

**The Impact of Community Governance Participation on the Sustainable  
Development of Chinese Property Management Companies**

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# DECLARATION

## **STATEMENT 1**

This thesis is the result of my own investigations, except where otherwise stated. Where correction services have been used the extent and nature of the correction is clearly marked in a footnote(s). Other sources are acknowledged by footnotes giving explicit references. A bibliography is appended.

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# ACKNOWLEDGEMENTS

Like the past five years, this year began with lingering cold and rain. Yet today, after days of grey skies, the sun finally shines. As I sit in the university library writing this acknowledgement, I reflect on my six-year journey with mixed emotions. Swansea's cold, grey weather contrasts with its unforgettable summer breezes and seaside sunsets. Studying in classrooms and the library overlooking the sea brought rare moments of stability amid life's turbulence.

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# ABSTRACT

This thesis explores how Chinese property management companies' (CPMCs) involvement in community governance affects corporate sustainability, using neo-institutional theory (NIT) as a framework. A qualitative case study approach is adopted, incorporating thematic analysis of interviews with property managers, Local Street Office officials, Residents' Committee members, industry experts, academics, and residents representatives. Thematic analysis reveals four key themes: CPMCs' participatory roles in community governance, the institutional pressures they face, their institutional entrepreneurship pathways, and their contributions to corporate sustainability.

The findings show that CPMCs operate within a complex institutional environment shaped by regulative, normative, and cultural-cognitive pressures, alongside contradictions such as efficiency, nonadaptability, misaligned interests and interinstitutional incompatibility. These institutional field characteristics intersect with CPMCs' social positions, enabling divergent change through institutional entrepreneurship. The study develops a novel typology of CPMCs highlighting their social positions and strategic variations in their responses to institutional environments. Through institutional entrepreneurship pathways, CPMCs adapt to governance challenges, strengthen alignment with sustainability goals, foster stakeholder trust, and drive innovation, as evaluated through the Triple Bottom Line (TBL) framework.

The study introduces the Institutional Community Governance and Corporate Sustainability Framework, which bridges community governance participation and corporate sustainability. It provides theoretical contributions to NIT and offers practical recommendations for CPMCs, policymakers and practitioners with strengthening community governance collaboration and advancing sustainable development in China.

## **Keywords:**

Property Management , Community Governance, Corporate Sustainability, Triple Bottom Line, Neo-Institutional Theory, Institutional Entrepreneurship, Institutional Pressures and Contradictions, Typology of CPMCs, Strategic Innovation

# ABBREVIATIONS

**CPMC** Chinese Property Management Company

**ESG** Environmental, Social, and Governance

**GRI** Global Reporting Initiative

**ICGCSF** Institutional Community Governance and Corporate Sustainability Framework

**IPO** Initial Public Offering

**LSO** Local Street Office

**NIT** Neo-Institutional Theory

**PLLC** Private Large Listed Company

**PPP** Private-Public Partnership

**RC** Residents' Committee

**SDG** Sustainable Development Goal

**SME** Small and Micro Enterprise

**SOE** State-Owned Enterprise

**SONE** State-Owned Non-Listed Enterprise

**SOLE** State-Owned Listed Enterprise

**TBL** Triple Bottom Line

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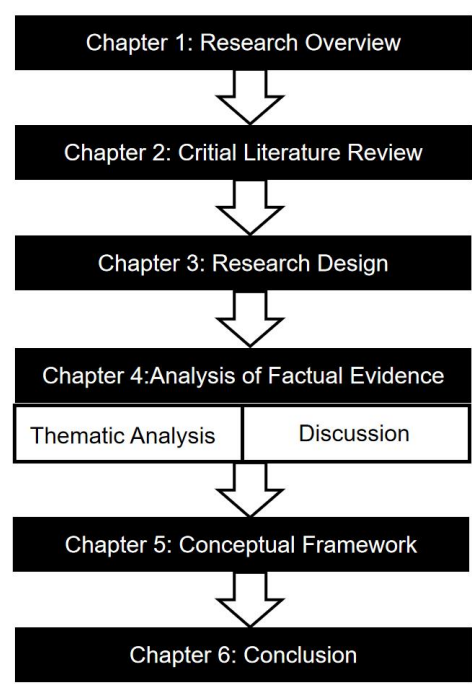
# 1. INTRODUCTION

## 1.1 INQUIRY OVERVIEW

This thesis consists of six chapters and the flowchart (Figure 1.1) illustrates its scope.

The flowchart provides a visual representation of the thesis structure, showcasing the logical progression from the research overview and literature review to the methodological design, empirical findings, conceptual framework, and final conclusions. Each chapter builds upon the previous one to develop a cohesive investigation into the relationship between CPMCs, community governance, and corporate sustainability. This flowchart (Figure 1.1) helps to clarify the interplay between theoretical concepts, empirical insights, and the ultimate development of the conceptual framework.

Figure 1. 1 Dissertation Progression



Chapter One introduces the background to the study. It sets out the basis for the research by describing the academic gap and research problem that are identified. The research objectives and corresponding research questions are developed based on the limitations of extant conceptual theories in the field of the impact of community governance on the sustainable development of

CPMC. The rationale for the study is to extend current knowledge in the field of corporate sustainability and community governance.

Chapter Two presents a comprehensive review of literature on community governance, corporate sustainability, NIT, and the evolving role of CPMCs within China. Initially, it delineates core concepts and theories integral to the study, such as community and community governance while situating these within the broader Chinese context. This theoretical foundation provides a backdrop for understanding the evolution and function of community governance as a specific institutional field, with a focus on China's unique governance landscape. It examines how CPMCs function as intermediaries and boundary spanners among governmental, market, and social actors within the governance framework. Subsequently, the study considers a breadth of research on sustainable development within CPMCs' corporate frameworks, examining definitions and models. Relevant here are concepts such as "sustainable development" "property management" "the corporate sustainability of CPMCs" and the TBL (Elkington,1998) sustainability approach. The chapter then evaluates the application of NIT, which serves as the foundational lens for understanding how CPMCs navigate and impact the multi-faceted institutional landscape. By focusing on how organisations navigate institutional complexity, such as varying institutional pressures and contradictions, as well as how actors' diverse social positions influence strategic responses to field-level institutional change, Chapter Two highlights key gaps in CPMCs' institutional entrepreneurship and corporate sustainable practices. It emphasises the interplay between community governance and corporate sustainability and introduces a preliminary conceptual model to guide the empirical analysis.

Chapter Three outlines the research design, establishing the methodological foundation for investigating the role of CPMCs in community governance, and the subsequent impacts on corporate sustainable development. First, it examines the paradigmatic perspective that guides the research, discussing ontological and epistemological considerations in the context of social constructivism. This paradigm, which aligns with the study's interpretive approach, supports a qualitative framework to uncover nuanced insights into CPMCs' interactions within the community governance and corporate sustainability framework. The chapter continues by justifying the use of a qualitative approach, detailing the selection of a case study methodology as the most appropriate

research strategy. This approach enables in-depth exploration of stakeholders' perspectives on CPMCs' participation in community governance and corporate sustainability practices. Next, the chapter discusses sample selection, sample size, and data collection and outlines the details of the pilot study that was undertaken. The chapter sets out how semi-structured in-depth interviews were deployed as the primary data-gathering technique for this study. The chapter then identifies the axiological stance that was adopted, and defends the quality of the research, including its credibility, trustworthiness and transferability. Finally, ethical concerns related to the study are highlighted, ensuring transparency and integrity in the research process.

Chapter Four presents a thematic analysis of empirical data gathered from in-depth interviews with key stakeholders, including property managers, local government officers (Local Street Office, LSO), RC(Residents' Committee) members, industry experts, and resident representatives. The chapter begins by justifying thematic analysis as a suitable analytical approach, emphasising its suitability for capturing nuanced insights into the lived experiences and perspectives of participants. Guided by an abductive reasoning process, the chapter employs NIT to examine the complex roles that CPMCs assume within community governance. Four major themes emerged from the analysis: (1) the participatory roles of CPMCs in community governance, (2) institutional pressures on CPMCs, (3) institutional entrepreneurship amongst CPMCs, and (4) Corporate sustainability amongst CPMCs. These themes address the research questions by exploring how CPMCs navigate institutional expectations, actively engage in boundary-spanning activities, and influence community governance through innovative sustainable practices. The findings also contribute to a detailed typology of CPMCs, highlighting how diverse actors' social positions influence organisational responses, shaped by factors such as size and ownership structure. Additionally, the chapter examines the interplay between CPMCs' social positioning, their institutional environments, and their distinct strategic responses. The chapter culminates in a nuanced discussion of these findings, positioning CPMCs as both service providers and pivotal agents of institutional change within the unique framework of Chinese community governance.

Chapter Five presents the conceptual framework which is the outcome of this study. This is referred to as the "Institutional Community Governance and Corporate Sustainability Framework". The chapter contains a synthesis of key findings from the literature review about community

governance, corporate sustainability and NIT, as well as factual insights from the fieldwork undertaken. Moreover, the chapter discusses the reasoning behind the model.

Chapter Six provides a concise conclusion to the study, outlining its theoretical and practical contributions. The chapter also highlights key managerial implications, addresses the study's limitations, and offers recommendations for future research directions.

## 1.2 BACKGROUND OF THE STUDY

In recent years, the Chinese Communist Party, the national government, and local governments have paid unprecedented attention to social governance (Hu, Tu and Wu, 2018). Community governance is a crucial component of the broader social governance process. National policies have mandated the establishment of a polycentric urban community governance model, where multiple stakeholders collaborate to create, manage, and share outcomes (Liang, 2021). Among stakeholders like LSOs, RCs, community service stations, grassroots Communist Party branches, and Homeowners' Committees, CPMCs stand out as key market participants that must not be overlooked (Arcuri and Jing, 2019; Fang *et al.*, 2021).

As China's urbanisation accelerates, the complexity and diversity of community governance tasks are increasing. Grassroots governance bodies, such as LOS and RC, often face staff shortages and limitations in public management services. Against this backdrop, CPMCs have gradually taken on more community governance tasks, leveraging their professionalism and flexibility in service provision. These companies have become an indispensable part of the community governance system. Property management areas are not only central to residents' daily activities. They also form the basic units of community governance. Many governance tasks, such as the security and order maintenance, environmental sanitation, and conflict resolution, are closely intertwined with property management work. By participating in these tasks, CPMCs have evolved from mere service providers to key actors ensuring community harmony and stability.

However, CPMCs encounter numerous challenges in community governance. As the scope of their services continues to expand, they have assumed multiple roles, leading to blurred boundaries between their responsibilities and those of the government and residents. This blurring

complicates their operational management and exacerbates legitimacy issues. For instance, CPMCs are sometimes required to take on responsibilities beyond their traditional scope, leading residents to question their legitimacy and accuse them of intervening in what should be government-managed public affairs. This role-confusion often leaves residents dissatisfied and uncertain (Connelly, 2011; Triantafillou and Hansen, 2022), further undermining the standing and legitimacy of CPMCs in community governance.

On the other hand, property management remains a developing sector in China and has become one of the most vibrant and promising industries in recent years. The development of property management in China has evolved from basic residential services in the 1980s to a specialised, market-oriented industry driven by regulatory reforms, technological innovation, and market demands. In recent years, intensified government regulation, financial pressures on real estate firms, and the societal challenges highlighted by COVID-19 have positioned CPMCs as pivotal players in fostering economic stability and community governance (Liu *et al.*, 2021a; Zhou and Ouyang, 2023). According to Savills (2021), there are over 330,000 CPMCs in China, and the market is highly fragmented with both SOEs (State-Owned Enterprises) and private enterprises present. Most companies are also SMEs (Small and Micro Enterprises). This diversity has created significant challenges for resource access, market strategies, and institutional embeddedness. Additionally, the industry's pace of capitalisation has accelerated, with over 60 CPMCs now listed in Hong Kong and mainland China as of 2024, primarily comprising large SOEs and private enterprises. These listed companies are subject to increasingly stringent regulations, particularly regarding sustainability disclosures. For example, the Hong Kong Stock Exchange mandates that listed companies regularly disclose their ESG (Environmental, Social, and Governance) performance, including carbon emissions, energy consumption, waste management, and employee welfare (HKEX, 2016). These disclosure requirements compel CPMCs to focus keenly on sustainability as part of their strategic planning, while ensuring transparency to attract investors and build public trust.

Globally, leading CPMCs have already integrated sustainability into their core strategies. For instance, global leaders such as Jones Lang LaSalle (JLL) and CBRE Group, Inc. (CBRE) are at the forefront of promoting sustainable practices. JLL has committed to achieving net-zero carbon

emissions by 2040, utilising green building certifications, smart energy management, and waste reduction initiatives to minimise its environmental impact (JLL, 2022). CBRE, through its “Commitment to achieving Net Zero” programme, aims to assist clients in achieving carbon-neutral building portfolios, while also driving broader social and environmental responsibilities (CBRE, 2023). These cases demonstrate that adopting sustainability not only enhances the corporate social responsibility figure of CPMCs but also strengthens their competitive edge in global markets.

While these commitments signal a growing emphasis on sustainability, some scholars argue that such initiatives can sometimes be more rhetorical than substantive, with companies using sustainability pledges as part of their branding strategies rather than enacting systemic change (Bini, Giunta and Bellucci, 2016). Independent sustainability audits and third-party verifications are crucial in determining whether these initiatives genuinely translate into measurable environmental and social improvements. Moreover, challenges such as greenwashing, where firms exaggerate or misrepresent their sustainability efforts, remaining a concern in the global property management industry (Zhang, 2024a).

In this context, participating in community governance presents significant opportunities for CPMCs to advance their sustainable development. For example, active participation in community governance strengthens their social standing and enhances their brand figure within communities. By collaborating with governments, residents, and other stakeholders, CPMCs can embed themselves more deeply in the communities they serve, gaining greater trust and recognition for their services. This fosters long-term customer loyalty and business stability. Moreover, through their involvement in community governance, CPMCs gain deeper insights into the needs of the community, offering opportunities to innovate and improve services. Such a process is essential for maintaining competitiveness in an increasingly challenging market (da Cunha Bezerra, Gohr and Morioka, 2020; Fatma, Rahman and Khan, 2015; McWilliams and Siegel, 2001).

Faced with China’s “dual carbon” goals (to reach peak carbon emissions by 2030 and achieve carbon neutrality by 2060), alongside the disclosure requirements imposed on listed companies for sustainable development, normative pressure to adopt sustainability practices is intensifying (Aureli *et al.*, 2020; Candio, 2024). Through the implementation of green technologies and the optimisation



of resource management, CPMCs can effectively reduce operational costs. Additionally, by embracing sustainability as part of their business strategy, CPMCs can not only enhance their market competitiveness, but also strengthen their appeal to capital markets. Investors and clients are increasingly focusing on environmental performance and corporate social responsibility, and a strong track record in sustainability can enhance the company's brand figure, attracting new partners and clients (Friede, Busch and Bassen, 2015; Kandpal *et al.*, 2024).

Clearly, by integrating sustainability into their business strategies, CPMCs can address policy and market pressures and also enjoy long-term sustainable growth opportunities (Naciti, Cesaroni and Pulejo, 2022; Pranugrahaning *et al.*, 2021). By innovating services and participating in community governance, these companies can enhance their adaptability and competitive advantage in an evolving market environment, ensuring they remain well-positioned to thrive amidst both domestic and international competition in the property management industry.

### 1.3 RESEARCH PROBLEM

This study aims to explore how participating in community governance affects the sustainability of CPMCs. To summarise the identified research problems and clarify how this study addresses them, Table 1.1 presents an overview of the key gaps in the existing literature. This table highlights the underexplored aspects of CPMCs' roles in community governance, institutional pressures, sustainability practices, and organisational typologies, alongside the theoretical gaps in corporate sustainability ,community governance and NIT research. It also illustrates how the current study aims to address these issues through its research objectives.

Table 1. 1 *Research Problems*

Research Problems	Evidence for Research Problems	Current Study Investigates
<b>Underexplored role of CPMCs in community governance</b>	Most studies focus on government or community actors, overlooking CPMCs' contributions to governance outcomes(Liang, 2021)	The proactive role of CPMCs in shaping community governance
<b>Limited understanding institutional complexities in community governance</b>	Regulative, normative and culture-cognitive pressures of CPMCS as well as different contradictions remain a critical yet underexplored area (Candio, 2024; Gasbarro, Rizzi and Frey, 2018; Naciti, Cesaroni and Pulejo, 2022)	Deeper understanding of institutional field characteristics of CPMCs
<b>Limited analysis of sustainability practices within CPMCs</b>	Studies largely focus on energy and waste reduction but overlook broader sustainability practices in CPMCs (De Castro, Pacheco and González, 2020; Nosratabadi <i>et al.</i> , 2019; Rahman, Zahid and Muhammad, 2022)	Broader integration of sustainable practices in CPMCs' business models
<b>Underexplored the impact of community governance on corporate sustainable development of CPMCs</b>	The impact of CPMCs' participation in community governance on their corporate sustainability strategies and outcomes remains underexplored (Liu <i>et al.</i> , 2021a; Liu <i>et al.</i> , 2021b; Zhou and Ouyang, 2023).	The pathways through which community governance participation impacts CPMCs' sustainable development
<b>Limited understanding of different types of CPMCs</b>	Organisational differences between SOEs and private CPMCs in terms of resources, strategies, and institutional embeddedness are underexplored (Ahmed, Mubarik and Shahbaz, 2021; da Cunha Bezerra, Gohr and Morioka, 2020).	Developing a novel and nuanced typology to analyse how different CPMCs respond to governance and sustainability challenges
<b>Gaps in theoretical frameworks</b>	Existing theories lack systems-level perspectives, focus excessively on rational decision-making, and fail to capture non-rational and societal influences (Burbano, Delmas and Cobo, 2024; Carmine and De Marchi, 2023; Cristofaro <i>et al.</i> , 2023). NIT is promising but requires deeper analysis of specific institutional challenges.	The application of NIT to analyse institutional pressures, contradictions, institutional entrepreneurship and strategic responses in sustainability

As illustrated in Table 1.1, While the literature on community governance has expanded, there remains a significant gap regarding the active role that CPMCs play within these frameworks (Liu *et al.*, 2021a; Liu *et al.*, 2021b; Zhou and Ouyang, 2023). Most existing studies have focused on government (Sun, 2019; Zhang, Zhao and Dong, 2021) and civil society (Liang, 2021; Ting, Guo and Liao, 2020), whilst neglecting the proactive contributions CPMCs make to shaping governance outcomes. The active role of CPMCs can therefore be describe as under-theorised.

As the literature suggests, China's unique community governance needs extend beyond infrastructure maintenance, encompassing social welfare, community safety, and environmental advocacy, which provide a complex institutional environment for CPMCs (Ibid). Although some fragmented insights exist into CPMCs' role in governance (Du & Tan, 2023; Xu & Yeh, 2011), literature has yet to fully address the challenges and complexities of aligning their operations with governance requirements amidst institutional pressures and contradictions. For example, Naciti, Cesaroni and Pulejo (2022) note that policy-related institutional pressures remain a critical yet underexplored area. Aureli *et al.* (2020), Candio (2024), and Jamali and Neville (2011) argue that a gap exists in understanding the normative pressures faced by CPMCs, particularly as corporate sustainability becomes an increasing priority. However, how these pressures translate into governance practices and decision-making processes within CPMCs remains insufficiently examined. Specifically, while ESG reporting highlights the extent of normative pressures from governmental objectives and market expectations, there is a lack of research on how CPMCs strategically respond to these pressures in practice. Gasbarro, Rizzi and Frey (2018) highlight the limited research on culture-cognitive institutional pillars of sustainable institutional entrepreneurial practices. In the context of property management and community governance, cultural values shape business practices and stakeholder interactions, affecting CPMCs' governance strategies. Cultural dimensions theory, as proposed by Hofstede, offers a framework for examining these influences (Hofstede, 2011). Chinese culture, characterised by high power distance and collectivism, emphasises hierarchical structures and prioritises group interests over individual desires, aligning with the goals of social harmony and sustainable development. This collectivist orientation implies that CPMCs' success in community governance depends on active collaboration with government agencies (Xu and Chow, 2006). As such, this study investigates how cultural factors shape CPMCs' role in community governance and how these influence their sustainability

practices. Besides, institutional contradictions within CPMCs remain a critical yet underexplored area in existing research.

Moreover, existing research into sustainability practices within CPMCs is limited (De Castro, Pacheco and González, 2020; Rahman, Zahid and Muhammad, 2022). While sustainable business practices are well-documented in other industries, there is insufficient exploration of how CPMCs incorporate sustainability into their operations (Nosratabadi *et al.*, 2019). Only a few studies have focused on environmental aspects such as energy consumption and waste reduction (Leaman and Bordass, 2007; Razali *et al.*, 2017; Zhao, Zhang and Li, 2021), but these studies often fail to address the broader integration of environmental, social, and economic practices into CPMCs' business models.

Furthermore, although some fragmented research exists on the corporate sustainability of CPMCs, the institutional environment that defines them is highly complex. Community governance acts as both a constraint and an enabler for their sustainability efforts. The participation of CPMCs in community governance is closely tied to the social dimension of the sustainability framework. Additionally, their involvement indirectly contributes to the environmental and economic dimensions by enhancing community environmental management and driving technological innovation. However, the impact of CPMCs' engagement in community governance on their corporate sustainability remains underexplored.

In addition, the market for property management in China is highly decentralised, with SOEs and private enterprises differing significantly in terms of resource access, market strategies, and institutional embeddedness (Savills, 2021). The literature suggests that organisational structure and social position significantly impact strategic responses to institutional complexity (Ahmed, Mubarik and Shahbaz, 2021; da Cunha Bezerra, Gohr and Morioka, 2020; Velte, 2023). Consequently, a nuanced typology is essential to better understand the strategic responses of diverse CPMCs to community governance and sustainability challenges.

Finally, various theoretical frameworks, including institutional theory, agency theory, legitimacy theory, stakeholder theory, the resource-based view, paradox theory and planned behaviour theory,

have been adopted by corporate sustainability researchers (Swarnapali, 2017). However, these theories are less suitable due to their inability to address the complexities and interconnectedness of corporate sustainability. These complexities include the lack of a systems-level perspective, an overemphasis on rational decision-making, and inadequate consideration of non-rational factors and societal influences (Burbano, Delmas and Cobo, 2024; Carmine and De Marchi, 2023; Cristofaro *et al.*, 2023; Naciti, Cesaroni and Pulejo, 2022). Among these, NIT is particularly relevant for examining the social contexts in which firms operate, providing insights into the institutionalisation process of sustainable industries, particularly in relation to external pressures. However, a gap remains in understanding the specific institutional pressures and contradictions organisations face in corporate sustainability, as well as how actors respond to these complex, intertwined challenges.

## 1.4 RATIONALE FOR THE STUDY

CPMCs have emerged as pivotal actors in China's evolving community governance landscape, yet their roles remain underexplored in academic research (Arcuri and Jing, 2019; Fang *et al.*, 2021). Community governance in China has shifted from a government-dominated model to one increasingly reliant on multi-stakeholder collaboration (Liang, 2021). In the latter construct, CPMCs are positioned as critical intermediaries, linking government policies and community needs (Liu *et al.*, 2021b; Zhou and Ouyang, 2023). These companies play dual roles as property service providers and governance collaborators, addressing governance challenges such as resource constraints and diverse resident expectations (Guo, Zhou and Li, 2021). Despite their increasing involvement in tasks like environmental sanitation, conflict resolution, and community engagement, existing literature has primarily focused on government bodies and civil society organisations, overlooking the significant contributions of CPMCs to community governance and institutional innovation (Liang, 2021). This study addresses the consequent gap in knowledge by investigating how CPMCs navigate these roles to foster sustainable development.

Sustainability has become a critical agenda for organisations worldwide (Nosratabadi *et al.*, 2019). Sustainability is rooted in the TBL framework, which emphasises the interconnectedness of economic, social, and environmental dimensions (Elkington, 1997b). While research has extensively addressed the environmental and economic aspects of sustainability, the social

dimension—particularly its relevance to community governance and resident well-being—remains underexplored, especially in service industries like property management (Nosratabadi et al., 2019; Zhao, Zhang and Li, 2021). For CPMCs, sustainability represents not only a regulatory expectation but also a strategic opportunity to enhance their contributions to governance and long-term competitiveness.

Since the establishment of the first CPMC in Shenzhen, China, in 1981, the industry has evolved significantly—from providing basic residential services to offering diversified functions such as commercial and industrial property management, community value-added services, and property advisory and development consultancy (Zhu, 1999). The rapid expansion of China's real estate market after 2003, coupled with the integration of internet technologies, has driven specialisation and intelligent service solutions (Zhu, 2005). More recently, intensified government regulation, financial pressures on real estate firms, and societal challenges highlighted by COVID-19 have elevated CPMCs to pivotal roles in both economic stability and community governance (Liu et al., 2021b; Zhou and Ouyang, 2023). These developments have brought increased recognition of CPMCs' role in community governance by both the state and the public, creating new opportunities and pathways for advancing corporate sustainability.

China's "dual carbon" goals, aiming to peak carbon emissions by 2030 and achieve carbon neutrality by 2060 (National Development and Reform Commission, 2021; PwC, 2021; Cushman & Wakefield, 2023), along with mandatory ESG disclosure requirements for listed CPMCs, have introduced stringent regulative pressures to adopt sustainability practices (HKEX, 2016). For example, ESG reporting frameworks require CPMCs to disclose metrics on carbon emissions, energy efficiency, waste management, and social responsibility (Aureli et al., 2020; Candio, 2024). These pressures compel CPMCs to integrate sustainability into their core business strategies, transforming compliance obligations into opportunities for operational efficiency, stakeholder trust, and market competitiveness. Through initiatives such as energy-efficient building operations, waste reduction, and community engagement, CPMCs can align their environmental and social goals with broader governance objectives, strengthening their long-term resilience and adaptability (Friede, Busch and Bassen, 2015; Pranugrahaning et al., 2021).

Despite these advancements, research on corporate sustainability within CPMCs remains fragmented, often prioritising isolated metrics such as energy consumption or financial performance, while neglecting the broader integration of sustainability practices into their organisational strategies and operational frameworks (RICS, 2023; Wai-chung Lai, 2006). Institutional complexities—regulative, normative, and cultural-cognitive pressures (Scott, 2001)—interact with CPMCs' governance roles, creating both constraints and opportunities for sustainable innovation. Moreover, the unique socio-political context in China, characterised by collectivist values and hierarchical governance structures (Hofstede, 2011), amplifies the need for CPMCs to adopt innovative approaches to balance governance responsibilities with sustainability objectives.

By exploring how CPMCs align their governance participation with sustainability goals, this study seeks to fill critical gaps in understanding the pathways through which organisations in the property management sector navigate institutional complexity to achieve sustainable development. It advances theoretical insights into corporate sustainability and community governance, and provides actionable recommendations for embedding sustainability practices into CPMCs' governance frameworks.

From a theoretical perspective, NIT provides a robust lens for understanding organisational behaviour within institutional fields, emphasising legitimacy as a key driver of adaptation (Meyer and Rowan, 1977; Scott, 2001). However, its traditional focus on stability and isomorphism (DiMaggio and Powell, 1983) has limited its capacity to explain institutional change and agency. Subsequent developments, such as institutional entrepreneurship, have addressed this limitation by exploring how organisations act as change agents to navigate institutional complexity and foster innovation (Battilana, Leca and Boxenbaum, 2009; Grimm, Hofstetter and Sarkis, 2023). Despite these advancements, research on how service-oriented organisations like CPMCs leverage institutional entrepreneurship to transform complex institutional pressures and contradictions into sustainable outcomes remains limited. This study addresses that knowledge gap by examining the pathways through which CPMCs engage with institutional complexities, to implement divergent change and achieve sustainability-driven innovation.

Additionally, CPMCs face distinctive challenges in navigating institutional complexities, shaped by factors such as organisational size, ownership structure, and market orientation. SOEs benefit from strong regulatory ties but may struggle with market agility, while private enterprises, particularly SMEs, demonstrate greater flexibility but face significant resource constraints (Greenwood and Suddaby, 2006). These differences necessitate tailored strategies to enhance their governance and sustainability practices. Moreover, policymakers are increasingly recognising CPMCs as critical partners in achieving governance and sustainability goals (Notice on Strengthening and Improving Residential Property Management Work, 2020). Collaborative governance models and supportive policies can empower CPMCs to innovate and integrate sustainability into their operations, thereby addressing societal challenges and advancing the Sustainable Development Goals (SDGs). This study provides actionable insights into how CPMCs can balance governance responsibilities with sustainability imperatives, offering practical recommendations for diverse organisational types to thrive in an evolving institutional landscape.

In summary, this study is both timely and significant, since it addresses theoretical, contextual, and practical knowledge gaps pertaining to the role of CPMCs in community governance and corporate sustainability. By bridging these gaps, it advances academic knowledge and provides actionable solutions for sustainable development in the property management sector.

## 1.5 RESEARCH AIMS AND OBJECTIVES

The aim of this study is to develop an in-depth understanding of the relationship between community governance and corporate sustainability in CPMCs, and to propose a conceptual framework that explains how participating in community governance impacts CPMCs' sustainable development.

Therefore, the research objectives of the current study are as follows:

- (1). To critically review extant literature related to community governance and sustainable business of CPMCs.
- (2). To critically investigate the role of CPMCs in community governance in China.
- (3). To critically investigate the impact of CPMCs on sustainable business in China.



(4). To critically investigate the impact of community participation on the sustainable business of CPMCs.

(5). To give recommendations to CPMCs on sustainable business.

## 1.6 RESEARCH QUESTIONS

As indicated by Ocasio and Gai (2020) “We believe it is unwise to conduct institutional research without clarifying a clear understanding about what is an institution and what role it plays in a particular context (p 268).” To address the research objectives, the study is grounded in NIT and explores the field characteristics of grassroots communities in China and examines the social position of CPMCs within the institutional context. The research questions are as follows:

(1). What is the participatory role of CPMCs in community governance in China?

(2). What sustainable business practices do CPMCs adopt to enhance corporate sustainability?

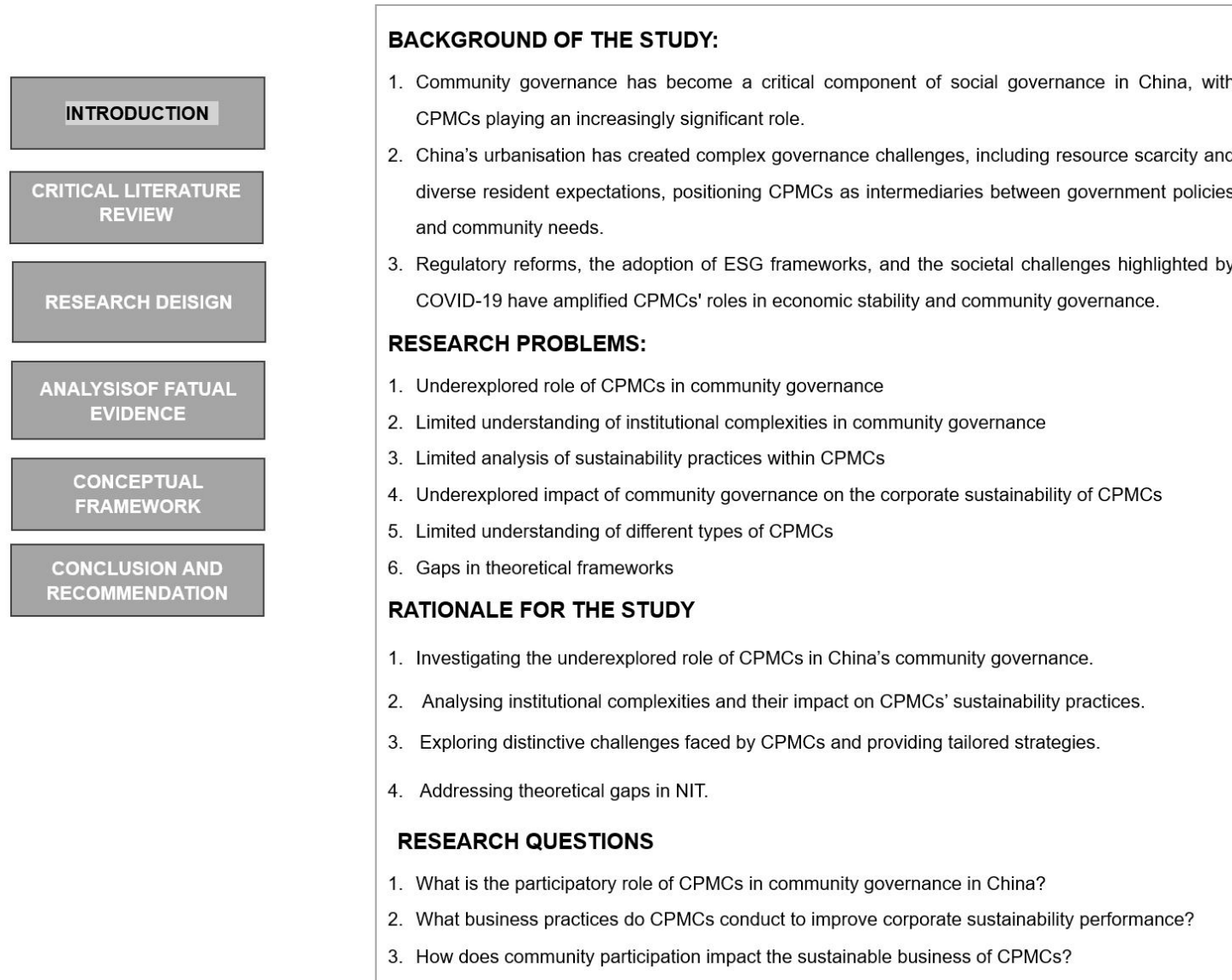
(3). How does community participation impact the sustainable development of CPMCs?

These questions are interconnected and aim to provide a comprehensive understanding of how CPMCs contribute to community governance, develop sustainable business practices, and navigate the challenges presented by their institutional environment.

## 1.7 SUMMARY

The following figure (Figure 1. 2) illustrates the progress of this thesis after the introductory chapter:

Figure 1. 2 Dissertation Progression (Chapter One)



As depicted in Figure 1.2, this chapter provides an overview of the research. It presents the background of the study as one that is situated in the CPMCs in China. Next, the chapter identifies the research rationale, research gaps and research problems, before setting out the research objectives and corresponding research questions.

## 2. CRITICAL REVIEW OF THE LITERATURE

### 2.1. INTRODUCTION

The previous chapter established the context and rationale for this study, outlining the key research objectives and research questions and explaining the study's contributions to the existing body of knowledge in community governance, property management, and corporate sustainable development. The chapter also highlighted the specific focus on the Chinese property management sector, a rapidly growing industry that plays a pivotal role in community governance and sustainable development (Shen *et al.*, 2022).

This chapter provides a critical review of the literature, focusing on key topics and theories related to community governance, sustainable development, and the property management industry, particularly within the Chinese context. The review centres on NIT as the primary theoretical lens, examining how CPMCs navigate and innovate within institutional complexity to gain legitimacy while contributing to both community and corporate sustainability. In addition to NIT, the chapter critically reviews relevant concepts, identifying gaps in the literature, particularly at the intersection between community governance and the corporate sustainability of CPMCs. Based on these insights, a preliminary conceptual framework is developed to address these gaps and guide the empirical analysis. The chapter concludes with a summary of key insights, setting the stage for the further exploration into how CPMCs contribute to sustainable development through active participation in community governance.

### 2.2. CONCEPTUALISATION OF COMMUNITY GOVERNANCE

#### 2.2.1 THE CONCEPT OF COMMUNITY

The concept of community has long been recognised as complex and contested. Hillery (1955) observed that the term had been defined in numerous ways, leading to conceptual ambiguity. Sorokin (1947) even proposed abandoning the term due to its vagueness. However, Lushakuzi, Killagane, and Lwayu (2017) traced its etymology back to the French term “Communeté,” highlighting its historical socio-cultural significance. These debates illustrate not only the definitional

fluidity of the term but also the difficulties in establishing a universally applicable conceptual framework.

Ferdinand Tönnies' seminal work *Gemeinschaft und Gesellschaft* (1887) introduced a theoretical distinction between community (Gemeinschaft) and society (Gesellschaft). His framework, which conceptualised Gemeinschaft as a close-knit social group bound by emotional ties and shared values, has been widely influential. However, scholars such as Bond (2021) and Greenfield(2009) have criticised Tönnies' model for its idealised portrayal of traditional communities, arguing that it overlooks the coexistence of both communal and societal characteristics in modern contexts. Furthermore, while later scholars such as Muniz and O'Guinn (2001) and Ozuem and Willis (2022) extended the concept of Gemeinschaft to virtual communities, this expansion raises further questions about the framework's applicability to contemporary urban settings, where digital and physical interactions are deeply intertwined. The lack of clear institutional considerations in Tönnies' dichotomy further limits its relevance for studies on governance structures within modern communities.

Early sociological definitions, including those by Park and Burgess (1924) and Steiner (1922), emphasised geographic proximity as the primary organising principle of communities. Their approach, rooted in the urbanisation processes of early 20th-century western societies, provided a useful foundation for analysing social cohesion in city environments. However, these definitions do not fully account for the role of social networks, institutions, and cultural norms that influence community formation beyond physical space. The Chicago School's ecological model, for example, assumes that communities emerge and evolve naturally in response to urbanisation (Lipman, 2007). However, this perspective underestimates the role of external interventions, including government policies and planning regulations, which actively shape community development, particularly in contexts that are not primarily driven by market forces, such as China (Heberer & Göbel, 2011; Xiang, Bu & Wang, 2023).

The World Health Organisation (1974) defines community as a social group characterised by geographic proximity, social interactions, and collective identity (World Health Organisation & Mahler, 1975). While this definition has been widely used in public health and development studies,

its broad scope limits its utility for analysing specific governance dynamics. Puddifoot (1995) attempted to refine this definition by incorporating both relational and geographic dimensions, acknowledging that community is not merely a function of space but also of social cohesion. However, neither of these definitions fully considers how institutional frameworks and policy mechanisms contribute to the formation and evolution of communities, an aspect that is crucial in state-mediated governance systems (Liu, *et al.*, 2022a; Xiang, Bu & Wang, 2023).

Fei Xiaotong's adaptation of community theory to the Chinese rural context (Fei *et al.*, 1992) introduced an important cultural dimension, arguing that traditional Chinese communities were structured through kinship ties and localised social norms. However, Fei's framework remains rooted in rural sociology and struggles to explain the dynamics of rapidly urbanising Chinese communities, where social stratification, economic differentiation, and formal governance structures play a more prominent role (Guthrie, 2012). In contemporary urban China, communities are not simply formed through organic social bonds but are also shaped by regulatory and normative frameworks, which significantly influence community cohesion and governance (Jiang, Feng & Ning, 2025).

The Ministry of Civil Affairs of China (2000) offers a more context-specific definition, describing community as a social space characterised by four essential elements: people, geographic boundaries, social interaction, and social identity. While this definition shares similarities with WHO's conceptualisation by acknowledging geographic proximity and collective identity, it goes further by explicitly incorporating "people" as an essential element of community. This emphasis highlights the structured relationships among different actors within the community, such as RC, CPMCs and local governance bodies. Moreover, social interaction is not merely a byproduct of geographic proximity but an active process through which residents negotiate their roles, responsibilities, and collective interests. Social identity, in turn, is shaped by both formal governance structures and informal community networks, making it a critical factor in determining the level of community cohesion and participation (Imai & Ji, 2021). However, despite its contextual relevance, the Ministry's definition does not explicitly account for the economic and administrative mechanisms that influence urban community governance, such as the role of market-driven private companies (Bayuma & Abebe, 2023; Siame *et al.*, 2020).

Given the focus of this study on urban communities in mainland China, to better capture the governance dynamics within Chinese urban communities, this study extends this definition by integrating insights from institutional perspectives. Specifically, the study recognises that urban communities in China are not merely geographically defined spaces but also governance arenas in which institutional actors, including local government agencies, CPMCs, and residents' organisations, engage to shape communal life through structured social interactions. These interactions are fundamental in shaping residents' sense of belonging and social identity, which are not static but continuously shaped by institutional and societal influences. Thus, for the purpose of this research, a community is conceptualised as a geographically bounded social space where structured interactions among residents, governance institutions, and market actors shape collective identity and community governance outcomes. Social interaction is viewed as a dynamic process through which various stakeholders engage, negotiate, and collaborate to sustain community life, while social identity reflects the evolving sense of belonging and shared purpose that emerges from these interactions.

### 2.2.2 THE CONCEPT OF COMMUNITY GOVERNANCE

The concept of community governance is complex, with scholars offering varied definitions depending on the socio-political context in which governance takes place (Raniga & Simpson, 2002). This diversity extends to the terminology used to describe the processes through which communities are managed, including community participation, development, management, and governance. Although these terms differ in emphasis, they share overlapping principles (Edwards & Woods, 2017; Totikidis, Armstrong & Francis, 2005; Zadeh & Ahmad, 2010). Sheng (1990) argued that community development and participation are nearly synonymous, with the former often being rebranded as the latter. Similarly, the United Nations defines community development as an approach that fosters social and economic progress through active participation from community members (Moser, 1989). However, such definitions primarily focus on developmental goals rather than governance mechanisms, leading to debates about whether community governance should be framed as a state-driven institutional process or a bottom-up participatory initiative.

The concept of governance gained prominence in the 1990s, as scholars sought to address the limitations of traditional social management models by exploring governance from various perspectives (Ansell & Torfing, 2016). Governance theory introduced by Rhodes (1997) and further developed by Rosenau (2000) emphasises a shift from hierarchical state-centred control to collaborative, network-based governance. Governance frameworks now integrate diverse actors, including government, civil society, private businesses, and informal networks (Herrfahrdt-Pähle *et al.*, 2020; Pierre and Peters, 2020). This decentralisation of power among stakeholders highlights the growing complexity of governance in contemporary society, where boundaries between state and non-state actors are increasingly blurred (Twayej & Al-Nasrawy, 2023). Also, this approach recognises the need for collective action to address complex societal challenges, including sustainable development, social equity, disruptive risks and building resilience communities (Rana & Chhatre, 2017). However, while proponents highlight its flexibility and adaptability, critics argue that decentralisation risks fragmenting governance, weakening accountability structures, and exacerbating regional disparities, while also increasing the potential for elite capture and corruption (Marks and Lebel, 2016; Zarychta *et al.*, 2024).

The current study adopts the definition of community governance proposed by Totikidis, Armstrong, and Francis (2005), which refers to community-level management and decision-making carried out by, with, or on behalf of a community through the involvement of a group of community stakeholders. The focus on “community”, rather than on a corporation, organisation, local government or the public sector is the distinguishing feature of community governance *vis-à-vis* these other forms of governance. This definition highlights that community governance is understood as a process of decision-making, collaboration, and problem-solving conducted collectively by stakeholders at the community level, including elected officials, residents, and private businesses, to address challenges that neither individuals nor the government can tackle alone (McKieran, Kim and Lasker, 2000). Besides, Stoker (1998) proposed that effective governance not only depends solely on governmental authority, but requires shared responsibilities and innovative tools to function (Armitage *et al.*, 2020). Bowles and Gintis (2002) argued that community governance can address the scarcity of public goods by overcoming market and state failures through collective action. Additionally, aligning community governance with the SDGs enables integrated strategies to maximise environmental, social, and economic benefits.



In contrast, critics contend that multi-stakeholder governance can lead to power asymmetries, where dominant actors such as local governments or large corporations exert disproportionate influence over decision-making (Dewulf and Elbers, 2017; Vallet, Locatelli and Levrel, 2018). In addition, Lopes *et al.* (2024) stress the issue of local leadership and bottom-up decision-making of multi-stakeholder governance. While this model may enhance community participation, it may lack financial resources and regulatory authority, reducing its effectiveness in large-scale governance issues. Wang and Cui (2016) categorise community governance into government-led, community autonomy, and mixed models, with China predominantly adopting a government-led approach. This model ensures policy consistency and administrative oversight but also raises concerns regarding limited resident agency and bureaucratic inefficiency (Du, 2021).

Together, these perspectives emphasise governance as a complex, collaborative framework where various actors collectively address societal needs and challenges. This reflects the dynamic and decentralised nature of power in today's governance landscape.

In this context, Bin-Qiang *et al.* (2024) identify six central research themes in community governance: rural development, social capital, public health and order governance, governance technology, sustainable development, and governance models. These themes reflect the multidimensional nature of community governance, encompassing efforts to balance environmental, social, and economic priorities while addressing contemporary governance challenges.

Scholars increasingly advocate for governance models that integrate sustainable development imperatives, positioning community governance as a mechanism to achieve long-term social, environmental, and economic goals (Brownill & Carpenter, 2009; Ling, Hanna & Dale, 2009; Pylypenko *et al.*, 2024; Roseland, 2000). Aligning community governance with the SDGs necessitates governance approaches that are not only inclusive and participatory but also adaptable to diverse local contexts (Edwards & Woods, 2017). Governance structures must address climate change, inequality, and sustainable urbanisation while ensuring that decision-making remains community-driven and responsive to grassroots needs (Fu and Ma, 2020).

However, sustainable community governance requires more than just stakeholder cooperation. As An (2021) highlights, the presence of a clear problem statement, managerial leadership, public support, and intergovernmental coordination significantly enhances the effectiveness of governance structures. Collaborative governance frameworks are widely regarded as a viable means of achieving these goals, as they encourage shared responsibilities, cross-sector cooperation, and multi-stakeholder engagement (Armitage *et al.*, 2020). By integrating diverse perspectives and resources, collaborative governance enhances adaptive capacity, enabling communities to tackle ecological and social governance challenges more effectively (Emerson, Nabatchi and Balogh, 2012; Sanchez-Youngman *et al.*, 2021). Furthermore, Herrfahrdt-Pähle *et al.* (2020) emphasise that collaborative governance models foster resilience, equipping communities with the flexibility needed to address evolving local challenges.

Community governance models, however, vary significantly across different national contexts, shaped by historical, institutional, and socio-political factors. The United States primarily follows an autonomous governance model, where decision-making is decentralised and local communities maintain significant control over governance, reflecting the country's strong tradition of civic participation (Putnam, 2000). In contrast, Singapore adheres to an administrative-led model, where governance processes are highly centralised under state control, ensuring policy coherence but limiting grassroots autonomy (Stahn, 2017). Meanwhile, Japan employs a hybrid governance model, which balances local community autonomy with national government oversight, offering an approach that seeks to maintain local participation while ensuring alignment with broader governance directives (Hangsheng and Jialiang, 2012).

These cross-national differences illustrate the diverse ways in which governance structures are shaped by state-society relations. This is in line with Wang and Cui (2016), who argue that a country's political and institutional framework plays a crucial role in determining the governance model it adopts. While decentralised models may enhance community self-management, they often struggle with resource constraints and policy fragmentation (Haque, 2008). Conversely, centralised models may offer policy stability and efficiency but at the cost of limited public participation (Reutter & Lehmann, 2024). This underscores the trade-offs inherent in different governance models,

particularly in balancing efficiency, inclusivity, and responsiveness in achieving sustainable community governance (Arcuri, & Dari-Mattiacci, 2010).

The historical evolution of community governance in China is deeply rooted in the Baojia system, a governance model that integrated administrative control with local self-regulation (Sun, 2019). Originally introduced as a mechanism for maintaining social order and reinforcing state authority, the Baojia system grouped households into administrative units, ensuring shared responsibility for law enforcement and community affairs. In this system, the “Jia” was the smallest unit, typically comprising ten households, while the “Bao” consisted of multiple Jia units, usually ten (approximately 100 households in total). If a crime occurred, all members within the relevant Bao or Jia were collectively held accountable. This system exemplifies a state-centric approach to community governance, wherein decentralised administration was not intended to empower communities but rather to enhance state oversight (Tian, 2016).

Despite political and economic transformations over the decades, the hierarchical principles of the Baojia system continue to shape governance structures in modern China (Tan *et al.*, 2020). For instance, contemporary LSOs and RCs play a regulatory role akin to their historical predecessors, ensuring state directives are effectively implemented at the community level. While decentralisation initiatives have introduced new governance actors, such as CPMCs, the fundamental governance logic remains hierarchical. Scholars such as Du (2021) argue that the role of CPMCs in community governance reflects a paradox: while they are tasked with addressing local governance challenges, their decision-making authority remains constrained by bureaucratic oversight and state directives. Consequently, their role in governance is not purely market-driven but rather shaped by a governance framework that prioritises administrative control over participatory governance.

Xiang's (2004) study of Zhejiang Village in Beijing, the largest migrant community in China, provides valuable insights into the complex interplay between state control, market forces, and grassroots agency in urban governance. Despite persistent state crackdowns, 100,000 predominantly Wenzhou migrants established a thriving garment industry, demonstrating how informal economic networks navigate restrictive institutional frameworks. Xiang conceptualises this phenomenon through the notion of “visible hands,” where state and market influences are

intertwined yet ambiguous, shaping governance structures through indirect mechanisms rather than direct control. His “capillary” metaphor captures how state power diffuses through everyday social and economic relations, leading to a gradual process of “informalisation” to “regularisation.” (Xiang, 2004). The case of Zhejiang Village illustrates how China’s household registration system and socialist market economy profoundly shape urban governance by simultaneously imposing structural constraints and fostering adaptive community responses (Andreas & Zhan, 2016; Veselova, Zhou & Zhou, 2022; Wu, 2005). This perspective aligns with Du’s (2021) analysis of multi-stakeholder urban governance, which highlights the dynamic negotiation between top-down state control and bottom-up community adaptation.

China’s urban governance has undergone a significant transformation since the reform and ‘opening up’ era, shifting from the rigid “unit system” of the planned economy, in which SOEs controlled both economic and social life, to a more pluralistic governance model. This transition introduced new governance actors, including LSOs, RCs, community service stations, Homeowners’ Committees, CPMCs and so on (Arcuri and Jing, 2019; Fang *et al.*, 2021). While this shift signifies increased decentralisation, it does not equate to full autonomy. Instead, contemporary community governance remains embedded within a hierarchical structure, with the Communist Party of China (CPC) maintaining central oversight. The CPC’s leadership in polycentric cooperative governance aims to balance state authority with community participation, fostering co-construction, co-governance, and shared governance outcomes (Liang, 2021).

The transformation of Chinese urban governance from “informalisation” to “regularisation” is not solely a product of institutional reforms; it is also deeply shaped by enduring cultural norms and societal expectations (Yang, 2025). Hofstede (2011) cultural dimensions theory identifies China as a high power-distance society with strong collectivist tendencies, a success-oriented mindset, and a pragmatic approach to governance. These cultural attributes contribute to a preference for stability, consensus-driven decision-making, and adherence to institutional legitimacy (Huang, 2025). Consequently, Chinese community governance operates within a framework where compliance with established hierarchies is often prioritised over bottom-up governance innovations (Schröder & Waibel, 2012; Wan, 2021). This perspective aligns with research by Bin-Qiang *et al.* (2024), who argue that cultural and normative factors significantly shape

governance models, influencing the degree to which decentralised or participatory mechanisms can be effectively implemented. However, critics such as Vallet, Locatelli and Levrel (2018) caution that cultural reinforcement of hierarchical governance structures can stifle grassroots innovation and limit the transformative potential of community-driven governance models.

The rise of community governance in China following the economic reforms of the late 20th century represents a gradual transformation rather than a complete departure from state dominance. While the government has repositioned itself from a direct manager to a policymaker and service provider (Li, Liu and Ye, 2022), community governance remains primarily government-led due to the continued weakness of independent social forces (Liang, 2021; Ting, Guo and Liao, 2020; Zhang, Zhao and Dong, 2021). Scholars such as Hu, Tu, and Wu (2018) and Sun (2019) describe China's governance structure as a government-led "troika," where RCs, Homeowners' Committee, and CPMCs operate with overlapping functions and power dynamics, yet remain ultimately subordinate to state directives. This model reinforces a top-down approach to governance, with CPMCs acting as boundary-spanning agents rather than autonomous governance actors. While research on Chinese community governance has traditionally focused on state and civil society actors (Sun, 2019; Zhang, Zhao and Dong, 2021), emerging studies argue that businesses, particularly CPMCs, are becoming increasingly significant in shaping governance processes (Chen and Webster, 2013; Wiseman and Warburton, 2002). However, this integration raises questions about the extent to which market actors can foster genuine participatory governance, or whether they primarily serve as intermediaries reinforcing bureaucratic control.

In recent years, the Chinese government has actively promoted "communityisation" as part of its broader strategy to modernise social governance and align local governance structures with sustainability objectives (Liu *et al.*, 2020; Qua and Zhub, 2022). This shift has been accompanied by significant investments in technology-driven governance solutions, where digital platforms, artificial intelligence, and big data analytics play an increasingly central role (Masfield, Msosa and Grugel, 2020; Tang, 2022). Advocates argue that these technologies enhance governance efficiency by enabling real-time resource allocation and facilitating rapid responses to community needs (Wenmei, Yahaya and Ali, 2024). However, critics caution that digitalisation risks reinforcing state dominance rather than fostering genuine community autonomy, particularly if data-driven

governance remains monopolised by government agencies or select corporate entities (Meijer and Bolívar, 2016; Zajko, 2023). This debate highlights a broader tension in China's governance transformation, in which technological innovation enhances administrative capabilities but does not necessarily result in more participatory governance.

However, despite efforts to modernise governance structures, Chinese community governance continues to grapple with persistent challenges. Wu, Yan and Jiang (2018) highlight the excessive administrative burden placed on traditional governance actors, particularly LSOs and RCs, which are expected to manage an expanding array of social and regulatory functions. Similarly, Gassner and Gofen (2018), Lavee and Cohen (2019) argue that street-level bureaucrats in grassroots governance often face a paradox: while they are responsible for policy implementation, they frequently lack the resources necessary to effectively address community-level concerns. This creates a constant tension between meeting top-down government directives and responding to the diverse, and sometimes conflicting, needs of local residents (Hill and Hupe, 2002; Zhang, Zhao and Dong, 2021).

In addition to bureaucratic constraints, governance imbalances remain a key structural issue. Hu, Tu and Wu (2018) emphasise that overlapping responsibilities between different governance actors create inefficiencies, with unclear lines of accountability undermining decision-making processes. Furthermore, Liang (2021) highlights that the absence of comprehensive regulations governing the management and use of shared property has led to a lack of resident awareness regarding their role in maintaining communal spaces. As a result, community governance in China struggles with low levels of civic engagement, as residents often perceive governance responsibilities as belonging exclusively to the state rather than being shared among multiple stakeholders (Wu *et al.*, 2019).

Li, Liu and Ye (2022) further contend that disputes among various governance actors, including local authorities, CPMCs, and residents, reflect deeper institutional tensions in governance arrangements. The fragmentation of authority, coupled with the competing interests of different actors, frequently leads to conflicts that hinder effective policy coordination (Tjia, 2023). While state-led governance ensures policy coherence and regulatory oversight, it simultaneously

restricts bottom-up initiatives that could foster more responsive governance structures (Wang, Tong, & Li, 2019). This dynamic raises questions about the extent to which participatory governance can truly be realised within China's existing political framework (Zhang, Liu & Zhang, 2023).

Despite ongoing governance reforms, significant gaps remain in understanding how multiple stakeholders, including the private sector, can effectively collaborate to address the increasingly complex challenges of urban governance. Scholars such as Chen and Webster (2013) argue that the business sector's role in governance has been largely overlooked in Chinese community governance literature. While private actors, particularly CPMCs, are now recognised as critical players in urban governance, their contributions remain constrained by bureaucratic oversight, limited decision-making autonomy, and inconsistent regulatory environments (Ting, Guo and Liao, 2020). These constraints limit the potential for innovative governance solutions that balance economic development, social welfare, and environmental sustainability.

In terms of polycentric governance, Ostrom's Institutional Analysis and Development (IAD) framework has made a significant contribution to our understanding of how institutions shape collective action and local governance outcomes (Ostrom, 2011). The IAD framework offers a robust lens for unpacking how rules, actors and context co-produce governance outcomes in local settings. At its core, IAD foregrounds the "action arena," within which participants interact under rules-in-use shaped by community attributes and material conditions, producing outcomes that are subsequently evaluated and potentially revised (Capelari, et al., 2017). This architecture is especially useful for community governance because it is designed to analyse institutional diversity rather than prescribe one best way. In particular, IAD enables fine-grained mapping of rule configurations that structure property communities, such as contractual provisions, residents' charters and local regulatory directives, and it clarifies how these rules interact with heterogeneous actors including street offices, residents' committees, homeowners' associations and property management companies.

Complementing IAD, Ostrom's theory of polycentric governance emphasises multiple, partly overlapping centres of decision-making that operate with a degree of autonomy yet coordinate through learning, mutual adjustment and accountability (Ostrom, 2017). Polycentric arrangements,

she argues, tend to encourage experimentation, allow policy tailored to local conditions and generate performance feedback across scales (Ostrom, 2009). In community governance, this helps to explain why neighbourhood-level innovations can diffuse even when higher-level authorities retain significant steering capacity. Polycentricity therefore aligns with China's complex urban governance environment, where neighbourhood institutions, market actors and administrative authorities interact in nested ways rather than along a single command chain (Wang, Zhang & Kang, 2019).

Applying these ideas to the Chinese urban context suggests a productive synthesis. Research on neighbourhood reform documents the state's reinvestment in residents' committees and related grassroots institutions, which remain pivotal conduits of "infrastructural power" in cities. At the same time, scholarship on homeowners' associations shows how self-organisation in private housing estates has created additional centres of authority and representation, altering local bargaining dynamics and opening spaces for collaboration with property management companies (Shi, Ling & Wang, 2022). Together, these strands indicate a landscape that is institutionally plural yet state-anchored, a pattern that IAD can describe and polycentric theory can help interpret. For this study, CPMCs can be positioned as participants in local action arenas who navigate rules set by administrative bodies and homeowner institutions, while contributing professional capabilities to collective problem-solving within a polycentric field.

There is growing recognition that community governance involves more than just government and social organisations, and the private sector is increasingly acknowledged as a crucial governance actor. Recent scholarship highlights the contributions of businesses in governance processes, particularly in urban settings (Westman, Moores & Burch, 2021). In line with Stoker's (2002) governance framework, CPMCs have become integral actors within multi-stakeholder governance arrangements, operating alongside governmental entities and community groups. Their participation extends beyond property management to broader governance functions, including conflict resolution, service provision, and community engagement (Kolb, Batra & Kaempf-Dern, 2019).



However, the extent, the reasons, and the ways in which CPMCs can actively shape governance outcomes remain contested. Although they contribute resources, expertise, and infrastructure that align with broader governance objectives, their role is constrained by regulatory oversight and hierarchical governance structures. Local governments continue to dominate governance frameworks, which limits the autonomy of CPMCs, community committees, and residents in decision-making processes (Yuniarti *et al.*, 2024). This restricted independence reduces their capacity to mobilise resources and address community needs proactively. Furthermore, while recent policies, such as the *Notice on Strengthening and Improving Residential Property Management Work* (Notice of the Ministry of Housing and Urban-Rural Development, 2020), have formalised the role of CPMCs within grassroots social governance, questions remain regarding the extent and manner of their actual influence.

The COVID-19 pandemic underscored both the strategic importance and structural limitations of CPMCs within China's governance framework (Qin & Owen, 2023). Du and Tan (2023) highlight that during the crisis, CPMCs played a crucial role in coordinating governance actors, implementing emergency response measures, and ensuring service continuity in residential communities. Their ability to function as governance facilitators reflects their increasing significance in community governance (Wei, et al., 2021). This aligns with the argument of Opute *et al.* (2021) that the success of entrepreneurial ecosystems depends on network embeddedness, which enables resource optimisation and knowledge exchange among diverse stakeholders. Within the context of community governance, CPMCs' social position allows them to leverage cross-sector collaboration for sustainable urban development.

However, their crisis response was largely shaped by top-down directives and institutional pressures rather than autonomous strategic decision-making, reinforcing concerns about their constrained governance agency (Qin & Owen, 2023). While decentralised governance structures can promote flexibility, they may also lead to governance fragmentation, where responsibility for public services becomes diffused among actors with unequal bargaining power (Azarhoosh and Smets, 2019). This dynamic is particularly evident in China, where CPMCs must navigate conflicting demands from state authorities, market forces, and community expectations. Such constraints raise critical questions about whether CPMCs can transition from passive governance

implementers to active institutional entrepreneurs capable of driving governance innovation(Wei, et al., 2021). Their long-term governance effectiveness, therefore, is contingent not only on their internal organisational capacity but also on the broader regulatory and institutional frameworks that define their role within China's evolving governance landscape.

As Zhang, Wang and Deng (2023) observe, businesses, including CPMCs, are increasingly acknowledged as critical governance stakeholders, yet their roles remain insufficiently examined in academic discourse. While some scholars advocate for the inclusion of private actors in governance frameworks to enhance service efficiency and innovation, others caution against the potential risks of corporate involvement, arguing that it may lead to the commodification of governance functions and weaken the role of public institutions (Swyngedouw, 2022). The COVID-19 pandemic underscored both the indispensability and the limitations of CPMCs in community governance. However, questions persist regarding whether their role remained reactive and contingent on state directives or proactive governance leadership.

In practice, CPMCs have increasingly deployed technological and financial resources to facilitate social capital transformation and address governance gaps in urban communities (Wang and Li, 2022). Proponents of collaborative governance argue that aligning community governance with sustainability goals fosters more inclusive and effective governance structures (Wenmei, Yahaya and Ali, 2024). However, the extent, the reasons, and the ways in which CPMCs genuinely enhance sustainability outcomes remains contested. While CPMCs play a crucial role in improving service provision and infrastructure management, critics argue that their market-driven incentives may lead to governance practices that prioritise profitability over long-term community well-being (Mulligan and Bamberger, 2018).

This tension between corporate governance logic and community governance imperatives raises significant concerns. On the one hand, integrating businesses into governance frameworks can introduce new efficiencies and innovations; on the other, it risks reinforcing inequalities by privileging market-driven governance models that do not necessarily align with public interest objectives. The literature on corporate sustainability has extensively explored this paradox, emphasising that while businesses may adopt sustainability rhetoric, their actual governance

engagement often remains shaped by short-term economic imperatives (Dahlmann and Grosvold, 2017). In the context of CPMCs, this raises the question of whether their participation in governance is a strategic means of enhancing corporate legitimacy rather than a genuine commitment to sustainable community development. Addressing this gap requires a more critical evaluation of the interplay between corporate sustainability frameworks and community governance practices to determine whether these engagements yield substantive and long-term sustainable development for both company and community.

## 2.3. SUSTAINABLE DEVELOPMENT OF CPMCS

The concept of sustainable development has become increasingly prominent in discussions about government policies in different sectors. However, there is limited academic research that specifically focuses on the sustainable development goals of CPMCs (Nosratabadi et al., 2019).

### 2.3.1 SUSTAINABLE DEVELOPMENT AND CORPORATE SUSTAINABILITY

The concept of sustainable development can be interpreted in diverse ways, reflecting its complex and contested nature. One of the earliest definitions comes from the *International Union for the Conservation of Nature* (1980), which describes sustainable development as a process that considers social, ecological, and economic factors; the resource base (both living and non-living); and the long- and short-term advantages and disadvantages of various actions (Tomislav, 2018). While this definition attempts to address the multidimensionality of sustainability, it remains broad and lacks practical mechanisms for implementation, limiting its practical relevance for business contexts. In contrast, the most widely recognised definition proposed by Brundtland (1987), which describes sustainable development as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs (p.41),” has gained global traction. However, this definition has also been criticised for its vagueness, which allows actors to interpret “needs” and “future generations” in ways that suit their interests, thus raising questions about its effectiveness as a normative guideline.

Building on these early conceptualisations, the United Nations’ SDGs, established in 2015, offer a concrete global framework to address urgent challenges such as poverty, inequality, climate change, and environmental degradation (Connor, 2015). Yet, the broad and ambitious nature of the

SDGs has raised questions regarding their local applicability and the practical means by which diverse actors can contribute to their achievement. Recognising this, Jones and Comfort (2020) highlight the critical role of localising the SDGs through the active participation of local governments and private actors. However, while localisation is widely advocated, it remains unclear how private sector actors, can effectively operationalise these goals within the constraints of their business models and sectoral practices.

In advancing the debate on sustainable development, Elkington (1997) introduced the concept of the TBL, arguing that sustainable development requires balancing economic growth, environmental responsibility, and social equity. His approach called for businesses to evaluate their performance across these three dimensions rather than focusing solely on financial outcomes (Elkington, 1997b). While influential, the TBL framework has been critiqued for lacking a clear methodology for integrating and balancing its three components in practice, often leading to a superficial commitment to sustainability. Nevertheless, Elkington's vision has shaped corporate sustainability discourses, framing them as an integrated approach that simultaneously pursues economic prosperity, social development, and environmental quality. Expanding on this, Swarnapali (2017) positions corporate sustainability as the application of sustainable development principles at the organisational level, highlighting its multidimensional nature. Yet, despite this theoretical framing, there remains limited understanding of how firms operationalise such integration in concrete business strategies.

Adding to this discussion, Van Marrewijk and Werre (2003) emphasise that corporate sustainability is context-dependent, shaped by societal values and institutional environments. While this perspective appropriately stresses the need for tailored approaches, it also raises questions about the transferability of corporate sustainability models across different sectors and regions. Their conceptualisation highlights the tension between organisational self-interest and community goals, suggesting that long-term economic performance requires avoiding socially or environmentally harmful short-term behaviours. Nonetheless, as other scholars argue, this tension is often insufficiently addressed in practice, especially when short-term economic pressures dominate strategic decision-making.

Several widely cited definitions attempt to capture the complex essence of corporate sustainability. Dyllick and Hockerts (2002) define it as “meeting the needs of a firm’s direct and indirect stakeholders (such as shareholders, employees, clients, pressure groups, communities, etc.), without compromising its ability to meet the needs of future stakeholders (p. 131).” While this definition acknowledges the importance of balancing current and future stakeholder needs, it provides limited guidance on how to manage trade-offs between competing stakeholder interests. Porter and Kramer (2011) extend this discussion by viewing corporate sustainability as a means to enhance competitiveness while generating economic and social benefits for local communities. Although this perspective usefully links business success with social impact, it has been critiqued for adopting a “win-win” approach that may overlook fundamental trade-offs inherent in sustainability efforts, particularly those involving environmental responsibilities (Dissanayake et al., 2024). Wilson (2003) takes a broader view, framing corporate sustainability as an evolving management paradigm that draws on multiple theoretical traditions, including corporate social responsibility, stakeholder theory and corporate accountability. However, this broad framing risks diluting the concept’s analytical precision and practical applicability, leaving unanswered questions about how firms can navigate competing demands in real-world contexts.

Emerging global sustainability challenges, including water scarcity, climate change, and rising energy demands, further complicate the pursuit of corporate sustainability. This context requires companies to adapt to these external pressures and strategically respond to competing demands by addressing new regulatory measures, evolving stakeholder expectations, and technological advancements (Arowoshegbe, Emmanuel and Gina, 2016; Pranugrahaning *et al.*, 2021). For instance, scholars such as Saberi *et al.* (2019) and Su *et al.* (2022) advocate for leveraging technological advancements to address non-economic concerns, but they often underestimate the institutional and organisational constraints that hinder such adoption. In parallel, Wannags and Gold (2020) stress the need for robust sustainability assessment frameworks, though questions remain about how these tools can capture the full range of organisational and social impacts. Moreover, while green finance, including green bonds and funds, is increasingly promoted as a driver of corporate sustainability (Sultana and Hossain, 2024), critics argue that financial

instruments alone cannot address deeper organisational and cultural barriers to sustainable business transformation.

Moreover, as Swarnapali (2017) notes, various theoretical frameworks, including institutional, agency, legitimacy, signalling, stakeholder theory, the resource-based view, paradox theory, and planned behaviour theory, have been adopted by corporate sustainability researchers. Most studies in this field have primarily drawn on stakeholder and agency theories. Such theories are valuable for addressing issues related to the functioning of corporate governance structures and mechanisms, as well as their effects on sustainability. However, they are less effective when more specific aspects and institutional contexts require analysis (Naciti, Cesaroni and Pulejo, 2022). Paradox theory offers a promising framework for addressing the complexities of corporate sustainability by moving beyond a purely instrumental business-case approach to pursue enhanced sustainability outcomes. However, its practical application is constrained by a lack of clarity regarding the empirical understanding of “paradox” and the absence of a comprehensive systems perspective (Carmine and De Marchi, 2023). Burbano, Delmas and Cobo (2024) argue that the resource-based view is limited in its ability to analyse societal impact as an outcome. They recommend that future research integrate broader systems-level considerations. Liu *et al.* (2019) applied the theory of planned behaviour to examine factors influencing property management ecological behaviour. The theory assumes that organisations, as rational agents, design their actions to maximise utility. However, in practice, non-rational factors such as emotions, habits, and social influences also significantly shape decision-making processes (Cristofaro *et al.*, 2023; Laksmi *et al.*, 2024; Maalaoui *et al.*, 2020). Moreover, organisational behaviour is not solely driven by rational agency but is also influenced by the “myths” (institutional norms and rules) embedded in societal cognition (Glynn and D’unno, 2023; Meyer and Rowan, 1977; Reed, 1997).

Among these theoretical perspectives, NIT is particularly relevant for examining the social contexts in which firms operate, as it offers critical insights into the institutionalisation of sustainable practices and industries. This is especially relevant when discussing external pressures. However, less is known about the specific institutional pressures and contradictions organisations face in terms of corporate sustainability, and how actors respond to these complex and intertwined challenges.

Currently, as firms face increasing pressure to embed sustainability into core business strategies, significant challenges persist in developing viable sustainable business models. Although scholars such as Bocken *et al.*, (2013), Schaltegger, Hansen and Lüdeke-Freund (2016) and Stubbs and Cocklin (2008) argue that sustainable business models require rethinking value creation beyond profit, their practical translation into specific sectors remains underexplored. Geissdoerfer, Vladimirova and Evans (2018) note that sustainable business models can offer competitive advantages by creating both financial and non-financial value, yet tensions between these goals often remain unresolved. Although Roome and Louche (2016) emphasise the importance of business model innovation for sustainable development, empirical research on how property management companies engage in such innovation remains limited.

Currently, businesses face growing pressure to incorporate sustainability goals into their core operations. This transition towards corporate sustainability requires companies to rethink their business models, focusing on how value is created, delivered, and captured to meet sustainable objectives (Stubbs and Cocklin, 2008). A sustainable business model offers a comprehensive approach to redefine organisational objectives and deliver value beyond economic profit. Such models are designed to create economic, social, and environmental value for a broad range of stakeholders (Bocken *et al.*, 2013; Schaltegger, Hansen and Lüdeke-Freund, 2016). According to Geissdoerfer, Vladimirova and Evans (2018) these models help companies gain a competitive edge by creating both monetary and non-monetary value for stakeholders, focusing on long-term sustainability.

Furthermore, Roome and Louche (2016) emphasise the importance of business model innovation to promote sustainable development. This involves transforming traditional business models to align with sustainable development goals. Although sustainable business models have been widely studied across various sectors, little is known about their application within the property management sector, leaving a gap in understanding how CPMCs can contribute to sustainable development (Nosratabadi *et al.*, 2019).

### 2.3.2 PROPERTY MANAGEMENT

The term property management originated in the UK around 1860 (Pan and Kung, 2019). Although property management practices have advanced considerably in European and American countries, the academic discourse on its precise definition remains relatively limited. Moreover, most definitions focus narrowly on the management of immovable property or land (Armitage and Brown, 2007), which may not fully capture the evolving scope and complexity of modern property management.

In its simplest form, property management refers to the total care of buildings. For instance, Narains Corporation (1971), a prominent property consultant in India, defined property management as the function of looking after buildings, including tasks such as rental collection, payments, and building maintenance (Salleh *et al.*, 2008). Similarly, Wang (2005) described property management as a service industry primarily concerned with maintaining buildings, real estate, and associated facilities.

However, this building-focused understanding aligns more closely with facility management, which focuses on the scientific design and use of facilities within property management projects. However, such a narrow conceptualisation overlooks broader corporate governance and relational dimensions, including the interactions among property owners, residents, and other stakeholders involved in property management. Other scholars argue for a more comprehensive perspective that integrates the rights and obligations of property stakeholders into the management framework. For instance, institutions such as the Institute of Workplace and Facilities Management (IWFM) stress the importance of monitoring and controlling property interests in accordance with owners' goals, highlighting the need for comprehensive management practices that serve the interests of both owners and stakeholders (IWFM, 2017).

Based on this broader perspective, this study defines property management as the professional management of properties aimed at meeting the diverse needs and interests of owners and stakeholders. This definition extends beyond post-construction services, such as facility maintenance and cleaning, to encompass the entire property life cycle. More importantly, in



order to meet the evolving demands of stakeholders, the roles and responsibilities of property management companies must extend beyond basic physical maintenance. This study adopts a more holistic understanding of property management, one that integrates legal, financial, technological, social, and environmental considerations. The goal is to maximise the value of land and building assets while ensuring alignment with the diverse expectations of owners and stakeholders (Ionaşcu *et al.*, 2020).

The development of property management in China began with the establishment of the country's first CPMC in Shenzhen in 1981, which marked the initial exploratory phase of the industry. At that time, property management services primarily focused on residential areas and remained relatively limited in scope. The reform of China's housing system in the 1990s represented a turning point, as relevant regulations and laws were introduced. These regulatory frameworks facilitated the gradual expansion of services, including security, cleaning, landscaping, and maintenance, thereby promoting a degree of industry standardisation (Zhu, 1999).

The rapid growth of China's real estate market since 2003 has significantly accelerated the expansion of property management services. The number of CPMCs increased substantially, accompanied by improvements in service quality, partly driven by rising competitive pressures. Concurrently, the integration of internet technologies fostered both innovation and diversification in property management models. Over time, the industry has shifted from a phase of extensive growth to one focused on specialisation and intelligent solutions. Service boundaries were extended, urban services increasingly became a strategic focus, business structures were optimised, and, consequently, the overall quality of development improved (Zhu, 2005).

However, since 2016, the Chinese government has intensified its regulation of the real estate market, culminating in stricter regulatory measures from 2018 onwards. This led to a tighter financing environment for the real estate sector, placing significant pressure on the capital chains of many real estate companies (Chen, Wang, & Zhong, 2023). In this context, property management businesses emerged as a critical segment for real estate companies, offering stable cash flows and lower exposure to policy risks (Song, 2020). Listing property management subsidiaries became a

key strategy for real estate firms to alleviate financial pressures while enhancing their overall valuations (Feng, Hassan and Elamer, 2020).

