centrality) in collaborative NGO/corporate networks, whereas divergent CSR is positively associated with NGOs' brokerage positions (betweenness centrality) in adversarial NGO/corporate networks. The NGO and corporate leaders support these findings in that the NGO leaders that seek collaborations pursue the global standards to develop their CSR values and practices (convergent CSR), whereas the NGO leaders forming adversarial networks seek to push for strong changes in policies and corporate behaviors related to more local level issues (divergent CSR). However, only convergent CSR is positively related to the industrywide standard measures of CSR (the ESG scores), and divergent CSR is not related.

Table 25. Relationship between the Sub-categories of Convergent CSR and their corresponding performance scores

Spearman Correlation (Significance)

		<b>Environment score</b>	<b>Community Score</b>	<b>Employees Score</b>
<b>Environment</b>	Clean Water and Sanitation	0.40** (.004)	-	-
	Affordable and Clean Energy	0.39** (.005)	-	-
	Climate Change	0.29* (.040)	-	-
	Life on Land	0.27 (.055)	-	-
	<b>Community</b>	No Poverty	-	0.06 (.685)
	Zero Hunger	-	0.19 (.172)	-
	Good Health and Well-being	-	0.06 (.688)	-
	Quality Education	-	0.10 (.474)	-
	Gender Equality	-	-.01 (.959)	-
	Industry, Innovation and Infrastructure	-	0.17 (.239)	-
	Reduced Inequalities	-	-0.04 (.782)	-
	Sustainable Cities and Communities	-	0.34* (.015)	-
<b>Employee</b>	Decent Work and Economic Growth	-	-	0.29* (.037)

\*Statistically significant at  $p < .05$

\*\*Statistically significant at  $p < .01$

\*\*\* Statistically significant at  $p < .001$

Table 26. Relationship between the Sub-categories of Divergent CSR and their corresponding performance scores

Spearman Correlation (Significance)

		<b>Environment score</b>	<b>Community Score</b>	<b>Governance Score</b>
<b>Governance</b>	Peace and Justice Strong Institutions (corporate governance and anti-corruption)	-	-	0.05 (.717)
<b>Environment</b>	Life Below Water	0.09 (.529)	-	-
<b>Community</b>	Responsible Consumption and Production	-	0.20 (.166)	-
	Security in Korean peninsula	-	0.21 (.141)	-
	Support for growth of SMEs	-	-0.12 (.408)	-
	Cultural life and development of the arts	-	-0.03 (.825)	-

Table 27. Effect of Convergent/Divergent CSR practices on CSR scores by correspondent dimensions (Linear Regression)

Standardized coefficients (Significance)

		<b>Environment score</b>	<b>Community Score</b>	<b>Employees Score</b>	<b>Governance Score</b>
<b>Practices in Convergent CSR</b>	Environmental Dimension	0.30* (.032)	-	-	-
	Community Dimension	-	0.10 (.506)	-	-
	Employees Dimension	-	-	0.04 (.757)	-
<b>Practices in Divergent CSR</b>	Governance Dimension	-	-	-	0.04 (.760)
	Environmental Dimension	0.05 (.749)	-	-	-
	Community Dimension	-	0.11 (.428)	-	-

\*Statistically significant at  $p < .05$

## Chapter 6. Discussion

This study addresses the development of intersectoral CSR networks in South Korea, a state led economy. The study connects NGO/GO, NGO/corporate and NGO/NGO networks with Chaebol's CSR practices, specifically those practices that converge with global standards and those that diverge, reflecting normative expectations of Korean society. By conducting cross-sector network analyses of NGO-GO-Chaebol collaborative and adversarial relationships and interviewing NGO leaders and Chaebol managers in South Korea, the study makes important theoretical contributions by (1) expanding the range of network mechanisms that help explain institutional pressure, beyond contagion mechanisms, (2) enriching the construct of institutional field in the context of CSR through the inclusion of both adversarial and cooperative relationships among NGOS, the Korean government and Chaebols, (3) decentering the focus on isomorphic institutional/network dynamics of CSR convergence and exploring the mechanisms by which divergent pressures coexist with convergent pressures to enhance CSR practices and 4) connecting network dynamics of convergence and divergence with independent assessment of Chaebol's CSR.

