INTRODUCTION

According to the United Nations Refugee Agency (2017), there are over 40 million refugees worldwide. Although the refugee crisis in Europe captivated international attention in 2015, the crisis has evolved to become a global problem. Refugees currently living in Europe only account for 17% of the global refugee population, and the situation is much direr in regions such as Africa (30%), Middle East, and North Africa (26%). For millions of refugees, their forced displacement journeys may be fatal. Between 2015 and 2017, the annual refugee fatality rate kept reaching records (Missing Migrant Project, 2018). In 2016 alone, over 8,000 refugees died from drowning and vehicle accidents during migration. Even when refugees reach resettlement camps, many still struggle with access to basic living resources and face challenges such as language barriers, poverty, and cross-cultural adaptation (Douglas, Levitan, & Kiama, 2017).

The scope and magnitude of the global refugee crisis are unprecedented. This crisis has posed severe challenges to social stability and sustainable development around the world. Yet, most governments are ill-prepared for this global humanitarian crisis, or their actions are mired by polarized domestic public opinions and nationalist movements. Cross-sector alliance is an effective way for societies to address wicked problems such as the global refugee crisis that spills over sectoral and national boundaries (Jamali, Yianni, & Abdallah, 2011; Selsky & Parker, 2005). These types of interorganizational relationships are also known as multi-stakeholder collaboratives, social alliances, cause-based partnerships, social service partnerships, and business-community partnerships (for an extensive review, see Koschmann, Kuhn, & Pfarrer, 2012). While many NGOs and intergovernmental organizations (IGOs) advocate on behalf of refugees, our initial assessment reveals considerable disparity when it comes to corporate participation in refugee relief efforts and their corporate social responsibility (CSR) initiatives.

Abstract

The global refugee crisis has posed severe challenges to social stability and sustainable development around the world. While the business sector is expected to shoulder social responsibility in crisis relief efforts, our initial assessment shows that refugee-related corporate social responsibility (CSR) significantly diverged across the Global Fortune 500 corporations. To advance scholars and managers' understanding of this complex CSR issue, this study draws upon National Business System Theory to explore how country-level factors influence the multinational corporations' CSR communication about the refugee issue. Specifically, the study focuses on the strategic cross-sector alliances between corporations, NGOs, and IGOs. The analysis shows that in this controversial global crisis, the following factors of corporations’ countries-of-origin can significantly affect the level of cross-sector CSR alliances: democracy levels, economic inequality levels, and unemployment rates. Findings of this study provide practical guidelines that can help managers to anticipate societal expectations when dealing with controversial social issues in an international setting. Our findings could also assist policymakers, NGOs, and IGOs to better design strategies to mobilize the corporate resources.
This phenomenon is contrary to the contemporary societal expectation that corporations should actively contribute to the solutions of thorny social problems (Arts, 2002; Kolk & Lenfant, 2013). Recent research has found that corporations are eager to communicate CSR initiatives about salient social issues to benefit from public relations efforts (Kent & Taylor, 2007; Lim & Greenwood, 2017). The global refugee crisis has received intensive media coverage around the globe. Yet, some corporations are hesitant to get involved. As such, it is less well-understood why corporations respond differently when facing the largest humanitarian crisis in decades. Moreover, although scholars have examined cross-national differences in CSR reporting (Golob & Bartlett, 2007), CSR campaigns (Dhanesh, 2015; Trapp, 2012), and the connection between CSR and corporate-stakeholder relationships (Dhanesh, 2014; Trapp, 2014), most of these studies employ a case study approach, which limits the current understanding on how CSR may diverge across nations, especially on issues that are politically divisive or controversial.

Recognizing gaps in existing research, this study adopts an institutional perspective to examine corporations' CSR alliance-building related to the global refugee crisis. Institutional theorists argue that while a common thesis of globalization is the convergence of CSR related to the global refugee crisis, institutional theorists argue that context may intensify or constrain the effects of certain national importance of social issue contexts. Our results highlight that issue influence their cross-sector ties.

Exponential Random Graph Modeling (ERGM) was conducted to examine how corporations' country-level institutional variables may constitute a counteracting force. Therefore, MNCs from different national environments of different National Business Systems (NBS) may still demonstrate divergence in corporate decisions and behaviors (Bondy, Moon, & Matten, 2012; Lundvall, 1999). The NBS theory, a comparative institutional theory, explains how companies' CSR approach is influenced by political, economic, educational, and cultural contexts of their home countries (Matten & Moon, 2008). In this study, we extend the NBS framework by arguing that the application of NBS factors needs to account for the specific issue context. Social issues differ in their levels of salience and controversy (Heath & Palenchar, 2009). When studying long-term and less controversial CSR issues, researchers may apply all four NBS factors. However, when studying emergent and controversial CSR issues, scholars need to focus on the most relevant national factors that interact with the issue context.

The global refugee crisis is most likely to trigger or worsen political and economic conflicts (Douglas et al., 2017). Guided by NBS and our modified institutional theory framework, we propose that given the polarizing nature of the refugee crisis, countries' political systems and economic conditions may be significant predictors of corporations' cross-sector alliance choices. To test our hypotheses, we collected data from a list of Global Fortune 500 corporations that implemented refugee relief programs between 2012 and 2017. Exponential Random Graph Modeling (ERGM) was conducted to examine how corporations' country-level institutional variables may influence their cross-sector ties.