Since 2018, an increasing number of CPMCs have gone public, driving the industry towards greater independence and market-oriented operations. The onset of the COVID-19 pandemic further underscored the societal importance of CPMCs. Extensive media coverage, both positive and negative, highlighted their critical role during the pandemic. The weaknesses in grassroots governance within Chinese communities also drew increased attention from both the government and the public to the potential of CPMCs as key actors in community governance (Liu *et al.*, 2021b; Zhou and Ouyang, 2023).

In addition, despite the growing emphasis on sustainable development in political and business circles, few studies have examined the role of CPMCs in this context (RICS, 2023). Much of the existing literature on sustainability within property management focuses on traditional aspects such as reducing energy consumption and waste (Wai-chung Lai, 2006). While these are important, they only address one part of a larger challenge.

### 2.3.3 SUSTAINABLE DEVELOPMENT OF PROPERTY MANAGEMENT

The present study argues that property management has evolved towards a broader, sustainability-oriented business model that incorporates both the rights and obligations of owners and stakeholders. As corporate sustainability often emerges in response to stakeholder demands (Naciti, Cesaroni and Pulejo, 2022), there is a growing need to rethink property management in terms of long-term value creation that balances financial, social, and environmental objectives. This necessitates examining how CPMCs can integrate sustainable practices into their business models to meet stakeholder demands while contributing to wider societal and environmental goals.

Therefore, in this study, the sustainable development of CPMCs is conceptualised as the alignment of environmental, social, and economic performance with their professional property management services. This approach emphasises the integration of sustainable principles into business models and strategies to address the evolving demands and expectations of property

owners and other stakeholders. This ensures that property management services are not only efficient and effective but also contribute positively to the broader community and the environment.

Sustainable development in property management benefits organisations by improving financial returns, enhancing their corporate image, and reducing environmental damage (De Castro, Pacheco and González, 2020). Lo, Peters and Shi (2014) explore the benefits of sustainable office buildings in China, focusing on insights from tenants and property managers. Their study identifies key advantages, including reduced energy consumption, lower operating costs, and improved tenant satisfaction resulting from enhanced indoor environmental quality. Moreover, their research emphasises that both property managers and tenants increasingly recognise the value of green buildings, not only for their potential to enhance market competitiveness and attract premium rents but also for their environmental benefits. However, the authors also highlight that the initial costs of sustainable features remain a significant barrier to the widespread adoption of such practices in China's office market. In addition, Razali *et al.* (2017) explore how Southeast Asian property companies are integrating sustainability into their operations, showing that sustainable practices, such as resource efficiency and green certifications, can improve tenant satisfaction and operational efficiency.

Furthermore, Zhao, Zhang and Li (2021) highlight that smart construction technologies play an increasingly significant role in achieving sustainability goals, reducing waste, and improving energy efficiency in property management. Recent studies indicate that property management companies are increasingly leveraging technological solutions to enhance their sustainability performance (Daniil, 2024; Samosir, Augustine and Pardede, 2023; Xu, 2024). Real-time data and analytics tools provided by firms such as BlockDox enable building operators to monitor and manage sustainability metrics, including energy consumption and air quality, which not only reduce environmental impacts but also enhance tenant well-being and satisfaction. This data-driven approach is becoming essential for companies to meet regulatory demands and improve their sustainability rankings (BlockDox, 2022). Cushman and Wakefield (2023) highlight their commitment to reducing carbon emissions through science-based targets. Cushman and Wakefield have set a goal of reducing emissions by 50% by 2030 and aim to achieve net-zero across their entire operations by 2050. They are also integrating diversity initiatives into their supply chains,

emphasising diversity, equity, and inclusion alongside environmental objectives. Furthermore, Cushman and Wakefield are assisting clients in reducing their carbon footprints, as over 70% of emissions at managed properties originate from client activities. Their strategy focuses not only on internal operations but also on assisting clients in achieving their sustainability goals in the USA (Cushman and Wakefield, 2023).

Therefore, green buildings have become a major focus of sustainability practices in the field of property management. In addition to a number of industry reports, a few academic studies have also examined this trend. For instance, De Castro, Pacheco and González (2020) and Leaman and Bordass (2007) note that green-certified buildings tend to achieve higher tenant satisfaction and often result in lower operational costs.

In recent years, there has been a growing trend among CPMCs to launch initial public offerings (IPOs) in both Mainland China and Hong Kong. In Mainland China, ESG reporting is currently encouraged but not yet mandatory. However, an increasing number of companies, particularly large SOEs, are beginning to adopt international standards such as the Global Reporting Initiative (GRI). In Hong Kong, ESG reporting has become mandatory, with the Hong Kong Stock Exchange providing explicit disclosure guidelines. Companies can refer to international standards, such as GRI, to prepare their reports and strengthen trust among international investors (Swarnapali, 2017). The disclosure of ESG practices has emerged as a critical indicator of sustainable development in the property management sector. China's commitment to peaking carbon dioxide emissions by 2030 and achieving carbon neutrality by 2060 has driven central enterprises to strengthen ESG information disclosure (PwC, 2021). This is in line with the institutional pressures faced by CPMCs (Scott, 2005; Wai-Khuen, Boon-Heng and Siow-Hooi, 2023). Suchman (1995) and Liang and Cao (2024) note that a corporation's legitimacy is maintained when its value system aligns with that of broader society, but is undermined when there is a mismatch between the two (Ashforth and Gibbs, 1990; Liang and Cao, 2024; Suchman, 1995). Thus, complying with enhanced ESG disclosure requirements can serve to strengthen corporate legitimacy. In addition, voluntarily adopting robust sustainability practices can help corporations gain moral and relational legitimacy by equitably balancing the diverse and often conflicting demands of stakeholders, including governments, politicians, and employee unions (Freeman and Reed, 1983; Sabirali and Mahalakshmi, 2023).

Similarly, Ahmed, Mubarik and Shahbaz (2021) observe that corporate sustainability initiatives have the potential to deliver societal benefits while also maximising shareholder profits, particularly in environmentally focused business contexts. According to Bernow et al. (2019), companies with improved governance tend to disclose more comprehensive sustainability reports, thereby enhancing their corporate image and attracting institutional investors. Furthermore, a study by Ionaşcu et al. (2020) shows that sustainable real estate practices enhance competitiveness while reducing the uncertainty surrounding future cash flows, positioning companies for long-term success.

Many companies explicitly align their sustainable development practices with specific SDGs in their ESG reports (Abhayawansa, 2022). Such alignment enables companies to demonstrate their contributions to both local and global sustainable development agendas. By referencing the SDGs, companies provide stakeholders, including investors, customers, and communities, with a clearer understanding of how their actions contribute to global sustainable development. Additionally, the SDGs offer companies a universally recognised framework for presenting their ESG performance. Naciti, Cesaroni and Pulejo (2022) and Pranugrahaning et al. (2021) emphasise that sustainability should not be confined to environmental concerns but should be integrated comprehensively across all corporate levels and systems to ensure alignment with organisational objectives. However, several studies suggest that the property management industry continues to face significant challenges in integrating sustainable practices across the entire property management cycle. For instance, Ionaşcu et al. (2020) analyse how real estate companies contribute to the SDGs through their sustainability reporting. Their study finds that although real estate companies increasingly align their corporate strategies with SDGs and focus on areas such as affordable housing, energy efficiency, and responsible consumption, there are still notable gaps in the depth and comprehensiveness of SDG-related reporting. Many companies adopt sustainability practices at a superficial level without fully integrating them into long-term business models, which contributes to greenwashing.

As indicated by Jones and Comfort (2020), it is important to localise SDGs, particularly through the involvement of local governments and private actors like CPMCs to implement sustainability frameworks at the community level. CPMCs' operations, particularly in areas such as energy

management and waste reduction at the community level, directly contribute to the achievement of SDGs locally. However, as highlighted by Liu *et al.* (2022), challenges such as financial constraints, limited stakeholder engagement, and regulatory barriers continue to impede the full realisation of sustainability goals within the property management industry.

To effectively integrate sustainability into their business models, CPMCs should align sustainable performance with their core operations, fostering a shift toward a sustainability-oriented business model. This model aims not only to generate sustainable value for the organisation but also to benefit the broader community and environment. By incorporating the TBL framework (Elkington, 1997b), sustainable development in property management is built on three key pillars.

Firstly, economic sustainability involves the efficient management of resources, cost optimisation, and the enhancement of asset value. Sustainable property management aims to ensure long-term profitability while balancing the economic interests of both property owners and stakeholders. Secondly, environmental sustainability focuses on reducing negative environmental impacts through initiatives such as improving energy efficiency, promoting waste recycling, and adopting eco-friendly technologies. This approach is consistent with both regulatory and normative sustainability expectations, including carbon reduction and resource conservation. Thirdly, social sustainability centres on safeguarding the well-being and meeting the expectations of property owners, residents, and the wider community. It encompasses ethical business practices, community engagement, and the creation of healthy living environments that promote social equity and improve quality of life.

Recent government policies have emphasised the importance of strengthening and improving residential property management practices, while highlighting the critical role of CPMCs in community governance and the pursuit of sustainable development goals (Notice of the Ministry of Housing and Urban-Rural Development, 2020). However, as noted by Burbano, Delmas and Cobo (2024), early corporate sustainability research predominantly centred on the interaction between businesses and the natural environment, often overlooked the equally critical social and governance dimensions. Whether prompted by regulatory pressures or proactive strategic choices, participation in community governance offers CPMCs an opportunity to advance their TBL goals

while extending these benefits to the wider community. Wannags and Gold (2020) emphasise the need to understand the specific sustainability challenges facing CPMCs, particularly the complex institutional pressures that shape their behaviour. These pressures, including tensions, paradoxes, trade-offs, and dilemmas, act as catalysts that encourage companies to engage in sustainable business practices. Su *et al.* (2022) argue that the pandemic introduced various tensions and conflicts which “pushed enterprises to innovate, adapt, and transform digitally, emphasising agility, leadership adaptability, and stakeholder collaboration to maintain sustainable operations during crises.” (p.9)

As highlighted by Arowoshegbe, Emmanuel and Gina (2016), TBL represents a societal and ecological agreement between businesses and the community. In addition, Carter and Rogers (2008) expand Elkington’s TBL framework to encompass the economic, environmental, and social aspects of sustainability, implying that the three TBL dimensions are inherently interconnected, as actions benefiting one dimension often positively impact the others. Through active community governance, CPMCs can enhance their development across all three TBL dimensions, benefiting multiple community stakeholders. For instance, by improving public safety, hosting cultural events, and addressing resident disputes, CPMCs can foster strong relationships with residents, increase customer satisfaction, and strengthen their market position. The integration of community governance needs with CPMCs’ social responsibilities precludes a focus on short-term profits. Instead, long-term social responsibility initiatives can yield sustained economic returns, creating a positive cycle. Also, by adopting green technologies in property management, CPMCs can simultaneously enhance social and environmental performance, leading to greater resident satisfaction in the community, reduced conflicts, cost savings, and economic gains.

China’s community governance needs are unique in that they extend beyond the provision of infrastructure maintenance to include social welfare, community safety, and environmental advocacy. These needs are further complicated by the complex and dynamic relationships among LSOs, RCs, and CPMCs. Within this governance framework, CPMCs are not merely service providers but also play an active role in community engagement and local governance, working to ensure the satisfaction of residents and other stakeholders. Nevertheless, from the perspectives of both the capital market and the academic community, a substantial gap remains in understanding

and promoting the sustainable development of property management companies, despite their critical role as service providers that directly connect with citizens across the country.

Nevertheless, the role of CPMCs in community governance remains insufficiently understood. It is still unclear what sustainable business practices they adopt when engaging in community governance and, more importantly, why and how such participation influences their corporate sustainability. Furthermore, sustainability-oriented companies must identify and develop organisational capabilities that enable the implementation of practices aimed at enhancing competitiveness in a market increasingly focused on sustainability. At the same time, a single, generic policy for corporate sustainability and strategy is unlikely to suit all organisations due to the diverse and evolving needs of various stakeholders (Ahmed, Mubarik and Shahbaz, 2021; da Cunha Bezerra, Gohr and Morioka, 2020). This raises important questions about whether different types of CPMCs possess varying organisational capabilities, and if so, what specific differences exist in their approaches to achieving sustainability. As Velte (2023) notes, there is still a significant gap in research regarding how variations in institutional ownership affect ESG and CSR outcomes. These critical issues have yet to be thoroughly examined. Therefore, it is essential to investigate the corporate sustainability of different CPMCs within the context of China's community governance.

## 2.4. NEO-INSTITUTIONAL THEORY

### 2.4.1 INTRODUCTION TO NIT

NIT highlights the influence of the institutional environment on the structure and behaviour of organisations (Hwang, 2023). Meyer and Rowan (1977) argue that organisations adopt formal structures, rules, and roles to gain legitimacy within their institutional contexts. These rationalised formal structures, which are often taken for granted, reflect societal norms and expectations (David, Tolbert and Boghossian, 2019). Following Meyer and Rowan (1977), much research has supported this “corrective” idea against the earlier belief that organisations always act in a calculated and rational way (DiMaggio, 1988). It is now generally accepted that organisational behaviour happens within a framework of socially constructed norms and expectations of what is considered appropriate behaviour (Scott and Davis, 2001). The idea that organisations adopt these structures



not necessarily for efficiency, but to gain legitimacy, forms the foundation of NIT (Greenwood et al., 2008).

Institutions refer to schemes, norms, regulations, or formal sets of rules that constrain behaviour (Hargrave and Van de Ven, 2006). In the context of community governance and the corporate sustainability of CPMCs, institutions consist of contracts, practices, business models, benchmarks and other agreements and norms between different stakeholders. NIT posits that organisations will face certain exogenous isomorphic pressures which require organisations to maintain organisational legitimacy (Grimm, Hofstetter and Sarkis, 2023; Sarkis, Zhu and Lai, 2011). Institutional isomorphism explains why organisations within a similar field tend to converge over time, adopting similar structures and practices to gain legitimacy, even if these do not necessarily lead to improved performance. DiMaggio and Powell (1983) identified three types of isomorphism: coercive, mimetic, and normative. Coercive isomorphism arises from external pressures such as regulations and political power. Mimetic isomorphism occurs when organisations imitate other successful entities in response to uncertainty. Normative isomorphism stems from professionalisation and the standardisation of practices within industries (DiMaggio and Powell, 1983).

Later, Scott (2001) built a comprehensive classification system that addresses how organisations conform to their institutional environments. He identified three pillars of institutions: regulative, normative, and cultural-cognitive. Together, these elements help explain how organisations create stability and meaning within social systems. The differences between the three types of institutional pressures are summarised in Table 2.1, below.

Table 2. 1 Three Conceptions of Institutions

Source: Scott (2001), p. 52.

	<b>Regulative</b>	<b>Normative</b>	<b>Cultural-cognitive</b>
<b>Basis of Compliance</b>	Expedience	Social obligation	Taken-for-grantedness, shared understanding
<b>Basis of Order</b>	Regulative rules	Binding expectations	Constitutive schema
<b>Mechanisms</b>	Coercive	Normative	Mimetic
<b>Logic</b>	Instrumentality	Appropriateness	Orthodoxy
<b>Indicators</b>	Rules, laws, sanctions	Certification, accreditation	Common beliefs, shared logics of action
<b>Basis of Legitimacy</b>	Legally sanctioned	Morally governed	Comprehensible, recognisable, culturally supported

Specifically, regulative elements are based on rules, laws, and sanctions that guide and control organisational behaviour. Compliance is achieved through coercive mechanisms, such as legal requirements or government regulations. For instance, CPMCs conform to governmental policies, such as the 2020 “Notice on Strengthening and Improving Residential Property Management Work,” which mandates their involvement in community governance (Notice of the Ministry of Housing and Urban-Rural Development, 2020).

Normative elements involve values and norms that define acceptable behaviour within an organisational field. Normative compliance is achieved through professionalisation, certification, and peer pressure from industry bodies and associations. For example, CPMCs increasingly align with industry standards and certifications to enhance their legitimacy in the sector.

Cultural-cognitive elements are based on shared understandings and beliefs that shape how organisations perceive their roles in society. These elements often reflect deeper cultural and societal norms that are taken for granted. In the Chinese context, cultural-cognitive compliance may be influenced by societal expectations regarding communal harmony and social responsibility, which are deeply embedded in Chinese cultural values (Greenwood et al., 2008).

In the long-standing paradigmatic debate within sociology and organisation studies on the primacy of structure versus agency (Reed, 1997), proponents of NIT argue that structure should be the main lens through which social phenomena are examined (Heugens and Lander, 2009; Tiberius, Rietz and Bouncken, 2020). NIT highlights that organisations adhere to institutional norms and rules, not merely for operational efficiency but because these norms become “myths” embedded in societal cognition (Meyer and Rowan, 1977). This emphasis on institutional legitimacy over market or technological forces differentiates NIT from other organisational theories. Studies have further demonstrated how institutional isomorphism facilitates the widespread adoption of best practices across diverse sectors (Hwang, 2023; Seyfried, Ansmann and Pohlenz, 2019).

In addition to different kinds of institutional pressures, institutional logic is a fundamental concept in NIT that refers to the socially constructed patterns of material practices, assumptions,

values, beliefs, and rules that shape the behaviour of individuals and organisations within a particular institutional field (Thornton and Ocasio, 1999; Thornton, Ocasio and Lounsbury, 2012). It provides a framework for understanding how institutions influence actors' decision-making, priorities, and interpretations of legitimacy. It highlights the dual nature of institutional logics, combining cultural symbols (e.g., shared beliefs, identities, and narratives) and material practices (e.g., economic systems, governance structures, and industry norms) to shape social action.

## 2.4.2 THEORETICAL CRITIQUES AND ADVANCES

Despite its contributions, NIT has faced criticism. Suddaby (2010) argued that the theory has been overstretched, leading to an overemphasis on structural determinism at the expense of organisational agency. While the theory underscores the role of taken-for-granted social norms in guiding behaviour, it would be erroneous to assume that social action lacks reflection or agency entirely (Greenwood and Suddaby, 2006). Emirbayer and Mische (1998); Oliver (1991) provided a framework for strategic responses to institutional pressures, and Emirbayer and Mische (1998) highlighted that agency exists even within the reproduction of institutions. Consequently, there is increasing recognition of the potential for institutional change and a growing interest in understanding how it occurs.

This critique is particularly relevant in contexts like China, where organisations operate within complex and shifting institutional frameworks. The need for a nuanced understanding of how organisations navigate these environments is heightened by the rapid evolution of societal and regulatory expectations. While early research on NIT focused on isomorphism and stability, more recent studies have shifted attention to the dynamic aspects of institutions, particularly institutional change and agency. Scholars such as Tina Dacin, Goodstein and Richard Scott (2002) and Ponte and Pesci (2022) highlight how individuals and organisations intentionally transform institutions, moving beyond mere compliance. Lawrence and Suddaby (2006) further emphasise the concept of institutional work, where organisations actively create, maintain, or disrupt institutional environments. This evolving focus offers deeper insights into how organisations adapt to changing societal expectations, including those related to corporate responsibility and sustainability (Galeazzo, Miandar and Carraro, 2024; Mezger *et al.*, 2020).

Modern developments in NIT thus provide valuable insights into how CPMCs can actively shape their institutional fields. Organisational fields are composed of clusters of organisations and occupations whose boundaries, identities, and interactions are stabilised by shared institutional logics (Scott, 2001). Institutional logics serve as frameworks for interpreting and navigating social situations, offering organisations structured ways to understand their environment, act with confidence, and secure endorsement from key stakeholders (Olesson, Nenonen and Newth, 2023).

However, organisations often operate under the influence of multiple, and sometimes conflicting, institutional logics (Kraatz and Block, 2008). These clashes can create tensions as organisations attempt to reconcile competing principles and guidelines (AhmadSimab and Chowdhury, 2021; Greenwood *et al.*, 2011). The challenge of breaking free from entrenched institutional norms to innovate is encapsulated in the “paradox of embedded agency” (Seo & Creed, 2002, p. 226). This concept highlights the tension between institutional influence and the agency of actors who are embedded within established systems, yet capable of driving change (Battilana, Leca and Boxenbaum, 2009). While institutions constrain and regularise actions, they also open avenues for change by shaping the context in which strategic agency emerges. This dual role highlights that institutions not only limit but also enable action, providing a framework within which innovation and transformation can occur (Beckert, 1999; Oliver, 1991; Palthe, 2014). They serve as both a structural foundation and an outcome of agency, illustrating the intricate interplay between structure and action (Giddens, 2023).

Wannags and Gold (2020) provide a concrete example of this tension in the context of sustainability challenges faced by organisations. They underline the intra- and inter- organisational pressures, as well as the paradoxes, trade-offs, and dilemmas, that compel organisations to adopt sustainable business practices. These challenges, while significant, also serve as catalysts for innovation and proactive engagement with sustainability. Building on these insights, the present research investigates the conditions enabling CPMCs to act as institutional entrepreneurs and implement institutional change in the emerging field of community governance.

DiMaggio (1988) defines institutional entrepreneurship as the process by which actors leverage resources to create or transform institutions to realise interests that they value highly. The

term “institutional entrepreneurship” combines two seemingly opposing ideas in a paradoxical way. Institutions reflect established patterns of behaviour, shaped by shared beliefs, norms, and practices that are taken for granted (Garud, Jain and Kumaraswamy, 2002; Tina Dacin, Goodstein and Richard Scott, 2002). Unlike the relatively static view of institutions, entrepreneurship offers a more dynamic perspective. An entrepreneur is seen as a change agency, someone who navigates uncertainty and disrupts markets through innovation (Tiberius, Rietz and Bouncken, 2020). By combining both elements, institutional entrepreneurship focuses on changing social phenomena that are typically resistant to change. “It involves the actions of individuals or groups who have an interest in particular institutional arrangements and who leverage resources to create new institutions or to transform existing ones” (Maguire, Hardy and Lawrence, 2004, p. 657). Therefore, institutional entrepreneurs, whether organisations or individuals, are agents who initiate and actively participate in changes that deviate from existing institutions, regardless of whether the initial goal was to alter the institutional environment, or if the changes were successfully implemented. These changes can occur within an organisation or in the broader institutional context in which the actor operates. Moreover, entrepreneurs who develop business models that differ from established institutions may also be considered institutional entrepreneurs (Battilana, Leca and Boxenbaum, 2009).

Therefore, it is important to consider who qualifies as an institutional entrepreneur capable of “breaking away from established behaviour patterns” (Dorado, 2005, p. 388), how they work to “develop strategies and influence institutions” (Leca & Naccache, 2006, p. 627) within a given institutional field, and what the outcomes of their institutional entrepreneurship efforts are. Prior research has investigated aspects of the social position of institutional entrepreneurs, the characteristics of the institutional fields in which they are embedded, and the processes through which institutional change is implemented. Moreover, Battilana, Leca and Boxenbaum (2009) emphasise the need for further research to focus on the intersection between field characteristics and the diverse social positions of actors (Glynn and D’aunno, 2023).

For instance, in terms of the institutional field, Battilana et al. (2009) expand the analysis of field characteristics to inter-organisational contexts. As an enabling condition for institutional entrepreneurship, various types of field characteristics are often interrelated rather than mutually

exclusive. Institutional fields are “organised systems of social positions where struggles or strategies for resources, interests, and access take place” (Oakes, Townley and Cooper, 1998, p. 260). Power relations, encompassing resources or capital accessible to different actors and an understanding of the social “game” or “habitus” (Everett, 2002), are embedded in the field itself rather than solely held by individual actors. Jolts and crises, as field-level events, can disrupt the socially constructed consensus within a field, opening opportunities for new ideas to emerge (Greenwood, Suddaby and Hinings, 2002). The variability and heterogeneity within field characteristics often give rise to institutional incompatibilities, which can lead to internal contradictions (Blackburn, Doran and Shrader, 1994) that may trigger actors’ reflective capacity, allowing them to distance themselves from existing institutional arrangements (Feront, Bertels and Hamann, 2024; Seo and Creed, 2002).

Seo and Creed (2002) discussed the potential role of hidden “contradictions” within organisational fields. They identified four types of contradictions. The first is the “efficiency contradiction,” which arises from the gap between performance levels due to adhering to existing institutional rules versus exploring new market opportunities. The second is the “nonadaptability contradiction,” which occurs when a field struggles to respond to external shocks because of rigid, established behaviours and thinking patterns. The third is the “interinstitutional incompatibility contradiction,” which is the clash between deeply held but conflicting values. The fourth is the “misaligned interests contradiction,” where there is a difference in interests between those benefiting from the current system and those disadvantaged by it. Seo and Creed suggested that these contradictions at the field level pave the way for “praxis,” where individuals shift “from unthinking participation in institutional reproduction to critical reflection on current systems and practical action for change” (Seo and Creed, 2002, p.231).

As for the social position of institutional entrepreneurs, researchers suggest that social position is crucial because it shapes actors’ perceptions of the field and mediate their interactions within their embedded environment and their access to resources necessary for institutional entrepreneurship (Lawrence, 1999; Möller, Nenonen and Storbacka, 2020; Phillips *et al.*, 2023). An actor’s position within a field provides institutionally defined interests and opportunities (Bourdieu, 1992) and may present a strategic moment to exert influence. From this perspective, institutional

entrepreneurs do not “possess” power; rather, they occupy positions that allow them to use power within a specific field.

Scholars have identified various types of actors who drive institutional change and assume roles as institutional entrepreneurs, including individuals (Kosterich, 2024; Maguire, Hardy and Lawrence, 2004; Sahasranamam and Nandakumar, 2020), organisation departments (Ren and Jackson, 2020), different levels of government and their agencies (Covaleski, Dirsmith and Weiss, 2013; Soluk, Kammerlander and Darwin, 2021), as well as diverse social groups and communities, such as networks, associations, and social movements (Ko and Liu, 2021).

Research indicates that low-status organisations are often more likely to initiate divergent change (Garud, Jain and Kumaraswamy, 2002; Nordt *et al.*, 2024). For instance, fringe actors in the US broadcasting industry introduced new practices that were later adopted by dominant players and eventually became standard in the field (Leblebici *et al.*, 1991). However, recent studies also highlight instances of high-status organisations driving such change (Greenwood and Suddaby, 2006; Lai, Zhang and Zhao, 2024). The likelihood of actors engaging in institutional entrepreneurship is influenced by their social positions not only independently but also interactively. Further research is needed to explain differences across institutional contexts and types of divergent change, as well as to examine potential interaction effects between field-level characteristics and social positions of actors.

Greenwood and Suddaby (2006) have significantly advanced institutional theory by examining how motivated change occurs within mature settings through field-level contradictions and their impact on embeddedness. They found that firms often connect across multiple organisational fields, including those of their global clients. This “boundary bridging” allows actors to be exposed to diverse practices. By focusing on central organisations as drivers of institutional change, Greenwood and Suddaby (2006) have addressed calls for a better understanding of how agency can challenge institutional determinism. They propose that field-level governance structures are generally slow to adapt; even when reforms are initiated, regulatory changes frequently lag the advancements made by leading actors in the field. This highlights the importance of understanding how different agents influence and uphold field-level norms. Institutional logics within an



organisational field are shaped and reinforced not only through daily interactions among participants but also by influential bodies like the state and professional associations (Scott, 2001). In their case, the professions played a vital role in establishing a framework for professional conduct.

This raises important considerations regarding the relative influence of these agencies and the factors that affect that influence. Additionally, it is crucial to examine the resilience of professional norms when applied across a diverse range of organisational members, from powerful central firms to smaller, local entities. As for the implementation of institutional entrepreneurship, it remains a central focus in this area of research. The model proposed by Battilana, Leca, and Boxenbaum (2009) illustrates how field characteristics and social positions empower actors to assume roles as institutional entrepreneurs. Despite institutional pressures to maintain the status quo, these actors can drive divergent change. This process includes developing a vision, and mobilising allies. Developing a vision involves activities aimed at advocating for change, including clearly communicating the need for change to followers. Research on framing within the social movement literature highlights the challenges institutional entrepreneurs face in creating a vision that presents a change initiative: (1) as a solution to a specific problem (diagnostic framing), (2) as preference to existing arrangements (prognostic framing), and (3) as motivated by compelling reasons (Motivational Framing) (Jardim, 2021; Rao, Morrill and Zald, 2000; Snow, 1992).

Mobilising allies entails using “rhetorical strategies” (Suddaby and Greenwood, 2005) to communicate this vision effectively. Entrepreneurs craft their discourse based on institutional logics, anticipating that it will resonate with the values and interests of potential allies. The effectiveness of mobilising allies is influenced by factors such as actors’ resource mobilisation capabilities, formal authority, and social capital (Ocasio, 2023; Ocasio, 2025).

While these activities may be labelled differently, they consistently involve developing a vision, mobilising support for that vision, and motivating stakeholders to sustain it. For example, Thompson, Herrmann and Hekkert (2015) demonstrate that institutional entrepreneurs create new symbols, analyse problems and solutions, define new measures, build consensus, and form collaborations to modify or establish new institutions. Other scholars outline institutional change as

a three-stage process: the emergence, establishment, and institutionalisation of new rules and norms (Grimm, Hofstetter and Sarkis, 2023; Hargrave and Van de Ven, 2006; Linnenluecke and McKnight, 2017). However, limited attention has been given to sustaining the outcomes of entrepreneurship (Grimm, Hofstetter and Sarkis, 2023). This may be because, as Battilana et al. (2009) suggest, the primary issue is not merely whether changes are implemented successfully.

An integrated theoretical perspective on institutional entrepreneurship and sustainable development has yet to be identified (Gasbarro, Rizzi and Frey, 2018). Within the sustainability literature, Grimm, Hofstetter and Sarkis (2023) provide an example of how companies, acting as institutional entrepreneurs, can foster the diffusion of sustainability standards across multi-tier supply chains by establishing new norms, practices, and standards. Their framework identifies key capabilities essential for the successful institutionalisation of corporate sustainability standards, such as inter-firm dialogue, risk management, collaboration with external stakeholders, cross-functional integration, and continuous improvement.

As Marquis and Battilana (2009) and Buratti, Sillig and Albanese (2022) highlight, the community level, which is often overlooked in institutional entrepreneurship studies, merits further investigation. This level encompasses the populations, organisations, and markets within a geographic area, embodying shared cultural norms, local identities, and regulatory frameworks. Research demonstrates that the local context remains highly relevant and, in some cases, increasingly significant (Marquis, Glynn and Davis, 2007). Actors' embeddedness within both local communities and broader institutional environments not only shapes their likelihood of engaging in institutional entrepreneurship but also affects their ability to implement and sustain divergent change. In addition, the degree of institutionalisation also affects actors' likelihood of becoming institutional entrepreneurs by shaping their agency (Tolbert and Zucker, 1999). Lower degrees of institutionalisation are associated with higher uncertainty in the institutional order, which creates opportunities for strategic action (DiMaggio, 1988). Actions by other actors can generate field conditions conducive to change, offering peers acting as institutional entrepreneurs opportunities to capitalise on and advance change (Powell and Colyvas, 2008). In this study, the grassroots community setting is considered a lower degree organisational field compared to other, more highly institutionalised fields (e.g., bureaucratic institutions). It comprises various actors, including LSOs,

RCs, CPMCs, residents, competitors, industry associations, research organisations, media and so on. A significant feature of CPMCs' institutional context is that institutional influences extend beyond internal practices to relationship management with external actors.

### 2.4.3 APPLYING NIT TO CPMCS IN COMMUNITY GOVERNANCE AND CORPORATE SUSTAINABILITY

In this context, CPMCs have significant potential to act as institutional entrepreneurs by actively engaging in changes that deviate from existing institutional norms. By innovating in areas such as sustainable business models, smart property management, and community service provision, CPMCs can advance their own interests while contributing to broader societal goals. Institutional entrepreneurship among CPMCs may arise when conditions demand institutional change. For instance, larger companies with substantial market influence may pursue such initiatives to gain competitive advantage, while organisations with unique or strategically valuable resources may leverage these to secure legitimacy from governments, residents, and other stakeholders. However, critical questions remain unanswered: What social position do CPMCs occupy within the institutional field of community governance? How do CPMCs interact with other actors in this field? Do these dynamics vary across different types of CPMCs? These issues have yet to be adequately explored in the existing research.

The institutional environment in which CPMCs operate is complex, and is characterised by overlapping regulatory, normative, and cultural-cognitive pressures (Scott, 2001) and contradictions (Feront, Bertels and Hamann, 2024; Seo and Creed, 2002). From a regulative perspective, policy-related aspects remain a critical yet underexplored area. Naciti, Cesaroni and Pulejo (2022) note the lack of scholarly attention to how policy regulations influence the relationship between corporate governance and sustainability. In China, the broader governmental and economic context plays a crucial role in shaping institutional entrepreneurship. Bakir and Jarvis (2017) argue that the success of institutional entrepreneurs often depends on the political and social environments in which they operate. For CPMCs, China's dual-carbon policy, which commits to achieving carbon neutrality by 2060, places new demands for active contributions in areas such as energy conservation, emission reduction, and environmental governance. Nevertheless, the extent to which such policy initiatives specifically influence the corporate sustainability practices of CPMCs

remains insufficiently examined. Furthermore, the implications of China's evolving socialist market economy and shifting community governance frameworks for CPMCs' engagement in community governance are yet to be clearly articulated.

The growing emphasis on corporate sustainability and ESG reporting reflects the influence of normative pressures stemming from governmental objectives and market expectations (Aureli *et al.*, 2020; Candio, 2024; Jamali and Neville, 2011). Adopting sustainability practices not only aligns with regulatory goals but also enhances the industry's long-term viability. However, the specific normative pressures faced by CPMCs, including those exerted by professional associations, research institutions, industry benchmarks, and market demands, remain insufficiently explored. In particular, more research is needed to examine how these normative pressures shape CPMCs' participation in community governance and influence their approaches to corporate sustainability.

From a cultural-cognitive perspective, the influence of organisational culture and shared societal values is critical. Gasbarro, Rizzi and Frey (2018) highlight the limited research on this institutional pillar, particularly in addressing cultural barriers to sustainability. Kantabutra and Ketprapakorn (2020) emphasise that sustainability visions, as expressions of corporate purpose, guide organisational values and influence decision-making processes. However, in the Chinese context, the impact of traditional culture on corporate behaviour and organisational practices remains underexplored and warrants further investigation.

Institutional incompatibilities and contradictions within the community governance framework can prompt CPMCs to reassess their roles and responsibilities (Danho, 2023; McCarthy *et al.*, 2024; Seo and Creed, 2002). These challenges arise as CPMCs take on tasks beyond their formal contracts, navigate blurred boundaries between their duties and those of local authorities, and respond to increasing social expectations. This dynamic creates persistent tensions within the governance landscape. However, it is useful to consider the specific incompatibilities and contradictions emerge between CPMCs and other actors in community governance and to note any variation between different types of CPMCs. Furthermore, the extent to which the social position of CPMCs intersects with the institutional field needs to be considered as do the distinctions in this

intersection based on the characteristics of different CPMCs. These issues remain unexplored and warrant further investigation.

Given the complexity of the external institutional environment, this study focuses on the bounded institutional context provided by community governance. Community governance serves as both a constraint and an enabler of CPMCs' sustainability efforts. As discussed earlier, the participation of CPMCs in community governance is closely linked to the social dimension of the TBL framework, directly addressing societal needs. Additionally, their involvement indirectly contributes to environmental and economic dimensions through improved community environmental management and the promotion of technological innovation.

The COVID-19 pandemic has further catalysed the importance of CPMCs in community governance. Their roles and contributions have been increasingly recognised by both governments and society, presenting new opportunities and challenges for their sustainable development. Operating within the intricate field of community governance in China, CPMCs navigate a complex interplay of social, political, and market forces. These dynamics shape their engagement in governance and their responses to institutional contradictions, aligning with their roles as boundary spanners and institutional entrepreneurs (Ting, Guo and Liao, 2020). By mediating between governmental expectations, resident needs, and market demands, CPMCs actively address institutional pressures and contradictions, reshape governance landscapes, and contribute to their own sustainable development, as well as that of the broader community.

As noted, there is increasing interest in understanding organisational responses to institutional complexity (Greenwood *et al.*, 2011). In examining the institutional entrepreneurship of CPMCs, it is crucial to explore how these companies attempt to alter, disrupt, or propose alternatives to existing institutions in response to external institutional pressures. This process warrants examination in relation to existing literature, highlighting both similarities and differences, as well as the factors that may account for these distinctions.

## 2.4.4 RESEARCH GAPS AND OPPORTUNITIES

While the research problems have been outlined in Chapter One, a more nuanced understanding of the research gaps and opportunities requires an in-depth engagement with the existing literature. The previous section in Chapter Two has provided a comprehensive review of studies on community governance, corporate sustainability, and NIT. However, despite these advancements, several critical gaps remain unresolved. This section builds upon the literature review to refine the key research gaps and highlight the theoretical and empirical contributions of this study.

Existing literature on community governance in China has primarily focused on government-led initiatives and resident participation (Liang, 2021; Wang & Zhang, 2022), often overlooking the role of CPMCs as active participants in shaping governance processes. While some studies have acknowledged the involvement of CPMCs in local governance structures, they tend to conceptualise their role as passive service providers rather than institutional actors capable of influencing governance dynamics and corporate sustainable landscape (Naciti, Cesaroni & Pulejo, 2022). However, given the increasing complexity of community governance, there is a need to explore how CPMCs navigate institutional environment and contribute to governance processes and corporate sustainability beyond mere service provision.

Moreover, the field characteristics of grassroots communities in China remain underexplored in the context of corporate sustainability and institutional entrepreneurship. Existing studies have not sufficiently examined how specific institutional pressures and contradictions (Gasbarro, Rizzi & Frey, 2018; Scott, 2001) and stakeholder relationships shape the participation of CPMCs in community governance. This gap in the literature limits our understanding of how different field conditions influence firms' strategic responses, particularly concerning their role as boundary spanners between government institutions, residents, and market forces.

Another critical gap concerns the social position of CPMCs within governance structures. Prior research has not adequately differentiated between large, centrally positioned firms and smaller, localised property management companies in terms of their governance roles and sustainable

business practices (Ahmed, Mubarik & Shahbaz, 2021; da Cunha Bezerra, Gohr & Morioka, 2020). This distinction is crucial because different types of CPMCs face varying institutional pressures and contradictions, stakeholder expectations, and strategic constraints, which may result in divergent pathways to institutional entrepreneurship and sustainability outcomes.

Moreover, while institutional field characteristics and social position have been examined separately in institutional theory, there is limited research on their intersection and how their interaction influences firms' strategic actions in community governance (Battilana *et al.*, 2009). In the context of CPMCs, the way institutional pressures, stakeholder expectations, and governance structures interact with a firm's social position remains an underexplored issue. Companies embedded in different institutional environments, whether deeply integrated with government agencies or operating at the periphery with greater market orientation, may experience and respond to institutional pressures in distinct ways. The possible interaction effect between specific field-level characteristics and CPMCs' social position shapes not only their ability to engage in institutional entrepreneurship but also the extent to which they can influence governance and sustainability outcomes.

Furthermore, while corporate sustainability has been extensively studied in traditional business sectors (De Castro, Pacheco & González, 2020; Rahman, Zahid & Muhammad, 2022), there is a lack of research on sustainable business practices in the property management industry, particularly in the Chinese context (Liu *et al.*, 2021b; Zhou & Ouyang, 2023). Limited attention has been given to how CPMCs integrate sustainability principles and whether community governance participation enhances their long-term viability. This raises an important question: how does participation in community governance contribute to the sustainable development of CPMCs, and how do different types of companies navigate this process?

Addressing these research gaps, this study aims to provide a comprehensive analysis of the institutional field characteristics of community governance in China, the social position of various CPMCs and the interaction between field characteristics and their social position, their engagement in institutional entrepreneurship, and finally all these in shaping CPMCs' governance strategies and corporate sustainability outcomes. By differentiating between various types of CPMCs, the study

also seeks to offer practical insights into tailored strategic responses that enhance both community governance and corporate sustainability.

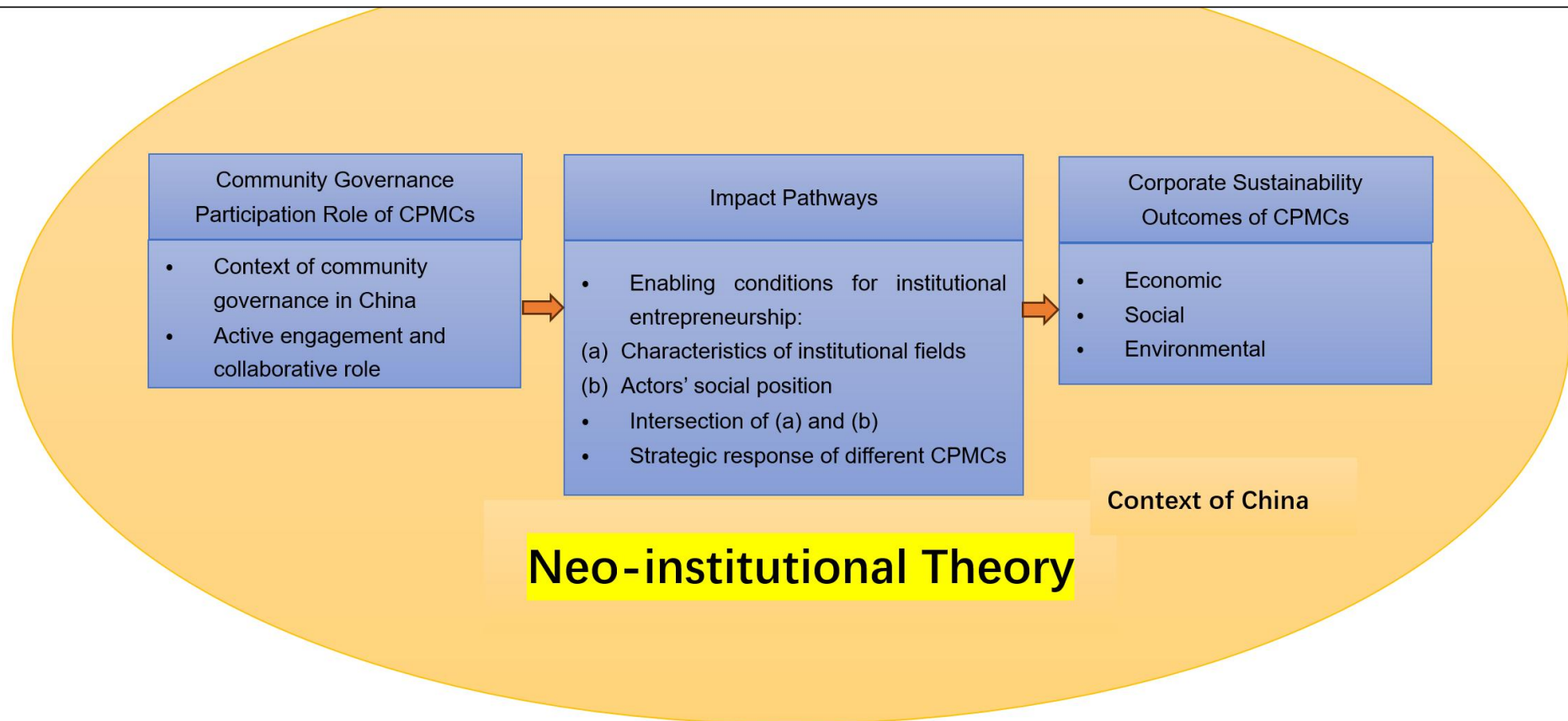
## 2.5 PRELIMINARY CONCEPTUAL FRAMEWORK OF CPMCS' CORPORATE SUSTIANABILITY

The following diagram (Figure 2. 1) provides a visual representation of how participating in community governance impacts the corporate sustainability of CPMCs.



Figure 2. 1 Preliminary Conceptual Framework

### Conceptual Framework of the Impact of Participating in Community Governance on Sustainable Development of CPMCs



The conceptual framework (Figure 2. 1) illustrates the interconnections between community governance, impact pathways, and the sustainable development outcomes of CPMCs. It also integrates the underlying theoretical and contextual elements that explain how CPMCs participate in community governance and how this participation shapes their sustainability outcomes.

As depicted in Figure 2.1, the “Community governance participation role of CPMCs” highlights the unique context of community governance in China. This includes rapid urbanisation and the evolving role of government in the context of community governance in China, as well as the active engagement and collaborative role of CPMCs. The “Context of community governance in China” aligns with the “Enabling conditions for institutional entrepreneurship: Characteristics of institutional field ” within the “Impact Pathways”, defining the primary field conditions for this study. The field of community governance in China encompasses a diverse range of participants, creating a highly complex environment marked by incompatibilities and contradictions. Additionally, the “Active engagement and collaborative role” aligns with the “Enabling conditions for institutional entrepreneurship: Actors’ social position”. As noted by Battilana, Leca, and Boxenbaum (2009), actors who initiate and actively participate in changes that deviate from existing institutions, whether or not they initially intend to alter the institutional environment or succeed in doing so, can be considered institutional entrepreneurs.

Second, the “Impact pathways” illustrates how CPMCs achieve sustainability outcomes through NIT. In detail, the influence of CPMCs explain how they respond to institutional pressures and contradictions, and how they adapt, and innovate to align with the institutional environment. The “Enabling conditions for institutional entrepreneurship” framework identifies two key enabling conditions: 1) Characteristics of institutional fields and 2) Actors’ social position. It also highlights the intersection of these factors, demonstrating how CPMCs leverage their social roles within specific institutional environments to promote sustainable development. Additionally, “Strategic response of different CPMCs” outlines how various types of CPMCs adopt distinct strategic approaches based on their attributes to achieve sustainability goals.

Third, the “Corporate sustainability outcomes of CPMCs” focuses on the outcomes of corporate sustainability within CPMCs, divided into three dimensions: 1) The economic viability of

sustainable property management practices, such as cost savings through energy-efficient buildings or increased property value due to sustainable practices. 2) Social contributions to the community through social responsibility initiatives, such as improving the quality of life for residents and providing inclusive services. 3) The environmental impact of PMC operations, including reducing carbon footprints, managing waste, and promoting green infrastructure. These outcomes highlight the multidimensional balance that CPMCs pursue in community governance.

The framework(Figure 2.1) is underpinned by NIT and is situated within the context of China. NIT explains the behaviour of CPMCs in response to institutional complexity, while the Chinese context highlights the unique social, economic and cultural background of this study, providing contextual insights for the analysis, making this a regionally tailored model. In essence, the overall logic of this framework flows from the left to right of the figure, demonstrating how CPMCs, through their participation in community governance and leveraging various resources within the impact pathways, achieve sustainable development across economic, social, and environmental dimensions.

## 2.6 LITERATURE CONCLUSION

The objective of this literature review was to address several key research questions, which are pivotal to understanding the broader context of this study:

What is community governance?

What is property management?

What is sustainable development?

What is the sustainable development of CPMCs?

What is the situation in the context of China?

What theories underpin these concepts?

What is the preliminary conceptual framework to illustrate the impact of participating in community governance to drive sustainable development in CPMCs?

Current discussions surrounding community governance in China indicate a shift from traditional government-led models towards a more pluralistic, cooperative system (Liang, 2021).

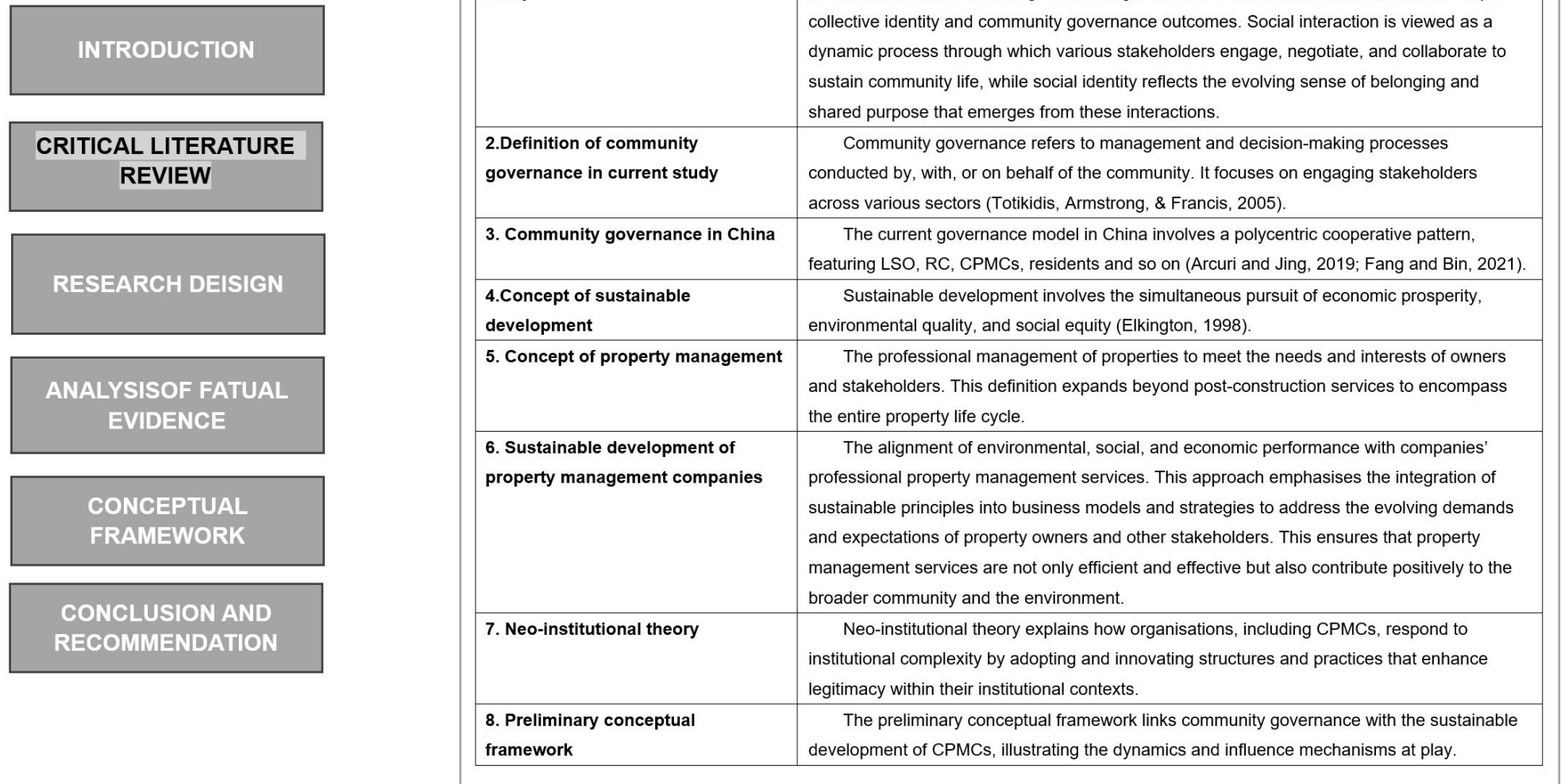
This system involves multiple actors, including LSOs, RCs, community service stations, Homeowners' Committees, CPMCs and so on (Arcuri and Jing, 2019; Fang *et al.*, 2021). CPMCs, as key stakeholders, act as intermediaries between the government, market, society, and residents. They play a critical role in facilitating polycentric governance, promoting social harmony, and increasing efficiency in community-level governance.

Property management, as conceptualised in this study, refers to the professional management of properties to meet the needs and interests of owners and stakeholders. This definition expands beyond post-construction services (such as facility maintenance and cleaning) to encompass the entire property life cycle. In China, where approximately 330,000 CPMCs operate (with more over than 60 listed on stock exchanges), firms face significant sustainability challenges, necessitating greater responsibility for their economic, environmental and societal impacts (Savills, 2021).

Grounded in NIT, CPMCs are increasingly integrated into community governance frameworks in China, taking on roles that were traditionally the sole domain of government actors. As NIT suggests, institutions are crucial for organisational functioning as they constrain, regulate, and legitimize actions (Palthe, 2014), while also triggering strategic efforts toward institutional change (Beckert, 1999; Oliver, 1991). These structures not only limit actions but also enable them, as structure is both a foundation and a result of agency (Giddens, 2023). However, organisations are not passive recipients of institutional prescriptions but interpret, translate and, in some instances, transform them. Research should not only focus on how organisations respond to institutional complexity, such as different institutional pressures and various contradictions, but also on how their diverse social positions might facilitate and take strategic response to field-level institutional change (Powell and Colyvas, 2008). By emphasising the role of organisational agency and diversity, the current study addresses a research gap by considering how participation in community governance impacts sustainable development in CPMCs.

The following figure (Figure 2. 2) illustrates the progress of this dissertation following the development of a systematic literature review.

Figure 2. 2 Dissertation Progression (Chapter Two)



As shown in Figure 2.2, this review critically engages with NIT to illustrate how CPMCs have become integral to community governance and how this affects corporate sustainability. The review identifies significant gaps in research concerning the role of CPMCs in navigating the institutional complexity within China's governance field. While current literature highlights the potential for CPMCs to contribute to social and environmental objectives, there is a lack of empirical research on the specific mechanisms through which these companies address institutional complexities and contradictions. Furthermore, this review highlights the need to investigate how different types of CPMCs strategically adapt their practices to achieve sustainable development. As CPMCs increasingly occupy a bridging role between the government, residents, and other stakeholders, their capacity for institutional entrepreneurship warrants further exploration, particularly in terms of how they leverage their social position to drive sustainable community governance. Ultimately, there is a need for empirical research to understand the influence mechanisms by which CPMCs contribute to broader sustainability goals, which will provide valuable insights into the evolving dynamics of community governance in China's urban context.

The next chapter will outline the research design to address these gaps, identifying a methodological approach to investigate the role of CPMCs in community governance towards corporate sustainability.

## 3. RESEARCH DESIGN

### 3.1 INTRODUCTION

The previous chapter reviewed extant and related theories. It examined the different perspectives of community governance and corporate sustainable development in the property management industry in China. Additionally, target theory was used to interpret this phenomenon and comprehend how community governance participation affects CPMCs' sustainable development.

The essential objective of this chapter is to outline an appropriate methodology. The research methodology identifies decisions made by researchers throughout the planning and execution of research. The methodology typically identifies cases to explore, how to collect data, and other relevant choices. First, it examines the different paradigmatic assumptions underpinning community governance and corporate sustainable development. The chapter continues then explores and justifies the use of qualitative research as a means to gather relevant data. Case study design is introduced as a suitable methodological format for this study, and the chapter then briefly introduces the details of a pilot study that was conducted before data collection took place in the field. The chapter subsequently provides some justifications regarding sample selection, sample size, and data collection approaches. Next, the axiological stance of the study is presented, followed by an analysis of the research quality and the researcher's reflexivity. Finally, key ethical considerations are highlighted.

### 3.2 RESEARCH PARADIGM

The adoption of a research paradigm is crucial for any doctoral study. As Kuhn (1962) explains, "a paradigm is what members of a scientific community, and they alone, share" (p. 176). Guba and Lincoln (1994) define the research paradigm as "a basic set of beliefs that guides action, whether of the everyday garden variety or action taken in connection with a disciplined inquiry" (p. 105). A research paradigm encapsulates the philosophical assumptions underpinning research, including ontology, epistemology, axiology, and methodology. The paradigm shapes how researchers define

problems, design studies, and interpret findings (Creswell and Poth, 2016; Guba and Lincoln, 1994).

Building on this foundation, and consistent with Guba and Lincoln's framework of basic beliefs, the four categories of scientific paradigms are Positivism, Postpositivism, Critical theory et al., Constructivism, each comprising of: ontology, epistemology and methodology.

Specifically, ontology, the study of the nature of reality, explores whether reality exists independently of human perception or is shaped by human experiences and interactions (Guba and Lincoln, 1994; Kivunja and Kuyini, 2017; Scotland, 2012). Epistemology deals with how knowledge is acquired, interpreted, and transferred. The constructivist epistemology posits that knowledge is not discovered, but co-created through human interactions and shared meanings (Crotty, 1998). Methodology refers to the strategies and processes used to investigate research questions (Guba and Lincoln, 1994).

Each of the scientific paradigms, summarised in Table 3.1, are explained below.

### 3.2.1 POSITIVISM

Positivism assumes a naive realist ontology in which a single, mind-independent reality is discoverable through observation and measurement. Epistemologically, it adopts a dualist, objectivist stance that separates knower and known and aspires to law-like, generalisable truths. Methodologically, it privileges experimental and manipulative designs that control variables, test hypotheses and emphasise prediction, replication and statistical inference. Saunders, Lewis & Thornhill (2019) describes this stance succinctly: "This entails working with an observable social reality and the end product can be law-like generalisations similar to those in the physical and natural sciences." (p. 159).

### 3.2.2 POSTPOSITIVISM

Postpositivism retains realism but shifts to a critical-realist ontology in which knowledge is fallible and only approximate. Its epistemology is a modified objectivism that treats knowledge claims as fallible, warranting them through community critique, triangulation and the search for disconfirming evidence. Methodologically it retains experimental logics while broadening tactics via



critical multiplism and mixed evidence, combining quantitative and qualitative strategies to strengthen plausibility and robustness(Guba and Lincoln, 1994).In Creswell's synthesis, the postpositivist worldview emphasises determination, reductionism, empirical observation and measurement, and theory verification (Creswell & Creswell, 2018).

### 3.2.3 CRITICAL THEORY

Critical approaches advance a historical-realist ontology in which what is taken as reality is shaped and sedimented by power, ideology and material conditions over time. Epistemologically they are transactional and value-mediated, producing knowledge through reflexive, dialogic critique that unmask distortion and domination. Methodologically they employ dialogic and dialectical procedures oriented to emancipation and praxis.

### 3.2.4 CONSTRUCTIVISM

As indicated by Creswell & Creswell (2018): "Social constructivists believe that individuals seek understanding of the world in which they live and work." (p.35). Constructivism advances a relativist ontology in which multiple, local realities are socially and culturally constructed (Guba and Lincoln, 1994). Its epistemology is transactional and subjectivist, viewing meanings as co-created by researchers and participants through interaction and reflexivity rather than discovered as fixed entities. Methodologically it relies on hermeneutic and dialectic cycles of engagement, comparison and interpretation, emphasising thick description, credibility and negotiated understandings within context.

Table 3.1 Basic beliefs and methodological orientations (adapted from Guba & Lincoln, 1994, Table 6.1, p.109)

Paradigm	Ontology	Epistemology	Methodology
Positivism	Naive realism: a single, apprehendable reality exists independent of the knower.	Objectivist: the knower and the known are separate; findings can be true.	Experimental/manipulative; hypothesis testing; control of variables; verification; predominantly quantitative.
Postpositivism	Critical realism: reality exists but is imperfectly and probabilistically apprehendable.	Modified dualist/objectivist: findings are probably true; inquiry proceeds via critical community and triangulation.	Modified experimental/manipulative; critical multiplism; emphasis on falsification; often mixed methods.
Critical theory et al.	Historical realism: "realities" are shaped and crystallised by social, political, cultural, economic, ethnic and gender factors.	Transactional/subjectivist: value-mediated, participatory understanding through critique and reflexivity.	Dialogic/dialectic; emancipatory critique; transformative inquiry and praxis.
Constructivism	Relativism: multiple, locally and specifically constructed realities.	Transactional/subjectivist: findings are created through interaction between researcher and participants.	Hermeneutic/dialectic; iterative interpretation, comparison and negotiation of meanings.

Additionally, understanding the relationship between research paradigms, research approaches, and research methods is critical. As illustrated in Figure 3.1 (Creswell and Creswell, 2017, p. 53), the research paradigm (e.g., positivism, social constructivism, pragmatism) serves as the philosophical foundation that guides the entire research process. It shapes not only the overarching worldview of the study but also directly influences the choice of research approach, design, and methods.

Research approach is positioned at the centre of the research framework because it serves as a critical logical connector connecting the research paradigm, design, and methods. First, it aligns with the research paradigm by reflecting the philosophical stance of the researcher, whether qualitative, quantitative, or mixed. Second, it shapes the research design because the choice of approach directly determines the appropriate design type. For instance, a qualitative approach typically leads to case studies or ethnographies, whereas a quantitative approach may involve experiments or surveys. Third, it informs the selection of research methods by determining how

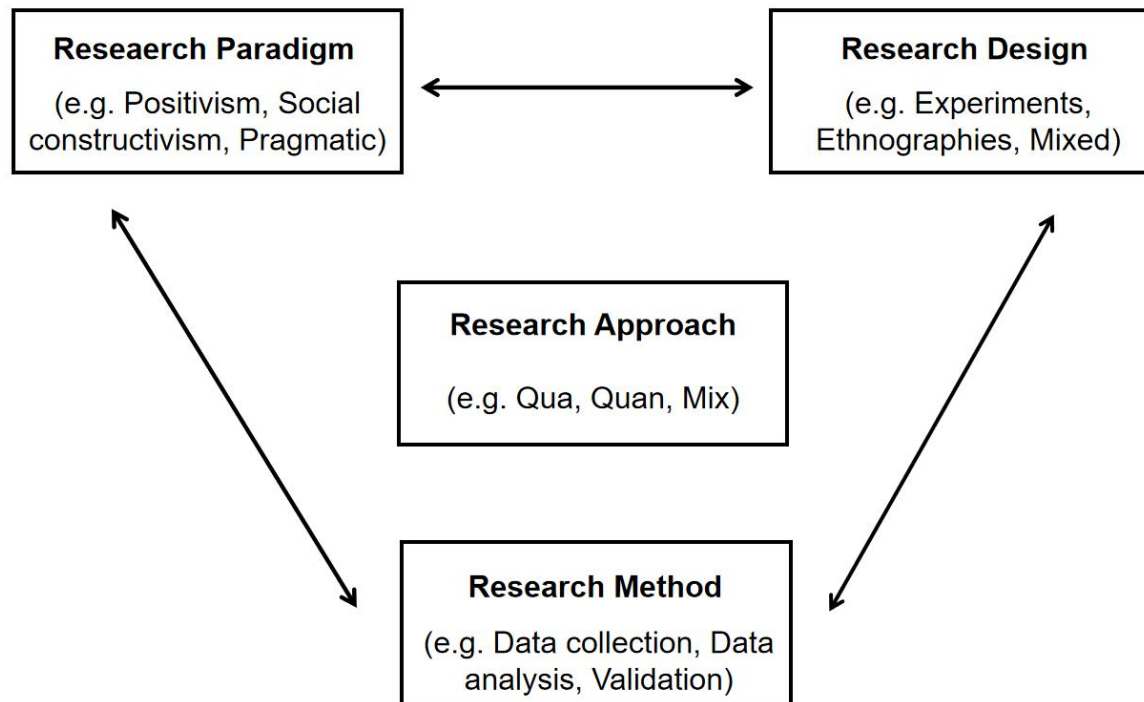
data will be collected, analysed, and validated. Thus, Research approach plays a pivotal role in ensuring coherence and logical flow throughout the research process.

Building on the research approach, the research design operationalises these choices into a coherent plan that specifies how the research will be conducted. This includes determining the overall structure, sequencing of research activities, and integration of various components such as participants, settings, and timeframes. Finally, research methods represent the most concrete level, involving the specific techniques for data collection, analysis, and validation (e.g., interviews, surveys, thematic analysis, statistical tests).

Therefore, the arrows in Figure 3.1 highlight the dynamic and reciprocal relationships between these components. While the research paradigm fundamentally informs and shapes the subsequent levels, the choices made at the level of design and methods must also remain aligned with and reflective of the paradigm. This interconnected framework ensures internal consistency and philosophical congruence across all elements of the research process.

Figure 3. 1 Adopted Framework of Research Approach, Philosophy Paradigm, Research Design, and Research Methods

(Creswell and Creswell, 2017, p. 53)

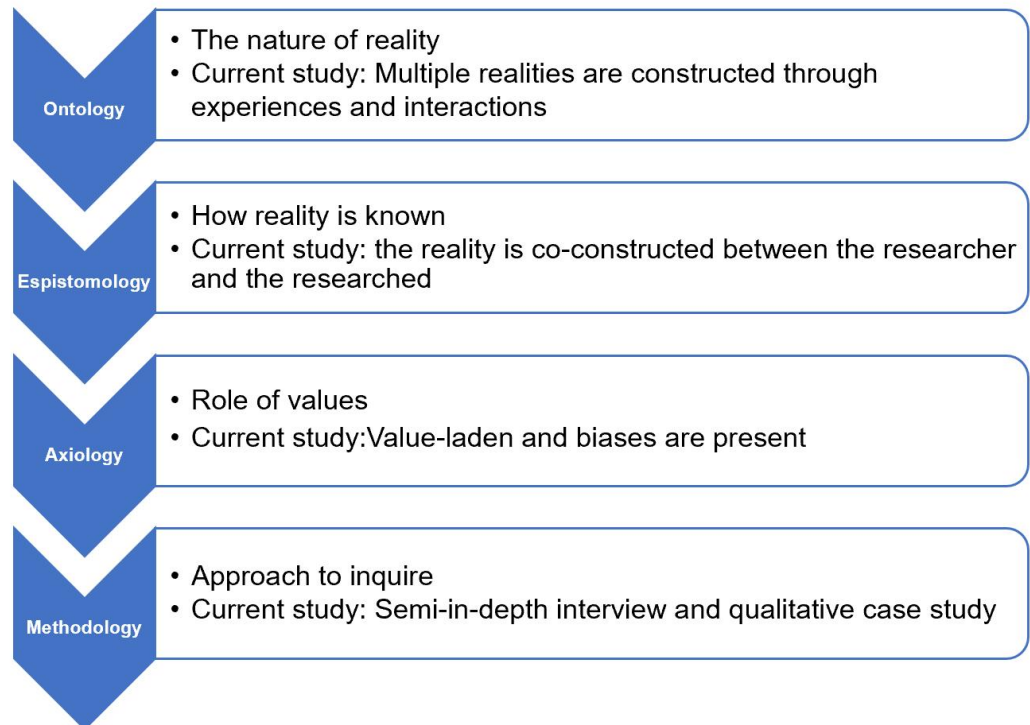


### 3.2.5 JUSTIFICATIONS FOR THE USE OF SOCIAL CONSTRUCTIVISM

Building upon this framework, the current study follows a constructivist paradigm, which best addresses the complex and socially embedded nature of community governance and corporate sustainable development. To further articulate this, the ontological, epistemological, axiological, and methodological stances of this study are summarised in Figure 3.2 (Creswell and Poth, 2016), highlighting the interconnected philosophical foundations of the research. The suitability of social constructivism research paradigm is explained.

Figure 3. 2 Illustration of the Research Paradigm

(Adapted from Creswell and Poth, 2016)



### 3.2.5.1 WHY A SOCIAL CONSTRUCTIVISM STANCE

For this research, a constructivist ontological perspective is adopted which recognises that multiple realities are socially constructed through lived experiences and interactions. This view rejects the notion of a single, objective reality and instead emphasises the pluralistic and context-dependent nature of governance and sustainability. Community governance and corporate sustainability in CPMCs are shaped by diverse sociocultural, political, and economic contexts, highlighting the dynamic and co-constructed nature of reality.

Unlike the objectivist epistemology, which assumes that knowledge exists independently of human experience, constructivism recognises that knowledge is shaped by social, cultural, and historical contexts. In this study, the researcher acknowledges that knowledge is inherently subjective and context-specific, as it emerges through interactions between the researcher and the researched. This epistemological stance informs the use of qualitative methods, such as interviews and thematic analysis, to explore how actors in community governance and corporate sustainability construct and negotiate meaning.

Axiology addresses the role of values and ethics in research. Qualitative research, particularly within a constructivist paradigm, recognises that research is inherently value-laden, with the researcher's biases and ethical considerations influencing every stage of the process (ARC, 2015; Finnis, 2011). This study acknowledges and embraces the presence of biases, ensuring that they are transparently addressed and ethically managed. It also prioritises the creation of meaningful value for stakeholders by respecting individual perspectives and collaboratively negotiating shared meanings.

In alignment with its constructivist paradigm, this study employs a qualitative methodology, using methods such as semi-structured interviews and case studies. These methods allow for an in-depth exploration of the subjective experiences and contextual factors that shape community governance and corporate sustainable development. The abductive approach adopted in this study aligns with its social constructivist paradigm, ensuring that findings emerge from the data while being interpreted through existing theoretical frameworks and literature. Rather than being purely

derived from empirical observations, this approach integrates theoretical reasoning to bridge gaps in the data, allowing for a more context-sensitive and co-constructed understanding of the findings.

### 3.2.5.2 JUSTIFYING CONSTRUCTIVISM OVER COMPETING PARADIGMS

Within a social constructivist perspective, knowledge is not discovered as an objective reality but constructed through interactions, interpretations, and contextual influences. The abductive approach reflects this by ensuring that, while findings are grounded in respondent insights, their meaning is further shaped through engagement with institutional theories and prior literature. This is particularly relevant in the discussion stages, where limited empirical data are combined with theoretical reasoning to generate plausible explanations for how different types of CPMCs navigate and respond to institutional pressures, contradictions, and governance roles.

The extant literature on community governance and corporate sustainable development demonstrates the adoption of multiple research paradigms and methodological approaches. Broadly, three main paradigms are prevalent in this field: positivism, interpretivism, and constructivism, each of which influences the choice of research methods.

Using a positivist perspective, quantitative methods such as statistical analysis and modelling have been widely used to examine community governance. Zhang, Wang and Deng (2023) used quantitative methods, specifically an evolutionary game model and numerical simulations, to analyse how government regulations, market incentives, and consumer awareness shape resilient communities in China. In the realm of corporate sustainable development, positivist approaches have been utilised to explore the impact of corporate practices on measurable outcomes. For example, Albuquerque, Koskinen and Zhang (2019) developed an industry equilibrium model and employed panel regressions and instrumental variable techniques to empirically assess the relationship between corporate social responsibility, systematic risk, and firm value.

In contrast, interpretivist and constructivist paradigms have driven qualitative methodologies to explore the subjective and contextualised nature of governance and sustainability. Zhang, Zhao and Dong (2021), for example, employed qualitative methods such as participatory observations and in-depth interviews to investigate how street-level bureaucrats in China navigate institutional contexts and leverage personal qualities to act as policy entrepreneurs in flexible community



governance. Similarly, Kantabutra and Ketprapakorn (2020) utilised qualitative case studies to develop an integrated corporate sustainability theory, exploring and validating theoretical propositions while ensuring external validity and practical applicability.

While positivist approaches have contributed valuable insights into community governance and corporate sustainability, they face significant limitations when addressing the complexity and context-specificity of these phenomena. In the context of community governance, positivist methodologies often fail to capture the intricate social and political dynamics shaping governance processes. By focusing narrowly on measurable indicators, these approaches risk overlooking power relations and excluding the diverse experiences and voices of community members (Cleaver, 2001; Cooke and Kothari, 2001). Consequently, they may inadequately address the nuanced and evolving realities of community governance.

In corporate sustainability, similar critiques arise. Positivist metrics have been criticised for their inability to engage with the broader ethical, social, and cultural dimensions of sustainability. While quantitative indicators can measure environmental and economic sustainability performance, they often fail to account for subjective, normative, and context-dependent aspects of social sustainability (Tseng *et al.*, 2021). Scholars argue that corporate sustainability is embedded in institutional, cultural, and stakeholder-driven dynamics that require interpretive approaches to fully comprehend (English and Nielsen, 2022). Without such approaches, corporate sustainability risks being reduced to a compliance-based, externally validated process rather than a substantive transformation towards sustainable business models (Karami, Ghiasvand and Hematfar, 2023). For instance, Boiral (2013) argues that many sustainability reports merely present façades of compliance, offering little insight into genuine sustainable practices. Adams and McNicholas (2007) highlight that positivist approaches often neglect organisational accountability and transformative change, while Cho *et al.* (2015) critique the prevalence of “organised hypocrisy,” where reported sustainability practices are inconsistent with actual behaviours. Moreover, Boiral, Heras-Saizarbitoria and Brotherton (2020) emphasise the challenges associated with applying positivist frameworks to culturally sensitive contexts, such as indigenous community engagement in the extractive industry, where context-specific and socially embedded factors play a critical role.

### 3.2.5.3 SUITABILITY IN CONTEXT: CHINESE COMMUNITY GOVERNANCE AND CPMCS

Community governance is a social process that emerges from the dynamic interactions of diverse stakeholders, including government officials, community workers, property management personnel, and residents. As noted by Sun (2019), “Community governance is not an isolated container but is embedded within the broader urban governance context” (p. 55). This view stress that governance models are shaped by broader sociopolitical and economic structures and are constructed through interactions and negotiations between various actors. Social constructivism provides a suitable framework for understanding community governance, as it focuses on how shared meanings and social realities are co-constructed through these interactions.

In the context of China, community governance involves multiple actors, including LSO, RC, basic-level CPC branches, Homeowners’ Committees, and CPMCs. These actors engage in collaborative efforts to address complex community challenges, such as resource allocation, policy implementation, and decision-making (McKieran, Kim and Lasker, 2000; Totikidis, Armstrong and Francis, 2005). The polycentric cooperative model of governance in urban China reflects the dynamic and heterogeneous interactions among these actors, highlighting the socially constructed nature of governance models.

Social constructivism emphasises the relational and contextual aspects of community governance, recognising that governance processes are shaped by the values, biases, and ideologies of participants, which are influenced by China’s history, culture, political environment, and technological advancements (d’Angelo and Brunstein, 2017). For example, governance practices often involve access to resources, power-sharing, the devolution of decision-making, and negotiations among community members (Frumkin, 2020; Zhang, Zhao and Dong, 2021). These practices produce multiple, sometimes conflicting, social realities, making social constructivism an essential lens for capturing the complexities of community governance.

Corporate sustainable development, like community governance, is a socially constructed phenomenon shaped by the interactions and negotiations of stakeholders. Sustainable development involves aligning environmental, social, and economic objectives within organisational strategies. From a constructivist perspective, sustainability is not a fixed or universal concept but is

shaped by the specific sociocultural, institutional, and market dynamics in which organisations operate (Nielsen and Farrelly, 2019).

In the property management industry, CPMCs navigate competing priorities and stakeholder expectations to construct shared understandings of sustainability. This process reflects the principles of social constructivism, which emphasise the role of interactions, interpretations, and shared values in shaping organisational practices. For example, CPMCs may engage with residents, local governments, and other stakeholders to align their sustainable practices with the needs and expectations of their communities.