Several themes emerged from the analyses. First, *not all network positions are equal*. Both the network data and the interviews suggest that NGOs' influence on Chaebol CSR is far more dependent upon the influential position of its governmental connections (Eigenvector centrality) than the mere number of links to government organizations the NGO maintains (degree centrality). The interviews indicate that NGOs that form collaborative relationships with powerful GOs in their NGO/GO network gain legitimacy and trust, which help the NGOs develop influential positions within NGO/corporate networks. NGOs that form adversarial relationships with influential GOs develop stronger organizational identity and capacities to

influence policies and laws, which help them develop stronger influence on corporate CSR. Forming ties with a large number of government organizations that are not as central in the network will not have the same effect. However, when forming ties within NGO/NGO networks, it was more important to form dense network with many other NGOs in the network (degree centrality) to enhance their ties to influential GOs and corporations (eigenvector centrality). As NGO leaders note, having connections to diverse other NGOs developed solidarity, legitimacy and visibility. “Whether we are up against governmental organizations, Congress or corporations, it’s much more powerful and influential to collectively propose something with diverse NGOs than as a single NGO” (NGO Leader B). In other words, dependent upon the sector different types of centrality matter.

The second theme, *not all CSR is equal*, reflects the findings that depending upon whether NGOs are addressing convergent CSR, those practices embraced by both the global community and the South Korean state, or divergent CSR issues, those that are framed by local economic, political and social conditions, the efficacy of network positions (degree, eigenvector, betweenness centralities) and type of tie (collaborative/adversarial) vary. Dense collaborative ties with a large number of corporations are most associated with NGO influence on convergent CSR. Both the network data and interviews with environmental NGO leaders for example, indicated that by engaging in projects with a large number of corporations, they could “set a good example and norms for solar-powered energy” for all others in the industry and, thereby, drive convergence upon an environmental value supported by the UN and the state. When NGOs were engaged in divergent CSR issues (e.g. addressing the special conditions that enable Chaebol corruption in South Korea), the most influential NGOs were those that played the role of information broker (greatest betweenness centrality), exposing and delivering information

unknown to the public and others in their network due to lack of ties between the industry and other NGOs. For example, the *NGO* People's Solidarity for Participatory Democracy (PSPD), noted in its annual report that it served as a broker of internal corporate governance information about "Samsung's budget management" and "proof of the Vice President of Samsung Lee Jae Yong's illegal succession of presidency" which pushed corporations to turn their attention to address the issue more seriously than ever before. One Chaebol manager appreciated that those NGOs who served as information brokers within their network enabled their organization to be prepared and "avoid getting into similar problems."

The third theme, *not all organizational perspectives are consistent with network data*, reflects the differences found between what the quantitative data suggest and NGO/corporate leaders' perspectives. For example, both NGO leaders' interview data and the network analyses conform insofar as NGOs' *adversarial* ties with influential GOs are associated with influential positions within adversarial Chaebol networks. NGO leaders also argue that it is critical to form internal solidarity - i.e. a dense network with NGOs - in order to develop influence in both collaborative and adversarial networks with GOs and Chaebols, but the network data indicate that degree centrality within NGO/NGO networks has nearly no influence on their positions in adversarial networks with GOs and Chaebols. Moreover, Chaebol managers report that adversarial NGOs do not influence their corporate behavior, no matter the network position of the NGOs, yet the network data indicate that NGOs' adversarial linkage with GOs do indeed influence NGOs' position within the Chaebol network. These discrepancies between what is actually happening and the network perspectives of NGOs and Chaebol result in Chaebol managers saying NGOs are "just not applicable to our company," and NGO leaders seeing adversarial actions and NGO solidarity as the route to influence Chaebol CSR practices. The role



of governmental network linkages mediating these positions is not considered by the participants.

In this chapter each theme will be unpacked providing insights into how the study builds upon previous research finding and the theoretical and practical implications of the study. Finally, limitations of the study and suggestions for future research are discussed.

### **Not All Network Positions are Equal**

The findings reveal that the types of network positions – degree, eigenvector, betweenness centralities – can put the NGOs at an advantage in influencing corporate practices of CSR to different degrees depending on the type of sector they form networks with. This suggests that the dynamics with which different types of centrality measures create institutional pressures can vary across sectors and the national institutions in which they are embedded.

Past studies have indeed supported the notion that NGOs' centrality in terms of embeddedness (degree centrality) and positions (eigenvector and betweenness centrality) can have important implications for their involvement in sustainability practices and forming cross-sector relationship building. Studies have suggested that NGOs' embeddedness and positions, within and across sectors, all have positive effects on their relationship development and sustainability practices. For example Vu et al. (2020) find that all three of degree, eigenvector, betweenness centralities of NGOs in their entire network can make the NGOs attractive across sectors. Their network centralities influence their abilities to become opinion leaders and amplify the impact of sustainability initiatives, and thus enhance the likelihood that they will be more visible and influential to the others in their network. Similarly, Moore et al. (2003) find that the centrality measures representing the NGOs' embeddedness and positions within their own NGO

networks were also significantly related to their involvement in collaborative sustainability practices. NGOs with high centrality measures in both embeddedness (degree) and positions (eigenvector and betweenness) were more likely to have stronger influence on community affairs and greater number of beneficiaries. The more the NGOs are central in their institutional networks, the more likely it is that they would appear as more powerful to the others as likely potential allies. These studies however fail to specify the different circumstances and contexts in which the impact of NGO centrality may differ under what dynamics.

