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Socialization Development of ESG Business Models in Representative Asia-Pacific Countries: A State-of-the-Art Review and Recommendation

LIU Yanxin
Brandeis University, Waltham, USA
XUE Qianqiang
Minzu University of China, Beijing, China

The integration of environmental, social, and governance (ESG) principles has become a pivotal factor in shaping sustainable and responsible corporate practices. The present study investigates the integration of ESG principles within corporate governance models in Asia-Pacific countries, focusing on socialization. By examining the governance culture, legal frameworks, and corporate practices in these representative countries, the paper delineates a strategic framework for embedding social governance into corporate strategies. The study introduces a Cultural, Economic, Legal, and Political (CELP) framework to assess corporate social governance, investigating the correlation between business practices and social changes. Through a systematic literature review and detailed thematic analysis, this paper aims to offer actionable insights and recommendations, guiding corporations in their transition towards more sustainable and socially responsible business practices.

Keywords: ESG, socialization, business practice, Asia-Pacific countries, systematic literature review

Background

Sustainability has become a critical component of modern business strategy, signifying a broader consideration for a company's future development. This trend underscores a shared understanding in corporate governance that a company's success isn't just about short-term financial gains but also its long-term contributions to the economy, society, and environment (Svensson & Wagner, 2015). The idea of being a responsible corporate citizen is gaining traction, emphasizing that companies should balance profit-making with the societal and environmental impacts of their decisions and actions (Okafor, Adeleye, & Adusei, 2021). This evolution is evident in how businesses interact with stakeholders like employees, customers, suppliers, communities, and the environment, aiming to maximize benefits without compromising the well-being of future generations.

For leading companies, this shift in business strategy means reevaluating their strategic positioning, business processes, and capital management to ensure they both generate economic value and make a positive social and environmental impact. This approach is both an ethical and strategic choice, supported by growing evidence that

LIU Yanxin, Master, Brandeis International Business School, Brandeis University, Waltham, USA.
XUE Qianqiang, Ph.D., lecturer, School of Law, Minzu University of China, Beijing, China.
Correspondence concerning this article should be addressed to LIU Yanxin, Brandeis International Business School, Brandeis University, Waltham, USA.

sustainability, particularly when incorporating social governance, is key to long-term success (Tandoh, Duffour, Essandoh, & Amoako, 2022). It encourages all stakeholders to trust and support the business's long-term vision, transforming their relationship from mere transactions to partnerships based on shared responsibilities and goals (Bhattacharya, Korschun, & Sen, 2009).

Despite numerous studies showing that integrating social governance significantly contributes to long-term success, the application of these practices across the business landscape remains sporadic. The discussion lacks a comprehensive strategy for integrating social governance, missing out on detailed analyses across different industries, economic contexts, and systematic data analysis. For instance, there's a need to deeply explore how social elements affect various sectors (like manufacturing, services, IT, etc.), identify challenges and opportunities in social governance, understand its effectiveness during economic booms and downturns, and assess sustainable investment strategies and adaptations.

This research will delve into "Socialization Development of ESG Business Models in Representative Asia-Pacific Countries", examining the governance culture and established practices in these regions and how companies there are working towards integrating social governance. The goal is to offer a strategic framework that companies can reference, tailored to meet specific needs based on industry, economic cycle performance, and legal requirements, ultimately guiding businesses in their transformation towards sustainability.

Conceptual Framework

The research objective of the Systematic Literature Review (SLR) is comprised of three primary components: corporate governance socialization, ESG business model, and representative Asia-Pacific countries development, due to this the following concepts are presented below.

Thematic Analysis of Corporate Governance Socialization

Origin: Socialization of corporate functions. Over the last few years, the societal role of businesses has seen a significant shift. They've expanded their scope from being solely focused on profit-making and enriching shareholders to playing a pivotal role in social governance. This change is crucial, especially in tackling global crises like the pandemic. During such times, alongside government initiatives, numerous companies have stepped up to support epidemic control efforts, offering donations and resources to bolster public health systems. These efforts are not just outward-facing; internally, businesses have implemented preventive measures to safeguard their employees, indirectly bolstering national public health strategies. Wang (2020) highlights that in East Asia, both businesses and governments have worked in tandem to enforce public health measures such as isolation, social distancing, and contact tracing during the pandemic, receiving broad societal support. This showcases the profound impact businesses have on social responsibility and collective action (Wang, 2020). Currently, there is a growing trend for businesses to take on greater social responsibilities and engage more in social governance. This trend not only reflects the growing recognition of companies as key players in social governance but also underscores the importance for companies to integrate social responsibility practices into their strategies, meeting the broader expectations of various stakeholders (Baatwah, Al-Qadasi, Al-Shehri, & Derouiche, 2022).

Progress: Socialization of corporate problems. The rapid spread of information and a heightened social consciousness have brought corporate internal issues to public scrutiny. Social values and movements are increasingly influencing corporate governance. The impact of social movements like #MeToo on corporate governance is significant. As it has not only raised awareness about sexual harassment but has also led to a broader demand for gender equality and respect in the workplace. The movement has led to the inclusion of "MeToo termination clauses" in CEO contracts, allowing companies to terminate CEOs without severance for sexual harassment, discrimination, or policy violations (Smith, 2020). This contractual evolution reflects a changing corporate governance landscape where organizational cultures and structures are increasingly expected to align with societal values of gender equality and respect.

The pressure of socialization requires companies to publicly address these issues and thoroughly examine their policies and cultures. The aim is to ensure they align with public values, creating an environment where ethical practices, transparency, and accountability are fundamental to corporate governance. The socialization of corporate issues marks a shift towards a more engaged and conscious form of corporate governance. Companies are now seen as social actors responsible for upholding the values and ethics that resonate with the public and their stakeholders. This shift towards more socially responsive corporate practices improves organizational cultures and contributes to the broader goals of social justice and equality.

