Title

Effecting Institutional Change Through the Relational Work Between the Regulated and the Regulator

Author

Wang, Carrie

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Effecting Institutional Change Through the Relational Work
Between the Regulated and the Regulator

DISSERTATION

submitted in partial satisfaction of the requirements
for the degree of

DOCTOR OF PHILOSOPHY
in Management

by
Carrie Wang

Dissertation Committee:
Professor Jone L. Pearce, Chair
Professor Gerardo Okhuysen
Professor Sharon Koppman

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DEDICATION

To my parents,
who inspired me to follow in their footsteps
and embark on this journey.

To my husband,
who walked every step of this journey with me
with unrelenting love and patience.

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ACKNOWLEDGEMENTS

It is hard to fathom that my time as a graduate student is coming to an end. This moment would not have been possible without the steadfast support and guidance of the remarkable individuals along this journey who have made this period of my life so transformative. This dissertation does not only represent years of persistent and hard work but also a testament to the collective efforts of those who believed in the importance of this research, and so, with immense gratitude, I would also like to dedicate this dissertation to my committee members.

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VITA

Carrie Wang

ACADEMIC POSITIONS

2023–*Present* **Arizona State University**, W. P. Carey School of Business
Tempe, AZ Assistant Clinical Professor, Management and Entrepreneurship

EDUCATION

2016–2023 **University of California, Irvine**, Paul Merage School of Business
Irvine, CA Ph.D. Organization & Management

2010–2014 **California Institute of Technology**
Pasadena, CA B.S. Computations and Neural Systems Major, English Minor

London, UK **University College London** (Exchange)
B.S. Biological Sciences

PUBPLICATIONS

Pearce, J. L., & **Wang, C.** 2023. Favoritism in the Federal Workplace: Are Rules the Solution? *Review of Public Personnel Administration*, 1–28.

PAPERS UNDER REVIEW

Wang, C., Pichler, S., & Okhuysen, G. Research Relevance in Management and Organizations: A Systematic Review, Critique, and Proposal for Moving Forward.

WORKING PAPERS

Wang, C. Effecting Institutional Changes Through the Relational Work of the Regulated and the Regulator.

Wang, C., Okhuysen, G., & Pichler, S. Towards An Enriched Framework of Relevance Through Knowledge and Action.

PRESENTATIONS

Academy of Management Annual Meeting, Boston, MA, August 2023, *paper presentation*
Wang, C., Pichler, S., & Okhuysen, G. Tackling the Relevance of Management Research as a Scholarly Enterprise

6th Global Strategy and Emerging Markets Conference, Vancouver, Canada; May 2022, *paper presentation*
Wang, C. Shell Shocked: Effecting Changes Through the Institutional Work of the Regulated and the Regulator

International Congress of Psychology, Prague, Czech Republic; July 2021, *paper presentation*
Pearce, J. L., & **Wang, C**. Antecedents of Workplace Favoritism and Its Negative Consequences

Academy of Management Annual Meeting, Boston, MA; August 2019, *All-Academy Theme symposium organizer and presenter*
Cao, M. P., & **Wang, C**. Inequalities and the Fight for Inclusiveness: Unpacking the Varied Experiences of Migrant Workers

AWARDS, GRANTS, AND HONORS

2022	Outstanding Teaching Assistant, by the Executive MBA Class of 2022, UC Irvine
2022	Graduate Project Grant, The Long Institute
2022, 2019	AGS Travel Grant, Associated Graduate Students, UC Irvine
2019	Wayne Bian Fellowship, Paul Merage School of Business, UC Irvine

TEACHING EXPERIENCE

Arizona State University

Fall 2023 MGT300 Principles of Management & Leadership
UG Elective, Online

University of California, Irvine

Winter 2023 MGMT102 Managing Organizational Behavior
UG Core, In-Person

Summer 2020 MGMT1 Introduction to Business and Management
UG Elective, Online

PROFESSIONAL SERVICE

Reviewer *Academy of Management Annual Meeting*, 2017–*Present*

LEADERSHIP

2021–2023 UC Irvine Alumni Association, Chinese Alumni Chapter
Chair of Career & Mentorship Committee

BIOSCIENCE PUBLICATIONS

Wang, L., Miyahira, A. K., Simons, D. L., Lu, X., Chang, A. Y., **Wang, C.**, Suni, M. A., Maino, V. C., Dirbas, F. M., Yim, J., Waisman, J., L, P. P. 2017. IL-6 Signaling in Peripheral Blood T Cells Predicts Clinical Outcome in Breast Cancer. *Cancer Research*, 77 (5): 1119–1126.

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BIOSCIENCE EXPERIENCE

2011–2013 **California Institute of Technology**, John Allman CNS Lab
Pasadena, CA Microglia Distribution in Aged Fronto-Insular Cortex
Verification of Protein Receptors Using Double Florescent Immunocytochemistry on Von Economo Neurons

2008–2009 **Rockefeller University**, The Population Council
New York, NY Protein Analysis of Mouse Osteoblasts: A Combination of FASP and SILAC Methods
Leydig Cell Specific Activation of Glucocorticoid Receptor in Male Mice

NON-ACADEMIC EMPLOYMENT

2014–2016 City of Hope
Duarte, CA *Research Associate I*

ABSTRACT OF DISSERTATION

Effecting Institutional Change Through the Relational Work
Between the Regulated and the Regulator

by

Carrie Wang

Doctor of Philosophy in Management

University of California, Irvine, 2023

Professor Jone L. Pearce, Chair

In this dissertation, I investigated the importance of institutional relational work, especially in terms of interpersonal relationship building and interactions at the individual level, in driving institutional change. Situated within the scope of policy making and policy change, my studies examined how the relationships between the business actors (as the regulated) and the government actors as (the regulator) are established and leveraged to successfully achieve policy related outcomes. Moreover, I find an important and specialized role of intermediary actors in mediating relationships and interactions between the regulated and the regulator and substituting direct relational work between the two. This research addresses key limitations in the existing literatures on relational work, institutional intermediaries, and policy research by delving into the nuances of specific strategies employed at the individual level to build and leverage such relationships and how these interpersonal interactions shape policy processes at the ground level. Moreover, through a comparative lens, complex relational work is examined in both China and the U.S. to develop theory that cuts across these contexts.

This dissertation expands on our understanding of relational work and subsequent institutional change as an outcome of interactions between a multitude of diverse actors across

organizational boundaries. First, the studies highlight the importance of specific, individual level strategies and processes of relational work to reconcile and align disparate motivations and goals from both a discursive approach and through concrete actions. Second, I describe how relational work can blur the roles between the regulated and the regulator such that both effect regulatory institutional change together. Lastly, I argue that relational work is characterized by duality, that individuals can enact different and sometimes conflicting institutional frames depending on who they are engaging with.

The present research also contributes to and integrates relational work into the literature on institutional intermediaries. By considering institutional intermediaries through a relational lens and highlighting the relational work and relationships between the intermediaries and those whom they mediate between, I challenge certain assumptions about the value and relevance of intermediaries. Specifically, the value of institutional intermediaries foremost lies in whether they can engage in relational work and relationship building with their constituents. Moreover, addressing more broadly the literature on agency within institutional theory, my studies show that through awareness and competency building, institutional intermediaries can shape and create agencies of those they strive to help.

Finally, I highlight that relational work between the regulated and the regulator can be routinized through policy, which ironically strips away the relational aspect of their interactions. While policy making constitutes of ongoing dialogue between the regulated and the regulator, inviting back direct relational work between the two. Together, these studies provide empirical evidence that the relational processes underpin policy work in these two contexts, that policy making hinges more on personal relationships than is widely acknowledged. This emphasis on the relational can also serve as a valuable guide for policymakers and recognizes that policies are deeply intertwined with the individuals and the communities they affect. Therefore, responsive and effective governance through policy is achieved by involving both the regulated and the regulator in co-creating and shaping policies, in which success necessarily depend on the relational work and the relationships built between the two.

Keywords: institutional change, institutional work, relational work, institutional intermediaries, policy research, returnees, guanxi

CHAPTER 1: INTRODUCTION AND THEORETICAL OVERVIEW

Many organizational and management scholars have commented that as a field, we seldom enter the public sphere and shape public policy. Rynes and Shapiro (2005) lament that "there is little disagreement that *we are having almost no influence on public policy and public sector management*" (p. 926). They also echo other scholars' sentiment that the reward system in the business school environment is not conducive for addressing broader societal questions (D'Aunno, 2005; Stern & Barley, 1996) and that the emphasis is instead on efficient and effective solutions for businesses in the private sector (Clegg, 2002).

However, management research can indeed have a remarkable impact on public policy. D'Aunno (2005) details how management research is well positioned to examine the effects and consequences of policies and analyze the causes of policy successes and failures at the micro and macro levels. Management scholars are suited to investigate how well individual actors and organizations are designing, implementing, and enforcing public policies and regulations. Taken together, management research can also inform new policy formulations. As I hope to demonstrate in the studies reported here, both fields can gain new insights and understandings from the crosstalk between management and public policy fields. Management scholars can speak directly to the issues in public policy research as well as providing the necessary tools to tackle today's wicked problems with public policy scholars together.

In this chapter, I first briefly delve into public policy research and define policy and how it is conventionally conceptualized and analyzed. Then, building on the theoretical development in policy analysis from a relational approach in explicating anomalies in policy, I argue that understanding the relationships and interpersonal interactions between the regulated and the regulator are imperative to unravel the processes through which policy is designed and implemented collectively at the ground level. Currently, there is limited empirical evidence in public policy literature on the role of relationships in these processes, along with the thoughts, actions, and interactions between the regulated and the regulator. Therefore, I contend that empirical insights from relational institutional work in the management field can further enrich this relational perspective and understanding of how policy is enacted at the ground level. Next, I also identify an important limitation in the relational institutional work literature as well, in that the literature focuses on the outcomes of relational work and overlooks the processes through which relational work is accomplished. This dissertation sets out to address this limitation and at the same time, explores and tests theories of the intricate and complex relationships between individual actors in the private and public sectors to highlight the implications of management research not only for the private firms but for public policy as well.

What is Policy?

Policy is most conventionally understood as prescriptions for actions in the public sphere to steer practices, ensure consistency in processes, and shape outcomes. For the regulated, policy is a set of purposive and shared rules, norms, (Ostrm, 1999; Schneider & Ingram, 1988), "goals, objectives, and missions that guide the agency" (Wildavsky, 1964: 29). Conversely, for the regulators, policy is also a creative process of designing solutions and solving problems for the societal good (Linder & Peters 1984; Turnbull, 2006).

Traditionally, policy research is influenced by economists and employs an abstracted model-based and positivist approach towards analyzing and resolving public policy dilemmas (Wash, 2020). For example, Weimer and Vining's (2011) model begins with an analysis of a societal problem followed by an assessment of the potential solutions, and a key technique is to follow a cost-benefit analysis approach that estimates the efficiency of public policies, usually in terms of market-based indicators. Cross comparisons of different policies then inform the communication of policy recommendations and the eventual passing of legislations and regulations.

However, in this approach, there is a lack of consideration for how the individuals or organizations implicated in the policies may attempt to influence the design and enforcement of the policies. In other words, from this abstracted theoretical perspective, policies are designed and modified to optimally meet the formal objectives, with the individuals removed from being considered in the equation (Lejano & Kan, 2022). Yet, policy scholars have long recognized that in reality, often there are gaps between the government's prescriptive policy and its enactment, and so, things are not always as they are intended to be (e.g., Carstensen, 2015; Wilder & Howlett, 2015).

Anomalies in Policy

In policy, anomalies refer to situations where policies seem to deviate from their formal goals and designs. There is a strong consensus since the 1960s that, in reality, "things never quite work out as they ought when legislation is translated into administrative enforcement" (Huising & Silbey, 2011: 17). Even to this day, anomalies are ubiquitous in the U.S., where, for example, generalized COVID face mask mandates are readily adopted in some areas but actively rejected in others. Early literature on implementation calls attention to this variance between policy and practice and suggests different rationales for the discrepancies between the government's prescription and implementation. There might have been problems in communication and interpretation of policy goals (Frank, Xu, & Penuel, 2018), mismatch of interests between policy designers, implementers, and enforcers (Van Meter & Van Horn, 1975), the presence of discretion (Davis, 1975; Kadish & Kadish, 1973), or the inapplicability of inflexible policies to particular contexts (Maynard-Mood, Musheno, & Palumbo, 1990).

Despite the plethora of reasons for *why* these deviations occur, Lejano (2021) insightfully asks the question of *how* the deviations occur (see also Huising & Silbey, 2011). Here, in contrast to the approach described above, Lejano (2021) embraces a more interpretivist approach to understand how the taken-for-granted and implicit knowledge and assumptions of the individuals who design the policies, who are impacted by these policies, and their context could lead to the "anomalous" implementation at the ground level closer to the action. In this case, the author argues that rather than categorizing these policy situations as anomalies, scholars should take a more phenomenological approach to understand the unexpected and unintended consequences as they are. By taking a closer examination of individuals' beliefs and self-interests and shifting the focus to the processes through which policies are implemented and enacted by individuals, scholars can further understand the complexity that leads to the gap between aspiration and performance. If scholars take individual agency into account, the perspective of policy as objective and rational prescription and implementation is no longer sufficient as an analytical lens, and this can better explain how policy actually works rather than simply dismissing what actually happens as "an anomaly".

Policy Redux

Policy making can be a highly strategic and politically charged process and reflect negotiations and compromises on the part of various parties. As such, policy is also often subjected to contestation and changes (Weiss, 1988; Lindberg & Campbell, 1991), "always in a state of ‘becoming’, of ‘was’ and ‘never was’ and ‘not quite’” (Codd, 1988: 239). In other words, far from impartial, policies and regulations are imbued with individuals’ and organizations’ own agencies, social viewpoints, and ideologies and are negotiated social products that should always be situated within the wider societal narratives. Therefore, policy design is more of a discursive space where meaning is continually constructed and re-constructed (Ball, 1993). Furthermore, crafted by human actors, policies are, at times, ambiguous with no clear prescriptions for action (Weick, 1995), and policy implementation and compliance impinge upon the complex relationships and interactions between the regulated and the regulators. Rather than viewing policy making and enactment as being predetermined by a formal design, a relational perspective appreciates that policy is an outcome of consistent and regular actions and processes negotiated and sanctioned by all individuals involved (Lejano, 2021).

Relationality in Policy

In public policy, research on the relational aspects between the regulated and regulator has been limited, but there are a few notable theoretical and empirical studies that set the foundation for examining the role of relationships and interpersonal interactions. Lejano and Kan (2022) defined relationality as “the condition in which policy, in its meanings and practice, emerges not just from formal, prescribed rulemaking and institution-building but also from the working and reworking of relationships among a network of policy actors” (p. 2). This term highlights the core role of relationships in shaping and enacting policy. Across policy research, this increasing focus on relationships and interactions draws inspiration from relational sociology (e.g., Emirbayer, 1997; Mische, 2011; Powell & Dépelteau, 2013). In this perspective, social life is considered to be constituted of “transactions, interactions, social ties, and conversations” (Tilly, 2004: 72), and society is conceptualized as a network, not of individuals and objects, but of complex and dynamic, emergent and evolving social relations (Crossley, 2011; Donati, 2011). If scholars analyze policy as emerging from relationships and interactions among a network of heterogenous actors, then they can also better understand the relational phenomena often found in the inner workings of policy, especially in situations where policy is enacted in ways that cannot be pre-specified or formalized into written rules.

For instance, Huising and Silbey (2011) empirically describe strategies considered as "relational regulation" that were used by front-line compliance managers to ensure that organizational practices follow regulatory specifications. As relational actors, they work out the substance of policy through interpersonal relationships and everyday interactions with other policy actors within the organization to keep practices close to compliant and acknowledge the "impossibility of perfect conformity between abstract rules and situated actions" (p. 16). In this perspective, policy processes and outcomes are also inherently dependent on the local context and the relevant individuals' current and future states of their relations (Lejano & Kan, 2022). For another example, Forester, Kuitenbrouwer, and Laws (2019) describe reflective and deliberative practices in which participants reconstructed shared histories and shaped and formed new relationships to resolve controversies surrounding policy implementation. Specifically, they analyzed a case study in which city government officials and local residents were dealing with several aspects of city planning. The situation was essentially a conflict of interests and goals amongst all parties, and the stagnancy and lack of resolution left everyone angry, disappointed, and distrustful. Ultimately, a meeting was held for civil servants and residents to come together, in which more than fifty participants showed up, to engage in deliberate and policy-oriented discussion. Eventually, several implementation plans were jointly made, and for the first time, people felt that progress was made. This meeting allowed for transparency and opportunities for city officials and residents to engage in policymaking, which led to mutual understanding and a shared sense of achievements and responsibility. Most importantly, residents felt that they were finally heard, and the civil servants felt that they regained some of the trust they lost. Thus, emerging from these interactions was a reconstruction of existing, antagonistic relationships to collaborative ones that allowed for successful policy design and implementation. A focus on relationality reveals that actual policy-as-implemented does not always precede and guide action, but instead, can emerge interactively, pragmatically, and deliberatively as well. In other words, rather than viewing policy as the governing principle for exchanges and behaviors, "relationships have become the conduit for governance" (Bertelli & Smith, 2009: 22).

This is also readily evident in "relational contracting," (Bertelli & Smith, 2009) in which, given an increase in contracting out of many public services due to decentralization of governance, these contracting arrangements are a mix of the contractual and relational (Warsen, Klijin, & Koppenjan, 2019). Here, the contractual refers to the use of sanctions and risk allocation. Meanwhile, relational refers to trust and conflict management, which encompass the desire of all parties to continue their relationship and thus, follow the contract. In this perspective, relational contracts are self-enforcing, and legal mechanisms are not the only means for resolving performance problems. Of course, it is important to highlight that relationality cannot completely supplant formal rules but works in complementary ways. Poppo and Zenger (2002) suggest that, more often than not, the relational works alongside formalized contracts to ensure timely, reliable delivery on contract requirements (see also Edelenbos & Eshuis, 2012).

Recognition of relationality in policy has revealed new perspectives for research. Scholars are starting to discover that rules and institutionalized roles can also at times be epiphenomenal to the dynamic of relationships (Lejano, 2008). However, what is still lacking is a deeper understanding of the nature of the relationships that guides the thinking and actions of the regulated and the regulators. For example, policy literature on clientelism and policy networks and management literature on regulatory capture usually concentrate on relationships where certain parties are favored and receive disproportionately more benefits from regulations (Dal Bó, 2006; Wilson, 1989). Yet, there is a much wider spectrum of relationships between the regulated and the regulators (i.e., cooperative relationships), and more effort is needed to describe the possible types of interpersonal and interorganizational relationships (Lejano & Kan, 2022). Here, management research is well positioned to delve deeply into studying such relationships between individual actors. For example, in management, literature on institutional work, specifically, relational work, sheds insights on how the regulated may use their relationships with the regulator to effect policy outcomes.

Relational Institutional Work

In the management literature, institutions are resilient symbolic and material structures that provide meaning to and shape actions (Scott, 1987). At the same time, institutions are also constructed and maintained by actors' thoughts, feelings, and behaviors and can be influenced by their desires to affect institutional change (Fligstein, 2001). More concretely, in this dissertation, institutions are the policies and regulations established by the government and guide organizational activities. Institutional work is a term for how individuals create, maintain, and disrupt such institutions (Lawrence & Suddaby, 2006). This perspective provides useful insights into the role of agency and examines closely how actors' motivations, behaviors, and relationships in their narratives are constrained by institutions, but simultaneously influence and drive institutional change (Holm, 1995; Seo & Creed, 2002; Greenwood & Suddaby, 2006). By highlighting the role of actors, research on institutional work brings to the foreground the day-to-day experiences of individuals and how their actions affect the institutional reality around them, such as influencing policy making and policy enactment.

Management research in institutional work has been shifting its focus from accounts of grandiose stories of institutional entrepreneurs who single-handedly changed institutions (Dorado, 2005; Garud, Jain, & Kumaraswamy, 2002; Greenwood & Suddaby, 2006; Maguire & Hardy, 2006) to understanding how change is achieved via the institutional work on the part of diverse actors (Klein, 2012; Lawrence & Suddaby 2006; Rao, Morill, & Zald, 2000; van Wijk, Stam, Elfring, Zietsma, & den Hond, 2013). Moreover, institutional work does not always lead to actors' desired outcomes. The reality is that the practical work that people do can affect the institutions in a myriad of ways, intended and unintended, "successful and not, simultaneously radical and conservative, strategic and emotional, full of compromises, and rife with unintended consequences" (Lawrence, Suddaby, & Leca; 2011: 52–53). This is in part due to the institutional plurality of actors from diverse organizations and fields. In the face of such complexity, collaborating actors necessarily engage in mutual adjustment and alignment to pursue their objectives. To explicate how multiple actors, with their sometimes conflicting motives and actions, work together to influence policy in unexpected ways (Dorado, 2005), I also draw from and build on relational institutional work in the management field to examine the micro processes of how actors interact with each other to achieve their ends across the boundaries of different organizations and fields.

Relational work. Work by Hampel, Lawrence, and Tracey (2017) further refines the concept of institutional work by accounting for the means through which the institutional objectives are being accomplished. One type of institutional work is relational work, which explores how actors interact with others to affect institutions. This relational approach to analyzing institutional change is reminiscent of Lejano and Kan's (2022) conception of relationality in policy research, and recent relational work research can provide some insights into the various strategies at the individual level to influence institutional and policy change.

Literature on relational work provides insights for understanding how groups of people can work together to achieve common policy goals. Specifically, there are two streams of research on relational work. The first stream studies how actors can gain followers to drive change by building networks (Bertels, Hoffman, & DeJordy, 2014; Dorado, 2013) and suppress alternatives (Dacin, Goodstein, & Scott, 2002; Martí & Fernández, 2013; Rojas, 2010). The second stream explores how actors engage in collaborations to affect institutions. Existing research on collaborations has focused on the relational effects of social position (Bertels et al., 2014; Empson, Cleaver, & Allen, 2013) and goal alignment (Singh & Jayanti, 2013; Wright & Zammuto, 2013) in collaborations. However, one major critique of the current research on relational work is that studies tend to focus on the interactions between homogenous actors within the same organization or field (Dorado, 2005; Hampel et al., 2017). For instance, Dorado (2013) reveals that institutional entrepreneurs form cohesive groups and much of the motivation and opportunity identification that facilitate and drive change emerge at the group level rather than the individual level. In this study, the focus is on the extensive interpersonal coordination of a few key entrepreneurs who share common goals. In another example, drawing on social network analysis and interviews, Bertels and colleagues (2014) identify how configurations of social positions and organizational identity affect the types of relational work that social movement organizations are engaged in. In their study, the focus was on a set of social movement actors within the same field, which is the U.S. environmental movement.

However, much less is known about the relational work of disparate actors across boundaries of different organizations and fields who have diverse roles and interests, which is the case for the government regulators and the regulated organizations. However, there are a few notable exceptions in the relational work literature. One is Wijen and Ansari's (2007) research on overcoming collective inaction to enact the Kyoto Protocol, an international treaty to limit emissions. They report that the successful passing of the treaty was due to the collaboration of large number of diverse actors from different fields, such as national authorities, businesses associations, and scientists across the different countries in the world. They also identify the creation of common ground as imperative for these heterogenous nations to reach a productive agreement. Another is Zietsma and Lawrence's (2010) work that examines the interactions between government officials, forestry companies, and environmentalists and how initial conflicts eventually gave away to small scale collaborations and ultimately, institutional change in the field. Their work suggests the importance of creation of safe spaces for seemingly oppositional actors to connect across boundaries, learn how to collaborate, and promote new practices.

