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**A Framework of Firms' Business Sustainability Endeavours
with Internal and External Stakeholders through Time
across Oriental and Occidental Business Contexts**

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A Framework of Firms' Business Sustainability Endeavours with Internal and External Stakeholders through Time across Oriental and Occidental Business Contexts

STRUCTURED ABSTRACT

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Purpose – To test and compare a framework of firms' business sustainability endeavours with internal and external stakeholders in an oriental business context. We want to check if a framework of stakeholders is effective and reliable through time and across oriental and occidental business contexts.

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Design/Methodology/Approach – Quantitative approach based on a questionnaire survey in corporate Taiwan with a response rate of 68.5%. Multivariate analysis is undertaken to uncover the measurement properties of a stakeholder framework.

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Findings – A framework of firms' business sustainability endeavours with internal and external stakeholders appears valid and reliable through time and across occidental and oriental business contexts.

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Research Implications – Verifies and fortifies a stakeholder framework through time and across business contexts consisting of five stakeholder groups: upstream, the focal firm, downstream, market, and societal.

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Managerial Implications – The framework of firms' business sustainability endeavours guides to firms in their endeavours of business sustainability with internal and external stakeholders.

Originality/Value – Contributes to existing theory and previous studies by validating a stakeholder framework of business sustainability with internal and external stakeholders beyond occidental business context to be also valid and reliable in oriental ones.

Keywords Stakeholder; business sustainability; sustainable business practices; occidental, oriental, Taiwan.

Paper type Research paper

A Framework of Firms' Business Sustainability Endeavours with Internal and External Stakeholders through Time across Oriental and Occidental Business Contexts

INTRODUCTION

Nowadays, firms' commitment to sustainability is a well-recognized trend synonymous with business success (Lloret, 2016; Schaltegger et al., 2019). The drive for sustainability in the marketplace is clearly transforming the competitive landscape of industries and the way firms do business (Linnenluecke and Griffiths, 2013; Nidumolu et al., 2009). Recent literature also recognizes the growing interest in the topic (Khan et al., 2021; Schulz and Flanigan, 2016;) and the relevance of reinterpreting "*economic, managerial, and social sciences in an ethical key*" (Gatto, 2020, p. 1525).

In so, sustainability has been very much aligned in subject areas of marketing and management with the Triple-Bottom-Line (TBL - Elkington, 1997). TBL refers to the business achievement of economic, environmental, and social pursuits across multiple stakeholders. To begin with, this implies that business practices undertaken by firms will need to compile the three TBL-aspects, i.e. economic, social and environmental, in order to be sustainable (Brennan and Binney, 2008). In fact, Svensson and Padin (2019) contend that sustainable development requires economic, social, and environmental sustainability.

In addition, TBL suggests, based on the stakeholder theory (Freeman, 1984, Freeman et al., 2010), that firms need to widen their range of stakeholders to include employees, community, governments, and not only those economically related, as suppliers, shareholders or customers (Hubbard, 2009). Stakeholders comprise any individual or entity that contributes to a firm's "*wealth-creating activities*" (Evans and Sawyer, 2010; Svensson et al., 2016) or that can be affected by firms' accomplishments (Freeman, 1984; Khan et al., 2019).

Presently, firms are often expected to fully embrace sustainability and contribute to local and global communities which they impact by adopting environmentally and socially sustainable endeavors (Elkington, 1997; Khan et al., 2020a; Pennington, 2014), and pay attention to their different stakeholder groups (Linnenluecke et al., 2009; Gatto, 2020). Accordingly, Khan et al., 2020b) or Khan et al. (2021) revealed the relevance of firms implement sustainable practices in their supply chain operations and Scarpato et al. (2020) indicated the significance of communicating and sharing firm's sustainable initiatives with partners in order to reach stakeholders engagement and commitment with the firm's sustainability. By doing so, sustainable firms along the value chain will create value and contribute to the social well-being and improve the future of the community (Baumgartner, 2014; Khan and Quianli, 2017; Khan et al., 2021; Zsolnai, 2006).

That is, the sustainability efforts were undertaken by a firm concern either internal (i.e. focal firm) and external (i.e. upstream, downstream, market, and societal) stakeholders (Dansky and Gamm, 2004; Gupta, 1995; Høgevoid, 2011; Post and Mikkola, 2012; Svensson et al., 2016, 2018). Certainly, creating value for all stakeholders through sustainability is an '*extremely relevant target*' for successful firms in rapidly changing environments (Spohrer et al., 2007, p. 75). Therefore, both identifying business' stakeholders (McLoughlin and Meehan, 2021) as well as understanding the degree by which firms take into account this full spectrum of stakeholders when considering their sustainability endeavors and practices seem relevant in order to contribute to the understanding of sustainable development literature and research (Ferro et al., 2017; Karlsson et al., 2018; Schaltegger et al., 2019; Svensson et al., 2016).

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3 In this regard, recent studies are testing a framework of firms' business sustainability
4 endeavours including internal and external stakeholders. Svensson *et al.* (2016) develop and
5 test a stakeholder framework for business sustainability in Norway. Ferro *et al.* (2017) retest
6 and validate it in Spain as well as Karlsson *et al.* (2018) verified it in Sweden. The common
7 dominator between previous studies on this stakeholder framework is the focus on occidental
8 (i.e. European) business contexts through time, while the stakeholder framework for business
9 sustainability remains untested and non-validated in oriental (i.e. Asian) business contexts.

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12 Thus, the research objective of this study is to test a framework of internal and external
13 stakeholders for business sustainability but in an oriental business context. Subsequently, the
14 study direct towards the target of comparing a stakeholder framework if it is effective and
15 reliable or not through time and across oriental and occidental business contexts as shown in
16 Figure 1. The framework consists of five groups of stakeholders: internal stakeholders (i.e.
17 within the focal firm) and external stakeholders (upstream, downstream, market, and societal).

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Insert Figure 1 about here.

In addition, as it has been suggested in the literature, testing and retesting previous research is the best way to validate preceding findings and the best way to provide a foundation to substantiate theory (Hair *et al.*, 2010), since a single study can't provide with a '*definitive resolution*' of any effect (Open Science Collaboration, 2015, p. 7). Crew (2015) demonstrated based on an international validation study that only 33% of the findings of a sample of 100 psychology studies were able to be validated. Moreover, Svensson (2013, 2015) raised some concerns on this issue by recognizing the small number of validation studies taken for rigorous theory building in the field.

On this particular emphasis, the relevance of this study is about proving that findings of a stakeholder framework before are true among different contexts and over time as suggested by Lai (2007) and Wasti *et al.* (2006). Specifically, it is necessary to validate and retest studies based on the accumulated body of previous research in order to develop a valid and reliable stakeholder theory (Hair *et al.*, 2011) as done in this study by extending the generality of empirical findings offered in occidental settings by cross-validating them in an oriental context and in a different point of time. Subsequently, this study contributes to existing theory and previous studies by testing a framework of firms' business sustainability endeavours with internal and external stakeholders in an untested and non-validated business context.

