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The Grey Zone of Stakeholder Engagement: Misalignment as a Manifestation of Greyness in Stakeholder Collaboration

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ABSTRACT

This study identifies and conceptualises the grey zone of stakeholder engagement and explores how it manifests in a collaborative context related to the promotion of a circular economy. While prior research on stakeholder engagement has highlighted the positive, value-creating bright side or the harmful dark side of stakeholder engagement, we show that even when stakeholders have a shared goal and engagement is organised collaboratively, it contains a more subtle space where everyday challenges and inconveniences unfold. Drawing on a qualitative analysis of interviews with 43 circular-economy stakeholders, we identify and conceptualise this grey zone and demonstrate how it manifests in misalignment of practices and mindsets at the individual, organisational, and societal levels. Recognising the grey zone as a natural and unavoidable part of stakeholder engagement is essential for understanding stakeholder collaboration and strengthening stakeholder theory and its applicability.

1 | Introduction

Stakeholder theory understands organisations and their stakeholders as a set of relationships aiming to create value (Freeman et al. 2010; Harrison and Wicks 2013). Within stakeholder literature, the concept of stakeholder engagement has become an established way of understanding how organisations practice the ideas of stakeholder theory in stakeholder relationships (Freeman et al. 2017; Kujala et al. 2022), referring to practices of involving stakeholders in organisational activities in a positive manner (Greenwood 2007). In effect, stakeholder engagement is commonly viewed as enabling value creation and other benefits for organisations and their stakeholders and leading to desirable organisational and relational outcomes (Freeman et al. 2017; Greenwood 2007; Gupta et al. 2020; Henisz et al. 2014; Jones et al. 2018; Lumpkin and Bacq 2019). Reciprocity, trust and voluntariness are considered characteristics of successful stakeholder engagement (Post et al. 2002; Sisodia et al. 2007; Wicks and Harrison 2017). Such positive views have established the so-called bright side of stakeholder engagement that has gained ample attention in research (Kujala et al. 2022). In accordance with these positive assumptions, any challenge or conflict is typically framed as a disruption that should be resolved swiftly to protect the relationship (Bridoux and Stoelhorst 2022; Freeman 2010; Hörisch et al. 2014; Mitchell et al. 2022).

Stakeholder research has also sought to understand and provide solutions for conflicts and tensions in organisation–stakeholder relationships (Frooman 1999; Rowley 1997), which often result from misaligned interests, value conflicts or organisation–stakeholder misfit (Bundy et al. 2013; Bundy et al. 2018; Schormair and Gilbert 2021). Recently, scholars have explicitly acknowledged harmful (Harrison and Wicks 2021) and negative (Cennamo et al. 2009; Maon et al. 2019) aspects of engagement, such as involuntary participation, stakeholder distrust or negative reciprocity (Bundy et al. 2018; Passetti et al. 2019; Weibel et al. 2025), thereby establishing the dark side of stakeholder engagement (Cennamo et al. 2009; Kujala et al. 2022).

Understanding stakeholder engagement as only positive or negative is an oversimplification and fails to engage with an inevitable yet understudied area between the two extremes,

namely the grey zone of stakeholder engagement. Given the research focus on either positive or negative aspects of stakeholder engagement, scarce attention has been targeted at exploring the nuances, subtle challenges and inconveniences of collaborative relationships. Recent research has offered insights into the maintenance of collaborative relationships despite their challenges (Grimm and Reinecke 2024), and there have been calls for an integrative approach to stakeholder engagement that connects the bright and dark sides and provides a more realistic view of it (Delabre et al. 2023; Schormair and Gilbert 2021).

The aim of this study is to complement the current dualistic understanding of stakeholder engagement as something either positive or negative with an examination of its in-between area, the grey zone. In doing so, we ask: *How can we identify and conceptualise the grey zone of stakeholder engagement, and how does the grey zone manifest in collaborative stakeholder relationships?* Theoretically, we build on previous literature on stakeholder engagement (Freeman et al. 2017; Greenwood 2007; Kujala et al. 2022; O'Riordan and Fairbrass 2014), greyness in organisations (Land et al. 2014; Siraz et al. 2023; Vaughan 1999) and misalignment in collaboration (Corsaro and Snehota 2011; Grimm and Reinecke 2024), and we suggest that the grey zone is an area situated between the bright and dark sides of stakeholder engagement.

Empirically, we examine the grey zone by focusing on stakeholder engagement in the context of a circular economy where organisations and their stakeholders come together to support the idea of circularity and form a complex system of interdependencies which make a stakeholder perspective essential (Civera et al. 2025). This is a suitable context for the study, as it requires collaboration among organisations from diverse sectors and operational levels (Tapaninaho and Heikkinen 2022; Velenturf and Purnell 2021). Moreover, the context of a circular economy is particularly fruitful for our study, since stakeholders collaborate and share a joint interest in fostering the idea of circularity at the same time as they experience difficulties and messiness in the relationships. We use interviews of 43 circular-economy stakeholders as our empirical material. Following the issue-focused stakeholder approach, we define stakeholders as individuals and organisations that are affected by or can affect the issue in question (Freeman 1984; Roloff 2008), thus focusing on stakeholders of the circular economy.

This study establishes stakeholder engagement as a continuum from bright to dark and contributes to the stakeholder engagement literature (Freeman et al. 2017; Greenwood 2007; Kujala et al. 2022) by conceptualising the grey zone of stakeholder engagement as an area between its bright and dark sides. We explicate this grey zone as a multilevel phenomenon that manifests as misalignment in mundane instances of stakeholder collaboration. Our findings pinpoint two categories of misalignment at the individual, organisational and societal levels of stakeholder relationships: (1) misalignment of practices and (2) misalignment of mindsets. 'Practices' relates to everyday practices and concrete issues, whereas 'mindsets' are more profound and enduring and refer to stakeholders' basic assumptions, beliefs, values and world views. The study shows that while the grey zone of stakeholder engagement may be challenging, it does not necessarily compromise stakeholder relationships. While instances of misalignment in the grey zone do not necessarily lead to disengagement (Delabre et al. 2023) or risk the relationship as a whole and, thus, do not have to be solved or dispelled, they cause annoyance, delays and frustration, and consequently, need to be better understood and coped with. Overall, by shedding light on the broad array of grey nuances, this study extends research on stakeholder engagement to include aspects that current conceptualisations have not explicitly addressed. Acknowledging the grey zone strengthens the theoretical rigour and practical relevance of stakeholder theory and engagement.

2 | Stakeholder Engagement

Stakeholder theory has become a central way of understanding organisations and a common approach in research on organisational sustainability (Banerjee and Bonnefous 2011; Hörisch et al. 2014). In stakeholder theory, stakeholders are placed in the centre of strategic thinking, with stakeholder interactions and relationships being a focus of analysis (Freeman 1984). The ways by which organisations practice the ideas of this theory are commonly referred to as stakeholder engagement (Freeman et al. 2017; Greenwood 2007; Kujala and Sachs 2019). One of the main tenets of stakeholder theory is that maintaining positive relationships with stakeholders is crucial for creating value for the company (Post et al. 2002). In particular, with the adoption of the concept of stakeholder engagement, the focus of research has turned from a firm-centric stakeholder management to collaborative stakeholder relationships (Goodman et al. 2017; Savage et al. 2010). Consequently, much of the research on stakeholder engagement targets its positive organisational and societal outcomes (Gupta et al. 2020; Henisz et al. 2014; Jones et al. 2018; Lumpkin and Bacq 2019). These approaches represent the so-called 'bright side of stakeholder engagement' (Kujala et al. 2022). Some studies, however, have focused on what can be conceptualised as the 'dark side of stakeholder engagement', referring to engagement that has negative consequences (Harrison and Wicks 2021) or damaging aspects (Bundy et al. 2018; Passetti et al. 2019; Weibel et al., 2025) or is intentionally destructive (Kujala et al. 2022). Next, we will discuss the underlying assumptions of the literature on the bright and dark sides of stakeholder engagement and then conceptually discuss the often-neglected grey zone.

2.1 | Assumptions on the Bright Side of Stakeholder Engagement

For the most part, the literature has approached stakeholder engagement as a positive construct. According to a widely cited definition, stakeholder engagement is 'understood as practices the organisation undertakes to involve stakeholders in a *positive manner* in organisational activities' (Greenwood 2007, 317–318, emphasis added). Similarly, Davila et al. (2018) emphasised 'positive involvement' in the pursuit of goodwill, consent and cooperation. Stakeholder engagement is often characterised by the interlinked notions of just cooperation and mutual benefit (Bundy et al. 2018; O'Riordan and Fairbrass 2014; Phillips 1997; Pucci et al. 2020).