Prospect: Socialization of corporate governance. The role of businesses in society has evolved from merely complying with regulations and engaging in philanthropy to embedding social responsibility into their strategic core (Pasko et al., 2022). This trend is clearly apparent in the growing focus on environmental, social, and governance (ESG) principles (Pasko et al., 2022). ESG principles compel companies to reconsider their effects not only on the environment but also on society and how they manage themselves. By integrating ESG factors, companies gain a broader perspective on their societal impacts. It goes beyond just shrinking their carbon footprint or maintaining ethical supply chains; it encompasses how they treat their employees, uphold their rights, and contribute to the communities where they operate. This comprehensive approach to governance underscores the firm's social dimension, acknowledging that the long-term success of a business is deeply connected to social welfare (Yu, 2023). In this context, companies play as dominate participator in constructing social security system, helping employees deal with issues like sickness and aging, thereby promoting social stability and harmony. According to Hao, Farooq, and Zhang (2018), companies are encouraged to implement philanthropic actions, including better pay and conditions for low-income workers, improving employee welfare, and supporting the social security system.

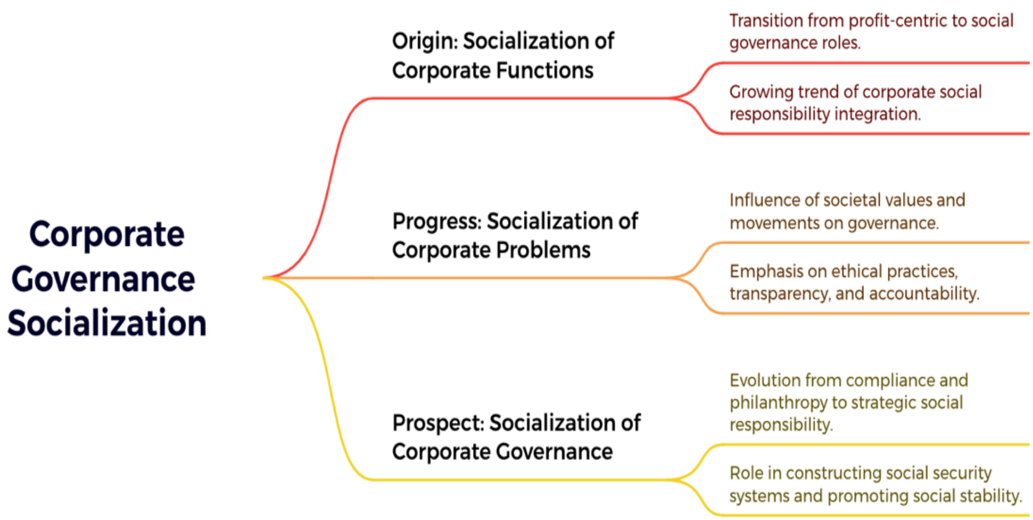

Figure 1. Corporate governance socialization.

Transitioning to ESG Business Model

As globalization and tech advances reshape the business landscape, the understanding of corporate governance has evolved. Nevertheless, its fundamental aim remains constant, which is to secure the company's enduring success and growth while looking out for the welfare of every stakeholder. Drawing on the work of Berle and Means (1932), Milton Friedman (1970) introduced the Shareholder Primacy Theory, advocating that corporations should prioritize shareholder wealth above all. This approach quickly became the dominant paradigm for management and strategic decision-making within companies, highlighting the belief that shareholders, as the ultimate risk-takers in a company's collapse, should prioritize their interests to guarantee substantial investment returns (Hung, 2020). However, the shareholder primacy theory has faced criticism for its overemphasis on short-term interests at the expense of broader stakeholder considerations (Fisch, 2005). This narrow focus can jeopardize the company's long-term stability and growth, while sidelining the crucial roles played by other stakeholders, ultimately impacting the company's enduring prosperity. Freeman (1984) proposed Stakeholder Theory as a response, arguing that a company's success should be evaluated based on its capacity to benefit shareholders exclusively. Instead, this theory promotes a broader and more inclusive approach to management, urging companies to consider all stakeholders' needs and interests (Donaldson & Preston, 1995). Stakeholder theory champions sustainable and ethical practices in corporate governance, advocating for a balanced consideration of all parties involved (Freeman et al., 2004). This more rounded governance model focuses on achieving long-term stability and growth while ensuring that the interests of all stakeholders are respected and protected, thereby contributing to the company's sustained success.

Since the 1990s, the discussion on corporate social responsibility (CSR) has become increasingly influential in both the corporate realm and academic spheres. Rooted in stakeholder theory, CSR underscores a company's commitment to environmental sustainability and societal well-being. This evolution has seen sustainable development become central to CSR efforts, leading businesses to weave social responsibility with sustainability and environmental stewardship more tightly (Yevdokimova, Zamlynskyi, Minakova, Biriuk, & Ilina, 2019). Typically, CSR encompasses voluntary actions like philanthropy, community engagement, and ethical employment practices to further societal objectives (Farcane & Bureană, 2015). This approach has matured into viewing CSR as a strategic asset, capable of generating mutual benefits for both companies and communities.

The introduction of Environmental, Social, and Governance (ESG) standards in 2004 marked a pivotal shift, offering a blueprint for evaluating a company's impact on the environment, stakeholder relations, and governance practices. Distinct from CSR, ESG focuses on embedding these considerations into a company's core strategy, reflecting a broader understanding of sustainable business practices as essential for navigating risks and capitalizing on opportunities (Ahmad, Mobarek, & Raid, 2023). Embracing ESG highlights the indispensable role of sustainability in ensuring a company's longevity and mitigating risks (Duuren, Plantinga, & Scholtens, 2016), while also presenting a methodical way to address stakeholder concerns. With the tightening of regulatory frameworks and growing investor scrutiny on ESG metrics, corporations are awakening to the fact that sustainable operations are beneficial not only for the environment and society but are also indispensable for enduring business prosperity (Ahmad et al., 2023). Studies indicate that companies adhering to ESG principles tend to outperform financially over the long haul, motivating them to integrate these values into their business models and strategic planning (Zhao et al., 2018). Such integration positions corporations to effectively meet social and environmental challenges and to stand out in a crowded marketplace.