Despite the progress made, there are still many important questions unanswered regarding how interactions between diverse actors across boundaries can influence policies. Drivers of institutional change can occur at the interpersonal and sub-organizational level to the more societal and global level (Dacin et al., 2002). Yet, most of the literature on relational work across organizations and fields tends to focus on the latter (Alvesson & Spicer, 2019). This means there is less understanding of the actual strategies and activities that individuals are engaged in. For instance, Wijen and Ansari (2007) describe how during the negotiation of the Kyoto Protocol the nation states realized that they individually had no bargaining power and, thus, allied with like-minded parties. Then, the resulting political coordination became the common ground critical for successful collaborations. In this case, the finding is more focused on a generalized end-result, rather than the processes of how individuals achieve such coordination with each other. There were no discussions on the useful tactics, persuasion skills, and negotiation strategies that individuals, as representatives of their nations, were engaged in that helped them arrive at the common ground. In the other example, the safe spaces described in Zietsma and Lawrence's (2010) work are secretive experimental projects in which multiple stakeholder groups with different interests come together to negotiate and test potential solutions. This allows diverse actors to accept new boundaries and engage in dialogue with "enemies" to create new, sustainable practices. While the rationale for safe spaces is sound and end results are clear, again, less is known about how the boundaries were actually crossed at the individual level, such as, what strategies are used to incentivize diverse actors to collaborate on a common goal? Answers to these questions will also be valuable in unpacking and understanding how successful policy making, implementation, and enactment are achieved on the part of the interpersonal relationships and interactions between the regulated and the regulators.

Relational Work Between the Regulated and the Regulator

This dissertation furthers the understanding of policy making and institutional change in the presence of fragmented interests across different organizations and fields at the individual level. Specifically, I address the shortcomings of the above literatures on policy making and relational work by focusing on relationships at the individual level and studying the actual interpersonal interactions to explain, more granularly, the policy making processes at the ground level. I explore how relationships between the regulated and the regulators are built and leveraged to achieve policy outcomes that both parties desire. I also set out to explain and compare these complex processes in both China and the U.S. Specifically, both contexts are theoretical polar types that allow for patterns regarding relational work in policy making to emerge more readily through comparisons. The rationale for choosing both as research contexts will be explained more thoroughly in the chapters to follow. I contribute to both policy research and management theories by illuminating how individual actors actually approach policy and regulatory issues in their day-to-day work. In my studies, what I find is that it is not so much about designing and implementing *effective* policies but rather relying on relationships and interpersonal interactions to solve policy and institutional problems. Furthermore, I also find that policy making is iterative in nature that requires ongoing dialogue between the regulated and the regulators.

In Chapter 2, I provide narratives of Chinese entrepreneurs who, upon returning to China from abroad, must navigate and resolve unexpected challenges with local government officials. I describe how the direct relational work between the entrepreneurs and the government officials to address day-to-day organizational problems contributes to the emergence of new institutional and regulatory processes within the context of the developing pharmaceutical, biomedical, and biodevice industries in China. This study extends the research on relational work to answer two questions: (1) how are the different motivations and goals of diverse actors across organizational boundaries reconciled through relational work, and (2) what are the specific, individual level strategies and processes of relational work?

In Chapter 3, as a preliminary study to understand potential differences in the relational work between the regulated and the regulator, I draw from a survey of managers in both China and the U.S. to examine and reveal similarities and differences in their engagement with government actors and government intermediaries who do not work directly but have contacts in the government. Specifically, I find that both Chinese and U.S. managers do directly build and leverage their relationships with government actors, though the reported number of such relationships are much less for the U.S. managers. I also find evidence to further support the claim in Chapter 2 that Chinese managers leverage their relationships with government officials directly for policy related outcomes. On the other hand, U.S. managers interact with intermediaries rather than government actors directly for such outcomes. This interesting finding points to the potentially important role of intermediaries for U.S. businesses in engaging with the government and the wide variety of relationships that can be used to implement government policy. Lastly, I find that Chinese managers distrust their direct government relationships, while U.S. managers neither trust nor distrust their relationships with the government actors and intermediaries.

In Chapter 4, I continue to focus on examining the role and processes of relational work in policy work in the U.S. context. I do find evidence for the importance of intermediary organizations in mediating and influencing the conversations and interactions between businesses and the government. The intermediaries engage in much of the relational work with both the businesses or government entities, such that they are deeply knowledgeable of the processes and perspectives from both sides. This allows these intermediaries who are not formally part of governments to be heavily involved in public policy work. Given that these intermediaries' achieving their organizational objectives necessarily depends on embedding themselves in the social infrastructure and building relationships with the businesses and the government, I argue that relational work is, effectively, a highly specialized function. I also elucidate further how relationships are regularly used to influence policy making. Lastly, I conclude that while recurring and predictable relational work and processes can be routinized, which ironically takes the relational out of the work, relational work is still necessary when it concerns policy making and change in this U.S. context.

Finally in Chapter 5, I close my dissertation with a direct comparison of my two qualitative studies in China in Chapter 2 and the U.S. in Chapter 4. I highlight that first, in terms of similarities, relational work is central to how the regulated and regulator build and leverage relationships to effect changes in institutions such as policies and regulations. Second, I provide additional evidence that relational work in China is highly specialized as well. Third, I argue that the absence of trust characterizes the relationships between the regulated and regulator in both contexts. In terms of differences, there are no evident indications that relational work in China will eventually be routinized like that observed in the U.S, and I present my speculations regarding the development of relational work in China as regulatory institutions become more formalized. Finally, I conclude with a discussion of this dissertation's theoretical contributions to policy research.

CHAPTER 2: BLURRING OF INSTITUTIONAL ROLES THROUGH RELATIONAL WORK

In Chapter 1, I provided the theoretical background for my dissertation and the importance of studying policy making and implementation via interpersonal relationships and interactions at the individual level. In this chapter, I present the first qualitative study that allowed me to understand and unpack the processes and mechanisms of relational work. I examine how entrepreneurs engage with regulatory actors across organizational boundaries, reconcile conflicting values and expectations, and subsequently, effect policy and regulatory changes.

Specifically, drawing from interviews with entrepreneurial Chinese returnees who left their homes abroad to pursue opportunities in their birth country, I analyze how they came to recognize conflicts in both professional and normative values between them and those around them. They then strove to uphold and communicate their values. For instance, as the returnees engaged in problem solving in their organizations, they engaged in relational institutional work and navigated distinctively Chinese relational practices with government officials and regulators, continually aligning the expectations of these parties with their own values. They effectively built relationships that allowed them to participate in regulatory policy making. These findings expand our understanding of relational institutional work and subsequent institutional change, both social and regulatory, as outcomes of interactions between a multitude of diverse individual actors within and outside of an organization. These findings also elaborate on the specific, individual level strategies of relational work. This is a narrative of how relational institutional work can blur the roles between these actors, of how the regulated, in effect, can become unintentional regulators.

Research Methods

Research Context

Since the end of the Cultural Revolution in China in 1976, innumerable Chinese scholars have flocked abroad to obtain graduate degrees, mainly in the science, technology, engineering or math (STEM) fields. In the past two decades, the Chinese government has tried to actively reverse this brain drain by systematically targeting and recruiting these highly skilled professionals to come back home. The recruitment efforts include new government programs and policies that offer startup funding and tax breaks as incentives to these professionals if they return to China to embark on entrepreneurship. Moreover, within the context of the present study, the returnees are also offered subsidized housing, offices, and manufacturing space and government officials' direct assistance with necessary documentation and paperwork to jumpstart their careers back at home in China.

Due to these efforts, there has been a drastic rise in the number of these returning professionals. Chen, Yuan, Jiang, Yu, and Huang (2003) found that the number of startups in Shanghai's Zhangjiang High-Tech Park has increased from 40 in 2000 to 170 in 2001, and many of these new enterprises were set up by the returnees returning from locations such as Silicon Valley. As of 2009, there were more than 3,600 firms located in this technology park (National Research Council, 2009). With this pool of talent, the Chinese government policy makers expect the returnees to spearhead innovative and technological developments owing to their advanced knowledge, technical skills, bilingualism, Western networks, and other human and social capital that they have accumulated abroad. Ultimately, the government hopes that they will expedite economic development in the home country (Hao & Welch, 2012; Wadhwa, Jain, Saxenian, Gereffi, & Wang, 2011).

Overall, recent research on this phenomenon tends to be largely focused on the performances of the returnees' ventures (Giannetti, Liao, & Yu, 2015; Liu, Liu, Han, Lu, & Zhang, 2014; Wright, Liu, Buck, & Filatotchev, 2008; Sun, 2013), innovation (Liu, Lu, Filatotchev, Buck & Wright, 2010; Filatotchev, Liu, Lu, & Wright, 2011; Wright et al., 2008), and ability to launch an initial public offering (IPO) (Cumming, Duan, Hou, & Rees, 2014). This literature finds mixed results on whether the returnees are performing better or worse than their local Chinese counterparts. This suggests that there are many underlying processes, such as relational, at play and more nuanced approaches are necessary to understand what the impact of the returnees is once they have returned and the extent of this impact. Indeed, many scholars in the field acknowledge this knowledge gap and call for research to advance beyond "vague theory and thin empirics" (Martin & Sunley, 2001: 153). The current research also answers that call as an inductive study. I adopt a micro lens that emphasizes everyday practices and interactions as the main building blocks of institutions and explore the day-to-day experiences of the returnees at their firms at the individual level.

Case selection. The principal objective of this inductive study, and, to a degree, this dissertation, is to develop theory regarding relational work. Therefore, theoretical sampling is suitable, in which cases are selected because they are unusually revelatory, extreme exemplars (Yin, 1994) that are particularly appropriate for explicating and extending insights of a phenomenon or a theory (Eisenhardt & Graebner, 2007). In this sense, the Chinese context is ideal to examine relational work because China is known for its well-documented guanxi practices, through which the relational is indispensable for navigating the public and private spheres.

Guanxi. An introductory understanding of guanxi is imperative to understand and contextualize the findings and conclusions of this study. In the Chinese culture, guanxi refers to an individual's social network of mutually beneficial relationships, and practicing and utilizing guanxi are core elements of conducting businesses and social interactions in China (Luo, 1997; Tsui & Farh, 1997). Guanxi itself is a deeply rooted cultural institution in China. Guanxi between individuals is built over time through guanxi practices such as mutual favors, gift gifting, and other forms of reciprocity, as well as on past social contacts such as classmates (Yang 1993). An individual with a strong guanxi with others is considered trustworthy, reliable, and influential. In businesses, guanxi can be the difference between success and failure, as it can facilitate access to necessary resources and partnerships. Guanxi is also prevalent in government and politics, where personal connections and relationships can have a significant impact on decision making and policy implementation (Fu, Tsui, & Dess, 2006).

Thus, practicing guanxi is not only about maintaining the beneficial social relationships but also leveraging those for personal or professional gain, such as meeting new business partners through networking. Unfortunately, this is where utilizing guanxi can be tricky and potentially blur the lines between personal relationships and professional obligations. For example, guanxi practices can result in corrupt practices such as nepotism or bribery. In these cases, guanxi and relationships are prioritized over meritocracy, leading to unequal opportunities and feelings of unfairness, disappointment, and mistrust for individuals alienated by guanxi practices (Yang, 1997). A deeper exploration of the values underlying guanxi practices and the lack thereof will be discussed later in the paper.

Specifically, in this study, having been away from home for so long, the returnees are learning again the pervasiveness of guanxi and the principles and values that guanxi practices can potentially violate. Since the returnees' goals are to conduct businesses in China and their sponsorship situation also puts them in intimate proximity with the Chinese government officials, how they navigate guanxi and engage in relational work then become unexpected challenges in their day-to-day experiences.

Data Collection

I focused on the pharmaceutical, biomedical, and medical devices industries in a large city in eastern China. I collected the data in China from April through May and September of 2019, for around a month and half each time. However, the pandemic prevented further data collection on site. As I was analyzing my data after the two data collection periods, I kept in touch with my informants, and they clarified their ambiguous statements and answered my follow-up questions whenever possible.

Semi-structured interviews. I conducted six interviews (five with returnees and one with a government official). The interviews lasted one to two hours each and followed a semi-structured interview protocol (Appendix A). In my interviews with the returnees, I focused on their entrepreneurship journeys, their experiences with founders of other firms in the area, and lastly, their personal adjustment to the new environment. In the interview with a government official, I asked about officials' responsibilities to and the government policies impacting the returnees. If the informant consented, the interview was recorded and transcribed verbatim to the spoken language, which was mainly Chinese mixed with English. Otherwise, I took copious notes during and after the interview.

Participant observation. In April through May of 2019, I worked in a pharmaceutical firm and participated in their day-to-day activities, for which I was not paid. I was also invited to participate in activities outside of work with the employees, such as attending a wedding and banquets. In the firm, I helped all the departments with translations of documents, such as standard operating procedures, from Chinese to English and vice versa. During my time at the firm, I collected thorough field notes that focused on the people, places, interactions, and events. I recorded all my reflections, questions, and insights, and at the end of each day, I digitalized my notebook, formalizing and elaborating my notes with more details, resulting in a single-spaced document. An overview of the empirical data is presented in Table 1.

Table 1. Overview of Interviews

Name*	Industry	Length of Interview	Recording
Jack†	Pharmaceutical, Medical Device	1 hour 45 minutes	Yes
Laura	Medical Device	2 hours	Yes
Alex	Medical Device	2 hours 30 minutes	Yes
Matthew	Pharmaceutical	1 hour 30 minutes	No
Edwin	Medical Device	2 hours	No
Kevin	Government	45 minutes	Yes

*Pseudonyms †Whose firm I worked for and where I collected my observational data

Data Analysis

This research is an inductive study, which is most appropriate for inquiries derived from phenomenology and for the goal of extending theory. I sought to understand how individuals make sense of their situations and find meanings in the events and interpersonal interactions embedded within those situations from their perspectives and how their interpretations consequently influence their actions. Following Glaser and Strauss's (1967) notion of grounded theory, the emphasis was placed on understanding the nature of a phenomenon on its own terms and developing a theoretical account of the returnees' expectations and actions. Specifically, coding and analyses of data were iterative to ensure the flexibility of pursuing research in new directions as insights and understanding of what is relevant develop (Glaser & Strauss, 1967).

In my analysis, I sought to construct an understanding of the narratives and processes around relational work. I first focused on returnees' personal and professional challenges as they start their entrepreneurships in China. I noticed that their challenges are related to their relationships and interactions with the government actors, stemming from the differences in motivations and values between both parties. Specifically, the returnees and government actors work closely in this context, but they have different expectations about guanxi practices and enacting professional norms in the pharmaceutical, biomedical, and medical devices industries. Accordingly, in my next pass of the data, I examined how the differences are resolved through the processes of relational work between the returnees and the government actors that allowed them to align on common goals and objectives. In my final round of analysis, I identified the consequences of successful relational work and collaboration between the returnees and government actors.

Findings: A Narrative of Institutional Change

In this section, I first present the returnees' entrepreneurial motivations and their professional values as they persevered in their entrepreneurial journey in a new and unfamiliar environment, in which their values clash with the institutional reality. Second, I describe the relational institutional work that the returnees engaged in with government officials and regulators to address conflict of both professional and normative values and show how they reconcile to come to a mutual understanding. Finally, I explore how this understanding allows the returnees and government officials to work together to solve day-to-day problems and how it, inadvertently, results in institutional work that drives public policy and regulatory changes in their industries.

Returnees' Entrepreneurial Motivations

The returnees are primarily motivated by the potential profits they can make when they return to China to start their firms. The financial opportunities are presented in two different ways. First, because of their experiences abroad, they believe that they are able to easily enter the industries and establish themselves as major players. In China, the pharmaceutical, biomedical, and medical devices industries are relatively new compared to the countries they returned from, and so, the technology and innovation in China lags that of those countries as well. What the returnees see themselves bringing in is their expertise and technical knowledge. They "*know where the gap in biomedicine between China and the U.S. is… What [they]'ve learned in the U.S., the technology [they] have mastered, are exactly what China needs*" (Jack) and currently lacks. Moreover, China currently sources the majority of its medical devices and equipment from foreign suppliers, indicating the state of slow technological advancement and also a lack of competition in the domestic Chinese medical devices industry. Thus, there are products and services that only the returnees can easily and swiftly provide, and Laura aptly described this reality when reflecting on some of her firm's projects:

> "*China's technology has been lagging behind foreign countries for many years now. A lot of applications that scientific units in China have asked us to do, we've done it a long time ago... This kind of project doesn't take very long. Payouts are fast.*"

Second, the returnees also perceive the growing and developing Chinese market to be an opportunity for potential profits. Alex predicted the future of the medical devices industry he is in:

> "*The medical device market in China will be the world's largest. The U.S. has already reached saturation, and China is still developing this market. We only probably covered about 50% of the market. It's so big and has a lot of potential for sales… Also, the current*

state of the market in China is what the U.S. was 10 years ago. The U.S. 10 years ago is China's now. There are still 10 years of opportunities. [Currently], the equipment in U.S. hospitals is very advanced and is only being replaced slowly. They aren't building new hospitals anymore. However, in China, new hospitals are being built everywhere, and the current hospitals in China don't have enough equipment, so they have to buy new. In the U.S. the majority [of the market] is mostly replacement."

The returnees' valuable experiences and technical knowledge from abroad allow them to evaluate expertise, or lack thereof, in their industries in China. Consequently, they saw potential financial opportunities in China, and pursuing these is their primary objective. Furthermore, since the returnees also know how businesses in their industries operate from a global perspective, they are "*not afraid to focus on the globe as a whole, as [their] market*" (Matthew) They also seek to export their products and services into foreign markets, as they strategically deliberate how to establish distribution channels and apply for initial public offerings in countries outside of China. As the returnees embark on their entrepreneurial journey in China, profit is their main aim.

A Conflict of Professional and Normative Values

Around the world, the pharmaceutical, biomedical, and medical devices industries are highly regulated, as product and service quality clearly translate into consumer safety. Based on their extensive experience abroad, the returnees are committed to these professional values. However, as they come to realize, these values are not firmly upheld by the local Chinese entrepreneurs in these industries and by the government officials and regulators who oversee these industries. This conflict of values unexpectedly becomes an emergent challenge in their entrepreneurship.

In my interviews, the returnees bemoaned that the current Chinese market is inundated with ineffective and fraudulent products that do not meet very basic quality standards, reflective of the local Chinese entrepreneurs' lack of concern for consumer safety. For example, Jack revealed that during the product development stage, the research and development (R&D) team bought competing products on the market at the time and inspected them internally. While a product's instructions for use specified that the shelf life was two years (the product can be stored for two years without becoming unsuitable for use or consumption) the team was shocked to find otherwise. The product could not pass a microbial test within the shelf life; the bacteria count exceeded the limit and thus the product was harmful to consumers.

In some cases, Laura told stories of Chinese entrepreneurs choosing to enter industries that are currently trendy and profitable, but not necessarily in their domain of expertise. Laura expressed that in these cases, the local Chinese firms tend to also cut corners in terms of R&D and manufacturing. This includes unethical practices of documenting in ways that forgo professional and scientific values of transparency and replicability.

> "*Every manufactured product should have batch records… It is all recorded. In China, a lot of things are not recorded. They are recorded afterwards. They add it after analyzing the data or write it with a pencil and change it later with an eraser. Not all, but many companies do this.*" (Jack)

My informants are scornful about these and similar practices, but also come to understand that this lack of consideration for product quality and consumer safety unfortunately reflects a normative and cultural reality in China, in which most local Chinese entrepreneurs and businessmen solely focus on profits. Jack asked rhetorically:

> "*Why do many Chinese companies commit fraud? It is because they do not have a long-term vision nor plan… He might have just wanted to make some money. That's all. He would not think about the long-term development of his company. What would the next step be? With so many regulations, costs are so high. Why would he pursue high quality standards?*"

The returnees perceive the local entrepreneurs' self-interests to be in direct contrast with their professional commitment, driving the differences in their goals and vision, and consequently, how the local Chinese entrepreneurs and the returnees choose to manage their companies.

For the local Chinese entrepreneurs, skimping on standard regulatory practices reduces the cost of production and manufacturing, which allows them to sell their products at a lower price, and this creates unexpected challenges for the returnees. The lower pricing entices the consumers and thus damages the returnees' firms, as they lose sales due to their higher pricing, reflective of their best practices. For example, Edwin revealed that by choosing to use the more expensive but higher quality photo sensors in his medical equipment, he is "*sacrificing the competitiveness of [his] products*" in terms of pricing. Nevertheless, he wanted to "*focus on the product's quality such that the reward in the end is more satisfying. Customer satisfaction will eventually turn into well-deserved profit.*"

These narratives of challenges in the domestic market also illustrate the rather frequent regulatory failures in the Chinese industries, as part of the problem lies in the regulatory environment. Jack reflected on his interactions with government officials:

> "*Even when we first started our business, some officials also said… 'Your quality standards are too high. Hurry up and sell some products to make money.' Much of the focus is on how to make money, how much money, these kinds of objectives.*"

In my interview with Kevin, a government official employed at a science park, he explained that in some cases, government officials' evaluations are dependent on the success, usually measured in terms of profits, of the firms under their supervision. Thus, pushing the returnees to sell their products for profit is in line with government officials' self-interest. Yet, despite these pressures, the returnees are resolute that "*if there is a problem with the product quality, [the returnees] will definitely not release to the market*" (Jack).

Thus, the returnees' professional values and norms, which they bring in from their experience abroad, conflict with those with whom they compete and work. Specifically, the returnees recognize and view the differences between how they and the local Chinese entrepreneurs approach the industry as a source of pride. In effect, the returnees actively distance themselves from the unprofessional practices while still pursuing profits. Even as this commitment to product quality and consumer safety drives their costs and prices higher than those of their competitors and as they sacrifice the potential for sales and profits, the returnees believe that ultimately, the consumers will be able to differentiate between the quality of the products in the market.

Guanxi as the Central Challenge

One of the main reasons why the local Chinese firms are able to market and sell their poor quality and unsafe products is because they practice guanxi with, first, the upstream government leadership who approves their products and, second, with their customers and clients who purchase their products and services. Guanxi, as a cultural institution deeply embedded within the Chinese context, is widely leveraged among local entrepreneurs. In order to sell to the Chinese market, the pharmaceutical, biomedical, and medical devices firms need to obtain product approval from the Chinese National Medical Products Administration (NMPA, previously Chinese Food and Drug

Association), an agency equivalent to the U.S.'s Food and Drug Association. Thus, as long as the local entrepreneurs have established relationships with key actors in the NMPA, their approval processes tend to be easy and smooth. Reflecting on how local Chinese entrepreneurs conduct their businesses, Jack stated that while the NMPA "*will check [the documentation] ... And some companies will be discovered [to be violating quality standards], but some will also survive through public relations.*" Here, the "public relations" refer to the guanxi between the local entrepreneurs and key actors in the local government. In these cases, the government actors will shield the local entrepreneurs with whom they have strong guanxi relationships from any problems that may arise in the approval process.