This study suggests that the benefits of NGOs' network embeddedness and positions vary by the institutional context, and the type of sector within which the NGOs primarily form relations. In a state-led market economy like South Korea, the central governmental institutions have dominant roles in shaping CSR practices and civil society alone has much less influence on corporate behavior (Hofman et al., 2015). Because laws and policies are what normally guide corporate behavior in such national institutions, NGOs are best able to empower their actions by forming relations with influential GOs that have some form of legislative power in order to gain legitimacy in their actions and impact on corporations. For these reasons, the findings suggest that it is more beneficial to connect with a select group of powerful and influential governmental organizations than to form a dense network with a large number of GOs when developing networks with corporations, especially when forming adversarial relationships.

However, when forming networks within their own NGO sector, connecting with influential other organizations does not have the same benefits for the NGOs in their cross-sector network development. In a state-led economy like South Korea, where powerful central GOs largely influence institutions and their behaviors, forming relations with a select group of powerful NGOs may be perceived as a threat by governmental and corporate sectors, especially

when the NGOs are engaging in activism and adversarial relationships (Lux & Straussman, 2004). In such national systems where the state plays a strong role in monitoring civil society, NGOs' connections to influential others within their own sector network may adversely affect their perceived legitimacy to others across sectors. In the case of Vietnam for example, a strong state-led economy with a history of political dictatorship, civil society is not fully independent of the state as it is in liberal democracies in the West and NGOs work under a different state-led civil society system where the state has strong control and input on NGOs' administrative systems (Lux & Straussman, 2004). Therefore, those NGOs that are strongly connected to and supported by large non-governmental independent donors and INGOs may be deemed as subject to corruption and the aid they get from within civil society sectors may be considered as an act of "pumping money into opaque administrative systems" (Lux & Straussman, 2004, p. 180).

Although NGOs in South Korea went through a period of rapid democratization and have established independence from the state, they are still rooted in a history of strong state-control and their perceived legitimacy continues to come from their friendly connections to, and support from, governmental institutions. In order for NGOs to effectively engage with GOs and corporations for CSR purposes in a state-led economy, the findings here suggest that it is more beneficial to focus more on forming dense ties with other NGOs and civil society groups to gain stronger visibility to GO and corporate sectors for collaboration, rather than establishing strong positions by connecting with particular powerful others with strong financial support. For example, NGOs form coalitions or become members of civil society forums to not only make their cooperation effective, but to strengthen their interactions with the governmental institutions and corporations. The coalitions enable NGOs to develop access to and constant contact with other NGOs and develop stronger internal capacities by organizing education and training

programs for capacity building. Such internal solidarity and interdependence enhance their abilities to monitor the government's policy-formulation, provide policy recommendations to the government, and increase discussions on cross-sector and global partnership development frameworks (Korea Civil Society Forum on International Development Cooperation, 2021).

### ***Implications for South Korea***

These findings have several implications for the South Korean context and norms for civil society communication and CSR. First, they provide support for the notion that GO-NGO-corporate collaborations have become ever more important, ever since their emergence in the early 2000s with the election of the new government. In fact, NGOs that wish to form collaborative relationships with Chaebols for CSR purposes will benefit the most from their networks with GOs and can expect to see similar network structures that they have with GOs in their relations with Chaebols. This contrasts with the history of South Korea, which shows that the development of civil society in South Korea is rooted in prolonged confrontations and adversarial relational approaches taken by NGOs against the government and Chaebols for political and economic liberalization (Yang, 2016). It was only relatively recently, in the early 2000s, that collaborative relationships have emerged as an important communicative approach for CSR in Korea, with the launch of “participatory government” and “collaborative governance” characterized by state-market-civil society collaboration for sustainability issues (Kim, 2010). The findings of this study suggest that despite the remaining skepticism regarding NGOs' cooperative embeddedness within governmental institutions (Kim, 2009), such collaborative initiatives may need to be augmented and further promoted. Also, while studies have emphasized the need for contemporary NGOs to establish autonomy from the government (Choi & Yang,

2011), it is important to establish openness to active communicative exchange and cooperation. While refraining from becoming *dependent* upon the governmental institutions, NGOs may benefit the most from becoming the *partners* or counterparts of the governmental institutions.