Representative Asia-Pacific Countries Business Development

China. China's quick rise to become the world's second-largest economy marks its transition from a predominantly developing nation to an emerging economy with characteristics of a developed country. In this transition process, corporate governance structures have proven to be crucial in driving economic growth. Business innovation and entrepreneurship have played a central role in this phase, with listed companies in particular becoming key drivers of GDP growth and employment (Chen, 2014). Their business decisions, investment strategies, and foreign economic and trade activities have largely shaped the macro and micro levels of China's economy. In terms of China's business strategy and corporate governance model, the country's legal system, social structure as well as political framework play a crucial role. As a socialist country, the characteristics of China's political system, such as the centralized and unified leadership style, have profoundly affected the corporate governance structure. In particular, the requirements for the establishment of Party organizations within companies are in sharp contrast to traditional governance models in the West, demonstrating the direct role of political ideology in business decisions and corporate policies (Jiang, 2009). Therefore, the purposes and policies of the Communist Party of China (CPC) will undoubtedly be taken into consideration when formulating the company's development strategy and operation mode.

Since the inception of the reform and opening-up policy in 1978, China has abandoned its previous policy of isolation and actively integrated itself into the global economy and international markets. Corporate governance has experienced significant standardization, particularly through legal reform. Regulations, market access, financial reporting, and shareholder rights all demonstrate China's willingness to learn from and implement internationally recognized best practices (Zhu & Lin, 2013). This openness not only provides Chinese companies with the necessary tools to compete internationally, but also provides foreign investors with a clearer investment environment (Jiang, 2015).

To sum up, the study of China's corporate governance model requires an in-depth understanding of its uniqueness under the socialist system, and full consideration of how it absorbs advanced international governance experience to adapt to the requirements of globalization while maintaining this uniqueness. Such an analysis would allow a better assessment of the efficiency and future development trends of Chinese corporate governance practices, as well as how these practices have an impact in the wider global economy.

Japan. The evolution of Japan's legal system and model of corporate governance has been a complex process over the centuries. Since the Meiji Restoration, Japan has integrated Western legal principles and structures, notably from the German civil law system, deeply influencing its legal and legislative approach (Kozuka & Nottag, 2013). Post-World War II, Japan reformed its legal and political systems under U.S. influence on democratic governance, human rights, and property rights while maintaining its civil law roots (Foote, 1992).

Japan's distinctive "Main Bank System" places banks at the heart of corporate management and strategy, fostering strong bank-enterprise ties and efficient resource and risk management, but also raising questions about governance transparency and responsibility (Aoki & Patrick, 1995). Studying these aspects offers valuable insights into Japan's societal and economic fabric, and contributes to understanding how different legal traditions influence corporate conduct and economic growth. Therefore, a comprehensive study of Japan's legal system and corporate governance model not only reveals its inner working mechanism, but also provides a model for other countries to deal with legal and governance pluralism in the context of globalization (Koh, Nakahigashi, & Puchniak, 2019).

Asian tigers. In the 1950s, the “Asian Tigers”—South Korea, Taiwan, Hong Kong, and Singapore—stood out for their rapid economic growth using Export-Oriented Industrialization (EOI) strategy and government interventions (Gulati, 1992). They liberalized trade and attracted foreign investments to sustain development (Toma, 2019). In response to global economic shifts and the Asian financial crisis, their success hinged on strong political leadership, long-term strategies, and flexible macro policies (Gulati, 1992). As the economy grows, corporate governance naturally evolves to align with the changing external environment, while societal governance, including laws and policies, also impacts corporate management. The Asian Tigers share common traits, including power concentration and potential conflicts of interest stemming from family ownership (Judge, 2012). Additionally, their rapid economic growth frequently surpasses the advancement of corporate governance frameworks, leading to challenges in maintaining transparency and accountability (Clarke, 2000). Understanding the “Asian Tigers” necessitates examining their macroeconomic, social, and corporate governance adaptability.

South Korea’s business development underscores the effectiveness of strategic adjustment and international collaboration. After the Korean War, South Korea, which was previously ranked among the most impoverished nations globally, achieved an initial recovery and rapid growth on the back of US commercial aid in the 1950s and the development strategy of the Park Chung-Hee government (Heo & Roehrig, 2010). Concentrating on industrialization and boosting exports, South Korea carved out as a global economic powerhouse over the decades (Soesastro, 2006). Moreover, South Korea’s corporate governance model is heavily influenced by the structure of large family-controlled conglomerates, the chaebol. This structure, while pivotal to rapid economic development, has also been criticized for lack of transparency and potential abuse (Oh, Yoon, & Kim, 2021). After the financial crisis, South Korean authorities rolled out reforms to enhance corporate transparency, improve governance, and bridge the gap between ownership and control, though some issues persist.

The synergy between the chaebols’ governance, U.S. economic aid, and proactive governmental policies has not only spurred South Korea’s impressive economic rise but also bolstered its standing internationally. Despite the ongoing governance challenges, the chaebol system remains a cornerstone of South Korea’s economic architecture, generating substantial wealth and contributing significantly to its continued prosperity (Jun, Rowley, & Oh, 2021).