This study makes several contributions. Theoretically, the study extends a comparative institutional theory by underscoring the importance of social issue contexts. Our results highlight that issue context may intensify or constrain the effects of certain national context variables. This modification enhances NBS theory's applicability to polarizing, controversial, or emergent social issues.

Methodologically, this study combines data mining, human coding, social network modeling to study CSR reporting. Practically, findings of this study provide implications for corporate managers, policymakers, NGOs, and IGOs to better provide global refugee relief.

2 | INSTITUTIONAL THEORY AND CSR STRATEGIES IN A GLOBALIZED WORLD

2.1 | Institutional theory

As globalization and technological advancement increasingly open up new opportunities for corporations to compete, collaborate, and engage publics around the world (Botan & Taylor, 2004), the concept and practice of CSR have also disseminated from the Anglo-Saxon societies to the rest of the world (Matten & Moon, 2008; Seitanidi & Crane, 2009). The growing popularity of CSR has attracted considerable academic interests, and different theories such as stakeholder theory, legitimacy theory, institutional theory, resource dependence theory, and transaction cost theory have been utilized to explore various aspects of CSR (Frynas & Yamahaki, 2016). Among these theories, both stakeholder and institutional theories examine the external drivers of CSR but with different theoretical foci (Vashchenko, 2017). Whereas stakeholder theories emphasize the influence of specific stakeholder groups and their interests, institutional theories explore the social aspect of CSR, namely, how social institutions influence CSR strategies (Nurunnabi, 2015).

Institutions are “constellations of established practices guided by formalized, rational beliefs that transcend particular organizations and situations” (Lammers & Barbour, 2006, p. 364). Institutional theories assume that corporations cannot survive without complying with the social norms in a given business environment (DiMaggio & Powell, 1983). Institutional theories encompass a range of intellectual traditions, and scholars have identified a number of social, economic, and cultural institutions that shape CSR (Campbell, 2007; Doh & Guay, 2006).

Institutional theories posit that the mechanism of isomorphism—a homogenizing process that forces one unit in a community to emulate other units that face the same set of environmental conditions (DiMaggio & Powell, 1983)—makes companies with similar characteristics adopt similar CSR strategies. Industry field is often cited as an organization-level institutional context, where organizations from the same industry often face similar stakeholder expectations and regulatory environment, and compete for similar consumers (O’Connor & Shumate, 2010). For instance, companies from the same industry field may face similar levels of public attention and scrutiny. Rowley and Berman (2000) identified three types of organizations that are particularly likely to draw public attention: (1) organizations that directly serve mass consumers (e.g., Taco Bell, Target, Walgreens, etc.), (2) organizations whose operations have environmental consequences (e.g., BP, Monsanto, Exxon Mobil, ADM,
etc.), and (3) organizations whose operations pose significant risk to local communities (e.g., Dow Chemical, DuPont, etc.).

Industry field may be sufficient to explain corporate behaviors within the same country. However, when applying institutional theories to the international arena and explaining CSR practices of MNCs, industry field alone is insufficient to explain convergence or divergence across countries. Indeed, as noted by Levy and Kolk (2002, p. 280): “MNCs are subject to conflicting strategic pressures arising from the institutional environment of their home country, the host countries, and the global industry”. On the one hand, forces such as globalization of industries and the pursuit of global integration require MNCs to respond with coordinated global strategies. On the other hand, as MNCs operate in different host countries, some argue that MNCs should also adapt their strategies to meet local challenges (Vaz, Fernandez-Feijoo, & Ruiz, 2016).

A review of studies on MNCs’ CSR practices finds evidence of both convergence and divergence. Interestingly, although MNCs are expected to diversify their practices based on the context of host countries, many studies actually document profound influences from their home countries. For example, Lin (2001) examined how American chemical MNCs conducted businesses in Asia and found that instead of adapting to the regulatory environment in host countries, these American MNCs leveraged their influences through international industry associations and multilateral trade organizations to internationalize the American model of self-regulation. Similarly, Levy and Kolk (2002) found that when Shell Europe adopted the higher greenhouse gas emission standards, Shell United States still heavily relied against greenhouse gas regulation in the United States. This inconsistency complicated Shell’s efforts to pursue a coherent CSR position on environmental issues, and it backfired when environmental NGOs publicized the issue, leading Shell United States to change its position. Mounting evidence suggests that despite their global presence, the home country environment remains a strong institutional force that powerfully shapes MNCs’ strategy formulation. One possible explanation is that senior management at home countries are routinely convinced by Levy and Kolk (2002, p. 3): “the legacies of distinctive national histories continue significantly to shape the core operations of multinational firms”.

To better understand how home country contexts influence MNCs’ international CSR strategies, this study introduces a comparative institutional approach that looks at how a country’s social, economic, and political contexts shape companies’ CSR strategies.

3 | INSTITUTIONAL INFLUENCE AND NBS THEORY

3.1 | National business system theory: An overview

Studies have found that corporations from different countries practice CSR differently (Brønn, 2010; Gjalberg, 2009; Matten & Moon, 2008; Yang & Liu, 2018a, 2018b). Recognizing this phenomenon, the NBS approach to CSR was developed to explain the divergence of CSR practices among corporations from different institutional environments (Amable, 2003; Matten & Moon, 2008; Maurice & Sorge, 2000).