The positive stance is evident in stakeholder engagement research. The jointness of stakeholder interests as a core notion refers to the ability to understand others' needs in order to build stakeholder relationships and enable value creation (Dentoni et al. 2016; Freeman et al. 2010). Typical stakeholder engagement activities entail considering stakeholder interests, fostering cooperation, encouraging dialogue, and learning from stakeholders (Bebbington et al. 2007; Kujala and Sachs 2019). Ethical conduct is also a central theme, with stakeholder engagement described as mutually beneficial and moral partnerships (Noland and Phillips 2010; Phillips 1997).

Stakeholder engagement is often motivated by the expected positive outcomes for both the firm and its stakeholders. Engaging stakeholders in the decision-making of a firm is presumed to provide enhanced services, technologies, innovations and/or business opportunities (Gauthier 2018; O'Riordan and Fairbrass 2014), facilitate value creation (Harrison and Wicks 2013), and improve organisational reputation, efficiency and competitive advantage (Harrison et al. 2010). Moreover, it helps firms gather information, learn, create knowledge and address ethical issues (Gauthier 2018; Mitchell et al. 2022). It provides diverse perspectives on how firms' decisions affect the environment and society (O'Riordan and Fairbrass 2014) and can give a voice to fringe or marginal stakeholders (Bondy and Charles 2020). Finally, stakeholder engagement can result in inclusive accountability and reporting activities (O'Riordan and Fairbrass 2014; Reynolds and Yuthas 2008).

2.2 | Assumptions on the Dark Side of Stakeholder Engagement

In recent years, there has been increasing interest in the so-called 'dark side of organisational phenomena' (Linstead et al. 2014). Scholars have explored, for instance, the dark side of organisational behaviour (Griffin & O'Learry-Kelly, 2004) and business relationships (Abosag et al. 2016). Vaughan (1999) identified the dark side of organisations as consisting of three types of routine nonconformity—mistakes, misconduct and disasters—with adverse societal consequences. Griffin and O'Leary-Kelly (2004, 4) defined dark-side behaviour as 'motivated behaviour by an employee or group of employees that has negative consequences for an individual within the organization, another group of individuals within the organization, or the organization itself'. Abosag et al. (2016) explicitly discussed the dark side of business relationships. According to them, the dark side refers to '"problems", "challenges", "difficulties", and "drawbacks" related to structural issues that exist in business relationships' (Abosag et al. 2016, 5). They suggested a continuum of the dark side, labelled 'the spectrum of increased darkness', that begins from a state of low uncertainty and a tolerable dark side, proceeds to a state of high uncertainty and an intolerable dark side and eventually results in the termination of the relationship.

In stakeholder engagement research, the dark-side approach has recently emerged to problematise the positive notions of the bright side (Kujala et al. 2022) and to uncover the negative aspects and consequences of organisation–stakeholder interaction for both the firm and its stakeholders (Cennamo et al. 2009; Harrison and Wicks 2021; Heugens and Dentchev 2007; Maon et al. 2019). In effect, the dark side explores such issues as harm, distrust, negative reciprocity and conflicts in stakeholder relationships and provides critical insights into how firms use stakeholder engagement for defensive purposes and for disguising problematic strategies and behaviour (Banerjee and Bonnefous 2011; Fooks et al. 2013). In addition, the dark side provides critical insights into how executives seek to enlarge their power through stakeholder management orientation (Cennamo et al. 2009).

Some scholars conceive of stakeholder demands on an organisation as part of a battle to influence the social environment or as 'socially constructed disruptions of institutional order', as Lamertz, Martens and Heugens (2003, 82) suggested in Bundy et al. (2013, 365), viewing the relationships as inherently conflicting. Bundy et al. (2018) argued that organisation–stakeholder misfit in terms of values and strategic needs may lead to combative relationships, which often include intentional attempts to interfere with the organisation's goals. Research has also sought to understand conflicts caused by stakeholders' demands that contradict the organisation's identity, strategic orientation or cognitive logics (Bundy et al. 2013).

Research on the dark side of organisation–stakeholder relationships has also included examinations of powerful stakeholders harming the company (Banerjee et al. 2021), but this perspective has been examined less, and the focus has been more on how companies and organisational activities have negative consequences for stakeholders. While research on the dark side of stakeholder relationships challenges the often-emphasised positive notion of stakeholder engagement, its focus is mostly on intentionally negative and harmful aspects of stakeholder relationships. Consequently, the in-between area—the grey zone—of stakeholder engagement, where, despite joint interests, things may get messy, inconvenient and challenging, is only rarely explicitly focused on in the literature. In the next section, we seek to provide a conceptual basis for understanding the grey zone of stakeholder engagement.

2.3 | The Grey Zone and Misalignment

The grey zone can be defined as an area that 'is unclear, for example because nobody is sure how to deal with it or who is responsible for it, or it falls between two separate categories of things' (HarperCollins n.d.). Similarly, in the management and organisation literature, the grey zone has been conceptualised as a blurred, in-between area (Clark et al. 2022; Land et al. 2014; Siraz et al. 2023). While the concept of the grey zone could have an ethical connotation (Land et al. 2014, 233), we understand it as a morally neutral (Greenwood 2007), blurred area which lies between two ends of the continuum and which is unclear and intricate (Siraz et al. 2023).

To delineate the grey zone of stakeholder engagement from the bright side, attention can be turned to aspects in stakeholder relationships that are experienced as challenging, unpredictable and complex (Siraz et al. 2023). In stakeholder engagement literature, these aspects are often presented as things to avoid or prevent, or that require a solution. For

example, researchers have criticised the emphasis on mutual interest in stakeholder relationships, arguing that trade-offs are inevitable (Key 1999). As Hörisch et al. (2014, 334) put it, 'the necessity to overcome trade-offs and conflicts is exactly what stakeholder theory is about'. Overcoming trade-offs reflects the typical solution-oriented approach of the bright side, where challenges are depicted as issues that must be solved rather than embraced as natural parts of the process (Hahn et al. 2015).

To differentiate the grey zone from the dark side, the notion of intentionality can be applied. Intentionality of harmful activities is typically identified as a characteristic of the dark side (Clark et al. 2022; Griffin and O'Leary-Kelly 2004), denoting that the engagement has an element of intentional harm or misconduct that makes it problematic and leads to negative consequences for the participants or to value destruction (Cennamo et al. 2009; Harrison and Wicks 2021; Heugens and Dentchev 2007). In contrast, unintentional harm can occur due to misalignment, misfit or ignorance of a different context (Abosag et al. 2016; Bundy et al. 2013, 2018; Linstead et al. 2014; Vaughan 1999) or due to power imbalances (Dawkins 2015). Challenges caused by stakeholders' heterogeneity with respect to their institutional logics, meaning systems and goal priorities, have been suggested as sources of unintentional harm, particularly in the literature on multisector collaborations and multistakeholder partnerships (Easter et al. 2022; Saffer et al. 2018; Sharma and Kearins 2011), which uses the concept of collaborative inertia (Huxham and Vangen 2004; Savage et al. 2010) to discuss common challenges in collaborative settings. Other unintentional elements could include mistakes or accidents (Abosag et al. 2016; Linstead et al. 2014) or other unforeseen consequences of routine operations (Vaughan 1999). A mistake can be defined as an 'act of omission or commission' that has 'unexpected adverse outcomes with a contained social cost' (Vaughan 1999, 284). When something is perceived as a mistake, the definition inherently includes a motivation to fix the ensuing problem or provide a solution to prevent further harm. Unintentionality suggests that the negative consequences are difficult to predict or prevent; therefore, unintentionality is likely to include an element of unavoidability.

We draw on the concept of misalignment to furthermore explicate the grey zone. Misalignment offers useful starting points, since it has been used to understand various kinds of inconsistencies in business relationships and collaborations (Corsaro and Snehota 2011). In extant research, goals, perceptions and practices have been identified as typical sources of misalignment (Ingstrup et al. 2021). In collaboration, the alignment of goals has been identified as a focal element. Research has suggested that high compatibility of participant goals increases the effectiveness of collaboration, while low compatibility may lead to conflicts that harm the relationship (Corsaro and Snehota 2011).

Misalignment of perceptions directs attention to the consistency of views and understandings among collaboration partners. Sharma and Kearins (2011) discussed how the various objectives and ideologies in interorganisational collaboration can cause challenges. Similarly, Grimm and Reinecke (2024) noted that the different interests and agendas of stakeholders present the greatest challenge for creating shared understandings in multistakeholder partnerships. They discussed how sustaining collaboration requires continuous frame alignment, referring to processes where participants co-construct 'collective interpretations through repeated interactions' (Grimm and Reinecke 2024, 957). Similarly, Corsaro and Snehota (2011) examined the alignment and misalignment of cognitive representations in business relationships. They concluded that although alignment is achievable, misalignment is typical and full alignment is rare.