Secondly, establishing guanxi with customers and clients is critical to the survival of the firms as well. Laura described the reality of the current domestic market for these industries:

> "*Good products do not mean you will sell well. You just have to have a good enough relationship [with your clients], even if your products are [of] poor [quality].*"

Additionally, Edwin lamented how he attempted to bid on a contract with a local hospital to sell his medical device equipment, but still lost to a local firm after a few years. He recalled that his firm invited sales agents from the hospital to examine the equipment. As these sales agents operate by guanxi, they essentially subtly indicated to Edwin that he needed to practice and build guanxi, such as gift giving and having dinners with people from the hospital, which he refused to engage in. Consequently, Edwin attributed the loss of the contract to his reluctance to practice guanxi in those expected ways with key actors from the hospital.

Unfortunately, all these examples demonstrate that, regardless of the regulations, people in China are mostly still driven by a sense of reciprocity and obligation in their guanxi and relationships. This is a classic instance of how the Chinese culture of guanxi can ultimately undermine regulatory efficacy. Consequently, the returnees have to strive to uphold both their professional values and normative values that may be implicated by practicing guanxi. Their navigating this landscape of complex relationships in which certain guanxi practices are expected ends up being a challenge that they must overcome to survive in these industries in China. This cultural reality is then the institutional context that forces the returnees to engage in relational work to bring about change, or at very least, to ameliorate the clash of both professional and normative values and expectations between themselves and the local government officials.

Navigating Guanxi as Relational Work via Respect

In China, the local entrepreneurs have learned to regularly practice guanxi to achieve their goals, and government officials and regulators perceive this as the basis of common business transactions. Thus, guanxi is necessary to some extent, and the returnees do recognize this. "*The truth is that you have to practice guanxi, because if you don't reciprocate… you wouldn't get support*" (Jack). However, guanxi practices, such as bribery, can encourage corruption and dangerous blindness to industry regulations. In this sense, guanxi can pose many challenges for the returnees who are not willing to engage in certain practices that compromise their values, and the returnees have to engage in relational work to actively delineate the boundaries of guanxi and guanxi practices with those around them.

Consequently, in the face of necessary guanxi practices that are potentially inconsistent with their normative values, the returnees attempt to circumvent the inconsistency. Specifically, the returnees report they only utilize guanxi for business objectives and build and maintain relationships in ways that do not implicate their values. By consistently following their principles and values in their interactions with others, the returnees set themselves apart from the local Chinese entrepreneurs in the ways they approach both guanxi practices and businesses.

Subsequently, they are able to manage, align, and change the expectations of those with whom they work. In this case, the returnees who are engaging in guanxi practices in a principled manner perceive that officials begin to respect them and want to truly help them. In other words, the guanxi between the returnees and those around them is no longer built on reciprocity and obligation but respect, which becomes foundational to strong and productive relationships. Most importantly though, through this process, the returnees are still able to uphold their values and principles. Thus, in this narrative, the relational work they engaged in with others also facilitates the reconstruction of the underlying meaning and building blocks of guanxi.

Differentiating guanxi practices. A critical caveat is that while the returnees state that they will not engage in guanxi practices, at the same time, they understand that forming amicable relationships – and leveraging those relationships – with those whom they work with is certainly valuable. For instance, the returnees described a lack of formal transparency in Chinese government regulations compared to their previous countries, and information that could be researched online when they were abroad would need to be obtained from personal relationships. Thus, direct interactions with government officials can help them navigate and manage the unfamiliar regulatory environment. Specifically, Kevin divulged:

> "*The government will advise [the entrepreneurs], such as how to do accounting every year. [For example], research expenses should be a certain proportion. Some may say, I went to Qinghua University to visit a professor. The car, food, and lodging fees can be written as research expenses rather than traveling expenses. Since your goal is to do research, then this is research expense. This is what we teach them.*"

The returnees' willingness to engage in guanxi practices to obtain this type of support from the government then depends on the implications of the guanxi practices on their values, and the distinction lies in evaluating the ends and means of the practices:

> *"Because we have been abroad for so many years, we are not very familiar with Chinese laws and regulations. Many laws and regulations in China are not transparent. You need to deal with the government. You need their guidance. It is not all printed materials; [much is about] person to person. If you don't have a certain relationship, you don't get these kinds of services. This is a key aspect and lets us avoid mistakes. It is not about cutting corners but avoiding mistakes."* (Jack)

By articulating a difference between "avoiding mistakes" and "cutting corners," the returnees consciously differentiate and judge the intentions and objectives of guanxi practices on the basis of their values. While they have to practice guanxi when interacting with government officials, they are articulating here that they will not engage in guanxi practices for unethical ends, such as the "cutting corners" tactics that they claimed are employed by many local Chinese entrepreneurs. Instead, they will engage in relational work only for ends that are within the bounds of their values.

Secondly, the returnees are also differentiating between the different means through which they build and maintain their relationships with others:

> *"It is okay for us to give small gifts. However, I cannot bring myself to give real money. This would compromise my integrity. This is a big struggle [for us]. But for many companies in China, this is normal business practice; it is just cash."* (Laura)

The returnees acknowledge and demonstrate that there are different ways to form and leverage guanxi with other people. Here, both Jack and Laura draw a distinction between their moral bottom line versus the actions that the local Chinese entrepreneurs are willing to take, which they condemn. The nuances in how they practice guanxi then further set the returnees apart from the locals.

There are also instances where returnees are comfortable practicing guanxi that is necessary and in ways that are principled. For example, Alex recalled obligatory exchanges between himself and those in the government:

> *"First, you have to establish a good relationship with the government… Then, you have to cooperate with the government and participate in their activities. You cannot not go. On the sixth, I have to go to the city-wide development conference. They designated me as the representative, so I must go. On the 20th, there is another province-wide development conference. They told me they nominated me… so I still have to go. I have nothing to do there other than being part of the audience. But it's the government. You just have to go."*

Since the government sponsors much of the starting capital for the returnees' startups, amicable relationships between the returnees and the government are imperative. As conferences are a way for government officials to report to their higher ups on the status of the returnees they've recruited, thus, if selected, the returnees need to show up to showcase their firms' technology and products to validate that the government's investment is well spent. This particular interaction maintains goodwill between the returnees and the government officials who support them and allows for opportunities of future government investment. While the returnees do not necessarily want to participate in the conferences, they are still bound by reciprocity and have to enact guanxi practices to some extent in order to gain the support of government officials. Here, they are careful in how they engage in relational work that best aligns with their values.

Taken together, the evidence shows that in China, it is imperative for the returnees to practice guanxi and form productive relationships with those around them to facilitate firms' growth. However, what they can control and can be intentional about is how they leverage and form relationships. The returnees reported a refusal to put themselves in situations that may require practicing unethical guanxi practices to solve problems. They "*never want to get to the point where [they] have to do some under the table things, because it'll be troublesome in the future*" (Laura). For example, some noted that they could be targets of slander if the practices were brought to the surface or that the government may feel entitled to exercise a wider influence on the development of their firms. Thus, the returnees learned to engage in complex relational work with the government officials and regulators and rationalize and select certain guanxi practices, such that they believe their values are not compromised.

Substituting guanxi with understanding and respect. Ultimately, the relational work that the returnees undertake leads to changes in those around them, such that the government actors come to truly understand and respect the returnees. Specifically, throughout their experience, the returnees are directly communicating their values. For instance, in one of the earlier examples, Jack squarely responded to a government official that he will not sacrifice quality and standards in his products. Second, as described in the above section, they enact and reinforce their values by actively rejecting certain guanxi practices, no matter how difficult and what the circumstances are. Subsequently, the returnees reported a belief that the government officials were starting to understand their core values that were driving their actions.

For example, Jack told the story of their first product approval submission to NMPA back in 2015. He needed to deal with many approval departments in the process. However, because he did not actively establish guanxi with key individuals in the government or know anyone, the decision was not in his favor. Afterwards, he arranged to meet with a regional government leader whom he had met before to explain his situation, and this was someone with whom he did not have any financial entanglements. Jack reflected that this leader had great respect for him after visiting his U.S. home. The leader was surprised that despite the comfortable life in the U.S., Jack still decided to come back to China to start a business. The leader understood that Jack's aspiration and commitment to deliver high quality products was earnest, and thus helped Jack by informing others in the government ranks that they should strongly support people like Jack.

In this example, Jack did leverage his relationship with the government leader. Even though this action falls under guanxi practices, it did not violate his values from his perspective, because first, his end goal was getting a fair product review in the rather than blind approval. Second, he perceived that the relationship was built on the other's respect for his endeavor rather than bribery. By engaging in relational work with the government leader, Jack presented himself, not as an entrepreneur who was only motivated by wealth, but as someone who sacrificed a comfortable life abroad to focus on developing quality products. Observing that Jack's actions are aligned with his articulated values, the government official seemed to form a sense of admiration for Jack and decided to support Jack. Reflecting on this incident more, Jack stated:

> *"If we persist, we will be respected by people who know we don't rely on guanxi to build our firm… Those who help and influence the development of our firm are still the government. Some government officials will realize that we are serious about our industries, that we rely on our technology and product quality to survive. So, although they themselves are in this environment [where guanxi is expected], but they will still respect your integrity and come to truly support you."*

Evidently, due to the prominence of building guanxi before doing businesses in China, the government officials often expect the returnees to reach out to form relationships prior to conducting business, such as applying for product approval. However, the returnees firmly believe that their success can solely be dependent on the quality of their products, and this conviction stems from their experiences abroad, in which professional values of product quality and consumer safety will lead to firm success rather than relationships. Yet, upon returning home, they did not anticipate that their professional and normative values would get in the way of their entrepreneurship and securing support from the government officials. So as not to compromise their bottom line, the returnees actively differentiate and refrain from certain guanxi practices. In other words, the returnees learned how to engage in appropriate relational work with the government officials to overcome the misalignment of guanxi expectations between the two. By actively communicating and enacting their values over time, the returnees are also able to persuade the government officials to understand and respect their endeavors. In effect, the returnees are able to shape and influence the cultural institutions surrounding guanxi practices when it comes to their interactions and relational work with the government officials. Further, I speculate that the returnees are able to supplement business relationships based on guanxi with ones that are more based on respect for their professional and normative values and commitment, and this is an observation that will require further research.

Collaborative Problem Solving as Institutional Work

As the returnees engage in relational work with government officials to develop mutual understanding and expectations, they are able to build beneficial relationships with government officials whilst also uphold their values and principles. This alignment then becomes the necessary foundation for them to take actions and work together, such as collaborating and tackling issues that may arise. For Laura, a significant problem arose when she submitted accounting documentation to apply for high-tech firm classification and did not follow certain details. In the application, the R&D raw material expenses did not add up correctly and did not fulfill important requirements. A government official came by her office with an auditor to discuss the nature of the problem with her and suggested multiple solutions for her to consider. They advised her that after she had amended the documentation, she could reach out to check in with them for another review before formally submitting the application. During the discussion, the government official also reassured Laura that they wanted to support her because they truly considered her firm innovative and upstanding.

In this example, this sort of interpersonal and helpful interactions between the entrepreneur and regulatory representatives were able to happen because Laura had already engaged in relational work to communicate and demonstrate her values and principles in how she manages her firm. A close personal relationship had already been established. There is clear evidence that government officials were acknowledging her values and commitment, which led them to help the returnees and provide different solutions. Here, it is not reciprocity and obligation that are motivating the government officials' actions, but the respect the government officials have for the returnees and their endeavors.

As the government officials and regulators actively communicate with the returnees and help them interpret regulations and policies, both parties are engaging in institutional work, in which they are following, interpretating, and maintaining the institutions surrounding their industries together. These direct interactions further pave the way for bidirectional knowledge transfer. The returnees are certainly learning how to navigate the regulatory environment in China from the government officials. At the same time, the government officials can also learn from the returnees' experiences abroad as they bring in their expertise and learned processes of product quality and safety.

Institutional change. In a sense, as the returnees and the government officials and regulators work together, the distinct roles and separation of the regulated and the regulator can potentially become blurred. This then can lead to situations where they can learn from and take suggestions from the returnees on how to effectively regulate the industries and enact those regulatory institutional changes through policies. This was evident when Jack successfully persuaded government officials to establish new regulations and policies. Jack described his disbelief when he realized that there was no waste disposal route in place for dangerous chemical waste from all the pharmaceutical companies in his area, which included firms started by both local Chinese and returnees. He first attempted to hire the nearest waste disposal company that was a few cities away, but because of the distance, the company refused service. The company probably would not have made a profit by driving through multiple cities just to service one pharmaceutical firm. Thus, Jack had to persuade the local government officials to contract waste disposal companies to help establish a waste disposal route in the area. Initially, the officials were incredulous that Jack proposed this when no one else had raised the issue before, but ultimately, they relented and helped Jack, creating new public policy and bettering the community overall.

In this instance, leveraging the guanxi he has already built, Jack actively and directly effected the creation of a new policy by drawing on his experiences abroad and sharing his expertise with the government officials. This alliance blurred the roles of the regulator and the regulated as both were instrumental in creating the new policy and shaping the regulatory institutional environment.

Important to note here is that the context does seem to play a role in enabling the returnees to engage in policy development with the government officials. Foremost, the pharmaceutical, biomedical, and medical devices industries in China are still developing. So, there is a lack of standards that the government has yet to establish, which constitutes institutional voids that need to be addressed by the returnees' expertise. Ironically, lack of regulatory institutions led to institutional constraints themselves in that the returnees do not know how to navigate this environment after coming from a more heavily regulated one. Thus, in the absence of explicit regulations and stringent standards, the returnees instead enact and uphold what they *do* know – their expertise and values in product quality and consumer safety – that require creating new regulatory institutions and policies. Moreover, as the returnees observed, the Chinese regulatory environment is less transparent, and so, for the returnees who are directly interacting with the government officials, the process of regulatory compliance is complex. In some cases, the issue is interpretation, working with government officials to navigate the regulations. In others, it is directly about shaping the regulations and policies, and this shaping is done with an eye to bringing in and transferring standards from their experiences abroad. The returnees engage in relational work with government officials such that the government officials are more inclined to defer to the returnees' policy suggestions. Ultimately, both work together to change policies and regulations

However, problems arise because the returnees are in an institutional context where their values and norms that they bring in from their experiences are challenged. They also notice the myriad of ways in which this happens and recognize the unexpected need to build guanxi to be able to influence creating new institutions that can resolve their firms' day-to-day problems. Relational work becomes imperative here because they realize that relying only on their expertise is not enough to grow their firm. Aligning the expectations of those with whom they work, they also have to enact and communicate their values to others. Only through relational work can others come to understand and respect the motivations and behaviors of the returnees. In this case, the government officials are receptive to the returnees' expertise in the industry and suggestions primarily because of the guanxi that is already established, resulting in new regulatory institutions.

In conclusion, this narrative of Chinese returnees extends our theoretical understanding of institutional work and institutional change by highlighting the necessary and central role of interpersonal relational work. Here, I unpacked how collective actions of change on part of diverse actors can come about in terms of their individual motivations, behaviors, and compromises with others. Specifically, in this case, returnees upheld their values and principles and specifically built guanxi in ways that facilitated mutual understanding and respect, which laid the foundation for productive collaboration and policy development with the government officials. Ultimately, this close relationship with the government officials allowed the returnees to transfer knowledge and facilitate the development of their industries by creating and importing new institutionalized regulation, inadvertently becoming policy makers themselves.

Discussion

Much of the research on institutional work focuses on the roles of homogeneous collectives (Garud, Jain & Kumaraswamy, 2002; Suddaby & Greenwood, 2005) or highly successful institutional entrepreneurs (Dorado, 2005; Maguire & Hardy, 2006) in creating and transforming institutional arrangements. However, scholars do recognize that institutions are products of the amalgamation and integration of efforts on the part of diverse individual actors, who harbor complex and conflicting motivations and interests, and the challenges to understand this richness are even more striking when considering work that crosses organizational boundaries (Zietsma & Lawrence, 2010; Zilber, 2002). This study unravels this level of granularity by focusing on institutional work as social interactions that enable individual actors with distinct experiences, goals, and world views to build and mobilize relationships to modify or change established practices. In this study, relational work is examined as concrete, everyday interactions and practices at the individual level in relations to institutions, resulting in blurring of institutional roles and highlighting the dualities in complex relational work.

Relational Work

The relational work approach in understanding institutional work takes into account how diverse individuals engage with, influence, and establish relationships with others as means to affect institutions, such as policies in this dissertation. In the literature, studies have described that the creation of common ground for diverse actors to coordinate with each other are imperative to successful collaborations (Wijen & Ansari, 2007; Zietsma & Lawrence 2010). This study corroborates these insights and provides additional evidence on the actual activities and processes through which the returnees and government officials achieve mutual understanding and common ground through personal face-to-face relationships despite initial differences in expectations and interests. Specifically, this is a context that is dominated by guanxi, and the returnees and the local Chinese have very different attitudes towards the boundaries of guanxi practices. In order for everyone to cooperate, there is a clear need to engage in direct social interactions that signal and reinforce what values are important and align what guanxi behaviors are deemed appropriate and expected by everyone. These everyday interactions are key for achieving mutual appreciation (Bååthe & Norbäck, 2013). In this case, the returnees explicitly prioritize upholding their professional values of product quality and safety over personal financial gains through their words and actions in front of government officials. Moreover, the returnees do not fully reject but actively engage in guanxi practices to build relationships with government officials only in ways that clearly align with how they conduct themselves professionally. Accordingly, the support from the government officials is attributed to the government's faith in their expertise and merit, as well as the government's learning to recognize that the returnees' values are central to China's goal of building first-class industries. Seemingly, the returnees' strategy is to be steadfast and consistent in what they say and do. Then, in incremental ways, as the government start to understand the motivations and actions of the returnees, the returnees were able to achieve small changes in cultural institutions surrounding expectations of guanxi practices in their relationships with the government. These finding merits additional exploration in future research.

In a recent study that also investigates the implications of social interactions across diverse actors with a healthcare organization, Andersson and Gadolin (2020) examine reciprocal processes of claiming and granting as forms of institutional work to understand how actors could influence each other. Claiming is explicitly directing an individual what to do or think and implicitly influencing someone towards those directions in more subtle ways, while granting is allowing an individual to influence one's actions or thoughts via acknowledgment (Marchiondo, Myers, & Kopelman, 2015). These processes seem to indicate that social interactions and relational work, aimed at mutual understanding, are mainly a discursive approach (see also Helfen & Sydow, 2013; Micelotta & Washington, 2013; Zilber, 2009). However, this current study adds more complexity to the concept of relational work and demonstrates how concrete behaviors and actions (i.e. how returnees engage in selective guanxi practices that align with their values) can also be clear signals of values to others. As similar social interactions that highlight returnees' values are repeated and accepted, they start to shape and align the understanding and expectations of all the parties involved (Sztompka, 2008). Indeed, Zilber's (2009) study has also shown that unspoken worldviews are necessarily communicated through interactions between people to achieve mutual understanding. Perhaps, it is the consistent agreement of the verbal and nonverbal cues, especially when both are difficult to uphold in the face of this particular context, that incited respect for the returnees. Importantly, relationships between diverse actors that are characterized by mutual understanding and respect are foundational for these actors to effect regulatory institution and policy change together.

Blurring Institutional Roles

This present study also illustrated how individuals can engage in relational work and leverage their built relationships towards a goal. When that goal entails necessary regulatory institutional change, that change is accomplished via a surprising temporary blurring in the roles that allows the returnees to influence the government officials to establish new regulations. While the returnees did not have formal power, there are two important considerations of respect and expertise here in the process that allow for the government officials' deference to the returnees' suggestions.

As the returnees carefully build their firms and relationships in accordance with their values, the government officials start to understand and respect them, finding them worthy of supporting. Respect has long been recognized as a referent and personal power that can be leveraged (Davis, Schoorman, & Donaldson, 1997; French & Raven,1959). The returnees seek government officials who respect them and leverage those relationships to ask for help on various issues. At times, it is the respect that government officials have for the returnees that compels them to voluntarily seek out and help the returnees, in which case, the government officials are already starting to step out of a purely regulatory role.

Given that these industries in China are still developing, the returnees are also the ones bringing in expertise from abroad. They have more knowledge of the necessary regulations from their experiences. So, to some extent, their interactions with government officials serve to transfer that knowledge to their home country. Here, their expertise is another source of credible, personal power (Davis et al., 1997; Gibson, Ivancevich, & Donnelly, 1991), which they leverage to demonstrate the inadequacy of current institutions. Then, they push for "new" institutions in accordance with what they have experienced abroad and effectively step into a new institutional role as regulators themselves. The government officials step back and defer to the returnees' expertise more willingly because they have already built the necessary, prerequisite guanxi with each other. The government officials respect the returnees and believe that the returnees' actions are more geared towards serving the industries rather than their self-interests. However, leveraging their expertise is conditional on whether the returnees have built a relationship grounded in respect first. A more comprehensive understanding of how expertise can influence policies and practices then needs to consider the relational work that has been done prior, as the nature of established relationships shapes the work people do (Dacin, Munir, & Tracey, 2010; Empson et al., 2013).

Institutional change is not a neutral process, but rather a politicized one (Zilber, 2009). The complexity and richness of the institutional work that people do are in part due to diverse actors' varying degrees of power and resources relative to each other. In the institutional work literature, there has been attention on the elites' and professionals' efforts to maintain status quo (Currie, Lockett, Finn, Martin, & Waring, 2012; Micelotta & Washington, 2013) or to challenge institutions (Maguire & Hardy, 2006; Rojas, 2010; Zietsma & Lawrence, 2010). However, these studies "often emphasize one perspective of a struggle to the detriment of others" (Hampel et al., 2017: 26). In a speculative vein, the current study provides insights for a more balanced account by illustrating how the returnees also had to successfully navigate the cultural institutional constraints to work with government officials. Moreover, rather than permanent alterations of power relations, this study demonstrates how relational work can result in a temporary blurring of roles that allow the returnees to create new regulatory institutions. This temporal granularity of power dynamics at the individual level provides insights to how incremental change can occur through relational work without disrupting the status quo in the long term. This approach to leverage relationships to temporarily assert power and, ultimately, influence institutions may be less difficult than directly challenging existing social and institutional structures and may be more of a common strategy in driving institutional change, such as in policy making.

Dualities in Relational Work

Finally, this study shows that institutional work, especially relational work among diverse actors with divergent institutional frames, is complex and full of dualities from two angles. First, the study highlights the duality of institutional work as products of both action and reaction to institutions (Lawrence et al., 2011). While individuals are constrained by relationships and institutions, they can also actively and temporarily change the nature of the relationships, that in turn allows them to influence institutionalized practices and policies. Here, institutions and agency simultaneously moderate each other such that neither is privileged in this process. Such institutionalization indicates a creative and incremental integration of the new norms into the old, which are partially disrupted and partially maintained (Currie et al., 2012; Grafström & Windell, 2011). For example, the returnees' strategy in navigating and abiding by guanxi highlights the duality "between rule-following and adaptability" (Hargrave & Van De Ven, 2009, p. 135) and "the delicate balance between duplication and change" (Zilber, 2009, p. 226). The institutional work that they and the government officials do is also one of both contestation and cooperation (Zilber, 2007; Helfen & Sydow, 2013). Accordingly, this study extends an understanding of the role of individuals' everyday practices in institutional change that avoids emphasizing an over-socialized nor under-socialized view of the interplay between institutions and agency.