Second, the findings suggest that NGOs may need to develop more efficient strategies to narrow down their targets in the governmental institutions when engaging in activism for CSR. They do indeed need to establish strong positions in adversarial networks with GOs in order to develop adversarial relationships with Chaebols, supporting past studies (Kim, 2009; Lim & Jang, 2006). But unlike in collaborative networks, NGOs cannot expect that developing their networks in every way possible, including increasing network density, ties with powerful GOs and brokerage roles, will always benefit their networks with the Chaebols. Instead, they need to target the most powerful GO in the governmental network in order to exert influence on the Chaebols. This suggests that NGOs operating in the South Korean context may need to compress their adversarial network approaches by targeting a few select central GOs to improve efficiency in developing adversarial networks with Chaebols. These approaches, in consideration of the increasing importance of collaborative NGO-GO-corporate CSR networks, may help increase more rooms and opportunities for collaborations so as to enable the adoption of both the use of collaborative and adversarial approaches for CSR.

The need for a balance between collaborative and adversarial relations had been highlighted in a past study by Wong and Leung (2008). The study found that in response to a sensitive health crisis in Hong Kong, NGOs have had to develop a balance between collaboration and adversarial activities when interacting with the governmental institutions, as they constantly reexamined their position with respect to their trust in the government responding to their demands and the risks/uncertainties of their strategy. In Korea, many NGOs that were founded in

the late 1990s during the period of democratic movements still focus a large part of their network strategies on maintaining adversarial relations with GOs, creating a great breach from those NGOs that have been increasingly adopting the collaborative initiatives from the mid-2000s (Kim, 2009). As South Korea faces various tensions between convergent and divergent CSR and addresses sensitive issues that arise from different expectations from local and global contexts, it may be important at this point that the civil society achieves a better balance between collaborative and adversarial approaches. One way of doing this could be by condensing their existing adversarial activities and increasing collaborations with GOs and Chaebols. Also, it may benefit those NGOs that have primarily engaged in collaborative approaches to identify and form relations with important GOs that they could in the future, in tandem with collaboration, monitor, check and pressure when important changes are needed in CSR.

Lastly, as NGOs integrate collaborative cross-sector communication strategies into their CSR activities, it is critical that they focus on developing the density of their NGO networks and that they are cautious so as to prevent their internal networks from becoming skewed in favor of a few select central NGOs. This is a challenge to civil society in South Korea today, because even though NGOs are tied to one another through their memberships in civil society coalitions, it is often difficult to maintain their interconnectedness and the density of their networks due to their unequal levels of participation and contributions. Rather, it has been part of the norm in the civil society sector, ever since the development of the NGO sector in response to the 1997 financial crisis, that the few emergent and central NGOs (i.e. the Citizens Coalition for Economic Justice (CCEJ) and People's Solidarity for Participatory Democracy) play the most powerful and significant roles in driving the growth of the civil society and improving civil society influences across sectors (Cho, 2000; Choi & Yang, 2011; Kim, 2009). However, such centralization of the

network around the largest and high-budget NGOs can result in dissipation of the coalitions or development of sparse civil society networks in reality. In order to strengthen their collaborations across sectors for CSR, NGOs should concentrate more on ensuring equal levels of civil society's contributions to their internal solidarity and exchanges of resources so as to ensure the resilience of their tightly connected NGO networks.

### **Not All CSR is Equal**

When NGOs seek to work with Chaebols to practice convergent CSR, as opposed to divergent CSR, in South Korea, NGOs are put at an advantage to influence CSR when they establish influential positions within governmental and Chaebol networks. In support of this finding, literature suggests collaborations with influential governmental organizations are conducive to convergence upon some global-level CSR practices most especially because governmental institutions have become critical regulators and cooperators for contemporary emergent global issues. For example, multinational companies are increasingly influenced by mimetic and normative pressure to develop competitive strategies in pursuit of the global declarations for commitment to renewable and clean energy, such as the Low Carbon and Green Growth Act (Watson, 2014). As businesses increasingly seek governmental resources to develop new technologies for environmental efficiency and managing their environmental footprint, companies significantly rely on the measures and regulations set by the government (Okuma, 2019). For these reasons, companies increasingly engage in inter-organizational collaborations with governmental agencies and NGOs and in fact are found to perform stronger on the global measures of ESG, representing convergent CSR, when they are engaged in such collaborations (Albino, Dangelico & Pontrandolfo, 2012; Okuma, 2019).