To do so, this work is structured as follows. At first, we introduce our research context and frame of reference on sustainability and present the stakeholders framework that structures this work to continue with the indication of the methodology used. Then, the analysis and results are detailed. Afterward, we discuss our research and managerial implications and finally, conclusions, limitations, and suggestions for the future are offered.

RESEARCH CONTEXT

According to Li (2008) and Li and Chen (2009 and 2015), the tourism factory concept originates from the Ironbridge Gorge Museum in England. The entire coal-mining town of Shropshire closed down as the minerals were exhausted. The British government, which began to protect the cultural heritage in the 1960s, began to invest resources in the preservation of this coal mining town. In the 1980s, tourism services were introduced, which opened a new page of Industrial Heritage Tourism.

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4 Nowadays, there are many famous tourism factories, such as Heineken Beer Factory in Holland,
5 Silk Factory in Thailand, Nori Factory in Korea, Shiroy Koibito Chocolate Factory in Japan,
6 and Villeroy & Boch Ceramic Factory in Germany. In addition to a successful industrial
7 transformation and progress in the market, these tourism factories have also successfully
8 welcomed tourists to strengthen their famous brands in the market and society. Tourism
9 factories seem to have become an important website choice for tourists in their sightseeing
10 activities, and it is also an opportunity for the transformation and reconstruction of traditional
11 industries. (Tourism factory tour website, 2015).
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14 Given the successful industrial transformation of manufacturing and tourism services in the
15 UK, factories in the United States, the Netherlands, France, Japan, and other related to people's
16 livelihood consumption, such as porcelain, crystal, glass, food, wine, and automobiles, have
17 long been there. Factory tourism was introduced in the 20th century and has developed towards
18 international tourism, and now it has become an important tourism base for many countries.
19 Take the United States as an example, there are more than 500 tourist factories, of which food
20 factories, breweries, candy factories, and electronics factories are the main ones. In Asia, the
21 development of Japan's tourism factories is also reaching maturity. There are currently nearly
22 300 factories, ranking first in the number of food manufacturing industries (Zhan, 2012).
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25 The Taiwanese government began in 2003 to promote industrial tourism policies to deal with
26 the idleness of factories in industrial areas caused by a large number of westward advances of
27 manufacturing industries. The Bureau of Industry of the Ministry of Economic Affairs of
28 Taiwan began to implement the tourism factory guidance plan and formulate tourism factory
29 guidance matters and authentication norms. (Tourism factory tour website, 2015).
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32 In Taiwan, the tourism and tourism system has always been the guide of government policies.
33 The government requires the endorsement of public power to establish the tourism system as
34 an important tool for the government to guide the transformation and upgrading of traditional
35 industries. The operating policy of this system has been studied in Taiwan's academic circles,
36 such as key success factors (Zhang, 2005), transformation strategies and business performance
37 (Zeng, 2006; Chen, 2008; Lin, 2009, Li; 2015), service quality and customer satisfaction (Li,
38 Ling, 2008; Wang, 2009), brand and brand cutting (Zhang, 2008; Li, Chen 2011) and other
39 fields have entered. Consequently, there have been some research and appraisal proofs that the
40 explanation of the tourism factory evaluation system can indeed become a transformation
41 strategy for Taiwanese companies.
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FRAME OF REFERENCE

Sustainable Development in Business and the TBL approach

It is widely recognized that business plays an important role in advancing the sustainable development as a world challenge and desired goal in the development of sustainable societies (Baumgartner, 2009). In doing so, firms have changed the way they do business by applying different organizational practices and strategies of sustainability into their business models

(Linnenluecke and Griffiths, 2013) along with integrating sustainability in their value chain (Khan et al., 2021) as a fundamental part of their success (Scarpato et al., 2020). In fact, sustainability is a central element of business (Yang et al., 2017) and it has been incorporated into the business' vision, culture, and strategies (Jin and Bai, 2011; Stead and Stead, 2000) as well as into the firm's supply chain operations (Khan et al., 2018a; Khan et al., 2020b). Indeed, as Khan et al., (2018b) stated nowadays "*companies use sustainable procedures as a strategic tool to improve economic efficiency*" (p. 589).

Accordingly, management literature has recognized that the sustainable business behavior or sustainability (Kuckertz and Wagner, 2010) tends to go hand in hand with sustainable development (Hawkins and Wang, 2012). Sustainable development is a task with multiple dimensions (Ganji et al., 2018). That is, along with the central argument of sustainable development proposed by the WCED (1987), sustainable firms proactively integrate into their business models social and environmental issues as well as their economic interests (Bansal, 2005; Bocken et al., 2013, Khan et al., 2021). For instance, firms include and implement ecological and green practices in their business activities and chain operations as a way to accomplish economic and social advantages (Khan et al., 2018a; Khan et al., 2019). Without a doubt, sustainability in business enhances economic, environmental, and social equity.

As indicated, the topic of sustainability refers to the economic, social, and environmental actions taken by firms according to the TBL approach (Elkington, 1997), and it is intricately connected with the one of sustainable development (Hawkins and Wang, 2012). The TBL approach in connection with sustainability requires the simultaneous achievement of economic, environmental, and social pursuits by firms (Bocken, Short, Rana, and Evans, 2014). The basic premise is that sustainable firms are responsible for more than just creating economic value and they must not only design socially but also eco-friendly practices and methods (Evans and Sawyer, 2010). In so, Rodriguez et al. (2020, p. 539) state: "*...TBL thinking integrates profit, people and planet into corporate culture, strategy and operations...*" and requires firms to strategically act in a long-term perspective (Perrot, 2014). Only then, sustainable firms will create value (Baumgartner, 2014) and long-term competitiveness (Carter and Rogers, 2008). In addition, Ferro et al. (2017) indicate that firms will only be successful in competitive environments if they adopt the TBL as a strategy for the whole organization.

Managerial decisions need to be balanced between the three aspects of the TBL (Elkington, 1997; Khan et al., 2020a), that is, economic, social, and environmental. Explicitly, firms following these TBL aspects of sustainability have to take a holistic approach and commit to these three key aspects of sustainable development (Linnenluecke et al., 2009). Indeed, the firm performance in the market will be judged considering these three aspects (Fauzi et al., 2010). To be precise, firms need to achieve economic sustainability by getting economic rewards over time and maximizing the firms' welfare and capital (Rumelt, 1984). In addition to this financial assessment, a sustainable business needs to add social and environmental aspects (Schulz and Flanigan, 2016). Evidently, the environmental concern entails aspects as the conservation of ecosystems and natural resources (Harris, 2003; Klassen, 2001; Khan et al., 2019), the use of renewable energy (Khan et al., 2018b; Khan et al., 2020a), the environmental deterioration (Khan, 2019) or the energy vulnerability (Gatto and Busato, 2020) and, the social equity involves the achievement of the social well-being of the social community (Chung and Meltzer, 2009).