Taking an institutional theory approach, the NBS theory assumes that the institutional environment where corporations come from and the domestic stakeholders (i.e., the public, consumers, employees, governmental agencies, investors, and peer organizations) profoundly shape these organizations’ management approaches and practices. Specifically, the divergence of national CSR practices can be explained by different characteristics of a country’s institutional context: the political system, the financial system, the education and labor system, and the cultural system (Amable, 2003). Guided by the NBS approach, Matten and Moon (2008) found that corporations from liberal economies with small governments were more likely to be explicit in their CSR communication, whereas corporations from heavily regulated economies tended to shoulder fewer social and environmental responsibilities. Along this line, Jackson and Apostolakou (2010) found that companies from Anglo-Saxon liberal market economies had better CSR performances than companies from more coordinated market economies in Continental Europe. Similarly, Kolk and Perego (2010) found that companies operating in countries that were more stakeholder-oriented and had weaker government intervention were more likely to practice CSR explicitly.

Despite the theoretical contribution of NBS, the theory rarely addresses how different issue contexts may influence corporations’ CSR practices. This is a significant omission because CSR practices are always embedded in specific social issue contexts (Selsky & Parker, 2005). Issues are contestable matters of concerns regarding facts, values, or policies, and the resolution of issues may affect social change (Hallahan, 2001). Some issues, such as climate change, gun rights, health care, and gender inequality, are extensively covered in the news and often become the center of public debates (Heath & Palenchar, 2009). More importantly, salient social issues would attract public attention and mobilize the actions of issue stakeholders. Issue stakeholders may further address the issue through cooperation, competition, and/or conflict. As an issue gains social significance and visibility, its issue stakeholders are more likely to form strong expectations about certain corporate actions. As argued by Levy and Kolk (2002), for salient social issues, the issue context becomes a part of an institutional environment that influences corporate responses.

For CSR practices that are well examined in the literature (such as environmental protection), it is likely that all four national context variables (political, economic, education, and culture) have considerable influences (Matten & Moon, 2008). However, when dealing with emerging and controversial social issues at the global stage, a different set of national context variables may be especially powerful. For instance, the issue of climate change is not necessarily controversial in Europe, but it is highly contestable and politicized in the United States, mainly due to the influence of the U.S conservative political movements and the two-party system
A country’s philanthropic culture will be positively related to corporations’ involvement in cross-sector alliances for refugee relief efforts online.

Hypothesis 2  A country’s philanthropic culture will be positively related to corporations’ involvement in cross-sector alliances for refugee relief efforts online.

3.1.2 Political institutional environment and refugee CSR

Across countries, state regulations powerfully influence CSR practices. Doh and Guay’s (2006) comparative study found that the differences in institutional structures and political legacies in the United States and Europe led to distinct approaches to CSR. According to the government failure theory, the inefficiency of democracy and too much government intervention result in insufficient provision of public goods, thus creating needs for other social actors, such as corporations or NGOs, to step in and assume social responsibility (Selsky et al., 2019). In other cases, corporations may not even have the freedom to respond to social issues without political consequences. In China, for example, the central government generally discourages corporations, especially state-owned corporations from practicing CSR, which is considered “social burdens” for corporations (Zu & Song, 2009).

As a multi-dimensional construct, a country’s democracy level can be indicated by various attributes, ranging from the ways in which the government is structured, inclusiveness of public participation, to citizens’ political rights and liberty (for a comprehensive review, see Muncz & Verkuilen, 2002). As the global refugee crisis significantly intersects with the issue of political inclusion and civil rights, we therefore focus on the dimension of civil rights democracy (Zu & Song, 2009) and propose the following hypothesis:

Hypothesis 3  A country’s level of civil rights democracy will be positively related to corporations’ involvement in cross-sector alliances for refugee relief efforts online.

In addition to democracy, another political factor that could affect corporations’ CSR practice in response to the global refugee crisis is the public’s acceptance and national policy toward refugees. When facing influx of refugees, host countries’ public opinions and policies are often influenced by factors such as the costs and benefits of accepting international assistance, relations with the sending country, political calculations about local communities’ absorptive capacity, and national security considerations (Jacobsen, 1996; Salehyan & Gleditsch, 2006). In some countries, one factor may disproportionately influence the policy outcomes whereas, in other countries, multiple factors may simultaneously influence public deliberation and decisions. Overall, a reliable indicator of public acceptance and open public policy is the number of refugees already accepted in a country, where a higher rate indicates greater social acceptance and more welcoming policy toward refugees. As such, the following hypothesis is proposed:

Hypothesis 4  A country’s refugees per capita will be positively related to corporations’ involvement in cross-sector alliances for refugee relief efforts online.
3.1.3 Economic institutional environment and refugee CSR

As reviewed earlier, the economic health of home country could influence corporations’ refugee CSR practices (Matten & Moon, 2008). The original NBS theory argues that in highly developed markets, the stock market is often the central financial source for companies to obtain capital. Because shareholding is relatively dispersed in such markets, corporations need to live up to social norms and public expectations to appeal to a wide spectrum of shareholders (Amable, 2003). As such, in countries with highly developed financial systems, corporations are more likely to engage in CSR practices to gain social legitimacy.

