



## Government, Markets, and Organizations Workshop (1<sup>st</sup> Edition)

June 6-8, 2025

The aim of the Governments, Markets, and Organizations (GMO) Workshop is to bring scholars and practitioners together to understand the interactions between governments, markets, and organizations based on a pluralism of disciplinary perspectives and methodological approaches. Against the increasingly challenging local, national, and global institutional environments, the GMO Workshop facilitates discussions centered on, but not confined to, the following questions:

- How do various configurations of political and economic structures inform different organizational outcomes? On the other hand, how do organizational efforts reinforce or reshape existing arrangements of governments and markets?
- What are markets? Why and how do (not) markets work, given the uncertainties and perspectives embedded in political systems and organizational hierarchies?
- In a world of climate risks, ever-widening inequalities, and rising demands for ethical leadership and responsible governance, how do contemporary organizations navigate political and economic opportunities to tackle major societal challenges?

Addressing these ubiquitous yet specific building blocks of our socioeconomic life, we would like to cordially invite you to be part of a network of scholars to explore common research grounds. To generate rigorous and useful knowledge and tackle publication practicalities, we are organizing the 1<sup>st</sup> edition of the workshop and intend to build a scholarly community resting on this initial attempt.

We believe in the criticality of academic freedom and the fruitfulness of intellectual diversity. We encourage participants to challenge assumptions, tackle difficult questions, and collaborate across existing boundaries. We strive to create a space that is accessible and welcoming to all, regardless of ethnicity, gender, nationality, political affiliations, or other identity markers, ensuring that every voice has the opportunity to contribute.

**Workshop date:** June 6–8, 2025

**Workshop venue:** Advanced Institute of Business, Tongji University, Shanghai, China

上海市四平路 1500 号同济大厦 A 楼 21 楼



**Hosting institutions:** Tongji University & emlyon business school

**Co-organizers:** Tao Wang (emlyon), Qiwen Yu (Tongji), and Yuhao Zhuang (emlyon)

**Logistics:** There are no workshop fees. Thank you all for arranging your travel and accommodation accordingly. Meals and coffee breaks are generously funded by Tongji University.



## Confirmed participants

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## Government, Markets, and Organizations Workshop

June 6-8, 2025

### Timetable

**Friday, June 6**

**Kingswell Hotel Tongji (同济君禧大酒店)**

18:30 – 21:00

*Welcome Dinner*

**Saturday, June 7**

Advanced Institute of Business, 21<sup>st</sup> Floor

(同济大学管理高等研究院, 21 楼)

8:20-8:30

**Opening by Jian Liang**, Vice Dean of SEM, Tongji University

8:30-10:00

**Yuan Li** (Saint Mary's College of California)

*Session 1*

**Xiaoli Lv & Xiaojian Lin** (Tsinghua University)

10:30-12:00

**Harry Haochi Zhang** (Bayes Business School)

*Session 2*

**Guang Zhu** (Politecnico di Milano)

12:00-13:30

*Lunch*

13:30-15:00

**Ruxi Wang** (Renmin University of China)

*Session 3*

**Wei Wang** (Shanghai Jiaotong University)

15:30-17:00

**Yi Han** (Central China Normal University)

*Session 4*

**Wenyao Zhao** (University of Waterloo)

17:15-18:30

**Yang Li** (Tongji University)

*Special session*

**Xintong Liu** (Tongji University)

18:45-21:00

**Dinner** Kingswell Hotel Tongji (同济君禧大酒店)

**Sunday, June 8**

Advanced Institute of Business, 21<sup>st</sup> Floor

(同济大学管理高等研究院, 21 楼)