Taiwan’s economic trajectory, paralleling that of South Korea, has significantly benefited from American commercial assistance. This support has been instrumental in shifting the island’s economy from aid dependence to becoming an influential export-driven powerhouse with substantial global reach (Chiang & Gerbier, 2008). Throughout this transformation, a notable feature of Taiwan’s corporate landscape has been the predominance of family-owned and controlled businesses. This dynamic often results in a prioritization of personal or familial interests over those of wider societal stakeholders (Shu & Chiang, 2020). In an effort to address these governance challenges, Taiwan has undertaken proactive reforms aimed at enhancing its corporate governance framework. By aligning more closely with international standards and boosting transparency, Taiwan is showcasing its commitment to higher governance principles and further integration into the global economy (Hsieh & Roehrig, 2010).

Hong Kong’s approach to corporate governance blends models from the Anglo-American system, Family Control, and Hong Kong Chinese Enterprise, creating a unique mix of governance traits. The Anglo-American corporate governance framework is distinguished by its dispersed ownership between individual and investors, emphasizing market-based oversight and shareholder engagement. However, the model's effectiveness faces challenges in Hong Kong because of the more concentrated shareholdings and a higher ratio of foreign listings than what is usually observed in traditional Anglo-American firms. As seen, family-controlled businesses are commonplace in the local landscape, where one or more families wield significant influence, centralizing equity. The involvement of family members, especially when a founder serves as CEO, can be pivotal to a company's fortunes (Lee & Barnes, 2017). Moreover, the governance style of Hong Kong Chinese Enterprise reflects their state-owned lineage, with state-owned shares playing a leading role and heavily shaping governance (Lyu, Wang, & Zhang, 2023). This mix of governance models in Hong Kong, each with its distinct characteristics, is shaped by a variety of factors including the concentration of ownership, cultural nuances, and the legal and regulatory framework (Chu, 2016).

The corporate governance framework in Singapore is fundamentally anchored in the Anglo-American tradition yet is distinguished by unique characteristics stemming from its highly concentrated ownership patterns and relatively small capital market. This concentration of ownership, predominantly among the government, multinational corporations, wealthy individuals, and families, inherently restricts the external incentives for companies to enhance their performance and governance standards, leading to a preference for friendly acquisitions over hostile takeovers (Phan & Yoshikawa, 2004). Concurrently, this concentration poses potential risks, including breaches of management decision-making and accountability principles, as well as the illegal diversion of assets.

In the face of globalization and with a strategic focus on attracting foreign direct investment (FDI), Singapore has successfully integrated a substantial number of foreign enterprises into its economy, fostering significant economic development (Chen & Shao, 2017). The nation places a high premium on safeguarding public interests and earnestly endeavors to align its corporate governance practices with international benchmarks. Furthermore, Singapore is progressively harmonizing its financial reporting standards with the International Financial Reporting Standards (IFRS), thereby improving the quality and transparency of financial disclosures (Hla & Isa, 2017). This initiative serves to draw a broader spectrum of investors and stakeholders, evidencing the beneficial effects of Singapore's commitment to open trade policies and a favorable outlook on FDI. Such policies have cultivated a conducive atmosphere for the practice of corporate governance that meets global standards, reinforcing Singapore's position in the international business community.

Australia. The Australian corporate governance model is distinguished by its unique traits and varied strategies. This model is underpinned by a mandatory pension scheme that necessitates contributions from both employers and employees to the pension fund, thereby creating a substantial base of investors (Mees & Smith, 2019). This framework has enabled industry funds, established in the 1980s and closely linked with the trade union movement, to play a pivotal role in the stock market and significantly influence corporate governance (Griggs, 1996). Typically, these funds are co-managed by trustees appointed by trade unions and employers' associations. Institutional investors, particularly industrial funds, are proactive in spearheading corporate governance reforms in Australia. They exert influence over corporate policies through various means such as voting, lobbying, and direct engagement with management, focusing on issues like executive pay, environmental sustainability, and climate change mitigation (Robinson, Parker, Carey, Foerster, Blake, & Sacks, 2022). The Australian Council of Super Investors (ACSI), representing industry funds, actively promotes progress in corporate governance, emphasizing environmental, social, and governance (ESG) reporting, board diversity, and executive remuneration.

Australia's reform journey in corporate governance adopts a gradual approach, valuing prudence and the pursuit of long-term value. This method is manifested through annual reports, discreet lobbying, and fostering consensus within the investment community (Pham, Suchard, & Zein, 2012). Moreover, managing ESG risks is considered a crucial aspect of corporate governance, with companies encouraged to report transparently on these matters and to adopt measures to mitigate potential risks (Zioło, Bąk, & Spoz, 2023). At its core, the Australian corporate governance model is characterized by the vigorous participation of institutional investors, the foundation provided by the compulsory superannuation system, a strong commitment to social responsibility, and a focus on fostering long-term value.

New Zealand. New Zealand's corporate governance delicately balances corporate risk management and supervisory responsibilities, influenced significantly by its characteristic board structure and institutional environment. The larger boards have a greater preference for stability and lean towards more prudent decision-making (Almaskati, Bate, & Bhabra, 2015). The nation's underdeveloped capital market, a milder corporate takeover culture, and less performance-oriented compensation schemes encourage companies to shy away from undue risks, favoring strategies aimed at long-term growth and sustainability (Reddy, Abidin, & You, 2015). As the lines between corporate governance and social responsibility practices blur, New Zealand's leaders increasingly acknowledge that a solid governance structure fosters corporate longevity and advances more enduring approaches to social responsibility (Zaman, Nadeem, & Carvajal, 2020). This governance philosophy, which adeptly balances growth with risk in a smaller, dynamic market environment, distinguishes New Zealand firms from their counterparts in more mature markets, ensuring they navigate challenges with both caution and vision.