However, certain countries may have a booming economy but the public still holds conflicting attitudes toward refugees (Robinson, 2016). Social class theories propose that class differences impact individuals’ evaluation of one another (Piff, Kraus, & Keltner, 2018). When individuals engage in cross-class encounters (i.e., citizen-refugee interaction), high-class individuals may either aid lower class others or distance themselves to protect their own class identity (Gray & Kish-Gephart, 2013, p. 679). Therefore, the choice that individuals in a host country are more likely to make would depend on the level of perceived identity anxiety. In countries were anxiety-provoking situations (e.g., polarizing economy or increasing inequality) are prominent, people are more likely to avoid cross-class encounters or to remain hostile to refugees (Lucassen & Lubbers, 2012). In other words, in countries with high levels of economic inequality, businesses may find it difficult to justify assistance programs for refugees, hence:

**Hypothesis 5** A country’s economic inequality level will be negatively related to corporations’ involvement in cross-sector alliances for refugee relief efforts online.

In addition, refugees and immigrants are often blamed for job losses during polarized elections (Castles, 2011). When the unemployment rate or social inequality level is high, public opinions, especially voters with low skills, tend to be hostile toward immigrants and refugees (Agustin, 2007; Scheve & Slaughter, 2001). For example, Soininen (1999) found that despite public policies and legislation that regulate refugee discrimination, corporations in Sweden still adopted discriminative policies in hiring and promotion due to local unemployment issues, suggesting the perpetual influence of social class and inequality. As such, we propose the last hypothesis:

**Hypothesis 6** A country’s unemployment rate will be negatively related to corporations’ involvement in cross-sector alliances for refugee relief efforts online.

4 | METHOD

4.1 Sample and data collection

The sample included Global 500 Fortune corporations engaged in refugee-related CSR activities between 2012 and 2017, as well as their partners from other sectors (including NGOs and IGOs) that were identified from CSR reporting content publicized on corporate websites, Facebook, and Twitter during the same time frame. The time frame was chosen because the refugee crisis gained global prominence during this period (UNHCR, 2017), and refugee-related CSR activities occurred more frequently due to the salience of this social issue.

The sample was constructed through the following steps. First, we collected the annual lists of Global 500 Fortune corporations between 2012 and 2017, selecting organizations that appeared on the list for at least two years (N = 562). Second, we collected all available CSR reports from these companies between 2012 and 2017, and coded each CSR report to determine whether the report mentioned “refugee.” A total of 520 relevant CSR reports were identified, yielding a list of 117 corporations. Third, we located each corporation’s official website, Twitter account, and Facebook page. We then used a combination of the corporation’s name and the keyword “refugee(s)” to locate any relevant content from website posts, tweets, and Facebook posts about corporate engagement in refugee-related activities. Three trained coders reviewed all retrieved webpages, tweets, and Facebook posts to determine whether the activities were refugee-related. If so, any IGOs or NGOs involved in these activities were identified as partners with a given corporation. A cross-sector alliance tie occurred when an IGO or NGO was identified to work with, sponsor, or get mentioned by a corporation on refugee-related issues. The cross-platform data collection generated a total of 117 corporations, 222 NGOs, and 30 IGOs.

Although various webpages and social media posts were created at different time points, the final data were treated as cross-sectional. All data were retrieved and analyzed in April 2018.

4.2 Measures

4.2.1 Network ties

Refugee-related cross-sector ties across platforms

Using the key term “refugee(s),” researchers visited and searched each one of the 117 corporate websites and their official Facebook and Twitter pages to identify refugee-related activities of the focal corporations. Example activities included financial sponsorship, collaboration or joint-action, and moral support relationships between a focal corporation and its partners from other sectors. A total of 375 cross-sector relationships were identified from all three platforms.

4.2.2 Country level attributes

Civil rights democracy level in the country-of-origin

Given the nature of the refugee issue, we focused on the civil rights aspect of a country’s democracy level, using the fundamental rights dimension from the Global State Democracy Indices (2015). Collected by the International Institute for Democracy and Electoral Assistance.
(https://www.idea.int/), the Global State of Democracy Indices provide annual country-level data across a broad range of democratic attributes between 1975 and 2017, encompassing five domains from representative government, impartial administration, to participatory engagement. The dimension of fundamental rights is a composite consisting of three sub-areas: (1) access to justice, (2) civil liberties (e.g., freedom of expression), and (3) social rights and equality (e.g., basic welfare, social group equality). The scale ranged between 0 and 1, and a higher score indicated a higher level of civil rights \( (M = .82, SD = .12) \).

Refugees per capita in the country-of-origin

Data on country-level refugees per capita were collected from the UN Refugee Agency’s 2015 statistics. This variable measured the number of refugees per 1,000 inhabitants, calculated by the total number of refugees accepted in a given country in 2015 divided by the country’s total population of the same year \( (M = 4.05, SD = 15.51) \).

Economic inequality in the country-of-origin

Gini coefficient was used to measure a country’s economic disparity with regards to the distribution of income (Atkinson, 1970; Dorfman, 1979). The higher the Gini coefficient, the more divided a country is. The Gini coefficient of each country in 2015 was collected from the World Bank Development Indicators database ranging from 0 to 100, with 0 indicating perfect equality and 100 implying perfect inequality \( (M = 35.66, SD = 5.30) \).

Unemployment rate in the country-of-origin

The unemployment rate of each country in 2015 was collected from the World Bank Development Indicators database \( (M = 7.57, SD = 6.68) \).

Educational level in the country-of-origin

The citizens’ secondary school enrollment rates as of 2015 were collected from the World Bank Development Indicators database \( (M = 107.81, SD = 24.28) \).