Second, in a more speculative manner, focusing on and understanding relational work also further reveals how individuals can hold and enact conflicting institutional frames without the need to reconcile differences. Individuals can manage divergent attitudes and expectations by eliciting the appropriate shared meanings corresponding to the other individuals or groups they are working with, not unlike switching between a closure and brokerage network in the social network literature (Burger & Buskens, 2009; Burt & Merluzzi, 2016). Specifically, there is a based assumption that the guanxi between government officials and the returnees is different that than between the officials and the local Chinese entrepreneurs. Then, how the government officials will negotiate with the returnees may look vastly different than how they will do so with the local entrepreneurs depending on the nature of the established relationships. In this case, the duality lies in the different and sometimes conflicting institutional frames that an individual can potentially hold and enact based on who they are working with.

In the institutional work literature, studies have shown that individuals who engage in such institutional complexity will reconstruct their institutional environment to reconcile differences and lessen psychological tensions (Smets & Jarzabkowski, 2013; Seo & Creed, 2002). Smets and Jarzabkowski (2013) focus on a rather homogenous group of German and English banking lawyers within a single global firm. The lawyers initially had contradictory working practices, but ultimately, they jointly co-created hybrid practices, effectively constructed shared meanings and reconstructed their institutional environment. However, given the more complex, cross boundary context, the current study further suggests that the divergent institutional frames do not need to be fully reconciled and reconstructed to navigate institutional tensions and constraints. Instead, individuals can overlook the tensions and act on the shared meanings embedded in the established relationships rather than adhering strictly to their own ideals, which the latter might even be impossible given the situation. For example, the returnees are unable to act without considering guanxi and thus, still engage in practices that maintain this cultural institution, but on their own accord. Accounting for relational work then shifts the focus of the drivers of individuals actions and localizes them within the context of what is the best course of actions given the current relationships instead of only considering individuals' agency and ideals. In sum, relational work entails ongoing negotiations with (Koskela-Huotari, Edvardsson, Jonas, Sörhammar, & Witell, 2016) and resistances (Styhre, 2013) to existing relationships and individuals' strategic mobilization of certain relationships depending on the situation, all of which allow for small disruptions of institutions to evolve into creation.

Limitations

As previously mentioned, China's unique context likely plays a role in facilitating and accentuating the importance of relational work and relationship building in institutional work and change. Specifically, in China, its domestic industries are still developing, and standards are not fully established and formalized yet. This creates opportunities for the regulated who has expertise in the field from their experiences abroad to negotiate and work with regulators to actively shape those regulations. The pervasiveness and influence of relational strategies is also observed in other countries in similar phases of economic development, such as Vietnam and Myanmar (Hoang, 2022). So, it's reasonable to assume that the centrality of relational work is exaggerated due to this context of emerging industries and markets. Moreover, China also has a strong culture of relational-based expectations, and guanxi and relationship building are indispensable to achieve individual and firm goals. Consequently, both contextual details create favorable conditions for relational work.

Further studies are needed to determine the extent to which context influences the importance of relational work in institutional change. For a more comprehensive understanding of this phenomenon, it is imperative to extend the research beyond the boundaries of China and examine the role of relationships in other countries. In the upcoming chapters, I will delve into the question of whether the influence of relational work on institutional change is a generalizable phenomenon or if it varies significantly based on distinct cultural and economic factors. By studying relational work in the U.S. context, I will conduct comparative analyses that will provide valuable insights into the broader implications of relational work in shaping institutional landscapes.

CHAPTER 3: IMPORTANCE OF RELATIONSHIPS BETWEEN MANAGERS AND GOVERNMENT ACTORS IN BOTH U.S. AND CHINA

In Chapter 2, I explored and explicated how relational work through guanxi practices is indispensable for the Chinese entrepreneurs and the processes through which they navigate their relationships with the local government actors. However, the study's limitation stems from its reliance on a single country as the focal point of analysis, and comparative research is necessary to develop a more generalizable theory.

In this next chapter, using available survey data gathered from managers in both U.S. and China, I investigate and compare managers' reliance on their personal relationships with government actors and hope to reveal universally applicable aspects of manager and government actor relationships that cut across the two different institutional settings. I suspect that while individuals in China must depend on their personal relationships with government actors in their network to achieve their goals, this relational dependence likely happens in the U.S. setting as well. In other words, relational work should also be important in the U.S. context, but the specific purposes and the extent to which relationships are leverage need to be explored further.

The survey dataset is ideal for such comparative and exploratory study because it samples managers at all levels of the firm and is not limited to the upper echelons. This can capture whether government connections matter to the mundane and everyday organizational activities and allows me to build on and extend insights from the previous study that focuses on the individual level and everyday interactions. Another reason for choosing this dataset is the survey's focus on policy and regulatory outcomes as motives for the managers' reliance on government actors. This emphasis allows me to better understand the role of relationships and relational work between the regulated and the regulator in maintaining, disrupting, and building institutions.

In this study, I do find evidence for U.S. managers' personal and relational dependence on government actors, although their reported number of such relationships are much less than for Chinese managers. I find that for policy related outcomes, Chinese managers will leverage their direct relationships with government officials. Interestingly, I also find that those with personal connections to the government, which will be referred to as intermediaries, serve an important role for the Chinese managers as well in terms of assistance with policy. Meanwhile, the U.S. managers will only leverage their relationships with intermediaries, rather than government officials, when pursuing policy related outcomes. Finally, Chinese managers reported significant distrust towards their connections who are government officials and neither trust nor distrust towards intermediaries. Whereas, U.S. managers harbored neither trust nor distrust towards their connections who are government officials or intermediaries.

Research Questions and Theoretical Background

I seek to answer a set of exploratory questions regarding building government relationships in the U.S. and China and the implications of such connections. Accordingly, my first research question is:

RQ1: Are there differences in how U.S. and Chinese managers build their government relationships?

Secondly, I am interested in exploring why managers consider their government connections valuable and useful with respect to policy outcomes, leading to my second set of research questions:

RQ2: What are the reasons for the usefulness of managers' government relationships? Are there differences in how U.S. and Chinese managers leverage their government relationships?

Finally, I want to examine the nature of these relationships, specifically in terms of trust, between the managers and the government actors. In policy research, policy network theorists, who study the role of interdependence between government actors and other societal actors, such as business organizations, in public policy process and outcomes, evoke trust as a necessary element in the effective functioning of policy networks (Edelenbos & Klijn, 2007). In the existing management literature, findings from several empirical studies suggest that trust could be fundamental to the connection between managers and government actors, but it is moderated by the institutional environment. Specifically, Rao, Pearce, and Xin's (2005) study examines the effects of government facilitation on interpersonal trust, in which government facilitation refers to governments that are supportive of independent organizations and provide and enforce predictable laws and regulations, both of which are emblematic of the U.S. setting but less so in China. They find that those living in more facilitative government such as the U.S. reported greater trust in others, while those in non-facilitative government such as China reported distrust in their business connections.

To build on these insights, this study specifically examines trust in managers' relationships with government actors rather than with clients or business peers. While U.S. managers may trust their government contacts given that U.S. government is facilitative, but it could also be a relationship of distrust because connections between managers and government actors can potentially involve competing and conflicting interests of the regulated and the regulator. Moreover, as discussed in Chapter 2, the relationship between the Chinese entrepreneurs and government actors was found to be not described in terms of trust but respect. Examining whether Chinese managers trust their government connections may provide further evidence for this speculation. Taken together, I address this in my final research question:

RQ3: Do managers trust their government connections?

Research Methods

Data and Sample

The data used for this first exploratory study was part of a dataset originally collected in China and the U.S. in the early 2000s by Drs. Katherine Xin and Jone L. Pearce[1]. The analyses in the current study have not been reported before. As described above, for their study, the purpose of the dataset was to test the effects of government facilitation on interpersonal trust between managers and their most useful business associates (Rao et al., 2005). The data was collected from four countries with varying degrees of government facilitation. Here, only the data collected from the U.S. and China were used for the analyses in this study. This resulted in an initial sample that included 181 managers from the U.S. and 56 managers from China; all were students enrolled in executive education and worked in their respective countries.

Procedures and Measures

The data was collected through a survey. The survey items were first developed in English and translated into Chinese for the Chinese participants. Then, the survey was back-translated into English to ensure the accuracy of the translation (Brislin, 1986). Moreover, this instrument has

[1] I am deeply indebted to Drs. Katherine Xin and Jone L. Pearce, who graciously allowed me to use their data.

been validated with two field tests in China and in a previous study (Xin & Pearce, 1996), but the selected items used for this study have not been published before.

The survey had three sections, in two of which respondents were asked to provide their demographic and work history information. For the current study, only data from the section of the survey that pertained to interpersonal relationships was used. In this section, respondents were asked to identify the three most useful business associates who helped them succeed in their jobs, which could involve solving day-to-day problems or supporting long-term career success.

However, there is a potential problem with the nonindependence of measures. Since each manager reported three connections, there may be less variance within-manager than between-manager responses, making the analyses of individual relationships problematic. Thus, following Xin and Pearce (1996) and Rao, Pearce, and Xin's (2005) solution, I used within-and-between analysis (WABA) (Dansereau, Alutto, & Yammarino, 1984; Yammarino & Markham, 1992) to test for differences in the variances for the measures. WABA I and II analyses indicated that it is appropriate to treat each personal relationship as an independent unit, (a detailed explanation and tabulation of the tests and results can be found in Appendix B). Therefore, the initial sample for analyses consisted of 543 business connections in the U.S. and 168 business connections in China.

Measures

In the survey, the respondents were also asked to answer a series of questions about each of the relationships they had identified. The original survey included 39 items in this section. For this study, only data from four items were used (see Appendix C). They were selected given this study's focus on understanding the micro-level, specific interactions between managers and government actors situated within the policy and regulatory context and whether there might be differences in such relationships in the U.S. versus China.

Relationship. For the first item, the respondents indicated from a total of four options whether their business associate is a *peer of their supervisor*, *colleague or peer in their organization*, *colleague in another organization*, or *government official*. Each option was its own binary dummy variable. If a business associate was a *government official*, this option would be coded one while the other three options were coded zero.

Usefulness. For the second item, the respondents indicated from a total of four options whether the business associate offered useful *connections in government*, *connections in key companies*, *connections in their organization*, or that they *have to go through this person*. Each option was its own binary dummy variable. If a business associate was useful for being a *connection in government*, this option would be coded one while the other three options were coded zero.

Assistance. In the third item, the respondents indicated whether and why they asked their business associates for assistance, and they could select all that apply. There were four options of *provide information or interpretation of policy*, *provide direction or guidance*, *obtain an "exception" to a rule or policy*, and *cope with governmental rule or requirement change*. Each option was created as its own dummy variable. If the option was selected, it was coded one. If the option was not selected, it was coded zero.

Trust. Finally, I also included the fourth, single item on whether the managers trust their business associates. This item was measured on a Likert scale from 1, deeply distrust, to 5, trust completely.

Analysis

First, I calculated correlation coefficients to discern patterns in the relationships between the managers and their associates. I used pairwise deletion before conducting the analysis, resulting in a final sample of 528 U.S. business connections and 157 Chinese connections. Moreover, because I aimed to compare between countries, I calculated two correlation matrices, one for each country, both of which are tabulated and reported in the next few pages.

To compare within and between samples, Z-test was used to assess difference in distributions for the categorical variables. The individual Z-tests are not reported in tables, but I will report the Z-tests and indicate whether the differences were significant or not in the text. Furthermore, to compare the correlation coefficients between the two samples, I used Fisher's *r*-to-*z* transformation to compare the correlation coefficients directly. Similarly, I will report the *z* test in the text.

Findings: Evidence of Building and Leveraging Relationships With Government Officials

Patterns of Relationships

Tables 2 and 3 present the descriptive statistics and intercorrelations among all the measures for both samples. In *RQ1*, I was interested in if there are differences in how U.S. and Chinese managers build their government relationships. The non-zero means for the *government official* measure under *Relationship* in both the U.S. and China samples indicate that U.S. and Chinese managers do build relationships with government officials and consider them valuable, since the managers indicated them as among the three most useful business associates in the survey. Specifically, the mean indicates the percentage of business connections that were of that particular type of relationship. In Table 2, a mean of .011 for *government official* indicates that 1.1% of the total reported business relationships in the U.S. sample (N=528) are with government officials. In Table 3, 6.4% of the total reported relationships in the China sample (N=157) are with a government official.

Table 2. U.S. Data Sample Descriptives and Correlation Matrix

		Mean	SD	1	2	3	4	5	6
Relationship									
1	Peer of supervisor	.176							
2	Colleague or peer in this org.	.426		-.398**					
3	Colleague in another org.	.174		-.212**	-.396**				
4	Gov't official	.011		-.050	-.092*	-.049			
Usefulness									
5	Connections in gov't	.020		-.064	-.064	-.064	.378**		
6	Connections in key companies	.104		-.060	-.093*	.154**	-.037	-.047	
7	Connections in this org.	.225		.155**	.039	-.092*	-.058	-.075	-.184**
8	I have to go through this person	.068		.072	.025	-.085	.113**	-.038	-.092*
Assistance									
9	Provide Info. or interpretation of policy	.443		-.062	.141**	-.098*	.084	.072	-.055
10	Provide direction or guidance	.530		.027	.005	.012	.065	-.036	-.002
11	Obtain an "exception" to a rule or policy	.074		.117**	-.053	-.015	-.030	-.039	.022
12	Cope with gov't rule or requirement change	.045		-.029	.014	.020	.062	.170**	-.015
Trust									
13	Trust	4.11	.817	-.194**	-.004	.173**	-.014	-.001	.009

N = 528; **p*<.05, ***p*<.01.

		7	8	9	10	11	12
Connection							
1	Peer of supervisor						
2	Colleague or peer in this org.						
3	Colleague in another org.						
4	Gov't official						
Usefulness							
5	Connections in gov't						
6	Connections in key companies						
7	Connections in this org.						
8	I have to go through this person	-.146**					
Assistance							
9	Provide Info. or interpretation of policy	.021	.046				
10	Provide direction or guidance	-.065	-.016	.099*			
11	Obtain an "exception" to a rule or policy	.090*	.153**	.098*	.121**		
12	Cope with gov't rule or requirement change	-.031	-.023	.098*	.023	.077	
Trust							
13	Trust	-.059	-.146**	.071	.136**	-.001	.050

Table 3. China Data Sample Descriptives and Correlation Matrix

		Mean	SD	1	2	3	4	5	6
Relationship									
1	Peer of supervisor	.401							
2	Colleague or peer in this org.	.191		-.398**					
3	Colleague in another org.	.045		-.177*	-.105				
4	Gov't official	.064		-.214**	-.127	-.056			
Usefulness									
5	Connections in gov't	.064		-.001	-.127	-.056	.359**		
6	Connections in key companies	.025		.033	.024	-.035	-.042	-.042	
7	Connections in this org.	.172		.419**	-.093	-.098	-.119	-.119	-.074
8	I have to go through this person	.204		.136	-.096	.006	.051	-.102	-.064
Assistance									
9	Provide Info. or interpretation of policy	.166		-.062	-.062	-.015	.001	-.013	.024
10	Provide direction or guidance	.223		.217**	-.105	.033	-.077	.048	.011
11	Obtain an "exception" to a rule or policy	.025		.033	-.079	-.035	.289**	.454**	-.026
12	Cope with gov't rule or requirement change	.006		-.066	-.039	-.017	.307**	.307**	-.013
Trust									
13	Trust	3.68	.879	-.230**	.143	.045	-.201*	-.052	-.032

N = 157; *p<.05, **p<.01.

		7	8	9	10	11	12
Connection							
1	Peer of supervisor						
2	Colleague or peer in this org.						
3	Colleague in another org.						
4	Gov't official						
Usefulness							
5	Connections in gov't						
6	Connections in key companies						
7	Connections in this org.						
8	I have to go through this person	-.179*					
Assistance							
9	Provide Info. or interpretation of policy	.024	.026				
10	Provide direction or guidance	.040	.059	-.074			
11	Obtain an "exception" to a rule or policy	-.074	-.064	-.072	.011		
12	Cope with gov't rule or requirement change	-.036	-.031	-.036	-.043	.495**	
Trust							
13	Trust	-.101	-.282**	.067	.076	.06	-.062

To assess the difference in the number of reported relationships with government officials between U.S. and Chinese managers, I used Z-test. In China, managers significantly rely more on government officials as personal business connections than those in the U.S. ($Z=5.51$, $p=.012$). This comparative result is expected, since utilizing interpersonal guanxi to achieve goals is a widely institutionalized practice in China, as described in the previous chapter. Moreover, this substantiates my earlier concern that China's unique context does have a significant effect in promoting relational work compared to the U.S. Nonetheless, U.S. managers did report relationships with government officials in the survey, and so, the next section will be unpacking and exploring why U.S. managers consider their business relationships useful and whether U.S. managers leverage their relationships with government officials to influence government policy.

Usefulness and Assistance

My *RQ2* focuses on understanding the reasons for why managers consider their business associates useful, and the various possible reasons are indicated under *Usefulness*. The mean indicates the proportion of total reported connections that were useful for that particular reason. For example, in Table 2, a mean of .020 for *connections in government* indicates that 2% of the total reported business connections in the U.S. sample are useful for their connections to the government, whereas, reported in Table 3, 6.4% of the total reported business connections in the China sample are useful for their connections to the government. A Z-test between the two statistics reveals that Chinese managers significantly rely more on relationships that serve as connections to the government ($Z=4.27$, $p<.01$). This indicates that, more so than U.S. managers, Chinese managers strategically engage in relational work and build personal relationships with those who have government connections, presumably because these connections potentially grant them access government contacts or resources.

However, again, this difference is subject to contextual influence as well. At the individual level, the difference might potentially be due to two reasons. The U.S. managers either report fewer personal connections with government officials and individuals linked to the government, or they may not consider such connections are useful for their firms and career. For the U.S. managers, disclosing that government officials and other individuals are useful because of their direct connections to government may be perceived as corruption (Enikolopov, Petrova, & Sonin, 2018; Rose-Ackerman & Palifka, 2016), and so, they may be less likely to report their relationships with the government in the survey. Meanwhile, for the Chinese managers, utilizing their guanxi with government officials for all government related issues is considered common business practice and thus, they are not wary of disclosing their relationships. This speculation, however, would need further exploration.

Another explanation for why U.S. managers report fewer connections with the government could be that they consider the usefulness of such connections differently from Chinese manages in the first place. However, the survey data indicates otherwise. For managers in the U.S., government officials are useful to maintain relationships with precisely because they provide connections to the government (r=.378, p<.01). For managers in China, they similarly consider that government officials provide important connections to the government (r=.359, p<.01). Using Fisher r-to-z transformation, I find that there is no difference in the two correlation coefficients across samples (z=.240, p=.41). This suggests that there is no difference across both contexts in managers' perception that government officials as useful business connections that may provide them access to contacts or resources in the government. The only difference lies in that Chinese managers are more inclined to consider those government relationships as one of their three most important relationships, given the disparity in the percentage of connections with government officials. Evidently, both U.S. and Chinese managers do build relationships with government officials who could potentially be influenced by these managers in shaping industry policies and regulations, but Chinese managers place a greater emphasis on building such relationships than their U.S. counterparts.

The second question in *RQ2* asks that given these established relationships between managers and government officials in both contexts, is there a difference in how managers leverage these relationships and seek assistance from government officials to achieve specific policy goals? I examined the reasons why the managers seek out the government officials they have relationships with, focusing on policy and regulations, and this is captured under *Assistance*. For the Chinese managers, they seek government officials for both obtaining an “exception” to a rule or policy (r=.289, p<.01) and to cope with governmental rule or requirement change (r=.307, p<.01). These results substantiate the findings in Chapter 2 that Chinese managers will directly seek government officials for help in navigating the regulatory landscape. However, for the U.S. managers, their connections with government officials are not significantly correlated with either of these two policy outcomes. This suggests that there are potentially other underlying reasons driving these relationships that have not been considered and warrant further research.

However, this does not imply that the U.S. managers refrain from seeking help regarding policy issues. An interesting discovery is that U.S. managers will seek those with connections to the government, not necessarily government officials, to cope with governmental rule or requirement change (r=.17, p<.01). Similarly in China, managers also additionally seek help from these intermediaries for this reason as well (r=.307, p<.01). I also find that the difference between the two is not significant (z=.240, p=.06). Taken together, these results reveal that managers in China will interact with government officials and intermediaries in areas of policy and regulation development or implementation. In contrast, the U.S. managers seem to engage in relational work with intermediaries between themselves and government officials to deal with policy or regulation related issues. The role of intermediaries will be explored in detail in the Discussion section.

Exploratory analysis: industry effect. The insignificant correlations between U.S. managers' connections with government officials and the policy outcomes might also be because of the limited options in the survey. Perhaps, more relevant policy routines and outcomes such as obtaining regulatory approval for firm activities are not captured here. Industries that tend to involve routine regulatory approval include defense, manufacturing, and pharmaceuticals. So, I ran an additional set of analysis to test whether there is an industry effect on the relationships between managers and government officials in the U.S.

In the survey, the managers indicated their industry in the section on work history information. For U.S. managers, the defense industry is indeed significantly correlated with both *government official* and *connections in government* (r=.226, p<.01, r=.109, p=.013, respectively), as organizations in the defense industry typically are government contractors and will need to report directly to the government, usually Department of Defense, and gain approval for certain operations. However, manufacturing and pharmaceuticals are not significantly correlated with either *government official* or *connections in government*.

While speculating why manufacturing is not significantly correlated with either relationships with government official or intermediaries is outside of my expertise, I suspect that the lack of emphasis on interpersonal relationships within the U.S. pharmaceutical industry can be attributed to the industry's developmental stage. The U.S. FDA was established in 1906, and with a well-structure system, FDA approval processes are completed through very formalized channels such that relationships are not implicated in such important decisions. Moreover, because the regulations are so standardized and stringent, changes also necessarily happen through a highly formalized process that may involve diverse actors such as coalitions of companies, trade associations, lobbyists, legislators, and others, that interpersonal relationships alone are not enough to mobilize change.

In contrast, the Chinese NMPA was established in 2018. Consequently, new policies and formal institutions specific to the industry are starting to take shape and can change rapidly in response to emerging challenges and needs. Due to the institutionalization of guanxi in China, those who are regulated then actively rely on their personal relationships with those in the government to influence and shape the emerging regulations and policies, as discussed in the previous chapter. The differences in the developmental stage of industries in China and the U.S., and institutions in general, and their implications for relational work will be examined more in depth in the last chapter.

Overall, this additional analysis indicates that it is possible that managers in the U.S. directly rely on their relationships with government officials for more routine policy processes such as regulatory approval in certain industries.

Trust

Lastly, my *RQ3* aims to explore whether managers have trust in their relationships with their government contacts. For the Chinese managers, there is actually significant distrust in government officials (r=-.201, p=.012), which follows past empirical findings that managers reported less trust in their business connections in a nonfacilitative government setting, as documented by Rao and colleagues (2005). For the U.S. managers, the correlation between trust and their business associates who are government officials is not significant. Moreover, for managers in both the U.S. and China, the correlations between trust and their business associates who are government intermediaries are also not significant.