As indicated by Toma (2011), social constructivism focuses on local and relative reality. The aim of this research is to investigate the relationship between community governance and corporate sustainable development in the context of the property management industry in China. According to Robinson (2004), sustainable development should not be thought of as a singular notion, or even as a collection of concepts. Instead, it is better viewed as a strategy or method of community-based thinking that highlights the necessity of integrating environmental, social, and economic challenges from a long-term perspective. Sustainable development brings together key concepts such as economy, society, environment, futurity, equity, and participation within a shared framework of meaning (Gladwin, Kennelly and Krause, 1995). Sustainable development also involves the co-construction of meanings and practices. As Guba and Lincoln (1994) note, social constructivism highlights the relational and subjective nature of knowledge, which is shaped by the interactions of diverse actors. In this research, the sustainable development of CPMCs is conceptualised as the dynamic alignment of environmental, societal, and economic performance with professional property management services. This reflects the constructivist view that sustainability is not a fixed or universal concept, but is shaped by the sociocultural, economic, and institutional contexts in which it operates. As society's expectations and values evolve, our understanding of corporate sustainability within CPMCs also shifts, expanding beyond the traditional focus on preserving material resources and property value to encompass broader considerations. These include the need to balance environmental stewardship, practice social responsibility, and demonstrate economic viability. This ongoing negotiation and reshaping of meaning occur through the exchange of material and symbolic resources among stakeholders,

highlighting the role of CPMCs in navigating these complexities and integrating diverse perspectives to achieve sustainable outcomes.

From an epistemological and ontological standpoint, constructivism can be linked to the individual level and the social dimension. Realities are socially produced, built on (inter-)subjective norms and values, and experienced subjectively. In addition, decisions are “negotiated” through interactions. Constructionist components in a decision-making context may be linked to internal negotiations within a corporation about how to allocate resources and time, as well as the values of companies, employees, and society. (Osei-Kyei *et al.*, 2017; Vildåsen, Keitsch and Fet, 2017). Social and environmental values are frequently treated as a single concept (often as “corporate social performance”) in positivist-based studies. In contrast, for constructivists, people, groups, neighbourhoods, organisations, institutions, societies, and even the natural environment are generally thought of as valid or potential stakeholders (Vildåsen, 2018). In terms of corporate sustainability, corporations develop their own understanding of how corporate sustainability could be achieved. From a social constructivism viewpoint, the sustainable development of CPMCs can be seen as a complex process of meaning making, shaping, influencing, or constituting actions (Nielsen and Farrelly, 2019).

#### 3.2.5.4 COMPLEMENTING CONSTRUCTIVISM WITH NIT

NIT complements the social constructivist paradigm by emphasising the socially constructed nature of institutions and their influence on actors’ behaviours and strategies. Institutions are defined as “shared meanings, understandings of routine patterns of behaviour (including language, symbols) that individuals come to experience as having a reality that is external to them” (Berger & Luckmann, 1966, p. 54). This perspective aligns with the constructivist view that social realities are co-constructed through interactions and shaped by cultural, historical, and institutional contexts.

Hirsch and Lounsbury (1997) argue that NIT has shifted from focusing on agency to examining the structural embeddedness of actors within institutional fields. These fields are governed by norms, rules, and expectations that guide actors’ behaviours and strategies. For example, CPMCs operate within institutional environments shaped by regulatory, normative, and cultural-cognitive pressures (DiMaggio and Powell, 1983; Scott, 2001). These pressures influence how CPMCs interpret institutional logics and adapt their practices to meet societal expectations.

Field-level disruptions, such as social upheavals or technological advancements, create opportunities for actors to reinterpret institutional logics and introduce new practices (Greenwood, Suddaby and Hinings, 2002). The COVID-19 pandemic, for instance, has highlighted the evolving role of CPMCs in community governance. By adopting smart technologies, CPMCs have improved management efficiency, enhanced communication with stakeholders, and increased customer satisfaction. These innovations illustrate how institutional contexts drive organisational adaptation and change.

NIT also highlights the dynamic interaction between actors and their environments. Actors leverage their social positioning to navigate institutional pressures and engage in meaning-making processes, integrating diverse perspectives on sustainability and fostering collaboration among stakeholders (Emirbayer and Mische, 1998; Glynn, 2020; Glynn and D'aunno, 2023). This dynamic aligns with the constructivist emphasis on the co-construction of reality, making NIT a valuable complement to the social constructivist paradigm.

Furthermore, as a lecturer in a property management department, my sense of CPMCs' role in community governance and sustainability has likely been affected by my life experiences and engagement in the study, which may influence the experiences of others. According to Ozuem, Willis and Howell (2022), through hermeneutic interpretation, "the researcher tries to understand a text and data by finding the meaning intended by the participants... However, each individual is caught up in their own horizon and given preconceptions, which indicates that research can never be completely free of preconceptions and past experience" (p. 5). From a social constructivist perspective, I perceive reality as a construct of mental creations built on shared social and experiential knowledge. While this reality is local and specific, it is often collectively understood across different individuals. My role as a researcher involves interpreting the meanings of participants' behaviours, language, and other forms of data in light of the relevant literature. This process acknowledges the co-construction of meaning between the researcher and participants and requires reflexivity regarding how my life experiences, as well as those of other respondents, shape and reshape the research findings (Guba and Lincoln, 1994). This reflexive approach

ensures that the study remains grounded in a nuanced understanding of the interplay between individual and collective realities.

## 3.3 RESEARCH APPROACH

### 3.3.1 RATIONALE FOR A QUALITATIVE APPROACH

To conduct a thorough investigation into the impact of community governance on the sustainable development of CPMCs, the current study adopts a qualitative research approach for several compelling reasons. Unlike quantitative methods, which rely heavily on statistical analysis, qualitative research focuses on observational and dialogic exploration, offering deeper insights into participants' lived experiences and perspectives (Denzin, 2011). As Clark and Creswell (2008) highlight, qualitative research employs theoretical frameworks to address social problems. It involves collecting data in natural yet sensitive settings and generates patterns or themes to provide a nuanced understanding.

In this study, the attitudes, beliefs, and opinions surrounding corporate sustainability and community governance are examined using the voices of respondents within the context of China's property management sector. The study aims to investigate perceptions and lived experiences of the role of CPMCs in community governance, and the effects of such participation on corporate sustainable development. While quantitative research often places the researcher in the position of directing the inquiry, qualitative research forms interpretations based on the perspectives of participants (Bryman, 2007). This study incorporates the viewpoints of diverse actors, including officials of LSO, members of RC, CPMCs, residents, industry association staff, and property management experts. By weaving these perspectives together, the study aims to create a "fabric" of meaning that co-constructs and explains the phenomenon. As Clark and Creswell (2008) note, qualitative research is akin to an intricate fabric composed of diverse threads, colours, and textures, representing the richness and complexity of human experiences.

Quantitative research often seeks to examine objects and phenomena objectively, maintaining a detached and uninvolved stance. Conversely, qualitative researchers actively engage with participants to authentically understand the world through their perspectives (Bryman, 2007). This

interactive approach is essential for uncovering the complex realities of community governance and corporate sustainability. The current study's axiology reflects its value-laden nature, leveraging the researcher's shared Chinese cultural background and professional experience in property management to enhance understanding of participants' perceptions.

Flyvbjerg (2006) critiqued the limitations of social science in producing general, context-independent theories, arguing that social research is better suited to generating concrete, context-dependent knowledge. This study aligns with that view by focusing on learning based on intricate, context-specific interactions between CPMCs and their stakeholders. These interactions are influenced by varied sociopolitical, economic, and historical factors, resulting in shared yet diverse constructions of meaning (Ragin and Becker, 1992).

The diversity of perspectives among stakeholders in community governance further justifies the need for a qualitative approach. In the Chinese context, economic development disparities across regions create variations in housing prices and property management fees, leading to differing levels of service quality and governance engagement among property firms. These regional differences shape the motives, impacts, and roles of CPMCs in community governance, resulting in diverse perspectives among stakeholders (Wang & Zhang, 2022).

Similarly, scholars, industry associations, and property managers hold differing views on the impact of community governance on the sustainable development of CPMCs, reflecting variations in professional backgrounds, institutional experiences, and strategic priorities (Naciti, Cesaroni & Pulejo, 2022). Such differences are shaped by political, social, and educational factors, which cannot be fully captured through structured, pre-defined quantitative measurements (Creswell & Poth, 2018). Given this complexity, a qualitative research design enables a deeper exploration of the institutional processes, strategic responses, and contextual influences shaping CPMCs' engagement in community governance and corporate sustainability.

Qualitative research focuses on understanding participants' perspectives to construct a holistic and context-sensitive interpretation of a phenomenon. This involves presenting multiple viewpoints, recognising the interplay of various factors, and situating findings within a broader, evolving context

(Creswell and Clark, 2017). Unlike quantitative research, which employs deductive reasoning and established theories to structure data collection, qualitative research allows for a more flexible and iterative exploration of theoretical concepts (Bryman, 2007).

### 3.3.2 LOGIC OF INQUIRY: ABDUCTIVE REASONING

This study adopts an abductive approach, which integrates empirical observations with existing theoretical frameworks to develop reasoned explanations (Dubois & Gadde, 2002; Timmermans & Tavory, 2012). While NIT and the TBL framework offer valuable insights, no single theory fully encapsulates the complexities of CPMCs' institutional dynamics. Instead of relying on deductive reasoning, which tests existing theories and formulates hypotheses to identify causal relationships, this study iterates between empirical data, theoretical concepts, and analytical frameworks.

Through this abductive process, findings emerge from the data while being interpreted in light of relevant literature, ensuring that empirical insights are contextually grounded and theoretically informed. This iterative approach bridges gaps in existing knowledge by allowing new conceptual understandings to develop dynamically, rather than being imposed solely through pre-existing theoretical structures. In this way, the study maintains alignment between primary data and theoretical interpretations, offering a nuanced and reflexive understanding of CPMCs' role within community governance and corporate sustainability.

Based on social constructivism, qualitative research is useful for this study to explore the dynamic and diverse perspectives of CPMCs in community governance, and their influence on corporate sustainability. It acknowledges the existence of multiple truths and knowledge, focusing on the credibility and trustworthiness of findings rather than generalisability. Unlike the static relationships emphasised in quantitative research, qualitative methods look at contextualised attitudes, beliefs, and perceptions, providing "richer" and "deeper" data through intense field engagement (Kuhn, 1970).

Moreover, qualitative research prioritises the identification of the root causes and effects of issues over merely describing their symptoms or frequency. This approach can uncover the



intricate interplay of factors shaping the roles and impacts of CPMCs in community governance, offering nuanced insights that quantitative methods may overlook.

### 3.4 RESEARCH METHODOLOGY: CASE STUDY

The definition and application of case study research varies significantly across disciplines and fields of research. Stake (2005) posits that case study research is not a methodology, but a choice about what is to be studied, whereas others conceptualise it as a form of empirical inquiry (Yin, 2018), a methodology (Denzin and Lincoln, 1996), a research strategy (Eisenhardt, 1989), and a form of reporting (Wolcott, 2002). In the social and behavioural sciences, the terms “case study” and “case” lack a universally agreed definition, and their interpretations and uses vary widely (Denzin *et al.*, 2017).

In this thesis, the case study is adopted as a research methodology. Yin (2009) defines a case study as “an empirical inquiry that investigates a contemporary phenomenon in-depth and within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident” (p. 18). This definition aligns well with the objectives of this research. The absence of extensive research or published studies on similar cases necessitates an in-depth exploration of this phenomenon within its institutional environment and through its interactions with various actors.

A case study approach is particularly suited for investigating how CPMCs leverage their social positions, networks, and resources to navigate the institutional field of community governance. It facilitates an examination of their interactions with diverse actors, and their responses to the complexities of community governance across various regions in China. As Yin (1994) highlights, case studies do not isolate phenomena from their contexts, but instead “emphasise the rich, real-world context in which the phenomenon occurs” (p. 3). This contextual understanding is crucial for exploring the complex relationship between the agency of CPMCs and the institutional structures they operate within.

Case study research further provides a platform for capturing the contextualised actions and perspectives of diverse actors. As Ozuem, Howell and Lancaster (2008) argue, the contextualised

nature of case study research enables the clear articulation of “the voice of experience” (p. 222), offering deeper insights into the meaning of phenomena. By interrogating these perspectives, this study exposes the rich and dynamic interplay of institutional and actor-level factors in shaping CPMCs’ participation in community governance.

This study adopts a multiple-case study (Yin, 2018; Eisenhardt, 1989). As Sjöberg et al (1991) note, the unit of analysis could be “an individual, a community, an organisation, a nation-state, an empire or a civilisation”. The unit of analysis is the organisation (CPMC). The spatial boundary comprises selected provinces in East and Southeast China where CPMCs actively collaborate with local governance actors. Bounding the case in this way ensures that observations are comparable while preserving contextual richness.

Moreover, Christensen (1987) argues that context-independent theories alone cannot develop expertise or facilitate meaningful applications. Intimate knowledge of numerous concrete cases forms the foundation of expert activity. This resonates with the centrality of case studies as both a research and teaching method. By providing vivid and dynamic case-based insights, this research seeks to contribute, not only to academic knowledge but also to practical knowledge to benefit students, researchers, and practitioners. Through the use of case study methodology, the research aspires to transform understanding and practice in the field of community governance and corporate sustainability, particularly in the context of CPMCs in China.

The first stage in writing a case study is to provide a “complete overview of the case” (Ozuem, Howell, K & Lancaster, 2008, p. 222). This study defines the case based on Yin’s (1994) approach, which involves outlining the questions the case study aims to address (p. 20). The first research question is: “What role do Chinese CPMCs play in community participation in China?” This study aims to explore the perspectives of various actors regarding the current state of community governance in China. It looks at the interactions among different participants in community governance, and examines the present conditions and challenges faced by CPMCs in this context.

The second research question is: “What business practices do CPMCs employ to enhance corporate sustainable development performance?” This question seeks to understand the attitudes,

beliefs, and viewpoints of participants on corporate sustainable development, considering the resources, market competitiveness, and diverse strategies. Building on the institutional entrepreneurship and TBL frameworks, this study explores the sustainable business practices adopted by CPMCs as outcomes of their entrepreneurial efforts, aiming to balance economic, social, and environmental dimensions, and to address institutional pressures and contradictions.

The third research question is: “How does participation in community governance influence the sustainable development of CPMCs?” While NIT and the TBL framework provide partial insights into the practices and issues of CPMCs in community governance and sustainable development, no existing research or theory fully addresses this question. This question specifically considers the pathways through which participation in community governance influences CPMCs’ sustainable development strategies and outcomes. This includes examining how these companies leverage their professional expertise and practical engagement in community governance to achieve sustainable goals. It highlights the distinctive and professional role of CPMCs in community governance and examines the differential impacts of governance participation on corporate sustainability across various types of CPMCs. Consequently, this question aims to develop a theoretical framework to explain the phenomenon. An exploratory case study design was chosen to refine existing theories and expand knowledge about community governance, corporate sustainable development, and property management.

Myers (2019) states that case study research uses empirical information from real people working in real-world organisations. For this study, participants were recruited specifically to explore their personal experiences and accounts of community participation and sustainable business in China. A case study approach is well-suited to acquiring a holistic and deep perspective of local, real, and complex stories (Yin, 2018). According to Simons (2009), as the topic is relatively new, exploratory case studies can provide in-depth exploration from multiple perspectives in a real-life context, with inclusive data and evidence. This research adopts a case study approach to examine sustainable business practices and community participation across diverse companies and contexts, while also exploring managerial capabilities and the challenges faced by these companies (Eisenhardt and Graebner, 2007; Yin, 2009).

Given the interpretive nature of this study, I conducted each stage of the research process to ensure a nuanced understanding of institutional complexities and stakeholder perspectives, ensuring methodological consistency and analytical depth. I have professional experience in the area being studied and drew on this experience throughout the research process. Additionally, sharing a similar cultural background with the interviewees meant that I had a firm grasp of the cultural traits of Chinese property managers and other community governance stakeholders. I personally conducted the interviews and completed the subsequent data analysis.

According to Ravitch and Riggan (2016), purposive sampling enables the generation of context-rich and comprehensive narratives of specific populations and localities. To ensure valid findings for a coherent analysis of the phenomenon, inclusion and exclusion criteria were developed as outlined in Table 3.2. In-depth interviews were undertaken to collect data. Interview participants were selected through purposive sampling, which revealed rich information about perceptions of the phenomenon. 36 in-depth interviews were undertaken with major stakeholders of this topic, including CPMC managers, RC members, LSO officials, industry association staffs, experts, residents. CPMC managers are key actors in community governance and corporate sustainability. Representatives from RC and LSO directly serve and participate in community governance alongside CPMCs, with many responsibilities and boundaries overlapping. Industry experts and staffs from industrial associations, acting as liaisons between the government and CPMCs, provide professional advice to policymakers while collecting data and feedback from CPMCs. These experts, often with research experience in related fields, offered constructive perspectives for this research. Additionally, representative residents (property owners or tenants) were invited to share their insights. All interviews lasted between 30 and 60 minutes, and were audio recorded.

The interview materials included digital audio recordings totalling approximately 25 hours. When carrying out qualitative research, investigations focus on small-scale data compared with the kinds of large-scale datasets used in quantitative research (Bryman, 2007). While some may argue that small-scale perception data is insufficient to capture multiple realities, generalisation is not the primary goal of case study research. As Flyvbjerg (2006) states, “formal generalisation is

overvalued as a source of scientific development, whereas ‘the force of example’ is underestimated” (p. 228). Furthermore, “it depends on the case one is speaking of and how it is chosen” (p. 225).

### 3.5 PILOT STUDY

The primary goals of a pilot study are to assess the feasibility of the research design, identify potential issues, and implement necessary adjustments before conducting the main study. This process helps improve the interview questions, ensures their clarity, and evaluates the effectiveness of the data collection techniques (Yin, 2018). Although I discussed the research design and interview questions with my supervisor, several critical concerns emerged while reflecting on the research strategy. These included the possibility that participants might not understand the interview questions, that the questions might lead them in unintended directions, that unexpected issues could arise during the interviews, and that the questions might be unsuitable for the research objectives, failing to elicit detailed and meaningful responses. Consequently, a pilot study was deemed essential to address these concerns (Marshall and Rossman, 2014; Saunders, Lewis and Thornhill, 2009).

Predetermined criteria were applied to select participants for the pilot study. Managers were required to be at or above the middle management level in CPMCs, highly experienced in property management with more than five years of experience in the field, and from CPMCs that clearly stated corporate sustainable development as one of their key strategies or regularly disclosed relevant information on their sustainable development initiatives. These criteria ensured that participants in the pilot study met the same standards as those selected for the main study. The pilot study was conducted in May 2023, and the participants underwent the same procedures planned for the main study.

The pilot was designed to pre-test the questions: to verify comprehension across stakeholder groups, alignment with urban community governance, ability to elicit episode-based evidence, and neutrality of wording before the main study. The step-by-step process were listed as follows:

(1).Question drafting. I derived a draft guide from the RQs and sensitising concepts (community governance roles, institutional pressures, sustainability practices/outcomes). For each RQ I mapped topics, stems and probes (who/when/where/evidence).

(2).Internal review. Supervisors reviewed for coverage, sensitivity and burden; minor edits produced pilot version.

(3).Ethics & protocol. After clearance, I fixed a standard procedure (scripted invitation, consent, warm-up, four topic blocks, summary check, debrief, recording/transcription).

(4).Pilot sampling. I recruited 3 participants (two CPMC managers; one resident) who met preliminary criteria and mirrored main-study roles to maximise learning on wording.

(5).Pilot delivery. Each session followed the protocol. I embedded brief cognitive-interviewing checks (think-aloud: “in your own words, what is this question asking?”) on selected items.

(6).Immediate debrief. Right after each interview we logged timing, points of confusion, and suggestions; participants were asked whether any wording felt technical, leading, or off-scope.

(7).Pilot analysis. I assessed five criteria: (i) clarity; (ii) episode yield (did answers include who/when/where?); (iii) neutrality (social desirability risk); (iv) recall burden; (v) flow and fatigue.

(8).Decisions & revision rules. If  $\geq 1$  pilotee misunderstood a construct or produced off-scope material, I would add a primer or screening rule; if answers stayed at attitude level, I would rewrite stems to episode-first with concrete probes; any evaluative phrasing would be neutralised.

(9).Edits and version freeze. Following the rules above I revised and froze the guide for the main study.

Specifically, during the interviews, when discussing issues related to participation in community governance and the sustainable development of CPMCs, both managers provided

examples of their companies' various support projects for "revitalising the countryside." These projects included aiding rural development through initiatives such as helping farmers find employment, establishing sales channels for agricultural products, renovating and constructing village houses, and facilitating communication platforms between village leaders and corporate managers with various stakeholders. While these initiatives demonstrated active engagement with different stakeholders and their efforts toward sustainable development, they were not directly related to urban community governance. In China, rural management and urban community governance differ significantly in terms of institutional settings, economic foundations, political backgrounds, and demographic characteristics. These responses extended beyond the original scope of the study and introduced unexpected issues during the interviews.

In terms of the resident representative, although he had experience of interacting with CPMCs, he had not meaningfully engaged with other stakeholders, such as the RC and LSO. In addition, he did not understand community governance, or the roles and functions of property companies. As a result, he was unable to provide personal insights that were relevant or useful for this research. Following the pilot study, additional criteria were established as follows: the CPMCs had to have actively participated in urban community governance in China, and resident representatives had to have experience of interacting with CPMCs as well as other stakeholders (e.g., RC and LSO). They also had to have some insight into community governance, the roles and responsibilities of CPMCs, and their contributions to sustainable development.

Instrument changes and rationale (from pilot to final guide). Before launching the main study, the following revisions were implemented (Table 3.2).

Table 3.2 Instrument changes and rationale (from pilot to final guide)

Pilot issue observed	Evidence	Change to guide	Rationale	Expected impact in main study
Scope drift to rural initiatives	Pilot manager interviews referenced rural revitalisation	Added urban context primer at interview start; clarified “community governance (urban)” scope; added screening criterion “verifiable urban governance projects”	Keep phenomenon in-scope	Fewer off-scope narratives; higher relevance of examples
Resident lacked RC/LSO interaction	Pilot resident lacked episode-level contact	Resident inclusion rule: must have interacted with both CPMC and RC/LSO.	Ensure informant adequacy	Richer, multi-actor accounts from residents
Abstract answers	Hesitation; generalities	Rewrote stems to episode-first prompts; added probes (“last time... who/when/where...?”) across groups.	Shift from opinions to practices	More traceable events
Risk of leading phrasing	Social desirability cues	Neutralised evaluative wording; added contrast probes (“some say... others argue... how does this play out here?”)	Reduce interviewer influence	More balanced accounts



Further justification of the selected data sample is presented in the next section.

### 3.6 SAMPLE SELECTION

The question "What is this a case of?" is crucial for researchers employing case study approaches. According to Denzin *et al.* (2017), "a case is an instance, incident, or unit of something and can be anything—a person, an organisation, an event, a decision, an action, a location like a neighbourhood, or a nation-state" (p. 600). Swanborn (2010) further outlines that cases can be identified at the macro (communities, democracies, societies), meso (organisations, institutions), or micro (persons and interpersonal relations) levels, involving either a single actor or multiple players. In this study, the case comprises empirical units, namely CPMCs, as the research population. The aim is to generate a deep understanding of how and why engaging in community governance affects the sustainable development of CPMCs within a real-life context (Yin, 2003).

The sampling procedure played a key role in this study, as coherent case selection is fundamental to the rigour of case study research. Generalisation is often considered a challenge for case studies, but as Ragin and Becker (1992) and Rosch (1978) argue, the generalisability of case studies can be enhanced through strategic case selection. In this study, the sample selection technique applied was purposeful sampling (Flyvbjerg, 2006; Patton, 1990). Patton (1990) asserts that the richness of information about the sample determines its value in qualitative research. When the objective is to achieve the greatest richness of information on a given problem or phenomenon, random sampling techniques are not effective. Compared with typical or average cases, extreme or variation cases often reveal more information, as they activate more actors and mechanisms in the studied situation (Flyvbjerg, 2006). Since case studies aim to provide context-dependent knowledge for human learning, it is entirely necessary to uncover the deeper causes of a specific problem and its implications (why and how) before describing its symptoms and frequency (what and how often).

In this study, analytical inference was key to the case study approach, rather than statistical inference. The objective was to develop a holistic understanding of the phenomenon, rather than compare different cases. Therefore, an exploratory case study employing purposive sampling was

selected as a suitable research strategy. Patton advises selecting a strategy that best supports the research objectives. Table 3.3 below summarises various sampling strategies by integrating Patton (1990) and Flyvbjerg (2006).

Table 3. 3 Strategies for Purposeful Sampling Cases

(as per Patton, 1990 and Flyvbjerg, 2006)

Type of Selection	Description
<b>Extreme sampling</b>	Examples with extreme or uncommon results that are highly problematic or beneficial in specific contexts are chosen.
<b>Maximum variation sampling</b>	Heterogeneous samples are selected to explore diverse situations and uncover key themes.
<b>Homogeneous sampling</b>	Similar examples are chosen to develop a thorough understanding of a specific sub-group.
<b>Typical case sampling</b>	Typical examples are chosen, often with professional guidance or earlier survey insights.
<b>Critical case sampling</b>	Exceptionally significant examples highlight inferences like, "If valid here, it applies to all cases."
<b>Purposeful stratified sampling</b>	Examples from subgroups (above average, average, and below average) are selected to enable broader generalisations.
<b>Purposeful random sampling</b>	Samples are chosen at random to minimise systematic bias, with size being critical for generalisation.
<b>Snowball sampling</b>	Recommendations are sought from participants for other cases, especially recurring names, to expand the sample.
<b>Criterion sampling</b>	Samples adhering to predetermined criteria of significance are chosen.
<b>Theory-based sampling</b>	Samples are selected based on their representation of significant theoretical concepts.
<b>(Dis)Confirming cases</b>	Cases fitting emerging patterns are explored to confirm or challenge initial findings.
<b>Opportunistic sampling</b>	Further samples are selected during the data collection process to explore emerging opportunities.
<b>Politically important cases</b>	Politically sensitive sites or units of analysis are chosen.
<b>Convenience sampling</b>	Samples are chosen for practical reasons such as accessibility or availability.
<b>Mixed purposeful sampling</b>	A combination of different purposeful sampling strategies is applied.

For this study, combination, or mixed purposeful sampling was applied, as cases were selected for the following reasons:

First, homogeneous sampling was used to ensure contextual depth. Managers from CPMCs, officers from LSO, RC staff, industrial association experts, and representative residents (property owners or tenants) were invited to participate. These stakeholders were selected based on their participation in community governance and corporate sustainability. They offered in-depth insights into the perspectives of diverse actors. This homogeneous sampling ensured that the participants represented key stakeholders central to community governance and property enterprise sustainability efforts. Additionally, to address gender-related issues such as workplace equality, a balanced number of participants of different genders were approached, while adhering to ethical considerations.

Second, maximum variation sampling was employed to ensure diversity. Managers were selected from a diverse range of CPMCs to ensure variation in organisational size, ownership structure, location, and community type. This approach, as Wu, Yan and Jiang (2018) highlight, reflects regional variations in governance strategies. For instance, as Wang and Li (2022) suggest, well-resourced areas often favour community governance innovations, presenting scalability challenges. Given the significant regional differences in economic development, housing prices, living habits, and climatic conditions across China, it is essential to include CPMCs operating in various regions. Therefore, the sample for this study comprised property managers from the North, East, West and South of China to ensure diversity and representation across different residential communities. These included older neighbourhoods, SOE dormitories, and commercial communities. This maximum variation sampling provided a nuanced understanding of community governance practices.

Third, snowball sampling was applied to ensure broader inclusion. Given the need for diverse organisational contexts, snowball sampling meant it was possible to identify participants from varied organisational types and locations. This method facilitated data input from participants, ensuring broader representation.

Fourth, convenience sampling was used to address practical considerations. As the research was self-funded, time, cost, and accessibility were considered in the selection process. Convenience sampling helped mitigate these practical constraints without compromising the quality of the study.

Finally, criterion sampling was applied to ensure information-rich data. Samples were chosen based on predetermined criteria to ensure information-richness. The managers interviewed had to work for CPMCs and had to actively participate in urban community governance. They had to work within CPMCs that considered sustainable development a strategic priority. Insights from the pilot study revealed the importance of professional experience in an industry marked by high employee turnover and a reliance on experiential knowledge. Consequently, managers with at least five years of industry experience, and who operated at, or above the middle management level were included. Additionally, stakeholders such as RC members, LSO workers, industrial experts, and resident representatives were selected based on their professional relevance and interaction with CPMCs, as outlined below (Table 3.4).

Table 3. 4 Inclusion and Exclusion Criteria of Sample Selection

Samples	Criteria	Inclusion	Exclusion
<b>Property Managers</b>	Experienced	1. At or above the middle management level in CPMCs. 2. More than five years of work experience.	1. Below middle management level. 2. Less than five years of work experience.
	Target companies	1. Participate in urban community governance in China. 2. State corporate sustainability as a key strategy or regularly disclose related information.	1. No participation in urban community governance. 2. Do not disclose sustainable development information.
<b>Workers from LSO</b>	Vocational relevance	1. Work related to community governance.	1. Work not related to community governance.
		2. Regular interaction with CPMC personnel in daily work.	2. No interaction with property management personnel.
<b>RC members</b>	Vocational relevance	1. Work related to community governance.	1. Work not related to community governance.
		2. Regular interaction with CPMC personnel in daily work.	2. No interaction with property management personnel.
<b>Industrial experts</b>	Related professionalism	1. Relevant Professional experiences.	1. No relevant professional experience.
<b>Resident representatives</b>	Interaction with stakeholders	1. Experience interacting with CPMCs and other stakeholders	1. No related experiences.
		2. Personal insights into community governance and CPMCs' sustainable development practices.	2. No relevant personal insights.

### 3.7 SAMPLE SIZE AND DATA COLLECTION METHOD

The number of participants is a crucial criterion for assessing the capacity of any study to generate meaningful insights. In quantitative research, sample size is often determined using standard statistical methods (Kotrlík and Higgins, 2001). However, qualitative research diverges in its complexity and flexibility. Patton (1990) emphasises that qualitative inquiry relies on purposeful sampling strategies rather than strict methodological rules. The appropriate number of participants depends on the research objectives, inquiry purpose, data utility, credibility, and resource constraints.

For phenomenological studies, Creswell and Poth (2016) recommend at least ten in-depth interviews. Similarly, Braun and Clarke (2006) highlight the value of conducting fewer but richer interviews, which yield deeper insights into complex phenomena. Thematic analysis further supports the adequacy of 30–35 interviews, as this range offers sufficient data to uncover major themes (Guest, Bunce and Johnson, 2006). Fusch and Ness (2015) argue that data saturation, which refers to the point at which no new themes emerge, can often be achieved with 20 to 30 interviews. Saunders and Townsend (2016) found an average of 32 participants sufficient for thematic analysis in qualitative research. Likewise, Hennink, Kaiser and Marconi (2017) affirm that qualitative data saturation can be reached with 20–30 interviews.

Based on these guidelines, some 36 in-depth interviews were conducted for this study, which allowed for data saturation while addressing significant issues around sustainable development and community governance. Resource constraints necessitated a balanced approach to data collection, ensuring data richness within manageable limits (Marshall *et al.*, 2013).

The rationale for the sample size in this study was based on several considerations. First, the intersection of community governance and corporate sustainability in China remains underexplored. Thus, a smaller yet focused sample was deemed appropriate for developing an in-depth understanding. Second, the aim was to capture diverse perspectives, including those of property managers, industrial experts, officers from LSO and RC, and representative residents. Third, the goal was to identify key themes reflecting participants' empirical realities, ensuring a rich narrative

of the phenomenon. Accordingly, the sample size for this study comprised 36 in-depth interviews in total, including 19 property managers, 9 experts from industrial associations and research institutions, 5 officers from the LSO and RC, and 3 resident representatives. This approach focused on capturing the working experiences, attitudes, beliefs, and perceptions of multiple realities from various participants.

This purposeful sampling strategy ensured the inclusion of participants with varied roles and perspectives in the context of community governance, corporate sustainability and property management. The diversity of participants aligned with the principle of data source triangulation, as it allowed for the cross-validation of findings based on the perspectives of different actors. For instance, while property managers provided insights into operational challenges, resident representatives, officials from LSO and RC offered views on governance expectations. Experts from industry association contributed a broader perspective on emerging trends and best practices in property management, often highlighting the evolving regulatory landscape and the need for digital innovation in service delivery. Academics, on the other hand, provided a theoretical lens to interpret the interactions between institutional pressures and corporate sustainability practices, helping to contextualise the findings within broader frameworks of community governance and sustainable development. This approach enhanced the reliability of the data by mitigating any bias associated with single-source information (Carter, 2014; Patton, 1999).

Table 3.5-3.8 outline the details of participant, including demographics and relevant contextual information. The respondent numbers in the table are assigned for the purpose of facilitating references within the thesis. However, the actual sequence of interviews was not conducted according to these numbers. Instead, interviews were carried out based on the order in which respondents accepted the invitations, with respondents of different types interviewed in an alternating and mixed sequence.



Table 3. 5 Interview Participants (Property Managers)

No.	Gender	Occupation	Working Experience	Location
1	M	General Manager of A CPMC (small and medium sized company)	>20 years	Southeast China
2	M	Branch General Manager of B CPMC (private and listed company)	18 years	Southeast China
3	M	Branch General Manager of C CPMC (private and listed company)	>19 years	Southeast China
4	F	Human Resources Manager of Regional Branch, C CPMC(private and listed company)	14 years	Southeast China
5	F	Quality Management Manager of Regional Branch, B CPMC (private and listed company)	11 years	East China
6	M	General Manager of a Scenic Area, Regional Branch of C CPMC (private and listed company)	8 years	Southeast China
7	M	General Manager of E CPMC (private and listed company)	19 years	Southeast China
8	M	General Manager of F CPMC (private and listed company)	19 years	Southeast China
9	F	Deputy General Manager of Provincial Office, D CPMC (listed SOE)	13 years	Southeast China
10	M	General Manager Provincial Office, D CPMC (listed SOE)	20 years	Southeast China
11	F	Human Resources Manager of Regional Branch, G CPMC(listed SOE)	14 years	North China
12	M	General Manager of Regional Branch, D CPMC (listed SOE)	14 years	Southeast China
13	F	General Manager of a Regional Third-Party Subsidiary under C Property (small and medium sized company)	18 years	Southeast China
14	F	Project Manager of E CPMC(private and listed company)	12 years	Southeast China
15	M	Customer Relationship Manager of C CPMC (private and listed company)	5 years	North China
16	M	Project Manager of L CPMC (private and listed company)	12 years	North China
17	F	Project Manager of G CPMC (listed SOE)	16 years	Southeast China
18	F	Project Manager of M CPMC (private and listed company)	9 years	North China
19	M	Assistant to the President of N Property Group (private and listed company)	8 years	North China

*Table 3. 6 Interview Participants (Industrial Experts and Researchers)*

<b>No.</b>	<b>Gender</b>	<b>Occupation</b>	<b>Location</b>
<b>20</b>	F	Industrial Association Officer of East China Region of H Digital Service Platform	East China
<b>21</b>	M	Industrial Association Officer of East China Region of H Digital Service Platform	Southeast China
<b>22</b>	M	Officer of a Provincial Industrial Association	North China
<b>23</b>	M	Officer of a Provincial Industrial Association	Southeast China
<b>24</b>	M	Property Management Research Expert from a Top University in China	North China
<b>25</b>	M	Property Management Research Expert from a Top University in China	North China
<b>26</b>	M	Expert from Property Management and Community Research Institute	Northwest China
<b>27</b>	M	Property Management Research Expert from a University in China	Southeast China
<b>28</b>	M	Property Management & ESG Research Expert from a Top University in China	North China

*Table 3. 7 Interview Participants (Officers from LSO and RC)*

<b>No.</b>	<b>Gender</b>	<b>Occupation</b>	<b>Location</b>
<b>29</b>	F	RC Officer, I Community	Southeast China
<b>30</b>	F	RC Officer, J Community	Southeast China
<b>31</b>	F	RC Officer, K Community	Southeast China
<b>32</b>	F	Director of O LSO	North China
<b>33</b>	F	RC Officer, P Community	North China

*Table 3. 8 Interview Participants (Resident Representatives)*

<b>No.</b>	<b>Gender</b>	<b>Time Length of Living in Current Community</b>	<b>Location</b>	<b>Type of Residential Compound</b>
<b>34</b>	F	20 years	Northwest China	SOE dormitory area
<b>35</b>	F	8 years	Southeast China	Commercial residential area
<b>36</b>	F	1 year	Southeast China	Commercial residential area

Unlike quantitative research conducted in controlled environments, qualitative research emphasises natural settings. Most offline interviews occurred in participants' workplaces, ensuring a familiar and comfortable environment conducive to open discussion. Where in-person interviews were impractical, online platforms facilitated time- and cost-effective engagement.

Procedural details for recruitment and the interview implementation are presented in the next section to demonstrate how credibility was secured during data collection.

### 3.8 SEMI STRUCTURED IN-DEPTH INTERVIEWS

As suggested by Robson (2002), the interviews followed a semi-structured format, incorporating some predetermined questions. The specific in-depth interview questions are presented as Appendix B. Semi-structured interviews were recommended for eliciting more extensive responses from participants compared to structured or unstructured formats (Gioia, Corley and Hamilton, 2013). This rationale underpinned the selection of the semi structured interview approach over the other two options. Each interview lasted between 30 and 60 minutes, with an average duration of 42 minutes. This duration aligns with objective recommendations about the duration of interviews, which should exceed 30 minutes but remain inside one hour to maintain participants' optimal concentration levels (Robson, 2002). Potential interviewees who met the predefined criteria and consented to participate were personally invited. These participants were provided with two documents: a Participant Information Sheet and an Informed Consent Form (Appendix C).

Following ethics approval, a standardised interview protocol covering recruitment, scheduling, delivery, and documentation was implemented. Eligible participants were approached via WeChat or phone using a scripted invitation and a screening checklist aligned with the inclusion criteria. Upon consent, interviews were scheduled at participant-preferred venues or conducted online when travel was infeasible. Venue choice was treated as material to interview quality: participants were asked to select a setting in which they felt at ease (Saunders, 2009). Most chose offices or meeting rooms; one industry association expert visiting from another province was interviewed in a university conference room. For participants in distant provinces, interviews were conducted via WeChat voice calls owing to pandemic-related mobility restrictions. While online delivery reduced

opportunities to observe facial expressions and body language, I compensated by attending closely to verbal cues, tone, and pauses and by using clarification probes where necessary.

Each interview began with a warm-up and confidentiality reminder, then moved through the guide's core blocks (community governance roles; sustainability practices; institutional pressures; outcomes), and closed with summary checks and a brief debrief. All sessions were audio-recorded, time-stamped, and logged in a case database; field notes captured contextual cues, and non-verbal behaviour was observed in face-to-face sessions. Recordings were transcribed verbatim within 7 days; Chinese transcripts used for analysis and selected quotations were translated into English and back-checked for accuracy. Where clarification was needed, short follow-ups were conducted to confirm factual details and role descriptions. The semi-structured format (Robson, 2002) allowed adaptive probing and minor wording adjustments to enhance depth while maintaining coverage of the core topics.

Regarding the fieldwork profile. In total, 52 invitations were sent; 48 consented; 36 interviews were completed. The average duration was 42 minutes. Mode choice reflected pandemic-era constraints; online interviews followed the same protocol with heightened attention to paralinguistic cues.

As all interviews were conducted in Mandarin Chinese, the following paragraphs describes the transcription and translation procedures and the checks used to preserve meaning equivalence and to underpin the study's credibility.

The interview guide existed in Chinese and English. Both versions were iteratively revised and approved by the supervisory team, with forward translation and terminology checks supported by a professional third-party provider (iFLYTEK). The English version ensured clarity of constructs for reporting and cross-checking, while the Chinese version was used in the field.

All interviews were conducted in Mandarin Chinese. This choice maximised participants' comfort and the precision of domain-specific terms (e.g., RC/LSO practices, neighbourhood routines), while avoiding interpreter-mediated loss of meaning.

Interviews, transcription, and IDs. All interviews were conducted in Mandarin Chinese. Each participant was assigned a unique alphanumeric ID that links audio, notes, transcripts, NVivo records, and quoted excerpts. During fieldwork, notes were taken in Chinese. Audio files were transcribed verbatim in Chinese within 7 days and de-identified; transcripts were time-stamped and checked by relistening to ambiguous segments, with corrections for homophones and domain acronyms common in property management discourse. The final Chinese transcripts were imported into NVivo.

Coding was conducted in English in NVivo on the Chinese transcripts. A bilingual codebook was maintained so that each English code had a Chinese anchor term or phrase; analytic memos drew on both the Chinese transcripts and field notes, and were linked to relevant literature. This approach aligned the analysis with the international literature while keeping the semantic anchor in Chinese at the point of evidence.

For each theme, exemplar quotations were selected directly from the Chinese transcripts. Each selected excerpt was translated into English for thesis reporting, while the Chinese original was retained alongside it in the dataset. Translation prioritised conceptual equivalence over literal word-for-word rendering. Culture-specific idioms were paraphrased with brief bracketed notes where needed. Proper nouns and policy acronyms were kept in Chinese, with pinyin and standard English terms on first mention (for example, Residents' Committee [居民委员会, RC], Local Street Office [街道办, LSO]). The Appendix includes sample interview scripts in both Chinese and English to illustrate instrument wording.

Equivalence checks and audit trail. Meaning preservation was secured through the following procedures: back-checking every English quotation against its Chinese source to confirm actor, action, and evaluative tone; Time-spaced self back-translation on a purposive subset of longer quotations, with discrepancies logged and resolved before finalisation.

### 3.9 RESEARCHER REFLEXIVITY

Upon commencing the study process, I encountered common methodological concerns from peers and colleagues unfamiliar with qualitative case study approaches. Their challenges and my responses are summarised below.

Firstly, they questioned my approach to gathering insights into the topic using a qualitative case study methodology. They disputed my decision to deploy semi structured qualitative interviews, arguing that a handful of CPMC managers, experts from industrial associations, workers from LSO, RC members, and resident representatives could not provide sufficient insight into a field involving over 330,000 property management businesses, millions of practitioners, and numerous communities. They questioned how such a small sample could represent the entire population, and suggested employing quantitative research techniques, such as distributing extensive survey questionnaires to residents.

Moreover, they highlighted the diversity of property management enterprises in China and doubted whether a small sample could reflect the current state of CPMCs' participation in community governance and sustainable development. During discussions, one researcher from a top Chinese institution shared findings from a quantitative study of 63 listed real estate companies. His survey results differed from mine in areas such as the success of SOE CPMCs compared to private companies in community governance and sustainable development, as well as the differences between listed and non-listed companies. However, my findings, derived from a broader range of actors (not just companies), and thus provided a more holistic evaluation of CPMCs' performance. These interviews included perspectives from LSO officials, RC staff, members of industrial associations, property management experts and researchers, and resident representatives. The findings revealed that the perceived reality varied among different actors due to the multifaceted nature of the research.

As the lead/sole researcher, I remained cognisant of the potential biases introduced by relying solely on a single stakeholder group or perspective. By adopting a multi-perspective approach, informed by data source triangulation, I aimed to critically examine the data across diverse

participant groups. This reflexive stance was particularly important when analysing discrepancies between the viewpoints of property managers, LSO officials, RC members, staffs of industry association, scholars, and resident representatives. Reflexivity also involved recognising my own positionality as an interpreter of these multiple perspectives. For example, during the analysis, I frequently compared the narratives of participants from CPMCs to those of LSO, RC, and resident representatives to ensure that the emerging themes were not unduly shaped by my own assumptions. This iterative process highlights my commitment to ensuring the credibility of the findings through triangulation (Denzin, 2012; Patton, 1999).

Secondly, some expressed scepticism about whether my research could meaningfully contribute to theoretical development. Their concerns stemmed from differing perspectives on research priorities and the types of questions they believed should be addressed. My goal was to comprehend the “hows” and “whys,” while their focus was on the “whats” and “frequencies.” Since both worldviews can enhance perspectives on community governance and corporate sustainable development, my research approach did not aim to compete with the positivist worldview. Instead, I remained optimistic that my strategy could yield worthwhile results.

The choice of a constructivist perspective stemmed from my professional experience as a property management lecturer at a university, and my personal worldview, which emphasises social interaction to understand human behaviour. I have a deep personal affinity for the property management industry and hope to see its businesses achieve high-quality, sustainable development. Throughout my career, I have interacted with numerous practitioners, trained workplace staff in the field, and arranged internships for students. During the pandemic, I facilitated student internships in property management firms, which gave me a unique perspective on the industry’s role in sustainable development and community governance.

In my view, CPMCs fulfil their responsibilities by adhering to service contracts with property owners. However, during the pandemic, property management staff invested significant sums of money and labour, working long hours to manage personnel control, disinfection, nucleic acid testing, and material distribution for communities. These are all tasks outside of the scope of their service contracts. Public awareness of CPMCs’ roles has recently increased, as they have



demonstrated effective and immediate responses to the pandemic, including collaboration with volunteer organisations, LSO, RC, and other actors. This increased participation in community governance also includes duties such as renovating old residential areas, managing scenic areas or streets, and handling waste classification. However, these activities also represent operational costs for property enterprises. Nonetheless, it became evident that many CPMCs were either actively or passively integrating into community governance. This raised several issues, including why profit-oriented enterprises should participate in community governance, how they should participate, whether these actions benefit them, the long-term impacts of increased costs, and how and why these activities influence the sustainable development of enterprises.

The property industry is labour-intensive, and according to interviews, less than 10% of employees hold a bachelor's degree. Significant differences exist in the nature and scale of property management enterprises, including state-owned, privately listed companies, and numerous small and medium-sized businesses. Their business development strategies and market positioning vary widely. Regarding sustainability and survival, different enterprises and property practitioners hold distinct viewpoints. Nevertheless, due to a range of factors, including institutional pressures, property firms are required to engage in community governance to some extent, regardless of their backgrounds.

Previous studies have partially explored the sustainable development of CPMCs and some activities in community governance. However, researchers have yet to examine the motives, roles, impacts, and mechanisms of integrating CPMCs into community governance towards sustainable development. To address these gaps, I employed the TBL framework (Elkington, 1997) and incorporated NIT to understand the motivations and mechanisms underlying this topic. Both frameworks align with the broader research philosophy of social constructivism. This study sought to explore how researchers and participants construct meanings associated with the specific phenomenon.

With this in mind, I began considering the quality criteria of my research. I considered how to ensure its validity, rigour, and trustworthiness. By openly disclosing my professional and personal background, my relationship to the phenomenon, the research process, and the biases and

limitations of my work, I sought to enhance the validity, rigour, and trustworthiness of my research. This transparency allows readers to independently assess the level of trustworthiness.

### 3.10 RESEARCH QUALITY

The issue of research quality in qualitative investigations is increasingly regarded as a key aspect of research reporting (Shenton, 2004). The use of positivist terms such as “validity,” “reliability,” and “generalisability” to evaluate qualitative research has been criticised for undermining its unique characteristics. Qualitative research, grounded in distinct philosophical and methodological principles, requires its own criteria for assessing research quality.

Existing literature on community governance and corporate sustainable development often integrates both quantitative and qualitative approaches. However, quantitative methods are criticised for their limitations in addressing the complex social and political dynamics that influence community governance and corporate sustainability (Blaikie, 2006; Ojha *et al.*, 2022). These approaches often obscure underlying power relations, fail to account for diverse community experiences (Cooke and Kothari, 2001), and neglect nuanced, context-specific aspects of governance and sustainability (Cleaver, 2001). Additionally, they often focus on superficial compliance rather than genuine sustainability practices (Boiral, Heras-Saizarbitoria and Brotherton, 2020). By contrast, qualitative research, aligns with the social constructivist paradigm and emphasises the subjective creation of reality through interactions and shared meanings. To uphold the distinctive characteristics of qualitative research, positivist quality standards must be translated into corresponding qualitative terminology (Golafshani, 2003). Table 3.9 below highlights some key terms associated with quantitative research quality identifying the meanings of these terms, and their qualitative counterparts.

Table 3. 9 Key Terminologies of Quantitative versus Qualitative Research

Terminology in Quantitative Study	Connotation	Terminology in Qualitative Study	Connotation
<b>Validity</b>	"The extent to which an instrument measures what it is supposed to measure and performs as it is designed to perform." (Creswell, 2014, p. 247)	<b>Rigour or Credibility</b>	"The strictness and precision with which the research process is conducted, ensuring that the findings are as trustworthy and reliable as possible." (Lincoln and Guba, 1985, p. 285)
<b>Reliability</b>	"Reliability refers to the consistency of a measure. A test is considered reliable if we get the same result repeatedly." (Field, 2013, p. 708).	<b>Trustworthiness</b>	"Trustworthiness in qualitative research involves establishing the credibility, transferability, dependability, and confirmability of the data and the findings." (Denzin, 2011 p. 313)
<b>Generalisability</b>	"The extent to which the findings of a study can be applied to broader contexts. It is concerned with the applicability of research outcomes to settings outside the study conditions." (Maxwell, 2013, p. 137).	<b>Transferability</b>	"Transferability refers to the degree to which the findings of qualitative research can be transferred to other contexts or settings with other respondents." (Lincoln & Guba, 1985, p. 290).

In qualitative research, credibility is achieved through various measures such as prolonged engagement, member checking, and peer debriefing. Prolonged interaction with participants before and after interviews helps researchers fully understand their perspectives. Sharing findings with participants ensures resonance and accuracy, while discussing the methodology and results with peers validates the interpretations made. Trustworthiness, encompassing credibility, dependability, confirmability, and transferability, is enhanced by maintaining detailed records of research activities, which serve as an audit trail. Reflexivity is also crucial, as researchers must transparently disclose their biases and their potential influence on the findings. Ethical considerations are addressed through compliance with the University of Wales Trinity Saint David's Research Ethics guidelines, ensuring integrity and transparency.

Unlike quantitative research, which aims to generalise findings to larger populations, qualitative research seeks to understand phenomena in specific contexts. According to Yin (2009), case studies generalise data to theoretical propositions rather than to populations. Transferability is addressed by providing a thick description of the research context, participants, and procedures, allowing readers to judge the applicability of findings to their own contexts.

To ensure the quality of this qualitative research, this study employed data source triangulation, a key strategy to enhance credibility. Data source triangulation involves using multiple data sources to produce a comprehensive understanding of a phenomenon, thereby enhancing research credibility and reducing potential biases (Carter, 2014; Denzin, 2012). By incorporating insights from six distinct participant groups, including property managers, resident representatives, LSO officials, RC members, industry experts, and academics, the study mitigates the risk of single-source bias. This approach provides a more nuanced understanding of the dynamics in community governance and corporate sustainability.

Additionally, triangulation facilitated the identification of convergent and divergent themes across stakeholder groups, enhancing the dependability of the findings. For example, while property managers often emphasised operational efficiency, residents and government officials highlighted broader issues of community engagement and governance. The alignment and discrepancies among these perspectives enriched the analysis and provided a robust foundation

for the study's conclusions. Furthermore, triangulation supports the transferability of findings by illustrating how the interplay of different institutional actors can be generalised to other contexts of property management and community governance. This aligns with best practices in qualitative research to establish trustworthiness through rigorous methodological design (Carter, 2014; Patton, 1999).

The following table (Table 3.10) summarises the key measures implemented across various research stages to ensure quality:

Table 3. 10 Measures to Improve the Research Quality

Research Stage	Measures
<b>Design and Planning</b>	<ol style="list-style-type: none"> <li>1. Clearly align research questions with the qualitative approach and social constructivist framework.</li> <li>2. Justify the qualitative approach and exploratory case study design.</li> <li>3. Integrate abductive reasoning to ensure a theory-informed yet data-grounded research process.</li> <li>4. Conduct a pilot study to test interview questions and ensure their clarity, relevance, and appropriateness to the research objectives.</li> <li>5. Develop clear inclusion and exclusion criteria for participant selection to ensure relevance and quality of data collected.</li> <li>6. Ensure methodological coherence among research paradigm, approach, design, and methods</li> </ol>
<b>Data Collection</b>	<ol style="list-style-type: none"> <li>1. Employ a mixed purposeful sampling strategy to capture diverse yet relevant participant insights.</li> <li>2. Recruit 36 participants across six stakeholder groups to ensure multi-stakeholder perspectives and data triangulation.</li> <li>3. Ensure gender diversity and representation from different types of communities to capture variation in governance contexts.</li> <li>4. Clearly document the data saturation process, ensuring no significant new knowledge emerges from further interviews.</li> <li>5. Use semi-structured in-depth interviews to allow flexibility and depth in exploring participant perspectives, enabling emergent themes.</li> <li>6. Ensure ethical practices in data collection, including informed consent, confidentiality, and voluntary participation.</li> </ol>
<b>Data Analysis</b>	<ol style="list-style-type: none"> <li>1. Apply transparent and rigorous thematic analysis to identify patterns and themes.</li> <li>2. Use NVivo 11 software to enhance transparency and consistency.</li> <li>3. Conduct iterative abductive analysis, combining data-driven themes with theoretical insights from to build nuanced interpretations.</li> <li>4. Integrate reflexivity throughout analysis.</li> <li>5. Cross-validate emerging themes through triangulation across different participant groups to ensure reliability and credibility of findings.</li> </ol>
<b>Reporting and Dissemination</b>	<ol style="list-style-type: none"> <li>1. Present direct participant quotes to highlight key ideas and themes.</li> <li>2. Provide thick descriptions of context, participants, and research processes to enhance transferability to other similar settings.</li> <li>3. Discuss the study's limitations and contributions, linking findings to theory, practice, and future research.</li> <li>4. Reflect on practical implications, offering insights on improving sustainable business and governance practices.</li> </ol>

### 3.11 ETHICAL CONSIDERATIONS

Research ethics compliance in this study was achieved across two levels: (1) adherence to the university's research ethics policies and procedures, and (2) consideration of the guiding principles of ethical research when generating and applying knowledge (Angrosino and Rosenberg, 2011).

In terms of the first level, the study was conducted in accordance with the guidelines outlined in the Ethical Approval Form submitted to the University Research Ethics Committee of Wales Trinity Saint David. The study investigates the impact of participation in community governance on the sustainable development of Chinese CPMCs. Data were collected through in-depth interviews to understand participants' experiences, attitudes, and opinions on this topic. Participants included property managers, officers from officials of LSO and RC, industrial experts, researchers, and resident representatives. All participants had to meet the predefined selection criteria. Before participating, eligible participants were fully informed of the nature, purpose, and intended use of the data through a participant informed consent form (Appendix C), which they signed prior to the interviews. A pilot study was conducted to identify and mitigate potential ethical challenges. This improved the study design and ensured ethical compliance. Furthermore, consent was obtained throughout the research process to ensure participants remained comfortable with their involvement.

At the second level, specific measures were taken to address additional ethical issues arising from the context of the study, particularly as many participants were selected from the researcher's professional environment. These measures ensured adherence to general ethical guidelines for research projects and prevented conflicts of interest. The following steps were implemented:

- (1) Voluntary participation and withdrawal: participation in the study was entirely voluntary, and participants could withdraw at any stage without consequence. In such cases, all records of their data were promptly deleted.
- (2) Confidentiality and privacy: participants' identities were strictly anonymised, and interview materials were only accessible to the researcher and her supervisors.

(3) Transparency and feedback: participants were informed about where the interview findings would be published and were provided with feedback on the research results. This approach not only validated the data but also demonstrated respect for their contributions.

(4) Researcher's dual role: The researcher's dual role as an interviewer and researcher was explicitly disclosed to participants to ensure transparency and build trust.

In terms of data protection and storage, identifiable information such as education background, work experiences and personal life experiences were collected. As the investigator, I had to comply with data collecting and usage rules and regulations in China and the UK. In China, the Cyberspace Administration of China issued draft administrative measures for data security on May 28th, 2019. This document emphasises the need for data security management, including policies and new requirements for collecting and using personal information. The policy shares some similarities with GDPR, but with more focus on the restricted management of online operators.

All ethical and legal requirements associated with data security and privacy protection were adhered to for this study. As for access rights, all data were stored on a personal laptop with password protection. Furthermore, the data files were allocated a unique identifier, only known to me. This was password protected. None of the information was shared beyond my supervision team. The interview transcripts of certain participants were sent through encryption-protected email. USB sticks were password protected, and data sent over the internet was encrypted. No personal information was recorded, and anonymisation, and pseudonyms were used to label data. Unique codes/ identifier was also used. The interview schedule was arranged according to the participants' available time and the order was randomised to make sure that personal information could not be associated with subject responses. All research data were collected and stored securely and complied with the Data Protection Act for future audit. All data were deleted upon completion of the project.

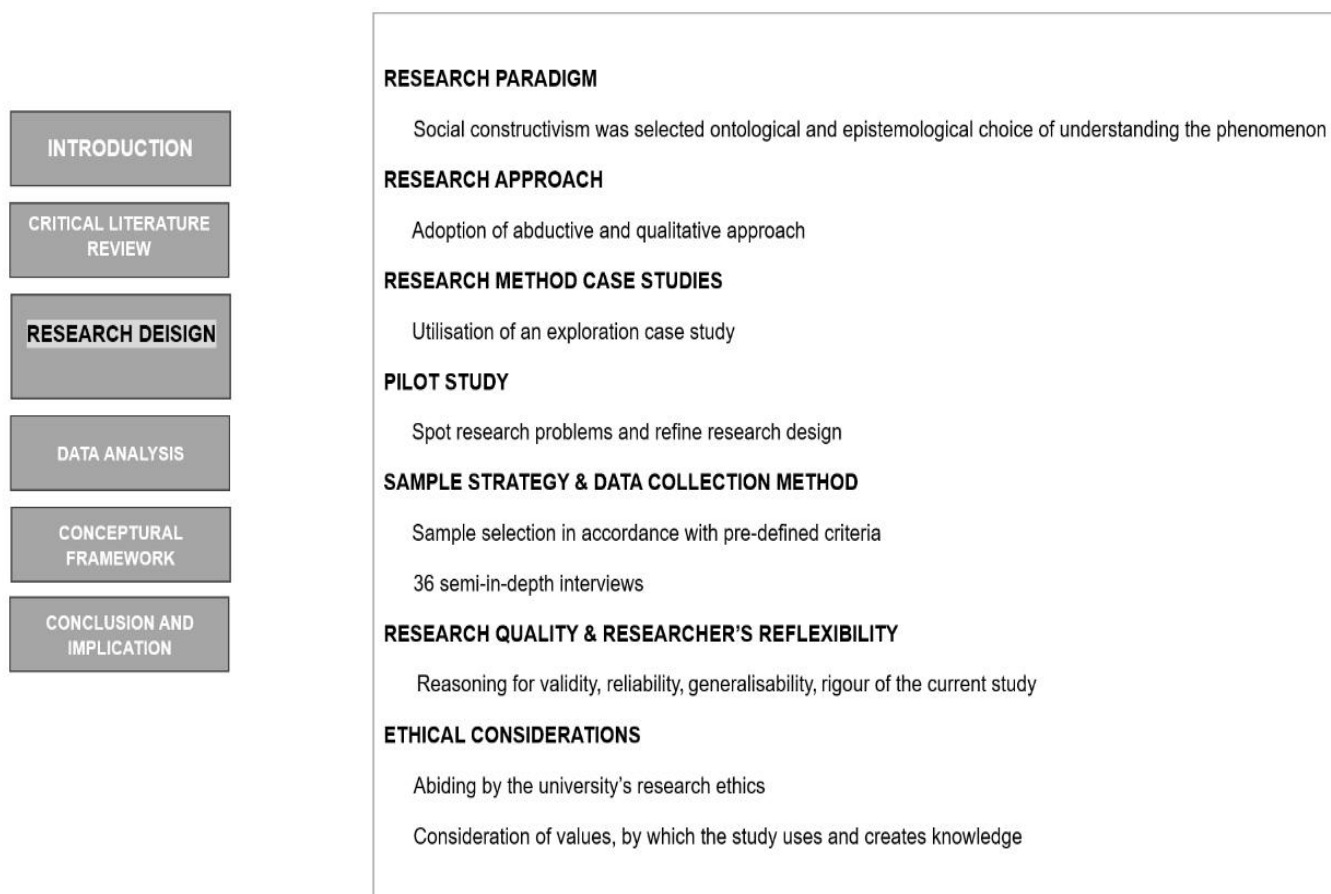
All data was stored and protected in accordance with the Data Protection Act for future audits.



## 3.12 SUMMARY

The following figure(Figure 3. 3)illustrates the progression of this thesis following the research design chapter.

*Figure 3. 3 Dissertation Progression (Chapter Three)*



This chapter has outlined the research design for this study. Initially, it identified the research paradigm that has been applied. The chapter then justified the use of qualitative research and a case study approach for the methodology. It identified the details of the pilot study conducted prior to data collection. The chapter also justified the sample selection, sample size, and data collection methods employed. Following this, the axiological stance of the study was presented. It then examined the quality of the research and explored researcher reflexivity. Finally, the chapter addressed some ethical considerations.

## 4. DATA ANALYSIS

### 4.1 INTRODUCTION

The previous chapter discussed the research design that governs the direction of this study. It examined the different paradigmatic assumptions underpinning community governance and corporate sustainable development. It then justified qualitative research as an appropriate research approach to provide a holistic understanding of the impact that participating in community governance has on the sustainable development of CPMCs. Furthermore, it reasoned around the choice of a qualitative case study design as the chosen research methodology to explore the lived experiences of participants. It also discussed sample selection and data collection methods and presented an outline of the axiological stance and ethical considerations associated with the methodology.

This chapter provides a rationale for using thematic analysis and presents an analysis of responses from interviews with important stakeholders, namely, property managers, officers from LSO, RC members, industrial experts and researchers, and resident representatives. In particular, the chapter provides an answer to the three research questions.

The current study elaborates on four coherent themes that describe the perceptions of interview respondents regarding key stakeholders, linking them to the research questions through the lens of NIT. The implications of the interview findings are discussed, and the chapter develops a novel CPMCs typology, integrating theoretical foundations such as NIT and empirical insights from interview data. This typology is introduced as actors' social position as one of the enabling conditions of institutional entrepreneurship. Different status organisations can influence the likelihood that organisations will engage in institutional entrepreneurship (Garud, Jain and Kumaraswamy, 2002; Greenwood and Suddaby, 2006; Greenwood, Suddaby and Hinings, 2002). In the current research, the CPMCs typology is based on the heterogeneity of size and ownership (small or big size; private or state-owned; listed or non-listed) to better highlight the distinct responses in community governance, corporate sustainability, and their varying impacts on

corporate sustainable development. This approach aims to provide strategic advice tailored to different types of CPMCs.

Given the abductive nature of this study, the 4.4 Interpretation of Themes Section primarily presents emerging patterns derived inductively from participants' narratives, incorporating verbatim quotes to substantiate key themes. This approach follows qualitative research conventions, ensuring that rich empirical data illustrate stakeholder perspectives without being immediately constrained by theoretical frameworks at this stage (Braun and Clarke, 2006). The inductive thematic analysis in this section allows findings to emerge directly from the data, providing a grounded understanding of CPMCs' experiences and challenges. To maintain analytical clarity and avoid redundancy, direct quotations are primarily confined to this section, rather than being repeated extensively in the 4.5 Discussion Section (Sections 4.5.1-4.5.3), which shifts towards theoretical contextualisation by integrating thematic findings with relevant literature and conceptual frameworks. This structure facilitates a logical progression from data-driven insights to theoretical interpretation (Saunders et al., 2019).

However, in Section 4.5.4 of the Discussion (CPMCs Typology), additional selected participant quotations are introduced to explicitly link empirical insights with the proposed typology. This decision is based on the need to demonstrate how patterns observed in the data correspond to theoretical classifications, ensuring that the typology is both empirically grounded and theoretically informed.

By structuring the analysis in this way, this chapter systematically moves from inductive empirical findings to abductive theoretical interpretation, ensuring a dynamic interplay between data and theory. The Discussion Section does not merely apply pre-existing theories but engages in an iterative process, where findings are examined through the lens of NIT and sustainability frameworks. This abductive approach enhances methodological rigour and analytical coherence, allowing the study to construct a theoretically informed yet empirically grounded understanding of CPMCs' role in community governance and corporate sustainability.

## 4.2 RATIONALE FOR A THEMATIC ANALYTICAL APPROACH

This study analyses data using thematic analysis (Braun and Clarke, 2006; Naeem *et al.*, 2024; Ozuem *et al.*, 2021; Ozuem *et al.*, 2023). The existing literature offers a variety of different thematic analytical approaches (Boyatzis, 1998; Braun and Clarke, 2006; Fereday and Muir-Cochrane, 2006; Ozuem *et al.*, 2021).

Grounded in a constructivist epistemology, this section adopts an abductive thematic analytical approach within an exploratory qualitative case study methodology, using semi-structured interviews as the primary data collection method. This approach facilitates a dynamic interplay between empirical data and theoretical insights, allowing for a more nuanced interpretation of the phenomenon.

Rather than being fully constrained by pre-existing theoretical categories, the analysis initially derives patterns and themes directly from the data, ensuring that findings remain rooted in participants' lived experiences. As Braun and Clarke (2006) highlight, inductive analysis enables themes to emerge organically, capturing stakeholder perspectives in an authentic and context-sensitive manner. However, abductive reasoning extends beyond pure induction, incorporating theoretical reflection and iterative comparisons with existing literature to refine and contextualise emerging insights.

As Patton (1990, p. 393-394) explains, "inductive reasoning allows for the development of theoretical insights that are closely aligned with empirical realities, fostering a deeper understanding of complex phenomena." In this study, abduction enhances this process by iteratively engaging with both empirical observations and theoretical constructs, ensuring that the findings are both data-driven and theoretically informed. This flexible and iterative approach allows for a richer conceptualisation of CPMCs' role in community governance, capturing both emergent themes from the field and broader institutional dynamics.

In this context, I as the researcher, have adopted a participatory role in this study to ensure the richness and authenticity of the data. This is based on the premise that (1) direct involvement

entitles participants to share their voices and recount their lived experiences during the study, and (2) participants are guided through the interviews to ensure their narratives remain focused while allowing space for unexpected insights to emerge. Interview questions were designed based on practical experience and informed by existing literature, but the analytical process remains data-driven to ensure that the primary data guides the development of themes. Semi-structured interviews were adopted to fully capture the nuanced experiences of participants and provide the richest possible data.

The field research in this study was designed to generate fresh insights that closely align the primary data with the analytical framework. To achieve this, data analysis was conducted inductively, allowing themes to emerge naturally rather than being predetermined. As patterns and themes surfaced, they were continuously compared against existing literature to refine the analysis, ensuring both the relevance of the findings and their theoretical coherence. While deductive approaches often focus on testing established theories, this abductive approach instead emphasises the creation of theory that is deeply grounded in empirical data. In doing so, this study bridges the gap between data-driven insights and broader theoretical contributions (Braun and Clarke, 2006; Patton, 1990).

## 4.3 THEMATIC ANALYTICAL PROCESS

Braun and Clarke (2006) proposed a well-established six-phase process for conducting thematic analysis, comprising (1) familiarising yourself with data, (2) generating initial codes, (3) searching for themes, (4) reviewing themes, (5) defining and naming themes, and (6) producing the report. This framework is widely regarded as a significant methodological advancement in qualitative studies, providing a structured and transparent procedure that has been broadly utilised across numerous fields, particularly in research grounded in phenomenology (Ozuem, Willis and Howell, 2022). This method enables researchers to work with two levels of themes—semantic, focusing on explicit meanings, and latent, addressing deeper, underlying patterns. This creates flexibility to uncover both surface-level insights and more profound interpretations within the data.

Although the six-step framework is robust, it presents challenges when applied to studies demanding nuanced exploration of the dynamic and multifaceted nature of qualitative data. Critics argue that this model, despite its systematic nature, often frames data analysis as a straightforward sequence of actions, which may fail to fully capture the recursive and iterative aspects inherent in qualitative research (Ho, Chiang and Leung, 2017). In addition, while Braun and Clarke's (2006) six-phase framework provides a structured process for thematic analysis, its lack of explicit theoretical guidance presents challenges for researchers in complex institutional contexts, such as community governance and corporate sustainability (Finlay, 2021). Without theoretical direction, this approach may not be useful where the aim is to uncover deeper patterns, particularly in studies requiring dynamic engagement with institutional theories.

The dynamic thematic analysis approach proposed by Ozuem, Willis and Howell (2022) offers a versatile framework that aligns well with the needs of exploratory case studies grounded in social constructivism. These are designed to investigate issues that are not yet fully understood or articulated. They focus on achieving a deep comprehension of intricate phenomena rather than testing pre-established theories. Such studies require adaptable data analysis methods to accommodate emergent patterns and dynamic insights (shown in Figure 4.1 below). While initially developed within the context of descriptive phenomenology, this methodology provides sufficient flexibility to adapt to diverse qualitative research paradigms. Its iterative and flexible design provides a robust analytical framework, enabling researchers to synthesise diverse data sources while remaining responsive to emergent insights. This approach not only supports the goals of exploratory case studies but also ensures that the findings are deeply rooted in empirical evidence and aligned with the constructivist paradigm of understanding social realities.

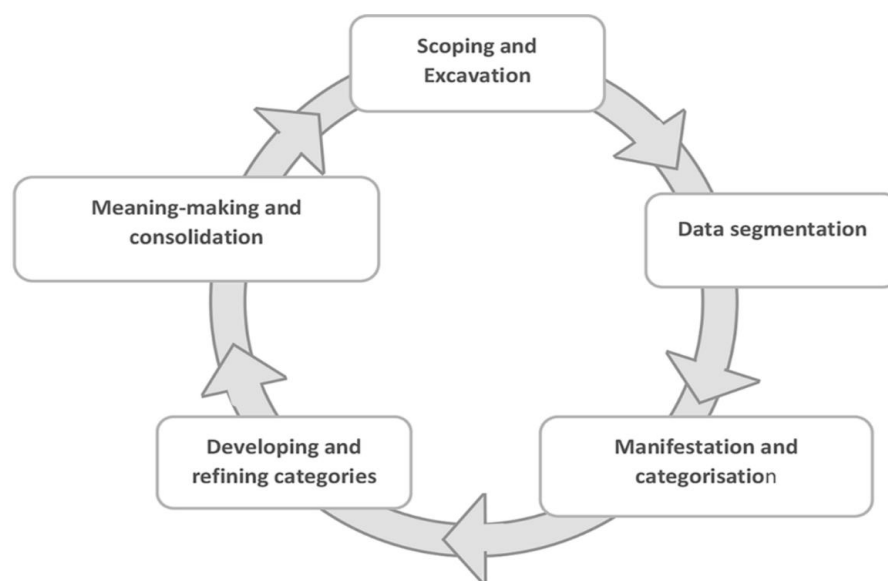
The first phase, scoping and excavation, involves identifying key areas for inquiry and delving into the nuanced meanings embedded in the dataset. This step aligns with the exploratory goal of uncovering latent patterns and conceptualising new ideas rather than confirming predefined notions. The second phase, data segmentation, systematically fragments the data into smaller, meaningful units to support a manageable and comprehensive examination of participants' narratives. This stage ensures that data can be organised for subsequent categorisation without losing any contextual richness. The third phase, manifestation and categorising the segmented text,

focuses on identifying recurring patterns and assigning preliminary categories. This step bridges raw data with potential themes, ensuring that emerging insights remain grounded in participants' perspectives.

The fourth phase involves developing and refining categories and themes, which necessitates refining the initial themes through iterative analysis to ensure consistency within themes, and distinction across them. This phase is particularly valuable for exploratory case studies, as it allows for the recognition and enhancement of unexpected or complex relationships in the data. The final phase, meaning making and consolidation, integrates the findings into cohesive themes that align with the research objectives. This phase also facilitates theoretical contributions by linking themes to broader social constructs and contextual dynamics.

*Figure 4. 1 Dynamic Thematic Analysis Process*

*(from Ozuem et al., 2022)*



Below is the specific process of the current study based on Ozuem, Willis, and Howell's (2022) dynamic thematic analysis framework. To provide a clear and transparent account of my thematic analysis process, the following detailed quotation includes examples of key terms, primary themes, and themes that emerged during the analysis. These findings are ultimately compiled in Table 4.3.

### **Step 1: Scoping and Excavation**

The thematic analysis followed a structured yet iterative process, allowing for both flexibility and reflexivity in the development of themes and methodological rigour in the interpretation of findings. The first phase of thematic analysis involved scoping and excavation, which was essential in framing the study's analytical approach and identifying key areas for deeper exploration. Prior to conducting interviews, a substantial review of the literature was undertaken, particularly focusing on community governance, institutional entrepreneurship, and corporate sustainability. This preparatory stage ensured that the interview questions were well-aligned with the research objectives and refined with the guidance of the supervisory team.

The initial round of interviews (thirteen participants) was conducted based on this semi-structured interview framework. After each interview, the recordings were transcribed manually with using the support of professional transcription software (iFlytek) into text to preserve contextual nuances. During this stage, iterative engagement with the data was crucial—the transcripts were reviewed multiple times to identify emerging patterns, remove irrelevant information, and highlight recurring expressions. Through this process, I noticed that each reading of the transcripts led to new insights, shifting my initial assumptions and refining the focus of the study.

However, at this stage, the goal was not to immediately code themes but rather to immerse myself in the raw data—identifying broad areas of governance dynamics, institutional characteristics, the agency role of CPMCs, and corporate sustainability of CPMCs. This aligns with Ozuem et al.'s (2022) approach to exploratory qualitative research, which emphasises data immersion and interpretative flexibility before formal coding begins. The recursive nature of this phase required me to revisit the literature multiple times, refining both the analytical lens and the coding framework as the study progressed. The outputs below constitute the pre-analysis audit trail for Phase 1 (Table 4.1).