Business Sustainability and Stakeholders

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4 In social sciences, the study of business sustainability is related to Corporate Social
5 Responsibility (CSR) (Kudlak and Low, 2015). Despite the lack of consensus, the best-
6 recognized definition of CSR is the one given by the European Commission: “*a concept*
7 *whereby companies integrate social and environmental concerns in their business operations*
8 *and in their interaction with their stakeholders on a voluntary basis*”(European Commission,
9 2001, p. 8). According to this definition, it can be affirmed that companies should get involved
10 with their stakeholders to seek for sustainability as “*stakeholder engagement is traditionally*
11 *seen as corporate responsibility in action*” (Greenwood, 2007, p. 315).
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14 Indeed, García-Sánchez and Noguera-Gámez (2017) and Scarpato et al. (2020) indicated that
15 the degree of stakeholders’ engagement with the firm’s sustainability is much related to the
16 firm’s social and environmental impact. That is to say, in managing a sustainable strategy, firms
17 need to ensure stakeholders commitment and involvement to its sustainable practices as a way
18 to seek present and future value for the firm and its stakeholders, as stakeholders are “*any group*
19 *or individual who can affect, or be affected by, the achievements of an organization’s purpose*”
20 (Freeman, 1984, p. 54).
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25 Certainly, the stakeholders are those groups that can affect or are affected by the achievement
26 of the firm’s goals (Freeman, 1984; Khan et al., 2019). Presley and Meade (2010) argue that a
27 sustainable firm needs to consider them when making strategic decisions. Likewise, Biggenman
28 et al. (2014) affirm that a sustainable strategy of the firm needs to be stakeholder inclusive.
29 Stakeholder’s network capability and competence mapping become important pre-conditions
30 of value co-creation (Widjojo et al., 2020). Moreover, since the strategy is referred to a long-
31 term orientation in strategic management, a sustainable firm is the one that “*...generates and*
32 *captures value into the future...*” (Lloret, 2016, p. 418). That is, firms have to consider not only
33 their economic impact, but also the environmental and the societal footprints on multiple
34 stakeholders (Hubbard, 2009; Linnenluecke et al., 2009; Khan et al., 2018b). By doing this,
35 firms will successfully create sustainable value for the firm and satisfy the needs of actual and
36 future stakeholders (Maletic, Maletic, Dahlgaard, Dahlgaard-Park, and Gomiscek, 2014). This
37 is the main claim of the well-known ‘Stakeholders Theory’ proposed by Freeman (1984) and
38 was taken by different disciplines such as marketing and business ethics (Hutchinson et al.,
39 2013).
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44 The stakeholder theory represents an important swift in business management going from a
45 business orientation towards its shareholders to: “*...following a management strategy which*
46 *creates value for a wider group of stakeholders...*” (Goodman et al., 2017; p. 732). Indeed, this
47 business approach in which companies act more responsible towards their stakeholders and
48 seek their best interest (Greenwood, 2007; Greenwood and Freeman, 2011), creates a more
49 supportive and cooperative attitude among their stakeholders (Gupta et al., 2019) which helps
50 the company in its sustainability initiatives linked with wellbeing and sustainable development
51 (Gatto, 2020) and, to sum up, to improve its economic efficiency (Khan et al., 2018a).
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54 Hence, for those companies trying to implement sustainable goals and strategies (Khan et al.,
55 2018b; Scarpato et al., 2020), this engagement between an organization and its stakeholders
56 shows the need to identify the stakeholders who is relevant on the supply chain (Greenwood
57 and Freeman, 2011; Gupta et al., 2019; McLoughlin and Meehan, 2021). In fact, identifying
58 and categorizing business stakeholders is a key corporate task according to this stakeholder
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theory (Karlsson et al., 2018) as it will permit firms to better understand their influence on the focal firm.

Freeman (1984) initially defines six stakeholder groups, common to most firms: employees, customers, investors, suppliers, communities, and management. From there on, several categorizations have been made over time. For example, Gupta (1995) offers a system map of 10 possible inter-organizational stakeholder categories. Clarkson (1995) separates the company's stakeholders into two main classifications with different subcategories— primary and secondary. Dansky and Gamm (2004) group stakeholders in three sets as showing: boundary, external or internal. It is noteworthy the work of Payne et al. (2005) who determined six stakeholders' groups. In addition, Hubbard (2009) recognizes the firm's need to broaden the identification of stakeholders beyond suppliers, shareholders or customers, and also include employees, community, governments. That is, firms need to consider strategically those economically and non-economically related stakeholders when considering their business sustainability endeavors. Svensson et al. (2016) tested a framework of 23 stakeholders and made a remarkable finding offering five categories reflecting a network of stakeholders. This framework considers the focal firm in a business network along with the upstream, downstream, market, and societal stakeholders and argue that it is *"...useful for practitioners to get an indication of stakeholder considerations in business sustainability efforts in relation to focal firms and their business networks, the marketplace and society..."* (Svensson et al., 2016, p. 297).

Independently of the different groupings made in literature, it is true that firms have to deal with a range of different stakeholders in their day-to-day business activities and incorporate them in their sustainability endeavors in order to succeed in a competitive marketplace. Explicitly, in a firm's pathway to sustainability, the different stakeholders' groups present different roles and contributions to sustainability (Schaltegger et al., 2019; Schmid and Cohen, 2013). There can also be conflicts among them (Mandjak and Szanto, 2010). Thus, firms need to identify and manage the relationships with them *"...encompassing also its practices that relate to business sustainability..."* (Ferro et al., 2017, p. 128). By only acting in such way, sustainable firms will offer actual and future value for themselves and all their stakeholders along their value chain.

Svensson et al. (2016) probe a general five-categories stakeholder framework in the context of business sustainability in a sample of Norwegian firms who had implemented sustainable business practices. Also, this categorization was validated by Ferro et al. (2017) in a Spanish context considering firms engaged in business sustainability efforts and possessing a CSR department. Later on, the stakeholder framework is revalidated in Swedish corporations by Karlsson et al. (2018).

Given the relevance for sustainable firms worldwide to take into account their stakeholders and their considerations in the firm's sustainable business practices and thus, the need to clearly identifying these different categories, and this study aims to prove that Svensson et al.'s (2016) framework is true in a completely different business context and over time (Lai, 2007; Wasti et al., 2006). Particularly, this study retests the five categories of the stakeholder framework, i.e. the focal firm, downstream stakeholders, societal stakeholders, market stakeholders, and upstream stakeholders, in an oriental context in an attempt to contribute to strengthen the generality, and subsequently show that the business contexts are effective and reliable over time, among theory and previous studies existing (Hair et al., 2010).

METHODOLOGY

The framework of firms' business sustainability endeavours with internal and external stakeholders originally developed and tested by Svensson *et al.* (2016) in a Norwegian business context structures this study. It also rests on the results in the follow-up studies retesting and validating the stakeholder framework by Ferro *et al.* (2017) and Karlsson *et al.* (2018) in Spanish and Swedish business contexts.