Interestingly, despite conventional wisdom that trust has a central role in fostering cooperation in business relationships (McAllister, 1995; Pennings & Woiceshyn, 1987; Seabright, Leventhal, & Fichman, 1992), this current study highlights the lack of significance of trust in managers' relationships with the government officials, and even with government intermediaries. This raises interesting questions of the nature of these interpersonal relationships beyond trust. This result also further substantiates the apparent absence of trust observed in Chapter 2 in the interactions between the returnees and the government officials, with which I argued that returnees' relational work helped establish relationships not based on trust but on respect and expertise. Future research is needed to validate this observation and also delve into other aspects that underpin the managers' interpersonal relationships with government officials and, more generally, with others beyond their organizations.

Discussion

Importance of Relationships with Government Officials

In this study, I find that a substantial minority of lower- and middle-level U.S. and Chinese managers do build and consider relationships with government officials among their most useful business relationships: they report government officials help them succeed in their jobs by solving their day-to-day problems or supporting their long-term career success. The survey data also allows me to examine the specific policy outcomes that may motivate managers to build relationships with government officials. The results show that managers in China directly engage and leverage their relationships with the government officials for reasons such as obtaining an exception to a rule or policy and coping with governmental rule or requirement change. This is consistent with my findings in Chapter 2 wherein, after establishing amiable relationships with government officials, returnees seek their assistance in navigating the regulatory environment in China and in some cases, establish new institutions and regulations together. However, for managers in the U.S., their relationships with government officials are not significantly correlated with any policy outcomes examined in the survey, and the reasons for why they report that these relationships are useful in the survey are unfortunately not identified in the current study.

Intermediaries. The survey results also reveal an interesting finding that, rather than directly engaging with government officials, U.S. managers actually seek intermediaries with connections to the government to cope with governmental rule or requirement change. Extant research, which is mostly situated within the U.S. context, presents several reasons for managers' lack of direct interactions with government officials. At the individual level, managers' direct and explicit leverage of relationships with government officials may be perceived as corruption. Moreover, government officials are crucial participants in political exchanges and "are not always amenable to firms and their attempts to influence them, especially under the public eye" and may reject such attempts altogether (Katic & Hillman, 2023). Therefore, managers may approach the policy issues and manage their government relationships discreetly through intermediaries. This finding and speculation align with observations made by other scholars (Jia, Markus, & Werner, 2023).

In public policy research, scholars focus on intermediary organizations, such as industry associations, as part of a "policy subsystem" (Sabatier, 1991) in which actors are active in resolving policy issues and influencing policy outcomes (Jenkins-Smith & Sabatier, 1994). In this perspective, intermediary organizations and their actors have important roles in facilitating knowledge exchange between government and industry (Kshetri & Dholakia, 2009; Smits & Kuhlman, 2004). Then, through informing policy makers, intermediaries also naturally participate in work involving regulation and arbitration (Howells, 2006) and subsequent institutional capacity building and governance (Watkins, Papaioannou, Mugwagwa, & Kale, 2015). Given the strong foundation of policy subsystems in the U.S., it is possible that these managers rely on these intermediary organizations for certain policy issues rather than engaging directly with government officials.

Overall, in the U.S., intermediary organizations and their actors seem to be critical to the policy making processes, as evidenced by their various functions documented in the literature. However, a comprehensive understanding of how intermediaries engage in relational work across boundaries with both managers from firms and with government actors at the individual level, inevitably reconciling differences and interests, remains unexplored. The interactional processes through which these functions, such as regulation and arbitration, are performed are not closely examined either. Moreover, a clearer understanding of why managers may engage in relational work with intermediaries rather than with government officials is needed. In my next chapter, I hope to start answering some of these questions.

Trust

Finally, I find that trust is not important for the relationships between government officials and managers in both the U.S. and China. In the U.S., managers exhibit neither trust nor distrust towards government officials or intermediaries. In China, the managers report significant distrust towards their most important business contacts, government officials, and this finding aligns with Rao and colleagues (2005) report of managers' general distrust towards all business connections in China. Moreover, the absence of trust is also evident in my own qualitative data. In the previous chapter, the returnee entrepreneurs did not mention trust when recalling and describing their relationships and interactions with government officials in China. Rather, they attribute the smooth collaborations to respect that the government officials had for them as well as their own expertise.

This lack of trust in these critical business relationships is an interesting finding, given that these reported relationships by the U.S. and Chinese managers are considered as some of their most useful business connections in helping to solve their day-to-day problems and for their careers. Chapter 2 indicates that respect and expertise can potentially drive collaborative efforts between the Chinese government officials and the returnees. Meanwhile, financial incentives and reciprocity potentially motivate much of the work between the government officials and the local Chinese entrepreneurs. Much more research is needed for a closer attention to the inner workings and complexity of the relationships and explore other factors that underpin how individuals perceive and understand the relationships they've built, as trust is only one of a multitude of possible dynamics that exist between individuals. All in all, both studies thus far paint a very limited picture of the nature of the business relationships managers forge to achieve their organizational objectives. After presenting the last study in my dissertation, I will revisit the issue of trust in my final, concluding chapter.

CHAPTER 4: IMPLICATIONS OF RELATIONAL WORK THROUGH INTERMEDIARIES IN POLICY MAKING

In this chapter, I present the last study of my dissertation, which continues to focus on elaborating the processes behind relational work situated at the intersection between different organizations, businesses, and governments in policy development and implementation. Delving back into a qualitative approach, I investigate how relational work, like what I have observed in China, is imperative for policy making processes in the U.S. context as well.

First, I find evidence for the importance of intermediaries between businesses and the government. In my data, rather than direct interactions between the two as in China, much of the conversations about public policy begin with intermediary organizations. Specifically, relational work between individuals from businesses and intermediary organizations is at the crux of understanding the experiences of business owners at the ground level, where policy making has the most direct impact. The intermediary organizations then communicate that knowledge to their established relationships and contacts in the local government and in many instances, advocate for the local businesses in a variety of ways. I find that through relational work with both the businesses and the government, the intermediary organizations are deeply knowledgeable of the processes and perspectives from both sides, which allows for these intermediaries who are not formally part of governments to be heavily involved in public policy work. Finally, in this study, I also elucidate further the details of the processes and role of relational work in policy making in a context different from China.

This study in the U.S. context not only offer important insights to my survey results in Chapter 3, but also allows me to compare and contrast my study in the Chinese context in Chapter 2. I will discuss the differences and similarities of relational work and its implications in policy making processes in both the U.S. and China in my next and final chapter.

Theoretical Background: Institutional Intermediaries

"Intermediaries" connect two or more parties to bring about specific activities and provide value that may not be possible through direct trading between the parties, and "institutional intermediaries" are those whose activities create and develop institutions, such as bridging institutional voids between participating parties (Armanios, Eesley, Li, & Eisenhardt, 2016; Dutt, Hawn, Vidal, Chatterji, McGahan, & Michell, 2016; Mair, Martí, & Ventresca, 2012). In today's contemporary society, institutional intermediaries play a prominent role in assisting firms in navigating as well as building supportive institutional environments (Armanios et al., 2016; Liu, 2021; Mair et al., 2012; Mitchell, Wu, Bruton, & Gautam, 2022). The complexity and diversity of intermediary involvement in affecting institutions has attracted increasing attention from scholars (Eberhart & Eesley, 2018).

Even before the term "institutional intermediary" was widely adopted (Dutt et al., 2016), scholars have long recognized the importance of intermediaries and their functions. The multiple forms of institutional intermediaries that have been studied include government agencies, nongovernmental organizations (NGOs) (Mair et al., 2012), microfinance organizations (Bruton, Khavul, Siegel, & Wright, 2015), business incubators such as science parks (Armanios, et al., 2017), stock exchanges (Eberhart & Eesley, 2018), as well as families (Aldrich & Cliff, 2003; Luo & Chung, 2013; Miller, Lee, Chang, & Le Breton-Miller, 2009), local religious organizations and suppliers (Mitchell et al., 2022). Institutional intermediaries have been recognized for their role in influencing the flow of knowledge and resources (Mair et al., 2012), brokering social connections (Doner & Schneider, 2000; Obstfeld, 2005), accelerating businesses development via certification (Armanios et al., 2017; Sine, David, & Mitsuhashi, 2007), transmitting norms (Dutt et al., 2016; Mair et al., 2012), and fostering creation of functioning markets (Lee, Hiatt, & Lounsbury, 2017).

Despite the increasing number of studies on the dynamics of intermediary activities, this area faces similar limitations as those of studies on relational work. The research on institutional intermediaries and their functions tends to be outcome rather than process and mechanism focused. Specifically, there is a lack of elaboration at the individual level on how intermediaries engage with other parties. For example, Mair and colleagues' (2012) seminal study focus on an NGO as an institutional intermediary in a rudimentary market economy in Bangladesh. The NGO created and developed norms to redefine market structure and legitimize new market actors to build inclusive markets for women who had been often excluded from participating in markets. Their research highlights the outcomes and activities of the intermediary in helping women participate and access the markets rather than their interpersonal interactions with women and those in other organizations, such as government agencies and programs. Specifically in one instance, the intermediary creates social spaces for interactions via programs and workshops by bringing in diverse groups of people to engage with women and girls or form safe spaces of only women and girls. The goal is to increase awareness of their capability and encourage market participation. Yet, less is on the types of interactions that happen in these spaces and how the women and girls' perspectives, values, and goals regarding market participation are influenced. Are changes affected through an interpersonal, discursive approach (Zilber, 2009), where discourses and narratives are used, or via demonstration of concrete actions, where these diverse groups of people lead the women and girls by example? One exception is the study's report of the use of popular theater in introducing new imagery of women's autonomy to sensitize and make salient some of the deeply rooted issues surrounding women's traditional roles in Bangladesh. After the drama, a manager from the intermediary did ask the audience to reflect on the situations on display, but how the women may have engaged in exploring this potential new reality through personal interactions with the manager is not reported. For another instance, the intermediary also connects and teams up with existing systems such as government and service providers. Mair and colleagues' (2012) data focuses more on why the intermediary seeks to team up with certain parties and the outcomes of these collaborations, and less is on how the intermediary NGO built the relationships and strategically mobilize these parties to serve a common goal of helping the women.

The current literature on institutional intermediaries can benefit greatly from important insights and perspectives from a relational view. Studies thus far have either privileged the agency of the institutional intermediaries (Dutt et al., 2016; Mair et al., 2012) or the entrepreneurs (Arminos et al., 2016; Liu, 2021; Mitchell et al., 2022), and do not address potentially different and competing interests and agency between the intermediaries and the parties they bridge. As intermediaries operate across multiple organizations and even multiple fields, conflicts and contestation between the intermediaries and other parties are inevitable. Research on relational work that describes how actors build coalitions, suppress alternatives, participate in collaborations, and engage in goal alignment (see Chapter 1) can shed light on how different agencies can be reconciled and aligned. Moreover, as an interesting example situated within public policy that may speak to this tension of agency, Tyllström and Murray (2021) examine whether if policy intermediaries, which are organizations that offer political services to corporate clients that want to influence policy, are mere mouthpieces for their clients or if they are far more active and self-interested when pursuing political agendas on behalf of their clients. Interestingly, they find that in reality, "policy intermediaries shape, adapt and even invent their clients' agendas" (p. 973). This study speaks to the agency of intermediary actors and provides a more granular view of the relationship between intermediaries and their social connections.

Taken together, my efforts to elaborate on interpersonal interactions and relationships as micro foundations of institutions and institutional change remain just as relevant for our understanding of institutional intermediaries. In this study, I further attempt to provide specifics and insights on how individuals as intermediaries can engage in cross organizational work and influence organizational outcomes. I extend our understanding of institutional intermediaries, particularly their roles as relational actors in institutional development, and this present study will serve as a continued effort in unraveling the phenomenon of intermediaries as they become increasingly indispensable in the complex relational networks between businesses and government.

Research Methods

Data Collection

I conducted interviews in the U.S. from November 2022 through February 2023. For this study, I am primarily focusing on the policy and regulatory problems that arise between government and businesses, how interactions between government and businesses actors resolve these problems, and finally, how this effects subsequent institutional change in policy, regulations, and processes. With these questions in mind, I contacted those who work in organizations that are not government entities, but their responsibilities include regular interactions with government actors regarding policies and regulations, and those who work in the government as well. These informants were either already in my network or were contacted through mutual connections. An overview of the empirical data is presented in Table 4.

Table 4. Overview of Interviews

Name*	Industry	Funding	Intermediary	Length of Interview(s)
Richard	Community Development	Nonprofit, gov't funded	Yes	1 hour
Judy	Community Development	Nonprofit, gov't funded	Yes	1 hour
Steven	Federal Government	Nonprofit, gov't funded	No	30 minutes
Gary	Community Development	Nonprofit, gov't funded	Yes	1 hour
James	Education	Nonprofit, gov't funded	Yes	45 minutes
Evan	Biopharmaceutical	For-profit	No	2 hours 1 hour 45 minutes
Emma	Consulting	For-profit	Yes	30 minutes
Irene	City Government	Nonprofit, gov't funded	No	2 hours 45 minutes
Bryan	City Government	Nonprofit, gov't funded	No	30 minutes
Nathan	Pharmaceutical	For-profit	No	30 minutes
Ryan	Pharmaceutical	For-profit	No	1 hour

*Pseudonyms

Semi-structured interviews. The interviews, which were either in-person, on the phone, or through a Zoom call, averaged an hour to two hours and followed semi-structured interview protocols (Appendix D). In my interviews, I was first interested in understanding my informants' and their organizations' overall roles, responsibilities, and functions. Second, I focused on how they interact with those from either non-government organizations or the government given a policy or regulation problem. Lastly, I wanted to investigate the coordination between individuals from different organizations in solving the problems, which may lead to long-term policy and regulatory changes. The interviews were all recorded and transcribed verbatim, and I also took notes during and after each interview.

Data Analysis

Similar to my qualitative study in Chapter 2, I followed Glaser and Strauss's (1967) grounded theory approach to analyze the interview data. Coding and analyses of data were iterative with consulting the existing literature. Emergent in my first analysis of the data, in stark contrast with my study in China, is the presence of intermediary actors who coordinate and influence the conversations between local businesses and the government. (While my study in China allowed me to observe contrasting patterns more easily in relational work across both settings, I will not be discussing in depth how relational work might be engaged differently in the U.S. and China until Chapter 5.) In other words, these intermediaries, as indicated in Table 4, are not business owners themselves nor do they work for the local government, and yet, they are heavily involved in influencing policies that are legislated in the local government and have a direct impact on the local business owners.

So, for my analysis, I focused on understanding the rationale and necessity for such intermediary organizations and individuals by identifying those who work in these intermediary organizations, their daily responsibilities and tasks, the policy issues they are involved in, and why they are invested in these issues. In my next phase of analysis, I also focused on how the intermediary organizations and individuals approached and solved the policy issues, how they engage in relational work with their established personal relationships in the local business community and the government to advocate for policies for the businesses and co-create new legislations with the government.

Finally, I was intrigued by instances where there was a distinct *lack* of relational work between individuals in businesses and the government. Consequently, for my final round of analysis, I focused on understanding situations where relational work has been taken out of the equation and been substituted by technology. I explored what this means for public policy work.

Findings: Specialization and Routinization of Relational Work

In this section, I argue that intermediaries play an important role in managing and mediating communication between businesses and the government by engaging in personal relational work with both parties. For the government side, intermediaries are valuable for their established social ties with the businesses and firsthand knowledge of the businesses' experiences and challenges. For the businesses side, intermediaries connect them with relevant government actors and help with navigating the difficult bureaucratic processes, such as applying for grants. In essence, intermediaries are at the core of the social infrastructure between the businesses and the government. I then move on to elaborate further how intermediaries engage in relational work, their strategies for buildings relationships, and elucidate how intermediaries leverage their established relationships to influence and take part in policy making processes. Finally, I present situations in which certain relational work in technical matters is routinized through technology and the personal, relational aspect is absent. However, I also find that when it comes to influencing policy making and effecting changes to routines, relational work between the regulated and regulator remerges and still plays a critical role.

Necessity of Intermediaries as Champions for Businesses

An important pattern that emerged from the interviews when discussing relational work in policy making is the reliance on intermediary actors in the communications between government and businesses in the U.S. sample. In other words, these business owners are less likely to directly engage with government actors than their counterparts in China, but instead they rely on specialized intermediaries, who will relay their interests and needs instead. Personal relationships are still central to the policy making and implementation processes in the U.S., but here I find that there is an industry of formal, professional intermediaries for many of the critical personal relationships. In this section, I unpack and clarify why such intermediaries are important and even necessary given certain local political and social infrastructure. I also illuminate the kinds of individuals and organizations that are well-positioned to be intermediaries.

Necessity due to disconnect. First, the necessity of intermediaries stems from the fact that, as one of my informants indicated, "*government agencies are insulated from the public a lot of times*" (Richard). As a result, those in the government, who are making important policy decisions, do not have a deep understanding of the experiences of the people in the local communities. James works for a public university and has helped establish an entrepreneurship center for the local, small business owners through the university. Reflecting on his own experience with government actors and with helping small business owners navigate the policy landscape as part of various programs through the center, he stated:

> *"I think there are a lot of politicians who have no business experience, or they've been lawyers all their life. That's a different world from somebody who is a small business owner who created this from nothing and is just trying to be out there making enough money for themselves and their family. There's an impression out there sometimes that, if you created your own business, you must be rich. And that's not the reality of a lot of business owners. So, when it comes to giving business grants to some of the people in the community, politicians are very hesitant to do that because they assume that if you're a business owner,*

you must be rich. What I've tried to tell politicians is number one, if you haven't been a small business owner, don't think that you know what they are going through."

Steven works for the U.S. federal government, and his responsibilities include identifying the needs of the business communities and the legislative tools that can address those needs and resolve issues that that directly involve the federal government. In line with the above sentiment, Steven also observes that the value that small businesses bring is often misunderstood and overlooked by the local government:

"I don't think that the local government in particular has a very good understanding of what value small businesses bring every day to this city, in providing job opportunities, in revitalizing commercial corridors, in providing better quality of life for the residents here. And as a consequence, [small businesses] don't have much of a constituency when it comes to decision making in city government… They don't have a lot of champions here. So, it's a very difficult regulatory environment for small businesses to navigate."

Other times, the insulation of policy makers is due to the fact that the U.S. government simply cannot oversee everyday aspects of the small businesses, either because they do not have the resources or that they are too far removed from the experiences of the people they serve.

"Even though [the U.S. has] a very large government, but there's so many programs and initiatives that the approach is not to have all those people on the federal payroll, but to contract out so that the people who work for the federal government supervise the people who are actually doing the work. They contract out to a consulting company or to a university, or to some other entity, and they perform the work on behalf of the federal government. There are some people who would say that the local people do it better. Just give them the money…people who are closer to where the problem is. So why try to have

somebody make a decision about this in Washington D. C. or your state capital leader, when you can have people who are closer to the problem make decisions." (James)

Gary works in an intermediary organization that was established to specifically address this disconnect between the local business community and the government. He is a director for a nonprofit, government funded organization that focuses on strengthening the local economy by increasing purchasing and contracting of local minority businesses by large institutional players in the area. His "*biggest responsibility is connecting small businesses with opportunities at large, at what are called anchor institutions*." Anchor institutions, such as universities and health care organizations, are large, enduring institutions that are tethered to and play a vital role in their local communities and economies. Gary stated:

> *"Our organization was founded largely because the commerce department wanted to do this sort of work [to support minority-owned businesses], but they didn't want to leave it in the city because they didn't want the new mayor to make it not a priority anymore. So, they were able to use their muscle and convening power in order to try to create something that would benefit the city."* (Gary)

Depending on the overall attention and support from the local government for the small business owners, there is a need to form intermediary organizations to engage with and advocate for them. In this case, the commerce department decided to help create intermediary organizations to outsource such engagement and responsibilities to completely focus on assisting the local business community.

Necessity due to lack of resources. Second, the necessity of intermediaries lies in the knowledge they have and the resources they can leverage as formal organizations specializing in engaging and working with the small business communities. Not only do they understand where the small businesses need support due to their active relationships building with them, they also have the knowledge of the regulatory environment to assist the businesses as well. Richard and Judy work in an intermediary organization that is funded by city taxes but is not a government entity. Their organization is dedicated to policy development and advocacy for local businesses, and this work very much relies on the individuals at the ground level who are engaging daily with the communities that they serve. These individuals on the frontlines of supporting their communities are referred to as "corridor managers". They play a critical role in the relational work between the businesses and the government, such as connecting small businesses with resources and programs in the city. For instance, Richard described the responsibilities of corridor managers:

> *"The differentiator between [the corridor managers] and the city employees is that they're rooted. They're in the neighborhood. They're holding those relationships and developing them over the long term… They end up being kind of navigators for the business… They're trusted by the businesses to help connect them to the right person. So, their job is kind of having a broad understanding of the city government, of the technical assistance, ecosystem, available financing and loans. They understand what's out there and can help businesses connect."*

The expertise needed to navigate a complex and formal regulatory environment is key for why intermediary organizations are needed to guide small business owners. Similarly, James illustrated this point and discussed the role and impact that the university has in the economic development of the local communities:

> *"Everybody who's gone through the program said the same thing. I've been working for years in this business, but I've never figured out how to take it to the next level… You need money to do that. Universities are uniquely positioned [to help] because we're not starting*

from zero. We have facilities, infrastructure, and expertise. So, when you can get the programmatic money and combine it with infrastructure, expertise, facilities, all those kinds of things, then, you may have some potential momentum to make some change."

James further elaborated on the processes of obtaining and utilizing federal grants for the small business owners:

"The federal government doesn't really have directives on how to spend the money. They just give you a lump sum and some guidelines. So, there was a hundred-thousand-dollar line item that was for developing workforce initiatives with small businesses, and that's the one we got. So, we wrote a proposal about how we would spend a hundred thousand. We sent it over to the entity, who received the money from the government, and they approved it. Then they sent the check… It is a very formalized process. And that becomes part of the challenge, right? [The small business owners] may not be sophisticated enough to get the money from the sources that are out there. But at a university, we have expertise in this. We have smart people, and we have the internal centers that will write the grants in the right format or will put all the paperwork together in the appropriate way… If you are an individual trying to do that, you don't know what you're doing."

Finally, James suggested that grants tend to be handed over to intermediary organizations rather than to small business owners in the first place:

"The way that the money works, often it goes from the federal government to the state, or it may go from the federal government to a nonprofit or government agency. Then the money eventually gets to what I call the street. They are not giving money directly to the entrepreneurs. They give the money to the university, and the university goes and recruits the businesses to be part of the program."

Overall, small business owners tend to be unaware of the opportunities available to them such as grants and loans, and even if they are aware, they usually do not have the resources to navigate formal application processes. Consequently, intermediary organizations organize efforts to bring the money to the local businesses. Individuals in these intermediary organizations have the resources, expertise, and relationships and can leverage their organization's infrastructure to advocate changes for small business owners.