Table 4.1 Thematic Implementation: Examples of Actions and Evidence (Phase 1)

Sub-step (Phase 1)	What I did	Evidence include (curated)
1. Literature scoping & sensitising concepts	Mapped core domains and identified sensitising concepts likely to appear in interviews	Reading log: E.g. top sources of NIT: Battilana et al., (2009); Christensen et al., (1997); Dacin, Goodstein, & Scott, (2002); Greenwood and Suddaby (2006); Scott (2001); Seo and Creed (2002); Grimm, Hofstetter and Sarkis (2023); Greenwood et al., (2011) and so on. (2) List of sensitising concepts derived from literature and early exposure to transcripts: organisational agency and the institutional diversity; Institutional Entrepreneurship; Creating New Institutions; Institutional Complexity; societal expectations and norms community expectations; institutional isomorphism; field characteristics, and actors' social position; intersection between fields; Divergent Change Implementation; Boundary Bridging and so on.
2. Interview protocol design & piloting	Drafted a semi-structured guide aligned to RQ1–RQ3; piloted wording on a small subset and refined probes for stakeholder groups.	From initial outline to Appendix B and a brief change log: Role-based restructuring & de-duplication: Reorganised questions by stakeholder group (officers, property managers, experts, residents), removed overlaps, and streamlined sequencing and probes. Explicit RQ alignment: Mapped items to RQ1–RQ3 to ensure continuous coverage of roles, practices, and impacts; added labels to keep interviews tightly tied to the research aims. Clearer sustainability operationalisation: Unpacked “sustainability” into economic, social, environmental pillars; added prompts on disclosure, benchmarking, and external oversight to ground evidence. Less leading, more open-ended: Rephrased potentially suggestive wording into neutral, open questions; trimmed examples that could prime answers; specified non-leading follow-ups. Mechanism & comparison emphasis: Introduced “how/why” mechanism probes and cross-firm/role comparisons to support later theorisation.
3. Sampling frame & access	Defined inclusion criteria by stakeholder role; set target numbers and achieved numbers; secured access via organisations and personal contacts; used maximum-variation logic to capture diverse narratives.	Table 3. 3- 8 Interview Participants Regarding the fieldwork profile.
4. Consent and anonymisation	Confirmed ethical procedures; prepared consent script; defined anonymisation (P01, P02...; role labels); outlined data storage.	Details in Ethical Approval Form submitted to the University Research Ethics Committee of Wales Trinity Saint David and Appendix C.
5. transcription & bilingual	Conducted interviews in Chinese; transcribed in Chinese; verified	Bilingual interview guide (Chinese/English); iteratively revised with forward translation & terminology checks (iFLYTEK); English version for reporting/cross-checking; Chinese version

against audio; imported to NVivo. Committed to present exemplar quotations bilingually (Chinese first, English translation) with contextual notes when needed.

used in fieldwork; All interviews conducted in Mandarin to maximise comfort and domain precision; Unique alphanumeric IDs link audio, notes, transcripts, NVivo records, and quoted excerpts; de-identified at transcription; Verbatim Chinese transcription within 7 days; time-stamped; ambiguous segments re-listened; homophones/acronyms corrected; Final Chinese transcripts imported into NVivo as separate sources; Coding conducted in English on Chinese transcripts to align with international literature; each English code paired with a Chinese anchor term/phrase; analytic memos reference Chinese excerpts and field notes, with literature links; exemplars selected directly from Chinese transcripts; English translations prepared for reporting; Conceptual equivalence prioritised over literal word-for-word rendering.; Culture-specific idioms paraphrased with brief bracketed notes where necessary; every English quotation back-checked against its Chinese source for actor, action, and evaluative tone; time-spaced self back-translation on a purposive subset of long quotes; discrepancies logged and resolved before finalisation. Appendix B includes sample interview scripts in both Chinese and English; files versioned to maintain an audit trail.

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## Step 2: Data Segmentation

In the data segmentation phase, I began by importing the transcribed interview data into NVIVO software. This allowed for a more structured and systematic approach to coding. At this stage, I organised the data according to the three research questions, segmenting each interview transcript into distinct sections. This process was critical to ensure that the data was categorised according to the central research aims and that the thematic analysis would be appropriately targeted to address the study's focus.

Next, I adopted an inductive coding approach, which involved a detailed review of the text where I labelled specific key terms based on the participants' direct expressions. As I read through the data, I focused on the language used by interviewees, identifying words and phrases that captured core elements of their experiences, thoughts, and opinions. Key terms such as "limitations of LSO and RC" and "a last mile implementor" were identified, reflecting critical aspects of the participants' perspectives on community governance.

Once the key terms were identified, I grouped related terms together and created primary codes to organise them into more coherent categories. For instance, similar phrases related to challenges and contradictions in the community governance institutional field were clustered under the primary code "incompatibilities and contradictions," while terms describing corporate sustainability practices were organised under the primary codes aligned with the TBL framework: "economic sustainability," "environmental sustainability," and "social sustainability." This process of coding and categorisation allowed me to map out the broader themes emerging from the data.

To ensure the accuracy and depth of the analysis, I revisited the key terms regularly, refining the coding as I progressed. As thematic analysis preserves connections between the categories and their original data sources through coding (Given, 2008), this iterative process involved dragging and dropping relevant key terms into the appropriate primary codes' subcategories, ensuring that each piece of data was assigned to a single code unless it was deemed relevant to multiple categories or research questions. This allowed me to capture the complexity of the data while maintaining a clear and organised structure for the subsequent phases of thematic analysis.

Meanwhile, I arranged a second round of interviews, bringing the total number of participants to 36. The subsequent data processing followed the same approach as with the first batch of interviews. During this stage, iterative engagement with the data was crucial—the transcripts were reviewed multiple times to identify emerging patterns, remove irrelevant information, and highlight recurring expressions. This continuous interaction with the data allowed for a deeper understanding of underlying themes and ensured that insights remained rooted in participant narratives.

To ensure comprehensive data coverage, three additional interviews were attempted following the initial 36 interviews. However, these interviews were stopped after less than 30 minutes, as no new themes, codes, or insights emerged during the discussions. This aligns with the concept of theoretical saturation, which is reached when data collection no longer generates new information relevant to the research questions (Charmaz, 2006; Glaser and Strauss, 2017). Naeem *et al.* (2024) describe saturation as the point where the dataset has been thoroughly explored, rendering further data collection redundant. Guest, Bunce and Johnson (2006) similarly suggest that qualitative studies often reach saturation within 30 to 50 interviews, depending on the data richness and research scope.

In this study, the iterative process of data collection and analysis revealed that the themes identified from the 36 interviews comprehensively addressed the research aims, justifying the decision to conclude further data collection. This approach reflects Malterud, Siersma and Guassora (2016), who emphasise the importance of prioritising data richness and relevance over sheer quantity, ensuring the robustness and reliability of the findings. By concluding data collection upon reaching saturation, I ensured that no further interviews were necessary to generate new information relevant to the research questions, thus reinforcing the methodological rigour of the study.

This structured segmentation and verification process laid the groundwork for the next phase, allowing the research to progress into deeper analytical stages, where broader patterns and meaningful interpretations would emerge from the refined codes and key terms.

### **Step 3: Manifestation and Categorisation**

Building on the segmented data, I moved towards manifestation and categorisation, refining the coding system to ensure clarity and coherence. In NVivo, I continued refining the primary codes, ensuring their alignment with the research questions. However, a key challenge emerged during this stage—some key terms overlapped across multiple categories or research questions, creating complexities in maintaining a structured and coherent coding framework.

To address this, I employed a two-stage refinement approach. The first stage involved initial flexible categorisation, where key terms were temporarily assigned to multiple primary codes to acknowledge the interconnected nature of governance dynamics. For instance, “creative value-added services” initially appeared under both corporate sustainability of CPMCs (reflecting its economic impact) and institutional entrepreneurship of CPMCs (as part of creating new institutions). This flexible approach ensured that no significant insights were prematurely excluded during the early stages of coding.

The second stage focused on refinement and theoretical reassignment, where key terms were reassessed based on reflexive engagement with the data and theoretical frameworks. At this stage, I systematically re-evaluated each overlapping key term to determine which category best captured its core conceptual significance. For example, while “creative value-added services” could theoretically fit within both “corporate sustainability” and “institutional entrepreneurship”, its primary role in driving economic sustainability led to its final classification under corporate sustainability of CPMCs. This reassignment process ensured that each primary code belonged to a single, well-defined category, thereby preventing redundancy while enhancing the analytical clarity, consistency, and theoretical alignment of the findings.

Another example of resolving coding ambiguities emerged in categorising “creating new institutions”, a primary code that initially overlapped with “economic sustainability”. This category included key terms such as “benchmark projects”, “pilot for successful and replicable business models”, “from ‘small’ to ‘big’ property management”, “engaging in public-private partnerships”, and “developing and selling new technologies to small companies”. Initially, these elements appeared to

fit within “economic sustainability” due to their financial implications. However, upon further analysis, I recognised that their primary significance lay within “institutional entrepreneurship”, as they represented governance innovations that redefined community governance frameworks and property management structures.

Institutional entrepreneurship in this context was not merely about market expansion but about reshaping governance structures through strategic innovation. Benchmark projects and pilot models functioned as experiments in which CPMCs tested new governance mechanisms before replicating them on a broader scale. The transition from ‘small’ to ‘big’ property management illustrates how CPMCs evolved from managing enclosed residential compounds to broader urban governance structures. Initially, their operations focused on the internal maintenance of gated communities, but over time, their role expanded to include managing larger communities, entire streets, and even city-wide governance initiatives. This transition reflects a shift from micro-level service provision to macro-level urban governance, positioning CPMCs as key actors in sustainable city development.

Public-private partnerships further illustrate the governance innovations facilitated by CPMCs. By engaging in partnerships with municipal authorities and leveraging government resources, CPMCs were able to navigate complex regulatory environments while introducing innovative governance solutions. These collaborations not only enhanced their operational legitimacy but also enabled them to serve as intermediaries between the state and the market, facilitating governance models that extended beyond conventional property management.

Technological innovation also played a crucial role in institutional entrepreneurship. The development and dissemination of smart property management technologies allowed CPMCs to standardise and institutionalise governance models across the industry. By selling these technological solutions to smaller property management firms, CPMCs facilitated the diffusion of new governance norms, ensuring that their innovations extended beyond isolated pilot cases to become established industry standards. The ability to successfully embed and scale these governance models across different regions demonstrates how CPMCs transitioned from

experimental governance mechanisms to widely accepted institutional norms, further solidifying their role as institutional entrepreneurs.

While these initiatives had economic benefits, their fundamental contribution lay in redefining governance frameworks, creating new institutional logics, and reshaping power dynamics within community governance. Recognising this distinction was critical in ensuring that the coding process preserved conceptual clarity, accurately capturing the role of CPMCs as institutional entrepreneurs rather than merely as commercial actors pursuing economic sustainability. This stage of analysis reinforced the theoretical alignment of the study, ensuring that the identified themes reflected both empirical data and governance theories.

To make Phases 2 and 3 auditable rather than merely descriptive, Table 4.2 instantiates the procedure with role-tagged and comparison, cross-RQ examples. For RQ1, it displays primary codes such as “Incompatibilities & Contradictions” and the “Institutional Pressure” (regulative, normative, cultural-cognitive) as well as “Boundary Bridging” roles of CPMCs, pairing each with selected key terms and a condensed quote, and showing how these feed the theorisation. For RQ2, it groups corporate sustainability under the TBL structure—economic, environmental and social—again with quotes and respondent IDs to indicate spread and comparison. For RQ3, it traces institutional entrepreneurship through “Creating Common Ground”, “Leveraging Resources & Networks”, and “Creating New Institutions”, and links each to the divergent-change pathway in the later conceptual framework in Chapter 5. Across all panels, the table explicitly compares narratives across stakeholders (CPMCs, LSO/RC, residents, experts), renders the constant-comparison procedure visible, and shows within a single view how codes were consolidated into categories and linked to the corresponding conceptual elements. Table 4.2 provides the step-by-step evidence requested and strengthens the study’s credibility.

Step Two established a structured map of the data through segmentation by research question, inductive coding of key terms and confirmation of saturation. Step Three translated this map into clarified categories by addressing overlaps and placing each term in a single, conceptually justified location. Table 4.2 assembles role tagged examples and brings the narratives of CPMCs, LSO and

RC, residents and experts into explicit comparison, demonstrating the analytical value of viewing each theme across actors and why such comparison strengthens the credibility of the findings.

First, actors frame institutional contradictions through different lenses. For CPMCs, delays and cost burdens are foregrounded as practical constraints, such as lengthy maintenance fund procedures or the difficulty of proceeding without sufficient fees. By contrast, LSO perspectives stress gaps in cooperation, noting that some private firms can refuse to act even when risks are imminent. Residents often foreground doubts about corporate motivation, which crystallises a legitimacy challenge for enterprise-led governance. Read together, these narratives reveal an efficiency contradiction for CPMCs, a cooperation dilemma for LSO/RC, and a trust deficit on the resident side.

Second, there is convergence on the force of regulative pressure, yet with different emphases. SOE leaders present compliance as obligatory due to penalties, credit scores and procurement consequences, while private listed managers speak of strategic alignment that translates policy signals, such as carbon peaking and neutrality, into market opportunities. Experts add that incentive structures in land and project allocation embed environmental standards *ex ante*. This triangulation shows how coercive rules are experienced as burden, opportunity or design parameter, depending on social position in the field.

Third, normative currents are narrated as a collective learning infrastructure that reshapes competition. Industry associations and experts describe how showcasing, certification and standard setting channel firms toward professional benchmarks. CPMCs echo this by pointing to the shift from harmful competition to mutual learning, with even state-owned actors adapting frontrunner practices. The cross-actor comparison suggests that reputational devices and peer exemplars normalise behaviours beyond what regulation alone can achieve.

Fourth, cultural-cognitive pressures are articulated through community ethos and identity. Property managers invoke collectivist values and the aspiration to rebuild neighbourliness through activities that foster a warm atmosphere. Association officers observe that residents often perceive CPMCs and RC as quasi-government, which can lower conflict when performance is visible. At the



same time, lingering scepticism about commercial motives remains salient in some resident narratives, indicating that shared meanings are still being negotiated.

Fifth, accounts of boundary bridging consistently position CPMCs as last-mile implementors whom LSOs/RCs rely upon for continuous presence, communication and mediation. Managers describe building-level stewardship, digital groups that channel micro-issues, and a preference for gentle persuasion that resolves most disputes. During crises such as the pandemic, CPMCs narrate rapid mobilisation of staff and volunteers, door-to-door logistics, and safety enforcement that extended beyond contractual scopes, while LSO/RC voices acknowledge capacity constraints without that embedded presence.

Sixth, sustainability outcomes are narrated with complementary emphases across actors. CPMCs highlight economic pressures such as upfront utility payments and, in response, diversification through government service contracts and value-added offerings in ageing communities. Environmental practices range from advanced waste rooms and recycling to geothermal applications and integrated urban cleanliness contracts that reduce buck-passing, which experts deem more efficient. Social accounts emphasise public health coordination, cultural activities with long-term investment, emergency response, and widespread CPR and AED deployment, with residents recognising performance during extreme weather.

Finally, narratives of institutional entrepreneurship trace three pathways. Creating common ground appears in safety, fraud prevention and policy proposals that move ideas into local legislative fora. Leveraging resources and networks surfaces in engagement platforms and think-tank style convenings that translate participation into models with economic value. Creating new institutions is expressed through internal energy targets and large-scale intelligent operation centres that stabilise new rules of practice. The contrast across actors shows CPMCs narrating initiative and capability, LSOs/RCs acknowledging dependence on embedded execution, and experts linking these moves to field-level diffusion.

Table 4.2 Thematic Implementation: Examples of Actions and Evidence (Phase 2-3)

Selected Primary Codes (RQ1)	Selected Key Terms	Theorisation linkage in conceptual framework	Example: Condensed Quote	Respondent (narratives of different participants compared)
<b>Incompatibilities and Contradictions</b>	rigid cooperation and assessment mechanisms; shirk responsibility	Efficiency contradiction	<p>“Maintenance fund procedures are cumbersome (consultation, public notice, bidding, inspection), 3–5 months; roads already damaged but repairs can’t start, causing owner dissatisfaction.”</p> <p>“As private firms, many CPMCs can refuse cooperation; even with a dangerous tree, some cite insufficient fees and won’t help.”</p>	<p>P15 (Customer Relationship Manager of PLLC)</p> <p>P32 (Director of a LSO)</p>
	limitations of LSO and RCs	Non-adaptability contradiction	“During the pandemic, RCs under LSOs were overwhelmed; without CPMCs, the community would have been very chaotic.”	P20 (Industrial Association Officer)
	no enforcement power	Inter-institutional incompatibility contradiction	“Under the Property Law and Civil Code, CPMCs lack enforcement power in public areas—can only dissuade, stop, report; must request government assistance.” (P14 adds: blame-shifting among parties hampers cooperation.)	<p>P18 (Project Manager of SME),</p> <p>P14 (Project Manager of PLLC)</p>
	residents doubt the motivation	Misaligned interests contradiction	“Residents distrust company involvement in community governance, questioning motives/benefits: ‘The governance actor shouldn’t be the company.’”	P7 (General Manager of PLLC)

Selected Primary Codes (RQ1)	Selected Key Terms	Theorisation linkage in conceptual framework	Example: Condensed Quote	Respondent (narratives of different participants compared)
Regulative Pillar	unavoidable obligation and burden; limited and strategic adaption; flexible and proactive alignment	Regulative pressure	"Government-led; even if tasks aren't ours, penalties / credit score deductions / bidding blocks force compliance."	P12 (General manager of a SOLE),
			"Carbon peaking focus = market opportunity; align with energy saving / emission reduction / greener communities to expand especially in gov projects."	P2 (General Manager of PLLC)
			"In land allocation, incentives are tied to carbon peaking/neutrality; projects must include green components or meet defined environmental standards."	P20 (Industrial Association Officer)
			"LSO/RC-funded upgrades and idle-space conversions are often handed to CPMCs, creating new income and embedding them in community life	P25 (A property management research expert)
Normative Pillar	The role of research institution; Association role; learning from each other	Normative pressure	"We observe the industry and give insights/references; as a neutral third party we influence CPMCs and inform associations/NDRC decisions."	P20 (Industrial Association Officer),
			"Showcase best practices; give awards/certificates (e.g., 'National Industry Expert'); winners get gov recommendations for projects."	P23 (Industrial Association Officer),
			"Shift from harmful competition to mutual learning; even SOEs adopt leaders'	P15 (Customer Relationship

Selected Primary Codes (RQ1)	Selected Key Terms	Theorisation linkage in conceptual framework	Example: Condensed Quote	Respondent (narratives of different participants compared)
			practices; we set service standards (e.g., COVID guidelines)."	Manager of PLLC)
<b>Cultural-cognitive Pillar</b>	Chinese collectivist culture;harmonious and warm atmosphere; quasi-publicity;media coverage and attention	Cultural-cognitive pressures	"Collective spirit / Yiqi: everyone's business is our business; beyond the contract, no CPMC would refuse during the pandemic."	P1 (General Manager of SME)
			"Urbanisation eroded neighbourly ties; to rebuild a family-like community, we foster engagement through activities."	P7 (General Manager of PLLC)
			"Residents often see CPMCs + RC as one; a quasi-government identity (guanbenwei) wins public recognition and reduces conflicts."	P22 (Industrial Association Officer)
			"Regular visits to a solitary elder—arranging a barber and social worker—prompted media coverage via the family abroad, markedly boosting brand value."	P16 (Project manager of SOLE)

Selected Primary Codes (RQ1)	Selected Key Terms	Theorisation linkage in conceptual framework	Example: Condensed Quote	Respondent (narratives of different participants compared)
<b>Boundary Bridging</b>	beyond the contract;bridges and bonds; active last-mile implementor;mediate conflicts and disputes	Boundary bridging role of CPMCs	“Community governance isn't really our responsibility; it's the government's... preventing electric mobiles entering elevators or managing pandemic responses aren't in our service contract.”	P16 (Project Manager of SME)
			“Because we have a manager for each building... we have WeChat groups... the RC essentially rely on us to handle these matters.”	P10 (General Manager of SOLE)
			“During the pandemic, CPMCs were essential as ‘last mile implementors,’ ensuring residents’ safety and delivering essential services directly to their doors.”	P9 (Deputy General Manager of SOLE)
			“When the local government couldn't meet the needs of our large community, we mobilised employees, recruited volunteers, and delivered supplies... even birthday cakes for sealed-off buildings.”	P9 (Deputy General Manager of SOLE)
			“Urban management officers can't work 24/7; we work in shifts and prioritise gentle persuasion—about 80% of issues are resolved through mediation.”	P3 (General Manager of PLLC)

Selected Primary Codes (RQ2)	Selected Key terms	Theorisation linkage in conceptual framework	Example: Condensed Quote	Respondent (narratives of different participants compared)
Economic Sustainability	financial concerns behind energy saving	Corporate Sustainability	"CPMCs must pay utilities upfront, creating cash flow pressure."	P14 (Project Manager of PLLC)
	government purchase of services		"Over the past decade, we've developed smart community services, now expanding into urban governance to offer smart city solutions and attract government contracts."	P3 (General Manager of PLLC)
	creative value-added services		"In aging residential communities, income can be generated through age-friendly renovations and services like e-commerce, group buying, and incentives for early fee payments. With younger, open-minded residents, including pet owners and DINK couples, there is potential for expanding diverse future services."	P21 (Industrial Association Officer)
Environmental Sustainability	garbage classification		"For garbage classification, we collaborate with the community to build advanced garbage rooms with odour treatment and more than just three bins."	P11 (Human Resources Manager of SOLE)
	construction waste disposal management		We require homeowners to follow standard procedures for construction waste disposal...Efforts include door-to-door education, reminders, and supervision."	G17 (Project Manager of SOLE)
	river dredging		"Previously, separate government departments handled river dredging, greening, and street cleaning, often leading to waste buildup and damaged plants due to buck-passing. Contracting all tasks to a CPMC could streamline operations and resolve these issues efficiently."	P21 (Industrial Association Officer)
	waste recycling		"We promote paperless offices, the engineering department focuses on recycling discarded materials. Large bins in the community collect old clothes, which we	P18 (Project Manager of SME)

Selected Primary Codes (RQ2)	Selected Key terms	Theorisation linkage in conceptual framework	Example: Condensed Quote	Respondent (narratives of different participants compared)
Social Sustainability	new energy		coordinate with manufacturers for recycling.” “There is a SOE that uses geothermal energy that reaches dozens of meters underground. Through the continuous circulation of the underground, its energy ensures a constant temperature in the room, which is very environmentally friendly.”	G28 (General Manager of SONE)
	emergency response to extreme weather		“During the typhoon, the company took measures to prevent flooding and mobilised staff promptly to resolve issues, ensuring the community’s safety, which I think is quite good.”	P36 (Resident)
	public health prevention and control		“During the pandemic, we worked with the health department to transport patients, collaborated with the police department to conduct inspections and maintain order, and provided logistical support for community workers.”	P13 (General Manager of SME)
	launch community cultural activities		“Each year during the Mid-Autumn Festival, we host a ‘Ten Thousand Lights’ event, ongoing for 20 years, with over 2 million yuan invested annually in cultural activities.”	P10 (General Manager of SOLE)
	openness and inclusiveness		“This is an open and inclusive scenic area, and we are animal friendly here. We are willing to accept different perspectives, there is also a gender free store.”	P6 General Manager of PLLC
	strict selection of supply chain partners		“When organising children’s summer camps, because parents are highly concerned about the safety and content of the activities, we conduct in-depth research. We design different types of products based on the profiles of our customer groups, and then select reliable suppliers.”	P11 (Human Resources Manager of SOLE)

<b>Selected Primary Codes (RQ2)</b>	<b>Selected Key terms</b>	<b>Theorisation linkage in conceptual framework</b>	<b>Example: Condensed Quote</b>	<b>Respondent (narratives of different participants compared)</b>
	positive lifestyle advocacy and resident education		"Our corporate culture promotes sunshine and a healthy lifestyle. Every year, we organise running festivals, like a vertical marathon, which is stair climbing competition."	P15 (Customer Relationship Manager of PLLC)
	emergency response to oil tank explosion		"Years ago, following a major explosion in Tianjin's coastal area, CPMCs emerged as key responders, demonstrating their role a counterflow hero in managing the emergency despite being private enterprises."	P3 (General Manager of PLLC)
	CPR First Aids		"All employees have completed CPR training, and the company has installed thousands of AED devices across residential communities, saving numerous lives."	P3 (General Manager of PLLC)
	protecting historical cultural relics and buildings		"The project we undertook includes many historical buildings and cultural relics, many of which are made of wood."	P6 General Manager of PLLC



Table 4.2 Thematic Implementation: Examples of Actions and Evidence (Phase 2-3)(con't)

Selected Primary Codes (RQ3)	Selected Key terms	Theorisation linkage in conceptual framework	Example: Condensed Quote	Respondent (narratives of different participants compared)
Creating Common Ground	advocacy regulations or policies	Divergent Change implementation (Creating Common Ground)	"HSE teamed with local gov't and RCs on fire-safety/anti-fraud drives; mobilised residents to co-create safer living environments."	P11 (Human Resources Manager of SOLE)
	policy proposal		"Proposed an urban-services approach for old communities; filed the sole submission to X District People's Congress; kept piloting afterward."	P3 (Branch General Manager of PLLC)
Leveraging Resources and Networks	build engagement platforms	Divergent Change implementation (Leveraging Resources and Networks)	"Engaged businesses, residents, volunteers; pooled financial/social assets via participation platforms to support governance and sustainability."	P28 (Property Management & ESG Expert)
	think tank		"Ran an annual 'Town Mayor Forum'; gathered leaders and scholars into a think tank to study governance and shape monetisable models."	P10 (General Manager of SOLE)
Creating New Institutions	creating new norms and rules of sustainability	Divergent Change implementation (Creating New Institutions)	Issued internal guidelines; set a 10% energy-reduction target for 100+ staff."	P10 (General Manager of SOLE)
	investment in new technologies and infrastructures		"Built an 1 billion RMB intelligent operations centre for nationwide real-time monitoring, instant alerts, and remote inspections."	P26 (General Manager of SONE)

## **Step 4: Developing and Refining Categories**

With the primary codes established, the next phase involved developing overarching themes, ensuring that they captured both empirical insights and the theoretical underpinnings of the study. This process was iterative, requiring continuous comparison between the emerging themes and existing literature to ensure that empirical findings remained aligned with broader governance and institutional entrepreneurship frameworks. Through this approach, I ensured that the thematic structure was not only grounded in participants' perspectives but also informed by theoretical constructs, strengthening the analytical foundation of the study.

The development of themes followed a structured refinement process. The first theme, "participatory roles of CPMCs in community governance", initially emerged inductively, encapsulating the direct involvement of CPMCs in governance structures. However, as I reviewed the primary codes, it became evident that institutional pressures played a crucial role in shaping these roles. This realisation led to the identification of a second theme, "institutional pressures on CPMCs", which captured the external forces influencing CPMCs' participation in governance. To provide a more structured analysis, I applied Scott's (2001) three-pillar model to categorise these pressures. "Regulative Pillar" – legal and policy constraints imposed on CPMCs by government regulations. "Normative Pillar" – industry expectations and professional norms that guided their operations. "Cultural-Cognitive Pillar" – public perceptions of CPMCs' responsibilities, particularly the societal expectations placed upon them as governance actors. The integration of Scott's framework strengthened the theoretical foundation of this theme by aligning it with established institutional theory.

A third theme, "institutional entrepreneurship amongst CPMCs", emerged as I analysed the agency and strategic responses of CPMCs within governance environments. This theme represented their capacity to navigate and reshape governance structures through entrepreneurial initiatives. One of the key theoretical contributions identified in this theme was the process of "creating new institutions". While existing literature rarely discusses institutional entrepreneurship in the property sector, and the specific mechanisms through which CPMCs create and sustain new governance models had been relatively underexplored.

The fourth theme, “corporate sustainability amongst CPMCs”, was structured using the TBL framework.

To maintain analytical consistency, I adhered to Patton’s (2015) criteria for internal homogeneity and external heterogeneity in thematic development. Internal homogeneity required each theme to cohesively capture the relevant subcategories, while external heterogeneity ensured that themes remained distinct from one another while maintaining complementarity within the broader governance context.

### **Step 5: Meaning Making and Consolidation**

The final phase of the thematic analysis involved synthesising the findings into a coherent and theoretically informed framework that aligned with the study’s research objectives. This process entailed integrating empirical insights with broader governance frameworks, institutional entrepreneurship theories, and sustainability perspectives, ensuring that the thematic structure provided meaningful contributions to the study’s overarching aims.

At this stage, I revisited the refined themes and examined their interconnections, establishing their theoretical contributions. For example, the findings on institutional pressures reinforced Scott’s (2001) three-pillar framework, demonstrating how regulatory, normative, and cultural-cognitive influences shaped the strategic responses of CPMCs. The data further revealed a new research gap, highlighting how different types of institutional contradictions within community governance—such as misaligned interests, efficiency, or non-adaptability contradictions between local governments and property companies—posed challenges and opportunities that CPMCs navigated through institutional entrepreneurship. These various forms of institutional contradictions align with Seo and Creed’s (2002) four types of contradictions, illustrating how tensions within the institutional field create opportunities for praxis, where organisations move beyond traditional institutional reproduction to engage in critical reflection on existing systems and take practical action for change.

This phase also involved consolidating themes into a clear data structure, as illustrated in Table 4.3. The table demonstrated the relationships between key terms, codes, and themes, enhancing the transparency and rigour of the analytical process. Reflexive thinking played a critical role in ensuring the theoretical aggregation themes were closely aligned with the empirical data, providing a comprehensive understanding of the phenomena that is the focus of the study. Ultimately, the presence of these themes enabled the generation of a relevant and valid theory (Eisenhardt, 1989), further supported by a review of related literature to strengthen the empirical findings.

Table 4. 3 Themes Representing Findings

Themes	Descriptions	Primary Codes and Key terms
<b>1. Participatory Roles of CPMCs in Community Governance</b>	It refers to the active and collaborative boundary-bridging role of CPMCs in navigating the institutional complexity within grassroots communities in China. It emphasises the role of CPMCs as facilitators and participants in collaborative efforts with other stakeholders in community governance.	<p><b>1.1 Incompatibilities and Contradictions:</b> The limitations of LSO and RC, no enforcement power, limited capacity of companies, rigid cooperation and assessment mechanisms, shirk responsibility, lack of citizen engagement, residents doubt the motivation</p> <p><b>1.2 Boundary Bridging:</b> Beyond the contract, bridges and bonds, cells and nerve endings, greater penetration, joint mechanisms, last mile implementor, market entity, one of four wheels, play a vanguard role, cross-border work needs</p> <p><b>1.3 Active Engagement and Collaboration:</b> Self-initiated and active participation, mediate conflicts and disputes, seamlessly integrated, relief burden for government, the same object</p>
<b>2. Institutional Pressures amongst CPMCs</b>	It refers to the pressures exerted on CPMCs to adapt their structures, strategies, and practices to meet the expectations, norms, and regulations of their external institutional environment. The primary goals are to gain legitimacy, access resources, and maintain a competitive edge in the market.	<p><b>2.1 Regulative pillar:</b> Unavoidable obligation and burden, limited and strategic adaption, flexible and proactive alignment</p> <p><b>2.2 Normative pillar:</b> Association role, the role of research institution, learning from each other, ensure quality service, strengthen brand recognition</p> <p><b>2.3 Culture cognitive pillar:</b> Chinese collectivist culture, righteousness, harmonious and warm atmosphere, quasi-publicity, media coverage and attention</p>

Table 4.3 Themes Representing Findings (Cont'd)

Themes	Descriptions	Primary Codes and Key terms
<b>3. Institutional Entrepreneurship amongst CPMCs</b>	It refers to the activities undertaken by CPMCs to create, transform, or disrupt existing institutional structures in the current field. These companies act as agents of change, developing visions, leveraging their resources, professionals, and use their social positions to influence and introduce new norms, rules, and practices that deviate from the status quo.	<p><b>3.1 Creating Common Ground:</b> Advocacy regulations or policies, policy proposal, multi-win-win scenarios</p> <p><b>3.2 Leveraging Resources and Networks:</b> Build engagement platforms, think tank, mobilising community resources, engaging with stakeholders to build support for new initiatives, building partnerships with technology providers</p> <p><b>3.3 Creating new institutions:</b> Creating new norms and rules of sustainability, company restructure, benchmark projects, pilot for successful and replicable business models, from “small” to “big” property management, engaging in PPPs, develop creative value-added services, develop and sell new technologies to small companies, investment in new technologies and infrastructures, enhance residents’ service experience</p>

Table 4.3 Themes Representing Findings (Cont'd)

Themes	Descriptions	Primary Codes and Key terms
<b>4. Corporate Sustainability amongst CPMCs</b>	It refers to aligning environmental, social, and economic performance with their professional property management services. This approach emphasises the integration of sustainable principles into business models and strategies, aiming to address the evolving demands and expectations of property owners and stakeholders. This ensures that property management services are not only efficient and effective but also contribute positively to the wider community and environment.	<p><b>4.1 Economic Sustainability:</b> Government purchase of services, all-inclusive property management fee, financial concerns behind energy saving, requirements of IPO and listed companies, investors favor, financial challenges, public revenue of community owners, creative value-added services</p> <p><b>4.2 Environmental Sustainability:</b> Garbage classification, waste recycling, kitchen waste turning into nutrients, construction waste disposal management, environmental protection advocacy, environmentally friendly buildings and facilities, new energy, green plant maintenance, light pollution control, noise control management, emergency response to extreme weather, river dredging</p> <p><b>4.3 Social Sustainability:</b> Management of building exteriors, improving the living environment, launch community cultural activities, free medical consultation, community building, strict selection of supply chain partners, positive lifestyle advocacy and resident education, public health prevention and control, eliminate safety hazards, emergency response to oil tank explosion, protecting historical cultural relics and buildings, openness and inclusiveness, public security and order maintenance, CPR First Aids, comprehensive training and promotion system, technically, socially, and emotionally trained service providers</p>

## 4.4 INTERPRETATION OF THEMES

### 4.4.1 PARTICIPATORY ROLES OF CPMCS IN COMMUNITY GOVERNANCE

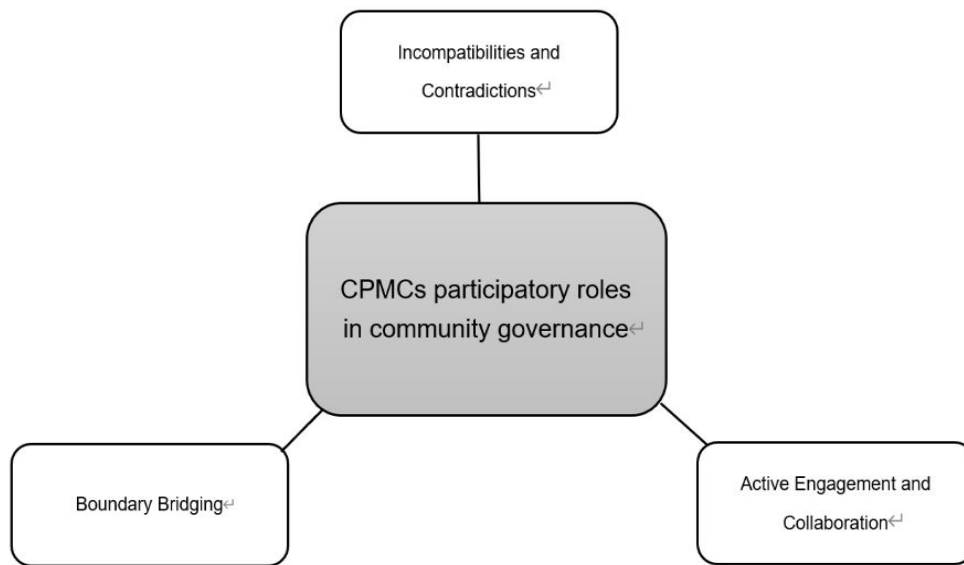
Community governance involves collaboration among local authorities, residents, and private entities to manage and deliver public services (Totikidis, Armstrong and Francis, 2005). In this context, CPMCs serve as facilitators, bridging government mandates with community needs (Reddel, 2002). Their involvement in governance reflects their expanding role beyond property management, positioning them as key actors in urban governance frameworks. In the Chinese context, CPMCs operate within a governance framework shaped by state-led initiatives and collectivist social norms, while also navigating a normative yet competitive market logic, which further intensifies the institutional contradictions they encounter (Yuzhuo, 2024).

Participation in community governance exposes CPMCs to diverse institutional environments, often characterised by competing interests and contradictory arrangements. These contradictions, as highlighted by Feront, Bertels and Hamann (2024) and Seo and Creed (2002), trigger reflective practices that enable CPMCs to innovate governance processes and adapt to complex institutional demands. Such reflective practices align with institutional entrepreneurship pathways, wherein CPMCs leverage their boundary-spanning role to introduce governance innovations and drive sustainable urban development (Battilana, Leca and Boxenbaum, 2009).

Interviews reveal three primary codes in CPMCs' participatory roles: "incompatibilities and contradictions," "boundary bridging," and "active engagement and collaboration." These findings underscore CPMCs' dual role as market actors and governance collaborators, navigating tensions and fostering inclusive governance practices (as illustrated in Figure 4.2).



Figure 4. 2 CPMCs' Participatory Roles in Community Governance Thematic Network Diagram



#### 4.4.1.1 INCOMPATIBILITIES AND CONTRADICTIONS

Grassroots community governance is characterised by multiple stakeholders, including government organisations, community committees, CPMCs, and residents, etc. which often creates inherent institutional incompatibilities. These limitations include the shortcomings of LSO and RCs, as well as the lack of real enforcement power from CPMCs. They also highlight the limited capacity of companies, which shirk responsibilities, exhibit rigidity, and fail to implement effective cooperation, assessment mechanisms, and foster active citizenship or high levels of civic virtues. The coexistence of diverse participants with conflicting interests tends to result in internal contradictions that generate unstable tensions within the community.

During the process of participating in community governance, the limitations of LSO and RCs became apparent, particularly regarding inadequate staffing and enforcement capabilities (Wu, Yan and Jiang, 2018). This inadequacy, especially in crisis situations, reveals the efficiency and nonadaptability contradiction (Seo and Creed, 2002; Stenvall-Virtanen, 2023; Zhang, 2024b). As the lowest level of government administrative departments, LSOs, along with community self-governance organisations like RCs, struggled to meet the complex and rapidly evolving needs of residents under extreme circumstances such as the pandemic. The existing organisational structures and personnel allocations proved insufficient in handling crises efficiently, exposing their inability to respond swiftly and effectively to emergent challenges.

An industrial association officer from East China highlighted this challenge:

*Take X City as an example. During the pandemic outbreak, it became clear that RCs under LSOs were overwhelmed. Without the role of CPMCs, the entire community would have been very chaotic during the pandemic (Participant 20).*

This statement illustrates the critical role of CPMCs in filling governance gaps during emergencies. While RCs faced staffing shortages and operational limitations, CPMCs played an indispensable role in maintaining community stability. In navigating the efficiency and non-adaptability contradictions, CPMCs emerged as key actors in coordinating resources, supporting LSOs and RCs in crisis management, and ensuring that essential governance functions continued despite institutional constraints. Their ability to mobilise personnel and logistical support not only mitigated the immediate challenges of crisis situations but also demonstrated their growing significance in the evolving governance landscape. Due to word count constraints, to maintain conciseness while ensuring transparency, additional perspectives from RC members and property managers that reinforce this observation are provided in Appendix A.1–A.2.

However, the limitations of CPMCs are also evident. A project manager of a private listed company from north China with 9 years of experience noted:

*In fact, according to the Property Law and the Civil Code, the power of CPMCs in public areas is very limited—we have no enforcement authority. Our responsibilities and obligations are to dissuade, stop, and report issues. We must request assistance from various government departments (Participant 18).*

This perspective reflects the fundamental contradiction between the high expectations placed on CPMCs to manage community governance and the limitations of their legal authority. On one hand, CPMCs are tasked with ensuring public order and safety; on the other hand, they are legally bound by restrictions that prevent them from fully executing these responsibilities. The lack of enforcement power is an institutional incompatibility that not only limits CPMCs' ability to operate

effectively but also highlights the fragmentation within the broader governance framework. This forces CPMCs to rely on external authorities, potentially leading to inefficiencies and delays in service delivery.

For additional insights, see Appendix A.3, where another respondent elaborates on the constraints CPMCs face regarding no enforcement authority and balancing governance tasks with legal boundaries.

However, this contradiction also creates opportunities for CPMCs to enhance coordination with governance stakeholders and leverage these relationships to improve service quality. Since CPMCs lack direct enforcement authority, their role is limited to persuasion, intervention, and reporting incidents to relevant administrative enforcement agencies. While this constraint reduces their operational efficiency, it simultaneously necessitates stronger collaboration with these agencies to ensure that governance tasks are effectively carried out. To overcome this challenge, CPMCs must proactively engage in continuous communication and coordination with enforcement bodies in their daily operations. This ongoing collaboration not only helps streamline processes and facilitate smoother case handling but also strengthens mutual reliance between CPMCs and administrative enforcement departments. As enforcement agencies frequently require information and logistical support from CPMCs to carry out their duties, this interdependence fosters closer institutional linkages, ultimately improving governance effectiveness and service delivery at the community level.

Another respondent supported the limited capacity of CPMCs, who is a property management & ESG research expert from a top university in China, he stated:

*They need to invest a lot of manpower and resources to carry out related work, and this is one of the big challenges they are currently facing. The current operations of CPMCs and their own capabilities may not be sufficient to meet the public's high expectations(Participant 28).*

This observation points to a broader issue within the community governance system, which is the mismatch between the growing expectations placed on CPMCs and their actual capacity. As

these companies take on more significant roles within the governance network, the strain on their resources becomes more apparent, raising questions about the sustainability of their expanded responsibilities. These contradictions manifest as inefficiencies and increased pressure on CPMCs to deliver beyond their capacity, leading to the underperformance of expected roles.

Apart from not playing a dominant role and depending on governmental authorities in dealing with community affairs, another challenge posed by rigid cooperation and assessment mechanisms, where bureaucratic processes can delay necessary actions, leading to dissatisfaction among residents and limitations in the CPMCs' ability to respond promptly. A customer relationship manager of a private listed company from north China with 5 years of experience observed:

*Using maintenance funds requires the RC to follow procedures, that is the decision can't made by the companies. The process involves collecting opinions, making announcements, bidding, and inspections, which can take three to five months or longer. Meanwhile, roads may already be damaged, causing owner dissatisfaction, but repairs can't start until the process is complete. It's time-consuming and cumbersome (Participant 15).*

This experience illustrates how rigid adherence to institutional norms can lead to delays that frustrate residents and constrain CPMCs' ability to provide timely services, highlighting contradictions related to both misaligned interests and operational efficiency. As privileged organisations, government agencies are primarily responsible for policymaking rather than the direct execution of community-level affairs. Consequently, they remain detached from the practical challenges CPMCs encounter during implementation, offering limited support in addressing operational obstacles. This disconnection hampers CPMCs' ability to efficiently meet residents' expectations, as they must navigate bureaucratic constraints without the necessary authority or flexibility. The resulting tension between community needs and procedural rigidity reveals the conflict between stakeholder interests, where government agencies prioritise institutional protocols, while CPMCs strive to balance compliance with responsiveness to residents' demands.

For further insights, refer to Appendix A.4, where another respondent, a general manager from a state-owned listed property company in a southern province, discusses how rigid regulations

undermine economic benefits for CPMCs and place excessive burdens on property companies without adequate support.

These contradictions highlight the broader challenge of aligning the roles and responsibilities of all stakeholders in community governance, revealing the need for more flexible and cooperative frameworks.

In addition, a project manager with 12 years of experience at a private listed company based in Southeast China highlighted the issue of stakeholders shifting responsibilities onto each other within the power dynamics and dependency factors of the community governance status quo, which hinders the effective resolution of issues within the community.

*There should be a positive relationship among CPMCs, residents, local governments and RC, if, whenever a conflict arises in the community, the community shifts the responsibility to the property management, and the company shifts it back, it won't help in resolving the residents' issues (Participant 14).*

This reflects how conflicting values and priorities among stakeholders create interinstitutional incompatibility, hindering effective cooperation. LSOs and RCs prioritise risk prevention, aiming to maintain stability in their jurisdictions through proactive governance measures. In contrast, CPMCs, while required to align with LSO and RC directives and address residents' needs, must also operate as profit-driven entities constrained by cost considerations. These differing objectives create structural tensions, as CPMCs must balance regulatory compliance, service expectations, and financial sustainability within an environment where governance responsibilities remain ambiguously defined. The lack of clear delineation of roles and responsibilities results in inefficiencies, weakening public trust in governance actors and diminishing their legitimacy in the eyes of residents.

For further elaboration, see Appendix A.5, where a director of an LSO discusses how CPMCs' autonomy and cost-driven decisions exacerbate these dynamics, limiting their willingness to engage proactively in community governance.

These insights reveal a systemic issue in community governance, where the absence of structured accountability mechanisms perpetuates inefficiencies and undermines efforts to foster collaborative problem-solving among CPMCs, local governments, and RCs.

In the power dynamics and dependency system of community governance in China, the role of residents is often overlooked. Compared to the development of civil society in the west, residents in China are largely absent from community governance, which may be due to historical reasons related to China's social development. Rapid urbanisation and the relatively new concept of property management in China, which has led to a lack of citizen engagement and understanding of civic responsibilities (Liang, 2021; Ting, Guo and Liao, 2020). A human resource manager of a listed state-owned enterprise from North China with 14 years of experience reflected on this issue as follows:

*I believe China's urbanisation has been so rapid. Coming from a rural area myself, I see that people aren't yet accustomed to city life, including paying for property management services, and old habits don't change overnight. For example, many ground-floor residents turn public green areas into their own vegetable gardens and may resist our management efforts (Participant 11).*

This insight highlights the challenges of integrating rural populations into urban governance structures. The rapid pace of urbanisation has left many residents struggling to adapt to new norms, including engaging with property management practices. This reluctance complicates the role of CPMCs, who must balance enforcing new regulations with fostering acceptance among residents. The transition to urban living, coupled with limited awareness of homeowner responsibilities, hinders effective governance and erodes trust between residents and CPMCs.

Further perspectives on the importance of enhancing homeowner engagement and responsibility in sustainable governance can be found in Appendix A.6, where a property management expert from a top Chinese university addresses the need for strengthening civil society and the realisation of homeowners' rights. Addressing the lack of citizen engagement

requires greater civic awareness and initiatives to foster homeowner responsibility, creating a more sustainable and cooperative model for community governance.

Regarding conflicts between residents and CPMCs, there are doubts residents may have in terms of the motivations behind CPMCs' involvement in community governance activities. A general manager of a private listed company with 19 years working experiences of Southeast China stated:

*Many residents with a sense of distrust, question why the company would engage in activities unrelated to their usual responsibilities. They might think that the company must get some sort of benefit from it. The entity responsible for community governance isn't supposed to be the company (Participant 7).*

The respondents' comments highlight the inability of residents to adapt to exogenous changes due to "locked-in" mindset where residents struggle to adapt to the evolving role of companies in community governance, clinging to the belief that governance activities should be the domain of governmental or community bodies, not private enterprises. In this case, residents' scepticism and distrust toward CPMCs engaging in community governance reflect deeply ingrained perceptions about the traditional roles of different stakeholders. Residents are accustomed to viewing CPMCs strictly as service providers responsible for routine maintenance tasks. When CPMCs attempt to expand their involvement into community governance, residents question the motivation behind these efforts, suspecting the companies of pursuing hidden benefits.

#### 4.4.1.2 BOUNDARY BRIDGING

The issue identified suggest that CPMCs play a crucial role in community governance by extending their responsibilities beyond formal contractual obligations. This "boundary-bridging" behaviour allows them to address community needs that transcend contractual boundaries, engage in cross-border community work, and seamlessly integrate into governance efforts. Through their position, CPMCs naturally relieve the burden on government entities and align their services with the collective needs of the community. This unique social positioning helps CPMCs act as effective intermediaries, bridging the gaps between residents, local government, and other

stakeholders in community governance. A project manager of a private listed company with 12 years of experience noted:

*Community governance isn't really our responsibility; it's the government's. For example, preventing electric mobiles from entering elevators or managing pandemic responses aren't in our service contract(Participant 16).*

This statement reflects the growing tension between the formal scope of CPMCs' duties and the expanding responsibilities they assume in practice. While their primary focus remains on maintaining buildings and providing property-related services, modern community needs increasingly draw CPMCs into governance roles traditionally handled by government entities. By stepping into these roles, CPMCs navigate complex institutional boundaries, fostering community cohesion and enhancing governance outcomes. In this context, CPMCs hold a distinctive social position as both low-status and peripheral actors within the governance structure, particularly in comparison to other stakeholders in community governance, such as LSO and RC. At the same time, they serve as intermediaries bridging the commercial and public governance spheres. Their position at the intersection of these fields enables them to effectively bridge institutional boundaries, addressing community needs that might otherwise fall through the gaps between government responsibilities and commercial services.

Further elaboration on the evolving social role of CPMCs and their responsibilities beyond contractual duties can be found in Appendix A.7, where a property management expert from a leading Chinese university discusses the broader social expectations placed on CPMCs and the limitations of existing contracts.

By taking on responsibilities that go beyond their contractual duties, CPMCs occupy a role that is not entirely defined by formal agreements, often stepping into roles traditionally reserved for public governance. This extension of duties can lead to ambiguity and potential conflicts, as these responsibilities are not legally mandated but are necessitated by community needs. The lack of contractual clarity around these roles prompts CPMCs to reflect on their evolving position, often



pushing them to reassess their service offerings and reconsider their strategies to meet the broader expectations of community governance.

In the Chinese context, where the rapid urbanisation process has outpaced the development of civic engagement. As market entities, CPMCs have emerged as crucial intermediaries between LSO, RC and residents. To create harmonious communities, they play different flexible and practical roles to bridge the gap between public expectations and the limited capacities of governmental bodies. These were described as “a buffer or firewall”, “bridges and bonds”, “cells and nerve endings”, “a last mile implementor”, “one of four wheels”, and “a vanguard” by respondents.

A general manager of a state-owned and listed company of southeast China illustrated the “bridges and bonds” role, highlighting CPMCs’ ability to facilitate communication between residents and government departments:

*Because we have a manager for each building, who is already familiar with and in communication with the residents. This makes it relatively convenient for us to carry out tasks. We have WeChat groups and the residents’ WeChat contacts, so the RC essentially rely on us to handle these matters(Participant 10).*

Similarly, during the COVID-19 pandemic, CPMCs were described as “last mile implementors” who ensured that essential services reached residents directly. A deputy general manager of listed SOE explained:

*During the pandemic, CPMCs were essential as “last mile implementors,” ensuring residents’ safety and delivering essential services directly to their doors(Participant 9).*

In terms of governance collaboration, a scenic area general manager of a private listed company emphasised the importance of joint mechanisms established between CPMCs and government agencies:

*We regularly hold joint meetings with various government departments to discuss community issues and propose solutions to maintain safety and order(Participant 6).*

Moreover, CPMCs' role as market entities was highlighted by a RC member in Southeast China:

*When installing elevators in old residential areas, the CPMC directly signed contracts and made purchases, enabling quick solutions that we couldn't provide as we are public organisations (Participant 31).*

These metaphors and statements not only illustrate the operational flexibility of CPMCs but also underscore their indispensable position in bridging institutional gaps and addressing governance inefficiencies. Additional perspectives, including descriptions of CPMCs as “cells and nerve endings” and “one of four wheels,” further highlight the depth of their engagement in community life (Appendix A.8-A.11).

These insights show that property management has evolved to include broader governance tasks and cross-sector collaboration, which are essential for addressing community-wide challenges. CPMCs have become crucial to community governance, often acting as intermediaries and taking on broader responsibilities even when these extend beyond their traditional scope.

#### 4.4.1.3 ACTIVE ENGAGEMENT AND COLLABORATION

Community governance requires active participation from multiple stakeholders, including private entities like CPMCs, to address complex local needs (Sullivan, Yeo and Kim, 2024; Sullivan, 2001). As governance increasingly relies on collaborative networks (Rhodes, 1997; Wang and Ran, 2023), CPMCs are evolving from passive service providers to proactive partners, bridging gaps between government mandates and community expectations. This shift reflects their growing role in fostering stronger relationships with residents and government bodies, contributing to resilient and sustainable communities (Stoker, 1998).

A deputy general manager with 13 years of experience at a southeast branch of listed SOE illustrated this self-initiative and active participation during the COVID-19 pandemic:

*When the local government couldn't meet the needs of our large community, we mobilised employees, recruited volunteers, and delivered supplies directly to residents. We even provided birthday cakes to lift spirits in sealed-off buildings(Participant 9).*

During the COVID-19 pandemic, government resources were often stretched to their limits, leaving gaps in essential services and support for residents. The ability of CPMCs to mobilise quickly and effectively became a critical asset. As indicated by Wang and Li (2022) “Good community governance is a process of creating a system of rules, which contains both institutional and emotional resource guarantees (p.12).” This stresses the importance of fostering emotional connections within communities. It indicates that CPMCs actively address the physical and psychological well-being of the community, which foster a deeper connection between the company and the residents. This elicits satisfaction and trust from residents, which is an indirect way to help residents better understand and cooperate with CPMCs to shape sustainable community governance. It also transforms the company from a mere service provider into a trusted community partner. Moreover, their flexibility and adaptability in reallocating resources and recruiting volunteers make them essential for crisis management in modern community governance.

A branch manager of a private listed company with more than 19 years of experience in Southeast China further explained their roles in dealing with limitations of government and relief the burden on government authorities:

*When dealing with X Island, we noticed many street vendors selling mangoes, causing various issues. Urban management officers can't work 24/7, unlike property management employees who work in shifts. As a company, we prioritise gentle persuasion. With our involvement, 80% of issues are resolved through mediation, with only 20% requiring enforcement(Participant 3).*

This insight highlights the soft power strategies employed by CPMCs. By relying on mediation rather than strict enforcement, CPMCs effectively resolve community issues and enhance governance efficiency. Their involvement significantly reduces the burden on government authorities, who are often constrained by formal procedures and limited manpower. This

collaborative approach reflects the evolving role of CPMCs as essential intermediaries in community governance, capable of addressing governance gaps through proactive engagement and flexibility.

A similar example illustrating CPMCs' collaborative role in reducing governmental workload is provided in Appendix A.12.

Given their role in serving community residents, these companies seamlessly integrate into community governance with other actors, connecting various aspects of community issues, from security to public services. A general manager with over 20 years of experience at a small southeast China CPMCs (SME) described this integration:

*When suspicious individuals threaten safety, we cooperate with law enforcement and provide evidence. As we manage public areas on behalf of homeowners, governance becomes part of our role. This involvement is a result of the very nature of property management, as homeowners represent the smallest unit of society's family structure(Participant 1).*

The overlapping responsibilities in community governance among different stakeholders largely align with the inherent service nature of CPMCs, which direct both company and community services toward the same objective.

Another expert from a top university in north China expressed a similar view:

*The LSO, CPMC, and homeowners all aim for a well-maintained community. The CPMC wants it kept in good condition, the LSO wants trouble-free communities to avoid responsibilities in their Within the jurisdiction, and homeowners certainly don't want their homes in disarray. In the end, all three parties share the same goal(Participant 24).*

This cross-sector integration, including the expanding role of CPMCs in public service provision, aligns with a service-dominant logic. Residents, LSO, RC, CPMCs, and other community governance stakeholders share a common objective—serving the community. The proactive and

collaborative engagement of CPMCs, leveraging their professional expertise, agile management, and resource allocation capabilities, has helped bridge the divide between the private sector and public governance roles. This, in turn, enables them to address the incompatibilities and contradictions inherent in current community governance approaches.

In conclusion, the participatory roles of CPMCs in community governance represent a significant evolution in the way urban communities govern. By stepping into roles that were traditionally beyond their scope, these companies have become pivotal when it comes to ensuring that community governance is responsive, collaborative, and aligned with the needs of residents and government bodies (Emerson, Nabatchi and Balogh, 2012; Sullivan, 2001; Wang and Ran, 2023).

#### 4.4.2 INSTITUTIONAL PRESSURES ON CPMCS

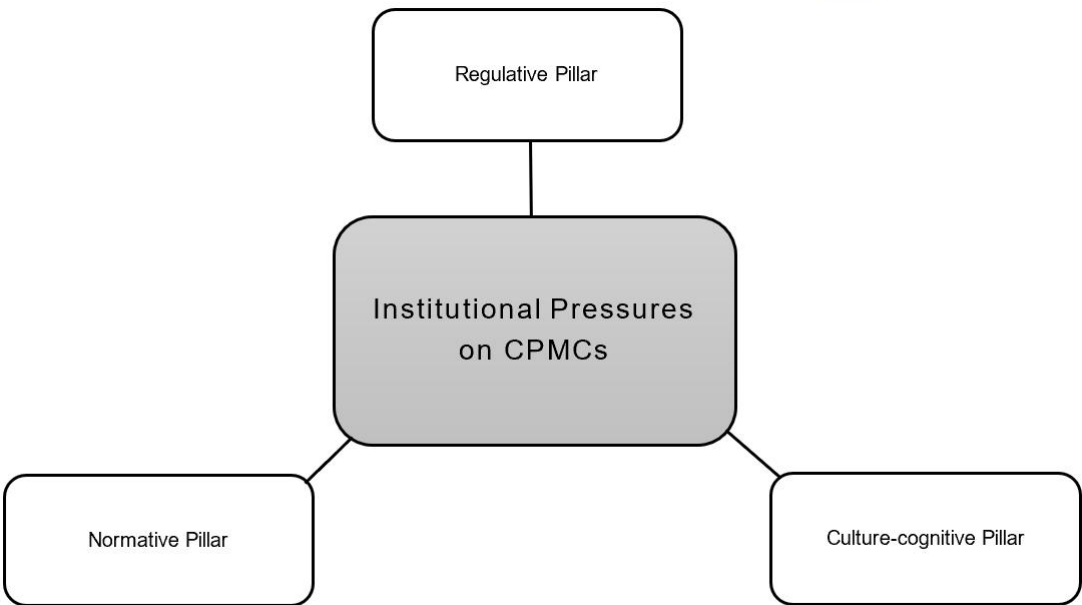
Institutions are resilient social structures composed of regulative, normative, and cultural-cognitive elements that shape social behaviour and provide stability (Scott, 2001). Regulative elements focus on rule-setting and enforcement, normative elements prescribe standards and obligations, while cultural-cognitive elements reflect shared beliefs and societal norms (Jahid *et al.*, 2023; Lee, Pak and Roh, 2024).

Given the limited literature on CPMCs' institutional pressures, this theme adopts Scott's (2001) three-pillar model to analyse how CPMCs respond to external forces and engage in institutional entrepreneurship. Their adaptive strategies aim to secure legitimacy, resources, and competitiveness.

In this study, government policies and regulations represent regulative pressures; industry norms and stakeholder expectations reflect normative pressures; and societal values and customer expectations rooted in Chinese culture represent cultural-cognitive pressures.

Key interview data have been synthesised into primary codes: "*regulative pillar*," "*normative pillar*," and "*cultural-cognitive pillar*," as detailed below.

Figure 4. 3 Institutional Pressures of CPMCs Thematic Network Diagram



4.4.2.1 REGULATIVE PILLAR

Institutional entrepreneurs’ success often depends on the political and social context in which they operate (Bakir and Jarvis, 2017). In China, CPMCs interact closely with local governments, navigating a complex regulatory landscape that shapes their role in urban development.

Some companies view regulative pressure as an unavoidable obligation and burden, leaving them with little choice but to accept and comply without resistance, where they adhere to government mandates under the threat of penalties without actively seeking to benefit from or align with government policies. A general manager with 14 years of experience in a state-owned listed CPMC in Southeast China described this passive approach:

*CPMCs are government-led. Even if certain tasks aren’t our responsibility, the government can penalise us. If you don’t comply, they can deduct credit scores, prevent bidding, or issue penalties. Compliance is necessary, whether we want to or not(Participant 12).*

This perspective highlights regulative isomorphism, where government enforcement mechanisms compel CPMCs to conform. This kind of compliance often reflects a defensive strategy aimed at avoiding the risks associated with non-compliance.

A similar viewpoint on the burdens of compliance is detailed with a private CPMC in Appendix A.13.

However, not all companies remain entrenched in passive compliance. Some have recognised the potential benefits of limited but strategic adaptation, aligning their practices with regulatory requirements to enhance their operations. A general manager of a scenic area within a large private listed CPMC shared a positive perspective on the evolving regulatory environment:

*The property management industry was quite chaotic initially, with issues like overcharging leading to conflicts. It wasn't until government bodies got involved that the industry began to improve. Recent regulations, like the star-rating mechanism, have standardised the system, improved services, and integrated companies into community governance (Participant 6).*

This view suggests that strategic adaptation to regulatory changes can lead to operational improvements and better alignment with government expectations, ultimately benefiting both the companies and the communities they serve.

Similarly, a general manager of a large private listed CPMC in southeast China highlighted the opportunities presented by China's focus on carbon peaking and environmental policies:

*China and the rest of the world are focusing on carbon peaking issue, which presents enormous market potential. CPMCs need to align with this trend, exploring energy conservation, emission reduction, and building greener communities. This alignment can significantly expand our market, especially in government-related sectors (Participant 2).*

Aligning with sustainability goals not only expands market opportunities but also strengthens the companies' competitive positioning, especially in government-related projects. Strategic

adaptation seeks to align corporate practices with regulatory policies in a way that supports long-term objectives. Under this approach, CPMCs engage in limited but deliberate adjustments, adapting to regulations within their operational capacity while maintaining a degree of flexibility.

These accounts illustrate the shift from passive compliance to strategic adaptation, representing a more sophisticated response to regulative pressures and institutional isomorphism. By embracing regulatory changes, CPMCs mitigate risks, reduce operational conflicts, and cultivate a more predictable business environment. Furthermore, as sustainability becomes a global and national priority, adapting to environmental policies transforms obligations into strategic assets that drive market growth.

A related perspective from an industrial association officer, discussing government incentives tied to carbon peaking and neutrality requirements, is available in Appendix A.14.

Beyond strategic adaptation, some companies pursue flexible and proactive alignment with government objectives, actively collaborating with local government and RC to enhance their services and secure support. A property management research expert from a top university in China highlighted the advantages of such proactive alignment:

*LSOs and RC have funds for environmental renovations and transforming idle spaces into service centres. As they collaborated with each other so well, these projects are often handed over to CPMCs to manage, providing them with additional income streams and opportunities to integrate into community life(Participant 25).*

This perspective reveals various material benefits and expands the operational reach that can come from proactively engaging with government initiatives. By participating in community governance, these companies not only enhance their financial stability but also deepen their integration into the communities they serve, which is a proactive approach to extend their influence.

Similarly, a general manager of a private listed CPMC with 19 years of experience illustrated the advantages of actively engaging in governance tasks:



*When we participate in community governance, the government's attention towards us increases, and we gain more resources. For example, when certain governance functions transferred to us, they purchase our services. Additionally, group purchases by residents often include state subsidies. Negotiating on behalf of the community under the government's name also helps us secure better deals with suppliers(Participant 8).*

This perspective highlights how proactive alignment not only yields financial benefits but also improves operational efficiency by enhancing CPMCs' bargaining power with suppliers and increasing their access to state-subsidised initiatives. Such partnerships allow CPMCs to leverage government backing for mutual advantage, reinforcing their market position while addressing community needs.

Further insights into the competitive advantages and brand enhancement gained through proactive alignment are illustrated with examples from a private listed CPMCs and an SME in Appendix A.15–A.16.

#### 4.4.2.2 NORMATIVE PILLAR

According to Scott (2001), normative pillars highlight the role of values and expectations in forming standards and systems. These systems establish jobs and roles, and adherence to duties ensures that things align with accepted conventions and standards. Some important stakeholders of the property management sector, such as competitors, medias, industry associations, research institutions exert normative influences on CPMCs.

As a neutral observer and influencer, an industrial association officer & general manager of east China region of a digital service platform stated the normative influence of her organisation (Participant 20):

*We observe the industry and present our findings to provide insights and references. This influences CPMCs and attracts interest from associations, the National Development and Reform Commission. As a third party, we stay neutral, supporting industry and government in decision-making.*

She indicates the role of a research institution as an observer in the industry, closely monitoring and assessing various developments, trends, and practices. By analysing what works well and what does not, they are able to distil these observations into actionable insights to shape industry norms and best practices. The observations and insights are not just academic or theoretical, they have practical implications. The respondent notes that their work influences the CPMCs, as these companies look to the information provided as a form of reference or guidance. Moreover, the influence of their observations extends beyond individual companies to larger regulatory and advisory bodies, potentially shaping regulations or industry standards.

An industrial association officer of a province in southeast China indicated the key role of association in promoting best practices, offering recognition, and providing professional development opportunities within the industry. This helped reinforce industry norms and standards, aligning CPMCs with broader institutional expectations. He stated:

*When companies visit from other provinces, we showcase successful community practices and share best examples. Outstanding companies receive recognition and awards from our association, often leading to government recommendations for future projects. The association also organises skills competitions, granting certificates such as “National Industry Expert.” (Participant 23)*

As for normative elements, competitors within the industry learn from each other to adopt shared practices and standards. This implies a broader trend of institutional isomorphism. A customer relationship manager of a leading private listed CPMC indicated:

*Previously, companies operated independently, leading to harmful competition. Now, with advances in technology and strategy, mutual learning is common. Even SOEs adopt practices from leading brands. As industry leaders, we set high service standards, such as sharing COVID-19 prevention guidelines for commercial properties(Participant 15).*

This respondent indicates a move away from a purely competitive mindset to one that recognises the value of collaboration and shared success. Driven by increased collaboration, strategic diversification, and the influence of industry leaders, the trend towards mutual learning and the sharing of best practices contributes to the standardisation and professionalisation of the industry, aligning with the normative pillar of institutional isomorphism. This process helps companies to adapt to market challenges and improve their services, ultimately benefiting the entire industry. One manager highlighted the role of information technology in facilitating this shift. The increased access to information and communication has made it easier for companies to learn from each other. In addition, the recent downturn in the real estate market has prompted even SOEs to observe and learn from the strategic planning and operational efficiencies of leading private CPMCs. This suggests that some unlisted SOEs experience relatively lower normative pressures, as they primarily rely on government-backed projects rather than market competition. However, market challenges are now pushing companies to look beyond their traditional boundaries, encouraging them to adopt best practices from successful peers, further reinforcing the trend of mutual learning and strategic adaptation.

Furthermore, industry leaders play a crucial role in shaping normative influence by not only setting high standards for themselves but also contributing to the overall professionalisation and development of the sector through knowledge-sharing and best practices. Listed companies, in particular, are required to adhere to financial transparency and environmental regulations, while simultaneously maintaining high service quality to remain competitive in an increasingly challenging market environment.

A property management research expert from a university in southeast China also expressed the need to learn from industry leaders worldwide to improve domestic practices and reach higher levels of customer satisfaction. He felt that domestic companies continue to fall short in managing certain high-end properties, particularly in comparison to international standards. He stated:

*Despite decades of development, property management in China still lags, especially in managing skyscrapers in cities like Beijing, Shanghai, and Guangzhou. The reliance on foreign*

*firms highlights gaps in the industry and the inability to fully meet homeowners' needs (Participant 27).*

This idea was supported by a branch manager of a private listed CPMC with 18 years working experiences, who stated:

*Property services in Hong Kong and other countries may differ from those in mainland China. With changes like an aging population, rising labour costs, and evolving expectations of residential property owners, it's clear that we need to learn from Europe, the United States, and Hong Kong (Participant 2).*

The two respondents indicate that the industry may have focused on growth and expansion at the expense of ignoring quality requirements. This is particularly important as the industry faces new challenges, including an aging population, rising labour costs, and changing expectations from property owners. These significant socio-economic changes require more sophisticated management techniques, higher standards of service, and greater efficiency. Several respondents called for all companies to return to the fundamental service principles of quality service, emphasising quality and compassionate service as key to achieving sustainable growth and market expansion. For instance, a general manager of a SME with 18 years working experiences noted:

*With IPO-driven capital and slowing growth, the focus must shift back to high-quality, compassionate services for residents, unlocking new opportunities (Participant 13).*

The insights from the SME general manager highlight how normative pressures on SMEs are primarily shaped by industry standards and resident service expectations rather than extensive regulatory oversight. Unlike listed companies, which must comply with formal financial and environmental disclosure requirements, SMEs experience normative pressure through market competition and community expectations for high-quality service. As resident satisfaction directly impacts their business sustainability, SMEs are incentivised to prioritise service excellence and responsiveness to evolving homeowner needs.

The respondent's emphasis on shifting focus back to high-quality, compassionate service reflects a strategic adaptation to market challenges. With the slowdown in IPO-driven capital expansion, the property management industry can no longer rely solely on rapid growth to sustain profitability. Instead, companies, especially SMEs, must differentiate themselves by delivering exceptional service, fostering resident trust, and maintaining strong community relationships. This aligns with broader industry trends, where the rising expectations of property owners, an aging population, and increasing labour costs demand more sophisticated management techniques and greater operational efficiency.

For SMEs, aligning with these evolving industry norms is not just a compliance necessity but a competitive advantage. By reinforcing fundamental service principles, such as quality service and community engagement, SMEs can strengthen their market position and achieve sustainable growth in a sector where reputation and resident trust are critical to long-term success.

#### 4.4.2.3 CULTURE COGNITIVE PILLAR

According to Scott (2001), the cultural-cognitive pillar highlights how taken-for-granted and shared understanding, rooted in constitutive schema and mimetic behaviours, reinforce orthodoxy and common beliefs. This creates a shared action-logic that is comprehensible, recognisable, and culturally supported (Jahid *et al.*, 2023; Lee, Pak and Roh, 2024; Leibel, Hallett and Bechky, 2018). The concept of collective culture in China is deeply ingrained, and this influences CPMCs' behaviour, driving them to go beyond their contractual obligations and act in the community's interest. A general manager of a SME stated:

*Our collective spirit, rooted in Chinese culture, drives our actions—everyone's business is our business. This sense of righteousness (Yiqi) isn't in the property company's contract, and while I could refuse, no CPMC would neglect this duty during the pandemic (Participant 1).*

This cultural mindset drives individuals and organisations to act in the collective interest, and such behaviour reflects the broader societal expectation that individuals and organisations should contribute to the common good. This willingness to act beyond the contract is a manifestation of the cultural cognitive pillar, where actions are guided by deep-seated cultural norms rather than just formal agreements. The collective culture in China contributes to culture-cognitive pressure on

CPMCs, influencing them to conform to societal expectations. This aligns with the concept of institutional isomorphism, where organisations adopt similar practices due to cultural norms and societal pressures.

All Chinese CPMCs are influenced by collective Chinese culture, which shapes their institutional logic and behavioural expectations. However, SMEs, due to their limited resources, adopt a distinct approach in responding to these cultural-cognitive pressures. Rather than relying on extensive financial backing or government support, SMEs primarily enhance their professional expertise and focus on agile, responsive service delivery to meet resident needs. Their ability to quickly adapt and address community concerns allows them to build strong relationships with residents and gain the trust of the RC. By prioritising customer-oriented service and fostering goodwill, SMEs leverage local support as a strategic advantage, ensuring business sustainability while maintaining alignment with deeply rooted societal values.

In addition, CPMCs recognise the need to rebuild these lost neighbourly ties as a crucial move towards fostering a cohesive and well-governed community. The restoration of neighbourly relationships has been seen as foundational for effective community governance. A general manager of a private listed CPMC with 19 years of work experience noted recent efforts to build close neighbourhood and family links:

*Urbanisation has eroded the close neighbourly ties of the 1980s and 1990s. The phrase “Distant relatives are not as good as close neighbours” highlights this trust deficit. To rebuild a warm, family-like community, fostering engagement through activities is essential (Participant 7).*

The saying “distant relatives are not as good as close neighbours” emphasises the value placed on having trustworthy and supportive neighbours, which has traditionally been a cornerstone of Chinese social life. This approach not only helps to rebuild trust and cooperation among residents, but also strengthens the overall governance of the community, demonstrating how cultural norms shape organisational practices in the Chinese context. For private listed CPMCs, responding to the institutional pressures of traditional Chinese culture involves leveraging their extensive professional resources and expertise to integrate cultural values into daily

management and operations. Unlike smaller firms that rely on flexibility and direct community engagement, private listed CPMCs utilise structured service models and customised community programmes to align with cultural expectations while maintaining a competitive edge. They develop various activities and projects that promote resident interaction, enhance social cohesion, and reinforce neighbourhood trust, ensuring that the concept of community engagement is embedded within their service offerings. By incorporating traditional values into their modern property management framework, they not only meet resident expectations but also differentiate themselves in a competitive market, strengthening their brand and customer loyalty.

An industrial association officer from a northern China province attributed this to the cultural emphasis in Chinese society on valuing authority and legitimacy associated with governmental or official status. He stated:

*Residents often view CPMCs and RCs as a single entity, giving CPMCs a quasi-governmental identity. This role in community governance is driven by the pursuit of public recognition rather than profit. In China, the deeply rooted concept of official status (Guanbenwei) helps CPMCs reduce conflicts with residents by reinforcing this government-like figure (Participant 22).*

In the context of Chinese property management, this cultural norm leads to the perception that, when closely tied to community governance, a quasi-governmental identity is adopted which transforms the CPMC's role from a private service provider to an entity with an official-like status. These are often viewed with more respect and authority by residents. As indicated by Wu, Yan and Jiang (2018) "In traditional and authoritarian countries such as China, both the government and society generally believe that the government is the owner and distributor of power. The introduction of new helpers only serves to optimise the government's clout (p.9)." Given that direct economic benefits (such as fee increases) might not always be feasible, adopting a quasi-governmental identity allows CPMCs to gain a form of non-monetary legitimacy and authority, which can be crucial in navigating their role in community governance. This reduces the likelihood of conflicts, as residents might view the property management's actions as being in line with governmental directives, rather than merely driven by corporate interests.

This cultural expectation is particularly pronounced for SOEs, as society and residents often perceive SOEs as direct extensions of the government. This "guanbenwei" (official status) mentality places SOEs under stronger cultural-cognitive pressure, requiring them to demonstrate a heightened sense of social responsibility and public service orientation. Their dual identity, as both commercial entities and public governance actors, aligns with the broader concept of institutional isomorphism. In this framework, organisations adapt to external expectations, particularly cultural and societal norms, to gain legitimacy and sustain their operations.