Subsequently, previous studies are based on European and occidental business contexts, while this study tests the framework of firms' business sustainability endeavours with internal and external stakeholders in an Asian and oriental business context, namely Taiwan. It is a distinctive business context compared to previous studies in Norway, Spain, and Sweden that provides a foundation to verify the validity and reliability of the stakeholder framework for business sustainability across business contexts and through time.

The national cultures differ across societies most likely affecting the business contexts. Hofstede's (1983) assigns scores per dimension of national culture from 0 to 100. For example, Taiwanese society is long-term oriented (87), while Norway (20) and Sweden (33) are short-term oriented with Spain (48) being either short- or long-term oriented. When it comes to uncertainty avoidance, Taiwan (69) is fairly high as Spain (86), while Norway (50) and Sweden (29) are much lower. Taiwan (45) and Spain (42) are neither masculine nor feminine societies, while Sweden (5) and Norway (8) are feminine ones. Taiwan (17) is group-oriented, while Sweden (71) and Norway (69) are individualistic societies with Spain being neither. The power distance in the society is higher in Taiwan (58) and Spain (57) compared to Norway (31) and Sweden (31) that are lower. In consequence, Taiwan is culturally different from the countries where the stakeholder framework has been tested, re-tested, and validated so far. The Taiwanese business context provides therefore a different and contrasting research setting to test and verify the framework of firms' business sustainability endeavours with internal and external stakeholders.

We therefore test and compare firms' business sustainability endeavours with internal and external stakeholders through time and across oriental and occidental business contexts. We also examine the validity and reliability of a stakeholder framework for business sustainability in previous studies. Furthermore, we rest this study on a series of results regarding firms' endeavours to engage in sustainable business practices (e.g. Dos Santos *et al.*, 2013; Høgevoid *et al.*, 2012; Svensson and Wagner, 2011; Wagner and Svensson, 2014).

We apply the same definition of business sustainability as Svensson *et al.* (2016), Ferro *et al.* (2017), and Karlsson *et al.* (2018). The definition of business sustainability is displayed in the questionnaire and runs as follows: "...the firm's efforts to go beyond focusing only on profitability to also manage its environmental, social, and broader economic impact on the marketplace and society as a whole...".

We use the same stakeholder items and multivariate analysis as previous studies to enable the complete comparison of the results of firms' business sustainability endeavours with internal and external stakeholders, originally came up from Svensson *et al.* (2016), and Ferro *et al.*'s tests which were done again and again to prove it (2017 and Karlsson *et al.* (2018). The items of the stakeholder framework for business sustainability are displayed in Table 1. Stakeholder items are grouped into upstream stakeholders, the focal firm, downstream stakeholders, market stakeholders, and societal stakeholders, the five categories showed above.

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Insert Table 1 about here.

Sample and Context

The population of this study consists of 146 certified tourism factories in Taiwan, Taiwanese government promotes industrial tourism measures that lead to tourism factory development. The sample of tourism factories in this study is the same as the defined population of tourism factories by the Taiwanese government.

A tourism factory is defined as a factory that has obtained factory registration, has industrial culture, educational value, or local characteristics, is actually engaged in manufacturing and processing, and provides its products, processes or factories for tourists to visit, leisure and recreation, and obtained after evaluation Qualifications for tourism factories recognized by the government will be awarded tourism factory marks.

The industry belonging of the sample consists of manufacturing (72%); retailers (10%); agriculture (4%); forestry (4%); fishery (4%); entertainment business (4%); catering business (1%), government (1%).

An annual turnover below one million NTD (30 million USD) is defined as a medium-sized business. Half (51%) of the companies in the sample have an annual turnover between one to ten million NTD (30 to 300 million USD), more than a quarter (29%) have an annual turnover under one million NTD (under 30 million USD), and a fifth (20%) have above ten million NTD (above 300 million USD).

A business with under 200 employees is defined as a medium-sized business and under 5 workers is defined as a small-sized business. As a results, the sample consists of 73% of medium-sized businesses, all of which have 5 to 200 employees, and large-sized companies with over 200 employees account for 23%, and only 4% have under 5 workers.

There is 91% of the companies in the sample focus on sustainable business practices and only 9% of them either have not started or did not consider sustainable business practices. The tourism factories consider sustainable business practices based on economic, social, and environmental factors. More than half (53.1%) of the companies rank economic factors as most important considering sustainable business practices. One-fifth (18.8%) rank social ones as the most important and more than a quarter (28.1%) rank environmental ones.

Data and Collection

We made the questionnaire available to 146 business executives, all of whom each in charge of the tourism factory concept at the company. After sending the introduction letter and questionnaire to each business executive, a phone call was made to each to confirm the receipt of it. If not received, the letter was mailed, faxed, or emailed again with the introduction letter and questionnaire to them. The business executives returned the questionnaire either by mail, fax, or email. Two reminders were sent out to those business executives that did not fill in and return the questionnaire. It generated a response rate of 68.5% under the fact that 100 usable questionnaires were returned in total.

We distributed the questionnaire to each business executive at the tourism factories. We sent out reminders to those business executives that did not complete and return the questionnaire. The response rate after calculation is 68.5%, which shows that 100 usable questionnaires were

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3 returned. We thought the sample size for factor analysis suitable with Hair *et al.*'s (2010, p.
4 102) proposal: "...the researcher should not factor analyse a sample of fewer than 50
5 observations...". Furthermore, Hair *et al.* (2010, p. 102) propose that: "...the minimum is to
6 have at least five times as many observations than as the number of variables to be analysed...".
7 The initial factor solution contains all 23 items, but the refined one contains 22 items. Thus, the
8 useable sample size of this study is slightly below the proposed guideline. However, this study's
9 refined factor solution is based on all items but one, while previous studies omit four or five
10 items in the framework of firms' business sustainability endeavours with internal and external
11 stakeholders. Furthermore, this study is also based on the same or larger sample size than two
12 out of three previous studies retesting the framework.
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16 We had the entire questionnaire with stakeholder items and instructions to business executives
17 translated from English based on Svensson *et al.* (2016) to Chinese by one knowledgeable
18 person, and then back-translated from Chinese to English by another knowledgeable person, in
19 both languages. The first round of translation and back-translation generated multiple
20 inconsistencies, so these items were then translated again from English to Chinese by one
21 person, and then again back-translated from Chinese to English by another person. The second
22 round of translation and back-translation reduced the inconsistencies to a handful of minor
23 issues, that were finally cleared in the third round of translation and back-translation process.
24 Consequently, the translation and back-translation process required three rounds to sort out
25 inconsistencies that could mislead the research team's interpretation of gathered responses from
26 key informants in Chinese compared to the original questionnaires in English by Svensson *et*
27 *al.* (2016), and also used in the questionnaires Ferro *et al.* (2017) and Karlsson *et al.* (2018).
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32 In line with previous studies, this study takes 23 stakeholders shown in Table 1 into
33 consideration, including internal and external ones. They labelled different stakeholders,
34 without sub-headings or sub-divisions of stakeholders items, in the questionnaire from 'a' to
35 'w'.
36