Diverse practices have been identified as typical sources of misalignment, even though this has attracted less attention than the misalignment of goals and perceptions. Corsaro and Snehota (2011) discussed the alignment of practices from the perspective of the fit of processes and competencies to actors. They identified three types of misalignment: resource constraints, communication, and sense-making. In a study on collaboration between industry, government, and academic actors, Ingstrup et al. (2021) showed how misalignment in practices can be caused, for example, by procedural differences, conflicting interests, actors' incongruent institutional backgrounds and imbalances in financial resources.

Research on misalignment has suggested that instead of categorising alignment and misalignment as dichotomous, the various states of alignment/misalignment should be considered. In the context of business relationships, Corsaro and Snehota (2011) suggested four states, namely full alignment, moderate misalignment, substantial misalignment and complex misalignment. Full alignment exists when the participants understand each other's aims and needs and can respond to each other's expectations. Moderate and substantial misalignment refer to situations where there is a degree of alignment and misalignment present at the same time, in other words, partial misalignment. Complex misalignment equals full misalignment, and these collaborations are likely largely accidental (Corsaro and Snehota 2011).

Table 1 summarises the main assumptions of the literature on the bright and dark sides and the grey zone of stakeholder engagement.

Understanding the grey zone of stakeholder engagement is particularly relevant in addressing sustainability, as it necessitates the contribution of various stakeholders (Tapaninaho and Heikkinen 2022; Velenturf and Purnell 2021). Therefore, we focus our empirical examination on a circular-economy collaboration that allows us a more nuanced understanding of the grey zone of stakeholder engagement.

3 | Research Context and Methodology

Empirically, we focus on collaboration among circular-economy stakeholders in Finland, one of the world's leading countries in sustainable development. The setting provides a fitting context for our examination, as it consists of varied forms of collaboration among and between national, regional, and local stakeholders who represent public, private and third sectors and who share an interest in advancing the circular economy.

TABLE 1 | Summary of the assumptions in the stakeholder engagement literature regarding the bright side, the grey zone and the dark side.

	Bright side	Grey zone	Dark side
Characteristics of stakeholder relationships	Positive involvement and collaboration built on joint interests	Collaborative but messy, unpredictable and complex relationships Dissonance	Intentionally harmful behaviour Inherently conflicting Misconduct
Aims of engagement	Mutual benefit Collaboration	Collaboration	Intentional harm, misconduct
Engagement activities	Building stakeholder relationships Cooperation and partnerships Dialogic communication Learning with and from stakeholders Problem-solving	Maintaining stakeholder relationships Tolerating uncertainty Finding common ground Mitigating misalignment in goals, perceptions and practices	Defending one's position Expanding one's power Causing harm Disguising problematic practices
Engagement outcomes	Joint value creation Trust	Minor harm due to misalignment, misfit or ignorance Ability to collaborate due to conflict recognition	Value destruction
View of conflict	Conflicts need to be solved or avoided Trade-offs need to be overcome	Conflicts are inevitable in stakeholder relationships Conflicts need to be jointly recognised and addressed	Conflicts are harmful and lead to disengagement

3.1 | The Context: Stakeholder Collaboration in the Circular Economy in Finland

The circular economy represents a promising attempt to integrate environmental and social sustainability and well-being into economic prosperity (Murray et al. 2017). It is commonly seen as enabling economic growth that is aligned with sustainable environmental development (Ellen MacArthur Foundation 2012). The circular economy is a holistic approach to keeping products, materials, energy and other resources in use for as long as possible. Rather than the traditional, linear take-make-dispose model, a circular economy is built on reducing or designing out waste, keeping resources circulating through reuse, repair, remanufacturing and recycling, and restoring ecological value through regenerative practices (Geissdoerfer et al. 2017). The circular economy aims to minimise waste, carbon dioxide emissions and energy leakages by slowing and closing the input and output flows of the economy as well as material and energy loops across all stages of production and consumption (Geissdoerfer et al. 2017). The proposed shift from the current linear economic model to a circular-economy model is drastic as it shifts attention from increasing the volume of production to increasing the value retained within economic systems (Murray et al. 2017). The transformation to a circular economy necessitates collaboration between various stakeholders who create and exchange value to ensure economic, environmental and social benefits (Civera et al. 2025; Tapaninaho and Heikkinen 2022).

Several stakeholders share the vision set by the Finnish Government (2021) for Finland becoming a leading circular-economy country by 2025 and for making circular economy a new foundation for the economy by 2035. They include ministries, research and development organisations, industries, companies, cities and municipalities, and representatives of these stakeholders were interviewed in this study. Despite the shared interest in promoting the circular economy in Finland, the stakeholders do not have a formal partnership in which they all collaborate. Rather, our research focuses on a multistakeholder setting consisting of various collaborations in a loose network of stakeholders. While some of the stakeholder relationships are established, many are temporary, often voluntary arrangements, such as projects, networks or collective agreements related to the circular economy. Nevertheless, the setting seeks to address an issue of shared concern: the promotion of a circular economy in Finland. Despite the shared interest, the stakeholders' goals differ in terms of their role. For instance, companies focus on circular-economy business, ministries on policies and cities and municipalities on providing the necessary infrastructure. Central steps on the path towards the circular economy were the publication of the world's first road map for the circular economy in 2016 (Sitra 2016) and the formation of a strategic programme for the circular economy in Finland in 2021 (Finnish Government 2021).

3.2 | Data Collection and Analysis

Our empirical data consist of 43 interviews conducted in 2020 and 2021. The interviews were part of a larger research project during which we followed the multistakeholder setting and had access to their regular meetings, which provided us with a deep

tacit understanding of the setting. The interviewees represented circular-economy experts from companies, cities and municipalities, regional actors, federations, development and support organisations and ministries. The interviewed stakeholders were selected due to their interest in promoting the circular economy in Finland, while representing different sectors of society. The interviews covered various topics related to collaboration in the multistakeholder setting. Six researchers conducted the interviews in pairs to guarantee coverage of all relevant viewpoints. The researchers prepared interview protocol together to ensure the consistency of the interview topics (Appendix 1). The interviews were conducted via video meetings, transcribed verbatim and downloaded into Atlas.ti software. The interviews were conducted in Finnish, and the excerpts below have been translated into English. Details of the interviews are presented in Table 2.

Our analytical work began during the interview process (Charmaz 2006; Gioia et al. 2013), when we became aware of interviewee descriptions of mundane inconveniences related to stakeholder engagement. Although the interviewees mainly discussed the positive intentions and outcomes of collaboration, they regularly brought up instances of what we identified as greyness in stakeholder relationships, such as difficulties, ambiguities and other challenges. Interestingly, while these instances caused delays and frustration, they were not generally seen as threats to the shared aim of stakeholder engagement: the promotion of a circular economy. However, the stakeholder engagement literature provided little support for understanding these instances of greyness as part of stakeholder engagement. This led us to seek to examine the grey zone more profoundly.

We adopted a qualitative content analysis approach (Elo and Kyngäs 2008; Gioia et al. 2013). We began the analysis with an inductive process, where the first author systematically coded the interview transcripts using Atlas.ti software. The coding focused on challenges and inconveniences experienced by the interviewees in stakeholder engagement. This initial phase resulted in 138 pages of coded text. Next, the coded text was read multiple times to ensure familiarity and depth of understanding. Based on this iterative reading, the first author distilled the data into first-order reduced expressions (Gioia et al. 2013). This phase was followed by a reflective and interpretive process where the meaning of each expression was considered with the aim of identifying emerging constructs that could illuminate the complexities and ambiguities—referred to as the 'grey zone'—in stakeholder engagement. Through a collaborative analysis involving all the authors, the first-order expressions were organised into second-order themes. The second-order themes were further synthesised into aggregate dimensions which revealed patterns of misalignment in practices and mindsets in stakeholder relationships. Next, the misalignments were categorised across three levels: individual, organisational and societal (Gioia et al. 2013). At this stage, we returned to the literature on collaboration to seek support for our conceptualisations of the patterns we had identified in the data. The concept of misalignment proved to be useful for deepening our analysis. The data structure (Figure 1) allows us to articulate how the grey zone of stakeholder engagement manifests on the three levels. A more detailed description of the data analysis, including illustrative quotes of the first-order reduced expressions and the second-order themes, is provided in Appendix 2.

4 | Findings

Based on our analysis, the grey zone of stakeholder engagement manifests in everyday stakeholder collaboration and consists of misalignment of both practices and mindsets. *Misalignment of practices* refers to difficulties and friction related to activities and concrete issues in stakeholder relationships. *Misalignment of mindsets* refers to discrepancies in the basic assumptions, beliefs, values and world views of stakeholders. Moreover, we attribute the misalignment in practices and mindsets to three levels: individual, organisational and societal. The *individual level* refers to elements connected to individuals' characteristics, actions and beliefs; the *organisational level*, to organisational norms, procedures and values; and the *societal level*, to prevailing societal and operational environments and to issues such as the norms, legislation, political aims, societal awareness and perceptions that influence stakeholder relationships. Table 3 summarises the content of misalignment in practices and mindsets at different levels.