Lastly, media coverage plays a pivotal role in the culture-cognitive pillar of institutional isomorphism within the property management industry. They achieve this by enhancing public perceptions and influencing practices and strategies to align more closely with societal values. A project manager of a private and listed CPMC based in north China highlighted the role of media in strengthen culture-cognitive expectations, who stated:

*I saw an example at our company where a property manager regularly visited an elderly person living alone, as part of our brand's exclusive service. The manager arranged for a barber and a social worker to assist with the elderly person's needs. When the person's daughters and sons living abroad found out, they contacted the media, which significantly boosted our brand value(Participant 16).*

This example illustrates how media coverage serves as a mechanism for reinforcing culture-cognitive expectations within the property management industry, shaping both public perceptions and industry standards (Hu, Tu and Wu, 2018). By spotlighting socially responsible practices, media platforms encourage a shift toward more community-oriented and service-driven business strategies. As these actions gain visibility, they become not only indicators of corporate goodwill but also benchmarks for industry-wide expectations, compelling other companies to follow suit.

For listed SOEs, culture-cognitive pressures are particularly pronounced, as they face strict requirements in financial transparency, environmental and social responsibility, and high service quality. Beyond maintaining compliance with government regulations and industry standards, listed



SOEs must demonstrate strong corporate governance and public accountability to meet the expectations of stakeholders, including investors, government agencies, and the general public. In this context, media recognition of exemplary service initiatives further amplifies these pressures, reinforcing the need for SOEs to integrate sustainability, social engagement, and service innovation into their core business strategies.

A further example of the media's influence on societal recognition of CPMCs is provided in Appendix A.17.

Overall, the institutional isomorphism compliance of CPMCs reflects the interplay of regulative, normative, and cultural-cognitive pillars. Regulative compliance ensures adherence to government policies, normative compliance aligns with industry standards and stakeholder expectations, and cultural-cognitive compliance reflects societal and cultural influences on company behaviour. Institutions constrain and legitimise actions (Palthe, 2014) while also fostering opportunities for strategic change (Beckert, 1999; Oliver, 1991). Although institutions may impose limits, they simultaneously enable proactive adaptation and strategic engagement, allowing CPMCs to navigate governance complexities and drive sustainable development.

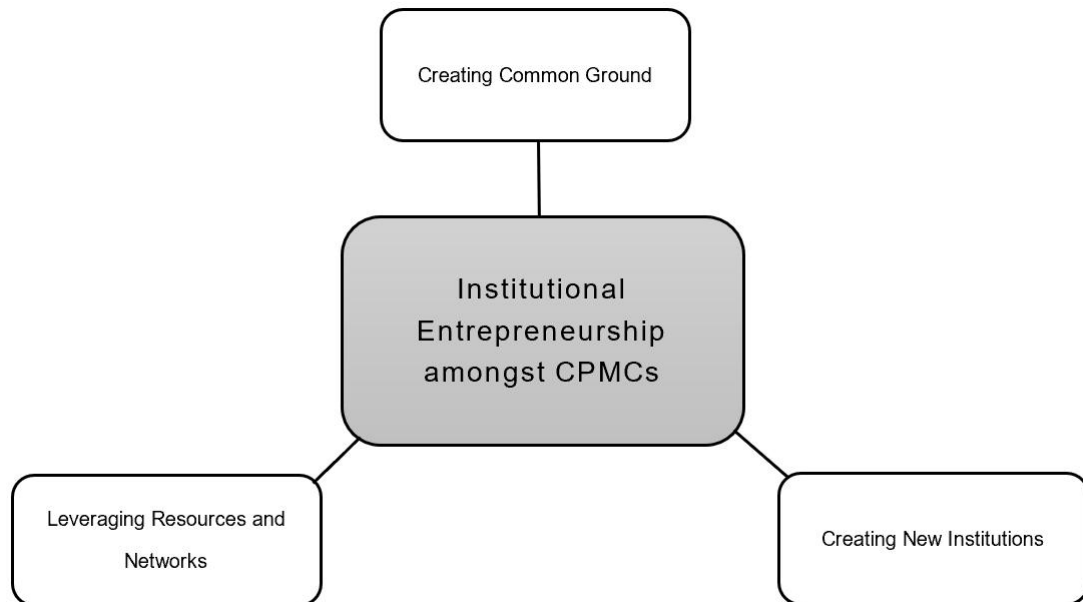
#### 4.4.3 INSTITUTIONAL ENTREPRENEURSHIP AMONGST CPMC

Institutional entrepreneurship refers to the efforts of actors to create, disrupt, or transform existing institutional structures by leveraging resources and introducing new norms and practices (DiMaggio and Powell, 1983). In the context of CPMCs, this reflects their role in reshaping governance frameworks and addressing institutional gaps within community governance (Klein and Braido, 2024; Vargas-Hernandez, Orozco-Quijano and Vargas-González, 2025).

As intermediaries in community governance, CPMCs utilise their social positioning and resources to facilitate institutional change. Their entrepreneurial activities not only respond to existing governance challenges but also introduce innovative solutions that align with broader sustainability goals. Drawing from Battilana, Leca and Boxenbaum (2009), Hargrave and Van de Ven (2006) and Grimm, Hofstetter and Sarkis (2016), the study identifies key pathways through which CPMCs drive institutional change.

Interviews reveal three primary codes in CPMCs' institutional entrepreneurship: "creating common ground," "leveraging resources and networks," and "creating new institutions". These are illustrated below(Figure 4.4).

Figure 4. 4 Institutional Entrepreneurship of CPMCs Thematic Network Diagram



#### 4.4.3.1 CREATING COMMON GROUND

Greenwood & Suddaby (2006) suggest that strategically engaging in policy advocacy enables organisations to align their practices with regulatory expectations, thereby creating a supportive environment for their operations. This approach is a key aspect of institutional entrepreneurship, as it helps organisations build legitimacy, gain competitive advantages, and ensure long-term sustainability. A human resource manager of a north China branch of a listed SOE showed the policy advocacy initiatives of her company:

*Our HSE department proactively advocates for safer work and living environments, initiating activities and encouraging resident participation. We collaborate with local governments and RCs to educate residents on fire safety, fraud prevention, and other key issues(Participant 11).*

The listed SOE's engagement in policy advocacy reflects its unique institutional position, enabling it to act as a boundary-spanner between the state and the market. By leveraging its dual embeddedness in the business and public sectors, the company does not merely comply with regulations but actively shapes the institutional environment, positioning itself as a key driver of sustainable governance.

The HSE department's policy advocacy efforts serve as a form of diagnostic framing (Battilana *et al.*, 2009), which is crucial for identifying, defining, and communicating key institutional issues. This framing mechanism plays a fundamental role in creating common ground by ensuring that diverse stakeholders, including government agencies, residents, and employees, recognise shared challenges. Through its engagement in fire safety awareness, fraud prevention, and public education, the company defines and legitimises critical risks affecting community governance. This process not only raises awareness but also aligns diverse actors' interests by demonstrating that these challenges are collective concerns rather than isolated issues.

Beyond identifying problems, the SOE's policy advocacy efforts embody prognostic framing, where it proposes actionable solutions and mobilises stakeholders to address community risks effectively. The listed SOE proactively engages in shaping the institutional field. Through collaborations with LSO and RC, the company not only disseminates information but also participates in co-regulation, reinforcing its role as an institutional entrepreneur. Thus, prognostic framing allows the SOE to transform community risks into opportunities for institutional alignment, reinforcing its position as a key governance actor.

A general manager of a southeast China branch of a private listed CPMC reflected on his attempts at political proposals, stating:

*Our company proposed using urban services to manage old residential communities. I drafted a proposal, submitted to the X District People's Congress in Y city as the year's sole submission on this topic. We continue to follow up and conduct pilot projects(Participant 3).*

The general manager's submission of a political proposal to the X District People's Congress represents a strategic institutional move aimed at shaping governance practices in old residential communities. This action goes beyond compliance with existing regulations; it demonstrates proactive institutional entrepreneurship, where a listed private CPMC seeks to influence policy direction while reinforcing its market legitimacy.

Through the diagnostic and prognostic framing of this issue (Battilana *et al.*, 2009), the company redefines the governance challenge of old residential communities as an institutional gap that necessitates private sector expertise for sustainable resolution. This framing serves two key functions by exposing deficiencies in the existing governance structure and proposing a market-driven, financially sustainable solution. Through its ongoing pilot projects, the company actively demonstrates the viability of this approach, testing governance models that integrate private capital while addressing public needs. Its continued engagement in follow-ups reflects a long-term institutional strategy, positioning itself not only as a policy advocate but also as an essential actor in implementation. This is evident in its participation in urban renewal, particularly in infrastructure investment. By incorporating private investment mechanisms, such as public-private partnerships (PPPs) or long-term urban service contracts, the company develops investment models that appeal to both policymakers and financial markets, ensuring the sustainability and scalability of its governance approach.

According to Hillman, Keim, and Schuler (2004), corporate political activity, including lobbying and policy proposal submissions, is a crucial strategy for organisations to influence the regulatory environment in which they operate. By proposing policy changes, the CPMC actively engages in corporate political activity, which can lead to favourable policy outcomes that support its business objectives.

The general manager from a listed SOE highlighted their competitive edge in managing scenic areas, citing a project in X Ancient Town:

*We first implemented the “grid service model” there. After a year, the scenic area was upgraded to five-star level, and tourist numbers doubled. This addressed significant pressure from*

*the local township government, which purchased our property management services to resolve this issue(Participant 10).*

The general manager's statement reflects the strategic positioning of an SOE in integrating professional property management into government-led governance initiatives. SOEs primarily align with government priorities, particularly in social welfare, public service enhancement, and administrative efficiency.

By identifying and resolving a critical governance challenge in managing a high-demand scenic area while maintaining quality standards, the company strengthens its legitimacy as an essential governance partner. This case illustrates how SOEs act as institutional entrepreneurs, not only responding to policy mandates but also shaping the governance landscape in ways that reinforce their embedded role in local administration.

The framing of the issue and solution serves as a motivational tool, encouraging other local governments to adopt similar services. As an institutional entrepreneur, the company diagnoses government challenges, proposes solutions, and showcases the benefits of property management. This creates common ground between its goal of expanding into the community and city governance, and the needs of local governments. This shared vision centres on enhancing service quality while reducing the government's workload.

All the initiatives create common ground for fostering multi-win-win scenarios, where collaboration among government departments, community committees, property management, and residents leads to mutually beneficial outcomes. As stated by a manager of SME:

*It is a multi-win-win activity. Community governance benefits the government, community committees, property management, and residents by fostering collaboration, resolving issues, and enhancing resident satisfaction and living standards(Participant 13).*

The customer relationship manager's statement highlights how SMEs engage in community governance by fostering collaboration among key stakeholders, leading to a multi-win-win scenario.

Unlike SOEs or large private listed companies, which often operate at a national or regional level and engage in formal policy advocacy, SMEs primarily function at the grassroots level, embedding themselves within local communities and prioritising direct engagement with residents. This distinction underscores the bottom-up nature of SME-led institutional entrepreneurship, which relies on relationship-building, trust, and immediate problem-solving.

#### 4.4.3.2 LEVERAGING RESOURCES AND NETWORKS

Since divergent change is rarely achieved without support, institutional entrepreneurs must typically mobilise allies (Greenwood, Suddaby and Hinings, 2002; Nordt *et al.*, 2024; Pimentel, Major and Cruz, 2023). As an institutional entrepreneur, CPMCs' ability to leverage networks and resources, which includes partnerships with government agencies, local businesses, and community organisations is essential for navigating the complex regulatory environment. In this way they can be better equipped to meet the expectations of diverse stakeholders, and achieve long-term sustainability (Greenwood and Suddaby, 2006; Jackwerth-Rice, Koehrsen and Mattes, 2023). A property management & ESG research expert from a top university in China highlighted the proactive role of building engagement platforms to collectively address community governance challenges, enhance service delivery, and ensure sustainable development. He stated:

*CPMCs mobilise diverse resources by engaging businesses, residents, and volunteers, integrating financial and social assets to provide effective governance services. This approach fosters support for initiatives and promotes sustainable development (Participant 28).*

The expert highlights resource mobilisation as a crucial factor for CPMCs to address community governance challenges. Building engagement platforms, which is a way of participatory approaches (Cornwall, 2008), and a process of institutional entrepreneurship, are essential for mobilising community resources. By engaging a variety of stakeholders, the companies can pool financial, social, and other resources (Levy and Scully, 2007; Misangyi, Weaver and Elms, 2008).

Another general manager of a listed SOE emphasised the strategic role that CPMCs play in fostering intellectual collaboration:

*Each year, we host a town mayor forum, inviting retired national leaders, current officials, and top university researchers to form a think tank. This group focuses on studying community governance issues, identifying areas for improvement, and exploring how to develop it into a business model(Participant 10).*

The general manager's creation of a think tank illustrates the strategic use of intellectual capital to generate new ideas for community governance. This practice is a clear example of institutional entrepreneurship, where the CPMCs proactively engage in knowledge creation to enhance their business models. The think tank serves as a platform for social capital mobilisation, bringing together high-status actors who can lend credibility and legitimacy to the company's efforts (Maguire, Hardy and Lawrence, 2004). The forum provides CPMCs an opportunity to build alliances with influential actors, who provide legitimacy and help gather broader coalitions to back the change, making it more sustainable. Unlike private enterprises that must independently secure market legitimacy or non-listed SOEs that remain bound by bureaucratic constraints, listed SOEs operate at the intersection of state authority and market forces, allowing them to leverage institutional resources on a large scale.

The director of a research institute at a SOE provided an example of company's cooperation with a technology supplier:

*In the northwest, we've partnered with X energy SOE to form a joint company managing oil, gas, wind, solar, and lithium sectors. We handle operations, maintenance, and collaborate with suppliers on green upgrades(Participant 26).*

The partnership between the state-owned CPMCs and the energy SOEs reflects the importance of leveraging networks to access resources and capabilities (Powell and Grodal, 2006). By forming a joint energy company and collaborating with technology suppliers, the CPMC can diversify its operational scope, align itself with sustainability goals, and implement energy-efficient solutions. The state-owned nature of the CPMCs , which are also part of a larger energy-related SOE group, adds significant weight to its social position and its ability to mobilise resources and gain legitimacy. Its formal authority and social capital, derived from its integration within the state

system, allows it to engage in strategic collaborations, which enhances its credibility and legitimacy, aligning its goals with governmental sustainability policies more effectively.

#### 4.4.3.3 CREATING NEW INSTITUTIONS

Creating new institutions involves actors developing practices, norms, and rules that reshape existing frameworks (Lawrence and Suddaby, 2006). While previous research has addressed institutional change, how to go about sustaining these changes is an issue that remains underexplored (Grimm, Hofstetter and Sarkis, 2023).

In terms of community governance, CPMCs engage by proposing and experimenting with new business models, restructuring company operations, forming PPPs, and introducing innovative services that extend beyond traditional practices. These efforts not only reflect attempts to drive sustainable development but also demonstrate a shift towards institutionalising long-term outcomes within the sector.

For example, a general manager of listed SOE in the southeast indicated that his company had created new norms and rules of sustainability by implementing specific performance targets and internal policies that align with national sustainability goals:

*Responding to the national call, our company issued guidelines to cut paper use, regulate air conditioning, and adopt office efficiency measures. Performance targets require over 100 employees to reduce energy consumption by 10%, aiming for 4 RMB per person(Participant 10).*

An industrial association officer and general manager of digital service platform introduced some other examples of how CPMCs created new norms and rules of sustainability, she stated:

*Company X prioritises sustainability, focusing on green residential projects and investing in energy-efficient buildings. They innovate in property management by integrating carbon footprint data, allowing residents to offset property fees through cycling or walking(Participant 20).*

The general manager of a listed SOE in the southeast and the industrial association officer both exemplify institutional entrepreneurship, where organisational changes through targeted



actions and internal policy adjustments create new norms that can be institutionalised across the sector (Garud, Hardy, and Maguire, 2007; Salonen, Suomalainen, and Pyysiäinen, 2024). These initiatives highlight the role of CPMCs as institutional entrepreneurs who contribute to the evolution of industry norms and rules, redefining what constitutes effective property management, particularly in the context of environmental sustainability. The listed SOE's approach demonstrates how national policy priorities are translated into company-wide operational norms, facilitating the institutionalisation of sustainability across the sector. In contrast, the industrial association officer's example of Company X illustrates a market-driven model where sustainability norms emerge from business innovation rather than government compliance. As a private listed company, Company X integrates carbon footprint data into property fees as a market-driven sustainability initiative, showcasing how private-sector innovation can set new industry benchmarks and influence both market expectations and future policy development.

Additionally, a general manager of a listed SOE with 19 years of work experience reflected on the piloting of successful and replicable business models by listed state-owned CPMCs:

*That year, we started a project integrating community governance, addressing local issues effectively. Beginning in Z province, we expanded to G city and nationwide. The model gained government recognition and resident support, leading to widespread adoption and urban service contracts with local government(Participant 10).*

The company's success in replicating its model across various regions shows how institutional innovations can be effectively scaled and established, ultimately shaping industry practices. The scalability of the model, and its acceptance by both government and residents highlight its effectiveness as a new institutional approach. Additionally, by encouraging government to purchase property services, the company can access the urban services sector, reinforcing its role in institutional innovation.

Some progressive companies have strategically broadened their operations. For instances, an assistant president of a private property company identified some strategic transitions as follows:

*Currently, policy guidelines encourage our shift from “small” to “big” CPMCs, expanding from traditional to urban services. We’ve actively pursued this, with community governance as the first step(Participant 19).*

The strategic shift from small to big property management represents a transformation of these companies, from focusing solely on the daily management of residential buildings to becoming larger, integrated service providers involved in community governance and urban development. The company’s proactive involvement in urban services, beginning with community governance, reflects a broader industry trend toward establishing new institutional practices. This transition illustrates institutional entrepreneurship, where organisations create, transform, and establish new practices that reshape their industry.

As part of the strategic transition, CPMCs’ investment in technologies and infrastructure becomes essential to support these expanded and new institutional practices. One general manager of a private listed CPMC emphasised the significance of investments made to create an advanced intelligent operation centre. He stated:

*Our intelligent operation centre, with a nearly one-billion-yuan investment, monitors nationwide equipment and staff in real time. Managers can track operations via computer or phone, receiving instant alerts and conducting remote inspections anytime(Participant 26).*

As CPMCs make investments in, and introduce new technologies and infrastructures, these advancements directly enhance the service experience for residents, fostering a greater sense of innovation, precision, and quality. One property management research expert from a top university in China noted:

*CPMCs leverage service robots to enhance community services, boosting efficiency and offering residents a more advanced, precise, and engaging experience(Participant 25).*

The introduction of such advanced technologies has captured the interest and curiosity of residents. It has also enhanced residents’ service experience. This has not only improved the

experience of residents, but has also fostered a sense of modernity and progress within the community. Residents perceive these innovations as improvements to the quality and efficiency of services, further solidifying their satisfaction and trust in CPMCs. This is a form of institutional entrepreneurship since these companies are redefining their roles and practices to remain at the forefront of industry trends. Through these efforts, they are setting new benchmarks and creating new institutions in resident services, emphasising the importance of technological integration to enhance customer satisfaction and service effectiveness.

The same expert further stated:

*Large companies develop IT infrastructure or establish dedicated tech subsidiaries, exporting smart platforms for smaller firms to purchase and use(Participant 25).*

By creating their own smart management platforms and IT products, these companies extend their influence beyond their operations. Through market expansion and knowledge sharing, they help smaller companies to enhance their services. This aligns with Kantabutra and Ketprapakorn (2020), who highlight knowledge sharing as a driver of innovation and an institutional mechanism for sustaining competitive advantage. This generates a ripple effect, making the improved service experience, enriched with a science and technology touch, more common across the industry. This ultimately benefits residents on a wider scale.

To effectively support technological advancements, some CPMCs have reconfigured their structures and adapted their operations. An industrial association officer at a north China province provided some examples of significant restructuring:

*A leading CPMC rebranded as X Technology Company, reflecting a trend of CPMCs incorporating "Technology" into their names or creating tech divisions. For instance, X Property Company, listed on the Hong Kong Stock Exchange, operates courier and tech subsidiaries that serve both internal and external markets, with some achieving gazelle enterprise status(Participant 22).*

This example illustrates how CPMCs are restructuring to integrate technology, enhancing competitiveness and expanding their market reach. The rebranding and establishment of tech subsidiaries reflects an industry shift towards innovation-driven growth. This positions CPMCs as leaders in both property management and technological services.

A similar case involving internal restructuring and project-focused models to streamline headquarters operations is detailed in Appendix A.18.

Following internal restructuring, CPMCs increasingly engage in PPPs to bridge the gap between private management and public services. An industrial association officer from southeast China noted of this model of a SME:

*A joint venture is formed between the LSO or RC and CPMCs, with the latter managing operations and the former providing oversight. They also assist with tasks like collecting overdue property fees. Government involvement reassures residents about service quality and proper use of maintenance funds, while reducing disputes for local authorities(Participant 23).*

The industrial association officer's account illustrates how SMEs engage in PPPs to create new institutional models that integrate private property management with local governance structures. Unlike SOEs or large private listed companies, which focus on scaling governance innovations at a national or regional level, SMEs specialise in flexible, small-scale institutional experiments tailored to residents' needs.

This case demonstrates how SMEs act as institutional entrepreneurs by piloting community-driven PPP models, where they collaborate with LSOs and RCs to co-develop customised governance frameworks. This collaboration leverages the strengths of both sectors, enhancing governance efficiency and fostering resident trust. By integrating CPMCs into public governance, PPPs address operational challenges while ensuring accountability and service quality.

A detailed example of large-scale PPP adoption in X City, initiated in 2009 to manage public services across extensive urban areas, is discussed in Appendix A.19.

When CPMCs engage in PPPs to enhance their role in community governance, they also expand their portfolios by offering creative value-added services. These creative services reflect a commitment to meeting the changing needs of residents and providing comprehensive solutions beyond traditional property management. The respondents identified various services, including aging care for old residents, child and adolescent care, community banks, community cafeterias, curatorial activities, new retail services, empty room care, maternal and child services, on-demand home-cooking services, pet care, student summer camps, travel arrangements, and long-distance purchasing services.

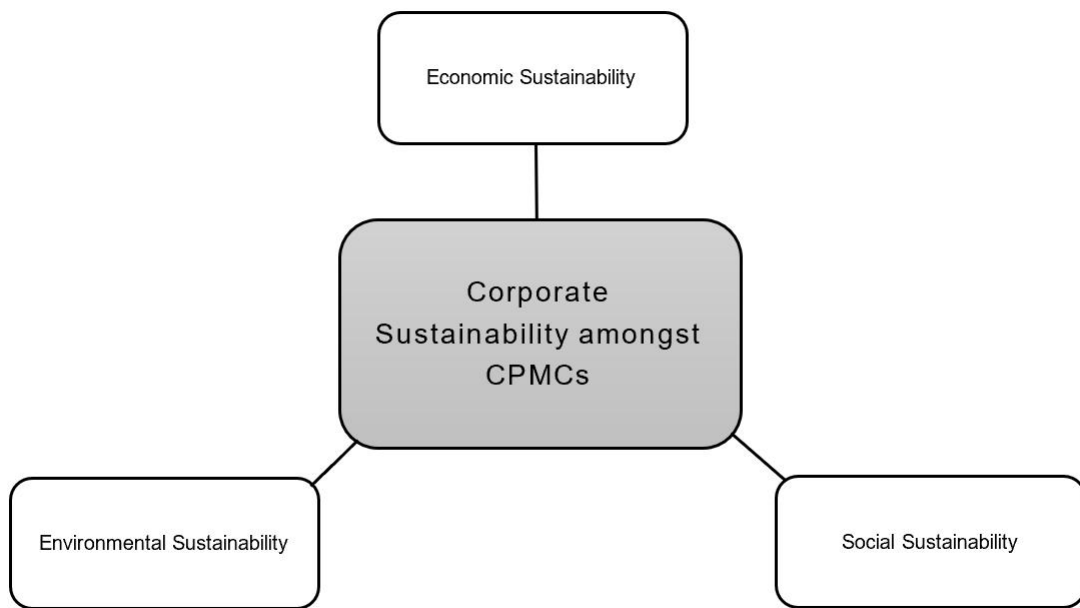
#### 4.4.4 CORPORATE SUSTAINABILITY AMONGST CPMCS

The preceding themes highlight the institutional environment that shapes CPMCs' involvement in community governance, their social positioning, and the pressures they navigate. This theme focuses on what sustainable outcomes through institutional entrepreneurship. By adapting to evolving demands, CPMCs introduce innovations that reshape governance and operations (Tiberius, Rietz and Bouncken, 2020).

The TBL framework (Elkington, 1997b) illuminates CPMCs' sustainability efforts across economic, environmental, and social dimensions. In practice, this means integrating profitability with social responsibility and environmental initiatives.

The interview findings indicate that CPMCs' sustainability efforts align with be “economic sustainability”, “environmental sustainability”, and “social sustainability”, as illustrated below (Figure 4. 5).

Figure 4. 5 Corporate Sustainability of CPMCs Thematic Network Diagram



#### 4.4.4.1 ECONOMIC SUSTAINABILITY

This pillar emphasises the importance of maintaining financial health and ensuring long-term profitability. In the context of property management, this means delivering services that are not only cost-effective but also generate sufficient revenue to sustain the business over time. Economic viability is essential for the company to continue operating and investing in sustainable practices.

The largest and most stable source of income for CPMCs is property management fees. In China, property management fees are based on an all-inclusive fee system, where the pricing remains largely unchanged. As stated by an industrial association officer of a northern province:

*Last time we set property management fees for residential buildings was in 2013, it has not been revised for 11 years. During these years, labour costs and inflation have increased significantly, yet the fee remains the same(Participant 22).*

However, this all-inclusive fee system varies across different regions in China and is also different for various types of properties. He continued to state:

*Compared to residential properties, commercial properties consume more energy, with utility costs often included in all-inclusive fees. In G Province, residential fees cover shared utilities, while in F Province, residents bear these costs directly. Consequently, CPMCs in F Province show less concern for conserving water and electricity(Participant 22).*

The respondent's statement highlights regional disparities in property management fee structures, revealing how these differences shape the institutional contradictions that CPMCs must navigate. The variation in all-inclusive fee systems across provinces creates two key contradictions: efficiency contradictions and interinstitutional incompatibility contradictions, with differing levels of intensity depending on the local regulatory and market environment. In G Province, where residential property fees include shared utility costs, CPMCs directly bear the financial burden of energy and water consumption. This results in a stronger efficiency contradiction, as rising operational costs, such as increasing energy prices and sustainability requirements, conflict with fixed management fees that do not adjust accordingly. At the same time, interinstitutional incompatibility contradictions are also more pronounced in G Province, as CPMCs must reconcile multiple competing demands. Government regulations seek to stabilise pricing and regulate market development, limiting CPMCs' ability to adjust fees. Residents demand higher service quality and sustainability improvements, expecting CPMCs to enhance community governance while maintaining affordability. Local authorities, such as LSOs and RCs, rely on CPMCs to support broader community governance initiatives, including energy conservation and infrastructure maintenance. Sustainability policies encourage greener management practices, yet CPMCs face limited financial flexibility to invest in efficiency improvements.

This complex institutional misalignment in G Province creates strong motivations for CPMCs to engage in institutional entrepreneurship. To resolve these contradictions, CPMCs may advocate for pricing reforms, implement energy-efficient solutions to reduce costs, or collaborate with local governments to introduce sustainability incentives. These strategic responses reflect their role as institutional entrepreneurs seeking to reshape governance structures and create sustainable business models. In contrast, in F Province, where residents bear their own utility costs, CPMCs experience lower efficiency contradictions because their financial operations remain largely unaffected by rising energy expenses. Without direct cost pressures, CPMCs have weaker

incentives to invest in energy-saving initiatives or sustainability measures. Additionally, interinstitutional incompatibility contradictions are less severe, as CPMCs do not face the same level of competing demands from government policies, resident expectations, and community governance mandates. As a result, CPMCs in F Province are less motivated to engage in institutional entrepreneurship and may only pursue incremental service innovations rather than advocating for systemic change.

This regional disparity highlights a key insight: the intensity of institutional contradictions directly influences the likelihood of institutional entrepreneurship. In regions like G Province, where contradictions are stronger, CPMCs have greater incentives to innovate, influence policy, and develop sustainable governance models. In contrast, in F Province, where contradictions are weaker, CPMCs operate with fewer institutional pressures and thus exhibit lower engagement in institutional change. The respondent's statement thus reveals how regional policy variations create uneven institutional pressures, shaping the ways in which CPMCs respond to sustainability challenges and governance demands.

There is a stronger economic incentive for CPMCs to implement energy-saving measures in commercial buildings and residential properties where public utility costs are included. In contrast, in regions like F Province, where these costs are passed on to residents, companies are less motivated to invest in sustainability initiatives like water and electricity conservation. However, some companies in F Province continue to pursue energy-saving measures, primarily driven by financial concerns. A project manager of a listed SOE in F province noted:

*Although residents cover public area energy costs, CPMCs must pay utilities upfront, creating cash flow pressure. Residents may delay payments, but CPMCs cannot, leading to financial strain and incomplete fee recovery(Participant 14).*

This response illustrates how the ongoing experience of contradictory institutional arrangements, particularly the tension between rising costs and stagnant fees, triggers reflective capacity. This enables companies to distance themselves from traditional practices and adopt more sustainable business models, as suggested by Emirbayer and Mische (1998) and Mei, Zhang, and



Brem (2024). Listed SOEs, in particular, operate under dual pressures. On one hand, they must ensure financial sustainability by balancing operational costs with long-term profitability. On the other hand, they are expected to align with national corporate sustainability policies and comply with disclosure requirements for sustainability-related data, ensuring greater transparency in their ESG performance. This disclosure not only reinforces corporate accountability but also emphasises environmental responsibility, social contributions, and compliance with regulatory frameworks. These companies are required to meet shareholder expectations for profitability while also demonstrating a commitment to sustainable development to satisfy government agencies, institutional investors, and broader stakeholder groups.

Furthermore, the subject position of CPMCs, particularly their role as financial intermediaries between residents and utility providers, grants them the legitimacy to implement cost-saving measures. This aligns with the idea that actors embedded across multiple fields are more likely to engage in institutional entrepreneurship, as argued by Maguire, Hardy, and Lawrence (2004). Their formal position allows them to act as institutional entrepreneurs, bridging stakeholder interests and accessing diverse resources to sustain both financial stability and environmental goals. Listed SOEs, due to their regulatory obligations and political embeddedness, are especially proactive in integrating environmental considerations into business strategies. They seek to mitigate financial risks associated with sustainability compliance while leveraging energy efficiency measures to enhance both their corporate reputation and long-term economic performance. By implementing energy-saving initiatives, they not only alleviate financial strain but also reinforce their legitimacy in the evolving landscape of corporate sustainability governance.

In response to the challenges posed by stagnant fees, relatively low collection rates, and the market expansion requirements of IPO and listed companies, some CPMCs have pursued strategic moves to diversify services and explore new revenue streams. This perspective was supported by an industrial association officer at a research institution who stated:

*In recent years, driven by capital and listing goals, CPMCs are expanding beyond residential buildings into community governance, as long-term contracts limit entry into new residential compounds(Participant 21).*

The respondent emphasised the challenges of operating in a saturated market where growth opportunities in traditional residential property management are limited. By extending their involvement in community governance, companies can generate new value, strengthen relationships with stakeholders, and improve their long-term economic sustainability. Government service purchases offer a way to secure long-term contracts and stable revenue, making it a desirable investment that supports ongoing growth in a competitive market. A branch manager of a leading private listed company noted:

*A key part of our IPO is the X City Strategy, which aligns with investor interests and requires disclosing information on community and urban governance. Over the past decade, we've developed smart community services, now expanding into urban governance to offer smart city solutions and attract government contracts(Participant 3).*

This testimonial highlights the strategic adaptations CPMCs have made in response to economic concerns. The difficulty associated with entering new residential markets due to long contract terms exemplifies the nonadaptability contradiction, whereby companies face barriers to growth within traditional institutional frameworks. This prompts many of them to seek alternative opportunities, such as community governance and government service contracts, which enable them to bridge institutional gaps and secure new revenue streams. These actions are reflective of a praxis (Feront, Bertels, and Hamann, 2024; Seo and Creed,2002) whereby actors move from passive participation in existing systems to actively striving for institutional change.

The need to disclose this kind of information about smart community and urban governance initiatives is driven by regulatory requirements. Listed companies should present a clear, strategic vision that aligns with investor expectations, ensuring that they comply with regulations and secure approval for public listing. These disclosures are not just about normative compliance, but also about demonstrating a forward-thinking approach to business development, particularly in emerging areas like smart city services.

By extending their operations into community and urban governance, they reduce their

dependence on traditional revenue sources and secure economic sustainability through diversification. The ability to innovate within and across institutional fields situates the role of CPMCs as institutional entrepreneurs, adapting to market needs and driving institutional change.

Old residential compounds are a crucial area for CPMCs to participate in through community governance. Given the challenges of entering newer developments, along with the aging of many residential areas due to China's extensive urbanisation, the need for professional maintenance and management in old communities has increased. Therefore, the government often brings in CPMCs to manage these communities. However, while this creates opportunities for CPMCs to expand their services, it also comes with significant financial challenges. A branch manager at a listed SOE company noted:

*Residents in older communities with no prior property management often resist paying fees, leading to low collection rates. These communities also have lower fees, making it hard to meet profit targets. If my project underperforms or incurs losses, I must offset it with profits from other projects(Participant 10).*

The primary challenge of managing older residential communities is low profitability and the potential for losses. Due to factors such as low property management fees, high maintenance costs, and the need for extensive repairs, CPMCs often find it difficult to achieve a sustainable profit margin in these projects. While managing older communities is socially responsible and aligned with the goal of supporting community development, it must be balanced with economic considerations. CPMCs need to develop strategies to mitigate financial risks, such as negotiating better terms with the government, optimising operational efficiency, or finding additional revenue streams within these communities. This underscores a need to balance fulfilling an essential societal role while ensuring economic sustainability.

Other financial challenges were mentioned by a general manager at a SEM. She stated:

*Community governance participation has raised costs with little benefit, involving tasks like garbage sorting and pandemic prevention. These responsibilities, once handled by community*

*workers, have gradually shifted to us. Despite government promises of subsidies, not a single cent has been received after a year(Participant 13).*

CPMCs continue to experience increased operational costs due to their expanded role in community governance. For SMEs, the financial strain is particularly pronounced due to their limited resources and economic constraints, which shape how they approach sustainability and community engagement. Unlike larger firms with diversified revenue streams and stronger financial backing, SMEs often lack the capacity to absorb additional costs without clear financial returns. As the respondent highlighted, responsibilities such as garbage sorting and pandemic prevention, previously managed by community workers, have been gradually transferred to property management companies. While the government has promised subsidies, the absence of actual financial support exacerbates the economic burden, making it difficult for SMEs to justify these additional responsibilities.

Given their financial limitations, SMEs participating in community governance tend to focus on localised, community-specific services rather than large-scale sustainability initiatives. Their priority is ensuring economic and social sustainability, as their survival depends on maintaining operational efficiency and securing strong relationships with residents, LSOs, and RCs. Unlike listed companies that may integrate broader environmental sustainability initiatives to align with national policies and investor expectations, SMEs often lack the resources to implement extensive environmental measures. Instead, they leverage community governance participation as a means to strengthen trust with local stakeholders, enhance their legitimacy, and secure stable business operations.

However, a project manager of a listed private CPMC highlighted the potential economic benefits of participating in community governance to create mutually beneficial outcomes:

*Participating in community governance helps strengthen relationships with the government and residents, fostering cooperation. In older communities, this can lead to agreements on projects like parking lots or small profit-generating modifications, with public revenue shared 30/70 between CPMCs and residents by law(Participant 17).*

This example demonstrates how a strong rapport can facilitate CPMCs in managing small projects essential for generating new revenue within communities. By fostering strong relationships with key stakeholders and identifying small but profitable projects in older communities, companies can secure additional income. The legal obligation to share public revenue with residents ensures that both the company and the community benefit from these efforts. For listed private CPMCs, financial returns play a critical role in shaping their approach to community governance, as they must balance economic, social, and environmental sustainability while meeting shareholder expectations. Unlike SOEs, which may prioritise alignment with government directives and broader social objectives, private listed companies operate under market-driven pressures, requiring them to justify community governance participation through tangible financial benefits.

By participating in community governance, some proactive companies can better understand the needs of residents. For example, they can collect residents' data through smart platforms and seize opportunities to develop new, targeted services that cater to these preferences. An industrial association officer illustrated the positive side of economic pillar by participating in community governance:

*In aging residential communities, income can be generated through age-friendly renovations and services like e-commerce, group buying, and incentives for early fee payments. With younger, open-minded residents, including pet owners and DINK couples, there is potential for expanding diverse future services(Participant 21).*

These statements show how CPMCs engage in institutional entrepreneurship by navigating contradictions, leveraging social positions, and creatively addressing financial pressures. The gap between low fees in older communities and rising costs highlights the efficiency contradiction. Reflecting on these challenges, CPMCs adopt alternative approaches, such as using profits from other projects and offering value-added services. By balancing governance roles with economic sustainability, CPMCs turn challenges into opportunities for innovation and growth.

#### 4.4.4.2 ENVIRONMENTAL SUSTIANABILITY

The environmental pillar focuses on minimising the negative impact of business operations on

the natural environment. For CPMCs, this involves adopting practices that reduce energy consumption, manage waste responsibly, enhance the ecological value of properties, implement green building standards, promote energy-efficient technologies, and support biodiversity in the communities they manage.

During the interviews, almost every respondent mentioned garbage classification. Since traditional property management services include cleaning public areas, the company accordingly collaborates with government departments and the community to implement garbage classification in community governance. For instance, a human resources manager from a northern listed SOE indicated:

*For garbage classification, we collaborate with the community to build advanced garbage rooms with odour treatment and more than just three bins. This initiative also creates jobs for guides and sorters, enhancing both infrastructure and employment(Participant 11).*

Garbage classification emerged as a recurring topic among respondents during the interviews, underscoring its importance in the environmental strategies of CPMCs. This highlights how CPMCs are responding to regulatory demands and societal pressures by introducing advanced waste management systems, such as odour treatment and the creation of jobs like garbage sorters.

For listed SOEs, engaging in garbage classification initiatives is not only a compliance measure but also a strategic response to ESG disclosure requirements. As publicly traded companies, listed SOEs must report their ESG performance, making waste management improvements a key aspect of demonstrating corporate responsibility. The need for transparent ESG reporting incentivises them to invest in infrastructure upgrades, such as advanced garbage rooms with odour treatment, to showcase measurable sustainability efforts to regulators, investors, and the public.

Additionally, listed SOEs have access to greater financial resources, allowing them to implement large-scale environmental initiatives more effectively than smaller private firms. Their

ability to fund infrastructure improvements, such as modern waste disposal facilities and enhanced classification systems, reflects their dual role as market actors and policy enforcers. As SOEs, they are also expected to align with national sustainability policies, including the latest regulations on garbage classification. Their engagement in these initiatives not only reinforces their legitimacy and compliance with government directives but also enhances their reputation as responsible corporate citizens, helping them maintain both regulatory approval and public trust.

In contrast, a project manager from an SME in northern China with nine years of experience demonstrated environmental stewardship in waste recycling. She stated:

*We promote paperless offices, while the engineering department focuses on recycling discarded materials. Large bins in the community collect old clothes, which we coordinate with manufacturers for recycling or donation(Participant 18).*

This respondent highlights SMEs' role in promoting recycling and waste reduction, aligning with circular economy principles to enhance resource efficiency and environmental conservation. Unlike larger listed CPMCs, SMEs lack the financial and infrastructural capacity to invest in large-scale environmental projects, such as building advanced waste management facilities or integrating high-cost green technologies. Instead, they leverage their limited commercial resources to develop pragmatic, community-focused sustainability initiatives that align with local needs and available partnerships.

Their proactive efforts to recycle materials reflect a commitment to minimising ecological impact within their operational constraints. By coordinating with manufacturers for clothing and material recycling, SMEs demonstrate adaptability in sustainability practices, identifying feasible solutions that do not require heavy capital investment but still contribute to environmental goals. These initiatives highlight how SMEs engage in institutional entrepreneurship within their resource limitations, acting as intermediaries between residents, manufacturers, and government stakeholders to implement practical sustainability measures.

One property management and ESG research expert from a top university in China was

positive about the contribution of property companies to environmental stewardship, and introduced a solution for food waste disposal in the leading private listed CPMC.

*There is a company that utilises “black soldier fly food waste treatment technology.” The larvae of the black soldier fly can consume large amounts of food waste, and the resulting excrement is a natural organic fertiliser(Participant 28).*

"The use of innovative technologies to convert kitchen waste into nutrients is another example of the environmental initiatives undertaken by CPMCs. This method not only reduces kitchen waste but also turns it into a valuable resource, supporting sustainable agricultural practices and reducing the environmental impact of waste disposal. Such initiatives promote community-wide environmental responsibility, aligning with the Chinese government's goal of fostering an ecological civilisation.

Compared to SOEs, private listed CPMCs have played a pioneering role in the property management industry, having engaged in market-driven development earlier and deepened their expertise over time. Their stronger market orientation and international collaborations have allowed them to introduce advanced environmental technologies, often setting industry benchmarks and best practices for sustainability. Through partnerships with leading international property companies, they have facilitated the adoption of cutting-edge environmental solutions, such as black soldier fly food waste treatment technology, to enhance waste disposal efficiency and contribute to the circular economy.

Moreover, private listed CPMCs benefit from wide access to financial, technological, and institutional resources, making them well-positioned to integrate sustainability innovations into their business models. Their ability to form partnerships with government agencies and technology providers allows them to stay at the forefront of industry advancements. By actively collaborating with sustainability-focused enterprises and research institutions, they can scale up environmental initiatives more efficiently than smaller private firms while maintaining the flexibility and responsiveness that state-owned enterprises may lack.



A project manager from an listed SOE with 16 years of experience highlighted the company's commitment to minimising environmental and public health impacts through construction waste management and environmental advocacy:

*We require homeowners to follow standard procedures for construction waste disposal, including bagging waste, ensuring dust-free operations, and using designated dumping areas. Efforts include door-to-door education, reminders, and supervision. We also promote energy conservation through initiatives like Earth Hour(Participant 17).*

By investing significant resources in education and enforcement, CPMCs facilitate a behavioural shift amongst residents, ultimately leading to a more sustainable community culture. By organising and participating in such initiatives, CPMCs can help to raise awareness about global environmental challenges and encourage residents to adopt more sustainable lifestyles. Construction waste management is particularly relevant in China, where rapid urbanisation has led to a significant increase in construction activities and construction waste. By implementing strict guidelines and fostering community engagement, CPMCs contribute to reducing the environmental footprint of urban development.

For SOEs, compliance with national sustainability policies and environmental regulations is a fundamental aspect of their operations. As extensions of the state, SOEs are expected to strictly adhere to government mandates and promote policy enforcement at the community level. Their institutional role gives them a distinct advantage in standard-setting, enforcement, and public engagement, as they are perceived as more authoritative and aligned with official government directives. Unlike private enterprises, which may have more flexibility in adopting sustainability initiatives based on market demand, SOEs operate under a framework that prioritises national development goals, including environmental protection and urban governance.

In construction waste management, this means SOEs not only implement government-mandated standards but also actively promote compliance among residents. Their ability to enforce proper waste disposal practices is strengthened by their close ties with local government authorities, LSOs, and RCs, allowing them to act as both policy enforcers and

educators. This dual role enables them to mobilise resources for community education campaigns, stricter supervision mechanisms, and large-scale sustainability initiatives such as Earth Hour participation and broader energy conservation efforts.

The same participant introduced another example of using new energy: geothermal energy of a listed SOE in this sector:

*There is a SOE that uses geothermal energy that reaches dozens of meters underground. Through the continuous circulation of the underground, its energy ensures a constant temperature in the room, which is very environmentally friendly(Participant 28).*

The transition towards sustainable building practices and harnessing new energies reflect a broader commitment to reducing the carbon footprint of urban developments. This aligns with China's national goals to achieve carbon neutrality by 2060. Besides, the respondent demonstrates the potential for CPMCs to play a lead role in the transition to a low-carbon economy by adopting and promoting the use of renewable energy sources within the built environment.

For listed SOEs, their state-owned status and market-oriented structure position them uniquely in advancing environmental sustainability initiatives. Unlike private companies, which primarily rely on independent partnerships or market-driven investments, listed SOEs have the advantage of leveraging national resources and collaborating with state-owned technology enterprises. This allows them to access cutting-edge renewable energy solutions, such as geothermal energy, which align with government sustainability priorities. Their ability to integrate with state-backed energy enterprises provides them with technological support and large-scale implementation capacity, making them more effective in advancing clean energy initiatives.

Additionally, listed SOEs are subject to stringent ESG reporting requirements, making environmental performance a key component of their corporate strategies. The adoption of geothermal energy and other renewable solutions not only demonstrates compliance with national sustainability policies but also enhances their legitimacy in capital markets by reinforcing their commitment to long-term green development. Their ability to combine financial strength,

government backing, and technological partnerships allows them to set industry standards for low-carbon urban development.

Some interviewees noted a range of environmental stewardship practices in traditional property services, such as green plant maintenance, light pollution control, noise control management, and emergency responses to extreme weather. Light pollution control and noise management primarily focus on resolving conflicts and disputes among residents and promoting neighbourhood harmony. A representative from a residential area in Southeast China acknowledged the property company's efforts in emergency responses to extreme weather.

*During the typhoon, the company took measures to prevent flooding and mobilised staff promptly to resolve issues, ensuring the community's safety, which I think is quite good(Participant 36).*

This respondent highlights CPMCs' active role in environmental stewardship, enhancing community resilience and quality of life while mitigating environmental risks. Their swift response to typhoons reflects their critical role in disaster preparedness, aligning with efforts to build resilient communities and strengthen grassroots emergency management (Zhang, Wang and Deng, 2023). Unlike traditional property services focused on environmental stewardship, property companies that participate in community governance have acquired numerous business opportunities from communities and cities, such as river dredging. An industrial association officer indicated the pivotal role of property companies regarding river dredging:

*Previously, separate government departments handled river dredging, greening, and street cleaning, often leading to waste buildup and damaged plants due to buck-passing. Contracting all tasks to a CPMC could streamline operations and resolve these issues efficiently(Participant 21).*

The example provided by the industrial association officer about river dredging highlights the inefficiencies that can arise when environmental management tasks are fragmented across multiple government departments. When these responsibilities are consolidated under a single CPMC, it reduces the risk of buck-passing and ensures a more coherent and efficient approach to

environmental stewardship. By taking on tasks such as river dredging, riverside greening, and street cleaning, CPMCs can create more sustainable and liveable urban environments.

#### 4.4.4.3 SOCIAL SUSTAINABILITY

The social pillar highlights the importance of managing relationships with employees, customers, communities, and other stakeholders in a way that is ethical and socially beneficial (Abraham, 2024; Kandpal *et al.*, 2024). For CPMCs, this means ensuring that their operations contribute positively to the well-being of residents, employees, and the wider community. This involves offering fair labour practices, engaging with local communities, and providing services that enhance the quality of life for all stakeholders.

A branch manager with 18 years of experience of a private listed CPMC indicated that the management of building exteriors is a part of community governance. He stated:

*CPMCs manage building exteriors to enhance city appearance by standardising colours, repairing damage, and removing advertisements to maintain cleanliness and aesthetics(Participant 2).*

By regulating and managing the cleanliness and aesthetics of building exteriors, CPMCs do more than maintain individual properties, they also contribute to the enhancement of the community's overall figure. This not only improves the living conditions for residents but also increases the attractiveness and desirability of the community, potentially leading to higher property values and a stronger sense of community pride. Moreover, a project manager of a private listed CPMC with 12 years of experience based in southeast China noted one of the benefits of participating in community governance :

*By cooperating with departments in community governance, CPMCs can secure resources like senior dining halls, fitness equipment, and free movie screenings, improving the community's living environment(Participant 14).*

The social pillar of corporate sustainability in property management largely focuses on the well-being of residents and the broader community. The respondent suggested that effective and

harmonious cooperation between CPMCs and local government or community departments can lead to tangible benefits for the community. These benefits include additional resources that can improve the quality of life for residents.

A general manager from a listed SOE in southeast China with 19 years of experience noted the company's dedication to launching community cultural activities:

*Each year during the Mid-Autumn Festival, we host a “Ten Thousand Lights” event, ongoing for 20 years, with over 2 million yuan invested annually in cultural activities. We organise sports, dance competitions, and free medical check-ups to strengthen community ties and build customer relationships amid slowing real estate sales(Participant 10).*

The annual “Ten Thousand Lights” Mid-Autumn Festival event taps into an archetypal narrative style of romanticism (White, 2014) that emphasises tradition, unity, and cultural heritage. By aligning with Chinese values, the company fosters cultural identity, pride, and emotional connections, enhancing social standing and differentiating itself in the market. This cultural engagement strengthens loyalty and institutional legitimacy, supporting long-term growth and reputation.

For large enterprises, particularly listed and state-owned CPMCs, community cultural activities are often structured and professionally executed, following established corporate templates refined through years of experience. Unlike smaller companies that may engage in cultural activities on a more ad hoc or locally tailored basis, large firms institutionalise these events as part of their corporate social responsibility (CSR) strategy, ensuring consistency, scalability, and high visibility. Their ability to allocate substantial financial resources, as demonstrated by the annual 2 million yuan investment in cultural activities, enables them to deliver high-quality, large-scale community events that reinforce their social legitimacy and corporate branding.

Moreover, listed SOEs leverage their structured approach to community engagement to navigate changing market conditions. As the respondent highlighted, amid slowing real estate sales,

these events serve as a customer relationship-building tool, strengthening resident trust and reinforcing the company's role in community governance and service provision. Their long-term commitment to cultural activities reflects a strategic institutional approach, where cultural engagement is not just a short-term marketing tool but a sustained effort to solidify their role as a central actor in community life.

A human resource manager at a northern branch of a listed SOE noted the importance of the strict selection of supply chain partners in organising community activities:

*When organising children's summer camps, because parents are highly concerned about the safety and content of the activities, we conduct in-depth research. We design different types of products based on the profiles of our customer groups, and then select reliable suppliers(Participant 11).*

The company's response to these concerns reflects a deep understanding of its social responsibility to protect and nurture the younger members of the community. To address these concerns, the company conducted in-depth research, which involved understanding the needs, preferences, and expectations of the parents and children within their community, thus reinforcing the normative pillar. This is crucial for maintaining trust and long-term relationships within the community. By choosing trustworthy partners, the company uses its position to reach diverse stakeholders. This ensures that the products and services provided during the summer camps are of high quality, safe, and aligned with the company's values.

One customer relationship manager of a SME indicated that they could use their influence and resources to promote positive lifestyle and resident education:

*Our corporate culture promotes sunshine and a healthy lifestyle. Every year, we organise running festivals, like a vertical marathon, which is stair climbing competition. All our residents can participate. Through these activities, we aim to convey our corporate culture, encourage everyone to exercise, and promote the concept of a green, low-carbon lifestyle(Participant 15).*

Fostering a positive, proactive approach to life among residents aligns with the social pillar of corporate sustainability, which seek to enhance the quality of life in communities. By educating residents about the benefits of a low-carbon lifestyle and providing opportunities for them to engage in environmentally friendly practices, the company not only advocates for individual health, but also contributes to the broader goal of environmental sustainability.

For SMEs, corporate social responsibility initiatives are often shaped by pragmatic considerations and localised engagement, rather than large-scale, standardised events seen in larger firms. With limited financial and organisational resources, SMEs focus on community-specific activities that are feasible within their operational capacity while still generating social impact. Their resident-oriented approach allows them to identify and respond to the unique needs and interests of their local communities, ensuring that initiatives such as running festivals and vertical marathons align with the lifestyles and expectations of residents.

Unlike larger firms that may conduct institutionalised cultural events as part of a broader corporate branding strategy, SMEs typically integrate social responsibility into their day-to-day operations in a more grassroots and participatory manner. By organising accessible, health-focused activities, they not only promote community well-being but also strengthen their local brand identity and resident relationships. This approach enables SMEs to leverage their influence and resources effectively, demonstrating a commitment to corporate sustainability within the constraints of their scale.

In addition, public health prevention and control is a crucial aspect of the social pillar of corporate sustainability for CPMCs. A general manager of a SME in southeast China illustrated how the company contributes to the well-being of the community, particularly in times of crisis:

*During the pandemic, we worked with the health department to transport patients, collaborated with the police department to conduct inspections and maintain order, and provided logistical support for community workers. We also handle routine pest control, especially in summer to prevent dengue fever(Participant 13).*

The statement reveals that, through active collaboration with various governmental departments during health crises and ongoing preventive measures, SMEs demonstrate a strong commitment to the community's safety and well-being, contributing to the overall resilience and safety of the community. As highlighted by Shu and Wang (2021), the importance of cross-sector collaboration participatory mechanisms reinforces the need for CPMCs to act as boundary spanner and institutional entrepreneur in bridging gaps among various stakeholders in community governance.

Another project manager from an SOE with nine years of experience highlighted the increasing responsibility these companies bear in eliminating safety hazards to ensure the well-being of their communities. She stated:

*Safety is a priority. After a recent electric scooter fire, we enforced strict regulations, preventing scooters from entering elevators. We installed charging stations, expanded bike sheds, and educated residents. For fire safety, we provide extinguishers and train staff in their use and maintenance(Participant 17).*

In compliance with government regulations, SOE added charging stations and built more bike sheds. By doing so, they reduced risk while accommodating residents' needs. Meanwhile, the company's efforts to educate and advise residents, demonstrated a commitment to preventative measures, which is crucial for fostering a culture of safety within the community. In terms of fire safety, the company also ensured the community was equipped with the necessary tools and knowledge to respond to fire emergencies.

In terms of the role of CPMCs in emergency responses, a branch manager at a private listed company referred to the example of an explosion in Tianjin. He stated:

*Years ago, following a major explosion in Tianjin's coastal area, CPMCs emerged as key responders, demonstrating their role a counterflow hero in managing the emergency despite being private enterprises(Participant 3).*



The term “counterflow hero” implies courage in the face of adversity, where the company played a critical role in tackling an emergency, defying various dangers and difficulties to ensure the safety and well-being of the community. This tragic narrative emphasises the company’s ability to act selflessly during a crisis. By framing their actions during the Tianjin explosion through the lens of a tragic narrative, the company highlighted its social responsibility and moral commitment to the community. This heroic portrayal resonates with broader societal values of sacrifice, resilience, and responsibility, further legitimising the company as a trusted and essential figure in the community’s welfare.

In terms of fire safety, a general manager at a scenic area of a private listed CPMC shed light on his organisation’s role in the preservation and protection of historical cultural relics and buildings. He stated:

*The project we undertook includes many historical buildings and cultural relics, many of which are made of wood. We have invested 400,000 RMB to install wireless smoke detectors(Participant 6).*

The statement demonstrates a significant commitment to safeguarding these cultural treasures. This investment is not just a financial commitment but reflects a broader dedication to preserving cultural heritage for future generations. The protection of historical buildings and relics is essential for maintaining the aesthetic and historical value of a community and preserving its cultural identity and continuity. He also noted:

*This is an open and inclusive scenic area, and we are animal friendly here. We are willing to accept different perspectives, there is also a gender free store(Participant 6).*

For private listed CPMCs, the ability to secure and manage large-scale government projects stems from their strong financial foundation, technological capabilities, and international collaborations. Private listed CPMCs can introduce state-of-the-art solutions that align with global best practices while ensuring they remain consistent with Chinese cultural values. Their expertise in integrating cutting-edge fire prevention technologies, such as wireless smoke detectors,

demonstrates how they leverage both capital investment and innovation to manage government-contracted projects effectively.

The company's commitment to openness and inclusiveness further reinforces its role as an institutional entrepreneur shaping community governance models. The company actively promotes a culture whereby diversity is celebrated and where different perspectives are encouraged. By being animal-friendly, CPMCs not only appeal to pet owners, but also support a more holistic and compassionate approach to community living, where the well-being of all living beings is considered. This is important for creating a community where dialogue and mutual understanding can thrive, leading to more cohesive and supportive social interactions. It also indicates that the company values feedback and is open to adapting and evolving its practices in response to the needs and views of the community. The presence of a "gender-free store" is a tangible example of inclusiveness in action. It also demonstrates the company's commitment to promoting gender equality and breaking down societal barriers.

Furthermore, by integrating sustainability with cultural preservation, private listed CPMCs play a pivotal role in modernising community governance while maintaining deep respect for heritage and local values. Their financial and technological advantages enable them to introduce innovative urban management solutions, ensuring that government-led urban renewal and scenic area development projects balance tradition, modernisation, and inclusivity. Through their strategic engagement in PPPs, private listed CPMCs are not just service providers but key actors shaping the evolving landscape of urban governance in China.

When participating in community governance, public security and order maintenance and conflict mediation are crucial parts of the social pillar, a project manager of private listed company based in north China, stated the roles of CPMCs:

*The community's legal commissioners and mediation associations often involve CPMCs in dispute resolution due to their closer ties with residents. For instance, CPMCs help coordinate elderly support issues and assist police or urban management with tasks like population inventory(Participant 16).*

Through collaboration with law enforcement, the company contributes significantly to the safety, stability, and harmony of the community. Through its involvement in these areas, the company demonstrates a deep commitment to the well-being of its residents, going beyond its basic responsibilities to actively foster a secure and harmonious living environment. This not only enhances the quality of life for residents but also reinforces the company's reputation as a responsible and socially aware entity, which is essential for sustainable community development.

A branch manager at a private listed company based in southeast China raised CPR First Aid practices to emphasise the company's commitment to safeguarding the health and well-being of residents, and stated:

*All employees have completed CPR training, and the company has installed thousands of AED devices across residential communities, saving numerous lives. Most cases involved elderly individuals facing cancer or depression, highlighting the importance of fostering community interaction to combat loneliness. Other cases often involved sudden heart attacks, where CPR and AED access provided critical, timely aid(Participant 3).*

The fact that all employees have completed hands-on CPR first aid training is a significant investment in human capital and community safety, which ensures that staff are not only prepared to handle medical emergencies but are also actively contributing to a safer living environment for all residents. In addition, the company's purchase and widespread deployment of AED devices across its residential communities is a substantial financial commitment, emphasising the value it places on human life. Furthermore, the company's emphasis on enhancing interaction and avoiding loneliness within the community reflects an understanding that a sustainable community must provide both physical and emotional care.

The human resources manager of a private listed CPMC continued to explain the company's comprehensive training and promotion system, and its efforts to transform employees into technical, social, and emotional communication service providers:

*Our comprehensive training system offers tailored tracks for new employees and managers. Cultural values are instilled subtly through daily actions and internal communication channels. As we engage in community governance, we better understand how to train employees to meet the needs of clients and stakeholders. We focus on developing staff from easily replaceable roles into technical, social, and emotional service providers, enhancing their professionalism, respectability, and income(Participant 4).*

The company's training system fosters continuous learning, which is essential for maintaining a skilled and adaptable workforce. By embedding cultural values into daily operations through subtle actions, the company cultivates a cohesive, value-driven work culture critical for long-term sustainability. Through deeper engagement with clients and stakeholders in community governance, it can gain insights into their needs, refining employee training to better meet these demands. Equipping employees with valuable new skills enhances their confidence, job satisfaction, and economic stability, benefiting both the workforce and the company's overall resilience.

Respondents highlighted CPMCs' vital role in promoting corporate sustainability aligned with the SDGs. By integrating economic viability, environmental stewardship, and social responsibility into their core services, CPMCs shift towards sustainability-focused business models that generate long-term value.

Through initiatives in energy management, waste reduction, and community governance, CPMCs directly contribute to achieving key SDGs. Jones and Comfort (2020) stress the importance of localising SDGs by engaging local governments and private actors like CPMCs. Their operational reach positions them to drive sustainability outcomes within the communities they serve. The integration of corporate sustainability pillars and relevant SDGs is summarised in Table 4.4.

Table 4. 4 Integration of Corporate Sustainability Practices of CPMCs with the SDGs

Key Issues	Relevant SDG(s)	Justification
<b>Economic Pillar</b>		
Energy-saving measures for utility costs	SDG 7, SDG 12	Aligns cost reduction with sustainable energy use and resource conservation.
Participation in smart city projects	SDG 8, SDG 9, SDG 11	Enhances urban sustainability, innovation, and economic growth.
Value-added services	SDG 3, SDG 8, SDG 11	Improves quality of life, creates jobs, and supports sustainable development.
<b>Environmental Pillar</b>		
Food waste treatment	SDG 12, SDG 15	Reduces landfill waste and supports ecosystem sustainability.
Energy-saving technologies and green standards	SDG 7, SDG 11, SDG 13	Promotes clean energy, climate action, and disaster resilience.
Environmental stewardship	SDG 6, SDG 11	Enhances water management and urban environmental quality.
Waste management practices	SDG 12, SDG 11	Supports sustainable consumption and production
<b>Social Pillar</b>		
Collaboration for public order and social harmony	SDG 16	Promotes peaceful and inclusive communities through local governance.
Community events to enhance cultural life	SDG 11	Fosters social cohesion and inclusivity in urban spaces.
Inclusive community initiatives	SDG 5, SDG 10	Reduces inequalities and promotes inclusive, welcoming environments.
Reliable supply chain for safety and quality	SDG 12	Ensures responsible consumption by selecting sustainable suppliers.
Encouraging sustainable living habits	SDG 13, SDG 12, SDG 3	Supports climate action and enhances residents' health and well-being.
Small-scale profit projects	SDG 8, SDG 17	Strengthens partnerships and stimulates local economic growth.
Health crisis management	SDG 3, SDG 11	Enhances community health and resilience to disasters.
CPR training and AED installation	SDG 3	Improves emergency response and health outcomes in communities.
Technology investment to protect cultural heritage	SDG 11	Preserves historical and cultural assets within communities.

In conclusion, CPMCs are crucial actors in achieving the SDGs at the community level, playing a pivotal role in balancing economic, environmental, and social objectives. Their integration of sustainable practices into core business operations not only enhances corporate sustainability but also contributes to broader societal goals, reinforcing the significance of local actions in achieving global sustainability outcomes.

## 4.5 DISCUSSION: DIALOGUE BETWEEN THEORY AND PRACTICE

The first half of this chapter addressed the three research questions through four key themes. In this section, a dialogue between theory and practice is established to examine how the empirical findings align with NIT whilst further addressing and clarifying the relationships between three research questions. To further explore these gaps, this section will also develop a typology of CPMCs, providing a structured analysis of their institutional roles and strategic responses within the broader context of community governance and corporate sustainability.

### 4.5.1 RQ1: ENABLING CONDITIONS FOR INSTITUTIONAL ENTREPRENEURSHIP OF CPMCS

RQ1 explores how participation in community governance provides CPMCs with a unique institutional field and social position that supports their institutional entrepreneurship. It focuses on the roles and positioning of CPMCs within community governance. In the Chinese context, CPMCs are not merely providers of basic services; they are regarded as active boundary spanners and key participants in community governance and integrators of social resources.

In the previous chapter (Table 4.3), CPMCs' role in community governance was defined as "actively and collaboratively bridging boundaries to navigate institutional complexity in grassroots communities in China." This definition highlights CPMCs as both facilitators and participants in joint efforts with other stakeholders. It emphasises two key enabling conditions for institutional entrepreneurship: institutional field characteristics and social position, which both shape CPMCs' participation in community governance (Battilana, Leca and Boxenbaum, 2009). These factors are essential for understanding how CPMCs manage institutional complexity (Greenwood *et al.*, 2011) while facilitating and actively engaging in collaborative governance.

#### 4.5.1.1 INSTITUTIONAL FIELD CHARACTERISTICS: NAVIGATING INSTITUTIONAL COMPLEXITY

This section builds on the findings from Sections 4.4.1.1 and 4.4.2, which identified institutional incompatibilities and contradictions (Seo and Creed, 2002) as well as the institutional pressures on CPMCs (Scott, 2001). These findings reveal that CPMCs operate within a highly complex institutional field, shaped by multiple, and sometimes conflicting, institutional logics.

One of the enabling conditions for institutional entrepreneurship is the field characteristics in which CPMCs operate. Organisational fields are clusters of organisations and occupations whose boundaries, identities, and interactions are defined and stabilised by shared institutional logics (Jahid *et al.*, 2023; Lee, Pak and Roh, 2024; Scott, 2001). Logics, in essence, offer frameworks for interpreting and navigating social situations. Organisations comply with logics to gain endorsement from key stakeholders and because logics provide a structured way of understanding the social environment, they empower organisations to act with confidence. Often, organisations are influenced by multiple logics, which may or may not conflict with one another (Glynn and D’unno, 2023; Kraatz and Block, 2008; Reymert, 2024). When the principles and guidelines of different logics clash, organisations inevitably face challenges and tensions in managing these conflicting demands (Engzell, Karabag and Yström, 2024; Greenwood *et al.*, 2011).

The findings in Section 4.4.1.1 highlighted institutional incompatibilities and contradictions, demonstrating that CPMCs, LSOs, and RCs operate under distinct logics that do not always align. Similarly, Section 4.4.2 identified the different institutional pressures facing CPMCs, particularly regulative, normative, and cultural-cognitive pressures (Scott, 2001). These findings reinforce the idea that the community governance field is a dynamic network of stakeholders. Among these intertwined institutional logics, institutional compliance pressures and contradictions play a defining role in shaping CPMCs’ governance strategies. Successfully managing these institutional complexities is essential for achieving effective collaborative governance in grassroots communities and shaping CPMCs’ pathways for institutional entrepreneurship.

In terms of institutional compliance pressures, regulative pressures from government policies and regulations significantly shape the operations of CPMCs in China (Zhao, Zhang and Li, 2021).

Glynn and D'anno (2023) suggest that different organisations facing institutional pressures may exhibit varying levels of conformity including isomorphic conformity, strategic conformity, or change. The current findings reveals that some CPMCs are unable to reject regulative requirements, viewing them as a burden. To mitigate risks and maintain short-term economic viability, they strictly adhere to regulations, ensuring compliance primarily to avoid penalties(e.g. [Participant 12]). This is particularly evident among SOEs, which have little choice but to undertake government-mandated projects, even when such initiatives result in financial losses. Their priority remains fulfilling government demands, reinforcing their role as extensions of state governance rather than purely commercial entities.

However, those that engage in limited but strategic adaptation go beyond basic compliance by integrating sustainability initiatives into their operations based on their specific circumstances. For instance, private listed companies align with green building standards and energy conservation measures, leading to operational improvements and expanded market opportunities(e.g. [Participant 2 and 6]). Meanwhile, some SMEs leverage their limited resources to meet the specific needs of local LSOs, RCs, and residents, ensuring their continued legitimacy and competitiveness within community governance(e.g.[Participant 25]). Additionally, some CPMCs demonstrate flexibility and actively align with government objectives, taking an active role in community governance by collaborating closely with government agencies and community offices. They manage government-funded projects such as environmental renovations, benefiting from state subsidies, increased bargaining power with suppliers, and receiving awards for exemplary community management or pandemic prevention efforts(e.g.[Participant 2 and 8]).

Findings also indicate that normative pressures play a role, as industry standards, largely shaped by associations, competitors, media, and research institutions, influence how CPMCs operate. These external forces drive CPMCs to adopt best practices related to service quality, environmental responsibility, and social engagement, which reflect evolving expectations around corporate sustainability. For instance, some CPMCs engage in mutual learning within the sector adopt standardised, environmentally friendly technologies and energy-saving practices(e.g.[Participant 15]). These drive corporate social responsibility and enhance their public figure. Driven by globalisation and competition, some CPMCs have adopted international standards



to meet the highest service quality requirements, equipping them to handle challenges like rising labour costs, an aging population, and changing residential needs(e.g.[Participant 27]).

Even SOEs are beginning to observe and adopt the strategic planning and operational efficiencies of leading private CPMCs(e.g.[Participant 15]). This suggests that some unlisted SOEs face relatively lower normative pressures, as they primarily rely on government-backed projects rather than market-driven competition. However, increasing market challenges are compelling companies to look beyond traditional operational models, encouraging them to adopt best practices from successful industry peers, further reinforcing the trend of mutual learning and strategic adaptation.

Furthermore, industry leaders play a pivotal role in shaping normative influences, not only by setting high operational standards but also by contributing to the broader professionalisation and advancement of the sector through knowledge-sharing and best practices. Listed companies, in particular, must adhere to stringent financial transparency and environmental regulations, while also maintaining exceptional service quality to stay competitive in an increasingly demanding market(e.g.[Participant 15]). For listed SOEs, these normative pressures are even more pronounced, as they must demonstrate strong corporate governance, environmental and social responsibility, and public accountability to meet the expectations of investors, government agencies, and the general public. In this context, media recognition of exemplary service initiatives further amplifies these pressures, reinforcing the need for listed companies to integrate sustainability, social engagement, and service innovation into their core business strategies(e.g.[Participant 7]).

Similarly, normative pressures on SMEs are primarily driven by industry standards and resident service expectations, rather than extensive regulatory oversight. Unlike listed companies, which must comply with formal financial and environmental disclosure requirements, SMEs experience normative pressure through direct market competition and community demands for high-quality service. Given that resident, LSO and RC satisfaction directly influences their business sustainability, SMEs are incentivised to prioritise service excellence, responsiveness to homeowner needs, and adaptability in an evolving market landscape(e.g.[Participant 7]).

In terms of the cultural-cognitive pillar, as Gasbarro, Rizzi and Frey (2018) point out, there is little understanding of this dimension. The findings reveal that cultural norms rooted in collectivism heavily influence how CPMCs approach community governance and align with sustainable development goals. For example, some CPMCs, especially SOEs often tap into the cultural norm of “guanbenwei”(e.g.[Participant 22]), which emphasises the respect and authority accorded to official positions (Wu, Yan and Jiang, 2018), as society and residents often perceive SOEs as direct extensions of the government. In the Chinese context, official status is historically revered, and organisations that can align themselves with governmental authority or portray themselves as being in close association with the state gain significant legitimacy in the eyes of residents. This tradition of respecting officialdom allows CPMCs to present themselves, not merely as service providers but as quasi-governmental bodies, enhancing their authority in community governance. By leveraging this perception, CPMCs can reduce friction with residents, as the public is more inclined to trust and follow the directives of an entity that appears aligned with officialdom. The invocation of “guanbenwei” helps CPMCs to position themselves as more than private businesses—they become seen as essential components of local governance, contributing to institutional entrepreneurship when mobilising aliens, by aligning their actions with the state’s role in community well-being.

Some listed CPMCs leverage the traditional Chinese saying “a distant relative is not as good as a close neighbour” as a rhetorical strategy to foster community engagement and encourage residents to participate actively in community-building initiatives. For private listed CPMCs, responding to the institutional pressures of traditional Chinese culture involves leveraging their extensive professional resources and expertise to embed cultural values into daily management and operations. They develop various initiatives and community-driven projects that promote resident interaction, enhance social cohesion, and reinforce neighbourhood trust. By integrating these traditional values into their modern property management framework, they not only align with resident expectations but also differentiate themselves in a competitive market, strengthening brand reputation and customer loyalty(e.g.[Participant 7]). This aligns with the concept proposed by Battilana, Leca and Boxenbaum (2009), which highlights how institutional entrepreneurs drive divergent change, not only by framing a vision, but by employing rhetorical strategies to

communicate and legitimise this vision (Leibel, Hallett and Bechky, 2018; Ocasio, 2023; Suddaby and Greenwood, 2005).

By anchoring their initiatives to culturally familiar and accepted narratives, CPMCs connect innovative practices to established institutional logics, reinforcing the importance of collective action and mutual aid. This narrative approach enhances the legitimacy of CPMCs' role in community governance by resonating with shared values and traditions. This in turn creates a sense of trust and cooperation amongst residents.

As noted by Morrill and Owen-Smith (2002), storytelling as a rhetorical tool relies on well-established discursive conventions and narrative styles to frame change within meaningful and culturally relevant contexts. By aligning their efforts with widely understood concepts of neighbourly support, CPMCs not only strengthen their influence in community governance but also facilitate smoother adoption of new initiatives, promoting long-term community cohesion and sustainability.

This strategic use of traditional sayings exemplifies how institutional entrepreneurs can bridge the gap between innovation and cultural familiarity, fostering broader acceptance of governance reforms and community development projects.

The concept of “yiqi” derived from Confucian ideals of righteousness and loyalty, plays a crucial role in Chinese collectivism. During crises such as the COVID-19 pandemic, some CPMCs invoked this sense of collective duty to foster solidarity among residents. The statement of an SME general manager that “no one can remain indifferent” during a crisis taps into the cultural belief that the community's welfare is the responsibility of all (e.g.[Participant 1]). CPMCs use the concept of “yiqi” to justify and encourage collective action, especially in times of crisis. This allows them to mobilise residents and establish themselves as key actors in maintaining social order and safety, further enhancing their legitimacy in community governance. All Chinese CPMCs are influenced by collective Chinese culture, which shapes their institutional logic and behavioural expectations. However, SMEs, due to their limited resources, adopt a distinct approach in responding to cultural-cognitive pressures. Instead of relying on extensive financial backing or government support, SMEs focus on enhancing their professional expertise and delivering agile, responsive

services to meet resident needs. Their ability to quickly adapt and address community concerns allows them to build strong relationships with residents and gain the trust of the RC. By prioritising customer-oriented service and fostering goodwill, SMEs leverage local support as a strategic advantage, ensuring business sustainability while maintaining alignment with deeply rooted societal values.

Additionally, the story of the “counterflow hero” in Section 4.4.4.3 during the explosion exemplifies how CPMCs can position themselves as critical responders, like government officials or emergency personnel(e.g.[Participant 3]). During this disaster, property management staff returned to the fire scene, risking their lives to assist in the rescue efforts alongside firefighters. This counterflow behaviour, where individuals acted against the natural flow of people evacuating the area, showcases heroic sacrifice in the face of danger. This aligns with Confucian ideals of bravery and social duty. CPMCs use such stories to frame their role in crisis management (Ocasio, 2025) as an essential part of their institutional entrepreneurship. By highlighting the bravery of their staff in the counterflow hero narrative, they build a heroic identity for their organisation, demonstrating a commitment to the collective good that resonates with traditional Chinese values. This narrative style not only garners respect from residents but also enhances the perceived legitimacy of CPMCs as actors who go beyond contractual obligations to protect and serve the community during critical moments.

Drawing on Scott’s (2001) cultural-cognitive pillar, CPMCs employ rhetorical strategies that connect their institutional entrepreneurship in mobilising unfamiliar elements, such as new sustainability projects or governance models, to familiar cultural templates. By referencing Confucian ideals of righteousness, neighbourliness, and official status, they mobilise residents and other stakeholders to support their vision for change.