Methodology

This study employs a SLR methodology. SLRs are widely used in business and social science research for their distinct advantages such as replicability, transparency, and reduction of review subjectivity, making them preferable to other literature review methods (Truant, Borlatto, Crocco, & Bhatia, 2023; Khan, Krishnan, & Dhir, 2021). This review adopted the systematic approach (Tranfield, Denyer, & Smart, 2003), which was originally developed for the medical sciences but later tailored for management and organizational studies. This methodology has been effectively utilized in numerous studies investigating the state-of-the-art tools for evaluating how businesses affect various aspects of sustainable development (Suárez Giri & Sánchez Chaparro, 2023; Pranugrahaning, Donovan, Topple, & Masli, 2021). This review adheres to Tranfield et al.'s (2003) three-phase method: establishing the review protocol, conducting the paper screening, and reporting on the findings.

Planning the Review Protocol

During the initial stage of planning, the primary endeavor encompasses the construction of an initial iteration of the research question. The design of the research question plays a crucial role in influencing the selection of search strategies, defining inclusion criteria, conducting synthesis, and presenting findings (Thomas, Kneale, McKenzie, Brennan, & Bhaumik, 2019). The ultimate research question is as stated:

RQ: What is the state-of-the-art academic production on socialization development of the ESG business model?

To address this question, one must: (1) determine the time and place of relevant research and its publication; (2) assess the research methods employed in these studies; (3) examine the socialization of ESG business models that were studied; (4) analyze the objectives of these studies; (5) integrate the main findings; and (6) identify potential areas for future research.

The second step is to conduct a scoping literature review to determine the literature's relevance and scope. This phase executed the review protocol and conducted an initial screening of papers, which is essential for acquiring a preliminary understanding of an initial insight into the academic landscape and for refining search terms. The final step concluded with the evaluation of the remaining papers and the formulation of the review protocol, detailing the study's objectives, search strategy, analysis, and synthesis process. This protocol is essential to contribute to the review's rigor and integrity.

Conducting the Paper Screening

The initial step involves performing searches in academic databases using the string established during the first stage. This study utilizes Scopus and Web of Science (WoS) as databases for their broad scope. These platforms are recognized for their extensive inclusion of peer-reviewed social sciences literature (Carnevale & Drago, 2024; Cunha, Meira, & Orsato, 2021). This study examined peer-reviewed, English-language publications from scientific journals that were released with early access. The selection prioritized these document formats based on their well-established presence in scientific discourse (Carnevale & Drago, 2024; Cunha et al., 2021), while rejecting other forms of publication such as books or conference proceedings. In order to obtain a more thorough comprehension of the present status of ESG advancement, the literature search was conducted without any geographical limitations. The review period spans publications from January 2006 to March 2024, aligning the start date with the introduction of the Principles for Responsible Investment in 2006. The article screening and coding procedures were finalized in March 2024.

Acknowledging the inherent limitations of each keyword search, a search algorithm was developed by selecting relevant keywords. To minimize the oversight of pertinent studies by incorporating broader keywords such as "CSR" and "corporate social responsibility", the refined search algorithm targeted titles, abstracts, and keywords, employing the formula: ("ESG" OR "environment*" OR "climate" OR "carbon" OR "social" OR "governance" OR "corporate social responsibility" OR "CSR") AND ("socialization*") AND ("business" OR "economy*" OR "finance*"). The specified search query yielded a combined total of 743 articles from WoS and 768 articles from Scopus. To ensure the relevance and comprehensive nature of the research, papers unrelated to the domains of business and management were removed by applying the filtering methods provided by the repository. The exclusion techniques yielded a conclusive sample of 392 articles. The sample size was reduced to 328 papers after eliminating duplicates. The author utilized VOSViewer and Python to visually represent the study profile and the most commonly utilized keywords, facilitating a more comprehensive analysis of the sample.

Reporting on the Findings

Figure 2 illustrates the trend in article publication over time, revealing a notable surge in interest in the subject beginning in 2019. Over 50% of the sample comprises publications that were published between 2018 and 2024, suggesting a growing interest in this subject. A significant catalyst for this trend might be traced back to 2019 when 181 chief executives from the Business Roundtable signed the Statement of Purpose, which was a crucial reshaping of corporate culture. This movement saw the nation's top companies commit to transitioning from a shareholder-centric approach to prioritizing a broader array of stakeholders, including employees, customers, the environment, and society. Since the introduction of the Principles for Responsible Investment in 2006, the concept of responsible business practices has gained widespread recognition. Corporate social responsibility encompasses voluntary commitments like philanthropy, community engagement, and ethical employment practices aimed at furthering social objectives. The adoption of ESG standards introduced metrics for a systematic review, formally integrating these considerations into companies' core strategies for sustainable development. As anticipated, the bulk of research on this topic has been published in finance and management journals (Figure 3). However, given the relevance of the analyzed topic to corporate managers and policymakers, several studies also appear in journals focused on economics and social science.

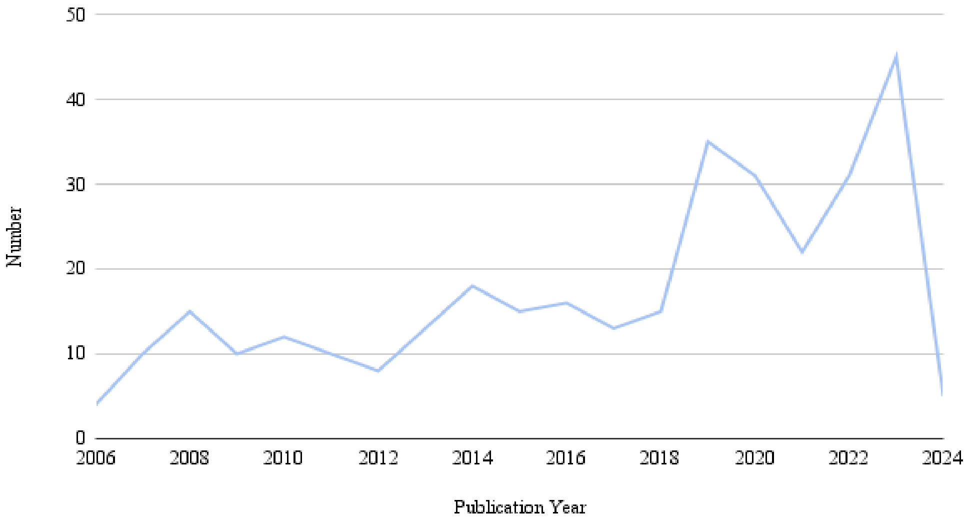

Figure 2. Number of articles per year of publication.