4.1 | Misalignment of Practices

4.1.1 | Misalignment of Practices at the Individual Level

Collaboration in the circular-economy setting typically concerns new issues, such as refining waste into new products or designing re-usable packaging. Therefore, finding and choosing the right partners with appropriate resources and commitment is crucial, and misalignment between personal ambitions, knowledge or contacts caused challenges in the relationships. In many cases, some stakeholders, such as those representing development and support organisations, served as mediators between other stakeholders. For example, one representative shared their experience of mediating a collaboration. This required them to provide more active support than they initially expected. The mediator had assumed that the other participants would organise the meetings themselves, which revealed a disconnect in collaborative abilities among the participants:

> I'm not there to advise who should discuss what, but to enable things. I've had to engage more in the discussions now, as the company representatives haven't been able to set up a meeting. However, in my opinion, these collaborations aren't a failure.
>
> (DE5)

This instance of the participants failing to follow through in organising their collaboration illustrates the first type of practice-related misalignment at the individual level: that which concerns the ability to collaborate. More broadly, the data showed that individuals' ability to collaborate varied in terms of their level of ambition, willingness to advance the circular economy, and

TABLE 2 | Details of interviews.

Code	Stakeholder group	Informant position	Interview length (min)	Transcript length (pages)
CO1	Companies	Manager	55	7
CO2	Companies	Director	51	7
CO3	Companies	Director	80	10
CO4	Companies	Specialist/senior specialist	79	9
CO5	Companies	Specialist/senior specialist	96	12
CO6	Companies	Director	69	8
CO7	Companies	Specialist/senior specialist	93	9
CO8	Companies	Manager	68	8
CO9	Companies	Manager	58	9
CO10	Companies	Director	68	9
CO11	Companies	Director	82	10
CO12	Companies	Director	66	9
CI1	Cities and municipalities	Specialist/senior specialist	52	7
CI2	Cities and municipalities	Manager	89	11
CI3	Cities and municipalities	Manager	56	8
CI4	Cities and municipalities	Director	83	10
CI5	Cities and municipalities	Director	83	10
RE1	Regional actors	Manager	110	13
RE2	Regional actors	Director	74	9
RE3	Regional actors	Director	88	14
RE4	Regional actors	Director	81	10
RE5	Regional actors	Director	91	10
RE6	Regional actors	Specialist/senior specialist	95	11
FE1	Federations	Director	61	8
FE2	Federations	Chief specialist	70	11
FE3	Federations	Manager	97	14
FE4	Federations	Manager	83	10
FE5	Federations	Director	82	12
FE6	Federations	Chief specialist	78	10
DE1	Development and support organisations	Specialist/senior specialist	79	10
DE2	Development and support organisations	Director	80	9
DE3	Development and support organisations	Director	57	10
DE4	Development and support organisations	Chief specialist	86	9
DE5	Development and support organisations	Director	86	9

(Continues)

TABLE 2 | (Continued)

Code	Stakeholder group	Informant position	Interview length (min)	Transcript length (pages)
DE6	Development and support organisations	Chief specialist	79	10
DE7	Development and support organisations	Chief specialist	85	12
DE8	Development and support organisations	Director	59	9
MI1	Ministries	Specialist/senior specialist	70	11
MI2	Ministries	Specialist/senior specialist	70	11
MI3	Ministries	Specialist/senior specialist	81	10
MI4	Ministries	Specialist/senior specialist	84	10
MI5	Ministries	Specialist/senior specialist	98	13
OT1	Other	Chief specialist	79	10

personal resources, such as knowledge of the circular economy: 'It depends on the person and their knowledge. If they're not a circular economy expert, it can be that they hinder the collaboration just because they don't have the courage to ask' (DE6). Moreover, personal ties and networks being central resources in collaboration, collaboration with familiar people or with people who were well connected in the field was easy, whereas a lack of personal ties and networks was experienced as restraining collaboration.

Another form of practice-related misalignment is self- versus other-oriented practices. Collaboration requires a certain level of other-oriented practices, but self-interest and disrespect were shown in collaboration experiences that related to someone acting in selfish or disrespectful ways. Misalignment between self- and other-oriented practices appeared as a misfit of contributions to and benefits from collaboration and commitment to it, which was considered tolerable in the short term but intolerable in the long run, as a company director explained: '[What makes collaboration successful] is the other party's contribution. [...] If your contribution to the relationship is higher than what you get, then there's no sense [in] continuing it' (CO10).

To conclude, misalignment of practices at the individual level causes inconveniences in the relationship. Misalignment in the ability to collaborate due to, for example, misalignment of resources and commitment leads to unbalanced collaboration, delays and inconsistencies in relationships, while misalignment between self-interested and other-directed practices leads to disrespect, distrust and doubt concerning the relationship.

4.1.2 | Misalignment of Practices at the Organisational Level

At the organisational level, misalignment of practices is often related to unclear organisational roles and responsibilities. For example, a federation representative noted difficulties in collaborating with a development and support organisation. Although they had previously created a circular-economy guideline together, unclear responsibilities over its implementation led to confusion and strained relations, despite the issue ultimately being a misunderstanding: 'Our nascent bonfire of collaboration with [the development and support organisation] didn't burst into [a] full flame. I think [the organisation] must have thought, "We have a great thing, and you don't do anything?"' (FE5).

In the above example, misalignment of organisational roles and responsibilities obscured who should be responsible for certain activities and showed a lack of coordination, for example, in terms of each organisation's role in the collaboration. Another federation representative described the scatteredness of roles and responsibilities as follows:

> [A development and support organisation] is the one [that] gets the [ball] rolling and then leaves. That's in a way their task, and what they've tried to do is good, but it's bad that they don't finish what they start. And this scatteredness [of responsibilities] continues with ministries and other organisations, and it's really not easy.
>
> (FE3)

At other times, the misalignment of responsibilities sometimes took the form of increased protectiveness regarding organisational responsibilities and not wanting any other organisations to be involved: 'There are conflicts when people understand things differently; they look at things from [the purview of] their own organisations and think that [those are] their responsibility and that someone is stepping on their field' (RE4).

Misalignment in processes and activities also manifested in differences between organisational norms and ways of working. Organisational processes and activities influence how stakeholders approach collaboration and how they act, and these are a frequent source of misalignment. For example, a company representative describes:

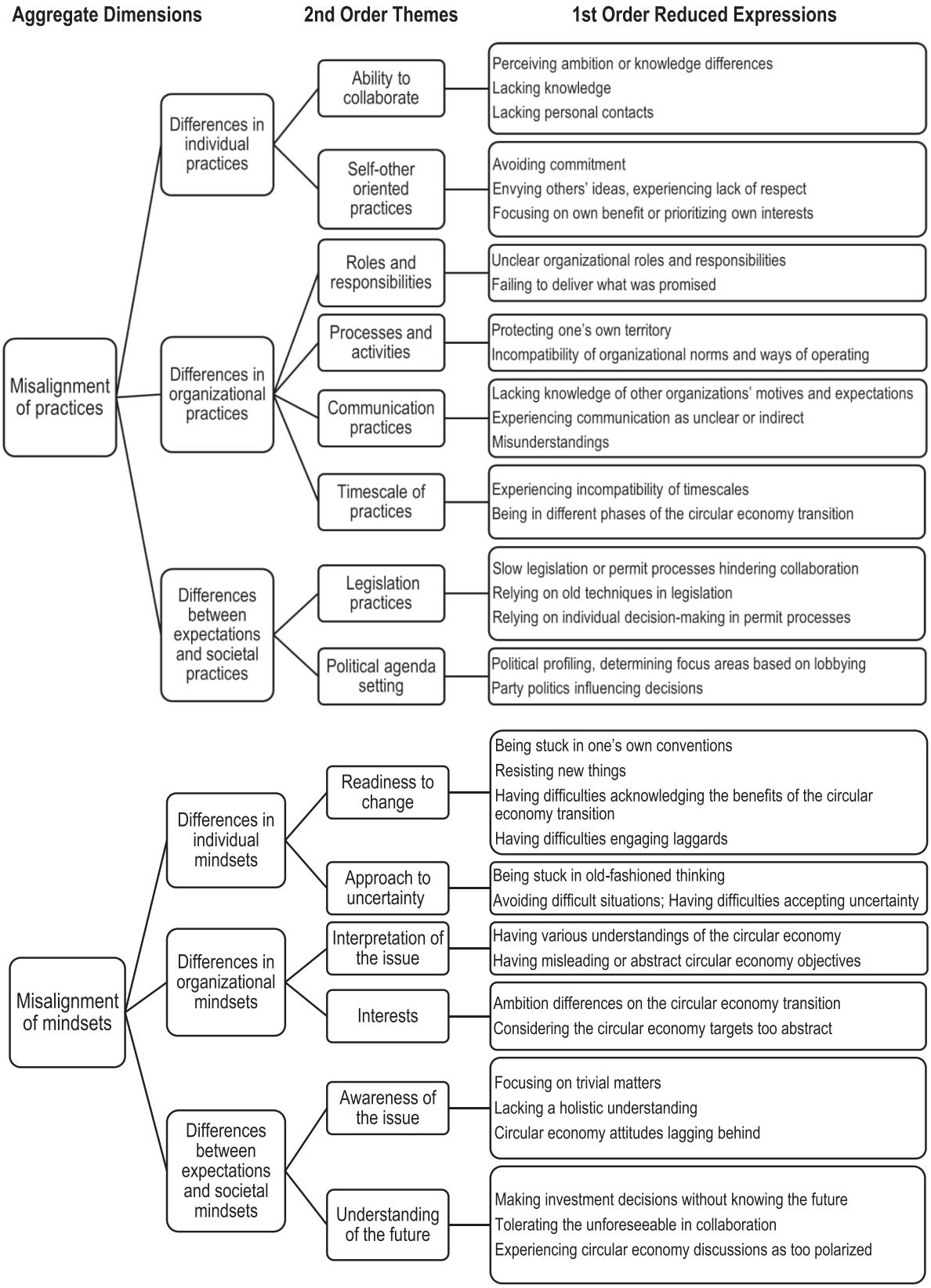

FIGURE 1 | Data structure.

> It [collaboration] begins with identifying business potential, and then we think it backwards; how it can be implemented and executed. Then we often realise that it hasn't been scaled correctly or there are some other challenges. [...] [For effective collaboration] we have to make sure that the implementation strategies, value chains, and factory locations match.
>
> (CO11)

TABLE 3 | Misalignment in practices and mindsets at different levels.

Level	Misalignment of practices	Misalignment of mindsets
Individual	Ability to collaborate Self-other-oriented practices	Readiness to change Approach to uncertainty
Organisational	Roles and responsibilities Processes and activities Communication practices Timescale of practices	Interpretations of the issue Interests
Societal	Legislation practices Political agenda-setting	Awareness of the issue Understanding of the future

Misalignment of communication practices was further observed in a lack of straight communication, such as in the experiences of organisations circling around difficult issues or not expressing their expectations. Misalignment of communication practices was also seen in doubts about stakeholders' motives for collaboration. Sometimes, experiences were related to poor communication and misunderstandings:

> The collaboration was close to ending when we realised that other [organisations] had started using our guideline for commercial purposes. And it came to me as a surprise; we wanted our members to be able to use it for free.
>
> (FE5)

Finally, misalignment prevailed between organisations with different timescales, especially in terms of operating on either a short or a long timescale. Misalignment between timescales occurred mostly between organisations from different sectors, for instance, between companies and public-sector organisations. Companies had a short time horizon and wanted issues to proceed quickly, which caused challenges in collaboration with organisations focusing on long-term practices, such as universities: 'We speak about hours and they [public-sector organisations] speak about years or at least, months' (CO2).

However, while the public sector was accused of being slow in its actions, authorities sometimes made requests on short notice, which other organisations considered demanding. A regional actor described their experiences of misalignment related to timescales:

> Maybe the biggest observation is that the timescale of issues in the public sector is extremely long. We have a couple of central industrial operations that are still in progress due to the long time the authorities need to process things. And the permits – even though we do our best, the biggest challenges in my work come from the permits. Some very random interpretations come up, or you need to report something on short notice.
>
> (RE3)

To conclude, misalignment between organisational roles, responsibilities, processes and activities at the organisational level leads to obscurity and scatteredness in collaborations, which cause delays and inefficiency. Misalignment also increases protectiveness and defensiveness over one's areas of responsibility. In communication, misalignment easily leads to unclear expectations, delays and misunderstandings in terms of stakeholder responsibilities and collaboration objectives. Misalignment related to different timescales may lead to frustration in handling matters and cause distancing in the relationship.

4.1.3 | Misalignment of Practices at the Societal Level

Some instances of misalignment concerned societal-level practices, more specifically misalignment between collaborators' expectations and societal-level practices. A central legislative issue that causes challenges in collaboration for many stakeholders is the slowness of end-of-waste legislation at the European Union (EU) level. The EU has defined end-of-waste criteria for some materials, but criteria are lacking for many others that could be refined and reused. A federation representative described the legislative process:

> Again, a working group has been established to assess this issue, and we know the work isn't fast. Results can be expected in two to three years, and only then [will] they [...] start modifying the clauses of the law. They've kept themselves busy with it already for so long. And companies wait. For example, waste transfers are challenging and transporting materials across borders. If [the materials were given] a non-waste status, collaboration on this would be much easier.
>
> (FE2)

Another federation representative also referred to the lack of end-of-waste criteria as 'if not a bottleneck, at least a speed bump' (FE5) in collaboration and described how companies experience the lack of legislation as frustrating. In many cases, materials could be reused in ways that maintain their high value, but companies give up and recycle the materials in old ways that degrade their value. Due to the lack of end-of-waste criteria, related permit processes are slow and unpredictable. A regional actor described a process in which they had helped a company with the permits:

> A year goes [by,] and there is still no message from the authorities if the end-of-waste status is coming or not. And it has cost the company 300,000 euros by

> then. And our role has been to support them. And I feel we haven't done it well enough; we haven't been good enough in speaking their Latin.
>
> (RE3)

The first form of misalignment between stakeholder expectations and contextual practices is related to legislation practices—particularly, misalignment between expectations concerning the timeliness and accuracy of the regulative environment, with resulting experiences of legislation lag. As illustrated in the preceding quotes, legislation on the established way of operating is clear, and permits are processed smoothly; but when it comes to newer and less established areas, the obscurity of legislation and permits is a prevailing form of misalignment. Authorities are considered too strict and cautious in their interpretations, which are based on old technologies and ways of doing things.

Another misalignment of practices related to the societal level involves political agenda-setting, including misalignment between the predictability expected by stakeholders and experiences of unpredictability in political agenda-setting and decision-making. According to the interviews, politics and political power caused unpredictability and even randomness in the operating environment. Political agenda-setting was experienced as short-sighted, inconsistent, and even random. Party politics were illustrated in the interviews as randomly influencing agenda-setting and decision-making. A federation representative expressed doubts about the formulation of a strategy paper:

> There are a couple of ministries involved, so let's see how it will be written. For instance, fish farming seems to be getting a big role, which I think is surprising in Finland, because I don't think it is a huge livelihood.
>
> (FE2)

Elections were considered central events because they could quickly change political focus areas. 'The ship called Finland' was seen to be 'sailing close to the wind' (FE3); in other words, instead of having a long-term direction, it was seen to make tight turns after each election. Lobbying was also seen as increasing contextual short-termism and randomness, thus, contributing to misalignment.

To conclude, societal-level misalignment makes it difficult to foresee how the political and legislative environments will develop, which influences the conditions for collaboration. Lagging legislation causes delays, frustration and dubiety, which hinder collaboration and decision-making concerning the future.

4.2 | Misalignment of Mindsets

4.2.1 | Misalignment of Mindsets at the Individual Level

The transition to a circular economy requires rethinking established ways of doing things and anticipating unforeseen issues, neither of which is easy. Consequently, the changes that the transition requires are not always embraced with enthusiasm but with fear and resistance. A regional actor described a situation in which the region decided to formulate a regional energy plan aligned with the circular economy. The initiative was welcomed with enthusiasm until it was found to be difficult, at which point stakeholders began to talk about it with critical nuances due to their individual resistance and fear of change:

> We have a well-functioning system. And now you say it has to be developed again, and we have a lot of problems, and everybody resists and asks why [...] you're muddling a clear system, and this is more expensive and more difficult.
>
> (RE5)

Although the interviewee was driving the initiative, they also experienced the process as difficult and frustrating: "I can't even tell what the heck is an energy system that aligns with circular-economy thinking" (RE5).

Misalignment of mindsets at the individual level was shown in how some individuals wanted to maintain the status quo while others openly embraced change. Those who wanted to maintain the status quo were viewed as scared, stuck in their routines, staying in a foxhole and hindrances to stakeholder collaboration. Resisting change was considered a common reaction to new and unknown situations, although other stakeholders experienced it as negative. Overcoming individuals' resistance to change required additional effort, negotiation and 'selling the idea' (FE5; DE5), which were experienced as inefficient and frustrating.