8:30-10:00

**Zongshi Chen** (Zhejiang University)

*Session 5*

**Winslow Robertson** (emlyon business school)

10:30-12:00

**Hongbin Tan** (Tongji University) & **Tao Han** (emlyon business school)

*Session 6*

**Juelin Yin** (Sun Yat-Sen University)

12:00-13:30

*Lunch*

13:30-15:00

**Erica Wen Chen** (Remin University of China)

*Session 7*

**Shihao Zhou** (Nanjing University)

15:30-17:00

**Tao Wang** (emlyon business school)

*Session 8*

**Yuhao Zhuang** (emlyon business school)

17:00-17:15

**Conclusion and Departure**

## Research Summary for Workshop Sessions

**\*Each presenter or team of presenters is expected to read the abstract or slides or paper of their assigned counterpart and prepare comments and questions in advance.**

- Format: Each paper will be presented in **20 minutes** by its respective presenter(s) (40 minutes total per pair). After both presentations, the two teams will engage in a **20-minute panel discussion** to offer feedback and suggestions to one another. The session concludes with a **30-minute open Q&A** with the audience.
- Goal: The purpose of these *Idea Ping-Pong sessions* is to foster **constructive feedback** on ongoing research projects and encourage meaningful dialogue between scholars with related research interests. These conversations may also open avenues for **future collaboration**.

Please find the abstracts below, listed in alphabetical order by the presenting author.

## **Science, Fiction, or Science Fiction? Nested Paradoxes in Industry Category Construction**

Erica Wen Chen (Renmin University of China)

Building on the premise that both paradoxes and categories are nested, we examined the paradoxes embedded within the construction of the “science fiction” category in China across societal, field, organizational, and individual levels of analysis. Our results found evidence of two categorical relationships between science and fiction prevalent in two different municipalities. In Chengdu, science fiction was more likely to be categorized as a subset of fiction. In contrast, science fiction was more likely to be categorized as a subset of both science and fiction in Beijing. Distinct forms of nested categorization were associated with distinct forms of salient tensions across levels of analysis. Where science fiction was categorized as a subset of fiction, salient paradoxical tensions were more likely to be associated with cross-level relations associated with artistic pursuits. Where science fiction was categorized as a subset of science and fiction, salient paradoxical tensions were more likely to be associated with cross-level relations associated with societal concerns over science and individual concerns over artistic pursuits. The results highlight the importance of simultaneously studying the nestedness of paradoxes and categories.

## **Smallholder Agency and Income Disparity in the Context of Agricultural Transformation: A Comparative Analysis of Floral Industry Organizational Models in Four Yunnan Regions**

Zongshi Chen (Zhejiang University)

How to harness the agency of smallholders to promote rural income growth and common prosperity is central to agricultural transformation. This paper examines the development of the floral industry in four regions of Yunnan, adopting a government-market-society analytical framework to compare different organizational models of flower production and their impact on smallholder agency and local income disparities. The study reveals that, in the confrontation between capital and smallholders, intermediate forms may represent the optimal path for development. Whether through the ‘company + farmer’ model or intermediary organizations such as flower industry associations and cooperatives, these structures can better reconcile the interests of capital and smallholders, connect them with external resources, and mediate their conflicts. Such arrangements not only preserve smallholders’ autonomy but also benefit corporate growth, industry development, and the reduction of income disparities.



## **Neither Hierarchies nor Clans: Building Community-like Organizations (and Making Workplaces better Places)**

既非科层制，也非氏族制：制造社区制组织

Yi Han (Central China Normal University)

Many Chinese business organizations incorporate community services into their practice, which got insufficient attention in organizational studies. To theorize an organizational model that originated in state-owned enterprises and diffused to privately owned and foreign-invested enterprises throughout China, we empirically studied this phenomenon and explained it from a socio-historical perspective. In our statistical analyses of randomly selected manufacturers in representative Chinese cities, we study how socio-historical factors influence Chinese firms to choose between modern enterprise governance and community model of organization. We also discuss the generalizability of community model of organizations and some practical implications of our research.