Philanthropic culture in the country-of-origin

We used the World Giving Index (Charities Aid Foundation, 2012) to measure a nation’s philanthropic culture. This index measures the scope and nature of giving in 146 countries using questions such as (1) donating money to a charity in the past month; (2) volunteering your time to an organization in the past month; and (3) helping a stranger, or someone you didn’t know who needed help in the past month. Countries with salient philanthropic culture received a higher giving index score \( (M = 50.03, SD = 11.3) \).

4.2.3 | Control variables

Corporate industry type

Adapting the Standard Industrial Classification (SIC), we coded the 117 corporations into nine industry types: (1) energy such as oil and gas production companies \( (N = 5, 4.27\%) \), (2) materials such as mining, refining, chemical, forestry and related companies \( (N = 4, 3.42\%) \), (3) industrials including aerospace, defense, machinery and manufacturing companies \( (N = 16, 13.68\%) \), (4) consumer discretionary and staples \( (N = 11, 9.40\%) \), (5) healthcare including biotechnology, hospital management, and medical device manufacturers \( (N = 7, 5.98\%) \), (6) financial including banking, insurance, and consulting firms \( (N = 32, 27.35\%) \), (7) information technology and telecommunication companies \( (N = 33, 28.21\%) \), (8) utilities \( (N = 5, 4.27\%) \), and (9) real estate industry \( (N = 2, 1.17\%) \).

Organizational type

A total of 369 organizations were categorized into the following three types: (1) corporations \( (N = 117, 31.71\%) \), (2) NGOs \( (N = 222, 60.16\%) \), and (3) IGOs \( (N = 30, 8.13\%) \).

NGO issue areas

Based on an NGO’s mission and primary area of activities, six issue areas were inductively developed by the researchers to categorize the 222 NGOs into one of the following: (1) education, employment training, and cultural integration of refugees \( (N = 99, 44.59\%) \), (2) healthcare service including physical, mental health and crisis-related intervention \( (N = 29, 13.06\%) \), (3) housing, shelter provision and disaster relief \( (N = 47, 21.17\%) \), (4) civil right and advocacy \( (N = 30, 13.51\%) \), (5) religion and faith-based \( (N = 7, 3.15\%) \), and (6) others \( (N = 11, 4.95\%) \).

Corporate annual revenue

To control for corporations’ financial resources, each corporation’s annual revenue in 2015 was collected from corporate annual reports. All revenues were then converted to US dollars at the unit of one billion \( (M = 26.13, SD = 32.65) \). We used the logarithm of corporate annual revenues to avoid the high skewness of this variable.

Corporate tenure

To control for corporate tenure, we collected the founding year of each corporation and calculated tenure by subtracting the founding year from 2015. The average corporate tenure was 53.71 years \( (SD = 53.35) \).

Headquarters location

To control for geographic proximity, which is a widely acknowledged mechanism predicting interorganizational alliances (Atouba & Shumate, 2015), we constructed the geographic location variable by coding each organization into one of the six regions based on its headquarters location: (1) Europe \( (N = 173, 46.88\%) \); (2) Asia \( (N = 29, 7.86\%) \); (3) North America \( (N = 115, 31.17\%) \); (4) South and Central America \( (N = 2, 0.54\%) \); (5) Oceania \( (N = 34, 9.21\%) \); and (6) Africa \( (N = 16, 4.34\%) \). Headquarters location was used to create the homophily dyadic attribute (i.e., the attribute of a relationship, rather than of an actor) in the model, where a homophily relationship existed when two organizations were located in the same geographic region.
4.2.4 Analytical procedures

To examine the structural features of the online cross-sector alliance network, density, transitivity, and centralization scores were first calculated using the sna package in R (Butts, 2007). Gephi was used to produce the network visualization of refugee-related CSR networks (see Figure 1). To simultaneously test the six hypotheses (see Table 1), ERGM was conducted. ERGMs are a family of probability models that use simulation techniques to make inferences about whether and how the hypothesized parameters may shape the observed network configurations (Goodreau, 2007; Robins, Snijders, Wang, Handcock, & Pattison, 2007). This method has been fruitfully applied in disciplines ranging from sociology, management, to communication (for a systematic review of this method and its applications, see Lusher et al., 2013).

Specifically, educational context was indicated by the country-level secondary education rate (Hypothesis 1), and cultural context was indicated by the level of philanthropic culture (Hypothesis 2) of each country where the organization was located. The effect of political context was tested by including nodal attributes\(^1\) indicating the level of civil rights democracy (Hypothesis 3) and refugees per capita (Hypothesis 4). The effect of economic context was tested by including Gini coefficient (Hypothesis 5) and unemployment rate (Hypothesis 6) as nodal attributes. Finally, a number of control variables, including nine industry fields, NGOs’ issue areas, organizational type, corporate tenure, corporate revenue, and headquarters location homophily were included in the ERGM model.

