

Nonmarket strategy research: systematic literature review and future directions

Thomas Wrona¹ · Corinna Sinzig²

Published online: 1 August 2017
© Springer-Verlag GmbH Germany 2017

Abstract In current management research, a variety of different activities are summarized under the generic term “nonmarket strategy”. Simultaneously, “sub-categories” of nonmarket strategies such as political or social strategies are treated as isolated activities, making it difficult to realize cross-concept relations or commonalities. This article bundles, maps and critically evaluates the rising number of publications in the field of nonmarket strategy research. Based on an integrative framework, we work up insights that have been developed since Baron’s (Manag Rev 37:47–65, 1995) seminal publication. Doing so, our analysis extends previous studies by including internal and external antecedents that influence the development of nonmarket strategies, by analyzing the impact of nonmarket strategies on firm performance and the possibility of strategy integration, on a national as well as multinational level. Key empirical and conceptual papers are reviewed and major findings, relationships, patterns and contradictions are revealed. By consolidating and synthesizing dispersed knowledge, we identify implications for nonmarket strategy elaboration as well as several directions for future research.

Keywords Nonmarket strategy · Political strategy · Social strategy · Integrated strategy · Multinational corporations · Systematic literature review

JEL Classification M160

✉ Thomas Wrona
Thomas.Wrona@tuhh.de
Corinna Sinzig
Corinna.Sinzig@tuhh.de

¹ Institute for Strategic and International Management, Hamburg University of Technology, Am Schwarzenberg-Campus 4, 21073 Hamburg, Germany

² Assistant Strategische Grundsätze, DB Netze, Europaplatz 1, 10557 Berlin, Germany

1 Introduction

What determines the choice and the design of corporate activities to strategically shape the social, political and legal environment? A large body of literature addresses the question of how organizations attempt to influence their ‘nonmarket environment’. Governmental regulations, legal restrictions, boycotts by activist groups or nongovernmental organizations have a significant impact on the corporate competitive environment (Baron 2013; McDonnell 2016). In the past, companies perceived their nonmarket environment as more or less exogenous. Nowadays however, many corporations extend their scope of strategic thinking by including activities to take an influence on decisions of political, legal or social actors (Funk and Hirschman 2017; Guo et al. 2014; Werner 2015). Ever since Baron’s (1995) publication, activities to strategically shape the nonmarket environment in order to achieve corporate objectives are referred to as nonmarket strategies (Baron 1995; He et al. 2007; Kobrin 2015; Mellahi et al. 2015). ‘Strategically’ here means that nonmarket activities are suitable to create future success potential (Johnson et al. 2003) or a competitive advantage (Husted et al. 2012). Nonmarket strategies frequently show a certain consistency in behavior, which distinguish them from purely operative ‘stand-alone’ nonmarket activities (Mintzberg 1979).

Nonmarket strategies are classified into social and political sub-strategies. Despite their common core objective to influence the nonmarket environment, empirical studies rather look at either social or political strategies implying a content-related distance or even diversity. As a result of the empirical fragmentation, most contributions to the nonmarket strategy research field are isolated and stand-alone articles restricting comparative analyses (De Figueiredo 2009; Hillman et al. 2004; Lawton et al. 2013). Even though empirically different measures for political and social strategies are applied, it can be assumed that antecedents of those strategies will not be completely different. Looking at multinational corporations for example shows that they often design a series of parallel (social and political) activities to shape their environment, which might not be triggered by completely different factors. A first attempt to integrate political and social antecedents was made by Mellahi et al. (2015), who, however, point particularly to performance implications of nonmarket strategies. Thus, a comprehensive review that considers both social and political nonmarket strategies and consolidates findings across research areas is still missing.

With this article, we make two specific theoretical contributions. First, we provide a synthesis of current research findings by conducting a systematic literature review. In contrast to studies and reviews which address the topic in a partial and isolated way, only examining (facets of) nonmarket sub-strategies, the present review aims at a holistic perspective that integrates previously unconnected research streams. Our analysis extends previous studies, such as Mellahi et al. (2015) or Lawton et al. (2013) by including two different aspects: (1) we are going to analyze internal and external antecedents that refer to nonmarket sub-strategies and their impact on firm performance, and (2) we will explicitly consider the modes of

nonmarket strategy coordination with market strategies into an integrated strategy. This approach contributes to nonmarket strategy research by consolidating knowledge from different research fields and creates connections between them. The importance of such connections for progress within a discipline is generally regarded as high (Suppe 1979). Particularly in young or heterogeneous research fields the landscape can be characterized by playing different ‘language games’ in the sense of Wittgenstein’s (2010) philosophy of language. Research streams as language games can be considered as communications that are fundamentally bound up with their research context in which they are embedded (Seidl 2007). As a direct transfer of knowledge between these contexts is regarded as difficult, integrative reviews unfold their scientific significance because they are able to reveal connections (Chomsky 1988).

Second, previous nonmarket strategy research receives only little methodological benefit from market strategy research. In the majority of cases the terms *nonmarket strategy* and *nonmarket activity* are used synonymously. In strategy research, however, only activities that meet certain requirements are referred to as ‘strategic’ (Johnson et al. 2003; Mintzberg 1979; Porter 1996). Therefore, we are going to analyze how the term ‘nonmarket strategy’ is defined and which viewpoint of strategy is applied in current nonmarket research. By focusing on strategy content and process research, we propose to open up future research by embedding nonmarket strategy research more strongly into ‘traditional’ strategy research, at the end of this paper. To reach the outlined objectives we conduct a systematic literature review based on a conceptual framework that sheds light on nonmarket research from a strategic perspective.

2 Framework

Our literature search and review process is guided by an analytical framework (Ginsberg and Venkatraman 1985; Goranova and Ryan 2014; Rajagopalan et al. 1993) that builds on two central arguments. Firstly, the framework turns towards a content-based perspective. Strategy content research focuses on the causes and consequences as well as on characteristics of a content-related strategic object, such as nonmarket strategies (Chakravarthy and Doz 1992; Fahey and Christensen 1986; Pettigrew 1992; Huff and Reger 1987). Therefore, in our framework, nonmarket strategies are considered to be directly influenced by the (internal or external) corporate context. Secondly, the implementation of nonmarket strategies leads to certain corporate outcomes (performance) that are in turn assumed to be both directly and indirectly moderated by internal and external factors.

Based on these arguments, we propose a content-based framework that incorporates ideas from contingency and configurational approaches (Short et al. 2008; Zeithaml et al. 1988; Miller 1986) as well as from a fundamental action-oriented perspective (Parsons and Shils 2001). The conceptual framework consists of the following components (see Fig. 1): To explain the choice of nonmarket strategies, recently discussed and highlighted internal and external antecedents will be summarized (research stream 1–3, research stream 2–3). Diverse antecedents are identified as

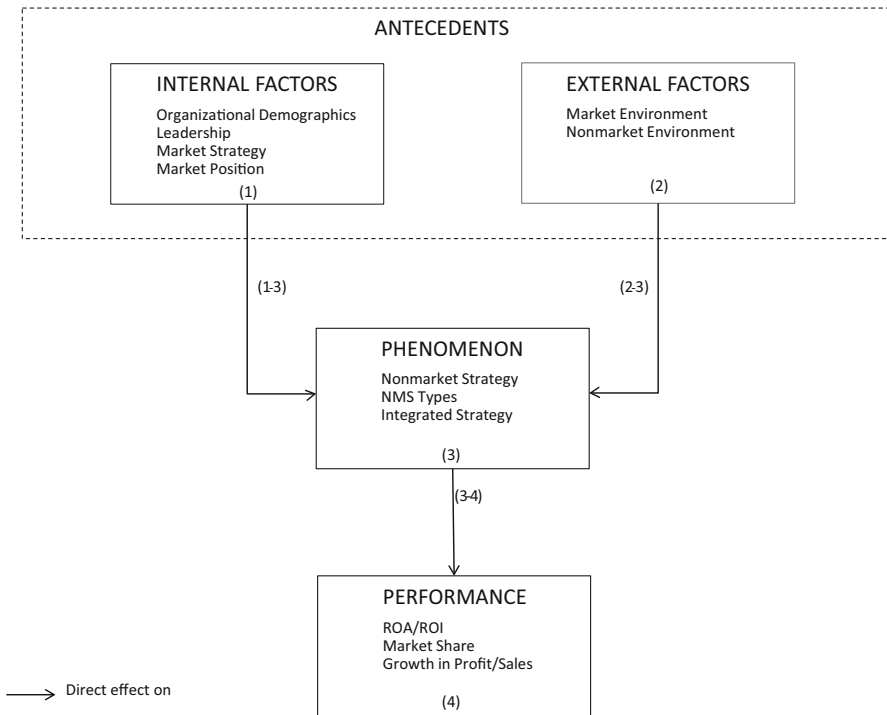


Fig. 1 Conceptual framework for nonmarket strategy research

having a direct impact on strategy as well as an indirect impact on firm performance (research stream 3–1–4 and 3–2–4). In which way firm performance is (or is not) directly influenced by nonmarket strategic behavior is part of a third research stream (research stream 3–4). Finally, recent publications on the integration of market and nonmarket strategy, as suggested by Baron (1995), are considered to gain a thorough understanding of the research field (research stream 3).

Overall, we promote an *ex-ante* (deductive) framework to improve the comprehensiveness of the review, since it provides a generic meta-structure and thus allows a systematic identification of existing research gaps (Ginsberg and Venkatraman 1985). In addition to integrating antecedent and consequence variables associated with content-oriented strategy research, the framework helps to serve as a convenient analytical scheme to categorize and review past conceptual and empirical publications on nonmarket strategy research. Furthermore, the model can assist to guide future studies in the research field.

3 Methods

We conduct a systematic literature review (Cooper 1998; Peticrew and Roberts 2009) to map and assess the body of knowledge on nonmarket strategies and to point out prevailing research gaps (Chalmers et al. 1993). A review can be seen as a

systematic, transparent and replicable approach to create a reliable knowledge base that goes beyond the analysis of individual studies (Davies 2004; Petticrew 2003). The selection of databases and journals, which form the basis of the literature search, as well as the definition of inclusion and exclusion criteria will be outlined subsequently (Fink 2005).

The review includes articles meeting the following three criteria: it must be (1) an anglophone article, (2) published in a high-level academic journal, (3) published in the period from 1995 to 2016. David P. Baron's article: "*Integrated Strategy: Market and Nonmarket Components*", published in 1995 in *California Management Review*, builds the foundation for the literature review. This article marks the beginning of nonmarket strategy research within the discipline of strategic management and limits the literature search to 1995 and later. To guarantee a high publication standard, the VHB-JOURQUAL ranking (version 2.1) serves as a validation base, whereof all A, B and C ranked journals are included in the search. Hence, books, dissertations, practical reports or other articles published in journals that have a lower ranking or are not ranked and articles that were not written in English as well as articles that were published before 1995, are excluded from this review.

The search for literature was conducted in two ways. First, all articles which cite Baron's article were collected and second a keyword search ("*Nonmarket strategy*", "*Social strategy*" and "*Political strategy*") was conducted to complement the literature search (for both searches the three filter criteria: language, time period, journal ranking were applied). The specific inclusion of the keywords political and social strategy underlines the holistic approach, as already outlined in previous parts of this paper. Moreover, the keyword search is explicitly addressing the term "*strategy*", to assure a connection of the reviewed publications to strategy. This is of particular importance, since many publications are addressing single activities, such as network building or lobbying the government on operative grounds. Accordingly, only those papers are included that are explicitly addressing a strategic perspective.¹ To run the search, the following online databases were selected: EBSCO Business Source Premier, Science Direct, JSTOR and WISO. After separating articles with a content misfit, 191 articles remain for analysis. Since nonmarket strategy research is considered a relatively young research field, we include empirical as well as conceptual studies for our analysis. Conceptual papers published in high ranked journals can provide valuable insights on the phenomenon and can help to form and develop assumptions for subsequent empirical studies. However, presented key findings are mainly based on empirical results. Whenever considerations or propositions based on conceptual papers are included in the review, they are carefully highlighted and distinguished.

¹ Below we are going to speak only of 'activities' for the sake of simplicity.

4 Review

4.1 Structure, streams, and summary of the review

Based on the developed conceptual framework, four nonmarket research streams were identified and articles were collected accordingly. *Streams 1–3* and *2–3* examine internal and external antecedents of nonmarket strategies that are discussed within academic literature. *Stream 3–4* summarizes findings on performance implications of nonmarket strategies. Whereas these streams are based on a solid number of empirical findings, research *stream 3* (referring to strategy integration and how market and nonmarket strategies can be incorporated into a so-called integrated strategy (Baron 1995, 1997b) can be seen as an emerging one, based on a scarce amount of empirical as well as conceptual studies. Key findings, underlying research methods and sample size of the considered articles are summarized in Table 1. In the following we are going to alternately consider important findings that derive from both research streams. Additionally, in line with our objective to synthesize findings from political as well as social strategy research, we logically generalize i.e. antecedents and consider them as relating to nonmarket strategies, if they are discussed analogously in both research streams.

4.2 Stream 1–3: internal factors

From a corporate perspective, several factors can be identified as having an influence on the nonmarket strategy choice. As predominantly discussed within current academic literature, corporate demographics, management orientation and market strategy can be outlined as superordinate categories. These categories and their corresponding internal factors will be discussed subsequently.

4.2.1 Corporate demographics

Corporate demographics and key figures, such as firm size and age, market share or resource dependencies can have an impact on the choice of nonmarket strategies. Within the reviewed literature, it is frequently argued that larger firms have more financial resources to spend on political and social strategies (Lux et al. 2011; Hillman et al. 2004). Accordingly, it is assumed that large firms tend to be more engaged on a social, legal and political level, than small firms, due to budget restrictions (De la Cruz Déniz-Déniz and Garcia-Falcón 2002; Schuler 1996). In addition to the argument that firm size has an impact on financial resources, it is further argued that large firms do possess an above average amount of stakeholders and might therefore be more visible and hence need to be more committed on a nonmarket level in comparison to small and medium sized firms (Hillman and Wan 2005). Furthermore, it is argued that the largest firms in terms of market share face the highest exit costs in their industry. Therefore, nonmarket strategies become more valuable for these firms, which are suitable to stabilize prices or margins (Schuler 1996). Firm size as an antecedent for nonmarket behavior can be identified

Table 1 Method, sample and key findings of used literature

Study	Sample	Method	Research objective	Key findings
Research stream 1–3: internal factors				
Blumentritt (2003)	Primary data were gathered from 91 foreign subsidiaries of 22 US-based chemicals and pharmaceuticals companies located in 37 different countries	Quantitative (regression analysis on mean-centered data to test hypotheses)	<ul style="list-style-type: none"> To examine organizational and environmental factors that might influence subsidiary government affairs activities Hypotheses founded on resource dependence theory 	<ul style="list-style-type: none"> Top management orientation has a highly significant and positive relationship with resources dedicated to subsidiary government affairs activities Bargaining power resources (size, market access, technology) only have little relevance for government affairs activities Conclusion: power may not be very important or managerial orientation may be more important than power resources Government affairs strategies can be used in conjunction with both buffering and bridging strategies
De la Cruz Déniz-García-Falcón (2002)	96 general managers of subsidiaries in the automobile and chemical industry	Quantitative (factor analysis to develop social response scale; Variance analysis to test hypotheses)	<ul style="list-style-type: none"> To establish what actions the subsidiaries will take in order to offer a response to the needs of their stakeholders in the host countries To identify the factors explaining the different levels of social response of the subsidiaries established in a particular country by different parent companies 	<ul style="list-style-type: none"> Internal variables that favor the social effort of subsidiaries: large size of international company and its subsidiaries, a proactive attitude toward social policy management, a presence in many countries, wish for continued growth in the international markets Subsidiaries with managers from home country dedicate less effort in social response policies

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Hillman (2003)	169 US MNC subsidiaries (respondents: top subsidiary manager or senior public affairs/government relations officer in each country) operating in 14 European countries	Quantitative (factor analysis to explore generic political strategies, Regression analysis to test hypotheses)	<ul style="list-style-type: none"> To explore the role of institutional- versus firm-level variable determinants of political decisions To determine the relative effects of firm versus industry variables within differing political contexts 	<ul style="list-style-type: none"> Market share is not a key determinant of social response Companies that internationalize to have access to low-cost resources significantly reduce environmental analyses and commitments to stakeholders—same applies for companies sending managers to host countries Institutional and firm level variables determine corporate political strategies Corporatism/pluralism nation variables are significantly associated with choices of political strategies Study affirms that firm-level variables positively affect political strategy formulation Industry, international diversification, experience, ROA and number of employees were treated as independent variables
Hillman and Hitt (1999)		Conceptual	<ul style="list-style-type: none"> To identify the change in firm value as a result of a linkage between a firm and the government To find out firm-specific benefits from firm political action To determine tactics firms may use to reduce uncertainty and increase their ability to influence the political process 	<ul style="list-style-type: none"> Three types of political strategies: information strategy, financial incentive strategy, constituency building strategy Identification of factors influencing political strategies of firms Development of a decision tree