中国企业在历史发展和管理实践中融入了社区的一些功能和特点，形成了结构独特的社区制组织。社区制组织在履行劳动力保护和集体管理等方面有一定的积极经验。基于多家制造业企业的样本，本研究发现，成立之初为国有制的企业，更倾向于在组织内设立劳动保护机构和社会功能单元、给予员工集体参与权、雇佣本地劳动力；规模越大、所在地区社会经济发展越落后、管理者有政治参与的企业，其社区化程度也越高。通过研究发现，我们重申组织作为社区建设的承担主体的意义；本研究将中国企业组织的一些重要实践和经验进行概念化提炼，初步提出社区制组织理论。

## **Dual TPA exemplars and firms' strategic conformity outcomes**

Yang Li (Tongji University)

Firms are generally expected to conform to their category exemplar to achieve optimal performance. However, it remains unclear how firms should strategically conform when dual exemplars—non-market and market exemplars—coexist. To address this gap, we examine firms' conformity strategies within the context of China's Targeted Poverty Alleviation (TPA) policy. Drawing on a panel dataset of Chinese listed firms from 2017 to 2020, we find that when there is a high level of congruence between non-market and market exemplars, firms' conformity to both types of exemplars is positively associated with financial performance. In contrast, when congruence between the two exemplar types is low, firms benefit more from conforming to their average peer within their industry. This study extends optimal distinctiveness theory by offering new insights into firm behavior under conditions involving multiple, and potentially conflicting, institutional referents.

## **Contesting imaginaries of Artificial Intelligence in regulatory rhetoric**

Yuan Li (Saint Mary's College of California)

This paper examines the ways in which artificial intelligence (AI) is conceptualized, contested, and negotiated within U.S. Congressional hearings. Drawing on transcripts from 50 hearings related to AI, we combine qualitative discourse analysis with natural language processing (NLP) techniques—such as topic modeling, sentiment analysis, and named entity recognition—to reveal how multiple socio-technical imaginaries converge or clash. We argue that these imaginary frameworks not only shape policy discourse but also play a pivotal role in guiding legislative priorities and public understanding of AI. Our findings underscore the critical need for informed and inclusive policy debates that address the nuanced economic, ethical, and security dimensions of AI technologies.

## **Entity list shock and firm responses**

Xintong Liu (Tongji University)

Drawing on resource dependence theory (RDT), we conceptualize the U.S. Entity List sanction as an external shock that heightens perceived resource uncertainty among non-sanctioned peer firms. We argue that these firms respond strategically through two mechanisms: adaptation—aligning with dominant institutional logics to maintain existing resource ties—and resource substitution—seeking alternative sources to reduce dependence. Specifically, we hypothesize that following the sanctioning of a peer firm, non-sanctioned firms (1) downplay rhetorical nationalism to avoid political sensitivity and preserve access to foreign resources, and (2) increase the diversity of their outbound foreign direct investment (OFDI) in technology-leading countries (excluding the U.S.) as a risk-mitigation strategy. We further examine the temporal dynamics of these responses to understand how firms' strategic adaptations evolve over time.

## **Talk in the fog of deep uncertainty: analogy and sensemaking in a Covid-19 expert panel**

Xiaoli Lv & Xiaojian Lin (Tsinghua University)

Existing studies in international politics and psychology have acknowledged the role of analogy used by leaders and experts in crisis decision making under deep uncertainty. Yet decades of scholarship on this topic have not addressed a question: how do experts use their analogical claims in their speaking of future in conversational encounters? On the step of Gibson (2005 & 2011), this research aims to extend the understanding on the connection between localized dynamics conversation and crisis sensemaking. Covid-19 provides a very unique opportunity to examine experts' use of analogical reasoning in their speaking of future in critical junctures. During the Covid-19, we collected very unique video conference data in an expert panel convened by a prominent Chinese think tank, tasked with advising policy adjustment of COVID-19 response in early 2022.