Similarly in South Korea, environmental NGOs rely on the government for funding and resources for developing projects that are attractive to corporations (Green Korea, 2017). For projects like rescuing wild animals, environmental NGOs need facilities where they can protect the rescued animals. For these projects, NGO leaders feel that collaboration with the government is critical for making the project feasible and for motivating corporations to participate with assurance that the outcome of their participation will be successful and valuable. Sometimes the South Korea government leads international-level projects, such as the Official Development Assistance (ODA) projects that provide assistances to developing countries and entitles various organizations including corporations, international organizations and global NGOs to collaborate. Government-led or –funded projects help companies make notable differences in their CSR practices and show outcomes that are more externally visible to their stakeholders.

This study also shows that the reason that collaborative NGO-GO-corporate relationships are conducive to convergent CSR is because these collaborations are often driven by the three sectors' collective pursuit of the Global Compact SDGs. It is surprising that the SDGs emerged as an important topic in the interviews of NGO and corporate leaders in their discussions about collaboration, because past studies have rarely acknowledged the importance of corporate and NGO knowledge and expertise of the global standards as the drivers of their collaborative CSR practices. In many studies that have looked into NGO-corporate collaborative trends in non-Western countries with strong state control, the findings have primarily suggested that NGOs and corporations collaborate on culturally specific issues that are more locally oriented than globally embraced (Chapple & Moon, 2005; Kane et al., 2021). This indicates that the nations with strong state power, in contradistinction to the past, have developed a significant role in integrating the global demands into corporate and NGO practices (Hofman et al., 2015). It is the globally guided



state-interventions and involvement that is setting the landscape for cross-sector collaborative engagements and influential tie formations towards CSR convergence.

This study also shows that NGOs' brokerage positions are not only associated with global convergence (Keck & Sikkink, 1998; Stohl & Stohl, 2005), but can also be conducive to enhancing practices that are not fully embraced by global standards. In a national context where NGO-corporate relations are rooted in a history of lack of trust and contact between the civil society and the industry, and stronger government interventions, NGOs in adversarial networks could be put in a stronger position to influence corporate behavior if they could close the gap between civil society and businesses. By acting as brokers with resources for both the civil society and corporations and filling in the gaps in their contact with one another, the brokers could strengthen the activist civil society actions and set a stronger agenda for corporations to change their behaviors on divergent CSR areas that have yet to be effectively addressed by both the state and the global standards.

### **Not All Organizational Perspectives are Consistent with Network Data**

The study has found that NGO and corporate leaders' perceptions of adversarial relationships are not consistent with the network data. These results help explain why past and recent studies have often found disparity in NGO and corporate initiatives for humanitarian crises and CSR initiatives despite being connected to one another through cross-sector and multi-stakeholder networks (Yang, Liu & Wang, 2020). It is often difficult for NGOs and businesses to come to a common ground as they hold "competing world-views, with businesses rooted in the paradigm of economic growth and NGOs in the paradigm of sustainability" (Wedham, 2009, p. 57). In the case of South Korea, based on the discrepancies found in the views of NGO and

corporate leaders, it becomes apparent that the two groups do not fully acknowledge the importance of the GOs' roles in mediating their adversarial relationships, although they are suggested by the network data.

Studies have found that in order for NGOs to form strong advocacy and adversarial relationships with corporations at the national level, NGOs need to become integrated within the networks of other powerful agencies including the state and transnational actors to successfully raise awareness about corporate irresponsibilities (Kraemer, Whiteman, & Banerjee, 2013). NGOs' intra-network alone, without collaborative or adversarial interactions with governmental institutions, in fact can have adverse effects on CSR practices at both global and local levels (Idemudia, 2010). For example, Schepers (2006) finds that because many NGOs located in less developed countries often lack expertise, resources and connections to international organizations such as the UN or World Trade Organization, NGOs' transnational intra-networks become concentrated in developed countries. For these reasons, MNCs lose adversarial connections with NGOs in less developed countries, and thus tend to move most of their CSR practices to more developed regions. In such cases in which there is a breach between the MNCs and NGOs in less developed regions, the government will play a major role in exerting pressures on the MNCs to restore and improve their CSR practices. As such studies have shown, there is great potential that the governmental institutions can intervene with NGOs and MNCs in times they cannot effectively communicatively coordinate CSR initiatives.

The inconsistencies in the views held by NGOs and corporations, as well as corporate reluctance to integrate the demands of activist NGOs into their CSR strategies may together explain why activist NGOs with their internal network alone cannot significantly strengthen adversarial networks with corporations. These findings indicate that NGOs many need to rethink

and re-conceptualize the use of their internal networks for developing *adversarial* relations and activities against GOs and corporations. Historically, in South Korea, NGOs have long focused extensively on developing internal solidarity within the civil society sector for the purposes of confronting and protesting against governmental-Chaebol authoritarianism (Yang, 2016). Establishing internal solidarity, while distancing themselves from the state, has in fact been considered one of the most significant strategies for creating stress on government-corporate actions and correcting their misdeeds to the society. As both the network findings and interviewees suggest, at this point, it is only by opening up to negotiations with the governmental institutions so as to encourage governmental interventions in corporate behavior through policies and laws that the NGOs engaging in adversarial actions can effectively and successfully influence corporate behavior. Both NGO and Chaebols' recognition of the importance of negotiations through governmental institutions may help minimize the discrepancies in their views.