Another misalignment of mindsets at the individual level pertained to different degrees of toleration of uncertainty and ambiguity. Collaboration requires tolerating a certain level of uncertainty, which always exists in stakeholder relationships, particularly in a circular-economy context. Uncertainty often rises when the number of participants and the differences between them increase. A ministry representative described an international collaboration led by the European Commission:

> There were researchers, ministers [and] officers, and everybody had their own way of doing things and different objectives and such. This was probably the biggest challenge. Then we needed to get experts from other countries involved also, so there were many moving parts.
>
> (MI2)

Intolerance of uncertainty sometimes resulted in attempts to control the processes in unconstructive ways: 'I see two problems. First, some people lack expertise on the circular economy, and [second], some try to control everything' (DE5). A representative of a development and support organisation shared their experiences of both smooth and challenging collaborations as having high levels of uncertainty, but it was tolerance of uncertainty that made the difference. In a successful collaboration, 'Everybody trusted that "there's going to be some fuss before we get there, but we'll get there"' (DE7).

To conclude, individual-level misalignment of mindsets in the form of resistance to change often causes delays, frustration and inefficiency that need special attention. Moreover, intolerance of the uncertainty that is necessarily involved in stakeholder relationships may have negative implications in that it can result in, for instance, defensive behaviours and eventually diminish trust.

4.2.2 | Misalignment of Mindsets at the Organisational Level

Circular-economy collaborations often show outward enthusiasm, but organisations interpret and address the issue differently. Some view the circular economy as a broad new economic model, while others equate it mainly with material recycling. This was illustrated by a ministry representative in the following way:

> If you think about the EU-level circular-economy legislation package, the content is very good and important, but it's a little conflicting that, in a way, it says that [the circular economy] changes everything, but on the other hand, the activities are all about the same old recycling of materials.
>
> (MI2)

This variation in circular-economy understanding was also reflected in daily operations and collaborations. As a federation representative highlighted, the confusion of circular-economy understandings was common: 'Some speak about the fence and others speak of fence posts, and then, we notice later that we've talked about entirely different things, although the goal is shared' (FE1).

Misaligned mindsets stem from differing organisational interests and interpretations of issues like the circular economy. Interviewees expressed that a lack of a comprehensive understanding of a circular economy exists among collaborators, which may lead to judging the decision and actions as negative or impartial. These misalignments are linked to conflicting values, missions and societal roles within organisations. When organisations prioritise their own interests over collective interests, tension and conflict can result.

The formulation of a strategic programme for the circular economy in Finland provides an illustrative example of misaligned—even conflicting—interests based on diverse mindsets. Although all participants shared an interest in promoting the circular economy as a whole and formulating the programme, their diverse interests came to the forefront when the time came to determine the exact objectives of the programme, to which all stakeholders were meant to commit: 'Then, in the grand finale phase, when the objectives started to [be formed] and different tensions appeared, there were different interests, and people realised that we [their organisations] cannot commit to this' (FE5). However, despite doubts and tensions, an agreement was reached. The following ministry representative's assessment of the agreed-upon objectives illustrates the misalignment of interests and how they were reconciled:

> It's evident that we and [another ministry] have different views concerning the use of natural resources. [...] I, as a representative of [a ministry], believed that the objective isn't sustainable, that we should restrict the use even more, but I do understand its links to national competitiveness and that it's not that easy. I'm personally satisfied with the compromise; it can show us the right direction, but it was a difficult thing.
>
> (MI4)

In this case, a consensus was reached, and the ministry representatives responsible for formulating the programme were satisfied, although they acknowledged that it was a compromise and probably not an optimal result. However, some organisations were quite disappointed. In addition to being accused of not considering some industries' needs, the programme was criticised for being too abstract. This abstractness likely reflected the misalignment of interests, which became more evident as the discussion became more practical and concrete.

To conclude, misalignment of mindsets causes challenges to collaboration at the organisational level in that it brings up tensions and potential conflicts and makes it difficult to reach a consensus on how to proceed. The integration of a variety of interpretations and interests is time-consuming, inefficient and often experienced as frustrating, although it is necessary.

4.2.3 | Misalignment of Mindsets at the Societal Level

The misalignment of mindsets at the societal level refers to the misalignment of societal mindsets and norms with the goals of the engagement. For example, a regional actor noted it was once difficult to convince companies that circular-economy businesses could be profitable. While many were hesitant, one mid-sized company invested, paving the way for further collaboration. Other stakeholders shared similar stories, such as one project that gained no traction until public and government interest increased. Initial steps with companies were challenging, but cooperation became easier as the concept of the circular economy gained visibility.

Misalignment in issue awareness occurs when stakeholder objectives differ from public understanding. This can delay collaborative efforts, especially if initiatives promoting circularity face resistance due to limited societal awareness. Effective collaboration requires both stakeholders and the broader audience to understand the issue; otherwise, relationships may stagnate:

> Sometimes, I've had plans for collaboration, but then, you notice that the time isn't right; it just gets stuck. And then, one moment, it starts to fly. And it was all about the time, that the time was not right or that the partner wasn't ready for it.
>
> (DE7)

The last form of misalignment relates to understanding of the future, especially to misalignment between stakeholder expectations of environmental predictability and the unforeseeable future. Although the future is similarly uncertain for everyone, in this case, uncertainty was enforced due to the complexity and unforeseeability of the transition to a circular economy. The misaligned comprehensions of the future led to open-ended stakeholder relationships, as steps had to be taken even if future developments are largely unknown:

> The biggest source of insecurity now is technology and what's the most profitable way of doing things. The biggest risk is that you invest in something that might not fly. That another technology comes, and you lose your competitiveness.
>
> (CO11)

To conclude, misalignment of mindsets at the societal level increases the experience of unpredictability of the operating environment and enforces insecurities related to stakeholder relationships.

5 | Discussion

This article contributes to stakeholder theory, particularly to the stakeholder engagement literature, by establishing stakeholder engagement as a continuum from bright to dark and by identifying and conceptualising its grey zone. We discuss the grey zone of stakeholder engagement and show its prevalence in a collaborative multistakeholder setting where stakeholders shared a joint interest to promote the circular economy. Our contributions are as follows.

First, we have shown that the grey zone of stakeholder engagement is a multilevel phenomenon that manifests as misalignment in practices and mindsets at the individual, organisational and societal levels. Thus, we suggest that misalignment is an appropriate concept for studying the grey zone of stakeholder engagement. Second, the grey zone refers to those instances that are challenging and may constrain achieving the intended outcomes of a stakeholder relationship but do not compromise the relationship as a whole. Consequently, acknowledging the grey zone as an unavoidable part of stakeholder engagement provides a more balanced understanding of stakeholder theory, thereby strengthening the theory and its applicability. In the following, we further discuss these theoretical contributions as well as the limitations of this study.

5.1 | The Grey Zone as Misalignment and a Multilevel Phenomenon

Based on our analysis, the grey zone in stakeholder relationships manifests in everyday instances as misalignments of practices and as more deeply rooted and persistent differences in stakeholder mindsets. Although misalignment of practices is an established concept in the literature, referring to differences in ways of working and activities (Corsaro and Snehota 2011; Ingstrum et al., 2021), it is overlooked in stakeholder engagement research. For instance, communication practices in their full variety are central mechanisms through which stakeholder relationships are formed and maintained (Aakhus and Bzdak 2015; O'Riordan and Fairbrass 2008). However, as Lehtimäki and Kujala (2017, 3) suggested, more communication is not necessarily better; rather, it is worth analysing 'the ways by which the meaning of the content of dialogue is being ascribed in communication'. Similarly, in our material, misalignment in communication practices was related not only to misalignment in the ways the stakeholders communicated and how much but also to misalignment of meanings ascribed in communication (cf. Easter et al. 2022). Likewise, agreeing on clear roles and responsibilities has been found to be important in collaborations between diverse organisations (Kaptein and Van Tulder 2003), whereas in our study, the misalignment of organisational roles and responsibilities referred to obscurities related to stakeholders' roles and the scatteredness of responsibilities. While the literature has identified misaligned perceptions as a central type of misalignment in collaboration (Thatchenkery and Piezunka 2025), our analysis indicates misalignment of mindsets as a broader level construct that actualises on multiple levels. Based on our findings, while different perceptions are one aspect of the grey zone, misalignment of mindsets also shows in the approach of stakeholders to uncertainty and as expectations misaligned with societal or legislative realities. Therefore, misalignment of mindsets appears as a broader construct than the cognitive misalignment established in the literature, which often refers to cognitive representations (Corsaro and Snehota 2011) or perceptions (Thatchenkery and Piezunka 2025).

Regarding alignment states, the grey zone refers to situations of moderate and substantial alignment and misalignment being present at the same time, in other words, partial misalignment. Full alignment in mindsets and practices denotes the bright side of engagement, where stakeholders are positively involved in collaboration; full misalignment refers to the dark side, which is characterised by intentional harm and misconduct. In-between these two ends lies the grey zone, where stakeholder engagement is collaborative yet at times messy and challenging due to mostly minor misalignments in practices and/or mindsets.

While misalignment in practices and mindsets is a focal category of greyness in our material, other categories and sources are likely to manifest in other contexts. We leave this as a topic for future research.