## **Owning Assets or Injecting Capital: Distinguishing Between Chinese Foreign Direct Investment and Lending in African Countries as Tools of State Capitalism**

Winslow Robertson (emlyon business school)

Much of the burgeoning research interest around Chinese state capitalism, particularly Chinese economic engagement with African countries, conflates almost all Chinese financial flows as “FDI” or “investment”. However, the way these terms are commonly used does not meet the actual definition of either term, and many of these Chinese financial flows do not qualify as such. FDI refers to transactions that allow for control and management of the assets over the long term with the main risk borne by investors, whereas much of these financial flows come as “lending” in the form of policy bank loans and other forms of finance where the borrowing government bears the risk. To illustrate this point, we demonstrate that many published articles conflate FDI or investment with lending (such as infrastructure finance) in their datasets. When using more accurate datasets, we observe a strong positive correlation between Chinese FDI and GDP growth, where a 100% increase in Chinese FDI is associated with an 86% increase in GDP growth. Conversely, we also observe a negative correlation between Chinese lending/generic “investment” and GDP, where a 100% increase in these variables is associated with a 3% decrease in GDP.

## **Doing Good to Offset Bad: Domain-specific versus Generalized CSR under Audience Pressure**

Hongbin Tan (Tongji University) & Tao Han (emlyon business school)

This study examines how firms strategically engage in corporate social responsibility (CSR) to offset legitimacy threats arising from corporate social irresponsibility (CSIR). Drawing upon institutional and stakeholder theories, we first distinguish between two distinct CSR strategies: domain-specific CSR, directly addressing the specific source of legitimacy threats, and generalized CSR, aimed at maintaining and restoring overall legitimacy. We then develop a contingency model to explain how external audiences shape the relative emphasis on domain-specific versus generalized CSR. Focusing on corporate pollution as a form of CSIR, we analyze how firms address increased pollution emissions by investing either in pollution control (domain-specific CSR) or in corporate philanthropy (generalized CSR). Using original survey data from Chinese private firms, we find a positive association between pollution intensity and firms' CSR engagement. Furthermore, we show that the attention, awareness, and ability of external audiences influence the extent to which firms prioritize pollution control over donations. These findings provide new insights into the interplay between CSR and CSIR in firms' legitimacy management and underscore the critical role of external audiences in such processes.

## **Unintended Consequences of Interdependent Government Policies: Environmental Performance Tradeoffs in Chinese Firms**

Ruxi Wang (Renmin University of China)

Many environmental policies by national governments fail to accomplish the aspired corporate performance improvements. Existing studies have overlooked the possibility that the cause of ineffective environmental regulations may be located outside the focal policy. We argue that governments develop siloed environmental policies, whereas firms make integrative decisions in response to all policies combined. The divergent foci of governmental makers and corporate takers of environmental policies may lead to unintended negative policy spillovers. We empirically study pollution-intensive firms in China, targeted by policies to both decrease their air pollution and increase their energy efficiency. We find that these firms improved their air-quality performance while decreasing their energy-efficiency performance. The negative spillover was attenuated when firms had more slack to accommodate the adoption of both policies and amplified when firms operated in regions with a higher state capacity to monitor pollution. We attribute the corporate performance tradeoff in adjacent policy domains to attention conflicts that lead firms to strategically prioritize the most incentivized policy. In conclusion, governments should coordinate issue-specific policies to avoid that compliance-oriented policies will crowd out other important policies.



## **Breaking away, staying close: Private firms' reactive CPA**

Tao Wang (emlyon business school)

Current research on corporate political activity (CPA) highlights that private firms often rely on governments as critical resources to survive and thrive. However, this line of research tends to overlook the reciprocal dependence of governments on private firms—for example, for political contributions, addressing government failures, and managing socioeconomic challenges. To address this gap, we build on and extend the construct of reactive CPA, which we define as private firms' strategic responses when approached by governments: should they accommodate or resist governments' requests? In this paper, we focus on variations across private firms—specifically, privatized firms (formerly state-owned enterprises) and de novo private firms (born private). Drawing on resource dependence theory (RDT) and CPA literature, we hypothesize that privatized firms are more likely to engage in reactive CPA compared to de novo private firms. This is due to mechanisms related to identity resonance and the perceived controllability of their interdependence with the government. We further argue that this relationship is moderated by a firm's adherence to the “rules of the game”—market conformity (safeguarding accountability in decision-making) and political conformity (aligning with ruling authorities). Using data from a representative sample of Chinese private firms, we test our hypotheses and find substantial support for our theoretical arguments. Private firms with origins in state ownership are more likely to accommodate governments' requests to acquire bankrupt firms, relative to born private firms. This relationship is attenuated in the presence of the board of shareholders, and a Chinese Communist Party (CCP) branch within the firm. This paper advances the reactive dimension of CPA by theorizing mechanisms through which firms manage governments' dependence. In addition, it incorporates organizing heterogeneity among private firms into resource dependence arguments and reveals contingencies when facing the same institutional rules.