## **Theoretical and Practical Implications**

### ***Network Dynamics for CSR Institutional Pressure***

The results of the study have significant implications for the network dynamics that explain how CSR practices become institutionalized. Rather than exploring the structural equivalence of the GO-NGO-corporate network as the main mechanism behind CSR practices and institutionalization, this study shifts the focus to the significance of centrality of each ego in the NGO sector. By understanding how centrality measures of NGOs in their cross-sector and within-sector networks influence their embeddedness and positions within their GO-NGO-corporate institutional network, this study reveals that network mechanisms of

institutionalization of CSR are not limited to contagion and cohesion mechanisms. In fact, different types of centrality measures, representing organizations' embeddedness and positions, could be important indicators of how CSR practices are institutionalized. Most especially, the study proves that exploring centrality can be most useful when exploring the significance of cross-sector relationships and interactions. When NGOs engage in cross-sector interactions with different organizational agencies by forming collaborative and/or adversarial relationships, their embeddedness, positions and roles in their network with organizations in a particular sector may indeed impact how they engage and form relationships with organizations in other sectors. Archival network data analyses, as done in this study using CSR reports and annual NGO reports, can be useful approaches to enrich network theories and measurements in relation to institutional theory.

While there are relatively fewer studies that have explored the significance of eigenvector centrality of NGOs on their cross-sector influence, in this study, eigenvector centrality emerged as the most important centrality measure to consider when exploring NGOs' roles and cross-sector relationships for CSR purposes. Eigenvector centrality in fact most strongly predicted NGOs' embeddedness, influence and brokering power when forming networks with organizations from other sectors than their own, regardless of whether these relationships were collaborative or adversarial in nature. In this study, it was found that establishing such influential positions was the most important when NGOs were developing networks with GOs. As studies in the future further explore the significance of NGOs' eigenvector centrality and its effects, they should focus on uncovering which type of external organizations it is that NGOs must put effort into increasing influence as they form cross-sector networks.

### *CSR Networks in a State-led Market Economy*

The study also informs how important it is to understand and consider the variations in organizational practices and institutional fields in different national economic systems for understanding how CSR practices are shaped. Different national institutional contexts could help us understand what variations there may exist in the network dynamics among different organizational agencies across different nations, cultures and communities across the globe (Yang et al., 2020). In the South Korean context, a state-led economy, NGOs' relationships with GOs indeed had significant implications for how the NGOs developed their networks with corporations for CSR purposes. NGOs had to develop strong positions within their networks with GOs in order to enhance their positions within their networks with corporations, both when the nature of their relationships were collaborative and adversarial. Indeed, Hofman et al. (2017) suggest that the government significantly determines how CSR is practiced in a state-led economy, indicating that governmental roles and relationships with other agencies should be taken into account when understanding the CSR network dynamics at work in institutional contexts where the state interventions are relatively strong, such as France or Malaysia.

In light of such findings regarding the role of the state in CSR, there are several implications for how NGOs' mediating roles in Chaebol-governmental networks can further be explored in the future. Throughout the history of the development of tight networks between the Chaebols and the governmental institutions emerged many prolonged underlying personal networks among the government and Chaebol leaders, which remain unbroken and resilient (Kim, 2018; Yonhap, 2019). These personal relationships that are often not visible to the public, stakeholders and civil societies have determined many legislative and business decisions that brought personal favors to the authorities, often causing many social problems such as the

Chaebols' tax exemptions (Cho, 2000), unfair employment of the children of governmental authorities in Chaebol firms (Yonhap, 2019) and Chaebol-government bribery (Choe, 2020). NGOs, as they continue to develop their influence upon the Chaebols through collaborative and adversarial relationships, may be able to develop stronger influence on CSR and addressing corporate misdeeds if they are able to mediate these personal networks among the leaders from the Chaebols and the governmental institutions. Also, in as much as corporations are dependent on the state policies and financial support from the governmental institutions (Cho, 2000), corporations may also be significantly influenced by many other agencies, sectors and public systems operating under governmental influence or have close relations with the government. NGOs may be able to strengthen their roles for CSR by forming mediating networks between such agencies and Chaebols. These various factors underlying Chaebol-governmental relations should be integrated into furthering the studies on NGOs' roles for CSR in state-led economies.