Furthermore, James also highlighted why certain intermediary organizations, especially anchor institutions, came to have so much engagement and involvement in the local affairs:

> "*The university is going to be here. We don't disappear. We have buildings and real estate. It's a long history. There were people here before me and there will be people here after me. We think of ourselves as an anchor institution. Sometimes it's a hospital system that's an anchor institution in the city or some of the big corporates or the big cultural institutions. they're hundred-year, fifty-year old organizations. They've been there, they're not going anywhere. So, when you're that size and you have that much impact on the city… we've become part of the conversation about what's going to happen in this city. That's an important piece to note. When you're part of the fabric of the community, it is easy for the government and necessary for the government to interact with you. I think what some cities have figured out is how useful universities can be, not just as an owner of large real estate in your city, but also as a resource."*

Taken together, actors in intermediary organizations have several important characteristics. They perceive and understand the disconnect between the local communities and the government and have nestled in that niche as a personal bridge. Specifically, they build relationships with both small businesses and the individuals in local government. Therefore, they are deeply embedded in the social infrastructure. Intermediaries also have the necessary resources, knowledge and expertise to be able to navigate formalized processes and policies such as obtaining grants and loans for small businesses by working with government actors on the small business owners' behalf. Consequently, individuals in these intermediaries inevitably become part of the conversations surrounding their city's development and as a result, as will be elaborated further below, influence policy making and outcomes alongside the government. As such, the individuals in these enduring anchor institutions such as universities and large organizations with a long local history then naturally have the necessary relationships and the resources to emerge as intermediaries between the local businesses and government.

Champions for businesses. My interviews have mainly been focusing on the work that individuals in the intermediary organizations do that is geared towards assisting local, small business owners rather than established firms and corporations. Indeed, in contrast to small businesses, the more established firms do not need to rely as much on external intermediaries because they have the resources to hire employees with the relationships to be the organization's champions. For instance, Evan, who works for a publicly traded, biopharmaceutical company that has multiple sites around the world, stated that his firm has a site in Washington D.C. for all government related functions, such as lobbying and building relationships with key politicians.

However, intermediaries can and do still have a role in managing relationships and interests between the large firms and the government. Established firms and professionals also have professional and industry associations and societies that organize efforts to advance their collective interests. For example, the American Chemical Society (ACS) is one of the world's largest communities for chemistry professionals and is permitted to advocate for policy and legislative matters because it is a federally registered lobbying organization as specified by the Lobbying

Disclosure Act of 1995. In this sense, these professional associations are external intermediary organizations that also play a part in the relational work between the large firms and the government. However, depending on whom the intermediaries serve, the business issues and demands that need to be addressed may be different, as well as the intermediaries' approach in engaging relational work to solve these issues. Unfortunately, professional associations are outside the scope of my data collection, but a comparison of different intermediary organizations and their strategies to effect policy and institutional change will be a fruitful avenue for future research.

Specialization of intermediaries and relational work. Finally, given the complexity of the work that intermediaries do that is tailored towards creating personal linkages across diverse stakeholders to advance not only their goals and missions but also those of the businesses they serve, this necessarily positions intermediaries in a highly specialized role. For instance, corridor managers must go through a six-month onboarding program to be prepared for the basics of the job. The program introduces the core principles of neighborhood economic development, anti-displacement, and community wealth building and places a heavy emphasis on building and engaging with key relationships and understanding the important role corridor managers can play in advancing equity in their communities. Richard specified:

> *"If it's done right, [corridor manager is] a full-time job. Actually, there've been some in the past where people were just part-time. And it's really hard… You do need somebody that's going to be available, at least nine to five, or weekends and evenings too."*

Judy also elaborated further:

> *"They have to be able to go to the zoning meetings, then the community meetings, and all of those things, and you can't really ask someone to do that if they're not on salary."*

Moreover, in the case of the university entrepreneurship center and its various programs that James helped establish to assist local business entrepreneurs is further evidence in and of itself that this type of work needs to be specialized, that this intermediary organization *is* specialized and provides the informal knowledge that comes from personal relationships as well as the particular expertise and skills. Specifically, the center has its own staff and facilities that work full time for the betterment of the local entrepreneurs. Lastly, concerning the more established pharmaceutical firms, they have their own specialized public relations departments that focus on policy and regulations advocacy.

In the next section, I will present how relationships are built, the types of relational work the intermediaries engage in, and highlight the importance that my informants place on this work. Then, I will demonstrate that relational work is imperative for the intermediary organizations to be able to engage with the government and take part in the policy making processes on behalf of the businesses. I show that, effectively, the relational work that intermediaries undertake is a highly specialized function.

Importance of Relationship Building

As one of my informants stated, much of the work at the intersection between government and businesses requires individuals to focus on "*relationship and trust building*" (Richard) to ensure that the intermediary organizations carry out their responsibilities effectively. The importance of relationships lies in gaining a holistic understanding of business owners' experiences, maintaining open, consistent communication channels, and leveraging relationships in the intermediaries' social networks. This then leads to high accessibility of information and resources needed to facilitate smooth collaborations amongst all relevant stakeholders, especially with the government. Within the scope of policy and regulatory development, this is particularly important because of the time and collaborative efforts involved to push for and successfully pass legislation.

Relationships with the local communities. In my interviews, intermediary actors explicitly articulate that their organizations' main responsibilities are to build, maintain, and leverage their relationships with both the local community and the government, which allow them to serve as the bridge between the two. For instance, Judy described the role of the corridor managers as it pertains to the local community:

> *"[Corridor managers] are a key part of how the city engages with small businesses that are based in neighborhoods. They also play a role in advocating for their neighborhood and for their business district and gelling the business community. So, their role is very, very broad… They help match potential new businesses with vacant spaces. They work with property owners. They play a mediator sometimes between the business community and residents."*

To reiterate, the corridor managers are not part of a government entity, though they are funded by tax dollars. They work for a non-profit organization that focuses on community development and serves the local communities it is embedded in. They are on the ground, have the local relationships and so, are frontline advocates for the communities. Thus, their daily responsibilities are broad, depending on the present and pressing issues that residents and business owners face. Richard further described the nature of the corridor managers' work, specifically their frequent interactions with residents and business owners in the communities:

> *"I think the key [to successful engagement with the communities] is having that person at the ground level, finding a person that can actually do that kind of work, because not everybody is cut out to be a corridor manager. You have to have some personality. You have*

to be more or less outgoing. You really need to be able to talk to people and be strong too, because some of these neighborhoods have some really rough stuff going on, drug dealers, loiters, violence, and businesses that don't want to cooperate."

Here, given the descriptions of corridor managers' responsibilities to their communities, "*that kind of work*" that they do on the daily is relational work. The relational aspect is apparent when considering that corridor managers are both bridging relationships across the communities, as they play mediators between different parties, and building relationships with people within the communities. In this case, being strong and persistent in building relationships with businesses and residents who are causing inconvenience to the communities is at the crux of being able to shape a better future for these businesses and for the communities they are in.

Moreover, Richard also described the relational work that corridor managers must do that extends beyond their usual job description:

"Usually [corridor managers] are connected to another organization like [ours], which is doing other work in the community, so [their responsibilities] are holistic. It's not, I'm just here to help the businesses… that's probably their main focus. But they understand that there are housing issues. There are other things that are going on. For example, they may be involved in food distribution because that's just what is needed at the time. By doing that, they may develop a relationship outside of the usual, which they end up intersecting in more than just one way, hopefully, with people."

The relational work that corridor managers do entails direct and personal interactions with the people in the communities they serve, not just local businesses. This helps build relationships, which is outside the formal purview of their job, but they judge to be useful in their relationships with the businesses. At the ground level, they are able to develop a deep understanding of the general experiences and welfare of those in the communities and respond quickly to provide necessary support. Consequently, these relationships serve as a conduit for the corridor managers to embed themselves deeply within the very communities that they serve and, as will be elaborated further below, the goal is to allow people in the communities to have easy access to the corridor managers as resources whenever necessary.

Relationships with the government. Relational work also extends to building and maintaining relationships with those in various government agencies. Gary, who works to connect local minority businesses to large anchor institutions in the area, specified that, to carry out his responsibilities, he necessarily needs to engage in relational work and build relationships with many diverse groups, including government entities:

> *"[I focus on] strategic partnerships, making sure that the other members of the nonprofit technical assistance and small business development communities, that we're all working together in the same direction and providing a solid bed of resources for the minority business community. I build relationships with funders, with grant makers, as well as trying my best to maintain really good relationships with the anchor institutions, the city, different people in city council and the mayor's office as institutions of themselves."*

Furthermore, the corridor managers also seek to build relationships with those in the local government agencies, which some agencies do reciprocate:

> *"Some of the departments in the city are really good at developing and maintaining relationships with corridor managers like the commerce department. Their neighborhood economic development team is a really good example of doing that well. They host trainings for corridor managers. They go and actually meet with them on their corridor and do tours. They make a big effort. Some of the other agencies are less responsive. Then there are some*

district council people are more interested in small business and some are less interested." (Judy)

These two cases elucidate close, personal interactions between those in government and intermediaries at the individual level. In addition to intermediaries' seeking to building relationships with government actors, government actors also actively engage with the intermediaries by directly training and meeting with them on the ground. To further elaborate the sort of relationships that the government actors strive to have with the local intermediaries, Steven, who works for the federal government, described:

> *"[Much of the engagement at the federal government level] is maintaining consistent communication with many of the small business advocacy or direct facing organizations in the city, chambers of commerce, business corridor associations, community development corporations. There's an array of organizations that work with and on behalf of business communities, and we consistently speak with them. It's frequent, and it's mostly informal. We have very good relationships with folks that run those organizations. They know they can pick up the phone or send us an email and we will be listening."*

Here, individuals in the federal government stay engaged and connected to those from various intermediary organizations that have a vested interest in supporting and promoting businesses. There are ongoing and informal conversations happening, but it is important to note that, evident from the examples above, these are largely happening between individuals in the government and the intermediaries rather than directly between the government and businesses owners.

Taken together, the informants, especially the intermediary actors, have discussed the importance of relationships in their line of work and how and with whom they build relationships. The goal of establishing and maintaining good relationships are to facilitate open, effective, and efficient personal communication channels between the intermediaries and the communities they serve, as well as with entities, such as government agencies, from whom they try to secure support for the communities. In the next section, the foundation of good relations is shown to be pivotal for intermediaries to engage and influence policy making processes.

Relational work in policy making processes. Within this social ecosystem of businesses, supporting intermediary organizations, and government agencies, relationships are the connecting infrastructure for which information are passed on, problems are tackled, and policies are made to better support the businesses in the local communities. I illustrate with two anecdotes how the established relationships and direct engagement between individuals are central in driving institutional changes in terms of proposing and advocating for policy changes.

In this first anecdote, Judy and Richard described an instance in which their organization and corridor managers organized efforts to save a storefront improvement program, in which the local city was offering to reimburse half of the cost for business owners who wanted to improve the facades of their property. Initially, the funding source for the program was coming through a federal grant that the local city managed and distributed. However, after a few years of the program being in place, the city realized that they needed to start requiring a huge amount of paperwork from the recipients' side to fit the federal government restrictions:

> *"[For projects] over $2000, you go into this Davis-Bacon* [a U.S. federal law that, for federally funded construction projects, requires contractors and subcontractors to pay the prevailing wage rates as determined by the U.S. Department of Labor for the specific locality where the project is taking place]. *There actually needs to be proof, prevailing wages, and there's a ton of paperwork involved. Sometimes the unions get involved. It*

became very, very messy. And with inflation, $2000 is not a lot of money to fix up a storefront." (Richard)

The corridor managers were worried that given the increasing red tape, especially for small business owners who do not have enough knowledge or resources to navigate these regulations, they were going to lose the program altogether.

The corridor managers' concerted effort focused on communication with government agencies such as the commerce department, which "*put together a map of where the funding had been allocated, how many storefronts had received it, and how much their revenue had increased after improving their storefront*," and strategizing with council members of the city "*to switch the funding sources and use general fund dollars from the city*" (Judy).

> *"[The organization] worked with a couple of the council offices to draft legislation. Then, there was a hearing, and [the organization] coordinated a bunch of representatives to go and testify at the hearing for that bill. There were spotlights of some of the businesses that had received the funding. Corridor managers came to testify, talking about the differences that the store improvement program was making. The city ended up agreeing and reallocating the money, making the program a lot easier to navigate for the small business owners."* (Judy)

Finally, in recounting this narrative and reflecting on their organization's past advocacy activities, Richard emphasized the importance of leveraging relationships to help small business owners and stated, "*usually, you try and get a couple of folks to be your champions at the city council level or even in in the administration*."

In this instance, this intermediary organization's primary strategy to preserve the storefront program is to rally relevant and influential points of contacts in the city's commerce department and the city council and draw on their expertise. The commerce department, as noted above, has a close relationship with the corridor managers and has toured on the ground, and so, they have a deeper understanding of the business owners' day-to-day experiences. Given this relational foundation, it is unsurprising that they decided to help the intermediaries by compiling the quantitative data for the value of the program. The intermediary actors also worked closely with the city council to draft legislation to amend the process and sources of funding to continue the program. Here, they evidently played an important role in shaping the policies on behalf of the small business owners. Drawing from their understanding of generally who the small business owners are, the intermediaries recognized that small business owners had limited knowledge in navigating a complicated regulatory environment. As a result, they advocated for policies that would make the regulatory process more accessible for small business owners. Lastly, the organization also influenced the agenda of the hearing by strategically arranging for their representatives, corridor managers, and select business owners to relay opinions and experiences of those affected to defend the program. Overall, the organization would not have been successful in changing the policies if not for their calling on relationships with influential individuals and groups in the government.

In the second anecdote, Gary recounted how he and his colleagues shaped regulations and policies in his city regarding "categorizing diverse spend", which refers to the amount of money companies spend doing businesses with minority-owned business enterprises. He described the initial policy issue in the construction industry:

> *"A construction management firm doesn't do the construction work themselves. It's their job to pull together all of the specialists to do the work and to manage the project, to make sure that it's on time and on budget. So, there's a couple of minority-owned and women-*

owned construction management firms in the city that are doing really good work. But there was the question of, if you hire them for a project, how much of that project can be considered diverse spend? They don't do the work. They have to hire others to do the drywall, the plumbing, the steel work. But you're giving 100% of the money to a minority-owned, black-owned, Hispanic woman-owned business. So how do you categorize that?"

In tackling this problem, Gary first contacted and spoke with construction management firms and minority-owned firms to examine different scenarios and outline aspects that need to be categorized and assessed, such as "*the diversity goals [of] construction management firms to make sure that they are not just being used to blackwash or brown-wash or woman-wash a project*." Second, Gary and his organization conducted "*a series of interviews with stakeholders, minority businesses, people that run organizations, people within the government, people whose job it is to set up these EOP plans, and other regulators… [They] said, hey, what are you trying to accomplish? What are your thoughts on how this should be categorized? [They] collected the opinions and ideas and created a series of notes from these prominent people in the industry*." Using the notes they gathered, they created a recommendations and enforcement document that detailed the most common scenarios in the industry as well as how to categorize and evaluate those situations. Finally, this document was taken to a trade association for another round of interviews before it was sent to the commerce department "*so that they understand how to enforce a rough version of the laws that are already on the books… The enforcement document [is] to add regularity to the market*" (Gary).

In this example, Gary directly engaged with both business owners and government regulators to arrive at a solution. Specifically, the relational work was to synthesize the opinions and interests of all the relevant parties such that Gary is confident that their recommendations will be formalized into regulations:

> *"I don't think that there will be a lot more negotiation because we've already talked to most of the people that you would need to negotiate with. They're aware of it. They've seen the documentation. They're comfortable with it, and they've had a chance to add their perspectives."*

This is also another instance where individuals outside of the government exerted a significant amount of influence in changing regulations and policies by working directly with government actors with whom they have established relationships. To enact change, the emphasis is very much on negotiating with individuals rather than following an impersonal and formalized process. To elaborate further, Gary reflected on the work he has done:

> *"[In] a lot of the work that I do around legislation to accomplish this task or that task, I try to be very behind the scenes. Even with the example that I gave you, before it went forward, we pushed it to the [trade association]. Everybody knows we were involved, but we can kind of play it off like, this isn't our legislative recommendation. This is from the [trade association]. We just commented based on the interviews and data collection that we did. So, we have to be very careful about the way we engage with government. We work with a lot of elected officials more than we do with the government as a bureaucracy. So, we end up in a lot of personality land."*

Here, Gary explicitly stated that the work they do is partly contingent on being able to navigate the complex web of relationships, especially with regards to uphold a certain image of their involvement and to negotiate with elected officials with a degree of care to have them champion their cause.

In both anecdotes, for the intermediary organizations that advocate for small business owners to have an influence on the policy making processes, relational work on the ground first is a critical initial step for identifying where they can make an impact through public policy work and legislative solutions. The individuals in the intermediary organizations need to have built relationships with the small business owners to understand their experiences and perspectives to better address their challenges. Then, they also need to have built relationships with those in local government agencies whom they can call on to discuss and resolve social problems they see on the ground. James, who works for a nonprofit, public university, further elucidated this point:

> *"I think policy is informed by expertise, but it should also be informed by what happens on the ground, which is relational. So that's where the work is. [You can think that] this is a great policy, but somebody needs to go out on the street or into the community or talk to the people that are going to be impacted by that policy. That doesn't always happen. But I think that's the best-case scenario. Policy makers have people who, either it could be from their personal experience, but more than likely, they have to go out and talk to people who are going to experience that policy on an everyday basis."*

People, such as the corridor managers, deliberately built relationships with the local communities, government agencies, and other prominent individuals, which creates a social infrastructure that they can rather reliably leverage for their causes.

Furthermore, the importance of relational work is evident in the policy making processes when considering the amount of involvement that the intermediaries have in co-creating the formal legislations with government actors. They leverage their relationships with those in relevant government agencies not only to communicate their expertise and perspectives but also to be permitted to discuss and propose policies and regulations with government actors. In other words, rather than passing off policy making to the government actors, the intermediaries are also able to engage in personal cross-organizational work. The value that these intermediaries bring to the table is the fact that they understand both the perspectives of small business owners and government regulators through informal interviews and frequent communications. They can consider, negotiate, and reconcile differences between different parties when proposing new policies.

By engaging in relational work with all relevant stakeholders and accounting for the different perspectives, these intermediaries are also able to avoid unproductive and iterative processes that ultimately do not result in successful policy implementation. On the contrary, Emma, who works for a consulting firm, worked on a project with a state government to look at the return on investment of tax dollars in the state's film program. She described the uncertainty of whether a bill that increases the tax credit cap for the program will be passed:

> *"They're currently looking to the state legislatures, putting together a bill to increase their cap in the state. I don't know if it'll actually happen because it's pretty hotly contested. It'll depend on who's in their legislature when it gets voted on. The Democrats are in favor. The Republicans are not… Even though we've done this analysis impartially, if they don't like it [or] don't believe the results because it's not the results that [they] want, [the bill] won't be implemented."*

This example stands in direct contrast with Gary's confidence that the bill he helped devise will be passed, and the difference lies in the consulting firm's lack of relational work and negotiation with relevant stakeholders, even though consulting firm is also an intermediary organization but not one that was built on personal relationships. For the consulting project, Emma only examined and modeled the aggregate data for return on investment before giving recommendations to the state, and so, there is a lack of understanding of how the tax dollars are impacting the lives of those who are in the film program beyond just revenue, as well as different political parties' agenda for the budget. Whereas, Gary clearly communicated with those impacted by the diverse spend policy as well as negotiating and working with legislatures towards common goals.

Finally, both anecdotes highlight how engaging in relationship building and leveraging those relationships allow intermediaries to influence, and at times, co-create policies and regulations. More importantly, the active involvement of these intermediaries also shapes how the local governments have approached economic and policy development with regards to the business owners over time. Specifically, since Judy is a current member while Richard had already stepped away from their intermediary organization, their collective experience suggests that policy problems and solution seeking are increasingly in the hands of the people who are affected by these very policies and who have a deep understanding of the people and their activities on the ground. "*That was actually a big change because [years ago] the city was actually funding its own managers on the ground level*". However, they are also "*afraid that [the government] might start putting more people out on the street again, which would be a really big mistake because they don't have that level of connection at the ground level that people that work at [our organization] have*" (Richard). Here, the cause for alarm is really because relational work is a time-consuming, highly specialized function, especially in community development.

Recall that corridor managers must undergo an intensive six-month program just to learn the basics, and they will be constantly learning on the job as new complex issues arise. They focus on a niche audience, small business owners, and need to deeply understand the unique needs and specific challenges the small business owners have in the local communities. They also need to understand and engage in complex relationships and networks with diverse stakeholders to mediate conflicts and manage relationships for their organizational mission and goals. Moreover, the relational work needed to engage with relevant government entities would look vastly different for big pharmaceutical firms, which necessarily entails a different relational approach. Overall, to reiterate, all these features point to the highly specialized nature of relational work.

Routinization of Relational Work

Finally, my interviews revealed interesting situations where relational work in the interactions between the U.S. government actors and those in businesses becomes standardized and routinized. Specifically, certain person-to-person interactions are replaced by technology, i.e., data management systems, to automate process flows and communication channels between the two parties, such that relational work is eliminated. However, when new policies need to be implemented, relational work returns.

Technology at the Relational Intersection. Irene works for a city government and is responsible for overseeing the department of permits and inspections for all residential and commercial work. In general, permits and inspections are required for most construction or repair work regulated by codes. For example, whenever there is remodeling of a residential or commercial space, new building plans need to be submitted and approved by the department before actual construction can start. Irene described the process of going digital in much of the work her and her department do when they deal with customers. Rather than coming to the department in person to apply for permits with the city staff, customers can directly register an account in the city's system and submit building plans online without ever leaving their home. The department has also made several explanatory YouTube videos explaining and troubleshooting most common concerns, such that with even emails from customers needing help, customer service would reply with standard verbiage and drop the links to the relevant YouTube videos. In this case, the use of technology and online software systems has eliminated the need to come in person. Instead, everything is done digitally online and without interpersonal interactions.

Interestingly, because of the push to be digital, the limited relational work that does happen is geared towards helping customers to ultimately navigate the online software system themselves. Common issues that arise indicate to the department how they can make their website better. They assimilate customers' feedback and make the process as painless as possible. "*Because it's painful for us too. You are going to have repeat customers coming in, asking the same questions, having the same issues, being upset at the counter, and we don't want that. We want it to be a positive experience, and we want most of them to happen online*" (Irene).

In the case where clients do come in with issues regarding the system, Irene stated that the staff will help them at the counter but also push them towards utilizing the technology:

> *"We have a laptop at the counter set up facing the customers, with a screen that mirrors that on our side. We walk them through the steps. So, they come in and, whether they have an appointment or not, we try to assist them and walk them through the process to get them whatever it is that they need, and typically it is a permit… That's really the only reason that we're here because we still want to be customer friendly and have a presence, in case those few customers need to come in for help. People still come in and want to submit building plans to us, and we have to turn them away and say, unfortunately we don't take paper plans anymore."*

Evidently, technology has routinized the previously relational and communicative work between this city department and the customers it serves. The tasks and activities associated with applying for a permit are organized and standardized in a systematic and repetitive manner to ensure the same process flow is performed every time. For example, rather than having the staff directly helping customers at counters on a case-by-case basis and addressing their unique needs, the customers are instead at home reading the same standard, copy-paste verbiage with the same YouTube videos that guide them step by step. The online software system that the city uses effectively routinizes and automates the interactions between the city and its customers that are predictable and reoccurring. The online software system itself becomes the customer facing frontline for much of the work that the department of permits and inspection does, (except for inspectors who still need to be dispatched to the commercial and residential areas to do inspections on site).