This study shows that institutions are crucial for organisational functioning as they constrain, regulate, and legitimise actions (Palthe, 2014). But according to Aljaber (2024), these structures not only limit actions but also enable them, as structure is both a foundation and a result of agency. Meyer and Rowan (1977) noted that organisations face both sociocultural and commercial expectations, which may often be incompatible. Kemal and Shah (2024) emphasised that

organisations operate within multiple institutional environments, where different sources of institutional influence can be in competition or even conflict. Sloom *et al.* (2024) further observed that the expectations of influential external actors are frequently conflicting, unclear, and subject to change.

In terms of institutional incompatibilities and contradictions (Blackburn, Doran and Shrader, 1994; Danho, 2023; McCarthy *et al.*, 2024), the empirical findings 4.4.1.1 Incompatibilities and Contradictions illustrate how institutional contradictions manifest in community governance, affecting the interactions between CPMCs, local government bodies (such as LSO and RC) and residents.

These contradictions, which range from inefficiencies in governance structures to misaligned interinstitutional stakeholder interests and the nonadaptability of residents, align with Seo and Creed's (2002) four contradictions of organisational fields: efficiency contradiction, nonadaptability contradiction, interinstitutional incompatibility contradiction, and misaligned interests contradiction. However, existing literature has primarily applied Seo and Creed's (2002) framework to organisational change and institutional entrepreneurship in corporate and public-sector contexts, with limited exploration of its implications in community governance or the property management sector (Xu *et al.*, 2019). By demonstrating how these contradictions emerge at the grassroots level in China's community governance system, this study extends the theoretical reach of institutional contradictions into a new domain.

The efficiency contradiction is evident in the limited administrative capacity of LSOs and RCs, which struggle with staffing shortages and rigid organisational structures(e.g.[Participant 15,18 and 20]). This mirrors Seo and Creed's (2002) argument that institutionalised inefficiencies create contradictions that necessitate reform. However, in community governance, these inefficiencies are particularly pronounced during crises, such as the COVID-19 pandemic, where LSOs and RCs were unable to respond swiftly due to bureaucratic constraints. The findings in 4.4.1.1 demonstrate how CPMCs mitigate these inefficiencies by stepping in to coordinate emergency responses, an adaptive role that distinguishes them from government agencies.

This study contributes to existing theories by showing that in community governance, efficiency contradictions do not necessarily lead to institutional breakdowns but instead create opportunities for non-state actors (CPMCs) to assume greater responsibilities in governance tasks. This expands the application of Seo and Creed's (2002) framework to the study of non-governmental actors in hybrid governance arrangements, demonstrating how efficiency contradictions in community governance fields do not result in immediate reform but instead increase the dependency of government actors on private governance intermediaries.

The efficiency contradiction in community governance highlights how institutional limitations, such as understaffing and rigid structures, hinder local governments and RC from managing essential tasks. In these situations, CPMCs step in to fill the gaps, leveraging their flexibility to handle responsibilities that government bodies cannot manage efficiently. In communities with CPMCs, they alleviate the burden on local authorities by taking on roles that improve governance outcomes, especially in critical areas such as emergency management and daily administration. In contrast, communities without CPMCs experience greater resource demands and higher risks, emphasising how CPMCs serve as a more efficient alternative to traditional governance structures.

The nonadaptability contradiction is reflected in Section 4.4.1.1, where findings indicate that LSOs and RCs rigidly adhere to existing governance structures, which limits their ability to respond effectively to exogenous shocks such as the pandemic, urbanisation, and rising citizen expectations(e.g.[Participant 14,15 and 20]).. Similarly, 4.4.1.1 highlights the difficulty CPMCs face in entering new residential markets due to long-term contracts. This challenge represents another form of institutional rigidity, as firms struggle to expand beyond existing governance arrangements.

Additionally, Section 4.4.1.1 demonstrates that the locked-in mindset of residents, particularly rural-to-urban migrants, further exemplifies nonadaptability contradictions. Many residents remain accustomed to informal governance practices and resist the regulatory frameworks that CPMCs seek to implement(e.g.[Participant 7 and 11]).This resistance illustrates how institutionalised behaviours, even at the individual level, reinforce contradictions within governance fields.

This study extends Seo and Creed's (2002) framework by demonstrating how nonadaptability

contradictions are not limited to organisational structures but also emerge from deeply entrenched resident behaviours and cultural-cognitive perceptions. The findings illustrate that contradictions do not only occur within formal institutions but also in the interactions between governance actors and residents, a perspective that remains underexplored in institutional theory.

The interinstitutional incompatibility contradiction in Section 4.4.1.1 emerges from the conflicting responsibilities of CPMCs, LSOs, and RCs, which shift responsibilities onto one another without clear accountability mechanisms(e.g.[Participant 14]). While government agencies prioritise risk prevention, CPMCs must balance both governance responsibilities and financial sustainability. This dynamic mirrors Seo and Creed's (2002) assertion that contradictions arise when different institutions within a field pursue conflicting logics, making cooperation difficult.

By applying Seo and Creed's (2002) framework to community governance, this research highlights that interinstitutional incompatibility contradictions do not simply lead to organisational failure but can instead generate new governance arrangements. The findings in 4.4.1.1 suggest that CPMCs navigate these contradictions by building alliances with enforcement agencies, facilitating gradual shifts towards a more integrated governance structure.

The misaligned interests contradiction is particularly evident in the disparity between the privileged position of government agencies and the constrained role of CPMCs. As highlighted in 4.4.1.1, government bodies impose strict regulatory expectations on CPMCs without granting them the necessary enforcement authority, creating an asymmetrical governance arrangement. Additionally, bureaucratic inefficiencies, such as delays in maintenance fund approvals, further burden CPMCs, leaving them unable to deliver timely services and damaging their relationships with residents(e.g.[Participant 15,18]).

Seo and Creed (2002) argue that misaligned interests contradictions often catalyse institutional change by creating pressures for reform. However, in the context of community governance, this study finds that these contradictions instead reinforce dependencies between governance actors. Rather than driving large-scale reform, CPMCs develop adaptive strategies to manage these contradictions, such as leveraging relationships with government bodies to

streamline bureaucratic processes. This demonstrates a novel pathway through which misaligned interests contradictions are managed within hybrid governance structures, an area underexplored in prior studies.

Building on Seo and Creed's (2002) proposition that contradictions create opportunities for praxis, where actors transition from institutional reproduction to critical reflection and action for change, this study demonstrates how CPMCs engage in institutional entrepreneurship within constrained governance structures. Unlike traditional institutional entrepreneurs who seek to fully break from established norms, CPMCs operate within highly regulated governance fields where complete institutional transformation is not feasible. Instead, they navigate contradictions through incremental adaptations, strategic collaborations, and boundary-spanning roles.

Existing research on institutional entrepreneurship suggests that the degree of institutionalisation might influence whether they become institutional entrepreneurs by determining actors' agency (Tolbert and Zucker, 1999; YILMAZ, 2023). Lower degrees of institutionalisation are associated with higher levels of uncertainty in the institutional order, which might provide opportunities for strategic action (Fligstein, 1997; Nordt *et al.*, 2024; Phillips, Lawrence and Hardy, 2000). This study aligns with this argument by demonstrating that the relatively low institutionalisation of community governance (compared to higher-level government structures) enables CPMCs to act as institutional entrepreneurs. CPMCs are also less institutionalised in comparison to these government entities, particularly SMEs. However, unlike traditional institutional entrepreneurs who operate in highly flexible environments, CPMCs face significant regulatory constraints. This necessitates a different form of institutional entrepreneurship, where firms negotiate legitimacy, leverage institutional contradictions, and engage in incremental governance transformations.

In terms of community governance, field characteristics serve as critical enabling conditions for institutional entrepreneurship. The institutional contradictions within community governance compel CPMCs to reassess their roles and responsibilities. CPMCs frequently operate beyond contractual obligations, encountering blurred boundaries with local authorities and rising social expectations, which generate persistent tensions (Farjoun and Mahmood, 2024). These tensions stem from



misaligned expectations, limited authority, and cumbersome bureaucratic procedures. To address these inefficiencies, CPMCs adopt entrepreneurial actions, bridging governance gaps and driving innovation in response to institutional pressures (Sasaki, Kotosaka and De Massis, 2024).

By applying Seo and Creed's (2002) four contradictions framework to community governance and the property management industry, this study enriches NIT by expanding institutional contradictions to the grassroots institutional field in community governance. In addition, it identifies the form of CPMCs' institutional entrepreneurship, where they operate within regulatory constraints yet leverage contradictions to reshape governance interactions, rather than breaking away from institutional norms entirely.

#### 4.5.1.2 SOCIAL POSITION OF CPMCS: ACTIVE BOUNDARY SPANNERS

As suggested by Kraatz and Block (2008), organisations are not passive recipients of institutional prescriptions but interpret, translate and, in some instances, transform them. Efforts should focus not only on how organisations respond to institutional complexity but also on how their diverse social positions facilitate strategic responses to field-level institutional change (Powell and Colyvas, 2008).

The findings of section 4.4.1.2 and 4.4.1.3 indicate that CPMCs are playing an increasingly crucial role in community governance, extending their responsibilities beyond formal contractual obligations. Their unique position as intermediaries between the private sector and public governance enables them to bridge institutional gaps, addressing community needs that might otherwise be neglected. This "boundary-bridging" function allows them to mediate between residents, local government bodies like the LSO and RC, and other stakeholders, thereby alleviating the burden on government entities while enhancing service delivery(e.g.[Participant 3,9,10,16]). Their position can be analysed through multiple theoretical perspectives from NIT, which help explain their constrained authority, flexibility, and potential for institutional entrepreneurship.

In NIT, previous research has categorised and analysed actors' social position from various perspectives. These classifications help to explain how actors position themselves within different institutional environments and how they leverage their social position to influence or adapt to

institutional contexts. For instance, Haveman & Rao (1997) , Greenwood & Suddaby (2006) and Rice, Koehrsen and Mattes (2023) suggest that actors' social positions can be divided into central and peripheral actors.

Central organisations are those that are deeply embedded within an institutional or organisational field. They tend to hold dominant positions due to their size, status, resources, and influence. These organisations are often aligned with prevailing institutional norms, practices, and values, which grants them formal authority and access to significant resources. Central organisations are typically large, well-established entities such as SOEs, major corporations, or industry leaders (DiMaggio and Powell, 1983; Wang *et al.*, 2023).

Peripheral organisations, on the other hand, occupy positions at the margins of the institutional field. They are usually smaller, less resourced, and possess less power and influence compared to central organisations. However, peripheral organisations are often more flexible and capable of innovation, as they are less constrained by dominant institutional logics and have fewer vested interests in maintaining the status quo (Garud, Jain and Kumaraswamy, 2002; Haveman and Rao, 1997; Jackwerth-Rice, Koehrsen and Mattes, 2023).

Additionally, Battilana and Casciaro (2012) introduced the classification of high-status and low-status actors. High-status actors typically enjoy legitimacy and resources that are socially recognised, such as large corporations, renowned academic institutions, or government bodies. Their actions tend to conform to societal expectations and norms, making it easier for them to secure resources and support. Low-status actors, by contrast, have fewer resources and less legitimacy and are often overlooked or marginalised by the dominant institutional order. Despite this, they may adopt non-traditional strategies or challenge existing institutional norms to gain attention and even instigate institutional change (Lai, Zhang and Zhao, 2024).

Seo and Creed (2002) and Zucker (1987) classified actors based on institutional embeddedness. Highly embedded actors are strongly constrained by institutional norms, culture, and rules, with their actions typically shaped by the prevailing institutional logic, making it difficult for them to innovate beyond the established framework (Eitrem, Meidell and Modell, 2024). In

contrast, less embedded actors are more flexible in navigating the institutional environment, capable of adjusting between different institutional logics, and able to identify and exploit institutional contradictions to drive change (Glynn and D'ahunno, 2023).

Maguire, Hardy and Lawrence (2004) further distinguished between intra-field and inter-field actors. Intra-field actors focus on a specific sector or industry, with their actions primarily influenced by the rules, norms, and culture of that particular field (Bourdieu, 1992). In contrast, inter-field actors operate across multiple fields, allowing them to engage with diverse institutional logics. This enables them to introduce resources and ideas from one field to another, fostering cross-field innovation and transformation (Nicklich, Endo and Sydow, 2023).

The findings highlight that CPMCs function as peripheral actors in both governance and business sectors, constrained by limited institutional legitimacy, financial autonomy, and regulatory influence (Greenwood and Suddaby, 2006; Haveman and Rao, 1997).

Within the governance domain, government institutions such as the LSO and the RC hold formal decision-making power, while CPMCs operate under contractual rather than statutory authority (e.g.[Participant 15,18]). This means their governance responsibilities emerge informally and reactively, often dictated by community needs rather than institutional mandates. As a result, they frequently enforce regulations, mediate disputes, and coordinate public service provision, despite lacking the legal recognition that central governance actors possess (DiMaggio and Powell, 1983; Wang et al., 2023).

In the business sector, CPMCs also lack full commercial autonomy in grassroots community governance field. Unlike other firms, whose market strategies are primarily profit-driven, CPMCs operate under tight regulatory oversight (e.g.[Participant12,16,18]). Their limited financial independence and reliance on residential contracts and local government supervision constrain their ability to function as purely commercial entities (Jackwerth-Rice, Koehrsen and Mattes, 2023). Moreover, their increasing involvement in public service provision, including handling pandemic response measures, organising security patrols, and coordinating emergency services, further blurs the boundary between private enterprise and public governance(e.g.[Participant6,9,10,31]).

Despite these structural limitations, peripheral organisations often exhibit greater adaptability, as they are less constrained by dominant institutional logics and vested interests (Garud, Jain and Kumaraswamy, 2002; Haveman and Rao, 1997). For CPMCs, this peripheral positioning allows them to bridge institutional gaps, offering solutions that neither public institutions nor private corporations alone can effectively provide. Respondents in the study described CPMCs as “buffers,” “bridges and bonds,” and “cells and nerve endings,” reflecting their role in mitigating governance inefficiencies and facilitating institutional cooperation.

The findings further illustrate that CPMCs fit the classification of low-status actors (Battilana and Casciaro, 2012). Unlike high-status organisations such as SOEs, major corporations, or government bodies, which enjoy institutional legitimacy, financial stability, and political recognition, CPMCs face systemic marginalisation and limited access to governance resources (Lai, Zhang and Zhao, 2024). Their governance contributions are frequently undervalued, overlooked, and perceived as auxiliary service functions, rather than integral components of urban governance (e.g. [Participant13,18]). This low-status positioning restricts their ability to secure institutional support, influence policymaking, or expand their governance functions (Lawrence, 1999; Rice, Koehrsen and Mattes, 2023).

In addition, CPMCs exhibit weaker institutional embeddedness, meaning they are less constrained by dominant governance norms and structures (Seo and Creed, 2002; Zucker, 1987). Highly embedded actors, such as government agencies or dominant corporate players, operate within established institutional frameworks, which limits their flexibility to adapt to changing governance conditions. In contrast, CPMCs’ lower embeddedness allows them to navigate governance contradictions, balancing public expectations, government directives, and commercial pressures (Glynn and D’unno, 2023).

This flexibility is particularly evident in their response to institutional contradictions, such as gaps between public service provision and market demands. The findings demonstrate that, during the COVID-19 pandemic, CPMCs stepped into governance roles, acting as “last-mile implementors” to deliver essential services when government resources were overstretched. Their ability to

mobilise employees, recruit volunteers, and coordinate emergency relief efforts highlighted their adaptive governance function, despite the lack of formal institutional recognition for these contributions(e.g.Participant[6,9,10,17,20,31]).

Beyond their peripheral and low-status positioning, the findings suggest that CPMCs function as inter-field actors, engaging across governance and business sectors rather than operating within a single institutional domain(e.g.Participant[3,8,31]) (Maguire, Hardy and Lawrence, 2004). This cross-sectoral role enables them to mediate between regulatory agencies, market actors, and community stakeholders, integrating business-sector efficiency into public service provision while fostering cooperation between government authorities and private enterprises (Nicklich, Endo and Sydow, 2023).

Their engagement with structural holes, which are gaps between institutional clusters, enhances their ability to transpose governance practices across different institutional fields. This is a defining characteristic of institutional entrepreneurship (Burt, 2018; Younis, Ahsan and Chatteur, 2023). For instance, findings in section 4.4.3 indicate that CPMCs import commercial efficiency into governance processes by implementing digital community management systems, service-oriented governance models, and market-driven incentive structures. Conversely, they incorporate public governance principles into private property management, facilitating resident participation, conflict resolution, and alignment of commercial services with public welfare objectives(e.g.Participant[3,10,11,15]). This cross-field engagement enhances their governance adaptability, allowing them to develop hybrid governance solutions that traditional public institutions and private enterprises alone cannot achieve.

Additionally, CPMCs' role as boundary spanners helps resolve interinstitutional contradictions, such as conflicts between government policies and market demands. Respondents described them as "one of four wheels," and "a vanguard" in governance collaboration, reflecting their function in ensuring that government directives and community expectations are effectively implemented. By actively facilitating communication between residents and regulatory bodies, CPMCs mitigate governance gaps and improve institutional coordination.

However, as Battilana et al. (2009) suggest, more comparative studies are needed to explain the differences across institutional contexts and types of changes, as well as to explore the potential interaction between field characteristics and actors' social position (Mountford and Cai, 2023). This highlights the necessity of classifying CPMCs into distinct typologies to better understand how their varied social positions shape their roles in community governance.

While CPMCs as a whole occupy a peripheral and low-status position in community governance, characterised by weaker field-level embeddedness and inter-field engagement as boundary spanners, the specific degree to which they exhibit these characteristics varies across different types of CPMCs. Within the property management sector, CPMCs are not homogenous, as they differ in their level of centrality or peripherality, high or low status, and the strength of their field-level embeddedness. These differences directly influence how each type of CPMC interacts with institutional pressures, adapts to governance contradictions, and engages in institutional entrepreneurship. By categorising CPMCs based on their institutional positioning, a more nuanced understanding of how different types of CPMCs engage in governance, respond to institutional pressures, and contribute to community sustainability can be developed.

Overall, Community governance provides CPMCs with a unique institutional field shaped by policies, social norms, and resident expectations. In this setting, CPMCs are influenced by institutional pressures to gain legitimacy and contradictions arising from conflicting stakeholder interests. These tensions drive CPMCs to engage in institutional entrepreneurship, balancing diverse needs through innovation and expanded roles.

To navigate these external forces, CPMCs must define their roles within the community, enhancing stakeholder engagement and fostering legitimacy (Guo, Zhou and Li, 2021). This role clarity not only addresses governance demands but also catalyses entrepreneurial initiatives, encouraging innovation in services and management.

Legitimacy requirements compel CPMCs to align with community norms, government policies, and resident expectations, shaping their strategic focus and operational priorities. By responding to environmental concerns or adopting socially aligned practices, CPMCs advance sustainable

development and enhance their role in community governance. Ultimately, their engagement in institutional entrepreneurship strengthens their position as essential actors in achieving long-term governance and development goals.

#### 4.5.2 RQ2: SUSTAINABLE OUTCOMES OF CPMCS' INSTITUTIONAL ENTREPRENEURSHIP

Institutional entrepreneurship within CPMCs is not only a response to institutional contradictions but also a driver of sustainable corporate outcomes. As actors embedded in community governance structures, CPMCs engage in strategic initiatives that generate economic, environmental, and social sustainability. These efforts align with TBL framework (Elkington, 1997), which stresses the integration of profitability, environmental responsibility, and social value creation. The findings of Section 4.4.4 suggest that CPMCs' engagement in institutional entrepreneurship extends beyond business model innovation (Teece, 2010; Amit & Zott, 2012), as it also functions as a means of responding to external institutional pressures while simultaneously shaping governance frameworks in community settings.

##### **Economic Sustainability**

The findings indicate that CPMCs' institutional entrepreneurship fosters economic sustainability by balancing financial viability with evolving governance expectations. Many companies adopt innovative business models to overcome rigid pricing structures and generate new revenue streams, a strategy consistent with prior research highlighting institutional entrepreneurship's role in navigating resource constraints and creating new market opportunities (Battilana, Leca, & Boxenbaum, 2009; Garud, Hardy, & Maguire, 2007). Some companies expand into smart city and urban governance projects, diversifying their service portfolios and securing long-term contracts that ensure financial resilience. Others leverage community governance participation to develop value-added services, such as senior-friendly renovations or digital platforms that facilitate local commerce and service provision(e.g.Participant[3,17,21]). These approaches demonstrate that institutional entrepreneurship not only mitigates financial constraints but also enables companies to adapt to regulatory pressures while maintaining competitiveness (Greenwood & Suddaby, 2006; Feront, Bertels, & Hamann, 2024).

Furthermore, the study highlights that companies navigating institutional contradictions, particularly in regions where regulatory and market expectations misalign, are more likely to engage in institutional entrepreneurship. This reinforces Seo and Creed's (2002) argument that contradictions within institutional environments create conditions for change. Some CPMCs advocate for pricing reforms or negotiate government incentives for sustainability investments, reflecting their active role in reshaping regulatory landscapes and improving long-term financial sustainability (Maguire, Hardy, & Lawrence, 2004).

## **Environmental Sustainability**

CPMCs' environmental sustainability efforts are largely shaped by institutional pressures, including government policies, regulatory frameworks, and social expectations. This study finds that institutional entrepreneurship enables companies to implement sustainability initiatives that align with both policy mandates and operational efficiency. Some companies integrate energy-saving technologies, such as smart utility management systems, to reduce operational costs while demonstrating compliance with sustainability regulations. Others introduce waste management innovations, such as advanced garbage classification and recycling programs, aligning with the Chinese government's ecological civilisation agenda(e.g.Participant[11,18,28]) .

This aligns with existing research on institutional entrepreneurship in sustainability, which suggests that companies facing strong regulatory and social pressures are more likely to initiate environmental practices that go beyond compliance (Gasbarro, Rizzi, & Frey, 2018; Grimm, Hofstetter, & Sarkis, 2023). Unlike traditional business model innovations, which primarily enhance efficiency or profitability, institutional entrepreneurship in this context involves the strategic alignment of corporate actions with broader governance objectives (Hargrave & Van de Ven, 2006). The study also finds that some companies engage in cross-sector collaborations with technology providers and government agencies to introduce sustainability-driven solutions, reinforcing arguments that institutional entrepreneurs leverage multi-level networks to diffuse sustainability practices (Marquis & Battilana, 2009; Tolbert & Zucker, 1999).



## Social Sustainability

CPMCs' institutional entrepreneurship also enhances social sustainability by improving community well-being and governance participation. The findings suggest that some companies actively engage in initiatives that foster community cohesion, such as organising cultural activities, facilitating emergency response programs, and enhancing public safety measures (e.g. Participant [10,11,14,15]). These actions reflect a broader strategic effort to build legitimacy and strengthen stakeholder trust, consistent with the notion that institutional entrepreneurs must construct legitimacy to sustain change efforts (Greenwood, Suddaby, & Hinings, 2002; Suddaby & Greenwood, 2005).

Moreover, institutional entrepreneurship enables CPMCs to assume intermediary roles in community governance, bridging relationships between residents, local government offices, and industry associations. This supports existing research indicating that companies embedded across multiple institutional fields are more likely to enact governance-oriented institutional entrepreneurship (Maguire & Hardy, 2009). Some companies use their social positioning to address interinstitutional contradictions by facilitating conflict mediation, enhancing public service provision, and designing targeted community services that cater to diverse resident needs. These initiatives align with arguments that institutional entrepreneurship in sustainability contexts requires not only structural innovations but also social mobilisation and consensus-building (Thompson, Herrmann, & Hekkert, 2015).

To sum up, this study extends the literature on institutional entrepreneurship by illustrating how CPMCs navigate complex institutional contradictions to achieve corporate sustainability. While existing research primarily focuses on institutional entrepreneurship within highly formalised corporate and policy environments (DiMaggio, 1988; Powell & Colyvas, 2008), this study highlights how institutional entrepreneurship unfolds at the grassroots level of community governance. The findings suggest that institutional contradictions, particularly efficiency contradictions and interinstitutional incompatibility contradictions (Seo & Creed, 2002), are key triggers for sustainability-driven institutional entrepreneurship.

Moreover, this study advances the application of the TBL framework within the property management industry by demonstrating how sustainability efforts are embedded within institutional entrepreneurship pathways. Unlike prior studies that view TBL implementation as an internal strategic choice (Jones & Comfort, 2020). As business model innovation typically involves internal improvements to operations, management, or service delivery aimed at enhancing efficiency or profitability (Amit, 2012; Ammirato, Linzalone and Felicetti, 2022; Teece, 2010). This research highlights the external governance pressures that drive sustainability adoption in CPMCs (Levy and Scully, 2007). By integrating institutional entrepreneurship with sustainability outcomes, this study underscores the need for a holistic approach that considers both market-driven strategies and regulatory dynamics in shaping sustainable business models (Battilana, Leca, & Boxenbaum, 2009; Gasbarro, Rizzi, & Frey, 2018).

Therefore, the outcome of institutional entrepreneurship is a response to the complexities of the institutional environment and the company's social position. The innovative outcomes of CPMCs' institutional entrepreneurship reflect both internal business enhancements and the fulfilment of TBL requirements within the institutional context. These outcomes represent proactive responses to external institutional pressures, which, in turn, help the company gain legitimacy and trust within the institutional field. In this way, companies can secure recognition from both residents and government, establishing a positive social figure and fostering sustainable development within the community.

#### 4.5.3 RQ3: IMPACT OF PARTICIPATING IN COMMUNITY GOVERNANCE ON CORPORATE SUSTAINABILITY OF CPMCS-PATHWAYS OF INSTITUTIONAL ENTREPRENEURSHIP

The third research question explores how CPMCs' participation in community governance impacts their corporate sustainability through institutional entrepreneurship. Institutional entrepreneurship plays a critical role in shaping the corporate sustainability of CPMCs as they navigate and influence community governance structures. Based on the findings of 4.4.3 and drawing from Battilana, Leca, and Boxenbaum (2009), Hargrave and Van de Ven (2006), and Grimm, Hofstetter, and Sarkis (2016), this study identifies three key pathways through which

CPMCs act as institutional entrepreneurs: (1) creating common ground, (2) leveraging resources and networks, and (3) creating new institutions. These pathways highlight the transformative role of CPMCs in addressing institutional gaps, advancing sustainability, and institutionalising long-term governance models.

### **Creating Common Ground: Aligning Stakeholder Interests**

CPMCs leverage their position as intermediaries in community governance to create common ground among diverse stakeholders. Through diagnostic and prognostic and motivational framing (Battilana et al., 2009; Jardim, 2021), they articulate governance challenges, propose viable solutions, and generate shared understanding among government entities, residents, and industry actors. This process is crucial in developing legitimacy and securing stakeholder buy-in for sustainable governance practices.

Findings in section 4.3.3.1 suggests that engaging in corporate political activities, such as policy advocacy, proposal submission, and lobbying, enhances organisational legitimacy and institutional influence (Hillman, Keim, and Schuler, 2004). Some companies strategically align their governance initiatives with national policy priorities, enabling them to shape regulatory frameworks and enhance their institutional standing. Others, while also engaging in policy advocacy, primarily focus on market-driven governance solutions, influencing institutional norms through pilot projects and PPPs[e.g.Participant[3,10,11,15]].

Some companies adopt a bottom-up approach, fostering direct engagement with residents and local authorities to establish trust-based governance models. Their grassroots involvement allows them to mediate stakeholder interests effectively, addressing localised governance issues through participatory mechanisms. This reflects the findings of Greenwood and Suddaby (2006), who argue that institutional entrepreneurs must actively construct legitimacy to support their change initiatives. Thus, whether through high-level policy engagement or community-driven governance initiatives, CPMCs play a pivotal role in establishing shared institutional understandings that facilitate corporate sustainability.

## **Leveraging Resources and Networks: Expanding Institutional Reach**

The ability to mobilise resources and build strategic alliances is essential for institutional entrepreneurship (Greenwood, Suddaby, and Hinings, 2002; Ocasio, 2023). Findings in section 4.4.3.2 indicate that CPMCs leverage networks with government agencies, businesses, industry associations, and community organisations to access critical resources and enhance their sustainability efforts. This aligns with the resource mobilisation perspective, which emphasises the importance of financial, social, and political capital in institutional transformation (Levy and Scully, 2007; Misangyi, Weaver, and Elms, 2008).

Some companies, with their embeddedness in both state and market structures, are particularly adept at leveraging large-scale networks to institutionalise sustainability practices. They form strategic collaborations with government entities, academic institutions, and technology providers to integrate sustainability into governance frameworks. Their participation in think tanks and research-driven policy initiatives allows them to influence sustainability standards at a macro level (e.g. Participant[10, 28]). (Maguire, Hardy, and Lawrence, 2004).

Others rely on industry partnerships and investment-driven sustainability models. They engage in PPPs to develop scalable governance solutions, integrating private capital into community service provision (e.g. Participant[3,23]). Their emphasis on innovation and market-driven sustainability aligns with findings by Gasbarro, Rizzi, and Frey (2018), who highlight the role of institutional entrepreneurs in fostering sustainability diffusion across multi-tier networks.

Some companies, while lacking large-scale influence, demonstrate agility in piloting small-scale governance innovations tailored to local needs. Their engagement with LSOs and RC enables them to co-develop customised service models, enhancing governance efficiency while maintaining financial sustainability. Their ability to integrate community resources into governance structures exemplifies the micro-level institutional entrepreneurship described by Marquis and Battilana (2009), where actors embedded in local contexts drive incremental institutional change.

## **Creating New Institutions: Institutionalising Governance and Sustainability**

Creating new institutions involves establishing norms, practices, and rules that reshape existing governance frameworks (Lawrence and Suddaby, 2006). CPMCs institutionalise sustainability by introducing business models that integrate governance functions with property management, thereby aligning corporate objectives with long-term community interests. However, sustaining these institutional changes remains a significant challenge, as identified by Grimm, Hofstetter, and Sarkis (2023).

Findings in section 4.4.3.3 indicate that some companies play a key role in embedding sustainability within regulatory frameworks. By aligning internal policies with national sustainability goals, they institutionalise corporate sustainability through formal performance targets, operational guidelines, and industry-wide governance standards(e.g.Participant [10]). This approach ensures policy continuity and long-term regulatory alignment, reinforcing the institutional legitimacy of sustainability initiatives.

Others contribute to institutional entrepreneurship by setting industry benchmarks through innovation. Their market-driven sustainability models, such as integrating carbon footprint tracking into property fees, demonstrate how private-sector initiatives can shape industry expectations and regulatory developments(e.g.Participant [20]). These initiatives reflect the institutionalisation of sustainability as a competitive advantage rather than merely a compliance requirement (Salonen, Suomalainen, and Pyysiäinen, 2024).

Some companies, while operating at a smaller scale, contribute to institutional entrepreneurship by pioneering adaptive governance models. Their experimentation with localised PPPs, community-integrated services, and niche sustainability projects enables them to shape grassroots governance norms(e.g.Participant [23]). Their influence may not be as extensive as that of larger firms, but their ability to generate bottom-up institutional change underscores the importance of community-level institutional entrepreneurship (Buratti, Sillig, and Albanese, 2022).

Community governance provides an institutional field where CPMCs' role and positioning shape the path and direction of their institutional entrepreneurship. Specifically, different social

roles can grant companies varying levels of internal capabilities and responsibilities, which affect their strategies for institutional entrepreneurship. Thus, CPMCs topology is essential to examine how their diverse social roles navigate the complexities of institutional fields and influence their entrepreneurial strategies. For instance, centrally positioned listed companies are more likely to focus on innovative services and resource-sharing as they have stronger capabilities and abundant resources(e.g.Participant [22,25,26]). In contrast, peripherally positioned small enterprises may prioritise improving service quality and controlling costs as their limited capabilities(e.g.Participant [23]).

Moreover, in the institutional field, CPMCs with different social positions face varied levels of external institutional pressures and contradictions, which directly impact their entrepreneurial outcomes. For example, strong policy pressure may drive centrally positioned state-owned listed companies to adopt green energy management innovations to secure policy support.e.g.Participant [28])., whereas cost-related pressures may lead small enterprises to pursue small-scale service innovations tailored to local community needs to reduce friction and conflicts(e.g.Participant [18]). (An, 2021; Mullin, 2009).

Overall, the role and positioning of CPMCs in community governance not only influences their approach to institutional entrepreneurship, but also shapes their sustainable development outcomes. As institutional actors in community governance, CPMCs achieve greater legitimacy and recognition in the community through their entrepreneurial efforts, which promote internal growth while strengthening their social position. This legitimacy, in turn, reinforces their social standing, enabling them to implement sustainable practices more broadly and achieve lasting sustainable outcomes.

#### 4.5.4. CPMCS TYPOLOGY

##### 4.5.4.1 RATIONALE FOR CPMCS TYPOLOGY

Previous research has firmly established distinctions among organisations based on their central or peripheral positions, high or low levels of embeddedness, and inter- or intra-institutional roles within institutional fields, attracting substantial empirical attention. In addition, as revealed by prior studies, organisations situated at the periphery or operating in low-status positions, as well as

those spanning multiple domains, are more likely to engage in institutional entrepreneurship (Engzell, Karabag and Yström, 2024; Phillips, Lawrence and Hardy, 2000; Rao, Morrill and Zald, 2000). This applies to CPMCs, which generally occupy a low-status, peripheral position and navigate and embed both public governance and commercial sectors, thereby increasing their likelihood of engaging in institutional entrepreneurship.

However, within the property management industry itself, the social status of different types of CPMCs varies significantly, and these differences shape how they respond to institutional complexity. Such responses are crucial because they directly influence the organisation's social legitimacy, which in turn affects its access to essential resources and, occasionally its survival (Rice, Koehrsen and Mattes, 2023). As further exploration is needed to examine how field characteristics interact with actors' social positions (Battilana et al., 2009; Nordt et al., 2024), different CPMCs experience varying institutional pressures and contradictions. Their responses, along with how these responses interact with their social positions, shape their legitimacy and capacity for institutional entrepreneurship.

In the institutional field of community governance, large, elite companies can hold a central, high-status position within the property management industry. However, in the domain of community governance, they often remain peripheral and low status compared to local government bodies and RC. This pluralistic, complex, and often conflicting institutional environment affects CPMCs' external pressures and contradictions, and internal legitimacy, resources and responses in different ways. Much depends on their social position. In addition, sustainability-oriented companies should identify and develop specific capabilities rooted in the organisation to implement practices that enhance competitiveness in an increasingly aware and attentive market.

Therefore, the typology of CPMCs provides a structured framework to understand their varied roles in community governance and corporate sustainability. It helps illustrate how different companies respond to institutional complexity, make strategic adjustments, and engage in institutional entrepreneurship based on their social positions. Typology, as noted by Doty and Glick (1994), is an essential tool in organisational research, offering a systematic way to categorise entities by their characteristics. For CPMCs, developing such a classification is particularly valuable

when it comes to analysing how they navigate a diverse market It can help clarify the challenges they encounter, and the strategies they employ.

Current research indicates that while China's property management industry consists of over 330,000 companies, the market is highly fragmented, with both SOEs and private enterprises present, and most companies are SMEs (Savills, 2021). This diversity results in significant differences in terms of resource access, market strategies, and institutional embeddedness.

Based on the organisation's structure, ownership, governance, and identity, certain organisations may be more sensitive to specific institutional logics than others (Greenwood *et al.*, 2011). Several studies have explored these organisational characteristics. For instance, Den Hond and De Bakker (2007) suggest that an organisation's size and status could intensify the institutional pressures it faces, as increased visibility tends to attract varying levels of media attention. Furthermore, ownership structures may influence how organisations respond to institutional complexity. Kavadis and Thomsen (2023) highlight that different ownership types (e.g., institutional investors, family-owned firms, and SOEs) exhibit varied impacts on sustainability. This impact depends on factors such as distinct time horizons, motivations, and access to resources. Much organisational research has focused on publicly traded corporations (Chemmanur, Hu, & Wei, 2020; Greenwood *et al.*, 2011), with additional studies examining partnerships (Greenwood and Empson, 2003; Pinz, Englert, & Helmig, 2024) and non-profit organisations (Hwang and Powell, 2009; Ressler, Fulton, & Paxton, 2023).

Research indicates that companies with lower degrees of institutionalisation, such as SMEs, tend to be positioned at the periphery of the field, where their lower embeddedness- weaker integration into established institutional structures reduces external constraints, granting them greater flexibility and more opportunities to initiate institutional change (Eitrem, Meidell and Modell, 2024; Tolbert and Zucker, 1999). This flexibility stems from their reduced exposure to normative pressures from other organisations. This means they are less aware of institutional expectations (Davis, 1991; Galaskiewicz and Wasserman, 1989; Rice, Koehrsen and Mattes, 2023). At the same time, they are typically disadvantaged by existing arrangements, which means they are more prepared to pursue institutional change for greater benefits (D'unno, Succi and Alexander, 2000;



In contrast, two characteristics implied in the definition of a “central” organisation—its size and its status, apply to highly embedded “central” organisations, such as large SOEs and listed enterprises. These tend to have abundant resources and authority, which means they have strong mobilisation capabilities. Such capabilities enable them to drive large-scale institutional changes (Greenwood and Suddaby, 2006; Wang *et al.*, 2023). However, due to their deep institutional embeddedness, these companies often struggle to go beyond existing “recipes,” limiting their flexibility and innovation in certain contexts (Glynn and D’unno, 2023; Porac and Thomas, 1990; Tushman and Anderson, 2018). However, recent studies have also found that highly embedded, high-status organisations at the centre, despite their strong institutional ties, can also act as institutional entrepreneurs. This is particularly when they leverage their abundant resources and formal authority to drive change (Lai, Zhang and Zhao, 2024). Certain organisations, particularly those with high visibility and status, often attract greater attention from stakeholders advocating for specific institutional logics. However, paradoxically, their size and resource advantages also provide them with a level of insulation from institutional pressures, a protection that smaller, less resourced firms may not have (Greenwood *et al.*, 2011).

Therefore, research on institutional entrepreneurship reveals a paradox: dominant central organisations, despite having the resources to drive institutional change, often lack motivation. In contrast, peripheral organisations, while motivated to pursue change, lack the necessary resources and networks to implement it effectively (Garud, Hardy and Maguire, 2007). This also explains the need to classify CPMCs, as different types of companies occupy distinct positions within the institutional field, each with its own strengths and weaknesses. For instance, while dominant central organisations have resource advantages, their deep institutional embeddedness limits their flexibility and capacity for innovation. On the other hand, companies located at the periphery, with lower degrees of institutionalisation, though resource-constrained and unable to engage in large-scale governance, demonstrate greater flexibility and localised service advantages in grassroots community governance.

Additionally, during the interviews, some respondents indicated that there are significant

differences in how various types of CPMCs participate in community governance and perform in terms of corporate sustainability. For example, an industrial association officer in northern China revealed a common issue with SOEs noting:

*SOEs prioritise growth and brand recognition over immediate profits, often pursuing prestige projects aligned with government policies. Even when projects lose money, they remain involved to secure early access to land, information, urban service opportunities. One SOE invested 700,000 RMB in a recycling station with annual costs of 30,000–40,000 RMB, despite limited returns, primarily to showcase for official visits (Participant 22).*

As the respondent indicates, SOEs prioritise brand figure and social responsibility over financial efficiency, aligning closely with government policies and institutional norms. Their focus on prestige projects reflects symbolic alignment with state objectives rather than profitability, contrasting with private firms' cost-conscious approaches. SOEs leverage their social position to secure early access to information and land, benefiting from policy alignment. The recycling station example highlights how such initiatives, while financially inefficient, enhance public figure and maintain government favour. Central organisations embedded like property management SOEs in multiple institutional logics face contradictions and prioritise legitimacy over returns. This reflects SOEs' strategic focus on institutional alignment over direct financial gain (Greenwood *et al.*, 2011).

In the same vein, an expert at a top university noted:

*SOEs prioritise societal impact over profit, using their actions as political statements. For example, a property management SOE with annual revenue in the tens of billions yields only around 30 million RMB in profit. Despite high costs, they invest heavily in community building, expanding market share and enhancing leadership visibility, which can support career advancement (Participant 25).*

This respondent suggests that SOEs prioritise social responsibility and political alignment over profit, focusing on societal roles like community building. Despite significant revenues, profits remain relatively low, reflecting a mission-driven approach. The respondent suggests that SOE

leadership engages in such initiatives, not only to expand market share but also to enhance their chances of career advancement within the political system. This dual mandate drives SOEs to balance social duties with strategic positioning for political and market gains, even at the cost of financial inefficiency.

This aligns with the argument that dominant actors are embedded in institutional contexts and shaped by prevailing norms (Porac and Thomas, 1990; Wang *et al.*, 2023). DiMaggio and Powell (1983) note that, unlike peripheral firms, central organisations SOEs in property management industry face greater regulative, normative, and cultural-cognitive pressures, reinforcing existing practices and limiting adaptability. Battilana and Casciaro (2012) suggest that resource-rich, embedded firms prioritise stability, prestige, and political favour over profit.

The two statements summarise the multiple but diverse contradictions faced by SOEs, as described by Seo and Creed (2002). Compared with some peripheral organisations, SOEs are deeply embedded in public community governance institutional field, making them prone to efficiency contradictions by prioritising symbolic projects over financial returns. Their compliance with strictly regulative and cultural-cognitive institutional pressures contributes to nonadaptability, as inflexible community governance mechanisms and rising labour costs in the property management sector limit their flexibility in responding to changing conditions, ultimately leading to financial losses.

Additionally, SOEs face interinstitutional incompatibility as they operate between commercial and governmental logics. In community governance, LSOs and RCs prioritise political objectives, often requiring cost-insensitive interventions and preventive measures. Their role primarily involves issuing directives and overseeing governance processes, while CPMCs are responsible for the actual execution or coordination of most community governance tasks. This creates friction in cross-sector collaboration, as different stakeholders in public administration and commercial property management have divergent priorities, working styles and operational expectations.

The social positioning of LSOs and RCs as central, high-status organisations in community governance further reinforces this incompatibility. As their interests take precedence over those of

CPMCs, misaligned priorities emerge, with political stakeholders prioritising governance mandates while financial stakeholders focus on cost efficiency. This dynamic explains why SOE-led CPMCs frequently undertake financially unsustainable projects that uphold their institutional legitimacy but simultaneously restrict their adaptability and profitability.

However, not all SOEs perform consistently. Compared with unlisted SOEs, listed SOEs need to pay more attention to their financial status because they need to disclose relevant information to meet the needs of a wider group of shareholders. As stated by a branch manager of a listed SOE:

*As a SOE, we launched our first full-area governance project in this province, despite budget shortfalls. The project was initially budgeted at 12 million RMB, but the government allocated just over 9 million RMB, resulting in losses. Although we continued the project to establish a flagship, the financial strain means we cannot sustain long-term investment(Participant 10).*

The respondent highlights the challenges faced by listed SOEs when taking on large-scale government projects. Despite the financial losses, the company continued the project to establish a benchmark model. This reflects a common listed SOE strategy where non-financial goals, such as gaining prestige and setting industry standards, sometimes outweigh short-term profits.

However, the respondent acknowledges the unsustainable nature of such an approach, implying that while listed SOEs may be willing to incur losses for strategic reasons, there are limits to how long they can operate under financial strain without adjustments. This reveals a tension between political and financial considerations in listed SOEs' operations. For listed SOEs, this includes financial disclosure requirements and the obligation to meet shareholder expectations. listed SOEs face pressure to demonstrate sound financial performance due to regulatory requirements, such as transparency and accountability to a broader group of shareholders. This regulative pressure forces organisations to consider their financial sustainability, even when engaging in projects aligned with government goals. While the listed SOE initially pursued the flagship project despite financial losses, likely to comply with normative government pressures, the respondent notes that continued losses are unsustainable. This highlights the constraints imposed by multiple regulative and normative pressures.

As a central, high-status organisation, the listed SOE occupies a unique social position that exposes it to conflicting institutional demands. On the one hand, its centrality within the institutional field makes it a key player in driving government initiatives, such as the full-area governance model. On the other hand, as a listed organisation, it must balance these demands with its financial obligations to shareholders. This dual role creates significant tension and contradictions. As Greenwood et al. (2011) and Greenwood & Suddaby (2006) suggest, central, high-status organisations are more exposed to institutional contradictions and may become sites of institutional change, as they are often forced to re-evaluate and adjust their strategies in response to conflicting demands (Lai, Zhang, & Zhao, 2024).

When faced with the dilemma of economic considerations versus social or environmental sustainability, private CPMCs tend to focus more on financial scrutiny. A branch manager of a private listed Property management company noted:

*Government support is essential for CPMCs in community governance. We persisted with this community project until the end of last year, but due to government funding shortages and our increasing debt, we had to give it up*(Participant 7).

This respondent highlights that government funding is essential for sustaining such projects, and when this support weakens, private listed companies, unlike SOEs, may not have the financial motivation to continue. The company referred to above was forced to drop the project due to mounting debt, suggesting that financial constraints are a primary concern for private CPMCs. This illustrates the risks private companies face in PPPs when government resources are insufficient.

Compared to larger firms, small CPMCs face challenges from limited financial and technological capabilities, hindering their competitiveness. However, SMEs possess distinct advantages. Unlike SOEs and listed companies, which encounter “nonadaptability contradictions” due to “locked-in” patterns of behaviours and thinking, SMEs are more flexible and adaptive.

Network location theory suggests peripheral organisations are less bound by institutionalised

practices for three reasons. First, limited connections to other firms reduce their exposure to dominant norms (Farjoun and Mahmood, 2024; Sasaki, Kotosaka and De Massis, 2024; Westphal, Gulati and Shortell, 1997); second, weaker ties to field-level processes mitigate institutional pressures (North, 1990); and third, existing structures often disadvantage SMEs, motivating them to seek change (D'aunno, Succi and Alexander, 2000). This lack of resources places SMEs at a disadvantage in the traditional property market, yet their agility enables them to capitalise on emerging opportunities.

In fact, community governance offers SMEs a potential strategy for survival and differentiation, despite their technological limitations. As a general manager pointed out:

*For some projects, delayed government payments can overwhelm SMEs, which lack the financial and technological capacity to compete with larger firms. However, SMEs can still engage in community governance by focusing on delivering quality services. While keeping pace with larger competitors is challenging, community governance offers SMEs a potential avenue to stand out and carve a niche in the market(Participant 1).*

The respondent highlights the increasing competitiveness in the property management industry, where companies are driven to engage in community governance to stay relevant. SMEs face challenges due to limited resources and technology, making it hard to compete with larger firms. However, the above respondent emphasises that providing quality service is a method for any company, regardless of size, to contribute to community governance. Instead of competing directly with larger firms on technological or resource-based grounds, they focus on fulfilling the social expectations of residents and local government bodies. They do so by positioning themselves as community-focused service providers. This shift allows SMEs to navigate the interinstitutional incompatibility contradictions by aligning more closely with community needs. For SMEs, participating in community governance may offer a practical way to establish a market niche, as their closer ties to residents and simpler operational structures enable them to adapt more effectively to normative pressures by providing practical, cost-effective services

A RC Officer of a northern province in China confirmed this view, praising the performance of a

local SME in community governance. She stated:

*We are satisfied with a local SME managing the old residential community. Their service quality surpasses that of the previous large SOE, which withdrew due to high costs. Older communities require only basic services and minimal staff. Although property fee collection is challenging, subsidies and good government relations help sustain operations. The project manager, formerly hindered by delays and bureaucracy at the larger company, now enjoys greater autonomy and efficiency(Participant 33).*

This respondent highlights the challenges large enterprises face in managing older residential communities, where high costs and bureaucratic inefficiencies often lead to dissatisfaction. Large firms' complex service systems may exceed the basic needs of these communities, driving unnecessary expenses. In contrast, SMEs, with their lean structures and direct communication, are better suited to meet local demands efficiently.

The ability of SMEs to secure subsidies and additional funding allows them to engage in community projects more effectively. Greater autonomy in smaller firms enables quicker decision-making and problem-solving, avoiding the bureaucratic delays that hinder larger companies. Stakeholder demands and regulatory pressure drive SMEs toward responsible practices, with the community-oriented focus of owner-managers playing a key role in their success. Unlike executives in large corporations, owner-managers often have a stronger personal connection to the local community, enabling them to respond more effectively to community needs and foster trust (Das, Rangarajan and Dutta, 2020).

While SOEs and large private listed companies can leverage formal authority and collaborate with universities to promote large-scale initiatives (Maguire, Hardy and Lawrence, 2004; Sherer and Lee, 2002), SMEs gain legitimacy through local engagement and strong ties with RCs. This grassroots approach allows SMEs to outperform larger firms in community governance by aligning services with residents' needs and fostering trust (Guenduez *et al.*, 2024).

An ESG and property industry research expert expressed the following view about different

CPMCs:

*We researched 63 listed companies and found that listed companies outperform non-listed ones, and SOEs perform better than private ones. Large companies excel in scale, influence, and planning. However, SMEs struggle to match this. Community governance could be SMEs advantage, as large companies, with their wide reach, can't manage every project in detail, while SMEs can enhance community services, boosting resident satisfaction and creating a unique strength (Participant 28).*

This respondent compared the performance of listed and non-listed companies, as well as SOEs and large private companies, concluding that listed and SOEs generally perform better. This might be attributed to their larger scale, influence, and structured planning, which allow them to excel in a highly competitive property management industry. SOEs are generally more proactive in ecological practices due to their resources and values (Liu *et al.*, 2019). However, the respondent argues that SMEs, unable as they are to compete with larger firms, should focus on their strengths, particularly in delivering high-quality, diverse services. Community governance is a key area where SMEs can differentiate themselves. While large companies may struggle to manage each project in detail, SMEs can use personalised community service to efficiently satisfy residents to create competitive advantage. This approach aligns with the challenges and opportunities identified by Das, Rangarajan, and Dutta (2020), who note that SMEs face two significant hurdles in adopting sustainability practices. The first is a lack of understanding or perception, which stems from limited knowledge about quantifying the societal and environmental impact of their operations and determining appropriate actions. The second is the implementation challenge, encompassing the financial and resource burdens associated with planning, monitoring, and communication efforts. As the sustainability assessment and management tools currently available are primarily designed for larger corporations in developed nations, they are less suited to the unique socio-economic and cultural challenges faced by SMEs. By focusing on their strengths and building close relationships with the communities they serve, SMEs can overcome these barriers, turning their specialised, community-focused approach into a competitive advantage.

Considering the current industry landscape, diverse social position classifications within the



NIT domain, and interpretations of factual evidence, this analysis categorises CPMCs into four types: SME (private, non-listed CPMCs), PLLC (private large, listed company), SONE (state-owned non-listed enterprise), and SOLE (state-owned listed enterprise). The CPMC typology and the characteristics as well as the evidence are listed in the Table 4.5.

Table 4. 5 CPMCs Typology

Type	Social position	Strengths	Vulnerabilities	Condensed interview quotation	Respondent
SME	Peripheral / low-status; weak embeddedness but locally rooted	Agile; close to residents; niche governance know-how	Thin resources; exposed to delayed payments	[P1] “This involvement is a result of the very nature of property management, as homeowners represent the smallest unit of society’s family structure.” [P33] “SME delivers better basics with a small team and fast responses. Despite fee challenges, subsidies plus good government relations sustain the project.”	P1, P13, P15, P18, P20, P22, P23, P24, P28, P33
SONE	Central in the industry but still peripheral to LSO/RC in governance	Policy access; public-good capacity	Cost-insensitive mandates; efficiency trade-offs	[P25] “SOEs favour social impact and political signalling over profit. Despite slim profits, they invest in community building to grow share and leader visibility.” [P16] “When the person’s daughters and sons living abroad found out, they contacted the media, which significantly boosted our brand value.”	P11, P15, P16, P17, P22, P25, P26, P28
SOLE	Central / high-status; embedded but financially scrutinised	Scale; agenda-setting; ‘flagship’ pilots	Dual political–financial pressures	[P10] “We, as a SOLE, delivered the province’s first full-area project. Budget RMB 12m vs. allocation just over RMB 9m led to losses. Flagship achieved; ongoing investment not viable.” [P9] “We even provided birthday cakes to lift spirits in sealed-off buildings.” [P12] “Compliance is necessary, whether we want to or not.”	P9, P10, P11, P12, P13, P14, P17, P20, P21, P27, P36
PLLC	Market-oriented actor at governance periphery; medium embeddedness	Standardised; transparency; brand	Highly sensitive to PPP funding gaps	[P7] “We sustained the project until last year, but lack of government funds and rising debt made us withdraw.” [P18] “We must request assistance from various government departments.”	P2, P3, P4, P6, P7, P8, P10, P14, P15, P16, P17, P18, P19, P20, P21, P22, P23, P28, P31

#### 4.5.4.2 INTERSECTION BETWEEN FIELD CHARACTERISTICS AND DIFFERENT CPMCS' SOCIAL POSITION

The findings of the study indicate that SMEs, PLLCs, SONEs, and SOLEs represent four different social positions within the field of China's property management industry. These actors, occupying distinct social positions, interact with the overlapping yet distinct fields of community governance and corporate sustainability in different ways. This leads to varying dynamics and response strategies. When navigating the distinct institutional field characteristics of community governance, these organisations encounter Scott's (2001) three institutional pressures and Seo and Creed's (2002) four institutional contradictions. While they share certain commonalities in their responses, they also exhibit notable differences in how they adapt to these institutional dynamics. The intersection between field characteristics and actors' social positions are summarised in Table 4.6 and its supplement table with condensed interview quotation and respondent ID as evidences.

Table 4. 6 Intersection Between Community Governance Institutional Field Characteristics and Actors' Social Position of CPMCs

Category	SOEs	SONEs	SMEs	PLLCs
<b>Regulative</b>	Unable to refuse government requirements. Balance government and shareholder expectations. (e.g.participant 12)	Unable to refuse government requirements. Prioritise government goals. (e.g.participant 22)	Limited and strategic participation due to scarce resources, relatively lower regulative pressure. (e.g.participant 26,28,33)	Flexible and proactive in choosing government projects. Relatively lower regulative pressure than SOEs. (e.g.participant 15)
<b>Normative</b>	Facing strict requirements in financial transparency, environmental standards, and service quality. (e.g.participant 12)	Relatively low, mainly reliant on government. (e.g.participant 22)	Meet industry standards and primarily driven by resident service demands. (e.g.participant 26,28,33)	Meet industry standards, financial transparency, and environmental standards, while maintaining high service quality to compete in the market. (e.g.participant 13)
<b>Cultural-Cognitive</b>	Under the influence of “guanbenwei”, expected to show greater social responsibility. (e.g.participant 10,12)	Under the influence of “guanbenwei”, expected to show more social responsibility, prioritising government needs over profitability. (e.g.participant 25)	Enhance professionalism and win resident, LSO and RC support through personalised services and quick responses. (e.g.participant 26,28,33)	Face pressure from the market and shareholders, integrate traditional culture into daily operations through professional expertise. (e.g.participant 1,7)
<b>Efficiency Contradiction</b>	Resources abundant but need to balance government policies and market efficiency. (e.g.participant 10)	Often face resource waste and operational inefficiencies due to the non-economic nature of policy projects, but not always the case. (e.g.participant 25)	Limited resources lead to inefficiencies and difficulty in completing government policy projects efficiently. (e.g.participant 13,26,28,33)	Abundant resources and flexibility to optimise operations and balance government projects with market needs. (e.g.participant 7)
<b>Nonadaptability Contradiction</b>	Deeply embedded in government policies, but close relationship with the government allows them to obtain market benefits early, relatively quick response. (e.g.participant 10)	Deeply embedded in government policies, low adaptability, but close relationship with government allows them to receive market benefits early. (e.g.participant 25)	Able to swiftly adjust to market and resident demand changes. (e.g.participant 26,28,33)	Respond quickly to external changes and policy shifts. (e.g.participant 7)

Table 4.6: Intersection Between Field Characteristics and Actors' Social Position of CPMCs (Cont'd)

Category	SOLEs	SONEs	SMEs	PLLCs
<b>Interinstitutional Incompatibility Contradiction</b>	Conflicts between long-term government governance objectives and corporate operational realities, balancing shareholder expectations with government demands. (e.g. participant 9,10,12)	Conflicts between long-term government policy objectives and corporate operational realities, especially when government projects offer limited economic returns. (e.g. participant 25)	Limited resources exacerbate the contradiction between government policy requirements and market demands. (e.g. participant 26,28,33)	Flexible to make decisions based on market and resident needs, but still subject to government policy constraints. (e.g. participant 1,2,3,7)
<b>Misaligned Interests Contradiction</b>	Prioritise government policies even if these policies conflict with the company's economic interests. (e.g. participant 9,10,12)	Prioritise government policies even if they conflict with the company's profit needs. (e.g. participant 25)	Less government pressure, prioritise resident needs and reduce conflicts with the government. (e.g. participant 26,28,33)	Greater autonomy to balance government expectations with shareholder interests. (e.g. participant 1,2,3,7)

Supplement to Table 4.6

Category	SOEs	SONEs	SMEs	PLLCs
<b>Condensed interview quotation</b>	“This addressed significant pressure from the local township government, which purchased our property management services to resolve this issue”. [P10]	SOEs prioritise societal impact over profit, using projects as political signals and funding community building despite thin margins, to expand market share and enhance leadership visibility. [P25]	“Community governance benefits the government, community committees, property management, and residents by fostering collaboration, resolving issues, and enha...”[P13]	“The current operations of CPMCs and their own capabilities may not be sufficient to meet the public’s high expectations.” [P28]
<b>Respondents (IDs)</b>	P9, P10, P11, P12, P13, P14, P17, P20, P21, P27, P36	P10, P11, P15, P17, P22, P25, P26, P28	P1, P13, P15, P18, P20, P22, P23, P24, P28, P33	P2, P3, P4, P6, P7, P8, P14, P15, P16, P17, P18, P19, P20, P21, P22, P23, P25, P26, P28

## **(1). Commonalities:**

**Regulative Pressure:** All types of enterprises face regulative pressure from the government, requiring adherence to national and local government policies and regulations. These companies must comply with mandates such as environmental requirements and public health controls.

**Normative Pressure:** All enterprises must adhere to industry norms and standards, providing service quality that meets community residents' expectations. CPMCs must meet professional standards within the market, particularly in competitive contexts, where they are expected to improve service levels.

**Cultural-Cognitive Pressure:** Regardless of whether they are SOEs or private, all companies face Chinese collective cultural-cognitive pressure from the community and society. They need to align their services and responsibilities with the expectations tied to their perceived social roles.

**Efficiency Contradiction:** All companies encounter challenges in improving operational efficiency while complying with existing institutional norms. For example, they must balance policy requirements with resource limitations to optimise project execution.

**Nonadaptability Contradiction:** Both large and small companies may struggle to adapt quickly to external changes due to behavioural inertia or resource constraints when facing new policies or market shifts.

**Interinstitutional Incompatibility Contradiction:** Companies must navigate the underlying value conflicts between government public governance priorities and their own commercial operations. For instance, long-term government policies (such as green community development) may conflict with the companies' short-term profit objectives, requiring them to find a balance.

**Misaligned Interests Contradiction:** There is a divergence of interests between privileged actors (e.g., the government) and disadvantaged ones (e.g., enterprises). All companies must strike a balance between fulfilling governmental expectations and meeting their own operational

goals.

## **(2). Differences:**

### **Regulative Pressure Differences:**

SONEs and SOLEs: Government exerts the greatest regulative pressure on SOEs. These companies have little to no ability to refuse government-mandated projects, even if these projects are not economically viable, and must prioritise fulfilling government goals.

PLLCs and SMEs: In contrast, private enterprises have more flexibility in handling regulative pressure. They can choose whether to participate in government projects based on market conditions and financial considerations. PLLCs, influenced by market dynamics and shareholder interests, have greater room for manoeuvre, while SMEs, with their limited resources, are more cautious in selecting government projects.

### **Normative Pressure Differences:**

PLLCs and SOLEs: As publicly listed companies, PLLCs and SOLEs face higher normative pressure, particularly in terms of financial transparency, environmental standards, and service quality. They are expected to maintain high service levels in the competitive market, meeting the expectations of both residents and shareholders.

SMEs and SONEs: SMEs are primarily driven by resident service demands, with lower normative pressure overall. Although SONEs face significant governmental regulation, as non-listed entities, they experience comparatively lower pressure in adhering to industry norms.

### **Cultural-Cognitive Pressure Differences:**

SOLEs and SONEs: Society and residents often perceive SOLEs and SONEs as extensions of the government. This “guanbenwei” (official status) mentality subjects them to higher



cultural-cognitive pressure, requiring them to display stronger social responsibility, especially in large public projects. For example, in community development and public service projects, residents and society expect these companies to assume more responsibility beyond profit-making.

PLLCs and SMEs: Conversely, private enterprises are viewed as profit-driven by society. As a result, they face greater cultural-cognitive pressure to enhance their professionalism and service quality. PLLCs, in particular, need to demonstrate competitiveness in the market, while SMEs must rely on personalised services and quick responses to gain resident support.

#### Efficiency Contradiction Differences:

SOLEs: Resources abundant but need to balance government policies and market efficiency.

SONEs: Often face resource waste and operational inefficiencies due to the non-economic nature of policy projects, but not always the case.

SMEs: Limited resources lead to inefficiencies and difficulty in completing government policy projects efficiently.

PLLCs: Abundant resources and flexibility to optimise operations and balance government projects with market needs.

#### Interinstitutional Incompatibility Contradiction Differences:

For SONEs and SOLEs, interinstitutional incompatibility primarily stems from value conflicts between public governance demands and commercial operations. For example, the government may require them to execute large-scale environmental projects that offer limited economic returns, making it difficult for these enterprises to meet short-term profit goals. SOLEs, in particular, must balance shareholder expectations with government requirements, while SONEs tend to prioritise government governance needs.

PLLCs and SMEs: Compared to SONEs and SOLEs, private enterprises face fewer mandatory government requirements. They have greater flexibility in deciding whether to participate in government-led projects. When confronting interinstitutional incompatibility contradictions, they tend to prioritise market and resident needs, making more flexible decisions without being as tightly bound by governmental institutional frameworks.

#### Misaligned Interests Contradiction Differences:

SONEs and SOLEs: In the misaligned interests contradiction, SONEs and SOLEs often prioritise governmental policy demands due to the government's dominant position, even when these policies conflict with their economic interests. For instance, they may be required to undertake government-mandated social responsibility projects, even if these projects do not yield direct financial returns.

PLLCs and SMEs: Compared to SONEs and SOLEs, PLLCs and SMEs experience less governmental coercion. As a result, when confronted with the misaligned interests contradiction, they have more flexibility to negotiate between government expectations and their own business priorities. PLLCs must strike a balance between shareholder interests and government demands, while SMEs can focus more on providing market-driven services, reducing conflicts with government priorities.

In summary, SOLEs and SONEs are heavily regulated by the government and face the highest regulative and cultural-cognitive pressures. They must prioritise fulfilling government policies even when this conflicts with economic interests. SOLEs, however, show greater adaptability due to their access to market information through their close ties with the government. PLLCs and SMEs exhibit more flexibility, particularly in responding to market demands and resident needs. PLLCs balance the interests of shareholders and government policies, while SMEs focus on delivering market-oriented services with less stringent government pressure. As for efficiency and adaptability contradictions, SONEs often face resource wastage and inefficiencies due to the non-economic nature of policy projects, while SOLEs can optimise their operations due to market sensitivity. PLLCs and SMEs are more market-responsive, showing higher adaptability. Regarding

interinstitutional incompatibility and misaligned interests contradictions, SONEs must navigate conflicts between long-term government goals and short-term profitability, whereas private enterprises enjoy more flexibility in decision-making, prioritising market needs and profitability while minimizing conflicts with government policies.

#### 4.5.4.3 STRATEGIC RESPONSE

Based on the findings of Section 4.4.3 and drawing on the intersection of field characteristics and the social positions of different CPMCs, they adopt distinct strategic emphases in implementing institutional entrepreneurship. These are summarised in Table 4.7 and its supplement table with condensed interview quotation and respondent ID as evidences.

Table 4. 7 Diverse Strategic Emphasis on Institutional Entrepreneurship Implementation Process of Different CPMCs

Typology	Creating Common Ground	Leveraging Resources and Networks	Creating New Institutions
<b>SMEs</b>	Strong in building local, community-focused common ground but limited influence in broader policy advocacy.(e.g.participant 13,26,28,33)	Good at mobilising local resources but lacks access to broader industry and technological resources.(e.g.participant 13,26,28,33)	Flexible and innovative in piloting small-scale, business models tailored to local stakeholders' needs.(e.g.participant 13,26,28,33)
<b>PLLCs</b>	Strong ability to advocate for policies that balance profitability and community involvement, especially in infrastructure investment.(e.g.participant 2,3,4,5,6,7,8,15)	Wide access to resources and networks, capable of forming partnerships with government and technology providers.(e.g.participant 2,3,4,5,6,7,8,15)	Strong capable of initiating benchmark projects and PPPs to create new industry norms and innovative models.(e.g.participant 2,3,4,5,6,7,8,15)
<b>SOLEs</b>	Significant influence in both business and public sector, acting as a bridge between government and market needs.(e.g.participant 9,10,11,12,17)	Strong ability to leverage government and market resources for large-scale public and private collaborations.(e.g.participant 9,10,11,12,17)	Plays a key role in developing large-scale institutional frameworks tied to national goals and sustainability standards.(e.g.participant 9,10,11,12,17)
<b>SONEs</b>	Primarily focused on government-driven social welfare policies, but weaker in market-oriented policy advocacy.(e.g.participant22,24,25,26)	Strong in mobilising government resources for public projects, but weaker in market-driven collaborations.(e.g.participant22,24,25,26)	Often tasked with implementing new public institutions, though less flexible and innovative in market-driven models.(e.g.participant22,24,25,26)

Supplement to Table 4.7

Typology	SOLEs	SONEs	SMEs	PLLCs
<b>Condensed interview quotation</b>	"HSE teamed with local gov't and RCs on fire-safety/anti-fraud drives; mobilised residents to co-create safer living environments." [P11]	"Built an 1 billion RMB intelligent operations centre for nationwide real-time monitoring, instant alerts, and remote inspections." [P26]	"Community governance is a multi-win activity that brings government, residents' committees, property managers and residents together to solve problems and improve living standards." [P13]	"Proposed an urban-services approach for old communities; filed the sole submission to X District People's Congress; kept piloting afterward." [P3]
<b>Respondents (IDs)</b>	P9, P10, P11, P12, P13, P14, P17, P20, P21, P27, P36	P10, P11, P15, P17, P22, P25, P26, P28	P1, P13, P15, P18, P20, P22, P23, P24, P28, P33	P2, P3, P4, P6, P7, P8, P14, P15, P16, P17, P18, P19, P20, P21, P22, P23, P25, P26, P28

Creating common ground is about the company's ability to establish mutual understanding and advocate for policies or regulatory changes that benefit both the company and the broader community. According to institutional theory, SMEs typically operate under fewer regulative pressures, allowing them to build strong, localised community connections. However, due to their small size and limited political influence, their ability to advocate for large-scale policy changes is constrained. Perceived as purely profit-driven businesses, they focus more on providing personalised services and quick responses to satisfy local community. PLLCs possess significant financial and professional human resources, creating an asymmetry of resources compared to grassroots community organisations. Over time, this has led regulatory bodies to delegate certain responsibilities to these specialised companies, while relaxing some mandatory requirements, and granting them additional rights (Greenwood and Suddaby, 2006). They have also been allowed to engage in activities, such as advocating for policies. Regulatory bodies create common ground by balancing shareholder interests with societal expectations (Peng, 2003). As SONEs, SOLEs often act as intermediaries between the government and the private sector. They can leverage their central and high-status position within the institutional field to influence other companies (Greenwood *et al.*, 2011), while also possessing the political leverage to engage in policy advocacy. This creates common ground through social and political objectives that align with national development goals (Lai, Zhang and Zhao, 2024). SONEs, are primarily government-driven and focused on public welfare. They create common ground by aligning with government mandates, although they often lack the flexibility to address market-oriented policy changes.

The extent to which companies can leverage resources and networks depends on their ability to mobilise internal and external resources, form partnerships, and build networks with stakeholders such as government, technology providers, and NGOs. The key to contemporary urban community governance in China lies in tapping community social capital. CPMCs can serve as facilitators of social capital transformation, contributing to more sustainable and effective governance frameworks (Wang and Li, 2022). SMEs, while lacking the extensive resources of larger firms, excel at leveraging local resources and building strong community relationships. Their focus is on mobilising grassroots-level support (Garud, Hardy and Maguire, 2007). However, their limited access to broader industry and technological resources makes them less competitive when it comes to forming large-scale partnerships. With access to significant financial and technological

resources, PLLCs are strong at forming PPPs and collaborating with technology providers to introduce innovative solutions (Bruton, Ahlstrom and Li, 2010; Jackwerth-Rice, Koehrsen and Mattes, 2023). Their ability to leverage networks across multiple regions positions them well to lead industry-wide initiatives. SOLEs leverage both government and market resources. Their deep-rooted connections in both the political and private sectors allow them to mobilise resources for large-scale projects, positioning them as key players in public-private collaborations (Eitrem, Meidell and Modell, 2024). They can effectively engage stakeholders and build broad-based support for initiatives aligned with national priorities. SONEs have access to governmental resources but are more focused on government-driven projects. Their ability to mobilise resources is largely confined to public initiatives, and they may lack the entrepreneurial drive needed for market-driven collaborations.

Finally, creating new institutions involves the development of new norms, rules, and business models that can shape the property management industry. This can be driven through pilot projects, the introduction of new technologies, or PPPs. SMEs are highly flexible and innovative, often piloting small-scale projects that can be scaled up. However, their limited financial capacity and market reach restrict their ability to create industry-wide standards. They thrive at creating localised business models that focus on replicable success within small communities. PLLCs, backed by strong financial resources, play a leading role in creating new institutions. They are capable of developing benchmark projects, innovating through technology, and restructuring their companies to better align with sustainability goals. Their entrepreneurial nature allows them to pioneer new business models that set industry standards. SOLEs are critical when it comes to implementing national strategies and creating large-scale institutional frameworks. Their role in developing new institutions is driven by government mandates, particularly in areas related to sustainability and urban development. They are positioned to lead large infrastructure projects and shape sustainability norms across the industry. SONEs, while not as financially motivated, are often tasked with implementing new public institutions. They are key players in the process of executing government-driven projects, particularly in social housing or public welfare, though they may lack the market-driven flexibility of other types of CPMCs.

In essence, SMEs excel at small scale innovation and community engagement but face

resource constraints, while PLLCs leverage financial and political resources to innovate at a large scale. SOLEs balance political and market objectives to create broad institutional changes, while SONEs focus more on government-directed social and public initiatives.

Building on the insights from Sections 4.4.3 and 4.4.4, which examine how different types of CPMCs engage in community governance and its impact on corporate sustainability, as well as their institutional entrepreneurship efforts and resulting outcomes, the following analysis explores the suggested strategic responses at the intersection of field characteristics and actors' social positions. This discussion focuses on CPMCs' approaches to community governance, their pursuit of corporate sustainability, and the ways in which community governance participation influences their sustainable development (Table 4.8).

*Table 4. 8 Suggested CMPCs' Strategic Responses to Community Governance, Corporate Sustainability and Diverse Impact of Community Governance on Corporate Sustainability*

<b>Typology</b>	<b>Strategic Responses to Community Governance</b>	<b>Strategic Responses to Corporate Sustainability</b>	<b>Impact of Community Governance on Corporate Sustainability</b>
<b>SMEs</b>	Strong in personalised service, focus on direct community engagement.	Focus on economic and social sustainability, limited environmental initiatives due to resource constraints, efficient due to small size.	Community governance boosts social and economic sustainability, builds local relationships with stakeholders, access to government subsidies, greater resident satisfaction.
<b>PLLCs</b>	Strategic participation, focus on financially viable projects, strong capable of initiating benchmark projects and PPPs.	Balanced focus on balancing economic, social, and environmental sustainability, driven by shareholder expectations.	Community governance strengthens brand, build goodwill, but prioritise projects that align with profitability and shareholder interests.
<b>SOLEs</b>	Actively participate, balance large-scale governance projects with financial accountability.	Structured sustainability initiatives, strong in social and environmental sustainability, but financial stability is key.	Enhances social and environmental sustainability, but financial risks can impact shareholder confidence.
<b>SONEs</b>	Highly involved, often engage in prestige projects to enhance reputation, aligned with government objectives.	Prioritise social sustainability, take on projects that may not be financially viable, environmental initiatives are often undertaken as government-driven mandates.	Community governance helps them secure favourable policies and subsidies, enhances social sustainability and political ties but can strain financial sustainability if unprofitable.



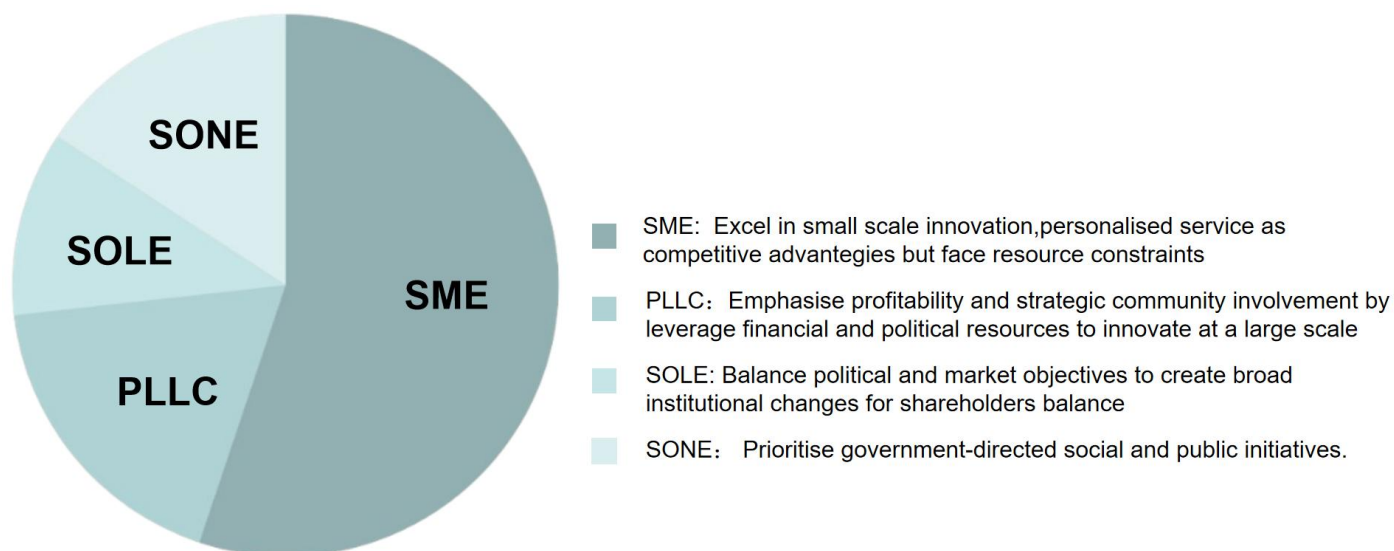
SMEs primarily focus on personalised services and direct community engagement due to their localised operations and resource constraints. Their corporate sustainability strategy emphasises economic and social sustainability, as they lack the financial capacity for large-scale environmental initiatives. While limited in environmental impact, SMEs benefit from community governance by building strong relationships with local stakeholders, increasing resident satisfaction, and accessing government subsidies. Their close ties with communities enhance trust and legitimacy, ensuring long-term operational stability.