## **The Ripple of Green: The Impact of Risk Identification on Carbon Emission Reduction Practice**

Wei Wang (Shanghai Jiaotong University)

While institutional theory and the resource dependence perspectives tend to conceptualize corporate sustainability action as a response to external pressures, this study highlights the identification of future risks as a proactive internal driver of sustainability efforts. We argue that firms' understanding of time and risk enable them to strategically reinterpret external demands, introducing a forward-looking, voluntarist dimension into environmental decision-making. Empirical analysis in the context of carbon emissions reduction supports this argument, showing that firms that identify near-term and downstream risks are more likely to pursue substantive—rather than symbolic—environmental actions. In doing so, this study extends existing theoretical perspectives by demonstrating how risk perception enables firms to move beyond reactive compliance toward more proactive and impactful sustainability practice.

## **ESG Management in the Context of Awards**

Juelin Yin (Sun Yat-Sen University)

I will examine the paradoxical role of awards in shaping corporate environmental and social conduct based on two ongoing studies. The first study demonstrates that CEO awards, grounded in identity control theory, reduce firms' environmental misconduct as award-winning CEOs strive to maintain their celebrity status—particularly when their reputations are reinforced. However, financial underperformance or underpayment weakens this effect, highlighting the fragility of award-driven ethical behavior. The second study reveals a negative spillover effect of CSR awards at the inter-organizational level: rivals' awards exacerbate CSR decoupling in non-winning firms due to heightened institutional logic conflicts, especially in competitive or award-scarce environments. Together, these studies illuminate the dual nature of awards as both motivators (for individual leaders) and disruptors (for peer firms) in ESG performance. They advance theoretical understanding by (1) linking micro-level identity mechanisms (CEO celebrity) to macro-level institutional logics (market vs. social pressures), and (2) uncovering unintended consequences of awards—whether reinforcing sustainability or triggering decoupling. The findings caution policymakers and stakeholders to design award systems that mitigate comparative pressures while harnessing identity-driven accountability.

## **HOW MUCH ATTENTION TO THE BIG BROTHER? SYMBOLIC FLEXIBILITY OF NONPROFITS IN PORTRAYING ORGANIZATIONAL PURPOSES**

Harry Haochi Zhang (Bayes Business School)

As authoritarianism increasingly challenges liberal democratic values in shaping economic and societal institutions, the way organizations articulate their stance on government directives becomes an important constitutive element of the contentious discursive field. When state power is relatively stronger vis-à-vis the private community, organizations may find it more beneficial to align their stated purposes with state demands. However, do all organizations possess the same level of symbolic flexibility—the capacity to adjust symbolic actions in response to external power contingencies? We contend that organizations with higher degrees of hybridity will exhibit more symbolic flexibility, due to broader attention to different constituency expectations, increased internal conflicts and negotiations, and more accessible cultural tools for their symbolic management. Using data from China’s emerging nonprofit sector, we empirically show that: (1) NPOs adjust their purpose statements in response to varying state power, both across contexts and following an exogenous shock, and (2) the symbolic flexibility of NPOs is positively correlated with their degree of hybridity. This study advances our understanding of the evolving discursive fields of organizational purposes and illustrates how organizations’ symbolic actions intersect with the power dynamics of competing constituencies striving to shape economic and social sectors.