5.2 | The Grey Zone Is Challenging but Does Not Compromise the Relationship

Second, we have shown that the grey zone can be identified in instances where stakeholder practices or mindsets are misaligned. However, these two categories of misalignment differ. Practice-related misalignments materialise in concrete activities in stakeholder relationships, whereas mindset-related misalignments are deeply rooted differences in comprehending and approaching the world. As practice-related misalignments concern everyday practices, they are relatively easy to comprehend and, thus, tolerate. Nevertheless, they can cause

delays, frustration and even additional costs. Mindset-related misalignments involve discrepancies in deeply held assumptions, values and world views, which are more enduring and profound and, thus, more difficult to align or even accept. However, as neither of the two categories of misalignment poses a severe threat to collaboration, they do not have to be solved or dispelled; rather, they must be recognised and coped with. Sometimes, they can even strengthen stakeholder engagement, as they drive stakeholders to consider novel viewpoints and adapt to change (Mitchell et al. 2022; Sharma and Kearins 2011). While Easter et al. (2022) discussed the negotiation of meaning systems in multistakeholder networks, contributing to understanding the grey zone in a multistakeholder network, we complement their study by highlighting that in addition to meaning systems, negotiations are required in relation to everyday matters, such as timescales and responsibilities. Thus, our study contributes to the literature on stakeholder engagement (Goodman et al. 2017) by conceptualising the grey zone as minor conflicts due to misalignment in mindsets and practices even in a consensus-seeking, collaborative context.

Moreover, as the grey zone is inherently dynamic, it could cause a relationship to shift to the dark side. For instance, full or excessive misalignment of practices, such as an imbalance of resources or too much self-interested behaviour, could ignite negative responses in others, such as the implementation of a harmful strategy (Harrison and Wicks 2021) and lead to intentionally harmful actions (Bundy et al. 2018). Similarly, whereas misalignment of several important dimensions leads to combative relationships, misalignment of one important dimension and a close fit between other dimensions can lead to compromise instead of conflict and can even strengthen the relationship (Bundy et al. 2018). However, although any stakeholder relationship can shift to the dark side—that is, to an end or an open conflict—the existence of some degree of misalignment even in collaborative relationships is unavoidable.

5.3 | Limitations and Future Research Avenues

The first limitation of this paper is that although we conceptually distinguish the grey zone from the bright and dark sides, in practice they overlap, and drawing clear boundaries in-between is difficult if not impossible—and perhaps not purposeful. Instead, we hope to direct attention to understanding stakeholder engagement as a continuum from bright to dark where the grey zone is a natural and inevitable part of engagement. Conceptually, we draw a line between the grey zone and the dark side by highlighting the intentionally harmful nature of the dark side (Griffin and O'Leary-Kelly 2004; Kujala et al. 2022) or full misalignment (Corsaro and Snehota 2011). Although defining intentionality or full misalignment is neither simple nor straightforward, they provide tools for distinguishing the dark side from the grey zone. However, the boundaries between the bright side and the grey zone are even more blurred. Rather than demarcating the grey zone from the bright side, we argue that in practice, the grey zone is entwined in all stakeholder relationships. Consequently, the bright side of stakeholder engagement pictured in the extant literature (Freeman et al. 2017; Gauthier 2018; Harrison et al. 2010; Kaptein and Van Tulder 2003; O'Riordan and Fairbrass 2014) should be conceived of as an ideal to strive for rather than a depiction of reality. Similarly, full alignment in practices and mindsets is somewhat rare and, thus, similarly idealist (Corsaro and Snehota 2011). Consequently, we conclude that the intricacies of stakeholder engagement are more complex than often depicted in the literature, and thus, acknowledging the greyness of stakeholder engagement is fundamental for stakeholder engagement theory and practice.

This study also has methodological limitations. While the qualitative approach enabled in-depth exploration of the nuances of the grey zone, it cannot deliver quantitative measures of misalignment or greyness in stakeholder relationships or the outcomes of such relationships. This points to an important avenue for future research using quantitative or mixed methods to study the frequency, intensity, or consequences of misalignment in stakeholder relationships. Moreover, the findings of this study provide a snapshot of the grey zone and thus cannot fully acknowledge the dynamic nature of stakeholder relationships. As such, studies adopting a longitudinal approach could shed light on the emergence and evolution of the grey zone and shed light on how misalignments can be resolved or escalate.

Additionally, as this study was conducted in a collaborative setting where the stakeholders shared a joint interest in fostering the circular economy, the findings are probably not applicable to multistakeholder settings where stakeholders are in conflict or do not have a joint aim. This, however, points to interesting avenues for future research.

We also suggest that future researchers look for complementary aspects of this study and further insights from parallel literature. The complexities, tensions and difficulties of multistakeholder collaboration have been brought up in the literature on cross-sector collaboration (e.g., Henry et al. 2022) and multistakeholder settings (e.g., Easter et al. 2022; Grimm and Reinecke 2024; Savage et al. 2010; van Tulder and Keen 2018). These complexities can be conceptualised as belonging to the grey zone. This article complements this literature by conceptually distinguishing these processes from those in the dark side. This can help researchers and practitioners to comprehend the grey zone as a natural part of stakeholder engagement and to distinguish it from darker, intentionally harmful processes. Inspired by these studies, we also invite stakeholder scholars to reconsider the phenomenon empirically. Studies could also look for tools, best practices and communication frameworks that organisations could use to address the inherent messiness and unpredictability. While we suggested two categories of misalignment, there may be other categories that manifest in different contexts.

6 | Conclusion

Building on theoretical discussion on the bright and dark sides of stakeholder engagement, misalignment in collaboration and greyness in organisations along with an empirical examination of stakeholder relationships in a collaborative multistakeholder

setting, this study identifies and conceptualises the grey zone of stakeholder engagement. This article contributes to the literature on stakeholder engagement by arguing that even if stakeholders have a shared goal and stakeholder engagement is organised collaboratively (Goodman et al. 2017), it contains a grey zone. We see the grey zone as necessarily emerging in stakeholder relationships due to misalignment in practices and mindsets at the individual, organisational and societal levels. By conceptualising the grey zone, we seek to direct research towards a more realist and nuanced understanding of stakeholder engagement by acknowledging greyer shades that have been touched upon in prior literature but not yet been explicitly focused on. Indeed, as the literature on the bright side has focused on the positive outcomes of stakeholder engagement (Freeman et al. 2017; Harrison et al. 2010), any difficulties, challenges or messy instances are often identified as problems that require a solution. A problem without a solution would compromise the aim of the engagement and make the relationship ineffective or unsuccessful, which would compromise the entire notion of engagement. We have discussed how instances of misalignment are overlooked in the bright-side literature, as they have not been seen as significant or fitting with the idea of stakeholder engagement. Likewise, from the critical perspective of the dark side, the unintended inconveniences of stakeholder engagement are not salient because they most likely do not stem from acts of intentional neglect or unethical behaviour (Cennamo et al. 2009; Harrison and Wicks 2021). However, we suggest that the grey zone should be acknowledged in the stakeholder engagement literature to make it conceptually more rigorous and practically relevant.

We show that the grey zone of stakeholder engagement is a multilevel phenomenon manifesting in misalignment of practices and of mindsets at the individual, organisational and societal levels and referring to those instances in a stakeholder relationship that are challenging and that may constrain achieving the intended outcomes of the relationship but do not compromise the relationship itself. Since the grey zone is a natural and unavoidable part of stakeholder engagement, acknowledging it strengthens the theoretical and practical relevance of stakeholder theory.

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Ethics Statement

This study was performed in line with the principles of the Declaration of Helsinki. According to the Ethical Guidelines of Tampere University, the research design was such that no ethical approval was necessary.

Consent

Informed consent via e-mails and/or recorded interviews was obtained from all individual participants included in the study.

Conflicts of Interest

The authors declare no conflicts of interest.

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Appendix 1

1. Background information

Name and position in the organisation

What the organisation does (in relation to CE)

2. Understanding of a circular economy

What is a circular economy?

What is sustainability in relation to a circular economy?

3. Circular economy practices

What do you do in relation to a circular economy? What kind of objectives do you have that are related to a circular economy?

4. Circular economy collaboration

Do you collaborate with other stakeholders in relation to the circular economy? Who do you collaborate with?

Tell about this collaboration?

What are the aims of this collaboration? Why do you collaborate?

What makes collaboration good or successful? What makes collaboration difficult?

Tell us about an experience of a good or successful collaboration. What did you do and achieve? What made the collaboration successful? What did you appreciate in this experience? Do you have any examples of a difficult collaboration, and what made it difficult?