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Hillman and Wan (2005)	169 responses from subsidiaries of US MNEs operating in 14 countries of the EU	Quantitative (factor analysis to explore generic political strategies, Regression analysis to test hypotheses analysis)	<ul style="list-style-type: none"> To validate Hillman and Hitt's (1999) political strategy taxonomy of three generic strategies To create and utilize a multilevel model to ascertain the effect of factors at different levels of analysis (subsidiary, host country, and parent) on the use of political strategies To test a holistic model of political strategy formulation 	<ul style="list-style-type: none"> Institutional duality of MNE subsidiaries influences its political strategy (need to simultaneously conform to external and internal legitimacy forces) Approved factors: subsidiary size and parents degree of international diversification
Husted et al. (2012)	110 responses of chief executive officers from large Spanish firms (63 firms in the service sector and 47 in the manufacturing sector)	Quantitative (path analysis, PLS, to explore relationship between social planning/social positioning and value creation)	<ul style="list-style-type: none"> To investigate the conditions under which intentional profit seeking through CSA projects can create economic value To identify how CPA creates economic value through social planning and social positioning 	<ul style="list-style-type: none"> Continuous innovation and munificence positively influences corporate social positioning, whereas NGO salience or CSR orientation positively influences social planning Social positioning and social planning contribute to the firm's ability to create value
Jia (2016)		Conceptual	<ul style="list-style-type: none"> To examine how a firm's market-oriented capabilities foster its effectiveness in pursuing CPA To explore the sustainability of any advantage that firms may gain from their political activities 	<ul style="list-style-type: none"> Firms propensity to engage in political participation in China is positively related to asset turnover ratios, although less so in provinces with higher institutional development

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Johnson et al. (2012)	Two waves of single-respondent data were collected from the same US multinational corporations in 1993 and 2003; 75 (1993)/74 (2003) companies responded	Quantitative (PLS model to test hypotheses)	<ul style="list-style-type: none"> To investigate the changing relationships among corporate international expansion, public affairs strategies, and public affairs performance over a 10-year period 	<ul style="list-style-type: none"> Breadth of international engagements (# of involved countries) is positively associated with buffering and bridging Increased internationalization had a declining effect on buffering and bridging from 1993 to 2003 Increased percentage of foreign employees for the MNC contributed to increased buffering and bridging Greater percentages of foreign assets and foreign sales lead to reduced levels of buffering and bridging activities Political and social buffering and bridging strategies are positively related to performance
Lamberg et al. (2004)		Conceptual	<ul style="list-style-type: none"> To develop a process model to explain the long-term consequences of CPA vis-à-vis wider societal changes and to promote longitudinal research strategies To analyze the evolution of the Finnish paper and pulp industry to illustrate the applicability of the framework 	<ul style="list-style-type: none"> Development of a process theory which aims to shed light on the functioning of the system as it is related to CPA CPA as a system in which corporate actions are influenced by factors out of an organizational, institutional or industry level analysis Earlier experience and past behavior are argued to be a driver for political activities

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Lenox and Eesley (2009)	Dataset of 552 environmental activist campaigns against 273 firms in the United States from 1988 to 2003	Quantitative (probit regression analysis to test hypotheses)	<ul style="list-style-type: none"> What increases the likelihood that a firm will be targeted by a campaign? 	<ul style="list-style-type: none"> Probability of firm compliance with a request is significantly decreasing with firm emissions <p>Harm threatened by activists is increasing as firm emissions and firm assets increase and as firm cash flow decreases</p> <ul style="list-style-type: none"> Likelihood of a firm being targeted by an activist is decreasing with firm cash and increasing with firm assets and firm emissions
Lux et al. (2011)	Meta-analysis: 78 studies about CPA with a sample size of 72,265 which were published from 1976 to 2010	Quantitative (meta-analysis)	<ul style="list-style-type: none"> To identify what factors and to what extent these factors influence firm to engage in CPA To determine if CPA affect firm performance and to what extent 	<ul style="list-style-type: none"> Activists adopt more aggressive campaigns the larger and more polluting a firm and the smaller the firm's capital reserves Firm level factors (firm size and competitive strategy) are positively related to CPA
Mathur et al. (2013)	5452 firm-year observations in the period of 1998 to 2003 listed on the Stern Stewart, IRRG, CRP, and COMPUSTAT databases	Quantitative (logistic regression analysis to test hypotheses)	<ul style="list-style-type: none"> To find out whether corporate governance, in terms of managerial entrenchment, determines the choice and degree of lobbying engagement To analyze what impact corporate governance has on the firm value 	<ul style="list-style-type: none"> Companies with a high management entrenchment are more likely to engage in lobbying activities Lobbying can serve as an instrument to align interests of management and shareholders Lobbying activities can help to promote corporate value creation

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Meznar and Nigh (1995)	81 members of public affairs units of large international firms	Quantitative (path analysis, PLS, to explore conditions under which firms apply buffer or bridge strategy)	<ul style="list-style-type: none"> To identify different types of public affairs activities corporations use in dealing with social and political stakeholders To develop and test hypotheses about the organizational and environmental characteristics that promote particular types of public affairs activities 	<ul style="list-style-type: none"> Development of the concept of buffer and bridge strategies Conditions under which firms apply buffer or bridge strategies are significantly different Resource importance and firm size are significantly related to buffering More powerful firms engage more in buffering than less powerful firms Top management's philosophy is the most important determinant of bridging The involvement of the senior executive in a specific political activity has an effect on the company's commitment to that specific political activity Top management teams have a significant impact in terms of shaping corporate response to the political environment
Ozer (2010)	151 US manufacturing firms (SIC codes between 2000 and 3990) during 1999–2002 listed on the Center for Responsive Politics and the COMPUSTAT databases	Quantitative (tobit regression analysis to test hypotheses)	<ul style="list-style-type: none"> To explore how senior executives affect firms' propensity to engage in political activity 	<ul style="list-style-type: none"> Top management teams have a significant impact in terms of shaping corporate response to the political environment

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Puck et al. (2013)	Data from 173 MNE subsidiaries operating in six emerging economies	Quantitative (hierarchical multiple regression analysis to test hypotheses)	<ul style="list-style-type: none"> To examine the role of foreign firms' visibility in shaping the effect of political strategies to reduce their exposure to environmental risk (as performance variable) 	<ul style="list-style-type: none"> Visibility affects not only the strength, but also the direction of the association between political strategies and foreign firms' exposure to risk Political strategies contribute very little to the explained variance of the risk exposure (performance)
Rehbein and Schuler (1999)	1100 US-based, publicly traded manufacturing firms (SIC codes from 2000 to 3999), listed on the Standard and Poor's COMPUSTAT tapes	Quantitative (path analysis, LISREL)	<ul style="list-style-type: none"> To test an integrative model of CPA, the filter model, based on the behavioral theory of the firm 	<ul style="list-style-type: none"> Whether firms sell their products to local businesses or end consumers moderates the efficiency of political strategies Intensive use of reputation-building strategy can be detrimental for MNCs' subsidiaries in emerging economies if these are highly visible Internal characteristics of a company build a key factor in determining its political strategy (structures, procedures, location, resources and history) Results affirm the introduced firm filter model: this model shows that external economic, political, and industry environments are strongly mediated by companies internal resources and structures to influence political activities

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Schuler (1996)	Annual data (interviews with steel executives in the governmental and public affairs areas, unfair trade petition filings, congressional hearings/testimony, financial and market share data, reports from the American Iron and Steel Institute and the US Department of Commerce Bureau of Economic Analysis) of 17 integrated US carbon steel firms over the period 1976–1989	Quantitative (multiple regression analysis to test hypotheses)	<ul style="list-style-type: none"> To develop and test a model examining the magnitude, scope, and timing of US steel firms' use of political strategies to address US trade policy 	<ul style="list-style-type: none"> The industries largest firms are more engaged in political strategies and dominate the politics surrounding trade protection with the intention to gain expected benefits from trade protection Results also suggest that political strategies can have two components: constant effects and temporal effects
Schuler et al. (2002a)	1284 United States-based, publicly traded manufacturing firms with SIC codes in the range 2000 to 3999	Quantitative (logistic regression analysis, ALR, to test hypotheses)	<ul style="list-style-type: none"> To conceptualize why firms may want to combine political tactics: making political contributions, using staff lobbyists, and hiring outside lobbyists To test the factors that drive a firm to engage in these political activities in combination 	<ul style="list-style-type: none"> Firm size and industry concentration are identified as internal factors that drive firms to develop multiple political tactics
Schuler et al. (2002b)	48 publicly traded firms that participated on 59 trade mission trips between 1993 and 1996 (final sample) and 59 trade mission participations by 47 publicly traded firms (matched sample)	Quantitative (variance analysis to explore differences between mission and matched firms; Factor analysis to create factors; Logistic regression analysis to determine effects on trade mission participation)	<ul style="list-style-type: none"> To shed light on the popular debate over the mission selection process by analyzing factors resulting in firm selection for mission participation To test the relationship between CPA and invitations to participate on a mission To analyze whether firm's internal situation and decisions influenced participation on a trade mission 	<ul style="list-style-type: none"> Firms with existing competencies of foreign trade, that make large donations of soft money to politicians are more likely to participate on a trade mission (tested via the Clinton trade mission program) These are politically active firms that own resources and experience to implement new political strategies

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Shirodkar and Mohr (2015a)	105 responses by top managers working at MNE subsidiaries in India	Quantitative (factor analysis to measure political strategies; Linear regression analysis to test hypotheses)	<ul style="list-style-type: none"> To analyze how dependence on tangible vs intangible resources affects foreign firms' choice of political strategies in emerging economies 	<ul style="list-style-type: none"> In emerging economies: Foreign firms' dependence on local tangible resources reduces their likelihood of adopting information-based political strategies; while dependence on local intangible resources increases that likelihood Dependence on local intangible resources reduces their likelihood of adopting a financial-incentive political strategy; however, the reverse case is not supported by the data Firms that are dependent on both types of local resources tend to adopt the constituency building strategy Policy preferences and political identity of managers are drivers for political strategies
Wiltis (2006)		Conceptual	<ul style="list-style-type: none"> To conceptualize firm-internal institutionalization processes in relation to the formation of actors' identities and preferences To explore the relation between corporate identities and preferences as well as the identities and preferences of individual executives within the firm 	

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Research stream 2-3: external factors				
Akbar and Kisiłowski (2015)	Interviews of around 20 MBA alumni of the Central European University Business School, plus another 44 professionals working in Eastern Europe and Central Asia (EECA)	Qualitative (semi-structured interviews, Case study research/ Grounded theory to build theory)	<ul style="list-style-type: none"> To develop a deeper focus on managerial agency in a nonmarket strategic process To disentangle two distinct features of NMS in transitional markets: the firm's strategic posture vis-à-vis the external nonmarket environment and the level of nonmarket risk associated with a particular strategy To analyze contemporary NMS employed in both the core and the peripheral areas of EECA 	<ul style="list-style-type: none"> Firms strategies in post-Soviet economies in the EECA area correspond to the institutional development of the economy and differ between domestic and foreign firms With low institutional development, foreign firms employ relatively passive strategies to avoid nonmarket risks, while local firms use more proactive and riskier strategies; this is reversed when institutional development increases Local managers are better suited for proactive non-market strategies, as they are less inclined to leave and better placed to build relations with non-market actors
Beddewela and Fairbrass (2016)	Interviews of 29 corporate managers involved in CSR decisions in ten MNE subsidiaries in Sri Lanka, as well as senior staff from eight key institutional actors	Qualitative (in-depth interviews, Case study research/cross-case analysis)	<ul style="list-style-type: none"> To explore interactions between external institutional pressures and firm-level CSR activities, which take the form of community initiative To examine how MNEs develop their legitimacy-seeking policies and practices To reveal the extent to which, and the reasons why, MNEs engage in complex legitimacy-seeking relationships with Sri Lankan host institutions 	<ul style="list-style-type: none"> CSR strategies are instrumental to building and maintaining a relationship with state and institutional stakeholders and supporting social legitimacy CSR are shaped by normative pressures proactively exerted by those stakeholders, showing that even small developing countries can effectively influence MNEs behavior Cultural and religious pressures are of relatively minor importance, it is more important that CSR responds to political influences

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Blumentritt (2003)	Primary data were gathered from 91 foreign subsidiaries of 22 US-based chemicals and pharmaceuticals companies located in 37 different countries	Quantitative (regression analysis on mean-centered data to test hypotheses)	<ul style="list-style-type: none"> To examine organizational and environmental factors that might influence subsidiary government affairs activities hypotheses founded on resource dependence theory 	<ul style="list-style-type: none"> Only weak effects between host country environments and subsidiary government affairs activities Government affairs strategies can be used in conjunction with both buffering and bridging strategies
Breitinger and Bonardi (2016)	Global dataset of 1419 CSR related criticisms in 2006–2009 against 451 MNEs with at least \$10bn in revenue and a large market share	Quantitative (probit regression analysis to test hypotheses)	<ul style="list-style-type: none"> To analyze what activists drive when they criticize companies, why they target certain companies and not others, and whether this criticism should be considered as a primary step in the production of full-fledged campaigns To explore whether country-level factors contribute to explain why certain firms become private politics targets, and explanations for the intensity of the criticism these companies face. 	<ul style="list-style-type: none"> CSR criticism is strategic; Criticism is more likely against large and/or visible firms, against firms with transparent CSR policies, and against firms in “controversial” industries or operating close to the consumer CSR criticisms is initial step for campaign against a firm and should not be taken lightly by managers, as it could lead to a larger campaign Occurrence and intensity of criticism is country dependent, as activists prefer “extremes” of development (either very poor or very rich) and a favorable audience for their claims
Darendeli and Hill (2016)	Interviews with managers in eight Turkish construction MNEs in Libya before and after the fall of the Gadhafi regime	Qualitative (natural experiment)	<ul style="list-style-type: none"> To explore how market and non-market activity affect foreign firm legitimacy in times of political turmoil 	<ul style="list-style-type: none"> MNEs can reduce and overcome negative effects from close association with outgoing regimes by actively engaging social-sector actors and building non-governmental legitimacy; pursuit of social legitimacy is an effective hedge against political risk

Table 1 continued

Study	Sample	Method	Research objective	Key findings
De la Cruz Déniz- Déniz and García- Falcón (2002)	96 general managers of subsidiaries in the automobile and chemical industry	Quantitative (factor analysis to develop social response scale; Variance analysis to test hypotheses)	<ul style="list-style-type: none"> To establish what actions the subsidiaries will take in order to offer a response to the needs of their stakeholders in the host countries To identify the factors explaining the different levels of social response of the subsidiaries established in a particular country by different parent companies 	<ul style="list-style-type: none"> In addition to several internal variables, only one external variable favors social effort of the subsidiaries: involvement in many countries/environments
Doh et al. (2015)		Conceptual	<ul style="list-style-type: none"> To explore the conditions that have arisen to prompt MNEs to pursue CSR and sustainability initiatives in developing countries To discuss more micro societal cultural drivers that may also influence MNEs to exhibit unique forms of CSR that are distinct from their developed country counterparts 	<ul style="list-style-type: none"> CSR and sustainability have begun to penetrate emerging markets Institutional, societal and organizational characteristics influence how and to what extent CSR is exhibited in emerging markets Exemplified on Brazilian construction MNE Odebrecht SA
Heidenreich et al. (2015)	Shipwreck Ltd., Ghana	Qualitative (in-depth interviews, Secondary data, Single case study research)	<ul style="list-style-type: none"> To analyze how the use of political strategies and entrepreneurial overconfidence individually and jointly affect entrepreneurial decision-making when investing and operating in highly uncertain environments 	<ul style="list-style-type: none"> Great uncertainty in the venture was accepted by the investor due to overconfidence in skills and judgment, which, given prior research, should have discouraged investment Underestimated factor-market, political-regulatory, and socio-cultural uncertainties and cognitive biases eventually lead to failure of the venture and highlight the boundaries of international business theories based on the assumption of rational decision-makers

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Hillman (2003)	169 US MNC subsidiaries (respondents: top subsidiary manager or senior public affairs/government relations officer in each country) operating in 14 European countries	Quantitative (factor analysis to explore generic political strategies, Regression analysis to test hypotheses)	<ul style="list-style-type: none"> To explore the role of institutional- versus firm-level variable determinants of political decisions To determine the relative effects of firm versus industry variables within differing political contexts 	<ul style="list-style-type: none"> Institutional level variables determine corporate political strategies Industry, international diversification, experience, ROA and number of employees were treated as independent variables Study confirms that the institutional context matters: degree of corporatism/pluralism proved to be a significant predictor of political strategies
Hillman and Hitt (1999)		Conceptual	<ul style="list-style-type: none"> To identify the change in firm value as a result of a linkage between a firm and the government To find out firm-specific benefits from firm political action To determine tactics firms may use to reduce uncertainty and increase their ability to influence the political process 	<ul style="list-style-type: none"> Three types of political strategies: information strategy, financial incentive strategy, constituency building strategy Identification of factors influencing political strategies of firms Development of a decision tree