### ***Significance of Sector Types and Nature of Relationships in CSR Institutionalization***

The study also suggests that the association between inter-organizational network dynamics and CSR performance may vary by the sector in which NGOs develop networks and the nature of their relationships across sectors (collaborative and adversarial). The association of NGO centrality measures of within-sector networks with their networks with corporations differed from that of their centrality measures within NGO/GO networks. In order to develop their networks with corporations to enhance CSR, it is important that NGOs strategically manage their network ties and positions based on the type of organizational sector they are engaging with. Also, the CSR practices and their outcomes differed by the nature of the relationships the NGOs formed with different sectors. The results suggest it is critical that NGOs and corporations

develop communication strategies that would help NGOs and corporations move towards collaboration to effectively improve CSR performance. When engaging in activism, it is important that both NGOs and corporations refrain from turning NGO activism into absolute disconnection and ignorance of each other's perceptions. This study is limited to exploring the relationships among centrality measures within NGO/GO, NGO/NGO and NGO/corporate networks, and thus it is unclear how their relational dynamics may vary when NGOs engage with other types of external organizational sectors. Future studies should further explore how NGOs' network dynamics and effects differ in other kinds of cross-sector relationships and how they relate to CSR performance.

These implications also support the past studies on cross-sector differences in CSR and reinforce the need to explore CSR practices and their relevant interorganizational networks in relation to sectorial differences. Studies in fact have suggested that different types of industrial sectors have significant implications for how CSR is practiced (Chen, Hung, & Wang, 2018; Lee, 2012). For example, Brammer and Pavelin (2004) found that those corporations in sectors with significant environmental externalities are typically under stronger scrutiny from their local communities and organizations to reduce environmental impacts. Stakeholders' expectations for CSR can vary across industry types (Yang & Stohl, 2020) and it is for these reasons that corporations develop different stakeholder management and communicative strategies across industries. Interestingly, in this study, many of the Chaebols that were found to have the highest centralities in both collaborative and adversarial NGO/corporate networks were mostly from the IT and electronics industry sectors. In the context of South Korea, technology industries primarily lead the market and have contributed the most to the nation's economic development and global competitive advantages (Kim, 2020). It may be due to their long-established positions

in the market that the IT and electronics industries are placed at the center of the development and normalization of cross-sector NGO-GO-corporate collaborative and adversarial networks for CSR. Future research should further explore many other factors, including the industrial sector types, the types of NGOs or specific characteristics of other relevant organizations that may be contributing to the variations in CSR networks and their outcomes.

### **Limitations**

This study has several limitations. The network data were only collected from official CSR reports and NGO annual reports. Although these reports are the public record of organizational cooperative and adversarial relations, they do not account for the informal linkages about which organizational actors may not want to be transparent. Second, the network data regarding adversarial NGO-corporate relationships may be limited, over-representing NGO perspectives. In their official documents, Chaebols rarely mentioned adversarial relationships with NGOs. These CSR reports generally function as strategic communication designed to enhance corporate legitimacy and reputation with stakeholders. Content is about their finest achievements, their goals, and projections for the future. It is not surprising therefore that very few companies included details of their involvement in NGO protests, activism, boycotts or other types of confrontations. Third, the study is limited to exploring the impact of only two different sectors on corporate practices in CSR – the governmental sector and civil society. The impact of the other sectors on NGO-GO networks, such as education, business, health and religious institutions, should be further explored. Lastly, the study uses the South Korean case to explore a state-led market economy, while there are multiple other countries that have economic models that are characterized by a strong state, such as Vietnam, Malaysia, China, Kenya and France. It



is important to note that each country has its own idiosyncratic governmental norms, expectations, and practices, which may be embedded in different political origins and philosophies. Hence the development of network positions and their implications for CSR may differ. There is still a great deal of work to do to understand how governmental-interventions and their influences vary across different national contexts and historical economic backgrounds.

### **Future Directions**

Besides doing more comparative work in the area of CSR networks and exploring a greater range of sectors, future research in this area needs to examine other network dynamics related to concepts such as network reciprocity, multiplexity and other measures of centrality. For example, measure of closeness centrality would help scholars and practitioners to have a better understanding of the routes through which CSR information is disseminated across institutional actors and how these positions contribute to CSR institutionalization.