The interpretation of parameter estimates and standard errors is similar to that of a logistic regression, where the parameter value stands for the log ratio of a given variable in predicting the

![FIGURE 1](image-url) Refugee-related online CSR network among 369 organizations. The size of nodes indicated degree centrality, calculated as the total number of interorganizational relations an organization communicated on social media. The color of nodes indicated organizational type. Red nodes were corporations, blue nodes were NGOs, and yellow nodes were GOs.
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likelihood of cross-sector tie formation. In ERGM, statistical significance is assessed by dividing the parameter estimate by its standard error, and any \( t \) greater than 1.96 indicates a significant relationship (Lusher et al., 2013), suggesting that the hypothesized process significantly predicts the formation of network ties, and in our case, the formation of cross-sector CSR relations. In addition to parameters estimates, goodness of fit measures were obtained, which indicate the extent to which the hypothesized model explains the observed network (Goodreau, 2007). A good fit is indicated by a convergence \( t \)-ratio less than .10 (Robins et al., 2007).

### 5.2 Model fit and hypothesis testing

Table 3 provided estimates, standard errors, statistical significance, and conditional odds ratio of the ERGM model results in the refugee-related online CSR network. In the model, basic parameters such as edges, NGOs’ issue areas, corporations’ industry fields, organizational types, corporate tenures, revenues and headquarters location homophily were included as control variables. Hypothesis 1 through Hypothesis 6 were indicated by corresponding nodal-level parameters (for detailed computational specification of ERGMs, see Handcock et al., 2018). The final parameter estimates were obtained from a converged model, with all parameters’ convergence \( t \)-ratio below the critical value of .1.

To further assess the fit of the data to the estimated model, three goodness-of-fit plots were obtained to visualize the match between the predicted and the observed networks (Goodreau, 2007). In Figure 3, each plot compared the observed data with randomly simulated networks in terms of degree distribution, edge-wise shared partners distribution, and minimum geodesic distance distribution.

### 5. RESULTS

#### 5.1 Network descriptives and temporal dynamics of cross-sector ties

The 369 organizations were geographically distributed with headquarters locations ranging from Africa (\( n = 16 \)), North America (\( n = 115 \)), South and Central America (\( n = 2 \)), Asia (\( n = 29 \)), Europe (\( n = 173 \)), and Oceania (\( n = 34 \)). The cross-sector network was first inspected for key structural features. Table 2 presented network-level characteristics including the total number of ties, density, and degree centralization. Degree centrality identifies organizations that actively engaged in refugee-related CSR activities. The top three organizations with the highest levels of centrality measures were Cisco (\( N = 32 \)), Westpac Bank (\( N = 25 \)), and United Nations High Commissioners for Refugees (UNHCR) (\( N = 21 \)).

Refugee-related cross-sector ties also exhibited significant changes in volume between 2015 and 2017 (See Figure 2). Overall, the total number of cross-sector ties experienced a sharp and steady increase, and 2017 experienced the highest level of cross-sector ties created by corporations. In terms of the platform on which such relationships were publicized, websites remained as the most frequently used platform until 2016 (66%). In 2017, 25% of the cross-sector ties were publicized on websites while a greater proportion was posted via Twitter (46%) and Facebook (29%).
all of which were commonly used network statistics to assess an ERGM model’s goodness-of-fit (for a detailed review of goodness-of-fit diagnostics of ERGM, see Hunter, Handcock, Butts, Goodreau, & Morris, 2008). As Figure 3 showed, for both degree and edge-wise shared partners distributions, the observed data fell largely within the reliable range produced by the simulated networks, suggesting a good model fit based on these two criteria. For the minimum geodesic distance distribution, however, a small proportion of the observed data were beyond the range produced by the simulated networks. Although model fit could be further improved, the results indicated that the estimated model fit reasonably well with the real data.

5.2.1 | Education and cultural contexts

ERGM results suggested that neither educational level (Hypothesis 1) nor philanthropic culture (Hypothesis 2) was significantly associated with cross-sector tie related to refugee relief efforts. Therefore, Hypotheses 1 and 2 were not supported.

5.2.2 | The effects of organizations’ countries-of-origin political context

Hypotheses 3 and 4 posited that the level of civil rights democracy and refugees per capita would affect the cross-sector alliances level. The results showed that Hypothesis 3 was the only predictor of refugee-related activities online (Estimates = .93, p < .05). Specifically, corporations from countries with a higher level of fundamental rights democracy were more likely to engage in refugee-related CSR, whereas Hypothesis 4 did not have any effect. Therefore, Hypothesis 3 was supported but Hypothesis 4 was not.

5.2.3 | The effects of organizations’ countries-of-origin economic system

Hypothesis 5 predicted that Gini coefficient was negatively associated with corporations’ cross-sector ties related to refugee relief effort, and Hypothesis 6 posited that a higher level of unemployment rate may lead to fewer cross-sector ties. Results suggested that economic system indeed significantly affected CSR alliance building. However, contrary to the prediction of Hypothesis 5, organizations from countries with higher Hypothesis 5, an indicator of higher economic disparity, were actually more likely to engage in cross-sector CSR (Estimates = 2.53, p < .001). Hypothesis 5 was not supported. Meanwhile, unemployment rate was negatively associated with cross-sector alliances about refugees online (Estimates = −.01, p < .05), supporting Hypothesis 6.

5.2.4 | The role of control variables

In addition to NBS factors, the effects of NGOs’ issue areas, corporations’ industry fields, organizational types, corporate tenures,
revenues, and headquarter location homophily were examined. We found that corporations from different industries engaged in cross-sector alliance building differently online. Specifically, corporations from the financial (Estimates = .76, p < .05) and utilities industry (Estimates = 1.29, p < .01) were more likely to build refugee relief cross-sector ties online compared to their counterparts from other fields. Meanwhile, the rest of organizational or dyadic attributes were not significant, suggesting that NGOs’ issue focus, organizational type, corporate revenue, tenure or headquarter location did not impact refugee-related alliance building in the current context.