5. What kind of collaborations are needed in the future to promote a circular economy in Finland?

Appendix 2

Second-order themes	First-order reduced expressions	Illustrative quotes
Individual-level practices		
Ability to collaborate	Perceiving ambition or knowledge differences	That is why it's absolutely crucial how the team, the core team, is collected. It cannot include people to whom somebody said: 'It's your task to do it.' The team has to consist of people who want to do it. ... People who will want find a way forward even if things get difficult. (DE3)
	Lacking knowledge	[Describing a successful collaboration.] Another point is that the ways of working match; we get the information from the client when we need it, and the client understand how we work. And the client wants to be sure that we have the technical capabilities and knowledge. (CO9)
	Lacking personal contacts	It's a fact that organisations do not have relationships, they either have the people who can and know people or they do not. (RE4)
Self- vs. other-oriented practices	Avoiding commitment	In development projects, it's important to move beyond the piloting phase. The new way of doing needs to be taken as a routine practice. Then it starts to go forward; and will not be cancelled anymore. As long as we only talk about piloting, it gives a kind of backdoor to anyone who does not want to move forward, allowing them to hide behind some problem. (FE3)
	Envying others' ideas, experiencing lack of respect	Relationships include all sorts of things, based on which you can tell that the other does not appreciate your way of doing things. Then you know that you should not be there to present it, but somebody else should do it. (RE4)
	Focusing on own benefit or prioritising own interests	For [the collaboration] to work, it must be somehow reciprocal. If all activity comes only from one side, then it's difficult to make it work. Equality and reciprocity are important. (DE4)

Second-order themes	First-order reduced expressions	Illustrative quotes
Organisational-level practices		
Roles and responsibilities	Unclear organisational roles and responsibilities	When organisations' borders are crossed in a collaboration, it's necessary to understand their roles. So that there will not be a case when somebody thinks, 'Now they are walking over us.' Only when there is a preliminary understanding of each organisation's roles is it possible to start the discussion. (RE4)
	Failing to deliver what was promised	The collaboration is much more efficient if you have something to give. If it remains at the level of talk, it [the collaboration] will dilute over time. (CI3)
Processes and activities	Protecting one's own territory	Changing the way society functions is difficult, as something needs to be given up. Some ways of doing need to be left behind, but it's easier to carry on as always than to challenge oneself and go towards the unknown. (DE6)
	Incompatibility of organisational norms and ways of operating	Examples of challenging relationships are those with educational institutions; they are difficult once in a while, as the collaborations are so multilevel and complex. The principals and the management can stand behind a project, but then there may be a middle layer that operates differently and pushes their own agenda. (CI2)
Communication practices	Lacking knowledge of other organisation's motives and expectations	And I feel that all parties of the collaboration were a little suspicious of what the other party's aims and doings are. That why should we fund such a project? (DE7)
	Experiencing communication as unclear and indirect	Well, a few partners immediately come to mind, as with them we have challenges, and the challenges relate to the fact that they do not really tell what they think. They somehow bring up that they aren't content and things do not go forward as they would hope, but they do not say what's wrong. They just communicate in between the lines, and that's the most challenging. (DE4)
	Misunderstandings	There were a lot of misunderstandings and wrong assumptions or expectations related to this project. And we wanted to correct with discussion about what is our role and what we do and fund. But they really did not understand, they assumed more from our collaboration. (DE6)
Timescale of practices	Experiencing incompatibility of timescales	One potential challenge particularly with research and education institutes is that our timescales are different, we talk about hours and they talk about years or at least months. This is a completely solvable issue, but sometimes it's so that a client cannot wait for this for two years, they need it in two months. (CO2)
	Being in different phases of the circular economy transition	And that the companies aren't that far with this [circular economy] thinking. Even the use of basic terminology is challenging, for instance understanding what's renewable and what's recycled and so on. (CO4)

Second-order themes	First-order reduced expressions	Illustrative quotes
Societal-level practices		
Legislation practices	Slow legislation or permit processes hindering collaboration	We're all struggling with the slowness of the progress and supportive measures. There were a lot of [circular economy] projects, but the progress, particularly of legislation, has been really slow. (FE3)
	Relying on old techniques in legislation	The way of thinking would really need to change much more. One issue that's particularly close to my heart is that we should dare to make more substantial changes. I've described how, in a certain sense, what hinders progress is that we have environmental permits and environmental legislation that are well intentioned, but the expertise is based on old technologies, and it's always easier to grant permits for established solutions. Permitting new solutions is extremely difficult, and for that reason we are facing a truly serious problem here. (RE6)
	Relying on individual decision-making in permit processes	The problem is that now that the permits are an individual authority's responsibility. We should be able to be bolder and braver with permits. We should establish a permit organisation with a deciding collegium; the permits should not be on one individual authority's responsibility. (CO8)
Political agenda-setting	Political profiling, determining focus areas based on lobbying	The biggest challenges are just that, that we need to combine politics and pragmatism, and the one who is best at lobbying always wins. (RE3)
	Party politics influencing decisions	I just talked with someone from a city organisation, and they told me that now the tensions are coming up again. People are starting to oppose environmental objectives, as they want to sharpen their profiles just before elections. (FE6)
Individual-level mindsets		
Readiness to change	Being stuck in one's own conventions	I think that anybody who does not know enough, or if the plan sounds too odd for them, or it sounds like it requires too much work, it's so much easier to say 'No, this shakes existing practices too much.' Those are challenging situations. (CO12)
	Resisting new things	You can go talk to infrastructure managers of different cities and you'll soon notice that they are the ones who have the brakes on. (FE3)
	Having difficulties acknowledging the benefits of the circular economy transition	Quite fast, we come to questions related to innovation policy or energy policy or public procurement with which we can create new markets or incentives. And it's difficult. Those kinds of things are impossible to conduct in ways that everybody would benefit from. Somebody will always lose. (CO11)
	Having difficulty engaging laggards	Everybody has this joint vision, we all want to promote the circular economy. But the problem is that when we make systemic changes, there are always losers, as well. There are those who cannot continue their business as such, although they can also renew it and become pioneers, if they want. But, if they only try to prevent all development, try to prevent it from happening or at least do not engage in it, those kinds of people are difficult to work with. (DE4)
Approach to uncertainty	Being stuck in old-fashioned thinking	I do not want to be an ageist, but I hope that when older people leave the positions, I think that collaborations will become smoother. (FE2)
	Avoiding difficult situations; having difficulty accepting uncertainty	I think it depends on your attitude. Usually when you do R&D, you cannot know the end result beforehand, and you just have to deal with it. And usually, people understand that. (DE1)

Second-order themes	First-order reduced expressions	Illustrative quotes
Organisational-level mindsets		
Interpretations of the issue	Having various understandings of the circular economy	Different understandings are very much at the core of this collaboration. In the working group, we have representatives of the Ministry of the Environment and the Ministry of Economic Affairs and Employment, and they have different interests and understandings, to begin with. (MI4)
	Having misleading or abstract circular economy objectives	Particularly when this discussion about circular economy started, it was very broad. And it still is, maybe it's a Finnish thing, not that much at the EU level. They [circular economy proponents] talk about a new economic system. (MI4)
Interests	Ambition differences for the circular economy transition	Politics bring its own flavours in it. Our objective was to renew the legislation and promote the circular economy through that. But then, there are these private interests of some small regions, they aren't the same as the interest of big metropolitan areas when we are promoting a systemic change. (RE3)
	Considering circular economy targets too abstract	Now that the circular economy programme was published and I was assessing it and [lists other people] were assessing it, and we concluded that it's a little bit nonsense. The steps to be taken are quite high level and not that concrete. That's one worry, that if the programme is too abstract, we cannot move the process forward. (DE1)
Societal-level mindsets		
Awareness of the issue	Focusing on trivial matters	Nobody is interested in whether the circular economy is progressing or not, they only fight who gets to organise waste transportation, which is completely a trivial matter. In the circular economy discussions, they really do not talk about things that would move it forward. (DE2)
	Lacking a holistic understanding	It's difficult, but we need an understanding that we cannot continue as we have so far. We have to understand different perspectives and possibilities to find new solutions so that we can develop both the economy and environmental issues. These things are so complex that we need diverse collaborations to understand the whole and to find solutions. (DE6)
	Circular economy attitudes lagging behind	Once in a while, there are ideas for collaboration that I've started to work on. But soon you notice that the time is not right, it gets stuck and stuck and stuck. And then, one moment, it goes forward. It's about the right time, maybe the collaboration or the partner is not ready yet. (DE6)
	Making investment decisions without knowing the future	For example, concerning technologies, we live in a time of transformation. Let us take hydrogen, for example. Everybody talks about it, there is big hype around it. – But we do not know what the winning technology will be, so we live in insecurity. (CO11)
	Tolerating the unforeseeable in collaboration	Many of the solutions [related to CE] consist of unknown technologies and new twists and a lot of uncertainty; they are not known processes, such as pulp mill processes, but full of uncertainty, and that also influences collaborative relationships. (CO9)
	Experiencing circular economy discussions as too polarised	About collaboration, I think that the current discussion about circular economy is too polarised. Collaboration would reduce that polarisation and the current black-and-white thinking. (MI1)