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38 As specified previously, in order to outline the business context, we introduce a managerial
39 definition of business sustainability to the business executives participating. We asked the
40 business executives to answer the following question after they specify the managerial
41 definition of business sustainability, concerning each item shown in Table 1: "*To what extent*
42 *do your firm's sustainable business practices consider the following participants, groups or*
43 *other aspects in the market and society?*". The business executives ticked each item on a 5-
44 point Likert scale, anchored by 'not at all' (1) and 'comprehensively' (5), and the 'don't know'
45 is also an option .
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48 We also follow the proposal by Campbell's (1955) that reveal the business executives'
49 perceived degree of knowledge, which measuring on a 5-point Likert scale, of their firms'
50 business sustainability (1 = '*I do not have any knowledge*', 5 = '*I have a lot of knowledge*').
51 The results reveal that 98% of the business executives self-report satisfactory knowledge of
52 their firms' endeavours of business sustainability (M = 4.23; SD = 0.75), while 97% self-report
53 satisfactory knowledge of their firms' business networks (M = 4.09; SD = 0.78). The results
54 reveal that the business executives are competent to provide valid and reliable responses to the
55 item structure related to the framework of firms' business sustainability endeavours with
56 internal and external stakeholders.
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58 RESULTS

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3 The univariate analysis of stakeholder items across each dimension (see Table 2) reveals a
4 minor internal non-response bias, caused by the ‘don’t know’ answers and, in a few cases, no
5 response at all. The univariate statistics regarding mean values and standard deviations display
6 satisfactory high-quality responses.
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9 Insert Table 2 about here.

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11 Table 2 displays that the results from this study in Taiwan resemble a large extent the univariate
12 results reported in previous studies. However, it should be noted that non-response bias is
13 homogeneous across items in this study as well as the Spanish study by Ferro *et al.* (2017),
14 while the non-response bias for the Norwegian study by Svensson *et al.* (2016) and the Swedish
15 one by Karlsson *et al.* (2018) is much lower regarding the downstream stakeholder items.
16 Overall, the univariate stakeholder statistics are relatively consistent between the occidental
17 countries (Norway, Spain, and Sweden) on the one side, and the oriental one on the other
18 (Taiwan).
19

20 21 **Factor Analysis**

22 We test the framework of firms’ business sustainability endeavours with internal and external
23 stakeholders based on exploratory factor analysis (Norušis, 1993 and 1994) identically as done
24 in previous studies by Svensson *et al.* (2016), Ferro *et al.* (2017), and Karlsson *et al.* (2018) to
25 enable the complete comparison through time and across oriental and occidental business
26 contexts. We apply the principal component method for factor extraction and an orthogonal
27 approach to rotate the factor solution based on the Varimax method of rotation.
28

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30 We report in Table 3 the results of the performed factor analysis to test and compare this study
31 in a Taiwanese business context with previous studies in Norwegian, Spanish, and Swedish
32 business contexts. The factor solution is satisfactory in this study with Kaiser–Meyer–Olkin
33 measure of sampling adequacy: 0.795; Bartlett's test of sphericity: approx. chi-square:
34 1674.888; degrees of freedom: 231; p-value: 0.00; commonalities: 0.627–0.899; and total
35 explained variance: 80.2%.
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39 Insert Table 3 about here.

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41 Table 3 also displays a comparison of parameters with previous studies. The comparison of key
42 parameters based on the factor solution displays coherency between this oriental study and the
43 occidental ones. This study also reveals a factor solution consisting of five dimensions as in
44 previous studies, namely (see Table 4): (i) upstream stakeholders, (ii) the focal firm, (iii)
45 downstream stakeholders, (iv) market stakeholders, and (v) societal stakeholders.
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48 The first factor solution in this study reveals that only one item (i.e. ‘w’ – general public) out
49 of 23 cross-loads with another dimension. Subsequently, we omit this item in the subsequent
50 analysis. Previous studies omit four (Karlsson *et al.*, 2018) and five (i.e. Svensson *et al.*, 2016;
51 Ferro *et al.*, 2017) of the stakeholder items (see Table 5 for further details).
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54 Table 4 displays the results of the refined factor analysis omitting the item of ‘general public’.
55 The factor solution is satisfactory. The factor solution provides empirical evidence validating
56 and extending the ones reported in previous studies. Consequently, the test and comparison
57 between this oriental study in corporate Taiwan and the occidental ones in Norway, Spain, and
58 Sweden provide support for validity and reliability through time and across business contexts
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3 regarding the framework of firms' business sustainability endeavours with internal and external
4 stakeholders.

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7 Insert Table 4 about here.

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9 We contend that this study offers additional empirical evidence of a valid and reliable
10 framework through time and across business contexts consisting of five factors of stakeholder
11 considerations for business sustainability, including internal and external ones, all of which also
12 offer a foundation of satisfactory convergent, discriminant, and nomological validity and
13 reliable dimensions. We also report measurement properties in this study based on an oriental
14 business context compared to previous studies in occidental ones offer support for acceptable
15 validity and reliability across contexts and through time.
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18 **RESEARCH IMPLICATIONS**

19 The results reported reveal that the tested framework of firms' business sustainability
20 endeavours with internal and external stakeholders is valid and reliable in an oriental context
21 too. This provides support that the stakeholder framework for business sustainability appears
22 to be broadly applicable through time and across business contexts, though the Taiwanese
23 society and business context are culturally different from the occidental ones in Norway, Spain,
24 and Sweden. It shed valuable and relevant light on firms' endeavours with stakeholders in
25 connection with business sustainability.
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29 Consequently, the framework tested in this study complements the results reported in previous
30 studies to develop valid and reliable stakeholder theory through time and across business
31 contexts. Particularly, it complements previous studies to establish a valid and reliable theory
32 to assess firms' business sustainability endeavours with internal and external stakeholders
33

34 Importantly, the results reported on the framework of firms' business sustainability endeavours
35 with internal and external stakeholders are in line with the results reported by Karlsson et al.
36 (2018), Ferro *et al.* (2017), and Svensson *et al.* (2016) in occidental business contexts. This
37 study also fortifies the framework with additional stakeholders (see Table 5) in an oriental
38 business context that was omitted in previous studies. Nevertheless, we encourage further
39 studies in other oriental, as well as occidental business contexts. Further studies may target
40 other corporate samples and industries (e.g. services firms and services industries), as well as
41 other continents (e.g. Africa, Australia, North and South America), to reveal whether there are
42 alternative structures of firms' business sustainability endeavours with internal and external
43 stakeholders.
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47 Insert Table 5 about here.