Routinization in Public Policy. Due to these digital changes, the customers no longer have any opportunities to engage with city staff personally during the permit submission to approval process. However, I find that when an issue does occur that cannot be resolved through standardization, relational work returns, and customers would personally seek the higher ups.

> *"They'll email me directly, our chief building official, or our director. Or sometimes they just come in and they go straight to the top. They come into the office, and they go straight to the city manager. They'll complain. Unfortunately, like complaints, the squeaky wheels are the ones that get the oil."* (Irene)

The customers directly relay their issues to the staff, which prompts the staff to re-examine their polices and processes. What is interesting is that afterwards, solutions to common issues and unique situations lead to new processes that are then routinized into their software system. Irene explained with an example:

> *"Our permitting system is a like self-service portal. It allows you to set up an account as a contractor, and you put your credentials in, like your licenses. That gives you the ability, as long as your credentials haven't reached their expiration date, to pull as many permits*

as you want. So, permit runners could be applying permits for multiple contractors. They would then contact us and say, 'well, I set up an account for this one contractor, but I need the ability to pull multiple permits for multiple contractors when I log in. Does that mean I have to have one account for every one of my contractors?' So, we thought, that's true. He shouldn't manage different accounts just because of our rules and regulations."

The staff then told the technology department the issue, and they came up with a solution where the software gave the permit runners the ability to choose from a dropdown menu and manage multiple contractors' licenses under a single login. Thus, based on customer complaints and feedback, the city changed the way things were processed.

> *"We do our best to strive for excellent customer service. We're always making changes and thinking about how to better service our customers. We sometimes know that we put in place some rules and regulations that may be too strict, and after a couple of complaints, we may loosen those a bit and make it a little bit easier for the customer. We learn from those mistakes, and we'll change or adjust some of our policies or whatever to accommodate that."* (Irene)

Technology plays an interesting role in that, by routinizing relational work and the regular interactions between the city and its customers, it takes the personal and relational aspect out of the city's work. Then, the challenges that the city faces are striking the right balance between routinizing processes for efficiency and accommodating unique situations where relational work is still necessary. The examples above show that regardless of the routinization of certain technical matters, relational work between those who design the policies and those who are affected by the policies is still at the heart of policy change and policy making.

Discussion

For this section, the beginning will be a reprise of the discussion points in Chapter 2 and Chapter 3, as I connect the findings in this study to that of the previous two to further support my claims. Next, I will highlight and situate my new findings regarding intermediary actors within the literature on institutional intermediaries. I will also examine the importance of relational work for institutional intermediaries to affect institutions and theorize that relational work is a highly specialized function which, in certain respect and ironically, can be routinized through technological interface. Finally, I discuss the implications of relational work and its routinization for policy making and implementation.

Relational Work

In Chapter 2, the relational work between the returnees and the local government officials in China is important to aligned values and expectations. Relational work is particularly effortful for the returnees due to the initial social and cultural barriers, and the returnees must consistently signal and reiterate important values through verbal and nonverbal actions, meanwhile navigating and practicing expected personal guanxi.

In this study, there is a similar misalignment of values and expectations between the government and the businesses that intermediary organizations attempt to rectify through relational work. For example, at times, government actors do not understand or are not even aware of the day-to-day experiences of the small businesses under their jurisdiction. However, intermediaries, who are deeply embedded in the local communities and have personally observed the hardships of the businesses, can directly relay this to the government actors with whom they also have built relationships. On behalf of the businesses, the intermediaries help seek solutions with the government for the issues that the businesses face. Direct interactions, such as engaging in critical conversations and negotiation with relevant government actors and providing concrete data to substantiate the intermediaries' claims, lead to mutual understanding and alignment of goals to help the business owners, which then allows for the co-creation of necessary policy solutions. Here, in the intermediaries' relational work with the government, the discursive approach (Zilber, 2009) to manage expectations and align values seems to be more salient and important to build such relationships and effect change.

With regards to the intermediaries' relational work with the local businesses and communities, being personally present and engaging in concrete actions are more salient and effective to build rapport and signal that the intermediaries are truly ready to help and listen. For instance, the corridor managers directly interact with the communities on the ground by helping organize food distribution and acting on resolving the social issues they learned from the local business owners with government actors. The intermediaries' concrete actions and physical presence demonstrate their consideration for the local people and are consistent with their mission to be advocates and champions for these communities. Then, this allows the communities to feel that they can truly rely on the intermediaries and freely approach them for any problems. Recall that relational work entails both a discursive approach and concrete actions and the necessary consistency between the two. In this study, the findings, once again, illustrate that both approaches are indispensable, and one may be more important than the other approach for different groups of people.

Blurring Institutional Roles

In Chapter 2, I found that relational work can also temporarily blur the institutional roles between the regulated and the regulator, such that the returnees are able to take part in effecting regulatory changes in their industry. In this study, while the intermediaries are not necessarily in the role of the regulated, they do have a degree of influence in changing the conversations surrounding businesses and have the power to partake in co-creating policies with the government when necessary.

The sources of the intermediaries' personal power (Gibson, et al., 1991) to influence are also similar to those of the returnees. First, the intermediaries establish their referent power by building strong relationships with government actors and other relevant stakeholders such as funders and anchor institutions. For instance, Gary deliberately devotes much of his daily efforts to establishing these useful relationships. Gary disclosed that on a typical day, he would spend at least six hours in meetings either in person or in Zoom, maintaining and making new connections with people. These people are those whom Gary can call on for any help and support and are a testament to his referent power that he has consciously cultivated.

Second, the intermediaries also have expertise power (Davis et al., 1997; Gibson et al., 1991), in that, by engaging in relational work with the local businesses, they gain a clear and understanding of the unique challenges the businesses face that the government actors do not necessarily have access to. Moreover, the intermediaries' connections and close relationships with the government actors also expose them to formal bureaucratic processes, such as applying for grants and creating new legislations, that small business owners normally do not have the knowledge or resources to execute. Thus, the expertise that intermediaries develop from both perspectives is a source of power they can leverage to influence both small business owners and the government actors.

Dualities in Relational Work

I also find, in Chapter 2, that relational work is full of dualities, and individuals can hold and enact different and sometimes conflicting institutional frames based on who they are engaging with. This is similarly echoed in the present study. Given that intermediaries must build relationships with and gain access to different groups of people with varying power, resources, and experiences, they also need to navigate their social network with tact and subtlety. In Gary's legislative work, intermediaries have to be careful in how they present themselves and their efforts relating to the legislation depending on who they are engaging with. For some relationships, such as those with government regulators, the intermediaries might not and cannot mask their active involvement. In Gary's example, they were conducting interviews with these regulators to understand their point of view and then, drafting a document from these insights, and these efforts and actions indicate that they are not passive bystanders. But for other relationships, such as those with elected officials, who are only presented with and do not need to know the efforts behind a legislative document, the intermediaries let others to act as the main representative of the legislation because that was more politically useful. So, to effectively navigate the complicated web of relationships and occasionally, the unpredictable space of "personality land," intermediaries need to adjust their relational approach accordingly. Future research can investigate how flexible relational adjustments may contribute to the success of businesses.

Institutional Intermediaries

In Chapter 3, the results from the survey study suggested the important role of intermediaries for U.S. managers in connecting and engaging with the government regarding policy outcomes. In the present study, this finding is further supported by the presence of non-profit, government funded organizational actors who personally mediate between businesses owners with government actors. I find that the value of these intermediaries lies in their capability to build productive, personal relationships with government actors to advocate for policy and regulatory change on behalf of the businesses they support. They actively participate in and influence policy making in the regulatory landscape of the businesses, which are activities that clearly categorize them as institutional intermediaries who effect new regulatory institutions (Dutt et al., 2016).

Through a relational lens. The core contribution of this study to the literature on institutional intermediaries is highlighting and elucidating the indispensable personal and relational work that institutional intermediaries engage in to create a supportive institutional environment for the local business owners and entrepreneurs (Armanios et al., 2016; Dutt et al., 2016; Mair et al., 2012; Mitchell et al., 2022). The relational lens uncovers a richer and more granular understanding of the crucial interactions and relationships between intermediaries and the businesses at the ground level and potentially challenges some of the claims in the institutional intermediary literature regarding the value and relevance of intermediaries.

For example, in a mixed methods study on a rudimentary market-based economy in Kathmandu, Nepal, Mitchell and colleagues (2022) examine the types of institutional intermediaries that entrepreneurs prefer to use to connect to customers and business opportunities. Through interviews, they find that entrepreneurs there tend to engage with locally focused institutional intermediaries such as family members, local suppliers, and peer entrepreneurs, rather than broad-based intermediaries such as government agencies, NGOs, and microfinance organizations. The rationale for the preference is that entrepreneurs will pursue relevant intermediary support to address limitations in their venturing activities. This is outcome focused and includes sharing information and products, sourcing products outside of Nepal, obtaining financial and reputation support, and staying competitive in attracting customers and businesses compared to peers, all of which are more easily secured from locally based rather than the broad-based intermediaries. After another round of interviews, Mitchell and colleagues (2022) attribute this preference to the lack of relevance of the broad-based institutional intermediaries.

However, if considering the interactions between the entrepreneurs and the locally based intermediaries and closely examine the processes through which they regularly engage with each other, Mitchell and colleagues' (2022) interview data does show that entrepreneurs prefer intermediaries with whom they've already built a relationship. In their data, there is a degree of reciprocity and trust that characterizes the exchange between the entrepreneurs and the locally based intermediaries. Consequently, proceeding from a relational lens, broad-based intermediaries are *not irrelevant*, as exemplified by a quote in their study, "*I know that the government has some programs to support small entrepreneurs*" (p. 2124). Rather, the reality is that neither entrepreneurs nor the intermediaries, in this case, the government, have engaged in relational work to understand how to work with each other and allow an opportunity for the government to understand the unique needs and challenges of the entrepreneur.

Consequently, analyses on institutional intermediaries' work and impact will benefit from an understanding of the concrete, interpersonal interactions between actors of intermediaries and businesses and the ongoing relational processes through which they engage with each other to achieve mutual goals. In contrast to prevalent considerations of what businesses and entrepreneurs can potentially gain from engaging with intermediaries, whether that is resources, information, or policy changes, future research can explore how and whether relational compatibility is also assessed when choosing to work with an intermediary.

Dynamics of agencies. Studies in the current literature either privilege the agency of entrepreneurs or institutional intermediaries. For example, Mitchell and colleagues (2022) focus on entrepreneurs as active agents with preferences regarding their choice of intermediaries, through whom they exert their agency. Liu (2021) similarly examines how firms can shop around for different intermediaries and services depending on the firms' unique needs. On the other hand, Dutt and colleagues (2016) conceptualize institutional intermediaries as the important decision makers in facilitating necessary resources for businesses and entrepreneurs. Less is known about the dynamics of agencies between the disparate groups which can both clash and align.

In a more speculative direction, this current study provides some insights into how agencies can be shaped and even created through relational work. In my interviews with the intermediaries, they paint a picture of small business owners who do not know how to navigate the regulatory terrain simply because they are not aware of the available programs and support or have not had educational opportunities to hone their business acumen. For instance, Richard and Judy recalled instances where the local businesses did not want to engage with nor knew what corridor managers do. Through relational work over time, corridor managers were able to embed themselves into the communities and establish themselves as advocates on whom the small business owners rely. Moreover, James described how small business owners never figured out how to take their businesses "to the next level" until they completed his entrepreneurship program. Through the help of the intermediaries, the small business owners can more effectively exercise their agency to expand their businesses by leveraging the mentorship, social infrastructure, and resources that intermediaries offer, and this empowerment comes from their awareness of the available support through their relationships with the intermediaries.

This lens can similarly be applied to Mair and colleagues (2012) work that examines the intermediary organization that serve to encourage women to participate in markets. Some scholars (Mitchell et al., 2022) interpret that this study privileges the intermediary as the sole active agents, but this conclusion might be a moot point. The women from Bangladesh only seem to be passive agents because they might not have the agency to access the markets in the first place. They might not even realize that participating in markets is a means to poverty alleviation. Only after the intermediaries engage in relational work and build the important personal relationships with the women, do the women start to understand and consider the perspectives of the intermediaries. Then, receptive to the mentorship of the intermediaries, such as developing their sensemaking capacity, these women finally become aware that they can break out of their traditional roles and norms and participate in the market. When given the tools and knowledge, these women can then become active agents. In essence, the agencies of business owners and entrepreneurs can be shaped and created by their relationships with the intermediaries, and the relational work that intermediaries do also functions to facilitate transfer of knowledge to help them succeed.

This point on the interaction between awareness and agency also highlights potentially problematic assumptions within the broader literature on agency and institutional theory. Prior work in institutional theory assumes that all actors have agency and whether they can or cannot enact on their agency is dependent on institutional constraints. However, this study shows that agency necessarily depends on *awareness*. We often forget that inaction is not only an outcome of absolute powerlessness but also uncertainty of where to begin, irrespective of structural constraints and individual's potential and capability. Awareness, and subsequently agency, can be gained and is best conveyed at a personal, individual level, particularly in community development and poverty relief. All in all, we should not rush into making a judgment about an individual's agency and competence without a more thorough understanding of the situation and the actors at play. Another problematic treatment of individual agency is that it is static and unchanging. Yet, both this study and Mair and colleagues (2012) work demonstrate that agency can be influenced and created through personal, external guidance and support. Discussions and debates on individual agency have always been active and ongoing, and this is a call for future research that closely examine how agencies can be created through awareness and change across time and context.

Policy as Routinization of Relational Work

In this study, I also highlight that the role of the intermediaries in influencing and mediating the conversations between the business owners and the government is evidence in and of itself that relational work is highly specialized. Individuals who work at this intersection need to undergo extensive training, learn specialized knowledge, and build the relationships to be effective at their work. Moreover, large established pharmaceutical firms (and most likely, other large firms as well that are not limited to this industry) also have their own public relations departments located in the capital, further suggesting that relational work, especially in influencing public policy, is a specialized activity in the U.S. Specialized activities and processes are highly amenable to being routinized because they are recurring and predictable. Routines reproduce these patterns of social institutions and activities (Bourdieu, 1984, 1990; Giddens, 1984), which leads to promoting efficiency, resolving uncertainty, and serves as guidance for participants' actions (Cyert & March, 1963; Nelson & Winter, 1982).

In this study, I find that certain aspects of the relational work between a city's permit and license department and the customers it serves are directly routinized through technology for reasons of efficiency and efficacy. On a more abstract level, I also argue that routinization of relational work occurs in my examples that involves intermediary organizations as well, but in the form of formal policies rather than technology. This is because the goal of intermediaries' relational work, which substitutes direct interactions between the business owners and the government, is to cement and guide recurring relational work between the two in the first place. Ambiguous issues regarding interactions between business owners and the government, such as how a business owner should report their diversity spend to the government, are no longer contested nor negotiated on a case-by-case basis. In some cases, as evident in my data, the resolutions to these issues have been agreed upon beforehand. Through intermediaries or not, both the regulated and the regulator sanction the terms and conditions before they are formalized, regularized, and standardized through written policies and legislations. Consequently, the relational work between businesses and government is routinized through policy.

When relational work is routinized, the very relational element between individuals is stripped away. The regulated and the regulator have less of a need to appeal, negotiate, and contest with each other, as activities and processes follow a script, a policy. However, this is not to say that relational work is completely absent. Specifically, enactment of policies, from which policy anomalies may arise, is a separate issue on its own. Enactment of certain, not all, policies may depend on relational work and direct interactions between the regulated and the regulator, through which deviation may arise. Unfortunately, policy enactment is outside the scope of my current set of data collection, which focuses on policy making and change.

Here, routines and policy both constrain and enable ongoing work, and both can be sources of inertia and a strategic liability, especially in a fast-changing environment (Salvato, 2021; Winter, 2003). Consequently, when changes in routines and policies necessarily need to happen, relational work comes back into play, as the regulated and the regulator negotiate new policies and regulations to adapt to a changing institutional environment. Taken together, policy itself can be considered as routinization of relational work, while policy making and change are direct outcomes of the intricate relational work of individuals across organizational boundaries.

CHAPTER 5: DISCUSSIONS AND CONCLUSION

The three studies in this dissertation collectively illustrate that relational work is critical to policy making for disparate actors who have diverse roles and interests. Relational work facilitates alignment of expectations and goals for working together across boundaries of different organizations and fields. By focusing on relationships at the individual level, I uncover how relationships are strategically built through relational work and interpersonal interactions. By situating my research and findings in public policy and examining the work at the intersection between the regulated organizations and government regulators, I describe how those outside of the formalized regulator role can leverage their relationships to influence and partake in policy making and ultimately, effect institutional changes in policy and regulations.

In this concluding chapter, I will start with a discussion centered around a comparison between the two qualitative studies conducted in the U.S. and China. Specifically, both contexts are theoretical polar types that allow for patterns regarding relational work in policy making to emerge more readily. Through the comparisons, I will be elaborating on the previous conversations regarding the centrality, specialization, and routinization of relational work and the absence of trust in business relationships between the regulated and regulator in China and the U.S. Finally, I will conclude my dissertation with a discussion on the theoretical contributions to public policy research.

Comparison Between China and the U.S.

Guanxi is one of the major social dynamics in the Chinese society, and navigating the complex web of personal relationships is crucial for businesses to succeed in China (Farh, Tsui, Xin, & Cheng, 1998). Guanxi shapes and underpins much of the organizational activities and people's way of thinking and behaving, and so, the Chinese context is an extreme exemplar for examining relational work.

Guanxi can be discrete and covert. When people leverage their guanxi and relationships in the workplace, guanxi can lead to favoritism and result in unequitable decisions that reward one over another because of who they know rather than merit (Balliett, Wu, & Dreu, 2014). In contrast, Americans value equity and unbiased meritocracy (Al-Aiban & Pearce, 1993; Coggburn, Daley, Jameson, Berry-James, 2020; Sowa, 2016) and often regard the explicit use of personal relationships in the workplace as unethical. Moreover, management literature also predominantly focuses on the more formalized, transparent practices such as lobbying and campaigns that constitute relational work between the regulated and the regulator. Although, this research emphasis is because of the readily available data of lobbying and campaign activity disclosures and public records there (Katic & Hillman, 2023). Less is known about how personal relationships may be leveraged at the individual level between the regulated and the regulator in the U.S. Taken together, the U.S. context can be considered as a theoretical polar exemplar to the Chinese context. The observations from both settings provide a particularly interesting opportunity to clearly discern contrasting and similar patterns of relational work between the regulated and the regulator (Eisenhardt & Graebner, 2007).

Similarity: centrality of relational work. In this dissertation, I find that relational work is central to how the regulated and the regulator, both with distinct roles and goals, build and leverage personal relationships to effect changes in institutions in both contexts. In Chapter 2, Chinese returnees, although initially reluctant, come to understand that they still needed to navigate and use guanxi to gain government officials' support as well as uphold their professional values. This finding is expected as guanxi is a well-established cultural institution underlying various aspects of life in China. Many studies have already recognized the importance of networking and relationship building in China, where governance is through those in power rather than impersonal laws and so, personal relationships with government officials ensure institutional support in moments of uncertainty (Luo, 2003; Peng & Luo, 2000; Xin & Pearce, 1996). What is surprising and novel in the current study is the regulatory institutional outcomes of such relationship building, evident in the details of concrete actions of how the returnees are then able to use their expertise to persuade government officials to establish regulatory policies and bring about certainty for their industries and themselves.

Initially, as discussed in the previous chapters, I suspected that such regulatory changes due to interpersonal interactions may only be relevant to China's unique context. First, the centrality of relational work may be attributed to China's strong institutionalization of guanxi. Second, China is still developing its domestic industries, in which polices and regulations that constitute the basic guiding principles of these industries are usually underdeveloped, malleable, and easily contested (Lee, Hiatt, & Lounsbury, 2017; Grandy & Hiatt, 2020). This is especially true in the context of a rapidly changing and developing China. Conversely, mature industries such as those in the U.S. are characterized by well-established laws and guidelines, and so, the rules of the game are comparatively fixed and known (Hillman & Hitt, 1999), and consequently, institutions in the U.S. may not be as susceptible to changes nor influence of relational work and interpersonal relationships between individuals.

However, in investigating the role of relational work institutional changes in the U.S., I find that building personal relationships is also crucial in policy making processes. Successful enactments of policies necessarily depend on the combined efforts and interactions among a diverse range of individuals and groups, beyond just the regulators responsible for passing the policies. These findings highlight that, when regulatory institutions need to adapt and evolve in response to external factors, such as technological advancements or changing social values, such institutional changes can be driven by relational work between the regulated and the regulator, whether in mature or developing industries, as well as in contexts that either fosters or does not emphasize relationship building.

Second, in Chapter 4, I find that intermediaries have an important role in building the critical relationships with and between business owners and government actors to effect change. While my informants in China did not seek out such intermediaries but worked to develop personal relationships directly with government officials, equivalent trade and industry associations do exist in China, and these associations often play a significant role in establishing industry standards and regulations, like the American Chemistry Society described in the previous chapter. These would be considered as intermediaries who actively contribute to advancing the collective interests of businesses in their respective industries and bringing their technical expertise to guide government regulators and policy makers.

Lastly, I also argue in Chapter 4 that in the U.S., relational work is highly specialized, as non-government organizations have developed as intermediaries between businesses owners and the government actors and more established firms have their own department geared towards lobbying and campaigns. In addition to the existence of trade associations as potential intermediaries in China described above, I did find evidence for specialized departments dealing with interpersonal relationship building in the returnees' firms, especially with clients and customers. For instance, Alex's medical devices company has a public relations department that focuses on arranging logistics and travel itineraries for clients with whom they have or potentially will have business relationships with.

"[The department] plans, books flight tickets in advance, accommodations, car rental. There is an agenda, where to sightsee, where to eat, who to accompany them… [The clients] eat and drink, bring their children and families. We also give them gifts, local specialties, seven or eight hundred dollars. China is like this; without this, your business will not be able to survive… [The clients] are all potential customers. Today's is from [a Chinese province], the best hospital in the area. It will not only be them purchasing [our products], but they can also influence other hospitals to purchase as well. It is very worth it to arrange an event and also make friends." (Alex)

On the surface, the clients are visiting and inspecting Alex's company and products, but Alex stated these "*inspections are just a casual look*" and the real reason is "*to have a good time*". Alex also recalled similar experiences in his previous U.S. company. He said that his company held "useless meetings," where hundreds of doctors across the globe met at luxurious resorts to present their latest technologies, but most of the time was spent on entertainment and networking every night. The doctors could play golf, relax at the spa, gamble at casinos, and watch movies. The company had also invited acrobatic teams, polo teams, and circuses to perform at these extravagant meetings.

"My [previous] company organizes this. It has a department called Public Relations, and the staff are all women. Their job is to plan these events. They really know how to have a good time." (Alex)

Evidently, relational work is highly specialized in both China and the U.S., as companies can engage with the government through trade associations and have special departments dedicated to help organize events to facilitate relationship building between the companies and relevant groups of people, such as peers, clients, and government actors.