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Husted and Allen (2007)	96 responses of chief executive officers from non-Mexican, MNEs operating in Mexico in 2002	Quantitative (regression analysis to test hypotheses)	<ul style="list-style-type: none"> To examine the relationship of the MNE's market environment, stakeholders, resources, and values to the development of strategic social planning and strategic social positioning To examine the relationship of different ways of conducting social strategy to the creation of value by the firm 	<ul style="list-style-type: none"> The external market conditions of dynamism and munificence and resources for innovation are found to have a strong relation to strategic social positioning Social positioning is related to corporate value creation
Husted et al. (2012)	110 responses of chief executive officers from large Spanish firms (63 firms in the service sector and 47 in the manufacturing sector)	Quantitative (path analysis, PLS, to explore relationship between social planning/social positioning and value creation)	<ul style="list-style-type: none"> To investigate the conditions under which intentional profit seeking through CPA projects can create economic value To identify how CPA creates economic value through social planning and social positioning 	<ul style="list-style-type: none"> Continuous innovation and munificence positively influences corporate social positioning, whereas NGO salience or CSR orientation positively influences social planning Social positioning and social planning contribute to the firm's ability to create value
Kassinis and Vafeas (2006)	TRI data from 5033 US chemicals, primary metals, and utility plants	Quantitative (regression analysis to test hypotheses)	<ul style="list-style-type: none"> To examine the connection between the internal heterogeneity of stakeholder groups and the resource dependence dynamics characterizing their relationships with firms To test how this heterogeneity is related to environmental performance 	<ul style="list-style-type: none"> Significantly positive relationship external environmental performance and external community stakeholder pressure – more stakeholder pressure leads to an increase in corporate environmental activities

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Lamberg et al. (2004)		Conceptual	<ul style="list-style-type: none"> To develop a process model to explain the long-term consequences of CPA vis-à-vis wider societal changes and to promote longitudinal research strategies To analyze the evolution of the Finnish paper and pulp industry to illustrate the applicability of the framework 	<ul style="list-style-type: none"> Development of a process theory which aims to shed light on the functioning of the system as it is related to CPA CPA as a system in which corporate actions are influenced by factors out of an organizational, institutional or industry level analysis Earlier experience and past behavior are argued to be a driver for political activities
Lux et al. (2011)	Meta-analysis: 78 studies about CPA with a sample size of 72,265 which were published from 1976 to 2010	Quantitative (meta-analysis)	<ul style="list-style-type: none"> To identify what factors and to what extent these factors influence firm to engage in CPA To determine if CPA affect firm performance and to what extent 	<ul style="list-style-type: none"> Institutional level factors (government regulation, political competition, government sales, incumbent politicians, ideology) and industry and market level factors (industry concentration) are positively related to CPA
McDonnell (2016)	4326 firm year operations of Fortune 500 companies 1993–2007	Quantitative (regression analysis, Event history analyses)	<ul style="list-style-type: none"> To explore when and why firms participate in overt corporate-sponsored social activism To explore the emergence and implications of corporate-sponsored boycott 	<ul style="list-style-type: none"> Overt corporate sponsored activism is a tactic of last resort when firms find themselves losing battles against contentious activists and their approval ratings are falling Sponsored activism can shield firms from future contentious challenges

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Meznar and Nigh (1995)	81 members of public affairs units of large international firms	Quantitative (path analysis, PLS, to explore conditions under which firms apply buffer or bridge strategy)	<ul style="list-style-type: none"> To identify different types of public affairs activities corporations use in dealing with social and political stakeholders To develop and test hypotheses about the organizational and environmental characteristics that promote particular types of public affairs activities 	<ul style="list-style-type: none"> Development of the concept of buffer and bridge strategies Conditions under which firms apply buffer or bridge strategies are significantly different Environmental uncertainty promoted an increase in buffering and bridging activities Organizational power promoted an increase in buffering without affecting bridging
Parnell (2015)	275 interviews of managers enrolled in three post graduate institutions in the USA with backgrounds in various industries	Quantitative (factor analysis to measure strategy, uncertainty and capability, correlation analyses and regression analysis to test hypotheses)	<ul style="list-style-type: none"> To examine how a key component of NMS—strategic political emphasis—has changed in recent years, and how those changes are linked to perceptions of environmental uncertainty and the development of strategic capabilities 	<ul style="list-style-type: none"> Strategic emphasis on political factors linked to greater uncertainty about competition and markets and lower capabilities with regard to technology and management Current strategic political emphasis (SPE) and recent changes are linked to uncertainties about markets and technologies, but not to uncertainties about competitors Market linking capabilities reduce reliance on SPE, but technological capabilities have no influence on its level; SPE especially used by firms in weaker competitive positions

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Rehbein and Schuler (1999)	1100 US-based, publicly traded manufacturing firms (SIC codes from 2000 to 3999), listed on the Standard and Poor's COMPUSTAT tapes	Quantitative (path analysis, LISREL)	<ul style="list-style-type: none"> To test an integrative model of CPA, the filter model, based on the behavioral theory of the firm 	<ul style="list-style-type: none"> Results affirm the introduced firm filter model: this model shows that external economical, political, and industry environments are strongly mediated by companies' internal resources and structures to influence political activities
Reimann et al. (2012)	213 responses (standardized questionnaire) from the heads of German MNE subsidiaries in Asia, Eastern Europe, and Latin America (71 from Brazil, 56 from India, 42 from China, 29 from the Czech Republic and 15 from Hungary)	Quantitative (path analysis, SEM AMOS)	<ul style="list-style-type: none"> To investigate how MNEs' social conduct in their emerging economy subsidiaries relates to their relationships with certain local stakeholders in the respective countries To analyze how local employees and authorities influence MNEs' CSR in emerging economy subsidiaries To find out whether such social efforts social efforts improve the performance of the subsidiary's employees and its relationship with local authorities 	<ul style="list-style-type: none"> Local governments do not show a significant impact on MNE's social strategies-however support increases as a result of firm's active development of local community
Schuler and Rehbein (1997)		Conceptual	<ul style="list-style-type: none"> To develop a theoretical framework for the analysis of corporate political involvement, as mediated not only by environmental factors but also by characteristics of the firm itself To examine how policy salience and the political, macroeconomic, and industry environments influence the level of a firm's involvement in politics 	<ul style="list-style-type: none"> Corporate political involvement is mediated by external environmental factors

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Schuler et al. (2002a)	1284 United States-based, publicly traded manufacturing firms with SIC codes in the range 2000 to 3999	Quantitative (logistic regression analysis, ALR, to test hypotheses)	<ul style="list-style-type: none"> To conceptualize why firms may want to combine political tactics: making political contributions, using staff lobbyists, and hiring outside lobbyists To test the factors that drive a firm to engage in these political activities in combination 	<ul style="list-style-type: none"> Political activism, institutional features of the congress, industry concentration and government contracts are identified as external factors that drive firms to develop multiple political tactics
Shirodkar and Mohr (2015a)	105 responses by top manager working at MNE subsidiaries in India	Quantitative (factor analysis to measure political strategies; Linear regression analysis to test hypotheses)	<ul style="list-style-type: none"> To analyze how dependence on tangible vs. intangible resources affects foreign firms' choice of political strategies in emerging economies 	<ul style="list-style-type: none"> For firms in emerging economies: <ul style="list-style-type: none"> Positive association between relational approaches to CPA and critical resources in the host country or local business ties Positive association between transactional approaches to CPA and unrelated product diversification in the host country or inter-subsidiary integration
Sun et al. (2015b)	154 firms listed on Chinese stock markets and the arrest of Chen on September 24th 2006	Quantitative (Regression analysis to test hypotheses)	<ul style="list-style-type: none"> To test hypotheses regarding how political networks comprising managerial and government ownership ties effect valuation in the face of adverse political shocks To examine stock market responses to an unanticipated, high-profile political event in China 	<ul style="list-style-type: none"> Corporate political ties result in different reactions to unanticipated high profile political events on the stock market valuation of the company depending on their type <ul style="list-style-type: none"> Managerial ties to local governments show a negative effect on valuations, while ownership ties have no effect; a combination results in a smaller effect than managerial ties only

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Vachani et al. (2009)		Conceptual	<ul style="list-style-type: none"> • To examine the effect of nongovernmental organizations on the transaction costs MNEs assume in their nonmarket social development strategies • To develop propositions to predict the effect of three important aspects of the institutional context on how NGOs affect MNE transaction costs • To analyze how these relationships are moderated by the level of civil society development in the countries in which these entities interact 	<ul style="list-style-type: none"> • Paper develops propositions how NGOs affect MNE transaction costs associated with MNE's social development strategies
Werner (2015)	Panel on congressional testimony, reputation, and political and financial characteristics of the S&P500 1999–2009	Quantitative (regression analysis/GEE approach to test hypotheses)	<ul style="list-style-type: none"> • To examine the role of firms' sociopolitical reputations in public policy makers' decisions to grant access in the policy-making process • To analyze whether there is a link between a firm's sociopolitical reputation and the amount of access public policy makers grant the firm 	<ul style="list-style-type: none"> • Firms with stronger sociopolitical reputations are granted greater access to public policy making; this relationship is moderated by partisanship (heightened by Democratic control of congress), and traditional political activities (lobbying and PAC contributions positively affect the relationship)

Table 1 continued

Study	Sample	Method	Research objective	Key findings
White et al. (2015)	181 responses by senior executives of wholly owned foreign subsidiaries (WOFS) in the Philippines	Quantitative (regression analysis, OLS, to test hypotheses)	<ul style="list-style-type: none"> To analyze how managerial perceptions of specific dimensions of legal system uncertainty—ex-ante commercial law inadequacy and ex-post judicial arbitrariness—will act as determinants of wholly owned foreign subsidiary (WOFS) political tie intensity 	<ul style="list-style-type: none"> Positive association between political tie intensity and managerial perceptions of ex-ante commercial law incompleteness or ex-post judicial arbitrariness This association grows stronger if WOFS adapts its organization to the local context or when it is engaged in strategic positioning in an emerging market environment Political tie intensity grows stronger if both incompleteness and arbitrariness are perceived Similar perception of uncertainty among MNE subsidiaries and local firms Foreign firms are more likely to adopt avoidance and adaptation corporate political strategies <p>Antecedent conditions such as turn over, age, and industry are more important for selecting CPS than foreign ownership</p>
Wöcke and Moodley (2015)	103 responses by firms in the South African health sector (42 foreign, 61 local)	Quantitative (logistic regression analysis to test hypotheses)	<ul style="list-style-type: none"> To investigate the differences between corporate political strategies (CPS) of local and foreign firms in the South African Health Sector 	<ul style="list-style-type: none"> Ties to political executives increase the likelihood of exits through self-offs relative to dissolution and survival, although this effect is reduced by capital market development Legal system development increases the positive effect of legislative ties on the likelihood of exits through self-offs relative to dissolution and survival
Zheng et al. (2015)	Panel of 280 firms operating 1993–2003 in the Chinese TV manufacturing industry, in total 1555 firm years	Quantitative (logistic regression analysis to test hypotheses)	<ul style="list-style-type: none"> To examine how formal interlocking political ties between business leaders and political actors affect self-off strategy of firms in emerging markets 	<ul style="list-style-type: none"> Legal system development increases the positive effect of legislative ties on the likelihood of exits through self-offs relative to dissolution and survival

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Research stream 3: integrated strategy				
Baron (1995)		Conceptual	<ul style="list-style-type: none"> To develop a business strategy that is congruent with the capabilities of a firm as well as both its market and nonmarket environments 	<ul style="list-style-type: none"> An effective and successful business strategy needs to integrate market and nonmarket strategy (NMS) elements and must be tailored to the company's market as well as nonmarket environments and to its competencies Management is responsible to integrate both strategies
Baron (1997a)		Conceptual	<ul style="list-style-type: none"> To examine the integration of market and NMS in a setting involving market competition and international trade policy where governments serve as bargaining agents for firms To develop a model in which market and NMS are integrated in a formal theory of the resolution of trade disputes and the subsequent effects on market competition 	<ul style="list-style-type: none"> Development of a model that integrates market and NMS into a formal theory of the resolution of trade disputes and the subsequent effects on market competition Exemplified on the Kodak/Fujifilm-Case
Baron (1997b)		Conceptual	<ul style="list-style-type: none"> To extend the conceptual and analytical foundations of integrated strategy to a competitive environment structured by international trade policy To analyze the synergies between market and NMS in which governments act as agents of their companies 	<ul style="list-style-type: none"> Development of a framework that comprises synergies between market and NMS that can help to integrate strategies in a systematic manner Exemplified on the Kodak/Fujifilm-Case

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Bonardi (2004)		Conceptual		
Bonardi (2008)	14 major telecommunications operators in Europe (concentration on European OECD members) from 1983 through 2000 within the context of European telecommunications deregulation	Quantitative (ordered probit regression analysis to test hypotheses)	<ul style="list-style-type: none"> To develop a game theoretic model involving three players: the former monopoly, its home government, and the host government of the country into which the firm wants to enter To explore the nature of internal limitations to firms' nonmarket activities To analyze internal and external limitations on developing firms' NMS in an effort to shape public policy changes to their advantage To find out if firms have a significant influence on policy changes 	<ul style="list-style-type: none"> Integration of political and economical activities is not only important and verifiable at the domestic level but also on an international level (former monopolies international strategies) Trade-off decision faced by the management between market and nonmarket activities Those do not always act as complements but in some cases as substitutes In such a trade-off situation companies usually give priority to the market strategy to secure the core business
Holburn and Vanden Bergh (2014)	Panel data on political campaign contributions which consists of monthly observations for the population of 218 US state-level investor-owned electric utilities (IOUs) from 1998 to 2006	Quantitative (linear regression analysis to test hypotheses)	<ul style="list-style-type: none"> To examine how firms use political strategies to protect economic rents created by mergers and acquisitions against dissipation by regulators To investigate empirically whether and how firms use election campaign contributions to politicians as a method of influencing regulatory merger approvals 	<ul style="list-style-type: none"> Investigation how political strategies (like campaign contributions to politicians) are used to influence market strategies (like merger approvals) Companies increase financial contributions one year before an announced merger – this supports the propositions that political strategies are implemented to support market strategies

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Levy and Egan (2003)	Review of secondary sources and 35 semi-structured interviews from early 1998 to mid 2000 from employees of eight firms in the US and European oil and automobile industries and interviews which were conducted with staff and officials from governmental agencies, environmental organizations and industry associations	Qualitative (semi-structured interviews; qualitative case study to develop a framework)	<ul style="list-style-type: none"> To develop a neo-Gramscian conceptual framework for understanding corporate political strategy To analyze the international negotiations to control emissions of greenhouse gases 	<ul style="list-style-type: none"> Demarcation between nonmarket and market strategies is untenable due to the embeddedness of markets within contested political and social structures The political character of strategies trying to enhance or defend markets, legitimacy, corporate autonomy or technology is argued to be a supporter of this reasoning
Mahon and McGowan (2016)		Conceptual	<ul style="list-style-type: none"> To extend from the business and society research focus on corporate political strategy and to factor this emphasis into business strategy thinking To develop a model incorporating business and society concepts that parallels Michael Porter's Five Forces Model of business strategy 	<ul style="list-style-type: none"> Business as well as society concepts can be incorporated into a model that parallels to Porter's five forces model of business strategy An integration of strategies via industry analysis can improve overall firm performance
Maxwell et al. (2002)	Three case studies based on interviews and communications with officials at the companies: Volvo, Polaroid, Procter and Gamble	Qualitative (interviews; qualitative case study)	<ul style="list-style-type: none"> To examine the environmental strategies and implementation schemes of three companies in different industries: Volvo, Polaroid, and Procter & Gamble 	<ul style="list-style-type: none"> All three companies had conflicts and strains to varying degrees concerning the integration of environmental strategies and internal management Those conflicts are facilitated by: adjustment to organizational structures, creation of management structure that encourages integration, visible commitment of the senior management to environmental policies