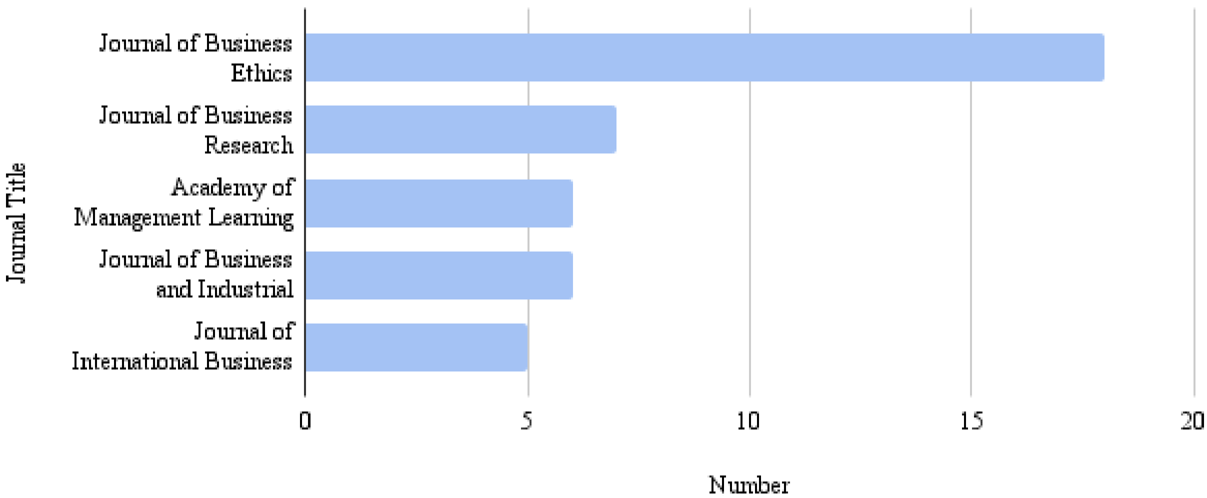

Figure 3. Top 5 published journal title.

In order to enhance the comprehensiveness of the study of the literature stream, VOSViewer was utilized to generate and present conceptual maps using bibliometric data. The 2D map emphasizes the frequently occurring keywords in the data, with bigger labels indicating their significance. Moreover, the proximity of terms reflects the degree of connection, as measured by how often they appear together in the corpus. The objective of this research is to visually depict groups of keywords and enhance comprehension of the influence of emerging topics on the body of literature. Figure 4 demonstrates this analysis.

The keyword analysis reveals a distinct categorization of subjects into well-defined clusters. The yellow cluster is prominently located in the center of the map and contains keywords related to socialization development and firm performance. Here, keywords such as "corporate social responsibility", "firm performance", and "socialization", testify that corporate social responsibility boosts firm performance and promotes corporate socialization, aligning stakeholder values with societal goals. On the upon side of the map, there is a noticeable red cluster that links "governance" with "innovation". This cluster emphasizes the idea that corporate governance necessitates ongoing innovation. The blue cluster represents the influence, as it contains terminology typically connected with corporate governance regulations, such as "framework". The blue cluster is impact, as can seen from keywords commonly associated with corporate governance regulations, such as "framework". It can be found that the connection between moderating models and planned behavior in the purple cluster that moderating models can be used to examine how different conditions affect the direction of the relationship with planned behavior. Finally, the green clusters are featured as the topics of "behavior" and "culture", indicating that corporate socialization development reveals how national culture significantly influences people's behavior within organizations.