Similarity: absence of trust. A final similarity that cuts across all three of my studies is the absence of trust in relational work. In my qualitative study in China in Chapter 2, the returnees did not attribute the Chinese government officials' willingness to assist them to trust but rather to respect. Generally, I do not find that returnees' descriptions of their relationships and interpersonal interactions with the local government are emblematic of trust. This observation is also supported by the survey results in Chapter 3, in which Chinese managers exhibit significant distrust towards the government officials. On the other hand, U.S. managers exhibit neither trust nor distrust towards the government officials or government intermediaries. Finally, in Chapter 4, the absence of trust is also evident in the lack of discussion of it in my interview data. While one of my informants did speak of trust building (p. 83 in this dissertation), but this statement was directed towards the relationships between intermediary organizations actors and the residents and business owners in the communities they serve, rather than with government actors. I also want to highlight that, here, the absence of trust is *not* distrust. Rather, there is a lack of explicit reference or consideration of trust when the regulated are describing their interactions with the regulators and vice versa.

Taken together, my studies indicate that trust does not necessarily play a significant role in the relationships between the regulated and regulator at the individual level. Perhaps trust is not needed in important cross-organizational relationships as such. In other words, whether trust develops or not, that is irrespective of the ongoing relationships and collaborative efforts between individuals, which seemed to be based on expertise and respect. Considering the significant scholarly emphasis placed on trust as a pivotal element of relationships, this is a counter-intuitive claim that will require further empirical research to unravel how trust develops and its role, as well as other, perhaps more important, dynamics that may serve as foundations for these relationships.

Theoretically, addressing other relational dynamics that can supplant trust in a regulated-regulator relationship, I reference Mayer, Davis, and Schoorman's (1995) seminal conceptual framework of organizational trust. They define trust as "the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other part" (p.712) and highlight three trust attributes of benevolence, integrity, and ability.

First, the idea of vulnerability stands out as inapplicable for the studies in this dissertation. Instead, I consider deference as a more apt description of the interactions, e.g., the deference of the regulated to the established policies and the deference of the regulator to others' suggestions for change. Second, the conceptual framework breaks down trust into three attributes, in which benevolence as a trust attribute does not seem to resonate well in these settings. Nonetheless, the other attributes offer insights into alternative underlying mechanisms for a collaborative relationship. Benevolence is the extent to which the trustee is perceived as genuinely wanting to benefit the trustor. In these studies, the regulator and the regulated are not being benevolent to each other. Rather, their relational work and collaborative efforts are to change industry standards and policies for the greater societal good. Integrity involves adhering to a mutually acceptable set of principles by both the trustor and the trustee. As evident in Chapter 2, acknowledgement of an individual's integrity can also lead to respect for that individual, which the returnees leveraged when seeking help from government officials. The third trust attribute is ability, or an individual's skills, competencies, and expertise to accomplish a specific goal or function. This is discussed as well in Chapter 2 and 4, in which the returnees have highly specialized knowledge that they attempt to enact in China, as well as intermediaries' knowledge of both the hardships of the business owners at the street level and the formalized processes at the bureaucratic level. Consequently, the regulated and the regulator's shared principles, and potentially even vision and goals, along with mutual respect for each other's expertise can be powerful facilitators for collaboration.

Overall, the above discussion reveals aspects of organizational trust that do not fit well in the current studies and this cross-organizational, regulated-regulator relationship context. This also seems to point to the fact that examining trust is insufficient to understand the underlying relational dynamics between the regulated and the regulator. Instead of aggregating the trust attributes into a general concept of trust, I find more value in understanding the different attributes and their role in relationships. In particular, individuals also seem to be cognizant of the specific foundations of their relationships rather than broadly attributing it to trust. So, exploring respect and ability or expertise can be a promising future research direction to understand the relational dynamics.

A final point I want to briefly note is that there are structural institutions that are in place, which might not require trust to be enforced. For example, formal roles, clearly defined work responsibilities, and compliance with legal and regulatory requirements can serve as foundations for collaboration between individuals. In these cases, individuals rely on established processes to guide their interactions and maintain accountability, reducing the need for trust as a primary driver of cooperation. Instead, individuals can focus on fulfilling their designated roles and responsibilities within the established framework through a structured and rule-based approach.

Difference: lack routinization in China. In Chapter 4, a stark difference between the Chinese and U.S. context is the routinization of certain relational aspects in the interface between the businesses and the government in the U.S. but not in China. While Chapter 4 describes the routinization of relational work in permit processing and approval, such routinization is also evident in the pharmaceutical industries in the U.S. For a more apt description, routinization and the use of technology leave little opportunity for relational work and negotiation between the pharmaceutical firms and the FDA regulators. Because the regulatory environment for pharmaceuticals is very stringent in the U.S., much of the data validation and quality control are routinized and made transparent to eliminate compromising practices as described in Chapter 2 by the local Chinese entrepreneurs. For instance, Evan showed me the software system that his U.S. company works with to ensure quality and traceability:

> *"Part of the audit process is that you need to be able to demonstrate that any data is traceable, validated, and stored, that all your information has an audit trail, regardless of what type of information it is… We have a regulatory information management system for our regulatory and quality side. All our regulatory filings, all the signature approvals, everything we do, that was retracted, that is audited, everything is in place… We also use validated systems for our electronic lab notebooks. When we pull data from the machines, we don't directly type it in. It goes to another server that we don't have access to; we can't change. But then, we can pull the data off that server directly into our lab notebook… this is required by the FDA for us to have these [third-party] validated systems."* (Evan)

The requirement by the FDA to use these validated systems serves at least two fundamental objectives, which are to eliminate human errors and to prevent professional misconduct. On a deeper level, the implementation of technology for data validation eliminates the need for specific personal and relational efforts between the government and firms to ascertain the integrity of the firms and that they are not falsifying data for profit. This technological approach is more efficient as it obviates the necessity for these assessments to occur on a case-by-case basis.

According to classical organizational theory, efficiency is a fundamental organizational goal, and efficiency of organizations improves with specialization and routinization (Thompson, 1967). My observations in the Chinese context do not reflect the use of technology to routinize the work between businesses and government, leading to the following future research questions. Will the Chinese culture and the reliance on guanxi delay routinization? Will routinization drive efficiency in China? Will comparable routinization develop in China?

I speculate that the routinization of relational work that drives efficiency and efficacy may not happen in China, which is characterized by more institutional uncertainty in comparison to the U.S. In this context, the enduring importance of guanxi and personal relationships may continue to sustain the more flexible, albeit labor-intensive, relational approach to business and government interactions. There is some evidence for this in the literature on corporate political activity of firms in different governments. Corporate political activity (CPA) is a field that studies the various nonmarket strategies in which "firms seek to strategically shape their political environment" (Katic & Hillman, 2023: 1), and nonmarket strategies refer to how firms engage with their social and political environment to shape the rules of the game.

Theoretically, CPA literature draws from resource dependence theory (Pfeffer & Salancik, 1978) and argues that in countries characterized by autocracies, corrupt governments, and those that experience warfare, uncertainty is widespread and resource dependence on government is likely more pronounced. Individuals may be more interested in currying the favor of the ruling elites or to assure personal safety for their firm and personnel (Pearce, 2001). Moreover, Acemoglu, Johnson, Kermani, Kwak, & Mitton (2016) find that during times of financial crisis and policy uncertainty, corporate political connections matter greatly even in the U.S., a country with strong overall institutions. Consequently, routinization of relational work may not develop in China as long as there is institutional uncertainty.

However, as discussed in Chapter 4, enactment of polices and regulations can be conceptually regarded as routinization of relational work. So, at the surface level, the Chinese government may seem to move towards standardization and formalization through formal policy making. However, even if such routinization occurs in which regulations and laws are established, the strong institutions around guanxi and relational work may persist and potentially undermine these formal policies. In this case, the more likely outcome would be the decoupling of formal regulations and actual organizational practices (Meyer & Rowan, 1977). The dynamics between symbolic compliance and performative deviation underscore the complexity of and tension between routinization and relational work in China. More comprehensive and longitudinal empirical research is necessary to understand the (un)changing role of relational work as China continues to develop and evolve and shed light on the overall intricacies of business-government relationships and their impact on policy and regulation.

Theoretical Implications for Public Policy

My final discussion section will highlight this dissertation's contributions to public policy research, specifically in extending Lejano's (2020) work on relationality in the public sphere. Foremost, Lejano (2020) has illustrated the concept of relationality in policy making with multiple examples from China and speculates that the relational is operative everywhere, even in settings where individuals tend to more strictly conform to rules. In this dissertation, I extend the empirical work and describe the relational work between the regulator and the regulated in both China and U.S. I argue that the claim about the centrality of relationality in policy work holds for both contexts. As China and U.S. are theoretical polar exemplars, I also concur with Lejano (2020) that relational processes could underpin policy work in all countries around the globe.

Lejano (2020) also proposes that the relational is a complementary system that functions alongside formalized rules and regulations, that the relational intertwines with formal rules to determine institutions as practiced. My studies contribute to the elaboration of the roles and interactions between a relational and a rules system in policy making. Specifically, I find that the relational is seemingly indispensable to policy making. To address social and regulatory issues, the regulated, who are directly impacted by the issues and have a more holistic understanding of the root causes, engage in relational work with the regulator to negotiate and agree on new processes. Subsequently, the rules system is, then, formalizing and routinizing the new, reoccurring processes between the regulated and the regulator. However, when policies and rules need to be reformed, the relational returns as the regulated and regulator reconvene to address emerging problems together. Therefore, policymaking is an ongoing, open dialogue between the regulator and the regulated, a cyclical process between the relational system to make new and reform existing policies and the rules system in maintaining and routinizing enactment and compliance of the policies.

My findings, along with extant literature, suggest that an emphasis on the relational can serve as a valuable guide for policymakers as they navigate the complexities of policy development. Attuning to the relational means that the policymakers need to cultivate a deeper understanding of the public's experiences. This exemplifies Muglan's (2012) call for policymakers to be more proactive in engaging with and forming closer relationships with citizens and various stakeholders to understand the real impact of public policies; and this research indicates that it is a labor-intensive process of building personal relationships at the local level. Effective reform often hinges on the government's ability to connect with its citizens at a personal and relational level. In other words, a relational perspective recognizes that policies are not merely abstract constructs but are deeply intertwined with the individuals and the communities they affect.

Extending these insights, my research also uncovers and describes the proactive role of the regulated affected by the policies. Specifically, by building and leveraging their relationships with the regulator, they can participate in co-creating and shaping policies, which allow for more responsive and effective governance. This suggests that policy making is not an activity solely in the purview of government officials, but hinges more on personal relationships than is widely acknowledged. In essence, highlighting yet again, policy making is the result of the ongoing communication and interactions between the regulated and the regulator, and policy can emerge interactively between the two.

While this dissertation focuses on policy making, other important aspects of public policy such as implementation and compliance need to be examined further from a relational lens. More research is needed to assess whether these relational dimensions facilitate or impede just and effective policymaking and compliance. This will provide a more holistic understanding of the intricate interplay between regulated-regulator relationships and the policy landscape.

Conclusion

This dissertation examined the important role of relational work between the regulated and the regulator across organizational boundaries in driving institutional change, specifically within the context of policy making. By elucidating individuals' specific strategies in building and leveraging relationships, these studies highlighted how relational work can temporarily blur the roles between the regulated and the regulator to effect change and also, the duality inherent in relational work, in which individuals adapt their relational approaches depending on who they are interacting with. Additionally, these studies revealed the important role of institutional intermediaries and their relational efforts in mediating interactions between the regulated and the regulator. More broadly, this research also illuminated how individuals' agencies can be shaped and influenced by their relationships with others. Finally, the findings emphasize the importance of the relational in policy making and suggest that responsive and effective governance can be achieved by involving both the regulated and the regulator in co-creating policies.

Throughout this dissertation, I also highlighted several promising directions for future research. First, one area worth exploring further pertains to U.S. managers' personal and direct relationships with government actors and uncovering other reasons and motivations for such relationships. Moreover, research is needed to delve deeper into other dynamics that underpin such relationships beyond trust to consider other aspects such as integrity, respect, and expertise. Second, an emerging research question from these studies involves gaining a deeper understanding of the adaptability of individuals' relational approaches to achieve their goals. What factors guide their relational approaches with certain others and in different contexts? Third, future research can also investigate the compatibility of values, objectives, and relational approaches between disparate actors, whether the relational capability is a factor considered when individuals decide to work with others, and this could shed light on the effectiveness of such collaborations. Fourth, more research is needed on the different types of institutional intermediaries and the work that they do, such as in the context of trade associations for the more well-established firms and professions. This could provide more insights into the complexity of relational work needed in advancing the interests of larger collectives. Fifth, there is also a need to examine how individual agencies may change over time due to their relationships and interactions with other individuals. Understanding the processes by which individuals develop and change agencies can provide deeper understanding and more accurate assessment of individual capabilities and potential for influence. Finally, it will be interesting to research and trace whether routinization, a phenomenon observed in the U.S., will also manifest in the Chinese context. This could uncover further similarities and differences in how relational work evolves and is institutionalized across different contexts.

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Appendix A. Chapter 1 Semi-Structured Interview Protocol

I. Introduction

I am studying several entrepreneurial organizations in the area, and I want to get to know a little more about you and your company through this interview. Your and your company's name will remain anonymous.

How this interview will go is that I will ask you a series of questions about around three different topics. First, I want to know about your role and experience within this company, second about whether you or your company have collaborated with others in the area, if any, and lastly your experience since coming here to work and a bit about your family.

If needed, please take time to think before answering any of my questions, I am okay with silence and will wait. I am not looking for specific answers. The more you tell stories about your experience, the better. If there is anything that catches my attention, I will prod you a little more.

II. Entrepreneurship Experience

1. Tell me a bit about yourself and your professional history.
    a. What jobs did you have before and how did you get those jobs?
    b. What was your education background? Where did you get your degree?

2. How did you start your own company? What does your company do?
    a. Did you seek out the opportunities yourself or did someone recruit you to be a cofounder?
    b. How many people did the company initially have when it first started? Why did you choose them?
    c. How many people work at the company now? What are the hiring processes?
    d. What is your current role in the company?
    e. Tell me about one of your typical workdays, such as yesterday. Why was yesterday not typical?

3. How did you secure funding?
    a. What were some critical events in securing funding?
    b. To what extent does the government help in funding your company?

4. Can you tell me about any prior entrepreneurship experience? Was it successful in your view?

5. As you started your own company, what were some of the challenges?
    a. What were decisions some important decisions you had to make?
    b. What decisions went well, what went horribly?

6. Thinking back on your experience, what would you have done that would have been helpful or useful in starting your own company?
    a. What advice would you give to new entrepreneurs if they are to come here to start a company?

7. What path into the future do you see for your company and your career?
    a. If foreseeing IPO, where are you in the process? How easy is it to sell?

8. One of the things I want to look into is compare the business strategies between companies started by those who came back from abroad and those who stayed in China. Have you observed or noticed differences?

III. Interfirm Interactions

1. Have you collaborated with other companies in the area with respect to work related projects?

2. Are you affiliated with the other companies in any way?

3. Do you know any of the other founders in the area personally?
    a. How do you spend time with the others?

4. Are you aware of the annual fall convention held in the area?
    a. Have you participated in that convention?

IV. Personal Adjustment

1. When and why did you return back to China for work?
    a. What propelled you to leave the U.S.?

2. What surprised you the most after you arrived?

3. What seemed to have stayed the same?

4. How is working in China different than working where you were before?
    a. Industry, business, lifestyle aspects?

5. What do you think of the phrase “sea turtles”? What about “seagulls”?

6. Where do you call home? Where is your sense of home?

7. Is your family currently with you in? What is your family like?
    a. Do any of your family members work at your company?
    b. How did your family view and influence your decision to move back?
    c. What are the reasons for the arrangement if separated geographically?

    d. How often do you see your family?

8. Who provides you with the most support? Professionally and personally?
    a. Do you interact with those who came back from abroad more or do you interact with the local people more?
    b. Do you feel that the local Chinese people view you differently?

9. Anything I haven't covered that you want to talk about?

Thank you for your time!

Appendix B. Within-and-Between Analysis (WABA)

In Chapter 3, I analyzed a survey in which each responding manager reported three business connections and answered a series of questions regarding those relationships. Consequently, there is a potential issue with the nonindependence of the measures, in that there may be less variance within-manager than between-manager responses. To address this potential issue, I used a multiple-level data analytic technique, within-and-between-analysis (WABA) to test whether I can treat the responses concerning the three distinct relationships within a manager as independent observations.

In WABA, within- and between-manager measures are calculated and compared to one another with tests of statistical significance (WABA I analysis) and practical significance (WABA II analysis). Since I am only interested in examining the statistical significance of the difference in variances within- and between- managers, only WABA I is conducted. Specifically, WABA I first tests the variance of each variable by partitioning the data into within- and between-manager component (deviation or mean) scores. Then, these component scores are correlated with the original data to yield within- (η_W) and between-group (η_B) etas. The etas are then tested relative to each other with *F*-tests of statistical significance and *E*-tests of practical significance (which refers to the magnitude of the difference or the effect size; results are practically significant when the difference is large enough to be meaningful in real life.)

Traditional *F*-tests have $N - K$ and $K - 1$ degrees of freedom for within- and between-manager, respectively, where *N* is the total number of reported connections for all managers and *K* is the number of all mangers. This test is computed as follows:

$$F = [\eta_B^2/(K-1)]/[\eta_W^2/(N-K)].$$

However, when the within eta (η_W) is larger, a corrected *F*-test is used, which is simply the inversion of the above traditional *F-test:*

$$\text{Corrected } F = 1/F.$$

The *E (*eta ratio) test indexes the effect size of within- versus between- effects relative to each other. They are geometric and are not dependent upon degrees of freedom. The test is calculated as follows:

$$E = \eta_B/\eta_W.$$

For the WABA I analysis, I combined all the reported connections from the U.S. and Chinese managers which totaled an initial 711 connections. Only examining the thirteen variables relevant to the study and listed in the table below, I used pairwise deletion and resulted in 688 observations. Then, three observations were dropped because there were no other cases with the same manager. The final dataset included 685 reported connections (*N*) and 232 managers (*K*).

The WABA I analysis is reported in Table 5. *F*-tests yielded support for the existence of more within- than between-manager variance for three variables. However, *E*-tests for the three variables are not significant, suggesting there is no difference in the variances for between- and within-manager observations. Additionally, E-tests yielded support for more within- than between manager variance for one variable, "*I have to go through this person*." However, the F-test was insignificant for this variable. Taken together, using a conservative interpretation criterion of requiring the differences between the correlations to be both statistically and practically significant, these results suggest that the locus of variance in the variables can be considered as mixed. In other words, there is no significant difference in the variance for within- and between-manager observations.

Table 5. Within-and-Between Manager WABA I Analysis

Variable	E^a	F	$1/F$
Relationship			
Peer of supervisor	.814	.771	–
Colleague or peer in this org.	.886	.649	–
Colleague in another org.	.955	.559	–
Gov't official	.896	.635	–
Usefulness			
Connections in gov't	.855	.697	–
Connections in key companies	.962	.551	–
Connections in this org.	.855	.697	–
I have to go through this person	.712†	1.005	–
Assistance			
Provide info. or interpretation of policy	1.071	–	2.251**
Provide direction or guidance	1.008	–	1.992**
Obtain an "exception" to a rule or policy	.817	.764	–
Cope with gov't rule or requirement change	.871	.672	–
Trust	1.035	–	2.101**

[a]Two-tailed E-test practical significance criteria and inductions:
†$E \geq 1.303$ is significant by the 15° test
†$E \leq .767$ is significant by the 15° test
[b]*p<.05, **p<.01.

Overall, WABA I results support the conclusion that for the phenomenon under study, each of the three responses from a manager can be considered as an independent observation.

Appendix C. Chapter 2 Survey Items

Your Most Useful Business Associates

In this section, we ask a series of questions about your most useful business contacts or associates. All managers rely on help from others outside their own unit (that is, those over whom they have no formal hierarchical authority – peers, business associates in other organizations, professionals such as lawyers or bankers – any useful person who is **not** a supervisor, subordinate or a subordinate's subordinate). In this survey we will refer to these useful people as your "business associates."

In order to complete the second section, please list those three business associates who have been most useful to you in helping you to succeed in your job. These associates are not necessarily the ones you "like" the most, or are your closest friends, but the three associates most useful in solving either day-to-day problems or most helpful to your long-run career success. We would like you to characterize your relationships with each of these three associates.

1. This business associate is…
    1. A peer of my supervisor
    2. A colleague or peer in this organization
    3. A colleague in another organization
    4. A government official

2. What is the primary reason for this associate's usefulness?
    1. Important connections in government
    2. Important connections in key companies
    3. Important connections elsewhere in this organization
    4. I have to go through this person

3. The last time you asked this associate for assistance, could you indicate which of the following circumstances describe that situation (check all that apply)
    1. Provide information or interpretation of policy
    2. Obtain a promotion
    3. Provide direction or guidance
    4. Obtain an "exception" to a rule or policy
    5. Cope with governmental rule or requirement change

4. To what extent do you trust this associate?
    1. Deeply distrust
    2. Generally distrust
    3. Not sure
    4. Generally trust
    5. Trust completely

Appendix D. Chapter 3 Semi-Structured Interview Protocol

I. Introduction

I am broadly interested in understanding how cities engage with and support their local businesses and ultimately help their local economy thrive. I have been meeting and learning from people in both municipal groups and client organizations that the cities work with and serve and discuss the problems that arise with regards to interactions between cities and businesses. How these problems are resolved, and how this may affect subsequent processes, regulations, and changes at the city level. I want to get to know a little more about you and your organization through this interview. All names and organizations will remain anonymous in my data collection.

How this interview will go is that I will ask you a series of questions about around three different topics. First, I want to know about your role, responsibilities within this organization, second about types of collaborations and interactions between you, your organization and the local government actors, and lastly, your experience with problems that may arise during these interactions and how they are resolved together with the government actors.

If needed, please take time to think before answering any of my questions, I am okay with silence and will wait. I am not looking for specific answers. The more you tell stories about your experience, the better. If there is anything that catches my attention, I will prod you a little more.

II. Role and Responsibilities

1. Can you tell me a bit about your organization's functions?

2. Can you tell me a bit about your role and responsibilities in this organization?
    a. Can you describe an instance in which you helped the local businesses?

3. Can you describe to me one of your typical workdays, such as yesterday?

4. Was yesterday not typical in any way?

III. Interactions with the Local Communities and the Government

1. Do you interact directly with the business owners in the area and the city?

2. What are your interactions like?
    a. What are the purposes for your interactions with them?

3. What are some of the problems that arise with respect to both the local businesses and the city?

4. What are some reoccurring problems that you see with either the local businesses or the city?

5. How are these problems resolved?
    a. Please describe the process through which you and your organization take to address FDA audit or onsite inspection failures.
    b. Please describe a problem between the city and the small business and describe what you and your organization did to solve the problem.

IV. Policy and Regulatory Change

1. How do these problems-solving affect subsequent processes and regulations in the city?
    a. How do you and your organization advocate for changes in policy?

2. How do these changes take place?

Thank you for your time!