### 6 | DISCUSSION

The current era is characterized by instability and uncertainty, with populism rising around the world, climate change and catastrophic natural disasters and global pandemics happening at an alarming rate, and unprecedented refugee crises continuing to worsen. In the study, we draw upon the institutional theory framework and specifically the NBS Theory to examine how institutional factors at the country level influence CSR alliance-building strategies. Situated in the recent global refugee crisis, our analysis reveals considerable divergence among corporations with different countries-of-origin. It also demonstrates that the controversial nature of the refugee issue could intensify the influence of a country’s political and economic contexts. In addition, consistent with previous institutional studies (O’Connor & Gronewold, 2013; O’Connor & Shumate, 2010; Shumate & O’Connor, 2010), financial and utilities industries are more likely to take on cross-sector partnerships to address the refugee issue than other industries. Overall, this study introduces the issue context to the NBS theory and advances a theoretical framework that is especially useful to guide CSR efforts in a polarized and turbulent world. Furthermore, we provide practical guidelines that can help corporate managers to anticipate societal expectations when dealing with controversial issues in an international setting. Our findings could also help NGOs/IGOs to better design strategies to mobilize corporate resources.

### 6.1 | Issue context in NBSs

The NBS theory emphasizes that companies from different countries, due to institutional differences in the political system, financial system, education and labor system, and culture context would practice CSR differently (Matten & Moon, 2008). The original theory predicts that these institutional contexts affect corporate decisions to engage in explicit CSR initiatives. In this study, we argue that for chronic or nonurgent issues, all four institutional contexts may influence corporate responses. However, the urgency and controversial nature of certain issues may intensify the influence of certain institutional contexts—such as political and economic contexts, thereby making these factors more salient than other institutional factors. In the case of the refugee crisis, because the issue places a significant strain on a country’s political institutions and economic resources, political and economic environments are highly likely to shape corporate responses. Our analysis has confirmed this argument, as we
identify significant effects associated with political and economic factors. Meanwhile, educational and cultural contexts cast little influence on CSR practices.

6.1.1 Political context

Although CSR is often considered as an act of corporate voluntarism, many business ethics studies have recognized the profound influence of a country’s political system (Dentchev, van Balen, & Haezendonck, 2015; Vashchenko, 2017). According to NBS (Matten & Moon, 2008; Maurice & Sorge, 2000), in countries with established democracy, companies have greater autonomy to respond to stakeholder expectations and engage in CSR. In the current study, we argue that the refugee crisis may challenge a country’s political system and test the strength of fundamental democratic institutions. Consistent with the theory’s prediction, we find that democracy, especially Hypothesis 3, is a significant predictor of a corporation’s cross-sector alliances related to the refugee issue. Our analysis reveals that companies from countries with higher levels of fundamental democratic rights (e.g., access to justice, civil liberties, and social rights and equality) are far more likely to engage in refugee-related CSR. It is likely that in these countries, the presence of strong democratic institutions such as free press, civil society, and the freedom of speech provides the necessary institutional environment to facilitate free public discussions of refugee issues, which in turn shapes public expectations for corporate actions. In addition, NGOs and IGOs in these countries can publicly advocate for refugees and publicize their corporate sponsorship, providing greater incentive for corporations to engage in refugee-related CSR. However, our analysis provides little indication that Hypothesis 4 influences cross-sector alliances. It is likely that the number of refugees alone, due to their marginalized social status and lack of voting power, does not significantly affect the host country’s political system nor corporate behaviors.

6.1.2 Economic context

Hypotheses derived from the NBS theory predict that economic factors could significantly affect cross-sector alliances (Matten & Moon, 2008; Maurice & Sorge, 2000). Considering the issue context, we argue that a country’s overall economic condition may not be the best indicator of corporate strategies. Informed by previous literature, we propose that countries with greater income inequalities and higher unemployment rates would be less likely to engage in CSR refugee relief effort.

As predicted, corporations from countries with higher unemployment rates are less likely to engage in refugee-related CSR. It is likely that the public and employees in countries with high unemployment rates consider refugees as potential competitors for career opportunities. For corporations to openly engage with this
issue, they may risk offending the public. As noted by Castles (2011), in countries with difficult economic problems, immigrants and refugees are often blamed by conservative politicians for job losses and social problems. However, contrary to our prediction, corporations from countries with higher economic inequality levels (indicated by higher Gini indices) are more likely to report their CSR efforts in the refugee issue.

The seemingly paradoxical finding can be explained by a social class theory of organizations (Côté, 2011; Gray & Kish-Gephart, 2013). Social class differences characterize many aspects of organizational life. In the context of refugee-related CSR, corporate engagement may be driven by a similar dynamic that governs cross-class encounters. In countries with high levels of inequality, the privileged social class, such as the management at major corporations, may employ identity-protecting strategies to minimize the "threat" posed by low-class refugees. As Gray and Kish-Gephart (2013, p. 679) contend, identity-protecting strategies include both "reaching down to help" and distancing or withdrawing oneself from the cross-class encounter. In a polarized economy, the great class differences may actually motivate high-class actors (i.e., corporate managers) to engage in the "reaching down" practice, which explains why corporations from economically stratified societies (indicated by higher Gini coefficients) are more active in building refugee-related cross-sector alliances.

