

Stakeholder engagement and the role of institutional dimensions

RONALDO DE OLIVEIRA SANTOS JHUNIOR

FACULDADE DE ECONOMIA, ADMINISTRAÇÃO E CONTABILIDADE DA UNIVERSIDADE DE SÃO PAULO - FEA

NATALIA VIDAL

UNIVERSITY OF NEW MEXICO

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Introdução

The business environment is increasingly complex, with organizations realizing the importance of creating effective stakeholder engagement actions that yield positive outcomes and foster sustainable development for themselves and their stakeholders. Organizational actions can have far-reaching consequences that transcend national boundaries. Overall, it is essential to understand how institutional characteristics of different markets can either promote or hinder companies' relationships with stakeholders and their contributions toward sustainable development.

Problema de Pesquisa e Objetivo

This paper addresses the current lack of understanding regarding companies' stakeholder engagement considering varying institutional influences. By benefiting from the cross-fertilization of insights from stakeholder literature and institutional approaches, the central argument is that institutional dimensions play a role in the stakeholder engagement behavior of companies under distinct institutional influences. Therefore, the primary objective of this study is to analyze companies' stakeholder engagement practices in light of their relations with the role of national institutions.

Fundamentação Teórica

This study is based on two theoretical perspectives, stakeholder engagement and the variety of institutional systems (VIS). Stakeholder engagement can be understood as the organization's ability to establish collaborative relationships with a wide variety of stakeholders involved in its processes in order to create value. In turn, the VIS is a comprehensive framework that captures the institutional context provided by the state, financial markets, human capital, social capital, and corporate governance in systemic contexts considering the increasingly significant group of developing economies.

Metodologia

The study method takes two steps: qualitative research through content analysis on stakeholder engagement practices in non-financial reports of sensitive publicly traded companies following the GRI Standards, and quantitative research on institutional dimensions categorized by the Varieties of Institutional Systems framework and the stakeholder engagement practices found in the previous step using multivariate quantile regression.

Análise dos Resultados

This research suggests that institutional dimensions significantly influence stakeholder engagement practices in emerging and middle-income economies, highlighting the Corporate Governance and Financial Markets dimensions. It is also possible to identify future research opportunities based on the results of the analyzed dimensions and their associations with stakeholder engagement. The findings establish communications with prior theoretical and empirical endeavors.

Conclusão

This paper supports the notion that interacting with stakeholders is crucial to establish better relationships between companies and stakeholders. To act strategically and respond appropriately to all stakeholders, managers must acknowledge the various behavioral assumptions, normative rules, and regulations within each institutional environment. In other words, by considering the institutional context, organizations can create successful strategies for engaging stakeholders that

consider the specific factors that affect stakeholder relationships in each country.

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