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Rudy and Johnson (2013)	2190 firm-year observations from the largest 100 (by revenue), publicly held US firms, as ranked by the 1980 Fortune 100 (data from 1980 to 2006)	quantitative (regression analysis, GMM, to test hypotheses)	<ul style="list-style-type: none"> To identify the effect of declining performance below aspiration level on a firm's risk behavior by specifying the timing and type of strategic action associated with risk-taking preferences To advance the behavioral theory of the firm by taking into account strategic actions that firms take in the nonmarket environment 	<ul style="list-style-type: none"> Companies facing a declining performance (below aspiration levels) are more likely to develop NMS This risk-taking preference in turn motivates companies to build up market strategies in the future
Salorio et al. (2005)		Conceptual	<ul style="list-style-type: none"> To discuss the commonality and strategic nature of political behavior and relate it to economic and organizational strategies To develop a three-dimensional framework for considering a firm's total strategic positioning 	<ul style="list-style-type: none"> Inclusion of political activities has the potential to sharpen the match between problem space and strategy discourse
Shaffer and Hillman (2000)	Interviews with government relations managers of three large companies with different degrees of diversification (i.a. one of the 'Big Three' US automobile manufacturers)	Qualitative (open interviews, qualitative case studies, grounded theory)	<ul style="list-style-type: none"> To explore internal conflicts in the formulation of business-government strategies by corporations with diversified business units To develop a framework on organizational structures for conflict resolution in the strategic management of government relations 	<ul style="list-style-type: none"> Disclosure of how large, diversified corporations with many different business units can decide which political strategies to implement into the overall firm strategy Integration involves typical problems of coordination and trade-off decisions of the allocation of competencies between headquarter and subsidiary

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Wei et al. (2015)	14,467 news articles from websites of 72 Chinese firms in six different industries 2007–2011 (360 firm-years)	Quantitative (quantitative content analysis to collect data; regression analysis, OLS, to test hypotheses)	<ul style="list-style-type: none"> To advance the understanding of competitive interaction framework based on competitive dynamics theory that investigates how nonmarket and market factors concurrently affect the relationships among action and response, their integration, and initiating firm performance To analyze how deploying relation-based strategies (RBSS) with key nonmarket and market actors will create competitive advantages for wholly owned subsidiary (WOFSS) operating in volatile emerging market environments To extend the understanding of the factors influencing WOFSS RBS deployment, as well as subsequent financial performance outcomes, by drawing from dynamic capability, institutional, nonmarket, and social-network literatures To analyze the complex resource allocation choices involved in integrating politically relevant cross-border and multilevel strategies for multinational enterprises (MNEs) by using a proposed global theory of CPA 	<ul style="list-style-type: none"> Market actions by firms incite the most and the fastest rival responses, while non-market actions often go without (quick) retaliation; integrating both actions reduces the market-only response rate and speed
White et al. (2014)		Conceptual		<ul style="list-style-type: none"> Conceptual explanation of how relation-based-strategies with market and nonmarket actors can create competitive advantage for wholly owned subsidiaries in emerging markets The frequency and strength of relation-based strategies will support the combination of market and nonmarket assets
Windsor (2007)		Conceptual		<ul style="list-style-type: none"> Discussion of the question how resource allocation to various markets influences the development of political strategies Conclusion that market and NMS formation is a dynamic process, strongly dependent on the resource allocation processes and regional conditions

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Research stream 3-4: consequences on economic performance				
Bonardi et al. (2006)	Information on the outcomes of all rate reviews initiated by the population of 190 investor-owned electric utilities during the period 1980–1992; 1720 utility-year observations; 491 rate reviews initiated by utilities	Quantitative (regression analysis, OLS and Heckman estimation, to test hypotheses)	<ul style="list-style-type: none"> Paper develops and tests a theory of the performance determinants of a firm's nonmarket strategy 	<ul style="list-style-type: none"> Lower levels of interest group rivalry led to positive changes in the rate of return on equity (ROR) for the utility Rivalry among politicians creates an opportunity to "purchase" regulatory policies Regulatory agency resource dependence affected the ability of firms to achieve preferred policy rulings Firm's previous experience with policy makers is positive associated with performance of it nonmarket strategy
Brown et al. (2015)	13,890 firm-year observations of 2610 firms' expenditures on campaign contributions and lobbying (Federal Election Committee and Center for Responsive Politics data)	Quantitative (regression analysis, OLS, to test hypotheses)	<ul style="list-style-type: none"> To examine a specific setting and investigate whether firms that invest in relationships with tax policymakers via campaign contributions accrue greater future tax benefits 	<ul style="list-style-type: none"> Firms that pursue a more relational approach to CPA have lower future cash and GAAP (generally accepted accounting principles) effective tax rates (ETRs) and less volatile future cash ETRs Lobbying expenditures are on average positively correlated with financial performance Increases in lobbying tend to follow poor performance; firms with highest lobbying intensity outperform and earn excess returns of 5.5%, but other firms do not enjoy excess returns
Chen et al. (2015)	Just below 7000 firms listed in Center for Responsive Politics data on lobbying 1998–2005	Quantitative (regression analysis, OLS, to test hypotheses)	<ul style="list-style-type: none"> To extend the analysis to overall corporate financial performance, and to focus the analysis on corporate lobbying spending as opposed to a more typical focus on contributions by Political Action Committees To estimate causal effects of CPA on firms' subsequent financial performance 	<ul style="list-style-type: none"> Lobbying expenditures are on average positively correlated with financial performance Increases in lobbying tend to follow poor performance; firms with highest lobbying intensity outperform and earn excess returns of 5.5%, but other firms do not enjoy excess returns

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Guo et al. (2014)	Survey data from top managers or the heads of key departments (i.e. director of Strategic Development) of 195 Chinese firms operating in the Chinese provinces Shandong and Shaanxi to examine the impacts of managerial political ties	Quantitative (regression analysis, OLS, as well as path analysis, SEM, to test hypotheses)	<ul style="list-style-type: none"> To examine rewards to product introduction by new ventures 	<ul style="list-style-type: none"> A significantly positive relationship between performance and political bonds is affirmable; however this can only be confirmed for two of the three tested factors, i.e., no significant influence of legitimacy building on firm economic performance could be approved
Hadani et al. (2015)	650 S&P 1000 firms with 3600 firm-year observations in 1998–2008	Quantitative (longitudinal regression analysis to test hypotheses)	<ul style="list-style-type: none"> To contrast agency versus stewardship perspectives to explore the moderating effect of CEO discretion on CPA outcomes To test competing perspectives regarding the moderating impact of CEO discretion on the CPA-performance relationship 	<ul style="list-style-type: none"> Firm economic performance is measured by various financial (sales volume, ROA) and non-financial (market share growth, productivity) indicators CEO discretion can moderate the effect of CPA on performance, depending on the measure of performance and discretion

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Hadani and Schuler (2013)	Firm-year observations (8,410 for market value and 10,204 for ROS) based on a set of 943 large and mid-cap Standard & Poor's (S&P) 1500 firms between 1998 to 2008	Quantitative (longitudinal regression analysis to test hypotheses)	<ul style="list-style-type: none"> To investigate the relationship between CPA and financial returns 	<ul style="list-style-type: none"> Political investment has a negative impact on corporate performance The same was found for human-capital-specific political strategies that can also have a negative impact on the market value of a company and have a neutral impact on the return on sales Only positive exception consists of companies in highly regulated industries, for which a positive relationship between political investment and market value was demonstrable
Hawn and Ioannou (2016)	Sample of 5958 observations of 1492 firms in 33 countries from 2002 to 2008	Quantitative (regression analysis to test hypotheses)	<ul style="list-style-type: none"> To explore the effect of the interplay between a firm's external and internal actions on market value in the context of corporate social responsibility (CSR) To analyze how a potential gap between internal and external CSR actions affect a firm's market value 	<ul style="list-style-type: none"> Firm performance was measured via market value and return on sales The sum of external and internal CSR is positively associated with market value Firms tend to undertake more internal than external CSR, but a wide gap between the two types has negative implications

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Hillman et al. (1999)	27 events of 13 federal cabinet-level appointees and 14 elected members of Congress who had corporate affiliation for a total of 31 companies meeting certain criterias	Quantitative (Scholes-Williams event-study to measure change in firm value and to test hypotheses)	<ul style="list-style-type: none"> • To focus on firm political action which establishes a type of interorganizational linkage between a firm and the government • To measure the change in firm value as a result of a linkage with the government • To analyze firm-specific benefits from this type of political activity 	<ul style="list-style-type: none"> • Political strategies (linkages with the government) have a positive effect on firm value • Firm-specific benefits may result from the implementation of political strategies
Husted et al. (2012)	110 responses of chief executive officers from large Spanish firms (63 firms in the service sector and 47 in the manufacturing sector)	Quantitative (path analysis, PLS, to explore relationship between social planning/social positioning and value creation)	<ul style="list-style-type: none"> • To investigate the conditions under which intentional profit seeking through CPA projects can create economic value for the firm • To identify how CPA creates economic value through strategic social planning and positioning 	<ul style="list-style-type: none"> • Firms that are able to gain access to the political process may benefit from a reduction in uncertainty, reduced transaction costs, and increased survival • Social planning as well as social positioning can contribute to a firm's ability to create value • Value, in this study, refers to the worth of a product or a service to the consumer (focus shift from financial performance to value creation)

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Johnson et al. (2012)	Two waves of single-respondent data were collected from the same US multinational corporations in 1993 and 2003; 75 (1993)/74 (2003) companies responded	Quantitative (PLS model to test hypotheses)	<ul style="list-style-type: none"> To investigate the changing relationships among corporate international expansion, public affairs strategies, and public affairs performance over a 10-year period 	<ul style="list-style-type: none"> Breadth of international engagements (# of involved countries) is positively associated with buffering and bridging Increased internationalization had a declining effect on buffering and bridging from 1993 to 2003 Increased percentage of foreign employees for the MNC contributed to increased buffering and bridging Greater percentages of foreign assets and foreign sales lead to reduced levels of buffering and bridging activities Political and social buffering and bridging strategies are positively related to performance
Kiessling et al. (2015)	All 100 firms on the Swedish OMX-GES index (measuring CSR in the 100 largest publicly listed firms) minus 12 non-responders	Quantitative (regression analysis to test hypotheses)	<ul style="list-style-type: none"> To explore aspects of CSR and the resultant impact on firm performance To explain how organizations adapt to their customer environment to develop competitive advantages To determine if firms with a focus on customer orientation, customer interaction and market orientation will also develop CSR 	<ul style="list-style-type: none"> Firms with a customer orientation or a market orientation employing CSR have a higher ROA through enhancing customer relationships and building brand value and –differentiation

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Leuz and Oberholzer-Gee (2006)	Financial data and share price data from 130 Indonesian firms with foreign securities or which were covered by Worldscope in 1997, representing over 80% of the Indonesian market capitalization in December 1996 and cumulative stock return for each firm over six health-related news events to measure political connections	Quantitative (probit regression analysis to test hypotheses)	<ul style="list-style-type: none"> To examine the role of political connections in firms' financing strategies and their long-run performance To examine the link between political connections and global financing 	<ul style="list-style-type: none"> Political connections alter a company's financing strategy and also influences performance in the long run Influence on performance in the long run can be negative when a new government comes into power due to difficulties to reestablish political connections Firm performance was measured via ROA, capital intensity, financial leverage and external financial needs Implementing political activities is significantly positive related to firm economic performance In turn: no or not enough investigation in political activities has a negative impact on firm economic performance Firm performance was measured via ROA and survival CPA is positively related to corporate performance and is also proven to be an important determinant of corporate performance Firm performance was measured via profits (ROA, ROI)
Lux (2013)	Data of the US coal mining industry from 1986 to 2000 from two primary sources: for nonmarket factors from the congressional quarterly (CQ) money line database and for market factors from the COMPUSTAT database	Quantitative (regression analysis, GLS and logit, to test hypotheses)	<ul style="list-style-type: none"> To provide insight into whether political strategic fit functions as an incremental or as a dichotomous (CPA versus free riding) decision To empirically evaluate the extent engaging in CPA versus free riding affects economic performance 	<ul style="list-style-type: none"> Firm performance was measured via ROA and survival CPA is positively related to corporate performance and is also proven to be an important determinant of corporate performance Firm performance was measured via profits (ROA, ROI)
Lux et al. (2011)	Meta-analysis: 78 studies about CPA with a sample size of 72,265 which were published from 1976 to 2010	Quantitative (meta-analysis)	<ul style="list-style-type: none"> To identify what factors and to what extent these factors influence firm to engage in CPA To determine if CPA affect firm performance and to what extent 	<ul style="list-style-type: none"> Firm performance was measured via profits (ROA, ROI)

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Majumdar and Chang (2010)	Cross-sectional and times series data from 41 key local exchange carriers (principal firms in the telecommunication sector of the United States, i.e. Bell operating companies and independents such as Rochester Telephone, and companies belonging to GTE, United Telecommunications, and Central and the Continental Groups) from 1995 to 2000	Quantitative (cross-sectional longitudinal regression analysis to test hypotheses)	To examine the relationship between performance levels and the levels of cross subsidy attained by local exchange carriers in the United States telecom industry	<ul style="list-style-type: none"> • Analysis of performance levels and cross-subsidy level • Successful NMS can lead to large cross-subsidies • Less profitable firms can obtain greater cross-subsidies • Firm performance was measured via profitability, price recovery and productivity
Mathur et al. (2013)	5452 firm-year observations in the period of 1998 to 2003 listed on the Stern Stewart, IRRG, CRP, and COMPUSTAT databases	Quantitative (logistic regression analysis to test hypotheses)	<ul style="list-style-type: none"> • To find out whether corporate governance, in terms of managerial entrenchment, determines the choice and degree of lobbying engagement • To analyze what impact corporate governance has on the firm value 	<ul style="list-style-type: none"> • Companies with a high management entrenchment are more likely to engage in lobbying activities • Positive relationship between lobbying intensity and firm performance – lobbying can serve as an instrument to align interests of management and shareholders
Maurer et al. (2011)		Conceptual	<ul style="list-style-type: none"> • To develop a culturally informed resource-based view that explains how cultural elements in the firm's institutional context shape the economic value associated with a firm's strategy 	<ul style="list-style-type: none"> • Reasoning that companies recognizing the interplay between institutional context (social issues) and their resources and therefore engage in cultural work can create economic value

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Mellahi et al. (2015)	214 articles (167 empirical) from nine general management journals, five specialist journals known for work in CSR and CPA, and a search on EBSCO and ProQuest databases	Literature review	<ul style="list-style-type: none"> • To review and synthesize strategic CSR and CPA research • To review the literature in the link between NMS and organizational performance • To identify the mechanisms through which NMS influences organizational performance • To integrate and synthesize the two strands—strategic CSR and CPA—of the literature • To develop a multi-theoretical framework for understanding the effects of NMS on organizational performance 	<ul style="list-style-type: none"> • 1/3 of the empirical studies did not show a significant positive effect of CSR on performance, while 2/3 did, but the link remains elusive and subject to moderating factors • CSR and CPA are complementary for performance, but their association is not yet clear • Proposes an integrative framework for non-market strategy research distinguishing between: internal- and external drivers and internal- and external outcomes
Rajwani and Liedong (2015)	56 articles in 37 journals articles out of 2454 articles yielded by a search on EBSCO, all published since 1988	Literature review	<ul style="list-style-type: none"> • To examine the empirical evidence regarding the impact of CPA on firm performance in different international contexts • To document the paucity of research on informational CPA strategies and policy outcomes in the emerging country context • To develop a future agenda for the investigation of the relationship between CPA and performance 	<ul style="list-style-type: none"> • Most studies suggest that CPA increases firms' values through increasing stock and operating performance and influencing policy outcomes • Results less often positive or significant in developed countries; in developing countries they depend on the proximity of the political relation to the nexus of political power • Institutions matter: CPA can yield substantive gains in countries with undeveloped stock markets, fragile democracies, high corruption and a controlled press, institutions also influence CPA strategies

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Puck et al. (2013)	Data from 173 MINE subsidiaries operating in six emerging economies	Quantitative (hierarchical multiple regression analysis to test hypotheses)	<ul style="list-style-type: none"> To examine the role of foreign firms' visibility in shaping the effect of political strategies to reduce their exposure to environmental risk (as performance variable) 	<ul style="list-style-type: none"> Visibility affects not only the strength, but also the direction of the association between political strategies and foreign firms' exposure to risk Political strategies contribute very little to the explained variance of the risk exposure (performance) Whether firms sell their products to local businesses or end consumers moderates the efficiency of political strategies Intensive use of reputation-building strategy can be detrimental for MNCs' subsidiaries in emerging economies if these are highly visible
Shaffer et al. (2000)	Content analysis with a data set providing information on US international air carriers' market and nonmarket actions in the North Atlantic between December 1988 and January 1994 with a sample comprising 456 firm-months. Data on firm actions were drawn from the aviation industry newsletter "Aviation Daily" and other print news sources of the aviation industry	Quantitative (quantitative content analysis, Regression analysis, OLS, to test hypotheses)	<ul style="list-style-type: none"> To develop and test a model relating firm performance to the firm's market and nonmarket actions 	<ul style="list-style-type: none"> Development of a model relating firm performance to nonmarket and market actions The nonmarket environment is found to be a crucial competitive dimension: those firms using nonmarket activities are more likely to achieve above-normal performance levels Used performance indicators: capacity utilization, market share and profits