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49 Table 5 displays that this study strengthens existing theory and previous studies on firms'
50 business sustainability endeavours with internal and external stakeholders. A principal research
51 implication is validation of the framework of firms' business sustainability endeavours with
52 internal and external stakeholders originally developed and tested by Svensson *et al.* (2016) and
53 retested as well as validated by Ferro *et al.* (2017) and Karlsson et al. (2018). Another core
54 research implication is the testing and comparison of the stakeholder framework in the oriental
55 business context of Taiwan, with the occidental ones of Norway, Spain, and Sweden.
56 Importantly, the testing of stakeholder dimensions and items in Taiwan is based on
57 methodological and analytic replication to enable the assessment of validity and reliability
58 through time and across business contexts.
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5 We contend that the framework of firms' business sustainability endeavours with internal and
6 external stakeholders appears to be universally applicable, offering an opportunity to reduce the
7 groups assessing firms' business sustainability endeavours with internal and external
8 stakeholders. Consequently, five valid and reliable groups of stakeholders as shown in Table 5:
9 upstream stakeholders, the focal firm, downstream stakeholders, market stakeholders, and
10 societal stakeholders.

11
12 Thus, the results reported in this study bring together the variety of existing stakeholder
13 structures (Donaldson and Preston, 1995; Etzion, 2007; Evers *et al.*, 2012; Ferrell *et al.*, 2010;
14 Fineman and Clarke, 1996; Freeman 1984; Gupta, 1995; Henriques and Sadorsky, 1999;
15 Polonsky *et al.*, 1999; Porter, 1985; Vargo and Lusch, 2004; Vilchez *et al.*, 2017).

16 17 **MANAGERIAL IMPLICATIONS**

18 A sustainable strategy must respond to the needs of increasingly aware stakeholders, no longer
19 passive receivers but inclined to create content and to dialogue with business who listens to its
20 opinions (Scarpato *et al.*, 2020). The framework of firms' business sustainability endeavours
21 guides firms and their managers in their endeavours of business sustainability with internal and
22 external stakeholders. It provides a condensed structure consisting of five stakeholder groups
23 instead of many more (see Figure 2): (i) upstream, (ii) the focal firm, (iii) downstream, (iv)
24 market, and (v) societal.

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Insert Figure 2 about here.

31 This study sheds lights on Taiwan's tourism factory industry exploring stakeholders' practices
32 of their sustainable supply chains. We talked to executives (i.e. interviewees) about the
33 managerial implications for them based on the results reported in this study, which we report
34 in the subsequent paragraphs.

35
36 Interviewees said that most Taiwanese companies have doubts about whether their companies'
37 sustainable supply management can take into account the company's economic, environmental
38 and social performance. As we know, the sustainable management of the supply chain is a long-
39 term strategy from a management perspective, considering the protection of the environment,
40 economic development, and social maintenance in the entire supply chain (Khan and Quianli,
41 2017; Khan *et al.*, 2021; Khan *et al.*, 2018a; Khan *et al.*, 2020b). Indeed, Gatto (2020) affirmed
42 that this perspective focuses on the triangulation between the economy, the environment, and
43 the society, assisted by governance.

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Transparency and information sharing between supply chain partners has promoted a
cooperative relationship that provides sustainable value, improves competitive advantage, and
improves the efficiency of communication between supply chain partners, making internal
organizational connections closer and more convenient consistent with Scarpato *et al.* (2020)
considerations.

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Stakeholder participation is also increasingly regarded as a democratic mechanism. The main
purpose of stakeholder participation in decision-making is to increase the integration between
companies and supply chain partners, create more effective market information, and improve
the company's competitive advantage (Khan *et al.*, 2018a). Stakeholders also provide firms
access to resources which are outside their boundaries and thus augment the organizational
knowledge base (Xin *et al.*, 2021).

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4 Interviewees mentioned that the focus of business management in the past was only on the
5 profitability of the company itself, ignored members of the supply chain in the company's
6 production environment, such as upstream manufacturers, downstream suppliers and
7 employees. However, in line with the assumptions Khan et al. (2017), the vigorous development
8 of Taiwan's tourism factory industry has discovered that through the participation of
9 stakeholders in sustainable supply chain management practices, a better supply chain system
10 can be established and continuously improved. Managers can quickly communicate and
11 strengthen internal and external partnerships, supervisor support, and mutual trust have been
12 established. In recent years, Taiwan's tourism factories have developed brilliantly, become a
13 role model for local governments in Taiwan to improve industrial quality. Indeed, the public
14 sector has been gradually consolidating this sustainability approach in a pluralistic way (Gatto,
15 2020).

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18 In order to improve the performance of sustainable development, the company integrates the
19 principles and practical methods of sustainable development into its supply chain management
20 (Khan et al., 2018b; Khan et al., 2020a), they discover the suggestions and opinions of all
21 stakeholders, which can not only obtain education and development opportunities, but also
22 generate value for the company driving force. Sustainable development can help companies
23 understand the impact of environmental and social factors on the upstream and downstream of
24 the supply chain.

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27 The current global economic development is rapidly changing, and energy issues are also
28 affected by climate change (Khan et al., 2019). Moreover, this possibility to get exposed to
29 adverse events or energy vulnerability (Gatto and Busato, 2020) requires energy policies to
30 avoid economic, social, or environmental problems. For instance, coupled with the impact of
31 covid-19, companies have to transform and innovate towards low-carbon, green, social
32 responsibility, and sustainability. In order to continue to grow; therefore, whether it is actively
33 participating in the society or the sustainability of environmental protection, it is an intangible
34 source of assets for the company, and it gradually becomes the soft power for the long-term
35 development of the company. Moreover, costumers who concerns to sustainability would like
36 to engage and support the company's green movements (Chua et al, 2019).

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39 We believe that the validated framework of firms' stakeholder considerations in sustainable
40 business practices, involving internal and external ones, benefits managers and their companies.
41 One - the framework provides knowledge about how tourism factories take into account their
42 internal and external stakeholders in sustainable business practices.

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45 Two - it provides a basis to let managers accessing their business settings to decide which
46 stakeholders are valuable and required for the factories' business operation become possible.

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49 Three - the stakeholder framework outlines a limited set of stakeholder categories revealed in
50 literature to make it easier to decide on stakeholders' relevance and importance.

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53 Four - the framework offers a framework of classification based on the results of countries and
54 industry samples.

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57 Five - it makes assessing to why and to what extent some stakeholder groups are more relevant
58 and important than others to the factories' operations in their efforts of sustainable business
59 practices become more possible.

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62 Six - the classification offers insights to limit the evaluation of stakeholders related to the focal
63 factory.

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4 As a matter of fact, a potential opportunity of the results from the focal factory's perspective is
5 how to take into consideration the demands and pressures of engaging in sustainable business
6 practices in the context of stakeholders. In line with the results of Table 3, focal factories take
7 their own internal stakeholders into account, and also market and societal stakeholders. This
8 indicates that the factories to better start with internal stakeholders. In addition, when working
9 with sustainable business practices, they should have a strong focus on customers as well as
10 their demands.