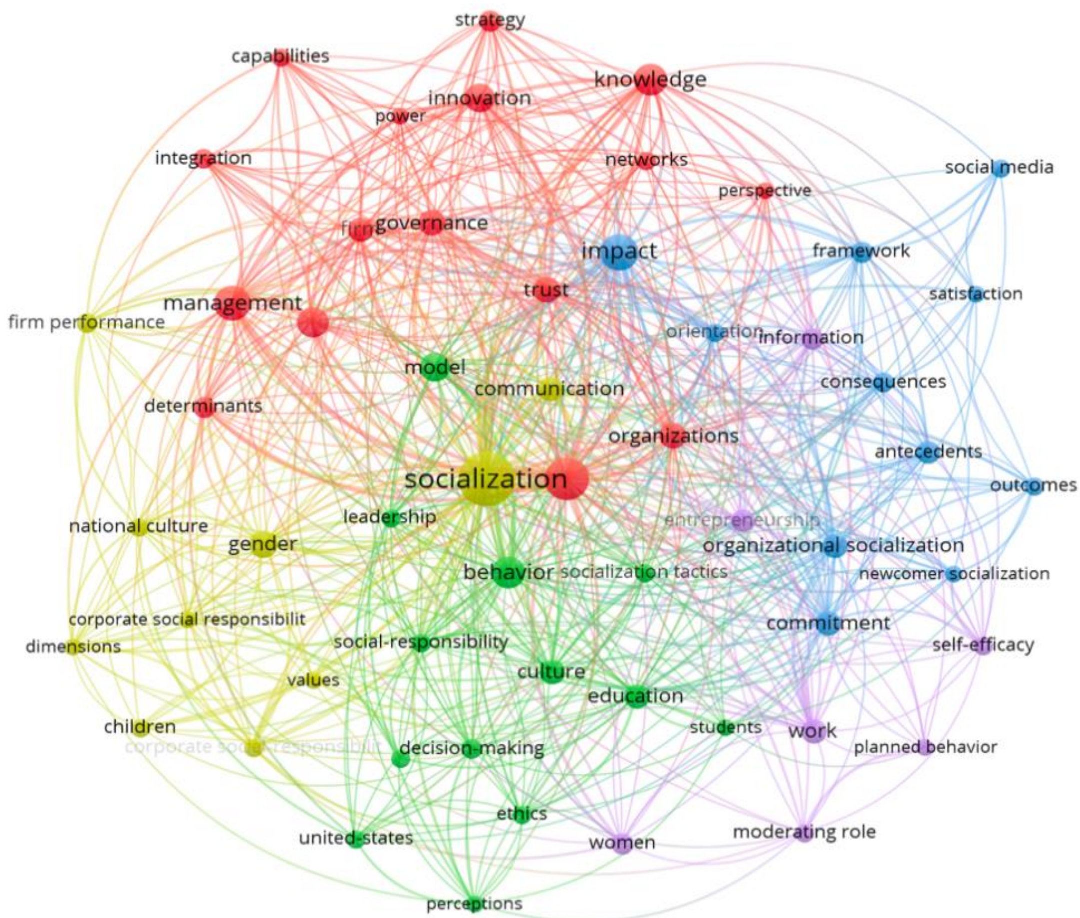

Figure 4. Keywords analysis using VOSViewer.

Discussion

Overview of Socialization of ESG Business Governance Model

This paper's objectives were to compile and analyze the scholarly work regarding the development of corporate socialization under the ESG business framework, organize this burgeoning research area, and highlight any unaddressed areas within the field. Through these goals, the study seeks to support academics in carving out new research avenues and offer practitioners a thorough synthesis of scholarly discussions on the advancement of corporate socialization. Analyzing the publication details of the sampled articles provided a revealing look into the current state of scholarly output on evaluating corporate socialization development. This analysis highlighted three main characteristics of the existing body of work. Firstly, there's a noticeable geographic concentration of research. Figure 5 presents a succinct overview of the geographical location of the sample. Each circle represented the number of papers published by a country in this field, with the size of the circle directly correlating to the volume of literature produced by that country. More than 50% of the articles in the sample were published by researchers in Western institutions. Secondly, the exploration of corporate socialization development is notably a recent phenomenon, with 52% of the collected works being published since 2019. Finally, the literature on the evolution of corporate socializing originates from a diverse array of academic fields. Despite the sampled studies primarily targeting business-related areas, the academic databases indicated that this topic touches upon more than 30 different fields, underlining the interdisciplinary nature of this research. These findings play a crucial role in framing the interpretations derived from this research.

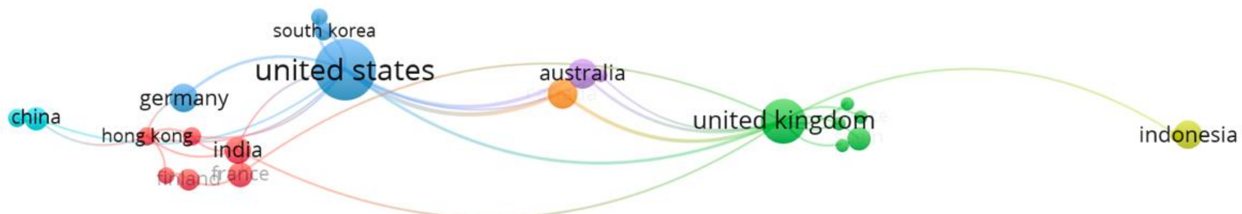

Figure 5. Countries analysis using VOSViewer.

The structure of corporate governance as one of the most important aspects of a nation's microeconomic foundations, intricately linked with macroeconomic shifts (Bran, Bodislav, Popescu, & Potcovaru, 2022). In periods of economic growth, corporate governance trends towards openness and innovation, prompting businesses to pursue aggressive market expansion and technological advancements. Conversely, during downturns or uncertain times, a more conservative stance prevails, focusing on risk management and optimizing cost-benefits. This adaptability in governance approaches mirrors companies' capacity to realign their internal management and strategies in response to external economic changes. Moreover, the broader social governance framework, encompassing laws, policies, and cultural norms, profoundly influences corporate governance by establishing operational guidelines, shaping ethical standards and strategic decision-making, and steering businesses through economic ups and downs (Darcillon, 2015). Thus, a deeper examination of how social governance adapts to economic cycles and its impact on corporate governance is imperative.

Existing literature often falls short in addressing how CSR and ESG performance influence corporate governance, typically focusing on specific frameworks like social enterprises or CSR initiatives without a comprehensive macro analysis. This results in a lack of guiding principles and examples of social governance in practice. Furthermore, the research tends to be narrow in scope, lacking in theoretical innovation and empirical analysis, which hinders a thorough exploration of social business strategies across different geographical, cultural, and corporate governance contexts. However, a detailed examination of the current incorporation of social aspects into ESG business models reveals significant potential for research into how these models are applied globally, especially regarding their adaptation to various regional and cultural environments. This is particularly relevant in the Asia-Pacific. There is less relevant literature on the Asia-Pacific region in the sample. Understanding the unique approaches and challenges of these locales is vital for grasping how firms tackle social issues in diverse cultural and economic settings.

In the modern era, marked by rapid technological advances, a drive for innovation, and fierce competition, the performance of high-tech companies in environmental and governance aspects is increasingly critical (Hausman & Johnson, 2014). Therefore, ESG research should not be confined to specific sectors but should encompass a broad view of sustainability objectives across various industries and company sizes. There is also a pressing need for both academia and the industry to delve into the monitoring and evaluation of ESG performance, enhancing methods to ensure transparency, efficiency, and comprehensiveness.