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Sun et al. (2015a)	32,174 board directors in 1046 listed Chinese manufacturing firms listed on Shanghai or Shenzhen 2008–2011	Quantitative (regression analysis to test hypotheses)	<ul style="list-style-type: none"> To develop theory regarding the downside of board political capital To explore how the effect that large blockholders undertake more appropriation of firm wealth is moderated by ownership-, industry-, and environment-level contingencies To reveal new ways in which resource dependence and agency theories can be integrated to advance the extant research on board governance and CPA 	<ul style="list-style-type: none"> Board political capital facilitates rent appropriation by blockholders, especially if controlling blockholders are private entities, in firms operating in heavily regulated industries and in institutionally less developed provinces Political directors are employed to generate rents for the focal company, but their connections shield them from disciplinary forces and favors principal-agency problems
Tang and Tang (2012)	Sample of 144 Chinese small- and medium-sized enterprises; ten exploratory interviews;	Quantitative (exploratory and confirmatory factor analysis to measure constructs; Regression analysis, OLS, to test hypotheses)	<ul style="list-style-type: none"> To analyze if and how stakeholder-firm power difference determines firms' environmental performance And how stakeholders' CSR orientation moderates this relationship 	<ul style="list-style-type: none"> SMEs do possess countering power to stakeholders in China Net power difference between stakeholders and SMEs is important to consider when examining environmental performance stakeholders' CSR orientation moderates the relationship between stakeholder-firm power difference and performance The competitors-firm power difference is found to promote SMEs' environmental commitment

Table 1 continued

Study	Sample	Method	Research objective	Key findings
Wagner (2007)	Sample of 1847 firm responses of manufacturing firms from eight European countries	Quantitative (regression analysis, OLS, to test hypotheses)	<ul style="list-style-type: none"> To analyze the influence of integrating environmental aspects and core functions of firms with performance 	<ul style="list-style-type: none"> Integration of environmental aspects is generally positively associated with drivers of firm performance Differences in the effect of integration exist between market/efficiency related drivers and image/risk related performance drivers

CPA corporate political activity/*ies*, *CSA* corporate social activity/*ies*, *CSR* corporate social responsibility, *NMS* nonmarket strategy/*ies*, *MNE* multinational enterprise, *NGO* non-governmental organization

in several empirical publications, which measure “size” based on varying factors, such as number of employees, market share or turnover (Cook 2015; De la Cruz Déniz-Déniz and Garcia-Falcón 2002; Hillman and Wan 2005; Lux et al. 2011; Meznar and Nigh 1995; Schuler 1996; Schuler et al. 2002a, b). Besides those resources owned by a firm, resource dependencies might also impact nonmarket behavior. High external resource dependencies might pressure the corporation to actively engage in nonmarket dialogue and to build up strategic relationships. Thereupon, Shirodkar and Mohr (2015a) examine the impact of corporate resource dependencies on strategy development. The authors argue that a political information strategy will primarily be implemented by foreign subsidiaries in emerging markets depending on intangible resources rather than on tangible ones. Even though this research setting seems rather specific, a first deduction can be drawn, namely that external resource dependencies might have a positive impact on nonmarket strategy adoption.

Firm age is another internal antecedent identified in the reviewed literature. It is argued that firms, which are active in a market for a long time, do have a greater credibility and reputation due to their accumulated experience. In turn, this might lead to potentially higher chances of success in the political, social or legal sphere. On this basis, it is argued that a higher firm age accompanied by experience increases the likelihood of the adoption of corporate nonmarket strategies. This reasoning can be traced in conceptual (Lamberg et al. 2004) as well as empirical studies (Lamberg et al. 2004; Schuler and Rehbein 1997). As an example, Schuler and Rehbein (1997) argue that past political experience has a positive effect on a firm’s ability and willingness to become politically involved. This is explained by an increased rootedness of the activity within corporate behavior.

4.2.2 *Management organization*

A further internal antecedent impacting the development of a firm’s nonmarket strategy is the management organization regarding the involvement and attitude of its managers as well as its organizational structure. It is argued that the organizational structure, like the existence of a separate department for public relations, and the number of employees working there, indicates how active the firm is trying to position itself on a nonmarket level (Schuler 1996). Following this reasoning, we can assume that a firm possessing nonmarket departments and a comparatively large number of specialized employees correspondingly develops more nonmarket activities. Nevertheless, being engaged in a greater amount of nonmarket activities can also require more employees or specialized departments, which questions the outlined correlation. Following this logic, organizational structure can also be regarded as an outcome of having a nonmarket strategy rather than an antecedent.

Besides the organizational structure we further find that differences in orientation, attitude, and experience of owner or management are important factors when it comes to the choice of nonmarket strategies (Rehbein and Schuler 1999; Schuler and Rehbein 1997). In the identified articles, it is argued that the strategic positioning in the market as well as in the nonmarket environment is influenced by individual opinions and assumptions of the company’s managerial board. This effect

is strengthened by the circumstance that managers or the owner mainly determine the financial resource allocation, which also includes the budget allocation for nonmarket activities. This reasoning finds support in conceptual (Wilts 2006) as well as empirical studies (Husted et al. 2012; Ozer 2010). The influence of top management teams on strategic decision-making is *inter alia* studied by Ozer (2010), who quantitatively finds that personal involvement of top management teams is positively related to the choice of political activities.

Furthermore, decision-making processes (Mathur et al. 2013; Ozer 2010), ownership structure of a company (Husted et al. 2012) or the origin of the management (De la Cruz Déniz-Déniz and Garcia-Falcón 2002) can affect the development of political strategies. Accordingly, De la Cruz Déniz-Déniz and Garcia-Falcón (2002) argue that the employment of a majority of local managers leads to an increased region-specific social awareness and knowledge of local environmental conditions. Awareness and knowledge of local environmental or social challenges can build the foundation for social strategy choice. An informed and aware manager is able to develop and implement social activities that help to increase public reputation and support the overall firm strategy. Thus, it seems arguable that a majority of local managers might initiate social strategies. The more local a board of managers is, the more nonmarket engagement on a social level can thus be expected.

We further find support for the argument that the length of employment and the rootedness of the management might have an impact on nonmarket strategy. Ozer (2010) for example, argues that CEO tenure has a positive impact on the development of political strategies. The author further argues, that a long-tenured CEO might have a better understanding and sense of how developments within the political environment impact firm strategy. Thus, a long-tenured CEO is more willing to initiate corporate commitments to political activities. Correspondingly, it can be summarized that the more tenured a CEO is the more he will implement nonmarket strategies. This goes in line with the previously outlined antecedent of top management experience.

4.2.3 *Market strategy*

Within the literature review we identify the strategic market positioning of a company as another internal antecedent. Numerous of the reviewed articles investigate the impact of a diversification strategy (Blumentritt and Nigh 2002; Hillman 2003; Hillman and Wan 2005; Lux et al. 2011; Shaffer and Hillman 2000; Shirodkar and Mohr 2015b; Urbiztondo et al. 2013; Wan 2005). The basic idea is that a highly-diversified company with different divisions might benefit from synergies while engaging in nonmarket activities. Lobbying for example might have positive effects not only for one business division but for others as well. This in turn might lead to cost savings as well as to an increased awareness of policy makers and social actors. Hence, due to synergy effects, a diversification strategy positively impact nonmarket strategic behavior. This connection between nonmarket strategy and product diversification is conceptually highlighted in a paper by Hillman and Hitt (1999) and finds empirical support in a publication by Hillman (2003). In a

quantitative study the author examines the influence of international diversification on political strategy choice. The scholar finds that international diversification does have a significant positive impact on the development of political financial incentive strategies. It can furthermore be stated that impact of diversification on nonmarket strategies can be specified more precisely on the question of what is diversified and certainly also to which degree. Especially the heterogeneity of diversified business units might explain the impact on nonmarket strategic behavior. Whereas corporations diversifying in rather homogeneous markets do not significantly benefit from synergy effects on a nonmarket level, corporations diversifying in heterogeneous markets do, since synergy effects increase in impact. Heterogeneity of markets increases on an international level, which is why it is assumable that international diversification does have a significant positive impact on nonmarket strategies (Hillman and Hitt 1999; Hillman 2003; Shaffer and Hillman 2000).

Although there is strong evidence that (international) diversification is positively related to nonmarket strategies, it also has to be said that some scholars come to divergent findings concerning the direction of influence. Accordingly, Schuler (1996) argues within a quantitative study that diversification (related diversification in terms of internal synergies by sharing resources and expertise, as well as the emergence of economies of scope) has no significant influence on the adoption of political strategies. However, he explained this lack of significance particularly with methodical/measurement weaknesses so that there might be some caveats to consider the negative effect strongly. Another market strategy identified in the literature as having an impact on nonmarket strategies is highlighted by De la Cruz Déniz-Déniz and García-Falcón (2002). The authors argue that an international growth strategy can lead to an increase in social activities. Here, the authors distinguish between the desire to grow on an international level and the desire to only expand internationally to take advantage of lower costs (e.g. production, labor). The latter one in turn might lead to a decrease in social activities. This finding supports the previously outlined assumption that an international diversification has a positive impact on nonmarket strategy choice due to synergy effects.

4.3 Stream 2–3: external factors

In addition to the internal antecedents we aim to shed light on external antecedents that might have an impact on nonmarket strategies choice. For reasons of clarity, the subsequent section of this paper is divided into external antecedents arising in the market and nonmarket environment.

4.3.1 *Market environment*

The market environment is characterized by interactions between corporations, suppliers and customers that are either governed by markets or private agreements (Baron 1995, 2013). Within the reviewed literature, these interactions as well as related contextual factors were identified as having an impact on nonmarket strategies. Accordingly, the reviewed literature reveals that industry affiliation might act as an external antecedent (Breitinger and Bonardi 2016; De la Cruz

Déniz-Déniz and Garcia-Falcón 2002; Husted et al. 2012; Husted and Allen 2007; Lamberg et al. 2004; Lux et al. 2011; Rehbein and Schuler 1999; Schuler et al. 2002a). This can be explained by factors such as industry dynamics, industry concentration and regulation or strength of bargaining power of operating actors within the industry. To give an example, it is argued that firms belonging to a particular competitive market or facing a high amount of competitors tend to be more prone to develop social strategies to achieve a competitive advantage (Husted and Allen 2007; Husted et al. 2012). In this case, competition acts as a pressure intensifier to adopt social strategies. Hence, it can be assumed that the more competition within an industry exists, the more social strategies will be applied to improve corporate reputation. The industry affiliation is furthermore discussed as an external antecedent, since industries differ significantly in terms of governmental regulations or subsidies. Resource-related industries, such as the steel-, oil-, telecommunications- or the pharmaceutical industry can be summarized as highly regulated industries. Correspondingly, it is assumed that firms belonging to these industries are more likely to adopt political strategies than firms belonging to industries with a low degree of regulation (Bonardi 2008; Husted and Allen 2007). Therefore, we can assume that the more regulated an industry is, the more political strategies will be applied to influence political actors in ways favorable for the firm (Hillman et al. 2004). It is further argued that firms operating in so called “controversial industries” (e.g. mining, tobacco) or industries close to respective customers (e.g. personal goods, food/beverage) do face a greater need to implement nonmarket strategies. This is due to the fact that firms in these industries are frequently targeted by activists’ campaigns because they sell unhealthy or dangerous products/services or damaging their reputation is less costly than harming an industrial products company (Breitinger and Bonardi 2016; Lenox and Eesley 2009). The assumption that the industry affiliation of a firm influences the adoption of nonmarket strategies can be traced in numerous publications (Husted and Allen 2007; Husted et al. 2012; Lamberg et al. 2004; Lux et al. 2011; Rehbein and Schuler 1999; Schuler et al. 2002a). Consequently, we can assume that the more controversial or “close-to-consumer” an industry is, the more nonmarket strategies will be applied.

Within the reviewed literature various market stakeholders, such as competitors or customers, are discussed as having an impact on the adoption of nonmarket strategies. Nonmarket activities of competitors are considered as having a positive impact on the intensity of a firm’s own nonmarket strategy. Thus, it is suggested that firms whose direct competitors are heavily socially or politically active will also align their activities accordingly to avoid a competitive disadvantage. Lux et al. (2011) amplify this argument to international competition and the intensity of lobbying. Additionally, the determining influence of market stakeholders on nonmarket strategies is discussed in various articles (De la Cruz Déniz-Déniz and Garcia-Falcón 2002; Husted et al. 2012; Kassinis and Vafeas 2006; Reimann et al. 2012; Schuler and Rehbein 1997). As further antecedents, the firm’s country of origin as well as the country in which it operates are identified in the literature. For instance Hillman and Hitt (1999) conceptually distinguish between firms operating in pluralist and corporatist countries and outline a relation to the chosen approach of

political behavior. Given features of a society are thus outlined as having an impact on applied strategies. Since within corporatist countries cooperation is emphasized, the authors assume that companies tend to adopt more relational strategies to build up social capital in contrast to more individual and competitive strategies in pluralist countries. Hillman (2003) endorses this reasoning by providing empirical support for the proposition that the institutional context impacts political strategy development. Summarizing, characteristics of the industry, such as rivalry, concentration, regulation, or strategic intents of competitors positively stimulate political as well as social nonmarket strategies, on the basis of which firms try to obtain legitimacy and support.

4.3.2 *Nonmarket environment*

The nonmarket environment can have an impact on nonmarket strategies as well. Pressure from NGOs, associations or activist groups often leads to so-called passive nonmarket strategies, including activities such as adjustments or reactions to external changes (Blumentritt 2003; Dieleman and Boddewyn 2012; Lawrence 2010; Meznar and Nigh 1995). Beyond that, the nonmarket environment can also trigger a corporation to implement active nonmarket strategies to influence social, political or legal actors to achieve corporate objectives. Within the reviewed literature, it is argued that the number of NGOs and activist groups in the environment has a positive impact on the adoption of nonmarket strategies. Likewise, Vachani et al. (2009) conceptually outline that pressure from social actors might influence firms either to adapt or to actively seek change via social strategies. Empirically it can be shown that a higher amount of social nonmarket stakeholders leads to an increased amount of nonmarket activities (Husted et al. 2012; Reimann et al. 2012; Vachani et al. 2009; Kassinis and Vafeas 2006; Spar and La Mure, 2003; Schuler et al. 2002a; Schuler and Rehbein 1997). Within reviewed publications this is explained by the related fear of a possible threat or the development of pressure by activist groups such as campaigns or boycotts, which might force businesses to adapt certain practices (Schuler et al. 2002a). Schuler et al. (2002a) further stress that union density within an industry may also have a positive impact on pursued political strategy. Hence, within an environment characterized by a high number of nonmarket actors, corporations tend to operate proactively by implementing nonmarket activities.

Another antecedent can be seen in the lack of control over the social, political and legal environment. This reasoning is inter alia brought up by Doh et al. (2015) who conceptually compare social strategies of multinational enterprises (MNEs) in emerging and developed market economies. The authors find that a lower presence of NGOs and a lower awareness of and knowledge about environmental and social problems detain MNEs from engaging in social activities, which goes in line with the previously outlined antecedent of nonmarket activities namely the number of nonmarket stakeholders. Since developing countries appear to be characterized by a lower presence of NGOs and a lower awareness and sophistication concerning social and environmental issues, the authors question why corporations operating in those regions nevertheless implement nonmarket strategies. They conclude that not

the absence of nonmarket stakeholders, but the presence of institutional voids force MNEs to engage in social activities such as pursuing corporate social responsibility. This reasoning is supported by Zheng et al. (2015), who empirically confirm that political activities in emerging market economies are triggered by institutional voids. Nevertheless, it is also argued that high levels of governmental regulations, such as strong restrictions or taxations, might lead to an increase in nonmarket activities. This reasoning is explained by an expected improvement of corporate conditions by implementing lobbying activities, such as a loosening legal constrictions (Lux et al. 2011). Summarizing, characteristics of the nonmarket environment, such as number of NGOs and activist groups, social stakeholders, or the presence of institutional voids have a positive impact on the adoption of nonmarket strategies.