PLLCs adopt a strategic approach to community governance, prioritising financially viable projects, PPPs, and industry benchmark initiatives. Their corporate sustainability strategy seeks to balance economic, social, and environmental sustainability, driven by shareholder expectations and market positioning. Engaging in community governance helps strengthen brand reputation and build goodwill, but these companies remain profit-oriented, carefully selecting projects that align with financial performance and shareholder interests.

SOLEs actively participate in large-scale governance projects, balancing public responsibilities with financial accountability. Their sustainability strategy is structured, with strong commitments to social and environmental sustainability, but financial stability remains a key priority. While community governance enhances their social and environmental contributions, it also exposes them to financial risks that could impact shareholder confidence if projects do not generate economic returns.

SONEs are highly engaged in community governance, often undertaking prestige projects to enhance their reputation and align with government objectives. Their sustainability focus prioritises social responsibility, with environmental initiatives largely shaped by government mandates rather than market-driven incentives. While community governance strengthens their political ties and access to government subsidies, it can strain financial sustainability if projects are unprofitable, as their operations are less driven by market competition and more by public service expectations.

Figure 4. 6 CPMCs Typology and Differentiated Strategies



As illustrated by the diagram (Figure 4.6), the typology illustrates that community governance plays a significant role in enhancing corporate sustainability across all company types, but the strategies they employ vary. These differences are shaped by their diverse social positions and their intersection between field characteristics of community governance and corporate sustainability.

SMEs excel at small-scale innovation and use personalised services as a competitive advantage. Their direct involvement with community governance and agility in adapting to local needs enables them to foster close relationships with residents. However, they face significant resource constraints, limiting their ability to scale beyond localised markets or engage in large-scale technological and infrastructure investments.

PLLCs prioritise profitability while also strategically involving themselves in community governance to enhance corporate sustainability. Leveraging their access to financial and political resources, they can innovate on a larger scale, implementing advanced technology and PPPs that balance shareholder interests with community engagement. Their market strategy is driven by the need to meet both profitability goals and corporate sustainability benchmarks.

SOLEs must balance political and market objectives. These firms are tasked with contributing

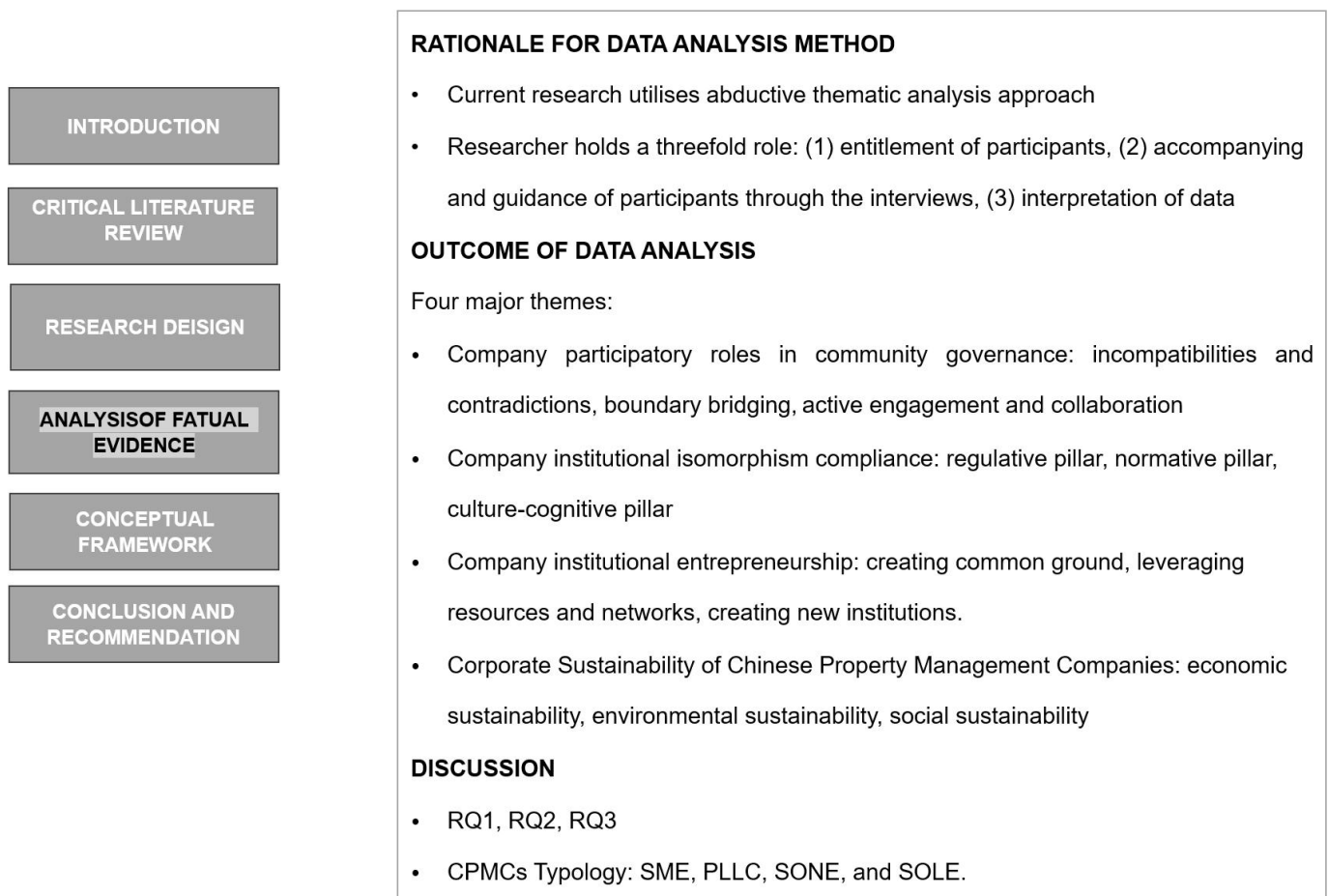
to social and political goals, as mandated by government affiliations, but they must also maintain financial accountability to shareholders. This balance enables SOLEs to create broad institutional change that aligns with national development priorities, while also navigating the pressure to remain profitable and competitive in the market.

SONEs focus primarily on government-directed social and public initiatives. These firms are less financially driven and more closely aligned with fulfilling governmental mandates for social welfare and public infrastructure projects. While they contribute to social sustainability, their financial risks are often mitigated by state support, although they may have less flexibility in pursuing market-driven innovations.

## 4.6 SUMMARY

The following figure (Figure 4.7) shows the progression of this dissertation after the data analysis:

*Figure 4. 7 Dissertation Progression (Chapter Four)*



This chapter has presented an analysis and discussion of the research findings. It initially introduced abductive thematic analysis as a suitable data analytical approach. Next, it identified four major themes through the lens of NIT, covering the perceived role of CPMCs in community governance, their corporate sustainability practices, and how participation in community governance influences the corporate sustainability of CPMCs. Furthermore, a dialogue between theory and practice was established, examining how the empirical findings aligned with NIT and clarifying the relationships among the three research questions. The chapter also addresses the research gaps identified in the introduction. Finally, a novel typology of CPMCs was presented to illuminate the different strategic responses to community governance and corporate sustainability, and the impact of community governance on corporate sustainability.

In the next chapter the conceptual framework will be developed.

## 5. CONCEPTUAL FRAMEWORK

### 5.1 INTRODUCTION

The critical literature review in Chapter Two set the foundation for this study of community governance and the corporate sustainability of CPMCs in China. Chapter Three reasoned around how the social constructivist paradigm can provide a holistic understanding of participating in community governance, and its impact on the corporate sustainability of CPMCs. Chapter Four integrates thematic analysis with a discussion of empirical findings, providing in-depth insights into stakeholder perspectives of CPMCs' roles in community governance and corporate sustainability. By linking these findings to theory, Chapter Four establishes a coherent logical chain across the research questions, illustrating how CPMCs' engagement in community governance fosters sustainable outcomes and offers strategic insights tailored to different types of CPMCs. This chapter focuses on addressing the institutional environment, impact pathways, and how these emerge through institutional entrepreneurship. It considers how participation in community governance influences the corporate sustainability of CPMCs. It develops an "Institutional Community Governance and Corporate Sustainability Framework (ICGCSF)". First, the chapter presents key findings from the existing literature on community governance, corporate sustainability, and NIT. Second, the experiential knowledge from this exploratory research is summarised and the conceptual framework is presented.

### 5.2 EXSITING THEORY AND RESEARCH

Community governance has undergone a profound transformation in both theory and practice, reflecting the increasing complexity of modern societal challenges. Traditionally, governance frameworks centred on the roles of governments (Zhang, Zhao and Dong, 2021) and NGOs (Fu and Ma, 2020) as well as residents (Guo, Zhou and Li, 2021). These are the primary actors in driving development initiatives. Yet the contributions of private enterprises, particularly in the Chinese context have yet to be theorised. This approach, while effective in certain contexts, often lacks the capacity to address multifaceted issues requiring diverse expertise and resources (Laraswati *et al.*, 2022; Tugyetwena, 2023). Recognising these limitations, scholars such as Vestergaard *et al.* (2020); Wang and Ran (2023) have emphasised the emergence of cross-sector

partnerships as pivotal mechanisms for fostering collaborative governance. These partnerships bring together stakeholders from multiple sectors to tackle societal issues through shared objectives and cooperation. However, the mechanisms through which private sector actors, like CPMCs, influence governance outcomes remain insufficiently explored. This research gap presents an opportunity to examine how CPMCs, through their participatory roles, contribute to institutional change and sustainable development in urban communities (Bianchi *et al.*, 2021; Kauko, 2012).

In the Chinese context, community governance has evolved in a manner distinct from Western models, shaped by the country's socio-political environment. While community governance remains predominantly government-led, recent reforms have encouraged private sector participation to address localised challenges more effectively (Liu *et al.*, 2020; Liu *et al.*, 2021a; Liu *et al.*, 2021b). CPMCs have been identified as essential contributors to community governance. Acting as “community partners” or “public service supporters,” these companies are tasked with navigating the dual expectations of residents and local authorities, balancing regulatory compliance with the provision of high-quality services (Yiu, Wong and Yau, 2006).

The collaborative nature of modern community governance aligns with the principles of governance described by Rhodes (1997) and Stoker (1998). These scholars highlight the importance of decentralisation, which blurs the boundaries between state and non-state actors, fostering interdependence among stakeholders. In China, this model manifests in partnerships between CPMCs, LSO, RC and residents. Collective efforts are directed toward improving urban living standards and addressing complex challenges, such as environmental sustainability and social inequality (Li, Liu and Ye, 2022).

Despite its development, the practice of community governance in China faces significant challenges. Grassroots governance often operates within a resource-constrained environment, where local governments struggle to balance top-down directives from higher authorities with the diverse needs of residents (Hill and Hupe, 2002; Lavee and Cohen, 2019). CPMCs, as private enterprises embedded within this institutional context, must navigate regulatory pressures and

contradictions while responding to the growing expectations of residents for enhanced service quality. Their dual role as service providers and community collaborators presents opportunities for institutional entrepreneurship but also stresses the tensions inherent in aligning market-driven objectives with public governance goals.

Corporate sustainability has become a cornerstone of contemporary business strategy, reflecting a growing emphasis on balancing economic, environmental, and social priorities (Bocken *et al.*, 2013; Hariram *et al.*, 2023; Schaltegger *et al.*, 2022). This approach, often framed through the lens of the TBL (Elkington, 1997b), advocates for a simultaneous focus on economic prosperity, environmental stewardship, and social equity. Initially conceptualised as an alternative to profit-centric models, TBL emphasises the interconnected nature of these three pillars, highlighting the importance of integrating sustainability into core business operations for long-term resilience and competitive advantage (Carter and Rogers, 2008). Currently, academic research on corporate sustainability focuses on sectors such as manufacturing, retail, and energy, leaving service-oriented industries, including property management, relatively underexplored (Ionaşcu *et al.*, 2020; Nosratabadi *et al.*, 2019).

Globally, businesses face increasing pressures from stakeholders and policymakers to adopt sustainable practices (Bernow *et al.*, 2019). For example, the United Nations' SDGs provide a universally recognised framework that encourages companies to address global challenges such as poverty, inequality, climate change, good health and well-being and sustainable cities and communities. These goals have gained traction in industries like property management, where localising sustainability initiatives is essential to meet community-specific needs (Jones and Comfort, 2020). However, existing research often critiques corporate sustainability for focusing on surface-level changes without addressing systemic challenges (Ergene, Banerjee and Hoffman, 2021). Despite these challenges, businesses have increasingly recognised the value of aligning sustainability practices with long-term strategic goals, including competitive advantage, stakeholder satisfaction, and regulatory compliance (Stubbs and Cocklin, 2008).

In China, the corporate sustainability landscape is shaped by unique policy directives, such as the Double Carbon policy, which mandates peak carbon dioxide emissions by 2030 and carbon

neutrality by 2060 (National Development and Reform Commission, 2021; PwC, 2021; Cushman & Wakefield, 2023). Recent trends, including mandatory ESG reporting in Hong Kong and increasing voluntary disclosures in Mainland China, reflect growing institutional pressures (PwC, 2021), influencing CPMCs to adopt more transparent and sustainable practices to enhance legitimacy. Various institutional pressures, including the SDGs and policies in China, have contributed to advancing sustainability at both local and national levels (Adams & Abhayawansa, 2022; Ionaşcu et al., 2020).

Despite the growing emphasis on sustainability in property management, existing research has primarily focused on the traditional operational aspects of economic and environmental outcomes, such as energy management, waste reduction, resource efficiency and green certifications (Zhao, Zhang and Li, 2021). Yet the broader integration of three sustainability pillars into business models has been neglected (Nosratabadi *et al.*, 2019). This is especially the case in terms of the social dimensions, and particularly the impact of CPMCs' participation in community governance. A defining feature of corporate sustainability is its social dimension, which focuses on fostering community well-being and ensuring equitable access to resources and opportunities (Elkington, 1997b). In the context of CPMCs, this dimension is closely linked to their role in community governance. By participating in community governance, CPMCs address societal needs, such as enhancing residents' quality of life, improving public safety, and fostering social cohesion. These efforts directly align with the TBL principle of social sustainability, which prioritises meeting the well-being and expectations of stakeholders through collaborative governance initiatives. For example, CPMCs actively contribute to community development by improving green spaces, facilitating waste management, and promoting energy-efficient practices. These environmental contributions reflect the TBL principle of environmental sustainability, which emphasises reducing ecological impacts while creating sustainable living environments. As for the economic pillar, participating in community governance allows CPMCs to diversify their revenue streams by developing value-added services and securing government procurement projects. This is achieved by fostering strong relationships with local subdistrict offices, RCs, and community residents.

Despite these developments, existing literature often focuses on the "what" of sustainability, such as specific green technologies and waste management practices, without fully exploring the "how" and "why." Significant gaps remain when it comes to understanding how and why CPMCs



balance economic objectives with social and environmental responsibilities within the context of community governance.

NIT offers a robust framework for understanding how organisational behaviour is shaped by institutional environments, with legitimacy rather than efficiency as the primary driver of organisational adaptation (DiMaggio and Powell, 1983; Hwang, 2023; Meyer and Rowan, 1977). Organisations navigate a landscape of norms, rules, and shared understandings that define their institutional context, often conforming to these pressures to maintain legitimacy and stability (Jahid *et al.*, 2023; Lee, Pak and Roh, 2024; Scott, 2001). This perspective challenges earlier assumptions that organisations act purely on rational calculations, highlighting instead the socially constructed nature of organisational behaviour. Despite its foundational contributions, NIT has evolved to incorporate dynamic elements such as institutional change and agency, offering a more nuanced understanding of organisational responses to complex environments (Suddaby, 2010).

This theory of institutional conformity has traditionally focused on isomorphism, with DiMaggio and Powell (1983) identifying three types: coercive, mimetic, and normative. While this framework explains convergence within organisational fields, critics have highlighted its limitations in addressing divergence and innovation (Oliver, 1991). Later developments, such as Scott's (2001) three-pillar framework, extended the theory to account for the regulative, normative, and cultural-cognitive dimensions of institutions, providing a comprehensive lens for examining organisational institutional compliance and pressure. Moreover, scholars such as Seo and Creed (2002) argue that institutional contradictions, including conflicts between institutional norms and organisational interests, can disrupt stability. These contradictions create conditions that enable actors to engage in critical reflection and drive change.

Institutional entrepreneurship, as conceptualised by DiMaggio (1988) and later expanded by Battilana, Leca and Boxenbaum (2009), introduces agency into the predominantly structural focus of NIT. Institutional entrepreneurs leverage resources and navigate institutional complexity to create or transform institutions, challenging the status quo to pursue innovation and change (Lawrence and Suddaby, 2006; Loren, 2024). This concept bridges the paradox of embedded agency, recognising that while actors are shaped by their institutional environments, they also

possess the capacity to enact transformative change (Cohen *et al.*, 2024).

Greenwood and Suddaby (2006) made significant contributions to the concept of institutional change within mature organisational fields. They did so by examining the unique role of centrally positioned elite organisations. They argued that these organisations are better equipped to bridge multiple institutional logics, which are often conflicting, such as managerial and professional logics, due to their centrality within the field. This boundary-spanning role enables elite organisations to create conditions for institutional innovation. Moreover, Greenwood and Suddaby build on Seo and Creed's (2002) framework of institutional contradictions, demonstrating how efficiency, nonadaptability, interinstitutional incompatibility, and misaligned interests create tensions that elite organisations leverage to disrupt norms and propose innovative solutions.

Research on institutional entrepreneurship has also expanded to sustainability and governance contexts. Gasbarro, Rizzi and Frey (2018) emphasise the role of cultural-cognitive pressures in driving change, especially in conservative or resource-constrained settings. Grimm, Hofstetter and Sarkis (2023) contribute to this discourse by identifying the institutionalisation phase as a critical element in embedding sustainable institutional practices over time. This extends Battilana *et al.*'s (2009) framework to account for the durability and diffusion of institutional changes. Glynn and D'Aunno (2023), focusing on typologies, underscore the need to categorise actors within institutional fields, offering valuable insights into how diverse actors navigate institutional environments.

Despite these advancements, critical gaps remain. A significant portion of studies on institutional entrepreneurship has concentrated on central, resource-rich organisations in Western contexts, with less emphasis on the strategies and mechanisms employed by peripheral or less resource-endowed actors. How organisations with constrained resources navigate institutional pressures and contradictions and contribute to institutional change in dynamic environments, such as grass roots community in China, remains underexplored. Lounsbury and Wang (2020) highlight how different logics, such as those of community and market, coexist within organisational fields and influence actors' practices and expectations depending on the specific context. It is within that setting that CPMCs in community governance intersect with distinct logics. Specifically, CPMCs

encounter regulative pressures from state directives, normative pressures tied to professional standards and community expectations, and cultural-cognitive pressures stemming from broader societal values. In addition, various institutional contradictions, including those related to efficiency, non-adaptability, interinstitutional dynamics, and misaligned interests, arise from the interactions among different types of stakeholders. The diversity of these logics is particularly impactful for CPMCs, as they navigate both alignment with governmental sustainability policies and the direct demands of community stakeholders.

Moreover, existing research largely overlooks the dual role of private enterprises, such as CPMCs, as both business entities and community actors. While Greenwood and Suddaby (2006) highlight the potential of elite organisations to act as institutional entrepreneurs, less is known about how central or peripheral organisations within a complex institutional field might conduct diverse engagement in innovation.

In the context of CPMCs, the interplay between their social positioning, institutional pressures, and field-level contradictions presents a unique avenue for study. These organisations operate in a complex multi-stakeholder environment shaped by regulatory, normative, and cultural-cognitive dimensions, alongside various institutional contradictions. However, empirical analysis remains insufficient on how CPMCs adapt boundary-spanning strategies to balance economic objectives with social and environmental responsibilities while leveraging institutional contradictions to drive change. Additionally, while Glynn and D'aunno (2023) emphasise how typologies highlight the importance of actor diversity within institutional fields, the specific challenges, strategies and outcomes associated with different types of CPMCs remain poorly understood.

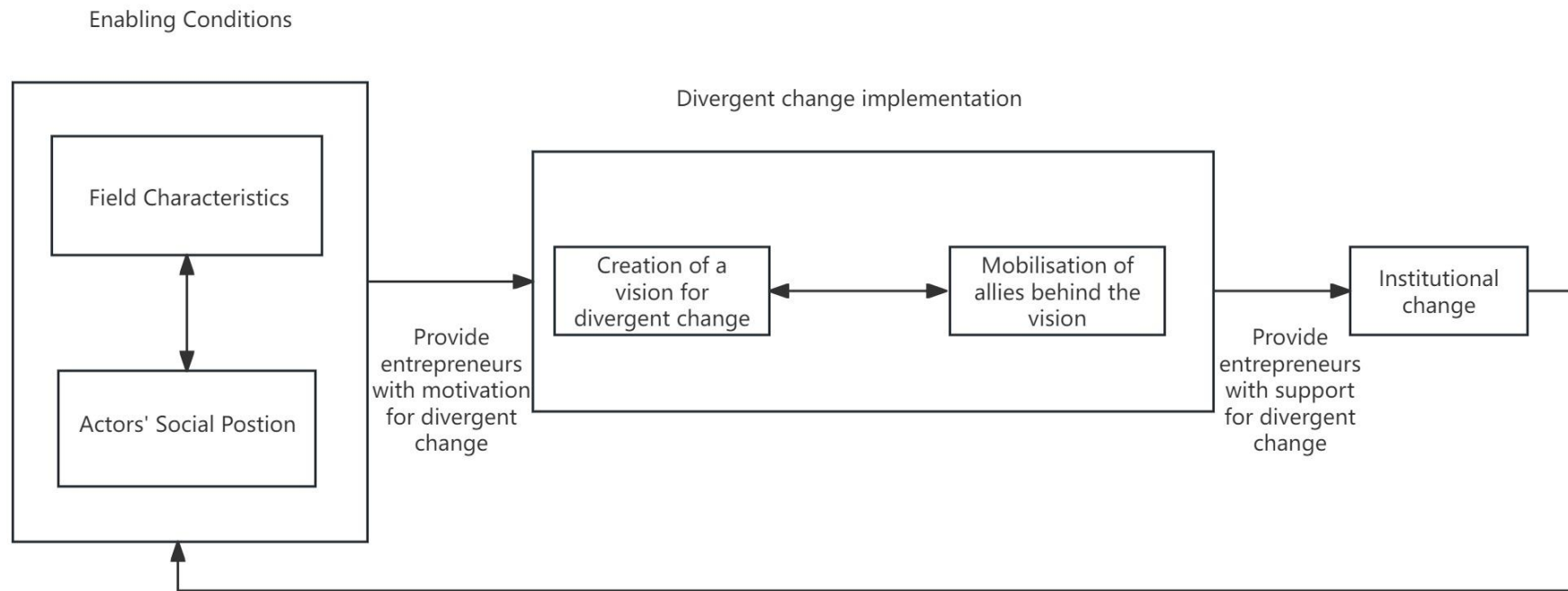
These gaps stress the need for further research on the participatory roles of CPMCs in community governance and sustainability. Specifically, how these organisations navigate institutional complexity, leverage their social positions, and implement institutional entrepreneurship to drive sustainable outcomes warrants deeper investigation. By integrating NIT with the dynamics of community governance, this study aims to address these gaps, providing a more comprehensive understanding of institutional change in diverse and evolving contexts.

## 5.3 EXPERIENTIAL KNOWLEDGE AND EXPLORATORY RESEARCH

The current research, through qualitative and exploratory case studies, utilising semi-structured interviews and thematic analysis, sheds light on the nuanced interplay between CPMCs' participation in community governance and their corporate sustainable development. The constructivist paradigm underpins this study, emphasising that institutional realities are co-constructed through actors' interactions and shared meanings. The empirical findings reveal how CPMCs navigate the overlapping institutional logics of state, market, and community, reflecting a socially embedded and contextually constructed reality (Lounsbury & Wang, 2020). This highlights that institutional logics are not simply external pressures passively adopted by actors but are actively shaped through organisational practices and interpretations. For instance, as indicated by interview responses, CPMCs act as a "boundary-spanner," mediating between residents, government entities, and community stakeholders, aligning with the paradigm's focus on meaning-making processes (Berger and Luckmann, 1966).

The current study acknowledges Battilana et al.'s (2009) institutional entrepreneurship process framework (Figure 5.1), which outlines the process of institutional entrepreneurship through three interconnected stages. Firstly, enabling conditions comprise the key field characteristics, such as institutional contradictions, crises, or heterogeneous arrangements and actors' social position. This includes the organisations' capacity to access to resources or centrality within the institutional field. These factors collectively motivate and enable actors to pursue institutional changes. Secondly, the process involves the creation of a vision for change and the mobilisation of allies to support this vision, which highlights the agency of institutional entrepreneurs in implementing divergent changes. Finally, the framework culminates in institutional change, wherein the proposed changes are institutionalised through the effective alignment of enabling conditions and strategic implementation. This framework addresses the tension between structure and agency, illustrating how actors embedded within institutional contexts can drive transformative change despite inherent constraints.

Figure 5. 1 Battilana et al.'s (2009) Model of the Process of Institutional Entrepreneurship



**Model of the Process of Institutional Entrepreneurship**

Battilana et al.'s (2009) framework effectively bridges the structure-agency divide in institutional theory by outlining how actors within embedded institutional fields catalyse change. This process framework, encompassing enabling conditions, divergent change implementation, and institutionalisation, resonates with the dynamics observed in the current research, which reveals that CPMCs navigate overlapping institutional logics and field-level contradictions (Seo & Creed, 2002), leveraging their social positions to engage in institutional entrepreneurship. Battilana et al.'s (2009) model aligns closely with these findings by providing a structured lens to interpret enabling conditions, strategic actions, and outcomes of institutional change.

In terms of one of these enabling conditions, specifically field characteristics, the current research highlights how CPMCs operate within a field shaped by institutional contradictions, including inefficiencies in governance mechanisms, rigid hierarchies, and fragmented stakeholder responsibilities. These heterogeneous contradictions serve as triggers for reflective action, as described by Seo and Creed (2002) and reinforced by Battilana et al. (2009).

As for actors' social position, CPMCs operate at the nexus of state, market, and community logics, occupying a distinctive social position as boundary spanners in community governance. Here, they are positioned at the periphery of the community governance field, making them more inclined to trigger institutional change (Greenwood and Suddaby 2006). By engaging with stakeholders such as LSO, RC, and residents, CPMCs bridge institutional gaps and fulfil roles that neither public institutions nor private businesses can adequately address (Maguire, Hardy and Lawrence, 2004; Tracey, Phillips and Jarvis, 2011; Younis, Ahsan and Chatteur, 2023). This intermediary role enables CPMCs to navigate complex institutional demands, balancing governmental directives with resident expectations, which often conflict (Feront, Bertels and Hamann, 2024). This positioning not only supports their role in community governance but also aligns with their institutional entrepreneurship initiatives to navigate tensions, respond to localised needs, and achieve legitimacy in a dynamic field (Giles, Maguire and Hill, 2024). Through these efforts, CPMCs advance sustainable practices that meet community expectations and policy demands, contributing to their broader strategic goals.

However, as Battilana et al. (2009) suggest, more comparative studies are needed to explain

the differences across institutional contexts and types of changes, and to explore the potential interaction between field characteristics and actors' social position (Mountford and Cai, 2023).

The current study expands upon Battilana et al.'s (2009) framework by aligning with Scott's (2001) institutional pressures and Seo and Creed's (2002) institutional contradictions, which were later developed by Greenwood and Suddaby (2006). The outcome is that it extends knowledge of field characteristics in the context of Chinese community governance. Scott's (2001) framework categorises institutional pressures into regulative, normative, and cultural-cognitive dimensions, each shaping organisational behaviour. In this study, regulative pressures manifest through government mandates and policies enforced by LSOs. It finds that normative pressures emerge from professional associations and industry competitors, and cultural-cognitive pressures reflect shared values and societal expectations from residents and media. Together, these pressures form the institutional landscape within which CPMCs navigate their roles as institutional entrepreneurs.

Seo and Creed's (2002) institutional contradictions provide further insights into the field characteristics of institutional entrepreneurship. The study identifies four types of contradictions within the community governance field: 1) efficiency contradictions, where rigid bureaucratic processes hinder effective governance; 2) nonadaptability contradictions, where traditional governance structures fail to respond to crises like the COVID-19 pandemic; 3) interinstitutional incompatibility contradictions, arising from blurred roles and responsibilities among stakeholders, leading to conflicts; and 4) misaligned interests contradictions, where CPMCs' commercial objectives conflict with government or community expectations, sometimes leading them to give in to external demands. These contradictions serve as triggers for reflective and innovative actions, compelling CPMCs to adopt entrepreneurial practices to address the governance gaps, thereby enriching Battilana et al.'s (2009) framework by providing specific field-level dynamics that drive institutional change.

Moreover, Gasbarro, Rizzi and Frey (2018) highlight the often-overlooked role of cultural-cognitive pressures in driving institutional change. Prior research has tended to focus on regulative and normative dimensions while under-emphasising the influence of cultural values and community norms. The findings of this study reveal how CPMCs are deeply influenced by

traditional Chinese cultural elements, which shape their governance practices and sustainability strategies. For instance, the cultural value of "guanbenwei," which reflects a respect for official authority (Wu, Yan, and Jiang, 2018), enables CPMCs to align their actions with government expectations, thereby enhancing their legitimacy (Rice, Koehrsen, and Mattes, 2023). Similarly, "yiqi", which emphasises collective loyalty and shared responsibility, enables CPMCs to mobilise community support during crises (Giles, Maguire and Hill, 2024), while the cultural adage "a distant relative is not as good as a close neighbour" provides a narrative framework to encourage community engagement.

By demonstrating how CPMCs strategically engage with and reinterpret these cultural narratives, the study highlights the active role of cultural-cognitive pressures in shaping institutional entrepreneurship. This enriches Battilana et al.'s (2009) framework by integrating cultural-cognitive dimensions into the understanding of field characteristics, providing a nuanced perspective that reflects the complex, culturally embedded nature of Chinese community governance.

In addition, the current study enriches Battilana et al.'s (2009) framework by creating new knowledge about actors' social positions within the community governance field, with a particular focus on CPMCs. This research positions CPMCs as boundary spanners (Greenwood & Suddaby, 2006), operating at the intersection of state, market, and community logics, which makes them uniquely suited to trigger institutional change despite their peripheral status in community governance. However, unlike Battilana et al.'s (2009) original framework, which broadly conceptualises social position, this study highlights the stratification within the property management sector itself. CPMCs are categorised into SOLEs, PLLCs, SONEs, and SMEs, each type exhibiting distinct social positions and responses to institutional field characteristics (Table 4.3). For instance, SOLEs and SONEs, as SOEs, particularly SOLEs as central actors, are deeply embedded within institutional frameworks and strongly shaped by regulative and cultural-cognitive pressures. Their close ties to government policies position them to undertake large-scale public projects, often prioritising political alignment over financial efficiency. Conversely, PLLCs, with lower levels of centralisation, and SMEs, as peripheral actors, exhibit greater flexibility and responsiveness to market and community needs. SMEs, in particular leverage their small scale and proximity to grassroots communities to foster trust and legitimacy through personalised services.



SONEs and SOLEs face efficiency contradictions due to rigid bureaucratic structures, while SMEs navigate interinstitutional incompatibilities by aligning closely with resident needs. By incorporating these insights, the current study adds depth to Battilana et al.'s (2009) framework, highlighting how variations in social position influence CPMCs' response in within the complex and pluralistic field of Chinese community governance.

Furthermore, the empirical findings highlight how CPMCs act as institutional entrepreneurs in the implementation of divergent change, aligning closely with Battilana et al.'s (2009) framework through the creation of shared visions, mobilisation of allies, and advocacy for policy reforms. For instance, CPMCs create common ground by engaging in policy advocacy and initiating pilot projects to address governance gaps in old residential communities, demonstrating framing strategies that align with Battilana et al.'s (2009) model to create a vision for divergent change. Additionally, CPMCs leverage resources and networks by building collaborative platforms, fostering stakeholder relationships, and driving technological innovation to promote sustainable practices. This reflects Battilana et al.'s (2009) emphasis on strategic resource mobilisation in advancing institutional change.

The findings of this research extend Battilana et al.'s (2009) two-phase model of divergent change implementation by introducing a third phase: the creation of new institutions, emphasising the essential role of institutionalisation in achieving lasting change. Drawing on Grimm et al.'s (2023) three-phase model "emergence, collective action, and institutionalisation", this study highlights the importance of embedding and diffusing innovations across broader networks to ensure their sustainability.

In the Chinese community governance context, CPMCs often excel at initiating and driving collective action, but face challenges when it comes to institutionalising their innovations across communities and industries. By incorporating Grimm et al.'s (2023) institutionalisation phase into Battilana et al.'s (2009) framework, this research provides a more holistic perspective on institutional entrepreneurship, demonstrating how CPMCs' ongoing collaboration with stakeholders consolidates their practices and secures the long-term impact of their initiatives.

Moreover, the current study enriches the institutional change outcome of Battilana et al.'s (2009) framework by incorporating the TBL framework (Elkington, 1997). This highlights that institutional entrepreneurship outcomes encompass economic, environmental, and social dimensions. CPMCs' innovations address not only internal operational needs but also external institutional field complexity. As indicated in Chapter Four, the corporate sustainability of CPMCs refers to a holistic approach that balances economic viability, environmental stewardship, and social responsibility with the professional property management service framework. This concept emphasises the alignment of sustainable performance with core business operations. It highlights the regeneration of sustainable value that extends beyond the organisation's immediate boundaries. The goal is to meet the evolving demands and expectations of property owners and stakeholders, ensuring that property management services are not only efficient and effective, but also contribute positively to the broader community and environment.

For instance, economic outcomes include optimising resource allocation and creating value-added services, while environmental outcomes involve implementing energy-efficient systems and promoting recycling initiatives. Social outcomes are achieved by fostering community cohesion, such as enhancing public spaces and encouraging active resident participation. These practices reflect a proactive response to institutional expectations, securing legitimacy and fostering sustainable development.

Finally, this study enriches Battilana et al.'s (2009) framework by integrating Glynn and D'aunn's (2023) typological insights, which highlight how institutional typification influences the distinct strategies adopted by CPMCs across the stages of institutional entrepreneurship, and ultimately in institutional change. Building on Glynn and D'Aunno's (2023) insights, this study highlights the diverse role of identity, actions, and expectations within institutional contexts, offering a nuanced understanding of strategic responses (Tables 4.4 and 4.5).

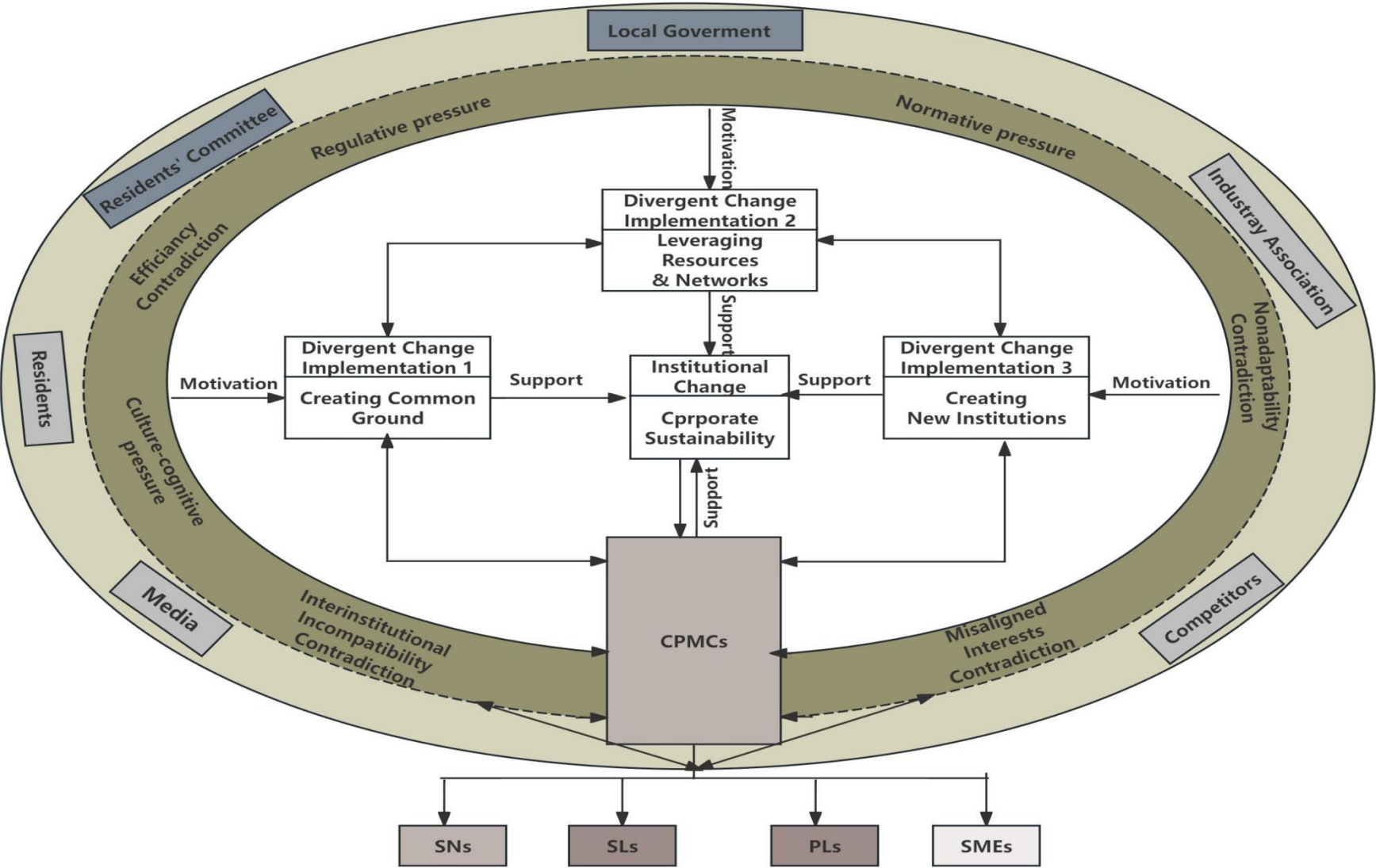
For instance, when creating common ground, SMEs foster trust through personalised services and direct community engagement, while PLLCs advocate for policies aligning with shareholder and community interests by leveraging multi-stakeholder scenarios. While leveraging resources and networks, SOLEs mobilise extensive government and market resources to initiate large-scale

public-private collaborations, whereas SONEs strong in mobilising government resources for public projects, but weaker in market-driven collaborations. When creating new institutions, PLLCs pioneer innovative business models and set industry standards through pilot projects, while SMEs introduce replicable small-scale initiatives tailored to local communities. Ultimately, during institutional change, PLLCs enhance corporate sustainability by balancing financial performance with environmental and social outcomes. This aligns with stakeholder expectations. In contrast, SONEs prioritise government mandates and social sustainability, often at the expense of profitability, reflecting their alignment with public welfare objectives. These diverse strategies illustrate the typological complexity associated with how CPMCs navigate institutional entrepreneurship and achieve long-term change.

## 5.4 INSTITUTIONAL COMMUNITY GOVERNANCE AND CORPORATE SUSTAINABILITY FRAMEWORK

The “ICGCSF” proposed in this study is as follows:

Figure 5. 2 Institutional Community Governance and Corporate Sustainability Framework (ICGCSF)



The “ICGCSF” in this study provides a comprehensive understanding of how CPMCs engage in community governance to drive corporate sustainability through institutional entrepreneurship. The framework is informed by significant theoretical insights, including Battilana et al.’s (2009) institutional entrepreneurship process, Grimm et al.’s (2023) institutionalisation phases, and Greenwood and Suddaby’s (2006) concepts of boundary bridging. It is informed by the distinctions between elite and peripheral actors identified by these studies, and by Glynn and D’unno’s (2023) typological perspectives. It emphasises the interaction between institutional pressures (Scott, 2001; Gasbarro et al., 2018) and contradictions (Seo and Creed, 2002; Greenwood and Suddaby, 2006) within the community governance field. The differentiated strategies CPMCs adopt based on their social positions (e.g., SMEs, PLLCs, SOLEs, and SONEs) also shape the ICGCSF.

The framework visually represents the intricate dynamics of the community governance field and CPMCs’ role as a boundary spanner. The hierarchical influence of actors’ social positions within the field is evident, with local governments (LSO) and RC occupying central and dominant roles, while industry associations, residents, competitors, media, and CPMCs are situated in more peripheral roles. Darker shades denote central actors, and lighter shades denote peripheral ones in the outer ring.

The field characteristics, encompassing institutional pressures and contradictions, are central to understanding the dynamics of community governance. Local governments and RC impose regulative pressures, while industry associations and competitors introduce normative pressures. Residents and media contribute cultural-cognitive pressures. The interactions between CPMCs and these participants give rise to specific institutional contradictions, including efficiency contradictions resulting from government mandates, nonadaptability contradictions linked to rigid governance structures, and interinstitutional and misaligned incompatibilities driven by conflicting stakeholder objectives. These dynamics reflect the complex interplay between actors’ social positions and field characteristics. These are represented in the model as the inner and outer rings, connected by a dashed line. Both social positions and field characteristics serve as enabling conditions for institutional entrepreneurship, directly shaping CPMCs’ responses. This is represented by the arrows pointing outwards from the rings towards the CPMCs’ vertical bar.

CPMCs are classified into four types: SOLEs, PLLCs, SONEs, and SMEs, based on their respective social positions within the property management sector. SOLEs and PLLCs represent organisations with higher social positions and greater centrality, while SONEs and SMEs occupy more peripheral roles. Each type adopts distinct strategic responses to institutional pressures and contradictions. This is represented in the diagram by varying shades to indicate their hierarchical positioning. Darker tones represent central roles, and lighter tones represent peripheral ones (see Table 4.3).

The interactions of diverse CPMCs' social positions and institutional field characteristics emphasise the complexity of CPMCs' boundary-spanning role, as they navigate multiple pressures and contradictions to engage in institutional entrepreneurship and foster sustainable outcomes. The framework encapsulates the nuanced and multifaceted impact of social positions and field characteristics on CPMCs' strategic responses and innovation processes.

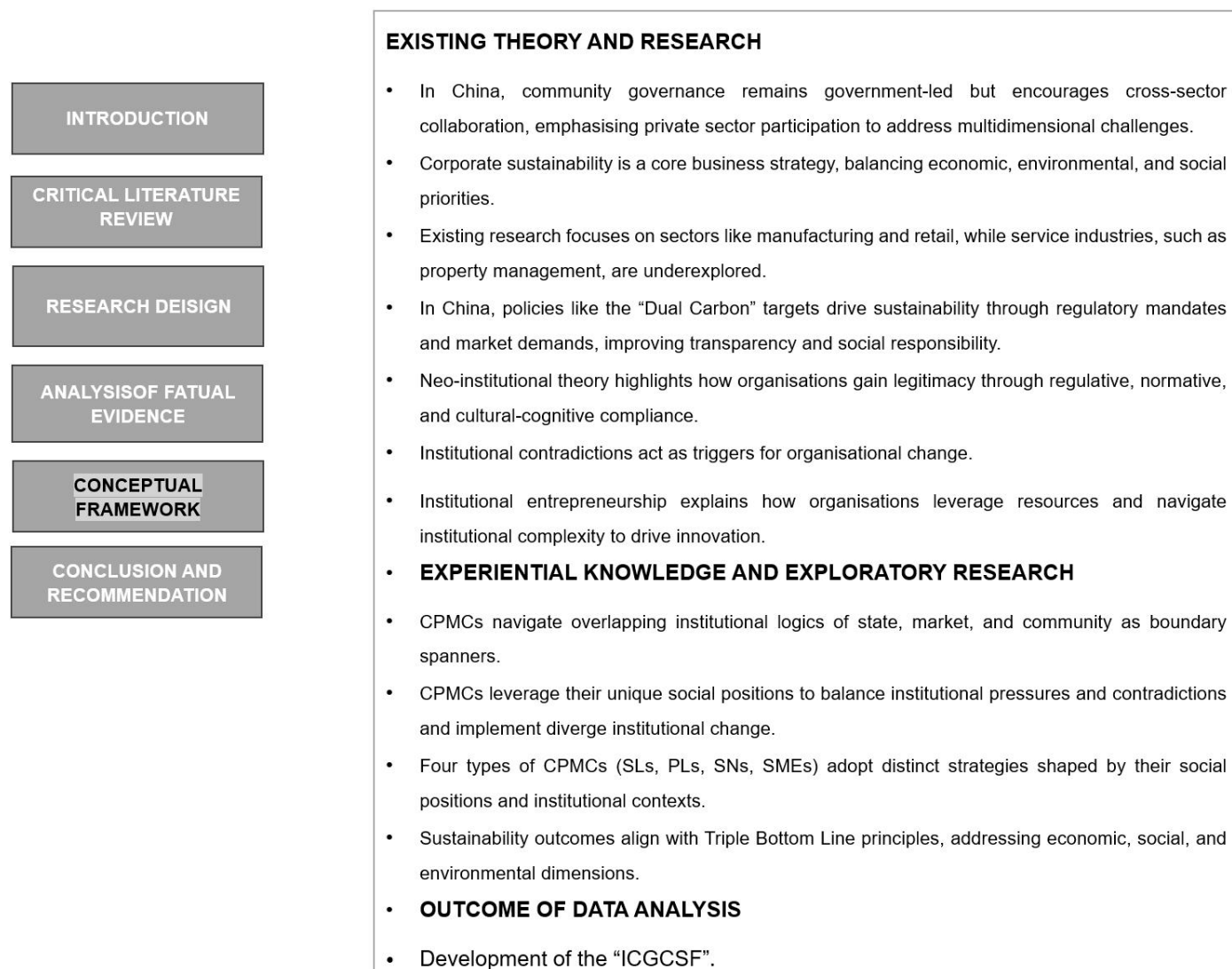
The influence of the external institutional environment in shaping and motivating internal entrepreneurial efforts is crucial to driving institutional change and achieving corporate sustainability. This progression highlights the pathway through which external pressures and interactions catalyse innovation and sustainability transformations within CPMCs. This is illustrated by arrows connecting the outer and inner rings, which represent actors' social positions and field characteristics. These are connected to the various stages of divergent change implementation.

The three stages of Divergent Change Implementation—creating common ground, leveraging resources and networks, and creating new institutions—are interconnected, reflecting their iterative and mutually influential nature. Progress or challenges in one stage can often impact the others. These stages also demonstrate how different types of CPMCs generate distinct strategic responses, shaped by their unique social positions and institutional contexts. These are visualised through bidirectional arrows linking the stages to CPMCs (see Table 4.4). Ultimately, these interconnected stages contribute to institutional entrepreneurship outcomes, driving institutional change and achieving corporate sustainability (see Table 4.5). This dynamic progression underscores the role of the CPMC as an active agent, advancing sustainability through adaptive and strategic engagement within complex institutional fields.

## 5.5 SUMMARY

The following figure (Figure 5. 3) shows the progression of this dissertation up to this point, and following the development of the above conceptual framework.

Figure 5. 3 Dissertation Progression (Chapter Five)



This chapter has introduced a conceptual framework, providing insights into existing theories on community governance, corporate sustainability, and NIT. Additionally, it presents the outcomes of exploratory empirical research, synthesising these findings with Battilana et al.’s (2009) framework to enrich and extend its application. Finally, the chapter concludes by presenting the “ICGCSF” developed in this study.

## 6. CONCLUSION AND RECOMMENDATION

### 6.1 INTRODUCTION

The previous chapter presented the contribution of this study to extend knowledge about corporate sustainability, community governance and NIT. This contribution was based on existing conceptual theories and new empirical findings. Specifically, the study conceptualised the relationship between participation in community governance and CPMCs' corporate sustainability through the development of an integrated model (see Figure 5.2). This chapter presents the conclusion to the current study. It discusses the contribution of this work to theory, and it contains some managerial implications. This chapter addresses the limitations of the study and suggests how researchers can expand the scope of corporate sustainability concepts in future research projects.

### 6.2 CONCLUSION

This study conceptualises the impact of CPMCs' participation in community governance on their corporate sustainability, with a theoretical grounding in NIT (Battilana, Leca and Boxenbaum, 2009; DiMaggio and Powell, 1983; Greenwood and Suddaby, 2006). The findings present evidence that CPMCs navigate complex institutional environments as institutional entrepreneurs, addressing institutional pressures and contradictions while playing multifaceted roles as boundary spanners, service providers, and governance collaborators. By undertaking community governance tasks, CPMCs enhance their social legitimacy and foster greater trust among diverse actors, reinforcing their position within governance frameworks. This study henceforth identifies and addresses critical gaps in understanding how and why CPMCs contribute to community governance and corporate sustainability.

The interview findings reveal four key themes: participatory roles of CPMCs in community governance, institutional pressures, institutional entrepreneurship, and corporate sustainability. CPMCs operate in institutional environments shaped by regulative, normative, and cultural-cognitive pressures (Scott, 2005). These pressures define organisational expectations and influence strategic alignment with governance objectives. Moreover, as this study suggests,



CPMCs must navigate institutional contradictions—including efficiency, nonadaptability, interinstitutional incompatibility, and misaligned interests contradictions (Seo and Creed, 2002). These contradictions present both constraints and opportunities for CPMCs to innovate and adapt, thereby strengthening their capacity to achieve sustainable outcomes in community governance.

Corporate sustainability in this study is evaluated through the TBL framework (Elkington, 1997a), encompassing economic, social, and environmental dimensions. The findings coincide with extant literature, demonstrating that CPMCs' active participation in community governance significantly enhances their ability to align corporate objectives with broader sustainability goals. Furthermore, the study goes beyond existing research by highlighting the role of institutional entrepreneurship in driving governance innovations, which contribute to CPMCs' sustainable development.

As a final, yet important, outcome of this study, the typology categorises CPMCs into SMEs, PLLCs, SONEs, and SOLEs, based on size and ownership structure, offering an original and context-specific classification. The findings further suggest that these organisational types respond differently to institutional pressures and engage in governance participation through distinct strategies. For instance, SMEs prioritise community needs despite resource constraints, PLLCs balance market demands and shareholder expectations, SONEs demonstrate responsiveness due to close regulatory ties, and SOLEs, as resource-rich core participants, navigate adaptability challenges due to strong policy alignment. These variations highlight the diverse ways in which CPMCs contribute to sustainable governance.

The "ICGCSF" conceptual framework developed in this study contributes to the field of corporate sustainability and institutional change. It links institutional field characteristics, institutional entrepreneurship pathways, and sustainability, offering theoretical insights into how CPMCs navigate governance challenges. The framework identifies three pathways through which CPMCs align governance participation with sustainable development objectives, namely creating common ground, leveraging resources and networks, and creating new institutions. By addressing critical gaps in the literature, this study positions CPMCs as pivotal actors in advancing sustainable development goals and modernising China's governance practices.

## 6.3 THEORETICAL IMPLICATIONS

This study contributes significantly to the theoretical discourse on community governance, corporate sustainability, property management, and NIT by addressing notable gaps in these interconnected areas. It positions the “ICGCSF” as a significant theoretical model for understanding the interplay between institutional field characteristics, actors’ social position, institutional entrepreneurship, and sustainability practices, particularly in the context of CPMCs in China. The findings offer new insights into the roles, strategies, and typologies of CPMCs, advancing theoretical frameworks and enriching understanding in key areas of NIT and community governance studies.

### 6.3.1 ADVANCING COMMUNITY GOVERNANCE THEORY

In terms of community governance, existing literature often emphasises the dominant role of governments (Zhang, Zhao & Dong, 2021) or the contributions of community organisations and residents (Liang, 2021; Ting, Guo and Liao, 2020). However, scholars such as Laraswati *et al.* (2022) and Tugyetwena (2023) point out the limitations of these frameworks in addressing complex societal challenges that require diverse expertise and resources. This study supports the argument that cross-sector partnerships are essential for fostering collaborative governance (Vestergaard *et al.*, 2020). It also echoes existing findings that highlight the increasing involvement of private entities in governance models (Wu, Yan and Jiang, 2018) and responds to calls for deeper exploration of multi-stakeholder dynamics in governance.

In the Chinese context, community governance has traditionally been government-led but has evolved to incorporate private sector actors to address localised challenges more effectively (Liu *et al.*, 2021b). This study goes beyond previous research by demonstrating that CPMCs are not merely service providers; they are active participants mediating between government, residents, and market forces (Yiu, Wong and Yau, 2006). By doing so, the study advances the theoretical understanding of community governance by integrating CPMCs’ participatory roles into governance models.

Building on prior research, this study shows how CPMCs collaborate with local governments,

RC, and residents to collectively improve urban living standards and address complex challenges, such as environmental sustainability and social inequality. Furthermore, it provides empirical evidence of how CPMCs facilitate resident participation, bridge governance gaps, and align their practices with broader sustainability objectives.

While the collaborative model aligns with global governance principles, this study highlights the unique challenges of the Chinese context. These include resource constraints and the tension between top-down directives from higher authorities and bottom-up demands from residents (Hill and Hupe, 2002; Lavee and Cohen, 2019). By navigating these tensions, CPMCs exemplify institutional entrepreneurship, bridging market-driven objectives with public governance goals and contributing to institutional change.

### 6.3.2 REFRAMING CORPORATE SUSTIANABILITY IN PROPERTY MANAGEMENT

This study reinforces the applicability of the TBL framework (Elkington, 1997) in evaluating sustainability practices within CPMCs. While existing literature predominantly focuses on resource efficiency, energy management, and green certifications (Razali *et al.*, 2017; Zhao, Zhang and Li, 2021), this research highlights the broader integration of economic, environmental, and social sustainability within CPMCs' operational and strategic frameworks.

Globally, corporate sustainability has increasingly been shaped by stakeholder and policy-driven pressures, including the SDGs and regional initiatives like Hong Kong's mandatory ESG reporting (PwC, 2021; United Nations, 2015). These frameworks call for localised sustainability initiatives that address community-specific needs (Jones and Comfort, 2020). In China, policies such as the Double Carbon policy mandating peak carbon emissions by 2030 and carbon neutrality by 2060 further drive sustainability efforts at local and national levels (National Development and Reform Commission, 2021). However, existing research often critiques corporate sustainability for focusing on superficial operational changes rather than systemic integration of sustainability into business models (Ergene, Banerjee and Hoffman, 2021).

This study fills a critical gap by exploring how and why CPMCs balance economic objectives

with social and environmental responsibilities within the context of community governance. It demonstrates that CPMCs' participation in governance is not merely an operational obligation but a strategic imperative for advancing corporate sustainability. This participation enables CPMCs to address societal needs such as enhancing residents' quality of life, improving public safety, and fostering social cohesion, thereby aligning their practices with the TBL principle of social sustainability.

Despite the increasing focus on sustainability, the property management sector remains underexplored in academic research compared to manufacturing, retail, and energy industries (Ionaşcu *et al.*, 2020; Nosratabadi *et al.*, 2019). Existing studies often focus on the “what” of sustainability, including specific technologies or waste management practices, but overlook the “how” and “why” of integrating sustainability across economic, environmental, and social dimensions.

This study addresses these gaps by providing empirical evidence of how CPMCs integrate the three pillars of sustainability into their business models and why community governance participation is critical to this integration. By aligning governance practices with sustainability objectives, CPMCs demonstrate their capacity to navigate institutional pressures, address systemic challenges, and create long-term value for stakeholders.

A defining feature of corporate sustainability is its social dimension, which prioritises community well-being and equitable access to resources (Elkington, 1997). This study highlights that CPMCs actively contribute to social sustainability by mediating conflicts, improving public health, and promoting cultural heritage preservation. These efforts align with TBL principles and extend beyond the traditional operational scope of the property management sector, addressing gaps in existing literature that often underemphasise the social dimension. In terms of environmental sustainability, CPMCs implement waste recycling programmes, adopt energy-efficient practices, and contribute to climate adaptation measures. These efforts not only reduce ecological impacts but also align with global sustainability standards. Unlike studies that focus narrowly on specific practices such as green certifications, this research provides a more comprehensive view of CPMCs' environmental contributions. Economically, CPMCs deliver

cost-effective services, develop value-added innovations, and enhance financial resilience. These practices not only align with the TBL principle of economic sustainability but also address the growing emphasis on financial transparency and legitimacy in the Chinese property management sector (Cushman & Wakefield, 2023).

### 6.3.3 EXTENDING NEO-INSTITUTIONAL THEORY

This research enriches NIT by examining how CPMCs navigate institutional pressures and contradictions in China's unique socio-political context. While Scott's (2001) framework on regulative, normative, and cultural-cognitive pressures has long been established as shaping organisational behaviour, this study demonstrates that these pressures serve not only as constraints but also as enablers for innovation and adaptation. By revealing how CPMCs respond to these pressures, this research advances the discourse on institutional complexity, particularly in service-oriented industries.

In addition, the study identifies four institutional contradictions, namely efficiency, nonadaptability, interinstitutional incompatibility, and misaligned interests (Seo and Creed, 2002), as critical triggers for institutional innovation. These contradictions highlight the tensions between institutional constraints and organisational agency, showcasing how CPMCs transform governance challenges into opportunities for institutional change. This duality aligns with Greenwood and Suddaby's (2006) insights on institutional contradictions as drivers of boundary-spanning roles in organisational fields. For example, CPMCs navigate efficiency contradictions by introducing resource-optimisation strategies to address rigid bureaucratic mandates. Nonadaptability contradictions, arising from the failure of traditional governance structures to respond to crises such as COVID-19, are addressed through innovative service models. Similarly, interinstitutional and misaligned incompatibilities, where conflicting stakeholder objectives create inefficiencies, are mitigated by CPMCs' ability to align diverse interests through collaborative governance mechanisms. These findings extend Seo and Creed's (2002) framework by providing empirical evidence of how contradictions operate in a multi-stakeholder governance context.

Building on Battilana et al.'s (2009) institutional entrepreneurship process framework, this study identifies three key pathways through which CPMCs achieve sustainability outcomes:

creating common ground, leveraging resources and networks, and creating new institutions. These pathways demonstrate CPMCs' proactive role in shaping governance norms and sustainability practices. Unlike existing studies that focus on institutional isomorphism (DiMaggio & Powell, 1983), this research highlights the agency of CPMCs in reshaping institutional fields.

Furthermore, the introduction of a original typology categorising CPMCs into SMEs, PLLCs, SONEs, and SOLEs represents a significant theoretical contribution. In China's institutional field of community governance, CPMCs are peripheral organisations compared to LSO and RC. However, different CPMCs occupy distinct social positions within this field. This typology reveals how organisational characteristics influence responses to institutional pressures and contradictions. The typology advances NIT by demonstrating how variations in social positioning within institutional fields influence organisational strategies and governance outcomes. This contribution also responds to Battilana et al.'s (2009) call for more research on the intersection of actors' social positions and institutional field characteristics, and addresses recent appeals for a more nuanced understanding of institutional entrepreneurship among diverse actors (Glynn & D'Aunno, 2023).

#### 6.3.4 THE "ICGCSF" AS AN INTEGRATED MODEL

The "ICGCSF" developed in this study links institutional field characteristics, actors' social positions, entrepreneurship pathways, and corporate sustainability. Unlike previous models that treat governance and sustainability as unrelated domains, this framework illustrates their interdependence, offering a comprehensive lens for analysing organisational behaviour in complex institutional environments.

By incorporating Scott's (2001) and Gasbarro et al.'s (2018) institutional pressures and Seo & Creed's (2002) and Greenwood & Suddaby's (2006) institutional contradictions, the framework captures the dynamics of field characteristics. It further aligns with Battilana et al.'s (2009) process framework to explain how CPMCs leverage enabling conditions to implement divergent changes and achieve sustainability outcomes. Additionally, the integration of Grimm et al.'s (2022) institutionalisation phase highlights the importance of embedding and diffusing innovations across networks to ensure lasting change.

By integrating the TBL framework (Elkington, 1997) into institutional entrepreneurship outcomes, the research highlights that institutional change encompasses economic, environmental, and social dimensions. This holistic approach aligns with the TBL principles and reinforces the link between institutional change and corporate sustainability.

Finally, the framework highlights the diversity of strategic responses across CPMCs' typologies, illustrating how their social positions shape their engagement with institutional entrepreneurship. This nuanced understanding enriches both NIT and sustainability research, providing a robust foundation for analysing organisational behaviour in dynamic institutional fields.

## 6.4 MANAGERIAL IMPLICATIONS

The practical implications derived from this study extend to policymakers, CPMCs, community residents and industry stakeholders, with a focus on enhancing governance, fostering sustainability, and driving collaborative urban development. Drawing from international best practices, this section offers actionable strategies to enhance community governance and drive corporate sustainability in China's unique institutional context. These recommendations seek to empower CPMCs of different types, optimise their responses to institutional pressures, and foster stronger community engagement.

### 6.4.1 EMBEDDING CPMCS IN CO-GOVERNANCE ARCHITECTURE

First, strengthening the multifaceted role of CPMCs in community governance requires coordinated efforts from policymakers, CPMCs, industry experts and residents. For policymakers, institutionalising the governance role of CPMCs is essential to ensure their active participation in local decision-making processes. This can be achieved by formalising their inclusion in governance frameworks, thereby fostering greater collaboration between public and private entities. Drawing inspiration from Singapore's Housing and Development Board system, policymakers can develop co-governance models where property management firms are directly involved in managing public housing estates, contributing to collective urban management (Zhang, 2024b). Additionally, urban regeneration models in South Korea provide valuable lessons, as government agencies regularly host public consultations and workshops, engaging local businesses, including property management firms, in urban development initiatives (Cho, Kim and Lee, 2020).

CPMCs, as key actors in community governance, can expand their boundary-spanning capabilities by implementing stakeholder engagement initiatives that mirror Japan's "Machi-zukuri" model. This model encourages businesses to actively co-create urban solutions alongside local governments and community stakeholders, fostering inclusive and participatory governance (Poomchalit and Suzuki, 2018). By establishing dedicated community liaison teams, CPMCs can play a critical role in mediating conflicts, facilitating communication between stakeholders, and promoting participatory governance. This approach not only enhances stakeholder trust but also reinforces the role of CPMCs as governance collaborators, extending their responsibilities beyond service provision to active contributors to community well-being. CPMCs can foster emotional bonds by organising cultural events, providing exceptional services, and aligning their brand with community values. Emotional attachment to the brand motivates residents to advocate for the company and recommend its services to others. Also, CPMCs can emphasise trust-building, social interaction, and community-driven activities. Hosting collaborative workshops or regular community meetings enhances relational engagement. Clear communication about the practical benefits of governance participation (e.g., property value growth, service improvements) can appeal to residents with a more transactional mindset. This ensures CPMCs meet functional and emotional needs simultaneously (Cheung and To, 2024).

Residents, as essential stakeholders in community governance, must be encouraged to enhance their participation in decision-making processes. One approach is to establish participatory frameworks where residents collaborate directly with CPMCs on urban planning and governance decisions. Germany's cooperative housing models offer a valuable precedent, empowering residents to influence governance through collective ownership and shared decision-making (Czischke, Carriou and Lang, 2020). Furthermore, developing digital platforms that enable real-time feedback and facilitate collaborative governance can enhance transparency and responsiveness, fostering a more inclusive and dynamic governance environment. Through these collective efforts, the integration of CPMCs into community governance can be significantly strengthened, promoting sustainable urban development and fostering resilient, inclusive communities.



## 6.4.2 MANAGING INSTITUTIONAL PRESSURES AND CONTRADICTIONS

Second, addressing institutional pressures and contradictions is crucial for enhancing the role of CPMCs in community governance. Policymakers can play a pivotal role by simplifying regulatory frameworks to clarify the roles and responsibilities of CPMCs, thereby reducing governance overlaps and inefficiencies. As Hill and Hupe (2002) suggest, streamlined governance structures enhance accountability and improve operational efficiency at the local level. One potential approach is to adopt multi-level governance frameworks similar to those implemented in the European Union, where collaboration between private entities and government actors fosters more cohesive and responsive governance (Mancheva, Pihlajamäki and Keskinen, 2024). By establishing clearer guidelines and facilitating cooperation across different levels of governance, policymakers can create an environment that empowers CPMCs to engage more effectively in community development.

For CPMCs, developing context-specific governance strategies is essential to navigate the diverse institutional pressures they face. Governance models should reflect the unique norms and cultural expectations of each community, drawing inspiration from the Nordic community-driven governance approach, which emphasises decentralised decision-making and local engagement (Jungsberg *et al.*, 2020). This ensures that CPMCs can tailor their strategies to meet the specific needs of the communities they serve, fostering greater trust and alignment with local stakeholders. Additionally, CPMCs should establish regular feedback loops with policymakers to refine governance practices over time, ensuring their approaches remain flexible and responsive to emerging community issues. By fostering continuous dialogue between CPMCs and government authorities, governance models can adapt dynamically to address evolving challenges, promoting sustainable development and enhancing community resilience.

## 6.4.3 LEVERAGING GOVERNANCE FOR CORPORATE SUSTIANABILITY

Third, leveraging community governance as a driver for corporate sustainability presents significant opportunities for CPMCs to enhance their long-term value and contribute to sustainable urban development. Policymakers can support this shift by promoting green governance initiatives that incentivise sustainable practices within the property management sector. Offering tax

incentives and grants for CPMCs that adopt environmentally friendly measures, such as those aligned with LEED and BREEAM certifications, encourages the integration of sustainability into everyday operations (De Castro, Pacheco and González, 2020). Additionally, adjusting and localising property management standards with international ESG disclosure frameworks can promote greater transparency and accountability, fostering a culture of sustainability within the industry (PwC, 2021). These policy measures not only drive environmental improvements but also position CPMCs as key actors in advancing broader sustainability goals.

For CPMCs, incorporating sustainability into strategic frameworks is essential to enhance competitiveness and align with community expectations. Developing community-level sustainability action plans, inspired by the Netherlands' circular economy initiatives, can guide CPMCs in promoting waste reduction, energy efficiency, and resource optimisation at the local level (Sanguino *et al.*, 2020). This approach allows CPMCs to embed sustainability into their daily operations, creating long-term benefits for both the company and the community. Furthermore, educating property managers on energy-efficient building practices and sustainable waste management is critical to achieving these objectives. By aligning corporate governance with sustainable development principles, CPMCs can play a transformative role in fostering resilient, low-carbon communities, ultimately contributing to the achievement of national and global sustainability targets. CPMCs can highlight their social responsibility by aligning their services with broader community and environmental goals. Increasing resident engagement in sustainability initiatives and community projects can lead to higher levels of trust, loyalty, and positive word-of-mouth. By creating participatory platforms for residents, such as co-designing public spaces or green initiatives, CPMCs can cultivate a sense of belonging and ownership within the community. This, in turn, strengthens the company's legitimacy and brand reputation (Cheung and To, 2024).

#### 6.4.4 TYPOLOGY-SPECIFIC GUIDANCE FOR CPMCS

##### 6.4.4.1 SMES: CAPACITY BUILDING, ALLIANCES, AND PARTICIPATORY PRACTICE

Fourth, tailored strategies are essential to address the distinct governance roles and sustainability challenges faced by different types of CPMCs. For SMEs, capacity building and financial support are essential to strengthen their participation in community governance and

enhance their contributions to sustainable urban development. Governments should introduce targeted subsidies and training programmes designed to equip SMEs with the skills and knowledge needed to engage more actively in governance initiatives. Enhancing the environmental awareness and technical capacity of property managers can drive more sustainable building management practices. This support can help SMEs overcome financial and technical barriers that often prevent them from participating in larger governance projects. In return, SMEs can leverage their flexibility and proximity to local communities to address the specific needs of smaller neighbourhoods, providing tailored solutions that larger enterprises may overlook. This localised presence allows SMEs to play a critical role in fostering social cohesion and responding quickly to emerging community issues.

Establishing collaborative networks among SMEs can further amplify their impact. By forming alliances with other CPMCs, SMEs can share resources, exchange expertise, and collectively pursue larger projects that may otherwise be beyond their individual capacities. This collaborative approach not only enhances their competitiveness but also enables SMEs to maintain a focus on local governance, ensuring that their community-specific services are not compromised. Collaborative networks allow SMEs to balance grassroots initiatives with broader development objectives, positioning them as valuable contributors to urban regeneration and sustainable governance.

In addition, SMEs should capitalise on their community connections to promote participatory governance. Collaborative workshops and public consultations can provide platforms for SMEs to engage residents in decision-making processes, enhancing transparency and trust. This participatory approach mirrors successful governance models in countries such as Japan, where small enterprises actively contribute to urban planning through community-driven initiatives (Poomchalit & Suzuki, 2018). By embedding themselves within local governance ecosystems, SMEs not only address immediate community needs but also build long-term resilience and sustainability.

#### **6.4.4.2 PLLCS: LONG TERM ENGAGEMENT, PPPS, AND SMART PLATFORMS**

PLLCs play a critical role in shaping China's community governance landscape by bridging market forces, government mandates, and resident needs. These companies represented by

industry leaders demonstrate the transformative potential of private enterprises in driving urban development, enhancing community well-being, and promoting social cohesion. For PLLCs, embedding long-term community engagement strategies into their operational frameworks not only enhances brand reputation and stakeholder trust but also aligns with national sustainability goals and strengthens financial resilience.

Incentivising long-term engagement through shareholder education is equally vital. PLLCs should actively communicate with investors, demonstrating how sustained investments in community governance yield long-term financial benefits, including enhanced brand reputation, reduced operational risks, and greater market differentiation. Integrating green building practices with public space revitalisation, can strengthen stakeholder buy-in and highlight the value of embedding sustainability into governance frameworks.

Furthermore, PLLCs are uniquely positioned to lead large-scale, cross-sector initiatives that bridge government mandates with community needs. Through PPPs, PLLCs can collaborate with LSO, RC, and industry associations to spearhead urban regeneration projects. By leveraging their social positioning, PLLCs not only fulfil corporate social responsibility obligations but also unlock new revenue streams through value-added services and infrastructure development.

In addition to large-scale projects, PLLCs should prioritise the development of specialised governance teams responsible for stakeholder coordination and conflict resolution. Acting as boundary spanners between governments, residents, and market actors, these teams ensure that community projects reflect diverse interests, fostering trust and participation.

Technological innovation represents another critical avenue for enhancing community governance, as PLLCs can develop smart community platforms that integrate resident feedback, service management, and sustainability reporting. For example, leading firms like FirstService Corporation in North America have embedded ESG principles into their core operations, aligning with global sustainability standards. This strategic integration not only enhances corporate reputation but also addresses the growing demand for sustainable practices among stakeholders. Furthermore, investing in staff development through regular training ensures that employees are

proficient in sustainability practices, technology, and customer engagement. This focus on human capital directly translates into higher service quality and greater resident satisfaction, reinforcing the overall governance capacity of PLLCs.

#### 6.4.4.3 SOLES: DECENTRALISATION, CROSS-SECTOR PARTNERSHIP, AND ESG INTEGRATION

SOEs occupy a unique and influential position within China's community governance landscape. As publicly traded entities with deep-rooted connections to government agencies, SOEs are not only responsible for-profit generation but also bear significant social and political responsibilities. Their dual identity as market actors and policy enforcers enables them to lead large-scale urban development projects and drive sustainable governance initiatives. However, SOEs often face challenges in balancing adaptability with their embeddedness in regulatory frameworks, necessitating strategic approaches to optimise their contributions to community governance.

SOEs, given their close ties to government bodies, are well-positioned to undertake expansive public governance projects that align with national sustainability and urban development goals. This advantage mirrors the success of companies involved in large-scale infrastructure and public service initiatives in countries like Singapore and Japan, where government-linked corporations drive urban renewal and public housing projects.

Incorporating technological innovation into governance practices represents a key pathway for SOEs to enhance efficiency and responsiveness. Through collaborations with other SOEs, including state-owned assets and energy companies, SOEs can jointly develop smart community platforms that enable real-time communication between residents, property managers, and local governments. These platforms can integrate sustainability reporting, service management, and feedback mechanisms, supporting adaptive governance that meets evolving community needs.

Given their scale and influence, SOEs can play a pivotal role in professionalising the property management sector by prioritising staff development and leadership training. This focus on human capital development ensures that SOE employees are well-versed in sustainable management, conflict resolution, and technological advancements, leading to higher service quality and

enhanced resident satisfaction. Moreover, embedding sustainability principles into employee performance metrics can drive a culture of continuous improvement, reinforcing the social responsibilities that underpin SOLEs' dual identity.

One of the critical challenges facing SOLEs is their perceived lack of adaptability, often resulting from rigid hierarchical structures and deep entrenchment within government policies. To address this, SOLEs can adopt decentralised governance models, empowering regional subsidiaries to engage directly with local communities and tailor services to specific urban contexts. By granting local branches greater decision-making authority, SOLEs can enhance responsiveness, reduce inefficiencies, and foster stronger ties with community stakeholders. Additionally, SOLEs should establish specialised governance liaison teams that act as boundary spanners between state directives and local community needs, bridging the gap between top-down governance and grassroots initiatives.

SOLEs are uniquely positioned to lead cross-sector collaborations that integrate government mandates with private sector efficiency and community engagement. By fostering partnerships with industry associations, resident committees, and local enterprises, SOLEs can drive holistic urban governance initiatives that address diverse stakeholder interests.