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12 We believe that the tested framework provides knowledge about focal factories' stakeholder
13 considerations in sustainable business practices. Managers should take the extent to which their
14 factories pay attention to both their internal and external stakeholders for sustainable business
15 practices into consideration.
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18 Tourism factories in Taiwan have introduced a combined manufacturing and tourism business
19 model to comply with government policies. It is an innovative business model developed from
20 declining traditional industries. The main purpose of the government is to assist traditional
21 factories that have encountered survival problems, through the transformation to tourism
22 factories, and obtain the opportunity to re-develop the industry in the local area.
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25 **CONCLUSIONS, LIMITATIONS, AND SUGGESTIONS FOR FURTHER STUDIES**

26 The findings reported can be contextualized in relation to business sustainability endeavours
27 with internal and external stakeholders. For example, Taiwan's tourism factories are committed
28 to producing more brand-powered and high-quality products for consumers, but also paying
29 attention to environmental protection issues. They are committed to make a difference on
30 sustainability with stakeholders in their supply chains.
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33 The concept of circular economy is central to many of them for resource recovery and reuse,
34 re-examination of environmentally friendly materials and packaging materials, assessment and
35 improvement of the impact of wastewater and waste on the environment, use of
36 environmentally friendly green energy, and solar energy. It is also about social feedback, such
37 as subsidies for socially disadvantaged families, public welfare donations, provision of
38 environmental education fields, caring for school children's education issues, and handling of
39 social welfare activities.
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42 In the past, factories in Taiwan mostly considered the economic aspects of profitability and
43 ignored the stakeholders in the supply chains, such as upstream and downstream ones. They
44 rarely considered the sustainability of the supply chain with their stakeholders in terms of
45 economic, environmental, and social aspects.
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48 In 2009, in order to encourage tourism factories to develop their own characteristics and
49 continue to create customer value, the Taiwan government will be selected as excellent
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51 tourism factories with performance and enough to become a role model. It also actively
52 strengthens the environmental sustainability of the company's sustainable development, and
53 makes regulations and requirements for social care and protection of disadvantaged ethnic
54 groups.
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57 In 2013, in order to promote the international tourism policy and the internationalization of
58 tourism factories, the Taiwan government selected tourism factories with distinctive features
59 and facilities and capabilities to receive international tourists as international highlight
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tourism factories, continuing the sustainable development of excellent tourism factories, and provide more in-depth guidance and promotion.

Nowadays, Taiwan's tourism factories are booming from traditional industries facing recession to tourism factories that are exemplary of Taiwanese companies, where sustainability endeavours with stakeholders have become important. Taiwan's tourism factories have developed rapidly and have become a model for the Taiwan government to promote industrial development and to support economic, social, and environmental sustainability. In 2020, the number of tourists will reach 19 million, creating a tourism output value of USD\$180 million .

We conclude that the results reported in this study provide not only support for the validity and reliability of the framework of firms' business sustainability endeavours with internal and external stakeholders, but the framework is strengthened and extended. We also conclude that effectiveness and reliability appears in the framework in both oriental and occidental business contexts. The structure of internal and external stakeholders in the framework remains to a large extent the same through time and across business contexts.

This study contributes to studies before and theories existing by proving the framework of firms' business sustainability endeavours with internal and external stakeholders beyond occidental business context to be valid and reliable in oriental ones. It also contributes to strengthen existing theory and previous studies by complementing the framework with additional stakeholders.

Evidently, this study is limited to the specific oriental business context of Taiwan (i.e. tourism factories) offering possibilities for further studies based on other corporate samples, such as product- and service-oriented firms as well as other industries. Another possibility for further studies is testing the framework in other oriental business contexts (e.g. China, India, Japan, and South Korea) as well as other non-oriental continents.

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Figure 1: A Framework of Internal and External Stakeholders for Business Sustainability.



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Figure 2: Verified Stakeholder Framework through Time and across Oriental and Occidental Business Contexts.

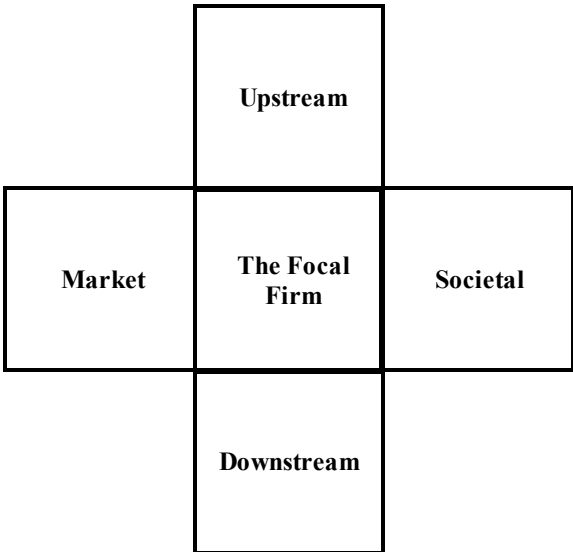


Table 1: Stakeholder Framework for Business Sustainability – Dimensions and Items.

Upstream Stakeholders
a) raw material producers
b) manufacturers
c) suppliers
d) suppliers' suppliers
The Focal Firm
e) the own organization
f) top leadership/management
g) the executive board
h) chief executive officer (CEO)
i) managers
j) other staff
Downstream Stakeholders
k) wholesalers
l) retailers
m) sales outlets
n) intermediaries (e.g. 3PL/third party logistics)
Market Stakeholders
o) customers
p) end users (e.g. consumers)
q) the marketplace
Societal Stakeholders
r) the surrounding society
s) government (e.g. political initiatives)
t) laws (e.g. regulations)
u) activist groups (e.g. Greenpeace)
v) interest groups (e.g. industry associations)
w) general public

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Table 2: Stakeholder Framework for Business Sustainability – Univariate Statistics.