Within the reviewed literature, it is increasingly argued that environmental uncertainties threaten a firm's core activities (Akbar and Kisilowski 2015; Heidenreich et al. 2015; White et al. 2015). To overcome environmental uncertainties firms can complement market strategies by implementing nonmarket strategies. Particularly international or multinational firms operating in developing or emerging markets are strongly affected by environmental uncertainties, because they operate in different institutional regimes with diverse regulations and stakeholders. Therefore, multinational firms can be regarded to be in an exposed role for nonmarket strategy adoption (Blumentritt 2003; Keim and Hillman 2008; Puck et al. 2013). Increased attention by (international) NGOs and the news media as well as legal and political instabilities can be seen as impellers of an uncertain nonmarket environment. Within the reviewed literature empirical contributions show that internationally operating firms try to influence nonmarket actors via nonmarket strategies in order to overcome such uncertainties (Akbar and Kisilowski 2015; Heidenreich et al. 2015; Meznar and Nigh 1995; Parnell 2015; White et al. 2015). Uncertain environmental conditions are further found to have an impact on the type of implemented nonmarket strategy. In a qualitative study Shirodkar and Mohr (2015b) conclude that firms operating in emerging markets increasingly implement short-term activities (such as reactions to new regulations), in contrast to long-term activities (such as relationship building) in developed markets.

Besides environmental uncertainties in general, institutional changes or shocks are particularly discussed as a potential antecedent within the reviewed literature (Darendeli and Hill 2016; Lamberg et al. 2004; Sun et al. 2015b). Even though environmental uncertainties might trigger nonmarket activities and thus initiate legitimacy and assist firm survival (Darendeli and Hill 2016), especially politicalities need to be handled with caution since they are threatened by political shocks or turnovers (Lamberg et al. 2004; Sun et al. 2015b). Summing up, it can be said that a number of studies have found that a wide range of external factors influence nonmarket strategies. Industry characteristics such as rivalry or concentration, strategic intents of incumbents, political competition, governmental regulations and perceived environmental uncertainty are among the most frequently observed determinants of nonmarket strategies.

4.4 Stream 3: the phenomenon of an (integrated) nonmarket strategy

4.4.1 Definition of nonmarket strategy

Stream 3 refers to the phenomenon under study—nonmarket strategy, its understanding and integration attempts. As a first step, we analyze how the phenomenon is defined in the reviewed literature. Surprisingly, although all reviewed articles deal with political or social nonmarket strategies, our analysis reveals that only few scholars explicitly specify the dependent variable ‘nonmarket strategy’. A large part of articles refer to specific political or social activities without devoting emphasis to explain, under which conditions nonmarket activities can be categorized as ‘strategic’. Bonardi et al., for example, define nonmarket strategies as “coordinated actions firms undertake in public policy arenas” (Bonardi et al. 2006, p. 1209). However, it can be assumed that not all of these actions will turn out as strategic: a certain proportion may be operative in nature. More precisely, Husted et al. (2012) aim to replicate the intention of ‘market’ behavior and only refer to those activities that seek to create competitive advantage and economic value. They define social strategy as “a portfolio of social projects organized with the purpose of creating value for the firm” (Husted et al. 2012, p. 6).

In such articles scholars explicitly define nonmarket strategies, they predominantly take the viewpoint of strategies as specific *activities* or maneuvers. Hillman, for example, defines political strategies as “proactive actions taken by a firm to affect the public policy environment in a way favorable to it” (Hillman 2003, p. 455). Hillman and Hitt (1999) refer to those maneuvers as corporate lobbying, press conferences, grass root mobilization or public relations. However, in the ‘market strategy domain’, the term ‘strategic orientation’ refers to another commonly used perspective of ‘strategies’ (e.g. Mintzberg 1979). Pursuing a ‘strategic orientation’ means that a company develops a shared perspective or *plan* about what kind of (nonmarket) activities should be pursued. From the reviewed articles, only Husted and Allen (2007) and Husted et al. (2012) consider a similar view. In their study about antecedents of corporate social strategy Husted and Allen (2007) distinguish between ‘social strategic planning’ and ‘social strategic positioning’. In sum, most of the reviewed articles do not explicitly specify what makes a nonmarket activity *strategic* and only few scholars consider differences within the term ‘strategy’. We are going to discuss potential benefits of a comprehensive strategy view point for nonmarket strategy research in the implications section below.

Research stream 3 furthermore examines possibilities of market and nonmarket strategy integration. The necessity of strategy integration is highlighted by Baron (1995), who speaks of an integrated strategy. Such an integrated strategy needs to be aligned with firm specific competencies as well as market and nonmarket environmental conditions. Thus, it contains market and nonmarket components, which should be coordinated by the management. Baron extends this reasoning in two constitutive publications in which he conceptually analyzes the Kodak/Fujifilm case (Baron 1997a, b). The author examines the competition between Kodak and Fujifilm within the Japanese market. As an US-based corporation, home and host country nonmarket strategies of Kodak are compared. Doing so, the author

highlights the importance of the corporate environment on strategic choice. He concludes that an integrated strategy needs to be region specific since the nonmarket environment is subject to regional institutions, regulations and cultures (Baron 1997b). However, it remains unclear how international corporations delegate responsibilities regarding the development of market and nonmarket strategies across borders and how an integrated strategy can be coordinated.

Besides a small amount of conceptual and empirical papers highlighting its importance, in recent academic publication the question of strategy integration only finds scarce attention. Conceptual papers, stressing the importance of an integrated strategy are for example published by Salorio et al. (2005), Rudy and Johnson (2013) or White et al. (2014). Empirical studies, published inter alia by Mahon and McGowan (2016) or Wei et al. (2015). Salorio et al. (2005), stress that an integration of political and economic strategies has to be carried out in order to be able to meet environmental requirements. Based on an outlined “*strategy cube*”, the authors argue that an integrated strategy can become the source of a rent-creating competitive advantage. Besides highlighting this necessity and profitability, the authors however fail to explain how a successful integration can be achieved and which implementation mechanisms can be applied. A similar argument can be traced in a publication by White et al. (2014) who also emphasize a link between an integrated strategy and a sustainable competitive advantage and an increased business performance.

Moreover, Levy and Egan (2003) support Barons argument that strategy integration is a central task of the management. They additionally claim that market- and nonmarket strategies should be treated as one, since both environments are strongly connected and interdependent. Similarly, Holburn and Vanden Bergh (2014) emphasize the importance of an integrated research approach and criticize that academic discussions have evolved mainly separated from each other. Within their quantitative analysis, the authors raise the question how nonmarket strategies, such as financing of political campaigns, can support market strategies, such as mergers. As a result, the authors point out that firms involved in valuable market transactions (such as mergers) tend to invest more into nonmarket activities when there is an increased risk of government dissipation of economic rents (inter alia through regulatory mechanisms). Correspondingly, the authors are able to demonstrate that a greater integration of nonmarket activities is observable during valuable market transactions. By analyzing a specific event in the market environment (such as a corporate merger with the potential to create high economic rents), the authors are able to demonstrate how corporations integrate and adapt nonmarket strategies during the time around the event in contrast to business-as-usual. Thus, it might be assumed that nonmarket strategies are likely to be introduced complementary to market strategies (Holburn and Vanden Bergh 2014).

Within the systematic literature review we reveal that until this day only few studies deal with the question of an integrated strategy and rarely go beyond highlighting its importance. Nevertheless, we identify two streams of discussion: A first one focuses on the question how market and nonmarket strategies can be integrated and a second one deals with the allocation of responsibilities during an

integration process. The latter one is mainly focusing on multinational corporations operating in various market and nonmarket environments.

4.4.2 *How to integrate*

The question how market and nonmarket strategies can be integrated is for example discussed by Maxwell et al. (2002). By conducting a qualitative case study analysis, the authors examine how environmental strategies can be integrated into an overall firm strategy. The authors find that the analyzed companies attempt to achieve an integrated strategy by developing and tailoring their nonmarket activities to their organizational competencies. According to this, product and financial issues as well as a corporation's philosophy are discussed as having an impact on nonmarket strategy development and integration. The degree of consistency thus determines whether an existing core strategy is disrupted by nonmarket strategy implementation. Therefore, it can be argued that a greater degree of market and nonmarket component consistency triggers a greater feasibility of strategy integration. Additionally, the authors observe integration methods such as the adaption of company structures (i.e. implementation of groups at division level or lower level managers to set up goals) or the implementation of competence centers to position nonmarket strategies within the company. Formal and informal control mechanisms, such as employee trainings or reporting systems are found to positively affect strategy integration. Moreover, the authors observe that an alignment of nonmarket activities with corporate culture can be applied as an informal mechanism to integrate strategies. This might *inter alia* be achieved by tailoring activities to an existing brand management culture (Maxwell et al. 2002).

However, strategy integration is not always possible, it is dependent on specific external and internal conditions, such as laws and regulations or scarce financial resources. Bonardi (2004, 2008) for example argues that market and nonmarket strategies are not always integrable, since they are not in any case perfect complements (Bonardi 2004). The author empirically confirms and refines this proposition by elaborating further limitations of strategy integration (Bonardi 2008). From a corporate perspective, the author argues that successful nonmarket strategies often depend on the input of specific market factors (e.g. human resources). Thus, these nonmarket activities regularly become alternatives for market activities, as resources are scarce. Certainly, this describes a trade-off decision faced by the management, which stresses that market and nonmarket activities do not always act as complements but in some cases as substitutes. Management needs to decide whether financial and human resources are used for market or nonmarket activities. Bonardi (2008) argues that in such trade-off situations, firms would usually give priority to market strategies to secure the core business. This approach points out that the integration of market and nonmarket strategies is bound to certain conditions which do not only arise out of external constraints (such as by laws or regulations), but also out of internal limitations (such as scarce resources).

4.4.3 Allocation of responsibilities

As described above, the second research strand deals with the distribution of power in course of a strategy integration process. This is for instance examined by Shaffer and Hillman (2000), who analyze within a qualitative case study how large, diversified corporations with different business units decide which political strategies are implemented into the overall firm strategy. The authors particularly focus on financial resource allocation of subsidiaries as well as on political resource allocation. Thus, next to limited financial capital, the corporation has limited political capital (such as the ability to influence political decisions and government policy). Within diversified firms, individual business units need to compete for those scarce resources. Their findings indicate that strategy integration induces internal coordination challenges concerning the allocation of competencies between headquarters and subsidiary. Shaffer and Hillman (2000) recap their empirical findings in a matrix to present different options of authority distribution between company units. Therein, the scholars distinguish between companies that carry out the integration centralized, shared or decentralized. Within the centralized corporation, a single business unit will determine strategy development and integration (the authors do not speak explicitly of headquarters/subsidiary-relationships). In contrast, within the decentralized corporation each individual business unit decides independently on regional political situations and develops individual strategies. In the divided or shared corporation, strategy decisions are made jointly and coordination problems are solved together. This shall be achieved through a so-called coordination unit, which brings together representatives of each business unit to discuss strategic options jointly.

Windsor (2007) takes a similar research perspective and focuses on multinational corporations operating in diverse environments. The author conceptually tackles the question, how the resource allocation influences the development and integration of particularly political strategies within subsidiaries. The author concludes that market and nonmarket strategy formation within multinational companies can be seen as a dynamic process that is strongly dependent on resource allocation processes and changing regional environmental conditions. The author states that the typology of subsidiary role-models proposed by Bartlett and Ghoshal (1986) can be used to identify core business units to reduce resource allocation to a selected set of business units. However, resource allocation needs to be handled across borders as well as across divisions (political, social and market divisions within each business unit), which makes it a multi-level problem. Thus, Windsor (2007) calls out for further empirical research.

Concluding, it can be stated that conceptual and empirical publications addressing the issue of strategy integration are rather scarce. Despite some publications highlighting individual formal or informal coordination mechanism, a thorough examination is missing. Moreover, it remains more or less unclear who should bear the responsibility for strategy integration, especially considering multinational corporations. This finding is somehow unexpected, since the importance and value of an integrated strategy finds broad agreement within the current research discussion.

4.5 Stream 3–4: consequences on economic performance

Research stream 3–4 examines the impact of nonmarket strategies on firm performance. As will be described in greater detail hereafter, it can be anticipated that a strategic impact on nonmarket stakeholders, such as political or social decision-makers, via nonmarket activities, such as strategic network building or representation of interests, can have a beneficial effect on firm performance in the long-run. Within the reviewed literature numerous publications examine this relationship (Bonardi et al. 2006; Chen et al. 2015; Hillman et al. 1999; Johnson et al. 2012; Lux 2013; Rajwani and Liedong 2015; Rudy and Johnson 2013; Shaffer et al. 2000; Tang and Tang 2012; Wagner 2007; Wei 2014). Given the broad spectrum of nonmarket activities and strategies, it is not surprising that the results vary depending on the analyzed strategy type and activity as well as on the applied indicator to measure firm performance.² Reasons for these ambiguities are discussed in the ‘implications’ section below. Since the topic of performance implications is often referred to in the individual reviewed studies, this point will also be included in the following abstracts.

4.5.1 Positive impact

A broad majority of the reviewed studies suggest a positive impact of nonmarket strategies on firm performance. In a quantitative study Shaffer et al. (2000) assess the impact of market and nonmarket activities on firm performance of airlines operating in the North Atlantic region. The authors measure performance via three indicators: profits, market share and capacity utilization. They come to the conclusion that nonmarket activities have a significantly positive impact on firm performance in terms of all three tested indicators. In contrast, the results of the study illustrate a non-significant impact of activities within the market environment on firm economic performance (Shaffer et al. 2000).

Several scholars empirically demonstrate a positive impact of nonmarket strategies and especially social strategies on firm performance (Hawn and Ioannou 2016; Husted et al. 2012; Kiessling et al. 2015). Husted et al. (2012) for example, examine the impact of social activities on firm economic value. Building on resource-based and resource-dependence theory, the scholars investigate the impact of strategic social planning and strategic social positioning via a quantitative research design in 110 major Spanish companies. They come to the conclusion that both strategy types do have a positive impact on firm economic value. However, a significantly stronger impact could be identified for social positioning. A positive relationship between social strategies and firm performance is further affirmed by Kiessling et al. (2015). The authors explain their quantitative findings by stressing the importance of a social positioning in times of global competition and information accessibility. Maurer et al. (2011) argue conceptually that particularly

² Within this paper firm performance is understood as a term of wide comprehension. Since the reviewed articles refer to economic value or economic performance based on varying indicators, they shall be summarized under the term firm performance. However, differences within the studies shall be highlighted whenever necessary.

cultural and social activities do have a positive impact on the economic value associated with a firm's strategy. The authors explain this reasoning with an increased possibility of gaining public legitimacy within the organizational field. Since the organizational field is able to create or destroy economic value, engaging in cultural or social work can preserve or even enhance a firm's position.

Besides the above argued positive impact of social strategies on firm performance, there are also scholars proposing a positive impact of political strategies on firm performance (Chen et al. 2015; Hillman et al. 1999; Lux 2013; Lux et al. 2011; Mathur et al. 2013). In a quantitative study Mathur et al. (2013) for example examine the influence of lobbying as part of a nonmarket strategy on firm value, measured by return on assets. The authors figure that lobbying activities positively influence corporate value creation. They explain this finding by pointing out that lobbying activities are able to serve as an instrument to align the interests of management and shareholders (Mathur et al. 2013). Lux et al. (2011) come to a similar conclusion. Within a meta-analysis, the authors examine the impact of corporate political activities such as lobbying on firm performance. Performance is measured on the one hand via return on assets and on the other hand via the survival or failure of the company. The authors find that corporate political activities have a significant positive impact on firm performance. Based on these findings, they argue that the strategic influence of political actors in the corporate environment can generate a competitive advantage. Lux (2013) approves this result in a further study, by examining the influence of political strategies on firm performance. As an explanation for a positive impact Holburn and Vanden Bergh (2008) argue that by engaging in regulatory or political arenas, corporations have the chance to reduce the risks of unexpected or detrimental policy change.

Likewise, Hillman et al. (1999) test the influence of political strategies on firm value and come to a positive result. Within their quantitative study the authors focus on personal services of managers in political positions, such as political consultants or memberships in political committees. At multiple times, the authors measure firm performance comparing the market return with the market return of the entire industry in order to exclude external, cross-industry factors. The authors conclude that personal services as part of a political strategy do positively impact firm performance. Also, political relationships and socio-political reputation are found to positively impact firm performance (Brown et al. 2015; Werner 2015). In summary, there is broad empirical evidence that nonmarket strategies are positively related to performance. Some caveats to this interpretation, however, should be considered. On the one hand, it is important to notice that in some cases empirical studies provide evidence to negative effects of nonmarket strategies on corporate performance. We are going to discuss examples of these studies in the next section. On the other hand, it should be realized that studying nonmarket strategy effects on performance is part of a general success factor research. Nonmarket strategy-performance studies are therefore affected by all criticisms that are assigned to the success factor research strand, such as a highly complex dependent variable with heterogeneous measurements driven by a large number of factors (March and Sutton 1997). We are going to return to this issue in the 'implications' chapter more detailed.