SOLEs should integrate ESG principles into their corporate governance frameworks, aligning with international standards to enhance transparency, accountability, and environmental performance. By adopting comprehensive ESG reporting practices, SOLEs can improve investor confidence, attract international capital, and position themselves as leaders in sustainable development. This integration can also strengthen SOLEs' competitiveness in global markets, where ESG compliance increasingly serves as a criterion for market entry and investment (PwC, 2021).

#### 6.4.4.4 SONES: DELIVERY AT THE GRASSROOTS, CAPACITY BUILDING, AND INCLUSIVE GOVERNANCE

SONEs play a crucial role in China's community governance landscape, often serving as extensions of local government initiatives. Unlike SOLEs, SONEs are deeply embedded in local governance frameworks, prioritising public welfare and regulatory compliance over market

competitiveness. This unique positioning grants SONEs significant influence in shaping grassroots governance but also exposes them to operational inefficiencies and rigid bureaucratic structures. Enhancing SONEs' contributions to sustainable community governance requires strategies that balance policy alignment with operational flexibility, fostering innovation while maintaining their public service orientation.

SONEs are uniquely positioned to implement government mandates at the community level, acting as critical agents in urban regeneration, affordable housing management, and public infrastructure maintenance. Their close ties to local governments enable them to respond swiftly to policy directives, aligning their operations with national and regional development goals.

To maximise this advantage, SONEs should deepen their collaboration with local governments through joint governance committees that oversee large-scale community projects. Such partnerships can enhance the efficiency of community governance by pooling resources and fostering greater accountability across governance actors.

Moreover, SONEs can play a pivotal role in addressing urban inequalities by spearheading affordable housing initiatives and community health projects, leveraging their public service mandate to promote inclusive urban development. In return, policymakers should offer targeted subsidies and grants that incentivise SONEs to integrate sustainability practices into their operations, ensuring that social objectives align with environmental and economic goals.

Despite their strengths, SONEs often face operational inefficiencies resulting from hierarchical decision-making processes and limited autonomy at the grassroots level. This inflexibility can hinder their ability to respond to community-specific needs, reducing the overall effectiveness of their governance initiatives. To address these challenges, SONEs should adopt decentralised governance models that empower local branches to tailor services to the unique demands of their communities. SONEs can establish regional subsidiaries with decision-making authority over local governance projects. This approach enhances responsiveness while maintaining alignment with overarching state policies. Additionally, decentralisation can foster innovation by allowing local branches to experiment with new governance models, technologies, and community engagement

strategies. By creating a feedback loop between local branches and central offices, SONEs can ensure that successful initiatives are scaled across broader urban areas, driving continuous improvement in community governance.

Building institutional capacity is essential for SONEs to fulfil their governance mandates effectively. Unlike SOLEs, which often draw on private sector expertise, SONEs frequently operate with limited managerial and technical capacity, constraining their ability to innovate and implement complex governance initiatives. To bridge this gap, SONEs should invest in professional development programmes that equip their staff with the skills needed to manage sustainable urban projects. This could involve partnerships with universities, industry associations, and international organisations to provide specialised training in areas such as ESG reporting, conflict resolution, and technological innovation.

As public-facing entities, SONEs play a critical role in fostering trust and cooperation between local governments and residents. However, their top-down governance approach can sometimes alienate community members, leading to resistance and low participation in governance initiatives. To mitigate this, SONEs should adopt community-centric governance models that prioritise resident engagement and participatory decision-making. This can be achieved by creating resident advisory councils that provide input on governance projects, ensuring that local voices are integrated into decision-making processes.

SONEs are uniquely positioned to lead policy-driven sustainability initiatives, aligning their operations with China's "Dual Carbon" targets. Unlike PLLCs and SMEs, SONEs operate under direct government oversight, enabling them to pilot large-scale sustainability projects without the constraints of market competition. One notable avenue is the promotion of green infrastructure projects, such as solar-powered public housing, urban green belts, and community recycling programmes. Policymakers can facilitate this by integrating sustainability targets into SONEs' performance evaluation frameworks, linking government funding to their ability to achieve environmental milestones.

Given their government alignment and community ties, SONEs are ideally placed to act as



intermediaries in PPPs that bridge public welfare goals with private sector efficiency. By facilitating collaboration between private developers, resident committees, and government agencies, SONEs can drive comprehensive urban renewal projects that benefit all stakeholders.

## 6.5 LIMITATIONS AND AREAS FOR FUTURE RESEARCH

This study offers valuable insights into the role of CPMCs in community governance and their contributions to corporate sustainability. However, several limitations must be acknowledged to provide a balanced perspective and outline potential areas for future research.

One significant limitation is the qualitative nature of the study, which relies heavily on semi-structured interviews. While this approach enables a deep exploration of stakeholder perspectives and institutional dynamics, it inevitably introduces the potential for researcher subjectivity. The interpretive nature of qualitative analysis, shaped by the researcher's positionality, may have influenced data interpretation and the framing of results. Although steps were taken to mitigate this, such as maintaining reflexivity throughout the research process and fully disclosing the researcher's role and reflections, the inherent subjectivity cannot be entirely eliminated. Future research could enhance the credibility of findings by incorporating further methods, such as focus group discussions, multiple coders and member-checking to validate interview data and capture diverse perspectives more comprehensively.

Beyond interviews, future work could combine qualitative interviewing with systematic documentary analysis to strengthen confirmability. Procurement files, service level schedules, complaint logs, maintenance tickets, residents' meeting minutes and ESG disclosures would allow researchers to compare narrated practices with recorded decisions. A simple audit trail that links interview claims to documentary traces would reduce common-method concerns and make interpretations more transparent. By aligning verbal accounts with written records, researchers can identify

Additionally, the focus on specific urban contexts within China limits the generalisability of the findings to rural areas or international settings. Community governance in China is deeply embedded in its unique socio-political and cultural environment, characterised by government intervention and collectivist values. This context may not directly reflect governance models in other

regions. Future research could undertake comparative studies across different geographical and cultural settings, providing cross-contextual insights into how institutional pressures and governance structures influence sustainability practices.

Comparative designs that move beyond large coastal cities would clarify contextual limits. for example, rural townships, resource-dependent settlements and shrinking neighbourhoods in the north-east may follow different governance logics and participation incentives. Provincial comparisons within China, complemented by a limited cross-national comparison within East Asia, would help to separate features that are context-specific from those that travel.

The reliance on a relatively small sample size of interviews, while suitable for in-depth analysis, limits the breadth of the study. Expanding the sample size or employing mixed-methods approaches could enhance the generalisability and robustness of the findings.

Outcome measurement can also be developed beyond interpretive assessment by specifying community-level indicators that correspond to the triple bottom line. For the economic dimension this could include arrears rates, unit operating cost and complaint resolution time. For the social dimension it could include participation rates, dispute-mediation closure and perceived safety. For the environmental dimension it could include waste diversion and energy intensity of common areas. A matched before and after design at project level would allow these indicators to be tracked alongside specific governance interventions.

Furthermore, the study predominantly applies institutional entrepreneurship as the core theoretical lens, which effectively highlights CPMCs' agency in navigating institutional pressures and contradictions. However, this focus may overlook other critical factors, such as competitive market dynamics, technological advancements, or consumer preferences, which could equally shape corporate sustainability strategies. Future research could integrate additional theoretical perspectives, such as stakeholder theory or the resource-based view, to offer a more comprehensive analysis of the interplay between internal capabilities and external institutional forces.

Market conditions may also shape sustainability choices but are only partially covered here. Price competition, consolidation, developer affiliations and subcontracting chains can alter incentives for investment in long term community projects. Integrating simple market-structure descriptors would show whether governance outcomes vary systematically with competitive conditions.

Digitalisation introduces both opportunity and risk. Data platforms, sensors and community apps can improve coordination and transparency, yet they raise concerns about privacy, data protection and unequal access. Future work could examine how data-governance rules are negotiated between companies, residents and local government, and how these rules shape legitimacy and performance.

The lack of explicit attention to residents' and customers' engagement also presents a gap in this study. Although CPMCs' role in enhancing governance is explored, less emphasis is placed on how residents perceive and respond to their initiatives. As community satisfaction and trust are critical to the success of governance projects, future research could focus on resident feedback mechanisms, public participation in governance decisions, and customer co-creation models to evaluate how these influence the effectiveness of CPMCs' sustainability strategies. Collaborative workshops, digital feedback platforms, and community forums could serve as tools for fostering stronger relationships between CPMCs, residents, and local governments.

Residents' engagement mechanisms therefore merit comparative evaluation. Studies could compare feedback systems and digital participation tools, test community co-design workshops and vary facilitation models to see which approaches build trust, raise participation and reduce conflict. Recording both perceived fairness and observable outcomes would connect participation quality with sustainability results.

Lastly, the evolving nature of sustainability practices and policy frameworks in China presents a challenge for capturing long-term trends and transformations. Given the rapid pace of regulatory change and technological innovation, longitudinal research is essential to track how CPMCs adapt their strategies over time. A longitudinal approach could provide richer insights into the long-term

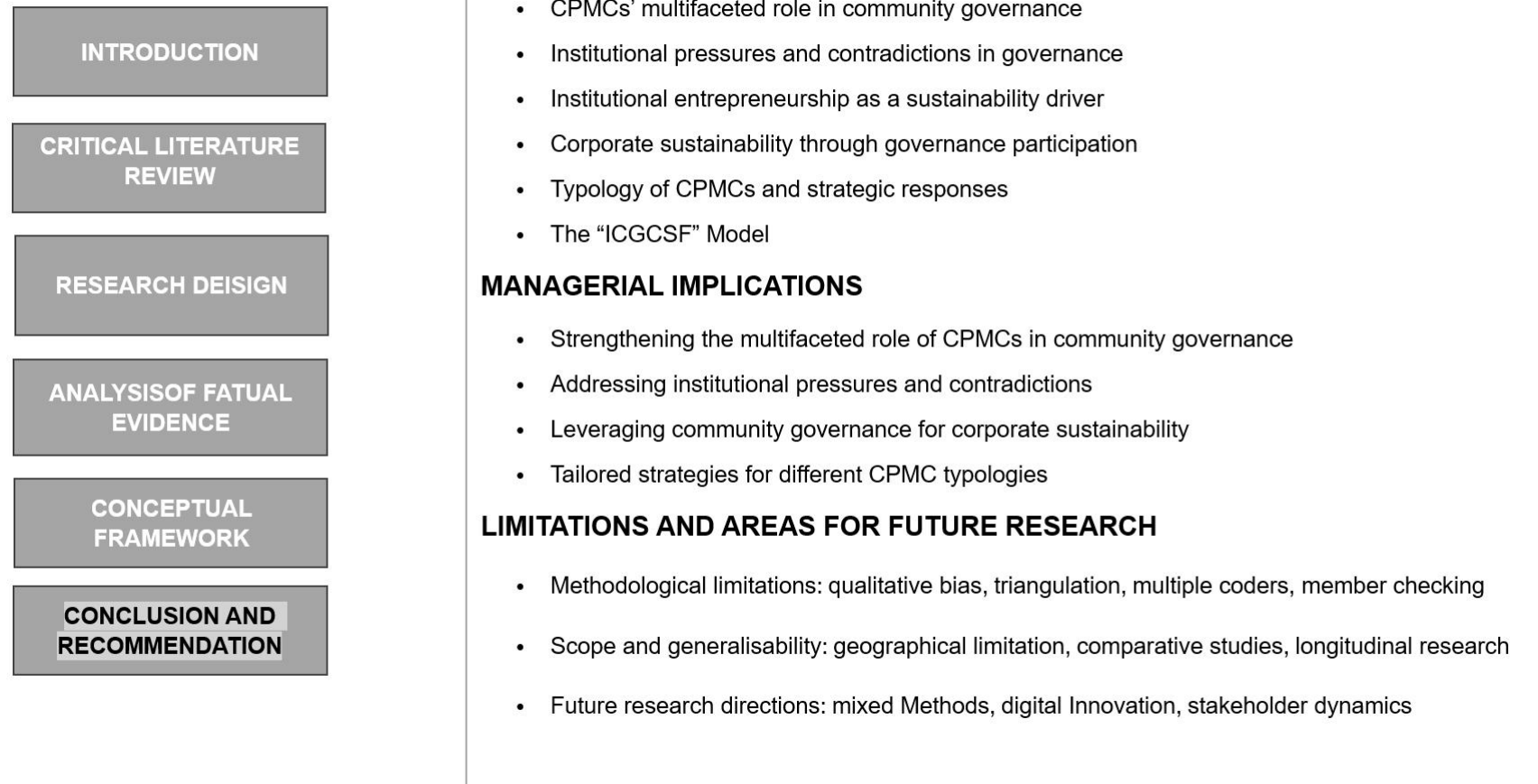
impacts of community governance on corporate sustainability, particularly in response to national carbon neutrality targets and urban development policies.

By addressing these limitations, future research can build upon the foundations laid in this study, contributing to a more nuanced and comprehensive understanding of corporate sustainability of CPMCs and community governance.

## 6.6 SUMMARY

The following figure charts (Figure 6. 1) the progress of this thesis following the development of the conclusion and recommendation chapter.

Figure 6. 1 Dissertation Progression (Chapter Six)



This chapter presents the conclusion and recommendations for this study. It identifies the theoretical contribution to the research area of corporate sustainability of CPMCs and community governance. It also contains managerial implications and illustrates the limitations of the study whilst recommending areas for future research.

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# APPENDIX A: SELECTED INTERVIEW TRANSCRIPTS

## **A.1. Residents' Committee Member, Southeast China (Participant 29):**

*They handle everything from safety to environmental hygiene to ensure residents live comfortably. We can't deny their contributions, including emergency and fire safety. Our Residents' Committee has only ten staff, making it impossible to manage everything. The property management's daily interactions with residents are crucial for fire safety checks. During the pandemic, when we couldn't man the gates 24/7, we relied on their staff to maintain order.*

## **A.2. Branch General Manager, Private Listed Company, Southern Province(Participant 2):**

*In communities with CPMC, many social and administrative duties fall to the property company; residents turn to the property company for most issues, while in those without, all problems are directed to the government, requiring more resources and leading to greater risks if not addressed.*

## **A.3 The head of a research institute at a SOE in northern China(Participant 26):**

*CPMCs do not have enforcement authority. With their current scope of authority and service boundaries, it is difficult to provide high-quality services. To participate in community governance, property companies need to work closely with the LSO and RC, only then can they offer better services.*

## **A.4 General Manager, State-owned and Listed Company, Southern Province(Participant 10):**

*I believe the government undervalues enterprise participation in community governance. Their one-size-fits-all rules ignore project conditions, resident habits, and specific circumstances, expecting enterprises to solve all issues. This leads to economic benefits being poorly reflected during settlement. Effective governance requires joint efforts from the government, property companies, and residents.*

## **A.5 A director of a Local Street Office of Northern China(Participant 32):**

*Because most CPMCs are privately-owned, they tend to operate with a higher degree of freedom. We can request their cooperation, but some of them have right to refuse. For example, if a tree is about to fall and poses a risk, the company might say they haven't collected enough fees and therefore won't help.*

**A.6 A property management expert from a top Chinese university(Participant 24):**

*The core issue is homeowners' rights must be fully realised. China will eventually develop a civil society. The concept of "homeowners" is relatively new in China, and certain responsibilities must be borne by them. For example, if a homeowner removes a load-bearing wall, they must be held accountable.*

**A.7 A property management expert from a leading Chinese university(Participant 25):**

*CPMCs are taking on significant social responsibilities, far beyond what's outlined in their contracts. I find the contract almost irrelevant—it defines property management's value but also limits the scope of services.*

**A.8 A General Manager of a state-owned and listed company of Southeast China(Participant 10):**

*We act as a buffer or firewall between the government and residents, focusing on service rather than strict enforcement. If residents don't comply after repeated persuasion, we involve enforcers only as a last resort.*

**A.9 A Branch General Manager of a CPMCs based in Southeast China(Participant 3):**

*We serve as the "cells and nerve endings" of the city, ensuring that the governance reaches the grassroots level, particularly where governmental power cannot fully penetrate.*

**A.10 A Residents' Committee member in Southeast China(Participant 30):**

*CPMCs play a vanguard role in managing access and security, such as registering people entering and leaving during pandemic periods.*

**A.11 A Branch General Manager of a private listed company in Southeast China(Participant 3):**

*The four wheels driving grassroots governance are the grassroots party organisations, Residents' Committee, the homeowners' committee, and the CPMC. Each is indispensable for the overall direction of social governance.*

**A.12 An Industrial Association Officer from Southeast China(Participant 23):**

*In my community, the service centre is right below my building. The property management team not only handles their tasks but also helps grassroots community workers, reducing their workload.*

**A.13 An assistant to the president of a property group in North China(Participant 19):**

*There are many similar tasks, with various departments making numerous demands. The reports requested by each department are often bizarre. Compiling these statistics has become a major headache for the company.*

**A.14 An Industrial Association Officer of East China Region of H Digital Service Platform(Participant 20):**

*There are incentives to meet certain carbon peaking and carbon neutrality requirements in government land allocation. Some projects must include green components or meet specific environmental standards.*

**A.15 A Project Manager from North China(Participant 16):**

*When competing in the market or bidding, government support is crucial. If we assist the government with community governance tasks, they may provide us with more opportunities.*

**A.16 A General Manager of a CPMC's subsidiary in Southeast China(Participant 13):**

*Last year, the government awarded us as an outstanding enterprise or for having an exemplary community in pandemic prevention. These plaques promote our brand and reputation.*

**A.17 A Northern China provincial Industrial Association Officer(Participant 22):**

*During the pandemic, media coverage of property management saw rapid growth. Data from Xinhua News Agency shows that media exposure increased from over 200,000 to more than 800,000 instances. This heightened exposure brought greater societal recognition and value to CPMCs.*

**A.18 A Human Resources Manager of a branch company of Northern China(Participant 12):**

*As the property management industry is labour-intensive, our greatest asset is our staff, especially frontline employees. With our shift towards a project-focused model due to community governance involvement, the number of headquarters staff may decrease and streamline to reduce reporting and enhance communication efficiency. However, our frontline staff will continue to be well-supported.*

**A.19 A Branch Manager of a southeast company(Participant 3):**

*We adopted this approach after it was pioneered in X City, established in 2009. At that time, the government was often overwhelmed and struggled to manage public services because of the high volume of tasks. They considered managing the entire 104-square-kilometer island as a large community and hiring a CPMC to handle it. Eventually, they decided to bring in one of China's largest CPMCs, leading to the formation of a joint venture.*

# APPENDIX B: SEMI-IN-DEPTH INTERVIEW QUESTIONS

## **Study Title:**

Investigating the impact of participating in community governance on the sustainable development of Chinese property management companies

## **Purpose of the Research:**

This research intends to better understand the community governance situation in China as well as the business model of Chinese property management companies, and empirically explore the impact of participating in community governance on the sustainable development of Chinese property management companies.

### **1. Officers from local Sub-district Office & Resident Committee**

#### **Main Tasks of Community Governance:**

Q: What do you believe are the primary responsibilities and tasks involved in community governance?

#### **Stakeholders Identification:**

Q: Who do you consider to be the key stakeholders in community governance?

#### **Property Management Companies' Participation:**

Q: Why do you think property management companies should be involved in community governance?

#### **Relationship and Cooperation:**

Q: How would you describe the relationship between property management companies and your organization in the context of community governance? How do you collaborate?

#### **Current Challenges:**

Q: What challenges do you currently face in community governance?

#### **Roles and Performance:**

Q: What roles and tasks do property management companies currently undertake in community governance? How would you evaluate their performance?

#### **Changing Impressions:**

Q: Has your perception of property management companies changed after their participation in community governance? If so, how and why?

**Opinions and Suggestions:**

Q: What are your opinions or suggestions regarding the participation of property management companies in community governance and their sustainable development?

**2. Property Managers**

**Motivation for Participation:**

Q: Why do you believe your property management company should participate in community governance?

**Scope of Participation:**

Q: What specific activities does your property management company engage in as part of community governance? Can you provide examples?

**Comparison with Other Companies:**

Q: Are you aware of other property management companies participating in community governance? How do they approach it?

**Influence of Other Companies:**

Q: Does the involvement of other property management companies in community governance influence your views and practices? Why or why not?

**Government and Regulatory Feedback:**

Q: What feedback do you receive from government and regulatory bodies regarding your participation in community governance? Does this feedback influence your views and practices? Why or why not?

**Owner Feedback:**

Q: What feedback do you receive from property owners about your participation in community governance? Does this feedback influence your views and practices? Why or why not?

**Challenges and Solutions:**

Q: What challenges does your company face in participating in community governance, and how do you address them?

**Responsibility and Collaboration:**

Q: Who are the main responsible entities for community governance tasks? How does your property management company collaborate with other organizations?

**Connection to Traditional Services:**

Q: How do you perceive the relationship between participating in community governance and your traditional property services or value-added services? Why?

**Understanding of Sustainable Development:**

Q: What is your understanding of corporate sustainable development?

**Company Actions on Sustainable Development:**

Q: What specific initiatives has your company undertaken in terms of sustainable development?  
(Economic, environmental, social aspects)

**Challenges in Sustainable Development:**

Q: What challenges has your company faced in different aspects of sustainable development?

**Information Disclosure:**

Q: Does your company regularly disclose information related to corporate sustainable development? Why or why not?

**Competitor Comparison:**

Q: How do other property companies (competitors) perform in terms of corporate sustainability? Does their performance and information disclosure influence your company's views and practices? Why or why not?

**Regulatory Feedback on Sustainability:**

Q: What feedback do you receive from regulatory authorities regarding corporate sustainable development? Does this feedback affect your views and practices? Why or why not?

**Owner Feedback on Sustainability:**

Q: What feedback do you receive from property owners about corporate sustainable development? Does this feedback affect your views and practices? Why or why not?

**Economic Impact:**

Q: Do you believe that participation in community governance impacts your company's economic benefits? If so, what are these impacts and how do they occur? Why?

**Social Responsibility Impact:**

Q: Do you think that participation in community governance affects your company's social responsibility? If so, what are these impacts and how do they occur? Why?

**Environmental Responsibility Impact:**

Q: Do you think that participation in community governance influences your company's

ecological and environmental responsibilities? If so, what are these impacts and how do they occur? Why?

**Connection to Sustainable Development:**

Q: Do you see a connection between your company's participation in community governance and its sustainable development? If so, what is this connection, and how and why does it exist?

**3. Industrial Experts and Researchers**

**Motivation for Participation:**

Q: Why do you believe property management companies should participate in community governance?

**Scope of Participation:**

Q: What specific activities do property management companies engage in as part of community governance?

**Challenges and Solutions:**

Q: What challenges do property management companies face in participating in community governance? How have these companies addressed these challenges?

**Variations in Practice:**

Q: How do the practices of different property management companies vary in their participation in community governance? How might these differences affect their development?

**Understanding of Sustainable Development:**

Q: How do you understand the concept of sustainable development in the context of property management companies?

**Specific Actions in Sustainable Development:**

Q: What specific initiatives have property management companies undertaken in terms of sustainable development? (Economic, environmental, social aspects)

**Challenges in Sustainable Development:**

Q: What challenges do property management companies face in different aspects of sustainable development? (Human resources, costs, communication, systems, etc.)

**Information Disclosure:**

Q: Do you think property management companies regularly disclose information related to corporate sustainable development? Why or why not?

**Role of Associations and Research Institutions:**



Q: What roles do associations or research institutions (such as universities) play in the participation of property management companies in community governance and their sustainable development?

**Economic Impact:**

Q: Do you believe that participation in community governance affects the economic benefits of property management companies? If so, what are these impacts and how do they occur?

**Social Responsibility Impact:**

Q: How do you think participation in community governance impacts the social responsibility of property management companies? What are these impacts and how do they occur?

**Environmental Responsibility Impact:**

Q: How does participation in community governance influence the ecological and environmental responsibilities of property management companies? What are these impacts and why?

**Connection to Sustainable Development:**

Q: Do you see a connection between property management companies' participation in community governance and their sustainable development? If so, what is this connection, and how and why does it exist?

**4. Resident Representatives**

**Experience with Property Management:**

Q: Have you had any experiences interacting with property management companies? If so, why and what were they like?

**Understanding Property Management:**

Q: What do you know about the typical responsibilities and activities of property management companies?

**Experience with Community Engagement:**

Q: Have you had any experiences interacting with resident committee? If so, why and what were they like?

**Seeking Help:**

Q: When you encounter difficulties, do you approach the property management company or the resident committee first? Why?

**Relationship Perception:**

Q: What do you think is the relationship between property management companies and resident

committee?

**Understanding Community Governance:**

Q: what is your understanding of community governance?

**Property Management Involvement:**

Q: What community governance activities have property management companies in your area been participate in? What are your thoughts on their participation and performance?

**Necessity of Involvement:**

Q: Why do you think property management companies should participate in community governance?

**Connection to Owners:**

Q: Do you believe that the participation of property management companies in community governance affects property owners? If so, how?

**Environmental Actions:**

Q: What environmental initiatives have the property management companies in your community undertaken? What are your thoughts on these efforts?

**Social Responsibility Actions:**

Q: What social responsibility actions have the property management companies in your community taken? What is your opinion on these actions?

**Value-Added Services:**

Q: Are you familiar with the value-added services provided by property management companies? If so, what do you think of them?

**Overall Satisfaction:**

Q: Overall, are you satisfied with the services provided by your property management company? Why or why not?

**Impact on Sustainable Development:**

Q: How do you think the participation of property management companies in community governance impacts their sustainable development in economic, environmental, and social aspects?

**Feedback and Suggestions:**

Q: Do you have any opinions or suggestions regarding the participation of property management companies in community governance or their sustainable development efforts?

# APPENDIX C: PARTICIPANT INVITATION LETTER AND CONSENT FORM

## Study Title:

Investigating the impact of participating in community governance on the sustainable development of Chinese property management companies

研究名称：参与社区治理对中国物业企业的可持续发展的影响研究

## Purpose of the Research:

This research intends to better understand the community governance situation in China as well as the business model of Chinese property management companies, and empirically explore the impact of participating in community governance on the sustainable development of Chinese property management companies.

## 研究目的:

本研究旨在更好地了解中国社区治理现状以及中国物业管理企业的商业模式，实证探讨参与社区治理对中国物业管理企业可持续发展的影响。

## Invitation

Hi, my name is Xin Wu. I am doing doctoral research at the University of Wales Trinity Saint David. In fulfilment of this degree, I would like to conduct interviews with a group of employees who are engaged in community governance and sustainable business development in property management companies in China.

You are being invited to consider taking part in the research study *Investigating the impact of participating in community governance on the sustainable development of Chinese property management companies*. This research is under the auspices of UWTSD.

Before you decide whether or not you wish to take part, it is important for you to understand why this research is being done and what it will involve. Please take time to read this information carefully. Ask us if there is anything that is unclear or if you would like more information.

## 邀请信息:

您好，我是来自威尔士三一圣大卫大学的吴昕。为了完成博士论文工作，我需要参与社区治理的工作人员以及商业可持续发展的中国物业企业员工进行访谈。很高兴能邀请到您参与到我的研究工作中。本研究全程由威尔士三一圣大卫大学支持和指导。

在您决定是否参与访谈之前，请辛苦阅读本信息单。如您有任何疑问，或您想要了解更多信息，可以与我联系。

## Why have you been chosen?

You have been chosen because you have related experiences, and we would like to hear your story. Your kind participation will definitely help us gain a better understanding how engaging in community governance will impact on sustainable development of Chinese property management companies. I am interested in hearing the story of your experience of being a participant.

## 为何邀请您参与本研究?

您的相关经历使您成为本研究关注群体中的一员。我们很想听听您的故事。您的积极参与将有助于我们更好地了解中国物业企业在社区治理中承担的角色以及参与社区治理对其企业可持续发展的影响。很期待与您相识，也很

期待您对这次课题参与的分享。

### **What will you have to do and how long will it take?**

You will have to answer some questions, including necessary demographic questions. The interview will last about 30-60 minutes. It will cover both your thoughts about your personal experience and your insights of engaging in community governance and how participating in community governance affect sustainable development of Chinese property management companies.

In an online interview, the electronic version of the information sheet and consent form will be sent to you beforehand. Then a question asking for your consent to take part in the research will be made. When you provide a positive answer which will act as a consent, the interview will then be an informal exploration of your experience, and I look forward to hearing it.

If possible, a second interview may be conducted only when the researcher gains your permission. I will appreciate it if you want to share your view and experience with me voluntarily after the interview.

#### **涉及事项和时长:**

在访谈中, 我会围绕研究进行提问, 您可自由回答。访谈时长约为 30-60 分钟, 问题主要包括您工作经历的见解和洞察。

在在线访谈中, 信息表和同意书的电子版会提前发给您。在正式在线访谈开始前, 我会询问您是否同意参加本研究, 当您给出肯定的回答, 即表示同意时, 访谈将正式开始。

如果您允许我对您进行可能的第二次访谈, 或是您愿意在访谈后再与我分享相关工作的经验和看法, 我将不胜感激。

### **What will happen to the information collected?**

The personal information will be conducted anonymously. All data will be stored on the University cloud—One Drive and the researcher's personal laptop protected by passwords—which will not be shared. Only the researcher and his supervisors have access to the data generated by the research activity. The information collected will be used by the researcher to write a research report for the credit of doctoral degree. It is possible that a doctoral thesis, articles, and presentations may be the outcome of the research.

#### **收集到的信息如何处理?**

任何涉及您个人信息的资料将被匿名处理。所有数据将存储在受密码保护的 personal 笔记本电脑上和大学的云盘上, 所有数据都不会被共享。只有我和我的导师可以访问研究活动产生的数据。收集到的信息将被分析并用于博士学位论文中, 也可能被用于论文发表和研究报告中。

### **Declaration to participants**

If you take part in the survey, you have the right to:

- Refuse to answer any particular question, and to withdraw from the interview before completion.
- Ask any further questions via email about the interview that occurs to you during your participation.
- Be given access to a summary of report findings when it is concluded.

#### **参与者权利:**

如果您参与调查, 您有以下权利:

- 拒绝回答某些问题, 及在访谈结束前退出
- 通过电子邮件询问有关本次访谈的关切问题
- 在研究完成时, 可查阅研究发现的总结

### **Who's responsible?**

If you have any questions or concerns about the project, either now or in the future, please feel free to contact either:

相关责任人:

如果您对项目有任何疑问或担忧, 无论是现在还是将来, 请随时联系:

Researcher 研究人员	Supervisor 二导	Lead Supervisor 一导
Xin Wu	Millissa Cheung	Doctor Wilson Ozuem
1905033@student.uwtsd.ac.uk	m.cheung@uwtsd.ac.uk	wilson.ozuem@cumbria.ac.uk



**Prifysgol Cymru**  
Y Drindod Dewi Sant  
**University of Wales**  
Trinity Saint David

## CONSENT FORM / 同意书

**Title of Project / 项目名称:** Investigating the impact of participating in community governance on the sustainable development of Chinese property management companies 参与社区治理对中国物业企业的可持续发展的影响研究

**Name and contact details of researcher / 研究人员信息:**

姓名: XIN WU 邮箱: 1905033@student.uwtsd.ac.uk;

Please tick box if you agree with the statement / 如您同意, 请在下列方格内打勾

1. I confirm that I have read and understand the information sheet for the above study and have had the opportunity to ask questions. ☐  
本人确认已阅读并理解上述信息单, 并获得了提问的机会。
2. I understand that my participation is voluntary and that I am free to withdraw at any time. ☐  
我知道我的参与是自愿的, 且我可在任何时候退出。
3. I agree to take part in this study. ☐  
我同意参加这项研究。
4. I understand that data collected about me during this study will be anonymized before it is submitted for publication. ☐  
我知道在本次研究中收集到的关于我的数据在提交发表前将被匿名处理。
5. I agree to the interview being audio recorded. ☐  
我同意将访谈录音。
6. I agree to allow the data set collected to be used for future research projects. ☐  
我同意将收集的数据集用于未来的研究项目。

7. I agree to be contacted about possible participation in future research projects.  
我同意研究者就进一步的研究联系我。

☐

XIN WU  
Researcher

/ /2023  
Date

\_\_\_\_\_  
Signature

## APPENDIX D: SAMPLE OF INTERVIEW SCRIPTS

**我：**您好，请问您是自愿参与我们这次的访谈吗？

**Interviewer:** Hello, may I confirm that you are participating in this interview voluntarily?

**受访者：**是的。

**Speaker:** Yes, I am.

**我：**我们这次的访谈主要是想了解物业企业参与社区治理对中国物业企业可持续发展的影响研究。首先第一个问题，我想问一下您所在的物业企业为什么要参与社区治理？

**Interviewer:** The purpose of this interview is to understand how community governance participation impacts the sustainable development of Chinese property management companies. To start, why did your company choose to participate in community governance?

**受访者：**首先说一下我们公司的愿景和定位，其实我们是在这几年有一次企业的一个战略定位的升级，刚好给你这个刚刚采访的题目是很贴近的，为什么提出了这么一个战略的目标？因为我们物业其实最早因为在行业内比较早，我们从很多年前就参与到社区的治理，我们最早最典型的项目是在 X 古镇，当时 X 古镇是我们开始我们做了网格服务，最早我们提出来了网格服务，当时参与了一年整个景区的治理，我们一开始去治理的时候它是四星景区，但是经过一年的治理，我们变成五星景区，就是一年后，然后人家游客量同时也翻了一倍，然后我们有一个很大的优势，我们是央企，我们那一年拿了一个全国青年文明号这个项目，所以我们那个时候就参与到整个的社区，当时应该是一个小社区，我们切入点就是网格员治安，还有协管六难治理，从这个时候开始的。然后完了之后就觉得这个模式——参与到社区治理这个模式，应该是解决了社区的很多的痛点。因为那一年其实国家层面也提出来了，这跟近几年，国家也提出来了很多的社区治理的一些理念，包括习主席也提到了绣花针式的管理一个社区，我们其实有跟某知名高校对接一些社区治理的研究，我们拿了这个项目之后，才去跟某知名高校去一些智库，专门去研究社区治理，我们从哪一方面入手，然后这样切入赛道，切入赛道之后，我们跟其他公司模式不一样，其他公司模式是他拿下这个项目，他然后又把这个项目分包出去，我们是拿了这个项目时候，真正的参与到整个社区的治理，我们是全部是我们自有人员，所以从我们的 X 古镇，到我们的 A 市，到我们的浙江上海周边的那些镇，我们是以镇域为最小的服务的单元，所以从 A 市开始到 B 市，然后辐射到全国各地。然后这几年其实这个模式也得到了政府的认可，得到居民的认同，其实它有一个最大的一个好处是什么？其实现在那几年前后那几年从上给到下的压力接到镇一级的，我们说的最小的政府单位压力是很大的。然后我们当时是解决了一个痛点，就是让他们来购买物业服务，购买服务，然后从这样去切入赛道。然后我们在 B 市，在全国各地现在项目也挺多的。

**Speaker:** Let me start by talking about our company's vision and positioning. In recent year, we upgraded our strategic focus, which aligns closely with the topic of this interview. Why did we propose this strategic goal? It's because our property management company has been an early participant in community governance within the industry. As early years, we started engaging in community governance, with our most representative and pioneering project being the X Ancient Town Project. At that time, we introduced grid-based services, marking our first step into community governance. Initially, X Ancient Town was a four-star scenic spot. However, after a year of governance, we helped it upgrade to a five-star level one year after, and the number of visitors doubled. We also had a significant advantage as a central state-owned enterprise, and that year, we received the National Youth Civilisation Award for the project. That was when we began

engaging in community governance. Initially, the community was relatively small, and we focused on grid-based security services and assisting with the “six challenges” governance issues. Later, we realised that participating in community governance was an effective way to address many of the pain points within communities. Around that time, the central government also began promoting various community governance concepts. For instance, President Xi highlighted the importance of “fine-tuned, needle-like precision management” for communities. In collaboration with some prestigious university, we conducted research on community governance and developed a think tank with another prestigious university to explore the best entry points for community governance. This helped us officially enter this field. Unlike other companies, which often outsource projects after securing them, we handle everything in-house. Starting from the X Ancient Town Project, we expanded to towns in A City, Zhejiang, Shanghai, and neighbouring regions, using towns as the smallest unit of service. From there, we further expanded to B City and eventually across the country. Over the years, this model has gained recognition from both governments and residents. One of the biggest benefits of this approach is its ability to alleviate the significant pressure on the smallest government units—town-level administrations—especially during that period. At that time, we addressed a key pain point by introducing property services for communities, enabling us to enter this field. Today, we have many projects in B City and various locations nationwide.

**我：**您刚才其实有提到 Y 古镇，还有 A 市周边，我想问一下您自己所参与的社区治理，比如说您来 D 市之前，您在其他城市，就是您所在的管辖的小区，有没有参与到什么社区治理？有一些什么具体的案例？

**Interviewer:** You mentioned the X Ancient Town Project and experiences around A city. Before you came to D City, could you share specific examples of community governance projects you were involved in?

**受访者：**我们在我来的那一年，我们在 C 市的 Y 镇，这在 C 市来说是一个全新的治理理念，我们当时把 Y 镇的全域化的服务给拿下来了，它包含的内容是第一个有河道治理，湖泊、保洁环境，然后整个镇域的我们说的清扫，还有后端的垃圾分类和垃圾清运都是我们在做，然后镇域里面的我们说的治安协管这些我们都有做，这是一个案例，我们目前做的比较深入的是这个案例。

**Speaker:** Before I came here, we initiated an innovative governance attempt at the Y Town Project in C city. The scope of governance included river and lake management, sanitation, waste classification and transportation, and security assistance within the town. This project was particularly representative, especially in improving the living environment and generating social benefits.

**我：**其实我刚才对您说的特别感兴趣，您有说到其他人都没说到河道湖泊这一块，然后还有保洁垃圾分类这一块，其实这一块对于应该算是环境效益，你们应该是做了一些贡献，我想问一下您参与这方面社区治理对你们企业来说，你觉得对你们企业来说是正向的，还是有一些负面的影响？

**Interviewer:** I found what you said particularly interesting—your mention of river and lake management and waste classification, areas not often discussed by others. These efforts likely contribute to environmental benefits. Do you think participating in such aspects of community governance has had positive or negative effects on your company?

**受访者：**从经济效益上来说，我们并没有获取到很好的利润。但从社会效益上来说，我觉得这是我们参与到整个镇的治理过程当中，就是整体的人居环境是得到了大幅度的提升。然后居民应该来说也感受到了跟原来不一样的我们的整洁，包括他们整个镇域我去过很多次，包括电瓶车车辆的停放都很乱，



但我们参与到整个治理之后让人感觉很舒服。我的车辆停放是整齐的，我垃圾桶也是有归位的有定位的，所以这些你去镇里面一看，就感觉它是一个有一个企业在里面参与到治理的成果在里面，所以这个里面从社会上群众得到好评的，然后其实给政府解决了很多的问题，你像他每一年，每个月他们是有镇里面有考评，区里面有考评，市里面我们叫三级考评。其实它这里面很多可以脱离到繁琐的事务当中，他交给我们了，我们懂考评的规则，我们知道每个月该考评什么，居民关注什么，考评组关注什么，政府关注什么，所以这个是我们参与到治理过程当中，其实是给政府减负了，然后最典型的这两年刚好疫情，对疫情说实在的，镇域里面防疫的压力是很大的，它整个镇里面接近 100 万平方公里，然后人也比较多，镇大概有好几接近 10 万人是一个比较大的镇。那我们在近两年多的参与治理过程中，其实为政府解决了很多防疫的压力，就是你看消杀，我们就把我们原来的环卫的清扫车我们改装了，我们就用环卫车去放灭四害的一些药水，完了之后整个镇域给他们做消杀，效率也提升了，然后整体的群众的安全感也更强了，所以在这一块上，我认为在防疫，包括我刚刚说解决政府的繁琐的一些事物，还有第三个其实政府跟居民在沟通过程当中可能是一个执法者，但是中间有个缓冲地带，有一个物业公司参与进来之后，它其实是一个缓冲地带，我们其实更多的谈服务，我们不是谈管理，像就拿违章建筑，还有乱摆乱卖这些东西，我们是作为一个服务者的身份去跟居民沟通，居民会感觉会比较舒服，我不是说一个冷冰冰的执法的角色，我们如果说我们服务，我们反复去劝他，他都不愿意改正的，我们才让执法者去参与。我觉得是挺好的，不会说冷冰冰的，就直接给居民在这里执法，他可能就觉得心里很不舒服，所以我觉得是物业服务整个过程当中是一个很好的缓冲的地带。

**Speaker:** From an economic perspective, such projects did not bring significant profits. However, in terms of social benefits, the living environment in Y Town improved remarkably, and resident satisfaction increased. Details such as properly placed garbage bins and orderly vehicle parking clearly demonstrated the tangible results of our governance efforts. The government highly appreciated our participation, as it eased their evaluation burdens. For instance, during the pandemic, we modified sanitation vehicles for disinfection, improving efficiency and enhancing residents' sense of safety. When the government communicates with residents, it often acts as an enforcer, but property management companies can serve as a buffer in this process. With a property company involved, we act more as service providers rather than enforcers. For example, when dealing with illegal constructions or street vending, we approach residents as service providers to communicate with them. This approach makes residents feel more comfortable because we do not come across as a cold and unyielding enforcer. Only when repeated persuasion fails to resolve the issue do we involve law enforcement. I believe this approach works well—it avoids the discomfort residents feel when enforcement is applied directly without mediation. In this way, property management services create an effective buffer zone in the governance process.

**我:** 明白，其实您刚才有提到政府部门以及业主，我感觉给的反馈都挺不错的，特别是业主应该是在满意度方面是比较高的。我想问一下，参与社区治理，政府对你们的经济效益是正向的还是负面的影响？

**Interviewer:** I see. From what you mentioned earlier, it seems both the government and residents have provided positive feedback, especially regarding resident satisfaction. How has the government's involvement in community governance affected your company economically—positively or negatively?

**受访者:** 我现在说的不是小区的管理，是镇，全域化的管理。但是对于政府来说，有几个方面：第一个方面当然可能跟我们前面的洽谈有关系，我们也是在这个省第一次做这种项目，对，然后政府原来预算也不足，但是我们当时急于想找到一个标杆的项目，我们当时预算这个项目 1,200 万，最后政府预算只有 900 多万，我们跟政府也谈好了，没有办法了，所以我们这个项目是亏损的，我们依然还在做。

**Speaker:** I am not referring to the management of residential complexes but rather full-scale town governance. For the government, there are several aspects to consider. First, it likely relates to the initial negotiations. This was our first project of this kind in D City, and the government's budget was insufficient. While we initially estimated the project would require 12 million yuan, their budget was just over 9 million yuan. We reached an agreement, but the project was ultimately unprofitable for us, though we still decided to proceed.

**我:** 但是比如说您刚才说的, 虽然说经济效益没达到你们的预期, 但是社会效益非常好, 比如说政府会不会因为您这个项目做的特别好, 然后其他的地方的政府或者是居民看到就说你们这个公司物业特别好, 如果有类似于这种项目, 也想介绍给你们企业, 有这种效应吗?

**Interviewer:** You mentioned that although the economic benefits did not meet your expectations, the social benefits were significant. Do you find that other governments or residents, impressed by the success of this project, approach your company for similar projects as a result?

**受访者:** 我们出去与很多镇洽谈的时候, 很多时候镇一直会问你有没有这个案例。所以我们实际上是有这个案例。我们觉得在这个过程中我们积累的经验, 然后其他的镇我们也在谈这种模式, 这真的是全域的这种治理模式, 但是我们一直想以某一个项目做一个试点, 来深度的参与到我们说的最小的政府单元里面的治理。这条路走得挺艰辛的, 我也不可能长期在耗着这个项目, 你耗着我亏了好多钱。

**Speaker:** When we discuss projects with other towns, they often ask if we have similar case studies. Fortunately, we do have such cases. We feel that through this process, we have gained valuable experience, and we are also discussing this model with other towns. This truly is a comprehensive governance model. However, we have always aimed to use a specific project as a pilot to deeply engage in governance at the smallest administrative unit. This path has indeed been quite challenging. I cannot afford to keep investing in a project like this indefinitely—it has cost us significant financial losses.

**我:** 是的, 明白。这个其实我刚才也了解到其实企业在参与社区治理当中也应该是会遇到一些困难的, 您能详细的跟我们聊一聊吗?

**Interviewer:** I see. From what I have learned earlier, it seems companies face certain challenges when participating in community governance. Could you share more details?

**受访者:** 外部的困难, 其实更多的是政府它会一刀切。它整个 C 市和可能跟 D 市不一样, 它市里面有考评小组, 它的考评小组他制定的规则是统一的, 但是这个镇当时的基础条件会比较差, 他会把你的市容市貌, 其实我们合同没写市容市貌, 它会因为你的整个的垃圾后端的分类和垃圾的转运, 因为一个垃圾桶的问题, 因为垃圾桶如果它的规格, 它的规格不一样的话, 你会导致你的转运车会发生变化, 所以原来的硬件配置本身就有问题, 但他考评的时候他不会顾及你这些困难, 他同样一刀切的去考, 其实我们就很没有优势, 这是第一个。第二个就是村里面的居民养鸡养鸭, 垃圾乱扔, 其实这种事你很难监控得到, 我其实跟这里面有提到一个概念, 如果说真的想提升整个的人居环境, 是我觉得它肯定是一个长期的过程, 你培养居民的习惯是一个长期的问题。第二个你需要居民跟我们服务企业和政府共治, 我认为是很重要的, 但是目前没有达到我们想要的目标, 所以他们乱扔垃圾, 然后养鸡养鸭, 这些都直接会扣我们的分, 就从政府层面他直接会扣我们。扣了我们的分就直接会影响我们每个月的结算款。所以这里面可能是我们当时拿这个项目的时候, 没有考虑到他很多的特殊性, 它的基础条件, 它的群众的这些习惯, 或者是导致我的后续的结算的问题, 所以也是经济效益没有很好的体现出来。因为我说的基本上外部的就是这么一些问题, 其实内部的当然我这个项目给我刚才说给我们带来很大的压力, 我们是每一年我们对这个项目是有立项考核的, 总部是对我有考核的, 但是我达不到立项利润率, 我只能拿其他的项目的利润来填补利润的不足, 所以这个是我们面临最大的一个问

题。其实还有一个外部的问题是政府对这种企业参与社区治理的理念和对这些东西重视程度我认为是不高的。他认为有一家企业他就一刀切，那就是你去搞定的，但我如果你要做好这件事情，是需要政府物业企业还有居民大家共同努力才能做好这件事情的。你想他 20 几个村，其实服务和管理的压力是很大的，是我们每一天每个村要运两次垃圾，然后在后端你还做垃圾分类，其实这个压力是很大的。

**Speaker:** The external challenges primarily stem from the government's "one-size-fits-all" approach. In C city, for example, unlike D city, there is a unified evaluation group at the city level that sets standardised criteria. However, the baseline conditions in Y Town were relatively poor. For instance, while urban appearances were not specified in our contract, they still evaluated us on those criteria. Issues like differences in garbage bin specifications impacted the compatibility of our transfer vehicles, exposing hardware limitations that already existed. Yet, during evaluations, these difficulties were not taken into account, and the same strict criteria were applied. This put us at a significant disadvantage. Secondly, residents in the villages often raise chickens and ducks or dispose of waste indiscriminately, which is difficult to monitor. This brings me to a broader concept: truly improving the overall living environment is undoubtedly a long-term endeavour. Cultivating better habits among residents is a gradual process. Moreover, achieving meaningful change requires collaborative governance between residents, service providers, and the government, which I believe is critical. However, we have yet to meet this goal. Such issues—like littering or poultry raising—lead to immediate score deductions during evaluations by the government, which directly impacts our monthly settlement payments. When we initially took on this project, we may not have fully accounted for its unique challenges, such as the baseline conditions, residents' habits, or the impact these would have on later settlements. As a result, the economic benefits have not been fully realised. These are the primary external challenges. Internally, this project has put immense pressure on us as well. We undergo annual performance reviews for this project, and headquarters evaluates us based on profitability benchmarks. Since I cannot meet the targeted profit margin for this project, I am forced to use profits from other projects to cover the shortfall, which has become our biggest internal issue. Another external challenge is the lack of recognition and understanding from the government regarding the role of enterprises in community governance. They assume that as long as a company is involved, all responsibilities can be handed over, regardless of the project's complexities. However, to truly succeed, it requires a joint effort from the government, property management companies, and residents. Consider this: Y Town comprises more than 20 villages, which creates immense pressure in terms of service and management. We have to collect garbage twice daily from each village, and on the backend, we also need to handle waste classification. This creates a significant workload.

**我:** 我想了解一下，因为我有去别的企业采访，他是跟我说在这边是那些垃圾桶之类垃圾分类的设备，是社区里面配的。然后你们物业只是负责引导吗？比如说你们物业在 Y 古镇这个项目的时候，您刚才说的在后端你们还要做垃圾分类这件事情具体是怎么回事？

**Interviewer:** I would like to understand something. During interviews with other companies, they mentioned that in this city, the garbage bins and waste classification facilities are provided by the community, and the property management companies only guide the process. In your Y Town Project, you mentioned that your company also handles backend waste classification. How does that work?

**受访者:** 这是一个全域化，我其实就把所有的环境这一块的那几个方面，首先路面清扫，清扫完了之后，居民不是有把垃圾放到垃圾桶里面，对它的后端我要清运完了我要分类，这几个环节。

**Speaker:** This is a comprehensive management model. We handle every aspect, including

environmental management. For example, road sweeping is done first, followed by residents depositing their garbage into bins. Then, on the backend, we are responsible for collection and classification. These steps are all managed by us.

**我：**在分类的时候，你们有没有运用一些比如说科技手段，比如降解？

**Interviewer:** When it comes to classification, do you use any technological methods, such as decomposition systems?

**受访者：**目前还没有。不过我们原来在 B 市尝试过，B 市最早提出垃圾分类，但是 B 市垃圾分类也不成功，B 市原来是把厨余垃圾是用那种有一个设备，它是个 20 多万，我记得社区里面就自动处理了厨余垃圾最后变成肥料，这是一个方面。然后第二个他把一些像树枝就是绿化垃圾就直接变成了粉末，也可以变成肥料。

**Speaker:** Currently, we do not. However, we did try such methods in B City in the past. B City was one of the first cities to promote waste classification, but it was not particularly successful. For example, there were machines designed to process kitchen waste into fertiliser, and I remember each unit cost over 200,000 yuan. These machines were placed in communities to directly process kitchen waste into fertiliser. Similarly, green waste, like branches, could be shredded into compost.

**我：**这个钱是企业自己出还是社区里面出钱？

**Interviewer:** Was the cost of these machines borne by the company or the community?

**受访者：**原来是我们企业自己出，但是后面这些可能是因为成本的问题也没推行下去，所以目前来看 B 市垃圾分类也不成功了。D 市的垃圾分类也是有问题的。我可以讲一讲垃圾分类，我听说有一些区里面是有给物业企业补贴的，但是在我们这个小区是没有的，我们是每个月承担的垃圾分类的引导员的、监督员的，工人的工资的支出的，这个费用是我听说是有补贴，但是补贴没下到社区。这是第一个。第二个就是这个社区很大，是租户很多，其实垃圾分类的清运和垃圾分类的压力是很大的，其他小区垃圾是应该直接下到了整个社区里面有几个分装点，但是我们小区里很多租户，他就把垃圾直接放到了楼下，放到了大堂的出入口，我们每个月就光这个项目要多花 6 万块钱，我们有巡检的车，然后完了之后把没有按时放到分类点的垃圾要清运到分类点，所以我们这个成本是增加了。

**Speaker:** Initially, the cost was covered by our company, but due to financial constraints, the initiative was discontinued. As it stands, waste classification in B City has not been particularly successful, and there are also issues with waste classification in D City. I have heard that some districts in D City provide subsidies to property management companies, but in our case, we receive no such subsidies. Each month, we incur an additional cost of 60,000 yuan to pay for the salaries of waste classification guides and supervisors. For instance, our community is very large, with a high number of tenants, which increases the pressure of waste classification. In other communities, garbage is directly transported to a few centralised classification points. However, in our community, many tenants simply dump their garbage downstairs or at the entrance of the lobby. Every month, we need to deploy additional inspection vehicles to collect garbage that hasn't been placed at the designated classification points on time. This has significantly increased our costs.

**我：**是，明白。我想再问一下你，其实您刚才有提到一些也算是可持续发展当中的环境方面的，您能再聊聊吗？

**Interviewer:** I see. Understood. I would like to ask further—earlier, you mentioned aspects related to environmental benefits, such as energy saving and emission reduction, which fall under sustainable development. Could you elaborate on this?

**受访者：**这个方面其实原来我在 B 市有做，在这个省的话目前还没有这样去做，但是我们有这样的思考，我刚好我在看关于节能的一个材料，我可以发给你，那个是我们商业公司给了我商业楼宇的一个节能的一些材料，看对你有没有一些参考。

**Speaker:** When I was in B City, we implemented some similar projects. In this province, we haven't fully rolled them out yet, but we have been exploring ideas. For example, just a few days ago, I reviewed some energy-saving materials provided by our commercial company, which focused on energy-saving solutions for commercial buildings to see if they could offer us any valuable insights.

**受访者：**其实是有很多这种空间的，也是有很多可持续发展的这些空间，我认为是有的，你就拿车库，我们车库是比较大的，大概有五六千个车位，然后我们里面的灯，应该来说是比较亮的。其实前几前段时间有客户也跟我聊，希望能够去做到节能减排，但是我们想了一个方案，我们会固定一部分敞亮的灯光，然后到了夜间运用声控类的，其实在 B 市做的比较多。B 市为什么做的比较多？有个核心的问题就是它定价的原则，物业管理费的定价原则，B 市有一些物业管理费定价，它是按照一费制，一费制意味着我包含了你公摊水电费，D 市没包含，所以目前 D 市的物业企业里面，大家都不去关注这个事情，反正觉得这个钱是分摊给业主的，但是我们在前端实际上做了很多的工作，我们认为业主的钱也是钱，我们在跟地产沟通的时候有提到，前两天我来的时候，我们地产前端技术这一段这样楼层里面要有声控的，包括地库要有雷达的光管，其实慢慢他们也做一些改善。其实你说到的可持续发展我们还想到一个点，我记得我在 B 市的时候，我们有一个项目是把雨水污水全部集合在一个井里面，然后我又把它抽出来，灌溉我的树木，我们是有做过这方面的一些改造，其实很简单，我原来我在广东我的公司里面是有在做这些事情的。

**Speaker:** Take underground parking lots, for example. We have five to six thousand parking spaces with very bright lighting. Our customers have expressed interest in energy-saving solutions, and we proposed a plan where some lights remain constantly on, while others use sound-activated lighting at night. B City has implemented this approach more extensively, partly because its property fee model is an all-in-one system that includes shared utility costs. However, in D City, shared utilities are not included, so there's less motivation to focus on this issue. Additionally, we experimented with a rainwater collection system. In one of our B City projects, rainwater and wastewater were collected and used for irrigation. This type of modification is straightforward yet practical.

**我：**我想问比如说做这些改造也好，或者是您刚才说的这些东西，比如说对环境方面的节能这方面节能降耗的考虑，你们整个集团企业有没有比如说一些硬性的指标要求，有没有这种精神的传达？融入你们的公司的愿景，或企业文化？

**Interviewer:** Have these energy-saving measures become a mandatory part of your company's requirements? Or have they been integrated into your corporate culture and vision?

**受访者：**有，我们从考核指标里面有，我们从办公，我们今年定的指标是每个人一年，我们 100 多个人，每个人的能耗是 4 块多钱，这个是在去年的基础上降了 10%。然后我们公司响应国家的号召，前段时间发了一篇通知文件要求，用纸，包括空调，包括这一系列的，反正那些正常的办公类的都有做一些要求。

**Speaker:** Yes, they have. For example, in our assessment indicators, each person is expected to reduce energy consumption by 10% annually. Our company has also issued guidelines requiring measures such as office energy saving, reduced paper use, and rational use of air conditioning.

**我：**明白，我想再聊一下可持续方面，其实除了环境这是一大块，现在想聊一下社会效益方面，您觉

得参与社区治理，其实我刚才有我听您提到社会治理方面，你们可能有帮助整个的全域化市容市貌的提升，还有您说的一个难点应该是社区的文化方面的打造，我想问一下，还有没有其他的关于你们的社会效益方面的一些例子？

**Interviewer:** Got it. Let's discuss the social impact of sustainable development. Apart from environmental aspects, social benefits also play a significant role. In your opinion, how does participating in community governance, such as improving urban appearances on a comprehensive scale, contribute to social benefits? Could you share specific examples?

**受访者:** 如果从单纯的从社区来看，在文化氛围方面不一样，我们物业还是做的挺好的，每一年中秋我们有一个“万家灯河”的活动，然后这个是我们坚持了 20 年，每个社区在中秋的时候我们会搞这个活动，其实我们来 D 市这几年，特别是我们地产对这个还是比较重视的。我们前段时间开会再算，我们大概有 30 多个社区，我们一年光我们地产投入了 200 多万，我们去开展一些社区内的文化活动。其实现在地产房都不好卖了，他们现在考虑到一个点，我们想去打造社区，我们也在对我们做这方面的考虑，做社群。从具体执行层面上来看的话，我们搞了很多个兴趣小组，什么篮球、足球、乒乓球这些之类的，还有我们甚至我们把广场舞大妈，我们今年拉的项目，我们搞广场舞大赛都搞过，所以在这一类的文化的培育，也是根据每个社区客户的群体和需求去做了一些开展，反正每年都有。

**Speaker:** From the perspective of a single community, enhancing the cultural atmosphere is something our property management company places great emphasis on. For instance, we organise an annual "Lantern Festival for Thousands of Families" during the Mid-Autumn Festival, an event we have upheld for 20 years. In every community, we celebrate the Mid-Autumn Festival with residents. This tradition has been particularly valued since we entered D City. In this province, we manage over 30 communities, and our real estate company invests more than 2 million yuan annually in various cultural activities within these communities. With the real estate market facing challenges in selling properties, the company increasingly hopes to foster stronger connections with customers through community building, better understanding their needs, and enhancing brand recognition and loyalty. Ultimately, these cultural activities also have a positive impact on economic benefits.

**我:** 我想刚才您这个点我觉得特别有意思，针对这个点我有两个问题，就是第一个问题是你们有没有硬性规定比如说一年要展开多少次，社区文化活动或者社区活动？另外一个点是您刚才说了经济不太好，你们想要做社群，他做这些社群对你们房子不好卖，做这个社群对于你们的经济效益有什么影响吗？有一些正面影响吗？

**Interviewer:** You mentioned that community building benefits both brand image and economic outcomes. Do you have any specific guidelines, such as a minimum number of community cultural activities to be held annually? Are there evaluations of how these activities contribute to economic benefits?

**受访者:** 现在原来我们的房子都挺好卖的，原来是我们叫做卖方市场，现在只是转为买方市场，所以客户考虑的点会比较多，他会考虑产品的设计，会考虑到你的后期的服务，所以最终就是变成你的品牌和口碑了。所以品牌和口碑怎么去打造，所以我们地产也是希望真的和客户通过社群能够和客户有很好的链接，知道客户的需求，然后让客户通过文化让客户来认同我们的品牌，然后再来复购。所以这个是有经济效益的，这么大的社区它七八千户，我们搞这一类的活动，其实就在培育我们的忠实客户，然后让他对我们品牌是认同的，产品认同，文化认同，品牌认同，最后来复购房子，我不就有经济效益了？然后来说你刚才说的第一个问题。我认为在社区文化这一块的投入还是挺大的。今年我们说我们每一年这周总负责的每一年，从年初我们会跟地产定个活动的主线，定完之后地产去争取这方面的资源，定完主线之后，这一类的主线的活动大概全年要开展几次，分几类的，第一类是我们说的

公司规定的主线类的活动大概 4 次 5 次，然后还有便民的活动，我们全年会做一个计划，就是项目按我这个计划去执行。

**Speaker:** In the past, our properties sold very well—it was what we called a seller's market. Now, however, it has shifted to a buyer's market, so customers have more considerations. They evaluate the product design and the after-sales services, which ultimately boils down to your brand and reputation. So, how do we build our brand and reputation? Our real estate company hopes to genuinely connect with customers through community networks, understanding their needs, and enabling them to identify with our brand through cultural activities. This connection fosters loyalty and encourages repeat purchases. This approach brings economic benefits. In a large community with seven or eight thousand households, by organising such activities, we are cultivating loyal customers. These activities help them identify with our brand—be it our products, culture, or overall branding—and ultimately encourage them to repurchase properties from us. Isn't that how we generate economic benefits? As for your first question, I think our investment in community culture is quite significant. Every year, under the leadership of our team, we set a main theme for activities in collaboration with the real estate company at the beginning of the year. Once the main theme is finalised, the real estate company works to secure resources for it. Based on this theme, we plan a series of activities throughout the year. These can be divided into categories: the first category includes key activities mandated by the company, usually around 4 to 5 events annually. The second category consists of convenience-focused activities, such as services for residents. A detailed annual plan is made, and each project executes its part according to this plan.

**我:** 我刚才进来的时候，其实有看到你们墙上有一个。社区文化的这么一个牌子，然后它上面有居家养老服务站、家长学校、老年大学、便民服务点、社工站、儿童之家、长者食堂、亲子小屋、互助驿站，我觉得这些应该都是社会效益相关的这些东西，我这边看到好多就是长者服务类的这些服务这些东西，这是原来在地产里面就有规划的，还是后期物业自己去做的事情？

**Interviewer:** For instance, I noticed your community cultural display board earlier, which mentioned facilities like senior dining halls, mutual aid stations, and children's homes. Were these facilities planned by the real estate company, or were they later built by the property management company?

**受访者:** 我可以给你先解释一下这个项目。是因为原来我们一直在 B 市开发房地产，B 市的理念应该来说相对来说还是比较先进的，我们当时来这里开发项目的时候，我们是带着 B 市的理念来开发的，所以在这个项目上，我们是配建了比较多的配套设施的用房，你看到我们这个项目应该来说跟很多的项目不一样，这里面有大几千方下面都是我们地产配置的，然后无偿移交给政府了，从我们刚刚说的你说的老年食堂，它是从房地产建的，然后社区服务站居委会这些都是包括现在居委会都是我们的原来的售楼部，那就是我们地产无偿移交出去了。在这一块上我们也是看到这么大一个社区地产的前期规划的时候，也想到了在后期他们可能需要这一配套，包括我们现在正在开发的项目，像其实 Z 项目你可以去看一下，我们在哪怕是一个很小的项目，我们把所有的架空层，我们规划了很多的空间给客户，其实我们也看到了社区的居民他有这样的需求，你看我们规划的小孩的空间是最重要的，整个项目我们的体量不大，就 500 多户，但是我们规划了至少三四个这种空间，小孩的娱乐的空间，看读书阅览的空间，喝茶的空间都有，装修得很好的，你可以去参观一下。

**Speaker:** Let me first explain this project to you. Previously, we had been developing real estate in B City, where the concepts and approaches are relatively advanced. When we came here to develop this project, we brought along the same principles and ideas from B City. As a result, we included many supporting facilities in this project. If you look at it, this project is quite different from many others. It includes thousands of square metres of facilities, all of which were provided by our real estate company and later handed over to the government for free. For example, the senior

dining hall was constructed by our real estate team, as were the community service station and the resident committee office. In fact, the current resident committee office used to be our sales office, which was also handed over to the government at no cost. When we were planning this large community during the early stages of real estate development, we also anticipated the need for such facilities in the future. This includes the projects we are currently developing, such as Project Z. You can take a look at it. Even in a small project like that, we have utilised all the elevated spaces to create many areas for residents. We have recognised that community residents have such needs. For example, we prioritised spaces for children. Although the entire project is not very large, with only about 500 households, we planned at least three or four such spaces. These include areas for children's entertainment, reading rooms, and tea-drinking spaces, all beautifully designed. You are welcome to visit and take a look.

**我：**明白，其实就这些我觉得应该是投入比回收，目前来说至少短期来说你们应该是投入比较多。从长期来说，刚才像您刚才说的培养忠诚客户这一点是有影响，然后我特别想了解，比如说像这种亲子小屋互助驿站，就是这些东西完全是你们物业人员在管理，还是说社区的工作人员他在管理？

**Interviewer:** I see. For initiatives like these, it seems your investment outweighs the return, at least in the short term. However, as you mentioned earlier, cultivating loyal customers does seem to have a long-term impact. I am particularly curious—are facilities like parent-child rooms and mutual aid stations fully managed by your property management staff, or are they handled by community workers?

**受访者：**我们这个社区是他们在管，是我们房地产建的他们管，但是我们后面的社区里面规划，像 Z 项目这种我们自己在管。

**Speaker:** In this community, the facilities are managed by community workers. These were built by our real estate company but are managed by them. However, in some of the communities we are developing now, such as Project Z, these public facilities are fully managed by our property management company.

**我：**明白。其实我想知道，比如说一个社区，像这边住户很多，社区工作人员可能我觉得应该不会很多，所以大部分他们都需要跟你们物业进行合作，希望你们配合他们，比如说对小区的常住人口，暂住人口等等进行一个登记管理，你们跟他们的一般来说的工作流程是怎么样？或者说你们平时是怎么接洽工作的？

**Interviewer:**

I see. I'd also like to know more about the collaboration. For example, in a community like this with a large number of residents, community workers may not be sufficient in number, so they would likely need to cooperate with your property management team. How do you usually work together with them on tasks like registering permanent and temporary residents?

**受访者：**其实他们有时候挺直接的，反正打个电话给项目经理，本身是社区的工作要求我们去做，我们也会去积极去配合去做这件事情。因为我们本身每一栋楼我们有专属的管家，管家本身跟客户就认识，然后就跟客户联系沟通，因为我们建立了这种管家和居民的业主这种沟通纽带已经有了，我们其实做这件事情的时候也会相对说比较便利，我有群我有客户的微信，所以他们都基本上依托我们来做这些事情。

**Speaker:** Sometimes they are quite direct—they might just call the project manager and request us to handle certain tasks. We are always proactive in cooperating. Each building has a designated property manager who has already established connections with the residents, making



communication more convenient. We stay in touch with residents through WeChat groups, so the community relies heavily on us for many of their tasks.

**我:** 还有一个想问一下, 您认为物业企业它参与社区治理, 从短期来说, 我刚才有听到其实你们的投入还是比较多的, 然后长期来说也有一些社会效益等等, 您认为说物业企业参与社区治理跟企业它自身的可持续发展之间, 您觉得这个关系是正向的还是负向的?

**Interviewer:** One more question—do you think that property companies participating in community governance, though requiring significant short-term investment, has a positive impact on the company's sustainable development in the long run?

**受访者:** 可能从短期来看, 我们有些项目确实体现不了经济效益, 但是做企业不可能长期亏损, 长期亏损的话, 那也可能这家企业可能不存在, 从短期来看我们体现不了这个很好的经济效益, 但是我认为从长期来看, 它是经济效益和社会效益的一个双重体现。其实我们目前就拿社区治理来看, 我觉得物业公司为什么当时我们从小区迈入社区, 我认为物业公司是很有优势的, 是我们从小区的物业管理服务, 这种贴心的服务, 这种精细化的管理, 如果复制到社区的话是很有优势的, 因为现在老百姓不像以前, 其实现在老百姓的要求越来越高, 不像以前就像我们卖房子一样, 我们总觉得原来老百姓有的住就可以了, 但是现在老百姓希望住好房是包括社区, 就像我们说 Y 镇一样, 他享受了街道, 整洁整齐, 他们可能后期我还想看到更好, 我觉得这个时候物业公司其实比一般的公司在整个治理里面是我更凸显了我们的优势, 因为我们做小区的就是有这种经验了, 有这种理念了。

**Speaker:** In the short term, some projects indeed fail to generate economic benefits. However, a company cannot sustain long-term losses—if that happens, the company would cease to exist. From a long-term perspective, I believe community governance demonstrates both economic and social value. Take community governance as an example—property companies have significant advantages in this area. Through managing residential complexes, we have accumulated experience in delivering attentive services and meticulous management. These experiences can be replicated in community governance. Today, residents have higher expectations than before. In the past, they were satisfied as long as they had a place to live. Now, they want to live well, with better community environments. For example, in Y Town, residents are happy with the clean and tidy streets, but they also hope for further improvements. At such times, property companies have an edge over other enterprises because we already possess the mindset and capability through managing residential complexes.

**我:** 是的, 专业的事情交给专业的人去做。

**Interviewer:** Yes. Let professionals handle professional matters.

**受访者:** 是, 所以从长远来看, 我们也看到这个市场是很大的, 我就拿 B 市我比较熟悉, 因为 D 市我们不是特别成功的案例, B 市我们原来从一个塔, 这个周边的全域治理, 我们现在到了整个区, 从原来的 200 万现在到了一个亿两个亿, 我们现在基本我们就是花了两年三年的时间就做了这么大的量, 证明什么呢? 政府有需求, 然后老百姓是认同的, 你这个事情还可能持续下去, 我们说这个模式才能持续下去。所以目前我们从这个层面上来看, 我觉得应该来说对是正向的。

**Speaker:** In the long run, we see that this market has significant potential. Take B City, for example—this is an area I am more familiar with, as D City currently lacks particularly successful cases. In B City, we started with a small project around the Tower and gradually expanded to full-scale governance across the entire District. Within two to three years, we grew from an initial 2 million yuan project to one worth 100 million or even 200 million yuan. What does this prove? It shows that the government has a need, residents approve of this model, and the initiative is

sustainable. This is the kind of model that can achieve long-term development.

**我：**1 亿的现在这个项目你们应该是盈利的？

**Interviewer:** For the B City Tower project, your company must be making a profit, right?

**受访者：**我们现在是盈利的，我们整体都是盈利的，一开始是亏损的，但是我后面叠加了，我做的多了，我这里有一个项目，如果只有一个项目的时候，我投入的成本会比较大，但如果周边很多项目的时候，我就会变成规模效应了。我们就很多可以共享，我就会把我的经济效益可以体现出来。

**Speaker:** Yes, it is profitable now. Overall, we are making a profit. Initially, we were operating at a loss, but later we achieved economies of scale by continuously expanding our projects. If we only had one project, the costs would be very high. However, as more projects in the surrounding areas were developed, resource sharing helped reduce costs, and economic benefits began to materialise.

**我：**最后一个问题，您作为从业者来说，您认为物业企业参与社区治理这件事情，你有没有一些意见和建议？比如说给到物业企业也好，给到协会也好，或者是给到执法者也好，有没有什么？

**Interviewer:** One last question—as a practitioner, do you have any advice or suggestions for property management companies, industry associations, or regulatory authorities regarding property companies' participation in community governance?

**受访者：**我觉得核心的是政府的理念，我认为很重要，我其实是有做对比的，政府如果他没有这种想法，你像其实我们也出去谈，我们想把 B 市模式把我们模式推到 D 市，但实际上我认为这是很好的一件事情。但是政府的理念如果到它受制于各种的这个要求，然后最终这个事情就很难落地。所以我认为他的理念是很重要的，他的理念是很重要的，其实我们每一年在搞镇长论坛，我们全国每年都搞论坛，其实这个论坛就是针对于基层治理的一个论坛，每一年都有开展，其实在社会的反响是很好的。我们每年会邀请到国家部委的一些退下来的领导也好，在在职的领导也好，还有某个知名高校也好，他们形成了一个智库，就专门研究我们社区治理目前存在的问题和改进的方向，然后怎么样让它变成一个商业模式。其实在这个过程当中，我认为我们公司是做出了很多的努力，也做出了很多的我们都说的比较有标杆项目的一些项目，但是目前还是我刚才说的理念，我可以说 B 市塔那个项目我们怎么接下来的。B 市塔那个项目一开始的时候，其实 B 市市政府也没有想到说这个项目让他去怎么去治理。B 市塔是整个 B 市的城市客厅，然后我不知道你去过 B 市塔，没有见过 B 市塔的周边的一公里，其实很繁华的，但是你去看看周边的两公里和三公里的时候，它是很乱的，它周边有城中村，周边没有开发的区域，周边的停车很乱。但是其实这有一个契机，就是当时的书记有一天早上去跑步的时候，就发现了周边的环境和整个的城市客群不匹配，然后当时就跟市政府和区里面做了要求，刚好那一年，刚好那一年我们就跟区里面也介绍了我们的全域服务，刚好区里面又想到我们是纳税大户，又想到我们有这个服务，有这个理念，然后就引入进来了，然后就产生了这么多的项目，然后最后有这么好的社会效益和经济效益。我反正觉得理念很重要，然后机制也很重要，你有了理念之后政府才会去想这个机制。

**Speaker:** I think the core issue lies in the government's vision, which I believe is very important. I have actually made some comparisons—if the government lacks this kind of vision, many initiatives cannot be implemented. For example, when we tried to promote the B City model and the model in D City, I personally think this was a great idea. However, if the government's vision is constrained by various requirements, it becomes very difficult to execute these plans. That's why I believe the government's vision is crucial—extremely crucial. Every year, we organise a Town Mayor Forum, a national forum focused on grassroots governance. It is held annually and has received very positive feedback from society. We invite retired and current leaders from national ministries, as well as

experts from well-known universities, to form a think tank dedicated to studying the current issues and improvement directions for community governance. They also explore how to transform these governance approaches into viable business models. In this process, I think our company has made significant efforts and delivered many exemplary projects that serve as benchmarks. However, as I mentioned earlier, the government's vision is still the key factor. Let me share how we got involved in the B City Tower project. Initially, the B City municipal government didn't have a clear governance strategy for the project. B City Tower is considered the city's "urban living room." If you've been to B City Tower, you've probably seen the bustling one-kilometre radius around it. However, if you look beyond that—two or three kilometres out—the area becomes chaotic. There are urban villages, undeveloped zones, and disorganised parking in the surrounding areas. The turning point came when the City Leadership went for a morning run one day and noticed that the surrounding environment didn't match the image of an "urban living room." He raised concerns with the municipal and district governments and made specific demands. It just so happened that year, we introduced our comprehensive service model to the district. The district government recognised that we were a major taxpayer and that we had both the capability and the vision to provide these services. They brought us in, and this led to the development of many subsequent projects. Ultimately, these projects generated significant social and economic benefits. In my opinion, the government's vision is critical, and so is the establishment of mechanisms. Once there is a clear vision, the government will start thinking about the necessary mechanisms to support it.

**我：**明白。行。我非常感谢您提供的想法和时间！

**Interviewer:** I see. Thank you very much for sharing your thoughts and taking the time to speak with me!