A provocative and heretofore underspecified possibility this study suggests relates to differences in convergent/ divergent CSR and network effects. The Environment, Social and Governance dimensions of virtually all CSR measures (e.g. *KLD*, *MSCI*, *CSR Hub*) reflect corporate performance as embodied in international standards and agreements, including the UN Sustainable Development Goals, measuring convergent rather than divergent CSR activities that are relevant for a particular nation or region. For example, the governance measure of CSR (*CSR Hub*) measures CSR performance with assessments of the number of women on the board of directors, the regularity of board meetings, and communication about governance policies. Nowhere do these measure address Chaebols' problematic corporate governance and CSR practices that have led to multiple CSR scandals and are the focus of a great deal of CSR

discussion and protest in South Korea. These governance issues include family shareholding and control in Chaebols, relations with internal subsidiaries, and political interventions in governance systems, among others. Although the emphasis on convergent rather than divergent CSR practices is not surprising, the results here suggest the possibility that isomorphic institutional pressures of these measures minimize the importance of local CSR issues and the impact of local NGOs. In this study, Chaebol managers expressed dismissal and disregard for local NGOs who work on Korea-specific issues, reporting fewer links with NGOs in their adversarial networks. It would be interesting to explore whether the greater refusal to engage NGOs that work on local rather than global CSR and the relative willingness to work with NGOs on more global issues is grounded in a highly practical and strategic rationale, i.e. to improve CSR ratings and thereby improve global organizational reputation and consumer loyalty. In other words the results here raise the question: do companies concentrate on those issues and engage with those NGOs that deal with issues that are measured on CSR ranking systems? As these ratings take on more and more visibility, the unintended network effects might become ever more powerful and interesting to explore.

## **Conclusion**

This dissertation advances institutional theory from a network perspective by exploring how NGOs in South Korea, a state-led market economy, develop cross-sector networks with governmental institutions in order to develop their networks with corporations so as to enhance CSR pressures and how the Chaebols view the interactions and utility of the interactions for their own purposes. Network analyses of NGO-GO-corporate networks and interviews of NGO leaders and corporate managers reveal how NGOs' network roles across sectors influence NGO-

corporate engagement in convergent and divergent CSR, as well as their performance outcomes. Overall, the findings suggest that it is critical that NGOs operating in a state-led market economy maintain close relations with powerful governmental organizations both when they are forming collaborative and adversarial relationships with corporations. Governmental organizations are important sources of legitimacy and resources that can empower NGOs' influences on CSR practices. Also, by looking at a combination of NGOs, GOs and corporations and their interactions together, which studies in the past have rarely done, this study emphasizes some important implications that global cross-sector solutions have for emerging contemporary issues of Corporate Social Responsibility.

Despite the strengths of cross-sector network solutions for CSR, NGOs and corporations are both faced with some challenges in forming effective adversarial relationships. As indicated by the mismatches between the network data and NGO leaders' perceptions, as well as the disagreements between the NGO leaders' and corporate managers' perceptions, many NGO leaders that engage in adversarial relationships with corporations appear misguided in their perceptions of how much civil society protests, activism and advocacy can influence CSR practices. Unlike the NGO leaders' beliefs, NGOs' adversarial approaches designed to confront corporations to produce change are, in fact, dismissed by most corporations. This suggests that it may be difficult to bring about actual changes in CSR outcomes through only adversarial approaches. Many NGOs seem to believe that they need to keep strong adversarial stances despite the rejection by the corporate leaders. In order to develop more opportunities to impact corporate behavior, NGOs may need a novel communicative tactic that could help develop an impression that they are important partners of governmental organizations. Also, in order to develop an environment in which corporations are encouraged to develop more openness

towards adversarial relationships with NGOs, it may be important that the governmental institutions proactively help create a political and business environment in which NGOs and corporations can come to a common ground and develop more respect and openness towards one another.

Over the years, South Korea has seen various transformations in its history of economic and political development: the economy grew and the country moved from a poor “developing nation to a member of the OECD; the political institution saw great transitions from authoritarianism to democracy; civil society moved from showing unquestioned compliance to the government to engaging in mass protest movements against the authorities, as well as forming cross-sector collaborations; corporations moved from practicing local level corporate philanthropy to adopting and striving for the larger global CSR models. During these transitions and developments, South Korean institutions have constantly seen transformations in the relational dynamics between GOs, NGOs and corporations. Debates still exist with respect to what identities and approaches should be embraced by NGOs today to best address contemporary issues and pressure corporations. While there is no clear answer, this study directs NGOs, governmental institutions and corporations to acknowledge and embrace the idea that all three sectors must communicatively resolve breaches in communication and possibly co-create collaborative and adversarial communicative approaches. It is by bringing together NGOs, GOs and corporations, as well as many other cross-sector stakeholder groups involved in CSR at the local and global levels, and the development of a balance in collaborative and adversarial relationships, that CSR practices will be collectively improved at the Korean national and in their global level interactions in production, investment, and trade.

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