In summary, this paper’s thorough analysis and discussion on the integration of social elements into ESG business models not only offer strategic insights for companies but also lay the groundwork for further academic and industry research and practice. Through the ongoing socialization and dissemination of corporate values, coupled with the adoption of robust corporate governance practices, businesses can navigate economic and social challenges, achieving sustainable development success.

Future Research Recommendations

Drawing on prior studies on the similarities and differences observed in the socialization of corporate governance across various countries, along with an analysis of business literature related to ESG, this paper adopts the Cultural Political Economy (CPE) approach from the field of political economy. It integrates an array of factors, including legal frameworks, the political climate, economic growth, and cultural practices, to introduce an innovative Cultural, Economic, Legal, and Political (CELP) framework designed for assessing corporate social governance:

- Culture (C): Local culture significantly shapes corporate governance. As a result, business models that incorporate social elements reflect the cultural practices, mindset, and inherent cultural traits of the people involved.

- Economy (E): Corporate governance primarily concerns economic objectives like commercial interests and profits. However, there is a growing recognition that although social factors contributing to a company’s governance model are significant, the economic benefits often have the final say. This interplay between economic and social factors in corporate governance is a critical study area, emphasizing the importance of balancing social value with profit-making.

- Law (L): Various countries’ Company Laws, along with the Governance Standards for Listed Companies—often referred to as best practices in corporate governance—and corporate compliance documents, are replete with corporate governance regulations. These regulations both restrict and incentivize the selection of corporate governance models. Hence, when considering adopting a particular social governance model by a company, it’s crucial to stay within its registered location’s legal framework. This is especially true in the East (e.g., China), where such regulations are compulsory.

- Politics (P): Governing a country and managing a company share a high degree of similarity. Numerous studies have linked a nation's party politics, governance policies, and corporate governance models. Notably, Germany's "Codetermination" (Mitbestimmung), Japan's post-World War II "corporate community" (Keiretsu), and the concept of responsible capitalism championed by Elizabeth Warren in the United States exemplify the merger of politics and corporate governance. Consequently, examining how socialization integrates into corporate governance reveals a significant political dimension.

This framework (Figure 6) is designed to offer a fresh perspective to comprehend and assess the socialization of corporate governance.

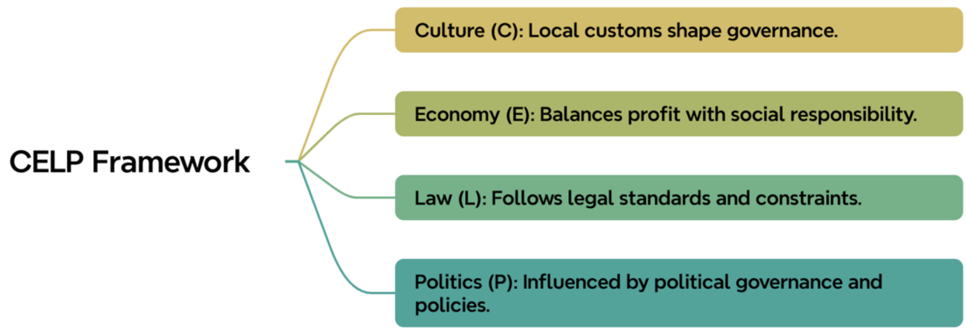

Figure 6. CELP framework.

In addition to macro-level research, it's crucial to delve into the unique needs and challenges faced by a country's key industries as they integrate socialization, considering the local economic and industrial landscape. By conducting case studies and industry analysis, develop specific guidelines for socialized corporate governance tailored to these cornerstone industries. These guidelines will serve as a compass, offering tangible and actionable insights for businesses across various sectors in navigating social responsibilities and corporate governance. This approach ensures companies can align with global trends while addressing industry-specific challenges. Such a diverse and thorough analysis not only sheds light on the complexities of corporate governance but also offers strategic advice to policymakers and business practitioners. The goal is to foster a corporate landscape that is more equitable, transparent, and sustainable.

Conclusion

This study focuses on the global trend of socialized corporate governance, observing that while much literature covers concepts like CSR and ESG, there's a lack of vertical theoretical analysis on the practical application of social elements in governance. The role of corporate governance in society has shifted from being singular to becoming diverse and personalized, encompassing a wide range of stakeholders including employees, consumers, creditors, communities, and the environment. However, current research frequently overlooks developing mechanisms for executing overarching business strategies. There's also a shortage of thorough cross-regional studies and systematic comparative analyses on models of corporate social governance. Additionally, these studies often do not adequately capture the interplay with national policies, legal frameworks, cultural attitudes, political traditions, and economic fluctuations.

In examining how economic conditions affect corporate governance structures and the effectiveness of business strategies, the author has keenly observed that national economic states and periods of economic growth significantly influence corporate governance. Economic crises not only exposed the weaknesses in how corporations respond to challenges but also necessitated a reevaluation of the adaptability of governance model. Therefore, improving corporate governance requires leaders to not only assess and react to changes in the external economic landscape but also to adjust their structures based on industry characteristics and sector-specific needs. The case of the “Asian Tigers” clearly demonstrates the impact of the economic environment, showing that external economic conditions have a direct impact on corporate governance strategies. Moreover, factors such as cultural attitudes, legal standards, and political customs are deeply intertwined with a company’s socialized governance model. This perspective is especially valuable for businesses to formulate commercial strategies in social governance. By considering factors such as CELP, the study seeks to offer a universal business strategy template. It emphasizes the need for companies to evaluate their own strengths and resources to effectively incorporate social considerations and strategically adapt to meet the unique needs of their industry.

In conclusion, the study highlights the importance of resilience and flexibility in corporate governance frameworks within a fluctuating global economic landscape. Businesses are urged to synchronize with economic fluctuations and develop robust crisis-response strategies to preserve the integrity and efficacy of their governance models. This approach is vital for ensuring stability and fostering growth amidst market shifts.

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