Overall, findings of this study illustrate that in order to better understand how MNCs respond to a controversial global crisis, an international perspective such as the NBS theory is needed. This framework helps to explain the observed divergence in terms of how corporations respond differently to the refugee issues around the world, and suggests relevant factors that explain corporations' strategic alliances. Moreover, the current study extends the NBS framework by differentiating urgent or controversial issues from routinized issues. Findings highlight that when communicating CSR about controversial issues, a lack of strategic assessment of institutional contexts could backfire in a sensitive political climate. These findings thus can help corporate managers to better anticipate societal demands when dealing with controversial issues in different countries.

### 6.2 Industry fields as an important institutional context

Consistent with previous studies (O’Connor & Gronefeld, 2013; O'Connor & Shumate, 2010; Shumate & O'Connor, 2010), this study also identifies the significant influence of corporations’ industry types. Corporations from certain industries are subject to specific norms, values, beliefs of that industry. As noted by Jamali and Carroll (2017), the interfaces of social contexts with organizational constraints and contingencies could powerfully influence stakeholder relationships. Our analysis shows that financial and utilities companies are more likely to engage in cross-sector alliances about the refugee issue. For energy and utilities companies, it is likely that many of their employees and customers are immigrants and they are more likely to expect their companies to take a sympathetic stand on the refugee issue. As for financial companies, many NGOs and IGOs have advocated for financial inclusion as a core step to serve the refugee population (UNHCR, 2017). Many pundits suggest that refugees, voluntary or forced, may provide a growth opportunity for financial companies to expand their customer base and give back to society (Financial Times, 2017). These industry-specific expectations and contexts may help explain why the financial sector is more active in building refugee-related cross-sector alliances.

### 6.3 Practical implications

A number of policy and practical implications can be drawn from the study. First, Jamali and colleagues (2011) have advocated for the development of strategic partnerships between businesses and the third sector. A key consideration in strategic partnership is to identify core business purposes that align with nonprofit partners. For NGOs and IGOs that wish to mobilize corporate contribution, they could use the framework to design country-specific strategies to identify corporations from different countries that are most likely to share their visions. Second, due to climate change and ongoing crises such as the refugee crisis, businesses often need to manage uncertainties while meeting rising stakeholder demands. Our study suggests that managers need to consider the issue context when designing CSR strategies. They should also be mindful of how controversial social issues may intensify certain aspects of the institutional environment, thus proactively planning for future CSR initiatives. Third, especially for MNC managers who need to balance the expectations of different stakeholders from their home and host countries, the framework provides a roadmap to navigate the uncharted territory of controversial social issues. When dealing with controversial issues, managers should carefully examine the relevant socioeconomic factors and monitor how stakeholders in different countries may have different expectations. Fourth, for policymakers, the study suggests that mobilizing corporate resources to solve the refugee crises needs to go beyond simply calling for corporate actions. Policymakers need to create a favorable institutional environment where corporations could sense public support for refugee-friendly CSR. Policymakers may also reward and promote corporations that take initiatives to assist refugee relief efforts, setting examples for others to emulate such behaviors.

### 7 Conclusion

This study draws NBS Theory to explore how country-level factors influence MNCs’ CSR cross-sector alliance building effort to assist relief efforts for the refugee crisis. There are several limitations in the current study that point to directions for future research. First, this study relies on cross-sectional data. The design of the study does not allow us to examine how corporate responses may change...
as the tides of public opinions surrounding the refugee crisis turn. Longitudinal studies would help track the dynamic changes and evolutions of such cross-sector alliance networks. In addition, this study mainly focuses on cross-sector ties. We do not differentiate the levels or types of collaboration. Future studies may further explore various types of collaborative initiatives, such as financial versus moral support, to identify how corporations may differ in their preferred mode of cross-sector collaboration.

In addition, in terms of issue context, we mainly consider how the refugee crisis may put a strain on a country’s political and economic systems. However, as millions of refugees’ lives are affected, the issue itself is also closely intertwined with moral judgments and public emotions. To further explore this ethical and moral aspect of refugee-related CSR, future studies may combine social media text-mining and content analysis of corporate responses to uncover how moral appeals and public emotions may significantly shape corporations’ CSR responses. It is likely that corporations become more vocal or silent on refugee issues when strong public sentiments are detected from social media or other sources.

Overall, we believe that CSR, especially prominent Fortune 500 corporations’ CSR on the refugee crisis matters. To further encourage social acceptance of refugees and mobilize resources toward crisis relief, more extensive research and theory-building are needed to better inform cross-sector collaboration and policymaking.

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ENDNOTES
1 Nodal attributes are properties of nodes that can impact the configuration of a social network. The attribute variables can be binary, categorical, or continuous (Shumate & Palazzolo, 2010). Nodal attributes are added to the model by using the command “nodefactor” (for binary or categorical variables) or “nodecov” (for continuous variables). For detailed glossary and computational specification of ERGM, see ergm package manual available at https://cran.r-project.org/web/packages/ergm/ergm.pdf
2 Degree centrality is measured by the total number of ties a node has with all others within a network, and it has been used as a measure to indicate influence or prestige (Hanneman & Riddle, 2005).

REFERENCES


**AUTHOR BIOGRAPHIES**

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