4.5.2 *Negative or ambiguous impact*

In contrast to the previous section, the literature review also revealed opposing results suggesting a conditional or negative relationship between nonmarket strategies and firm performance. It can be argued that especially political activities can include social investments, such as building up networks and relationships with decision-makers, that might be dependent on election periods or stable developments within a system. This is examined in a quantitative publication by Leuz and Oberholzer-Gee (2006), who assess the long-term impact of political strategies of corporations operating in Indonesia. The authors argue that a close cooperation with political decision-makers might have negative consequences on firm performance when it comes to regime changes, because connections and ties to the government break away. Within this study this lead to a financial loss and a negative impact on firm performance. Guo et al. (2014) also examine the relationship between political strategies and firm performance with a focus on emerging markets, but do not come to a definite result. As a political strategy, the authors examine political ties of the management, such as interpersonal relationships with political decision makers. The authors focus on three different coherencies of political ties, which can lead to a positive performance impact: (1) political ties can support firms to achieve institutional support, which can manifest itself through resource procurement and lead to a competitive advantage; (2) political ties can contribute to build legitimacy and thus, reduce uncertainty and improve business performance; and (3) political ties can also help to identify and exploit business opportunities, by influencing policy makers and performance-related regulations. In a quantitative study, the scholars test these coherencies by analyzing survey data of 195 Chinese corporations. The authors measure firm performance by various financial (sales volume, ROA) and non-financial (market share growth, productivity) indicators. The results indicate that although a significantly positive relationship between performance and political bonds can be traced, only two of the three tested coherencies are significant. No significant impact was identified for legitimacy building on firm performance (Guo et al. 2014).

Such an ambiguous result can also be found in a study by Hadani and Schuler (2013), who quantitatively test the relationship between political strategies and firm performance of 943 large and mid-cap 'Standard&Poors 1500' firms in the period between 1998 and 2008. Firm performance is measured by market value and return on sales. On the one hand, the authors examine political strategies in terms of political investments (investments in lobbying or political campaigns) and on the other hand in terms of human capital investments (recruitment of staff with former political experience). Short- and long-term effects on firm performance are examined. Hadani and Schuler (2013) find that political investments do not have a negative impact on market value and return on sales. Human capital investments do also negatively impact the market value of a company and neutrally impact return on sales. The only positive exception in their study is shown for firms operating in highly regulated industries. Here, a positive relationship between political investment and market value was confirmed.

Drawing upon agency and resource dependency theory Sun et al. (2015a) further highlight the threat of a negative impact of board political capital on firm performance, due to the possibility of an augmentation of bargaining power over corporate surplus. Hadani et al. (2015) similarly argue on, that a politically active CEO might harm the corporation, by over-investing out of personal affairs.

Summarizing, it can be concluded that a disagreement about the consequences of nonmarket strategies on firm performance prevails in the reviewed literature. Next to a majority of studies suggesting and empirically confirming a positive impact, there are also contradicting opinions. Moreover, authors such as Leuz and Oberholzer-Gee (2006) or Hadani and Schuler (2013) even propose a negative impact in form of a deteriorating firm performance as a consequence of nonmarket strategies. This heterogeneity of findings is also highlighted by current publications and reviews (Mellahi et al. 2015; Rajwani and Liedong 2015). Within the following section of this paper reasons behind these differences and possibilities for future research are discussed in more detail.

5 Implications and guidance for future research

With this paper, we aim to provide a systematic overview of the current state of research on nonmarket strategy. We identified 191 articles, which can be assigned to the four previously outlined research streams and shed light on the respective thematic field. The previous sections provided an integrated, multi-perspective review of the nonmarket literature according to the research streams and incorporated findings from both research on social and political strategy. Key determinants are summarized in Fig. 2.

Besides the fact that particularly the structure of the market and nonmarket environment strongly affects the adoption of nonmarket strategies, further antecedents covering the internal configuration of corporations have been unveiled and discussed in this paper. Additionally, it became clear that the internal coordination of nonmarket and market strategies is only scarcely discussed in recent publications. Finally, with regard to performance implications, this review reveals a high ambiguity of the previous empirical results. Thus, within this final section, we aim to outline a research agenda that points out controversies and prevailing literature gaps. We structure our discussion into three main areas of interest: methodological, theoretical as well as practical implications and challenges for nonmarket strategy research.

5.1 Methodological implications and challenges

From a methodological perspective, a number of challenges can be identified. First of all, it can be stated that most empirical studies are focusing on specific types of nonmarket strategies or uncoupled political or social activities. Hence, the majority of papers examine isolated aspects or activities such as corporate social responsibility or corporate lobbying. Both approaches contribute equally to the research field of nonmarket strategies. However, articles bringing together political

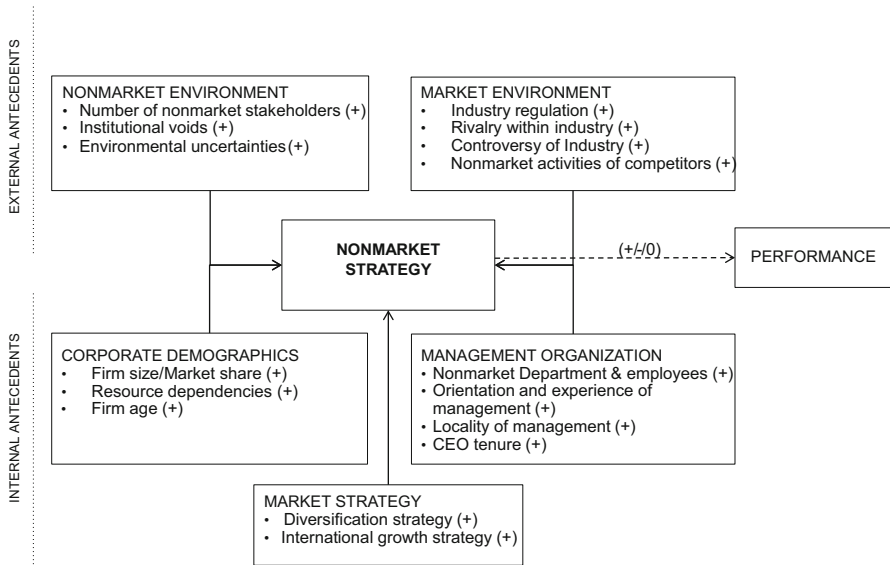


Fig. 2 Key determinants resulting from nonmarket strategy research

and social activities to study the complete picture of nonmarket strategies are rather rare. Focusing on partial excerpts comes with the drawback of possibly omitting crucial factors and prematurely attributing findings from one nonmarket activity to another. Apart from that, studies with a restricted research focus might benefit from more specific results and insights. This would in turn further highlight the necessity of scientific literature reviews, such as the paper on hand. Nevertheless, future research needs to empirically address the complexity of nonmarket activities on a political, social and legal level and potential linkages between different strategy types. Furthermore, it would be interesting to analyze whether political and social nonmarket strategies are equally important to corporations (and firm performance). External factors, such as industry structure or corporate environment, might have an impact on the perceived need or importance to implement social or political activities as part of a nonmarket strategy. Advances in this field can help to decrease underspecified research models and at the same time help to increase the current degree of generality in empirical studies. The call for more integrated studies becomes particularly evident on the basis of nonmarket strategy typologies (e.g. Puck et al. 2013). As an example, the information strategy or the financial incentive strategy can target both social and political actors at the same time. Therefore, on the basis of actual strategic nonmarket behavior, the borders between political and social strategies blur.

Another methodological challenge emerges in research stream 3–4. A broad variety of indicators is applied to measure the impact of nonmarket strategies on firm performance. Studies vary in terms of the analyzed type of nonmarket strategy, underlying activities as well as the applied indicator to measure firm performance. Accordingly, we identify controversial results: while some scholars affirm a positive

impact of nonmarket strategies on firm performance others state that no impact is verifiable. We further identified articles pointing out that nonmarket strategies might even have a negative impact on firm performance in the long-run. One explanation for those opposing results can certainly be seen in the variety of used indicators to measure firm performance such as return on assets, return on sales, market share, market value or capacity utilization. Research models rarely address this issue, possibly due to the preference of data availability over data relevance (Goranova and Ryan 2014). Further empirical research is needed to investigate these discrepancies more thoroughly and to figure out whether differences in existing findings can be traced back to differences in applied indicators or observed activities. However, it is also questionable whether organizational performance research (in general) is losing its “raison d’être“. Several methodological problems such as the key informant bias, endogeneity, simultaneity, heterogeneity, regression-to-the-mean-problem, or survival bias complicate the development of causal structures (March and Sutton 1997). Mintzberg criticized that the unsuccessfulness of the success factor research lies in its essentially simple quantitative design that makes it possible to state “you never even had to leave your office at university. And that meant you never had to face all the distortions inherent in such research.” (Mintzberg 1994, p. 93). Hence, to find out more about the impact of nonmarket strategies on firm performance, detailed qualitative case studies need to be applied. Gathering deep insights into single cases can help to find out more about complex structures and dynamic links between performance (treated as the dependent variable) and several interacting independent variables (with nonmarket strategies only as one of them).

5.2 Theoretical implications and challenges

Within the literature review we outlined theoretical controversies in terms of understanding and conceptualizing nonmarket strategies as well as on the question of how to integrate market and nonmarket strategies. We aim to address these issues in the following.

5.2.1 Activities and strategies

A first observation and theoretical challenge refers to the above-mentioned distinction between nonmarket *strategies* and nonmarket *activities* in current research. Reviewing the articles from the angle of a strategy researcher, it appears that several studies regard nonmarket activities as ‘*strategies*’ as soon as these activities are perceived as important for whatever reason. However, in strategy research it is established practice to distinguish strategies from a stream of other activities that are performed within corporations. For instance: (1) at the lowest level, a single nonmarket activity can retain the character of a strategy if this activity creates a success potential. A foreign market entry accompanied by a lobbying activity may create an entry barrier for followers and can therefore be regarded as *strategic* (maneuver). As explained before, most nonmarket strategy research follows this ‘strategy as activity’ view. However, at least two further ‘levels’ of

nonmarket strategies may be observed: (2) sometimes a *consistency* in nonmarket behavior may occur in the course of time that can reveal a higher level of nonmarket strategic behavior. As an example, it could be a result of empirical analyses that a firm always accompanies foreign market entries with lobbying initiatives—its nonmarket behavior becomes consistent. (3) Finally, some firms may develop *guidelines* or *plans* how to deal with nonmarket situations (Mintzberg 1979; Mintzberg and Waters 1985; Porter 1996; Whittington 2001). A firm may develop a formal nonmarket strategy plan that prescribes to accompany foreign market entries with lobbying activities. As opposed to example (2) this firm not only behaves in a consistent way but formulates an ex-ante guideline how to act strategically in future situations. Furthermore, this ex-ante plan does not necessarily have to be formally adopted but can be effective by means of a shared understanding (orientation) of top management team members. The fact that current nonmarket strategy research disperses with these notions is critical because it denies access to important research questions. For example, it will be important to examine whether companies do have a strategic plan or orientation towards nonmarket issues that guide their behavior or if they only pursue single strategic maneuvers. As a consequence, research will not only be able to describe the content of nonmarket strategies but to further reflect on different developmental levels.

The distinction between *single actions* and *strategic orientations* is important not only because they portray the understanding of “strategy” quite differently, but also because of a dynamic link between both. On the one hand, strategic nonmarket orientations will frequently guide companies to conduct specific nonmarket maneuvers. A company may develop strategic nonmarket plans that serve as facilitators as well as restrictors for certain maneuvers. However, on the other hand, strategic orientations may also emerge as a result of an ongoing process of single strategic maneuvers, if the management starts reflecting on these (Wrona and Ladwig 2015). Drawing on this perspective, current nonmarket strategy research remains too shallow due to a disregard of important dynamics and the role of nonmarket strategic orientations. As an example, it would be an interesting research question, whether nonmarket maneuvers of companies materialize as an implementation of a strategic orientation towards the nonmarket environment or if certain nonmarket maneuvers are developed separately. The former would indicate a higher development level in nonmarket behavior. Currently, this empirical question is completely neglected in nonmarket strategy research. Summarizing, nonmarket strategy research will significantly benefit from a stronger embedding within strategic management concepts and theories. A repositioning of the research field is recommended and leaves space for future research.

5.2.2 *Integration of market and nonmarket strategy*

The literature review demonstrates that so far little attention has been paid to the question of how to integrate market and nonmarket strategies. Certainly, the importance of this topic does not primarily arise from its relation to firm performance. If nonmarket strategy research wants to refrain from studying isolated maneuvers, ‘integration’ is an important research field because it sheds light on the

question of how firms can coordinate and align market and nonmarket activities. From this point of view, integration also means that nonmarket strategies must be regarded as an equivalent part of the strategic behavior of a firm and are able to influence and be influenced by market strategies. Although Baron already highlighted the importance of an integrated strategy (Baron 1995, 2001, 2013), up to now there are only few publications addressing this issue. Within those, as a consensus it can be hold that the integration of both strategies is regarded as crucial, since it is supposed to have a significant impact on overall business success. However, it is not finally settled what ‘integration’ exactly means, how it takes place and who bears (or should bear) the responsibility. Furthermore, a detailed outline of possible integration mechanisms is missing. Organizational research unveiled several integration mechanisms that can be used to coordinate within organizations, such as personal, structural or technocratic coordination (e.g. Khandwalla 1972). Even though, some scholars highlight detached formal or informal tools, an in-depth systematization of integration mechanisms offers potential for future research. Additionally, the question of how responsibilities are distributed during strategy integration is of particular interest and leaves space for future research. Here, special attention should be paid to multinational corporations with subsidiaries acting in diverse market and nonmarket environments. Regional knowledge of local managers needs to be confronted with hierarchical company structures in order to investigate strategy development and integration. Whether those adjustments are decided centralized or decentralized can also be stated as a prevailing literature gap. As another result, we identify internal obstacles that can hinder the integration process, such as discrepancies between market and nonmarket strategies or substitution effects (Bonardi 2004, 2008). Further empirical investigations are necessary to fully understand these obstacles and to theoretically strengthen the understanding of an integrated strategy.

5.3 Implications for practice

Research on nonmarket strategy has crucial implications for management practice. The findings of the literature review highlight the massive impact of social, political and legal actors on ongoing business procedures and decision-making processes. To address the question of site selection, the management needs to bear in mind dependencies on regional stakeholders and regulatory and institutional conditions. As research stream 2–3 on external determinants highlights, regulation density and stakeholder activism tend to have a substantial impact on corporate nonmarket strategies and business decisions. On these grounds, the examination of antecedents provides useful guidelines for practitioners to gain a thorough understanding on the importance and impact of nonmarket actors and external as well as internal drivers for nonmarket strategies.

A further finding that provides practical implications is the outlined necessity to integrate market and nonmarket strategies. Coordination procedures and integration delegation can support the alignment of an overall firm strategy and promote firm success. Addressing these issues in future empirical studies can strengthen the

theoretical understanding of integrated strategies and practically guide companies on how to overcome integration-related obstacles.

6 Conclusion

Our study contributes in many ways to the current research discussion on nonmarket strategy. We systematically display nonmarket strategy research since its early beginnings in 1995 until today and also include subordinate research streams on social and political strategies. This systematic approach and thorough examination of relevant publications enabled us to provide a comprehensive overview of the research field. Via the outlined conceptual framework, we were able to identify relevant research streams that were thereafter applied to scan and evaluate the identified publications. The framework aims to provide a systematic overview and understanding of how and why firms influence social, political and legal stakeholders in order to achieve corporate objectives. It further assists to identify research gaps, as outlined in the previous part of this paper.

Finally, it should be noted that, just as every other literature review, our study is subject to potential limitations. Analyzing literature requires a preceding classification process that demands a thorough categorization, based on specific criteria. As a matter of course, this process underlies the limitation of subjectivity, but was, however, carried out with utmost diligence. Another limitation can be seen in the process of literature selection. It may be possible that important articles in the research field were excluded from the literature search due to the formulated inclusion and exclusion criteria. Taken together, the presented review of empirical findings might be of significant value for nonmarket strategy research in particular because of its integrative character. The highlighted research gaps furthermore indicate that there is significant opportunity to proceed with future nonmarket strategy research.