Internal and External Stakeholders												
Dimension	N				Mean				Standard Deviation			
	TAI	NOR	SPA	SWE	TAI	NOR	SPA	SWE	TAI	NOR	SPA	SWE
Upstream Stakeholders												
a) Raw material producers	89	103	74	95	4.11	3,20	3,29	3,56	0.68	1,22	1,48	1,40
b) Manufacturers	94	99	71	97	4.06	3,70	3,06	3,99	0.65	0,99	1,46	1,04
c) Suppliers	94	105	75	102	4.13	3,93	4,05	4,29	0.64	0,76	1,09	0,80
d) Suppliers' suppliers	88	103	72	95	3.89	3,08	2,97	3,20	0.81	1,01	1,21	1,15
The Focal Firm												
e) The own organization	94	107	75	102	4.35	4,19	4,57	4,62	0.63	0,65	0,62	0,61
f) Top leadership/management	93	107	76	101	4.31	4,23	4,54	4,53	0.61	0,71	0,72	0,70
g) The executive board	94	105	75	98	4.27	3,90	4,45	4,23	0.69	0,93	0,76	0,91
h) Chief executive officer	94	105	76	97	4.30	4,24	4,48	4,41	0.65	0,75	0,83	0,85
i) Managers	94	107	76	101	4.27	4,03	4,37	4,29	0.69	0,69	0,72	0,79
j) Other staff	95	107	76	99	4.12	3,79	4,19	4,06	0.74	0,81	0,78	0,90
Downstream Stakeholders												
k) Wholesalers	94	86	71	65	3.91	3,17	2,95	3,41	0.81	0,98	1,21	1,24
l) Retailers	92	88	70	68	3.84	3,10	2,86	3,24	0.79	1,01	1,25	1,32
m) Sales outlets	94	79	72	51	3.82	2,95	3,14	2,94	0.76	1,12	1,38	1,42
n) Intermediaries	92	75	72	70	3.71	3,03	3,20	3,20	0.79	1,01	1,22	1,11
Market Stakeholders												
o) Customers	94	104	76	99	4.14	3,88	4,36	4,38	0.78	1,00	0,79	0,90
p) End users	95	97	74	97	4.28	3,81	3,89	4,01	0.79	0,97	1,33	1,13
q) The marketplace	95	102	72	91	4.24	3,81	4,18	3,96	0.75	0,92	0,95	0,97
Societal Stakeholders												
r) The surrounding society	95	104	75	101	4.00	3,82	4,41	4,05	0.77	0,88	0,74	0,84
s) Government	93	102	72	98	3.96	3,94	3,97	4,08	0.78	0,91	1,07	1,02
t) Laws	92	105	75	101	4.02	4.18	4,32	4,51	0.84	0,96	0,91	0,71
u) Activist groups	90	100	72	97	3.91	3.03	3,36	3,14	0.79	1,20	1,26	1,20
v) Interest groups	92	103	75	99	3.85	3.58	4,00	3,87	0.77	0,92	1,00	1,01
w) General public	93	103	74	101	4.06	3.75	4,05	3,76	0.71	0,80	0,98	0,94

Source: compiled based on the findings of the authors' study (2020), Karlsson et al. (2018), Ferro *et al.* (2017 and Svensson *et al.* (2016).

Table 3: Factor Solution – Comparison of Parameters with Previous Studies.

Factor Solution	Taiwan (2020)	Sweden (2018)	Spain (2017)	Norway (2016)
Kaiser–Meyer–Olkin Measure of Sampling Adequacy	0.795	0,582	0,776	0,741
Bartlett's Test of Sphericity - Approx. Chi-Square	1674.888	675,131	955,557	702,270
Degrees of Freedom	231	171	153	153
p-value	0.00	0,00	0,00	0,00
Communalities	0.627-0.889	0.657-0,899	0.696-0,889	0,504-0,906
Total Explained Variance	80.2%	78,4%	78,8%	71,9%
Cronbach's Alpha	0.87-0.93	0,75 – 0,89	0,72 – 0,95	0,72 – 0,93

Source: compiled based on the findings of the authors' study (2020), Karlsson et al. (2018), Ferro *et al.* (2017 and Svensson *et al.* (2016).

Table 4: Factor Solution – Stakeholder Items.

Dimension	Item	Factor					*	**
		1	2	3	4	5		
The Focal Firm	h) chief executive officer (CEO)	,885	,142	,186	,147	,080	0.866	0.749
	g) the executive board	,867	,165	,113	,145	,118	0.826	0.835
	f) top leadership/management	,847	,093	,141	,041	,142	0.768	0.854
	i) managers	,818	,276	,221	-,013	,049	0.797	0.696
	j) other staff	,666	,320	,184	,217	,304	0.720	0.902
	e) the own organization	,625	-,083	,418	,232	,025	0.627	0.791
Societal Stakeholders	s) government (e.g. political initiatives)	,134	,831	,033	,206	,194	0.750	0.662
	u) activist groups (e.g. Greenpeace)	,134	,772	,299	,204	,226	0.796	0.835
	t) laws (e.g. regulations)	,289	,750	,017	,271	,173	0.750	0.787
	v) interest groups (e.g. industry associations)	,113	,739	,369	,190	,300	0.821	0.821
	r) the surrounding society	,214	,620	-,021	,158	,519	0.724	0.731
Upstream Stakeholders	c) suppliers	,249	,140	,876	,123	,158	0.889	0.780
	d) suppliers' suppliers	,169	,138	,835	,194	,000	0.783	0.695
	b) manufacturers	,297	,103	,807	,290	,168	0.863	0.835
	a) raw material producers	,194	,088	,791	,355	-,006	0.798	0.833
Downstream Stakeholders	n) intermediaries (e.g. 3PL/third party logistics)	,000	,197	,265	,790	,213	0.779	0.697
	l) retailers	,258	,310	,305	,769	,218	0.894	0.847
	m) sales outlets	,197	,291	,377	,732	,104	0.812	0.863
	k) wholesalers	,357	,366	,370	,606	,110	0.777	0.883
Market Stakeholders	o) customers	,211	,172	,242	,135	,833	0.844	0.773
	p) end users (e.g. consumers)	,067	,319	,012	,291	,830	0.879	0.778
	q) the marketplace	,166	,510	,023	,036	,737	0.833	0.822
Total explained variance per factor (%)		20.3	170.4	170.3	130.0	120.3		
Cumulative explained total variance (%)		20.3	370.7	550.0	670.9	80.2		
Cronbach's Alpha		0.91	0.89	0.93	0.92	0.87		

* Communality per Item

** Measures of Sampling Adequacy (MSA per Item)

Table 5: A Comparison between Oriental and Occidental: Items per Factor Solution.

Stakeholder	Country			
	Oriental (Asia)	Occidental (Europe)		
Upstream	Taiwan	Norway	Spain	Sweden
a) Raw material producers	✓	-	-	-
b) Manufacturers	✓	✓	✓	✓
c) Suppliers	✓	✓	✓	✓
d) Suppliers' suppliers	✓	✓	✓	-
The Focal Firm				
e) The own organization	✓	-	-	✓
f) Top leadership/management	✓	✓	✓	✓
g) The executive board	✓	✓	✓	✓
h) Chief executive officer	✓	✓	✓	✓
i) Managers	✓	✓	✓	✓
j) Other staff	✓	✓	✓	✓
Downstream				
k) Wholesalers	✓	✓	✓	✓
l) Retailers	✓	✓	✓	✓
m) Sales outlets	✓	✓	✓	✓
n) Intermediaries (e.g. 3PL/third-party logistics)	✓	-	-	✓
Market				
o) Customers	✓	✓	✓	✓
p) End users (e.g. consumers)	✓	✓	✓	✓
q) The marketplace	✓	✓	✓	-
Societal				
r) The surrounding society	✓	-	-	✓
s) Government (e.g. political initiatives)	✓	✓	✓	✓
t) Laws (e.g. regulations)	✓	✓	✓	-
u) Activist groups (e.g. Greenpeace)	✓	-	-	✓
v) Interest groups (e.g. industry associations)	✓	✓	✓	✓
w) General public	-	✓	✓	✓

Source: compiled based on the findings of the authors' study (2020), Karlsson et al. (2018), Ferro *et al.* (2017 and Svensson *et al.* (2016).