## **Institutional Liminality at (Digital) Work: How XR Technologies Afford Negotiation of Institutional Boundaries for Hybrid Work**

Wenyao Zhao (University of Waterloo)

This paper develops a theoretical account of how extended reality (XR) technologies create zones of “institutional liminality” as organizations navigate competing institutional pressures in hybrid work environments—including government return-to-office mandates, market-driven technological innovations, and evolving workforce expectations. Specifically, we argue that XR technologies enable organizations to simultaneously signal compliance with formal mandates while substantively preserving the flexibility and autonomy of remote work. Adding to the multimodality turn in organizational studies and in institutional theory, we conceptualize institutional liminality as ambiguous spaces where conventional jurisdictions become permeable and institutional rules are reinterpreted. Organizations navigate this liminality through three mechanisms: regulatory arbitrage that exploits virtual geographic ambiguities, legitimation work that redefines institutional categories and establishes XR as appropriate professional tools, and spatial reconfiguration that materially instantiates institutional logics in virtual workplaces. By theorizing institutional liminality, we advance our understanding of how material technologies mediate institutional complexity and reshape fundamental relationships in today’s organizations.

## **Organization of Information and the Value Creation-Appropriation Tradeoff: Evidence from a Natural Experiment on Mobile Apps**

Shihao Zhou (Nanjing University)

A central mandate of platform governance is to better organize information and facilitate information provision between different sides of the platform. While information provision is widely recognized to enhance value creation opportunities between exchange parties on the platform, little is known about how it affects value appropriation by different parties. We propose a value creation-appropriation tradeoff perspective on information provision on platforms: while providing finer (e.g., more comparable) complement information to consumers reduces their search frictions and brings the complement more business opportunities, it also intensifies complement-side competition and reduces the complement's ability to appropriate value from those opportunities. Exploiting a platform category adjustment aiming to enhance the comparability of complements within a category as a natural experiment, we find strong support for our predictions.

## **Walk beyond the Talk: Identities of Value-Espoused Organizations and Third-Party External Funding**

Guang Zhu (Politecnico di Milano)

Charity foundations, or simply foundations, are almost everywhere but have received little attention of organization and management scholarship. As an organizational form, foundations espouse values and rely on funds from third parties like donors. Yet because the espoused values are ambiguous to evaluate, foundations are confronted with the credibility challenge for fundraising; this challenge is heightened for donors as third-party funders external to a foundation who may have limited information to evaluate. We argue that foundations may project one's market identity including both fixed claims and changing behaviors to become more credible in the eyes of donors to raise more funds. Specifically, we theorize that one's claim should be detailed, conceptualized as identity detailedness, and behaviors should be wide, coined as identity reification, to convey more information in order to be more credible; further, identity reification may amplify the effect of identity detailedness because at the increasing levels, the former makes a foundation's detailed claims even more credible. Our hypotheses find empirical support using Chinese charity foundations. We extensively discuss boundary conditions, generalizability to contemporary for-profit firms, and contributions of our study to organization and management theory.

## **From Margins to Markets: Commercialization Opportunities in Firms' Partnerships with Grassroots Nonprofits**

Yuhao Zhuang (emlyon business school)

How do connections with politically marginalized organizations yield benefits for economic actors? Prior research has highlighted the material, informational, and institutional implications of private businesses' proximity to formal political institutions, yet the power dimension of political connections remains curiously underexplored. This article proposes that, precisely due to the inability to enforce their own interests, organizations peripheral to the political system become stepping stones for commercialization initiatives of businesses. Drawing on fine-grained data on firm-nonprofit collaborations for social provision in China, this study finds that companies are more inclined to prioritize core business needs in projects partnering with grassroots nonprofits unaffiliated with the state than in those involving state-led social organizations. Interviews and ethnographic observations offer further insight into the divergent trajectories of corporate engagement, showing that the political marginalization of grassroots nonprofits readily translates into their susceptibility to external interventions in day-to-day operations and to the imposition of alternative meanings onto their social initiatives. This susceptibility, in turn, enables firms to leverage social initiatives as opportunities to mitigate uncertainties in profit-generating activities and experiment with business innovations. These findings underscore how an asymmetric political structure sets the stage for the penetration of commercial logics, contributing to work on political embeddedness and the boundaries between market and society.