References

- Akbar YH, Kisilowski M (2015) Managerial agency, risk, and strategic posture: nonmarket strategies in the transitional core and periphery. *Int Bus Rev* 24:984–996
- Baron DP (1995) Integrated strategy: market and nonmarket components. *Calif Manag Rev* 37:47–65
- Baron DP (1997a) Integrated strategy and international trade disputes: the Kodak-Fujifilm case. *J Econ Manag Strat* 6:291–346
- Baron DP (1997b) Integrated strategy, trade policy, and global competition. *Calif Manag Rev* 39:145–169
- Baron DP (2001) Private politics, corporate social responsibility, and integrated strategy. *J Econ Manag Strat* 10:7–45
- Baron DP (2013) *Business and its environment*, vol 7. Pearson Education, New Jersey
- Bartlett CA, Ghoshal S (1986) Tap your subsidiaries for global reach. *Harv Bus Rev* 64:87–94
- Beddewela E, Fairbrass J (2016) Seeking legitimacy through CSR: institutional pressures and corporate responses of multinationals in Sri Lanka. *J Bus Ethics* 136(3):503–522
- Blumentritt TP (2003) Foreign subsidiaries' government affairs activities: the influence of managers and resources. *Bus Soc* 42:202–233

- Bonardi JP (2004) Global political strategies in deregulated industries: the asymmetric behaviors of former monopolies. *Strateg Manag J* 25:101–120
- Bonardi JP (2008) The internal limits to firms' nonmarket activities. *Eur Manag Rev* 5:165–174
- Bonardi JP, Holburn GLF, Van den Bergh RG (2006) Nonmarket strategy performance. evidence from US. *Electr Util Acad Manag J* 49:1209–1228
- Breitinger D, Bonardi J-P (2016) Private politics daily: what makes firms the target of internet/media criticism? An empirical investigation of firm, industry and institutional factors. *Adv Strat Manag* 34:331–363
- Brown JL, Drake K, Wellman L (2015) The benefits of a relational approach to corporate political activity: evidence from political contributions to tax policymakers. *Am Account Assoc* 37:69–102
- Chakravarthy BS, Doz Y (1992) Strategy process research: focusing on corporate self-renewal. *Strat Manag J* 13:5–14
- Chalmers I, Enkin M, Keirse MJNC (1993) Systematic reviews of randomized controlled trials. *Milbank Q* 71:411–437
- Chen H, Parsley D, Yang Y-W (2015) Corporate lobbying and firm performance. *J Bus Finance Account* 42:444–481
- Chomsky N (1988) *Language and problems of knowledge*. MIT Press, Cambridge
- Cook RG (2015) Influencing government: what do small firms do? *J Small Bus Strat* 7:49–67
- Cooper H (1998) *Synthesizing research—a guide for literature reviews*, vol 3. SAGE, London
- Darendeli IS, Hill TL (2016) Uncovering the complex relationships between political risk and MNE firm legitimacy: insights from Libya. *J Int Bus Stud* 47:68–92
- Davies P (2004) Systematic reviews and the campbell collaboration. In: Thomas G, Pring R (eds) *Evidence-based practice in education*. Open University Press, Maidenhead, pp 21–33
- De Figueiredo JM (2009) Integrated political strategy. In: Nickerson JA, Silverman BS (eds) *Economic Institutions of Strategy*. Emerald Group Publishing Limited, pp 459–486
- De la Cruz Déniz-Déniz M, García-Falcón JM (2002) Determinants of the multinationals' social response—empirical application to international companies operating in Spain. *J Bus Ethics* 38:339–370
- Dieleman M, Boddewyn JJ (2012) Using organization structure to buffer political ties in emerging markets: a case study. *Organ Stud* 33:71–95
- Doh JP, Littell B, Quigley NR (2015) CSR and sustainability in emerging markets: societal, institutional, and organizational influences. *Organ Dyn* 44:112–120
- Fahey L, Christensen KH (1986) Evaluating the research on strategy content. *J Manag* 12:167–183
- Fink A (2005) *Conducting research literature reviews*. SAGE, London
- Funk RJ, Hirschman D (2017) Beyond nonmarket strategy: market actions as corporate political activity. *Academy of Management Review* forthcoming
- Ginsberg A, Venkatraman N (1985) Contingency perspectives of organizational strategy: a critical review of the empirical research. *Acad Manag Rev* 10:421–434
- Goranova M, Ryan LV (2014) Shareholder activism: a multidisciplinary review. *J Manag* 40:1230–1268
- Guo H, Xu E, Jacobs M (2014) Managerial political ties and firm performance during institutional transitions: an analysis of mediating mechanisms. *J Bus Res* 67:116–127
- Hadani M, Schuler DA (2013) In search of El Dorado: the elusive financial returns on corporate political investments. *Strat Manag J* 34:165–181
- Hadani M, Dahan N, Doh JP (2015) The CEO as chief political officer: managerial discretion and corporate political activity. *J Bus Res* 68:2330–2337
- Hawn O, Ioannou I (2016) Mind the gap: the interplay between external and internal actions in the case of corporate social responsibility. *Strategic Management Journal* forthcoming
- He Y, Tian Z, Chen Y (2007) Performance implications of nonmarket strategy in China. *Asia Pac J Manag* 24:151–169
- Heidenreich S, Mohr A, Puck JF (2015) Political strategies, entrepreneurial overconfidence and foreign direct investment in developing countries. *J World Bus* 50:793–803
- Hillman AJ (2003) Determinants of political strategies in US multinationals. *Bus Soc* 42:455–484
- Hillman AJ, Hitt MA (1999) Corporate political strategy formulation: a model of approach, participation, and strategy decisions. *Acad Manag Rev* 24:825–842
- Hillman AJ, Wan WP (2005) The determinants of MNE subsidiaries' political strategies: evidence of institutional duality. *J Int Bus Stud* 36:322–340

- Hillman AJ, Zardkoohi A, Bierman L (1999) Corporate political strategies and firm performance: indications of firm-specific benefits from personal service in the US government. *Strat Manag J* 20:67–81
- Hillman AJ, Keim GD, Schuler DA (2004) Corporate political activity: a review and research agenda. *J Manag* 30:837–857
- Holburn GLF, Vanden Bergh RG (2008) Making friends in hostile environments: political strategy in regulated industries. *Acad Manag Rev* 33:521–540. doi:10.5465/amr.2008.31193554
- Holburn GLF, Vanden Bergh RG (2014) Integrated market and nonmarket strategies: political campaign contributions around merger and acquisition events in the energy sector. *Strat Manag J* 35:450–460
- Huff AS, Reger RK (1987) A review of strategic process research. *J Manag* 13:211–236
- Husted BW, Allen DB (2007) Corporate social strategy in multinational enterprises: antecedents and value creation. *J Bus Ethics* 74:345–361
- Husted BW, Allen DB, Kock N (2012) Value creation through social strategy. *Bus Soc* 54:147–186
- Jia N (2016) Political strategy and market capabilities: evidence from the Chinese private sector. *Manag Organ Rev* 12(01):75–102
- Johnson G, Melin L, Whittington R (2003) Micro strategy and strategizing: towards an activity-based view. *J Manag Stud* 40:3–22
- Johnson JH, Mirchandani D, Meznar M (2012) The impact of internationalization of US multinationals on public affairs strategy and performance: a comparison at 1993 and 2003. *Bus Soc* 54:89–125
- Kassinis G, Vafeas N (2006) Stakeholder pressures and environmental performance. *Acad Manag J* 49:145–159
- Keim GD, Hillman AJ (2008) Political environments and business strategy: implications for managers. *Bus Horiz* 51:47–53
- Khandwalla PN (1972) Uncertainty and the “optimal” design of organizations. Working paper. McGill University, Montreal
- Kiessling T, Isaksson L, Yasar B (2015) Market orientation and CSR: performance implications. *J Bus Ethics* 137:269–284
- Kobrin SJ (2015) Is a global nonmarket strategy possible? Economic integration in a multipolar world order. *J World Bus* 50:262–272
- Lamberg J-A, Skippari M, Eloranta J, Mäkinen S (2004) The evolution of corporate political action: a framework for processual analysis. *Bus Soc* 43:335–365
- Lawrence AT (2010) Managing disputes with nonmarket stakeholders: wage a fight, withdraw, wait, or work it out? *Calif Manag Rev* 1:90–112
- Lawton T, McGuire S, Rajwani T (2013) Corporate political activity: a literature review and research agenda. *International Journal of. Manag Rev* 15:86–105
- Lenox MJ, Eesley CE (2009) Private environmental activism and the selection and response of firm targets. *J Econ Manag Strat* 18:45–73
- Leuz C, Oberholzer-Gee F (2006) Political relationships, global financing, and corporate transparency: evidence from Indonesia. *J Financ Econ* 81:411–439
- Levy DL, Egan D (2003) A neo Gramscian approach to business society relations: conflict and accommodation in the climate change negotiation. *J Manage Stud* 40:803–829
- Lux S (2013) Strategic fit to political factors and subsequent performance: evidence from the US coal industry, 1986 to 2000. *Bus Soc* 55:130–147
- Lux S, Crook TR, Woehr DJ (2011) Mixing business with politics: a meta-analysis of the antecedents and outcomes of corporate political activity. *J Manag* 37:223–247
- Mahon JF, McGowan RA (2016) Modeling industry political dynamics. *Bus Soc* 37(4):390–413
- Majumdar SK, Chang H (2010) On the determinants of non-market strategy: The separations mechanism and cost shifting in the telecommunications industry. *Telecommun Policy* 34(11):711–725
- March JG, Sutton RI (1997) Organizational performance as a dependent variable. *Organ Sci* 8:698–706
- Mathur I, Singh M, Thompson F, Nejadmalayeri A (2013) Corporate governance and lobbying strategies. *J Bus Res* 66:547–553
- Maurer CC, Bansal P, Crossan MM (2011) Creating economic value through social values: introducing a culturally informed resource-based view. *Organ Sci* 22:432–448
- Maxwell J, Rothenberg S, Briscoe F, Marcus A (2002) Green schemes: corporate environmental strategies and their implementation. *Calif Manag Rev* 39:118–134
- McDonnell M-H (2016) Radical repertoires: the incidence and impact of corporate-sponsored social activism. *Organ Sci* 27:53–71

- Mellahi K, Frynas JG, Sun P, Siegel D (2015) A review of the nonmarket strategy literature: toward a multi-theoretical integration. *J Manag* 42:143–173
- Meznar M, Nigh D (1995) Buffer or bridge? Environmental and organizational determinants of public affairs activities in American firms. *Acad Manag J* 38:975–996
- Miller D (1986) Configurations of strategy and structure: towards a synthesis. *Strateg Manag J* 7:233–249
- Mintzberg H (1994) *The rise and fall of strategic planning*. Free Press, New York
- Mintzberg H (1979) Patterns in strategy formation. *Int Stud Manage Organ* 9(3):67–86
- Mintzberg H, Waters JA (1985) Of strategies, deliberate and emergent. *Strateg Manag J* 6:257–272
- Ozer M (2010) Top management teams and corporate political activity: do top management teams have influence on corporate political activity? *J Bus Res* 63:1196–1201
- Parnell JA (2015) Strategic political emphasis, strategic capabilities and uncertainty. *J Strat Manag* 8:41–63
- Parsons T, Shils EA (2001) *Toward a general theory of action*. Theoretical foundations for the social sciences. Transaction Publishers, New Brunswick
- Petticrew M (2003) Why certain systematic reviews reach uncertain conclusions. *BMJ* 326:756–758
- Petticrew M, Roberts H (2009) *Systematic reviews in the social sciences*. Blackwell Publishing, Oxford
- Pettigrew AM (1992) The character and significance of strategy process research. *Strateg Manag J* 13:5–16
- Porter ME (1996) What is strategy? *Harv Bus Rev* 74:6–78
- Puck JF, Rogers H, Mohr AT (2013) Flying under the radar: foreign firm visibility and the efficacy of political strategies in emerging economies. *Int Bus Rev* 22:1021–1033
- Rajagopalan N, Rasheed AA, Datta DK (1993) Strategic decision processes: critical review and future directions. *J Manag* 19:349–384
- Rajwani T, Liedong TA (2015) Political activity and firm performance within nonmarket research: a review and international comparative assessment. *J World Bus* 50:273–283
- Rehbein K, Schuler DA (1999) Testing the firm as a filter of corporate political action. *Bus Soc* 38:144–166
- Reimann F, Ehr Gott M, Kaufmann L, Carter CR (2012) Local stakeholders and local legitimacy: MNEs' social strategies in emerging economies. *J Int Manag* 18:1–17
- Rudy BC, Johnson AF (2013) Performance, aspirations, and market versus nonmarket investment. *J Manag* 42:936–959
- Salorio EM, Boddewyn J, Dahan N (2005) Integrating business political behavior with economic and organizational strategies. *Int Stud Manag Organ* 35:28–55
- Schuler DA (1996) Corporate political strategy and foreign competition: the case of the steel industry. *Acad Manag J* 39:720–737
- Schuler DA, Rehbein K (1997) The filtering role of the firm in corporate political involvement. *Bus Soc* 36:116–139
- Schuler DA, Rehbein K, Cramer R (2002a) Pursuing strategic advantage through political means: a multivariate approach. *Acad Manag J* 45:659–672
- Schuler DA, Schnietz KE, Baggett LS (2002b) Determinants of foreign trade mission participation: an analysis of corporate political and trade activities. *Bus Soc* 41:6–36
- Seidl D (2007) General strategy concepts and the ecology of strategy discourses: a systemic-discursive perspective. *Organ Stud* 28:197–218
- Shaffer B, Hillman AJ (2000) The development of business-government strategies by diversified firms. *Strateg Manag J* 21:175–190
- Shaffer B, Quasney T, Grimm CM (2000) Firm level performance implications of nonmarket actions. *Bus Soc* 39:126–143
- Shirodkar V, Mohr AT (2015a) Resource tangibility and foreign firms' corporate political strategies in emerging economies: evidence from India. *Manag Int Rev* 55:801–825
- Shirodkar V, Mohr AT (2015b) Explaining foreign firms' approaches to corporate political activity in emerging economies: the effects of resource criticality, product diversification, inter-subsidiary integration, and business ties. *Int Bus Rev* 24:567–579
- Short J, Payne GT, Ketchen D (2008) Research on organizational configurations: past accomplishments and future challenges. *J Manag* 34:1053–1079
- Spar DL, La Mure LT (2003) The power of activism: assessing the impact of NGOs on global business. *Calif Manag Rev* 45:78–101
- Sun P, Hu HW, Hillman AJ (2015a) The dark side of board political capital: enabling blockholder rent appropriation. *Acad Manag J* 59:1801–1822

- Sun P, Mellahi K, Wright M, Xu H (2015b) Political ties heterogeneity and impact of adverse shocks on firm value. *J Manag Stud* 52:1036–1063
- Suppe F (1979) *The structure of scientific theories*, 2nd edn. University of Illinois Press, Urbana
- Tang Z, Tang J (2012) Stakeholder–firm power difference, stakeholders' CSR orientation, and SMEs' environmental performance in China. *J Bus Ventur* 27:436–455
- Urbiztondo S, Bonardi JP, Quélin BV (2013) International expansion, diversification and regulated firm nonmarket strategy. *Manag Decis Econ* 34:379–396
- Vachani S, Doh JP, Teegan H (2009) NGOs' influence on MNEs' social development strategies in varying institutional contexts: a transaction cost perspective. *Int Bus Rev* 18:446–456
- Wagner M (2007) Integration of environmental management with other managerial functions of the firm: empirical effects on drivers of economic performance. *Long Range Plan* 40:611–628
- Wan WP (2005) Country resource environments, firm capabilities, and corporate diversification strategies. *J Manage Stud* 42:161–182
- Wei W, Hu X, Li Y, Peng P (2015) Integrating nonmarket and market action, response, and initiating firm performance in competitive dynamics. *Manag Decis* 53:512–532
- Werner T (2015) Gaining access by doing good: the effect of sociopolitical reputation on firm participation in public policy making. *Manag Sci* 61:1989–2011
- White G III, Hemphill T, Joplin J, Marsh L (2014) Wholly owned foreign subsidiary relation-based strategies in volatile environments. *Int Bus Rev* 23:303–312
- White G III, Boddewyn J, Galang RM (2015) Legal system contingencies as determinants of political tie intensity by wholly owned foreign subsidiaries: insights from the Philippines. *J World Bus* 50:342–356
- Whittington R (2001) *What is strategy—and does it matter?*, vol 2. Thompson, London
- Wilts A (2006) Identities and preferences in corporate political strategizing. *Bus Soc* 45:441–463
- Windsor D (2007) Toward a global theory of cross-border and multilevel corporate political activity. *Bus Soc* 46:253–278
- Wittgenstein L (2010) *Philosophical investigations*, 4th edn. Wiley, Hoboken
- Wöcke A, Moodley T (2015) Corporate political strategy and liability of foreignness: Similarities and differences between local and foreign firms in the South African health sector. *Int Bus Rev* 24(4):700–709
- Wrona T, Ladwig T (2015) Studying strategy formation in small companies: a cognitive perspective. *J Strat Manag* 8:2–20
- Zeithaml VA, Varadarajan PR, Zeithaml CP (1988) The contingency approach: its foundations and relevance to theory building and research in marketing. *Eur J Mark* 22:37–64
- Zheng W, Singh K, Chung C-N (2015) Ties to unbind: political ties and firm sell-offs during institutional transition *Journal of Management* forthcoming