Journal of International Business Studies (2023) 54, 42–60

www.jibs.net

COMMENTARY

Widening the lens: Multilevel drivers of firm corporate social performance

Anthony Goerzen[1], Michael Sartor[1], Kristin Brandl[2] and Stacey Fitzsimmons[2]

[1] Smith School of Business, Queen's University, Kingston, ON, Canada; [2] Peter B. Gustavson School of Business, University of Victoria, Victoria, BC, Canada

Correspondence:
A Goerzen, Smith School of Business, Queen's University, Kingston, ON, Canada
e-mail: agoerzen@queensu.ca

Abstract

Ioannou and Serafeim's (J Int Bus Stud 43:1–31, 2012) *JIBS* Decade Award-winning article outlines the impact of national institutional differences on firm corporate social performance (CSP). We build on their contribution by proposing that to identify how national institutions shape CSP, we need to consider various levels that have an impact on this relationship, i.e., the micro, firm, subnational, and supranational levels. We elaborate on each of these levels to argue that scholars should consider adopting a broader approach to analyzing CSP drivers. We develop potential research opportunities to inspire future scholars to extend our understanding of national institutions and their influence on CSP. These insights also aim to inform the connection between firm behavior and CSP performance.

Journal of International Business Studies (2023) **54**, 42–60.
https://doi.org/10.1057/s41267-022-00575-x

Keywords: corporate social responsibility; institutional context; institutional environment; institutions and international business

INTRODUCTION

Ioannou and Serafeim (2012) made an essential contribution to the study of sustainability and how national institutional environments can have an impact on socially responsible and environmentally sustainable behaviors of firms. They found that a nation's political, labor, educational, cultural, and financial institutions influence the corporate social performance (CSP) of firms operating under these conditions. The authors focused on environmental performance (e.g., resource and emissions reductions) and social performance (e.g., health and safety, diversity, human rights, and product responsibility) of national firms. While the publication has had a significant impact on management research, it also has forged inroads in other areas of interest, including finance, accounting, economics, and even the natural sciences (e.g., environmental science, engineering, etc.) and it is situated in the 99th percentile by citations in Web of Science and Google Scholar. Moreover, it led to a large and growing number of articles in the popular press, practitioner publications, and academic outlets on the sustainability behavior of firms across countries (see, e.g., Businesswire, 2019; Eccles and Klimenko, 2019; Heyward, 2020).

Received: 12 July 2022
Accepted: 1 October 2022
Online publication date: 28 November 2022

In the decade since Ioannou and Serafeim (2012), however, firms have come under ever greater scrutiny from stakeholders, such as regulators, investors, consumers, employees, and the general public to advance CSP. A firm's internal organization and human resources, their business activities, and how they respond to regulators and markets ultimately have an impact on their CSP (Jackson and Apostolakou, 2010; Whitley, 1999). Moreover, national institutions only partly explain the variability in firm CSP and are influenced by various country internal and external pressures. This is especially true for internationally active firms and multinational corporations (MNCs) whose central business activities cross many different subnational (Andrews et al. 2022), national (Marano & Kostova, 2016) and supranational institutional environments (Hartmann, Lindner, Müllner, and Puck, 2022). For instance, Goerzen and Van Assche (2020) describe how MNCs like Apple, BMW, and others have their operations and global value chains (GVC) stretched across multiple jurisdictions of varying institutions, social conditions, and regulations.

We argue, therefore, that Ioannou and Serafeim (2012) findings need to be extended to acknowledge the various influencing factors and drivers that have an impact on national institutions, firm CSP, and the connections between them. These drivers are evident in multiple levels that connect to national institutions and domestic firm CSP. Traditionally levels were studied in isolation (Goerzen, Asmussen, and Nielsen, 2013; González-Romá and Hernández, 2017; Humphrey and LeBreton, 2019), although recent research has begun to explore the multilevel nature of CSP (see, e.g., Christensen-Salem, Walumbwa, Babalola, Guo, and Misati, 2021; Fatima and Elbanna, 2022; Tourigny, Han, Baba, and Pan, 2019) and national institutions (see e.g., (Andrews, et al., 2022; Hartmann, et al., 2022). The numerous challenges and barriers to the use of multilevel analyses previously restricted its application (see, e.g., Klein, Tosi, and Cannella, 1999) but knowledge and acceptance of these approaches have improved significantly in recent years (Eckardt, Yammarino, Dionne, and Spain, 2021). Thus, scholars have called for more significant consideration of multilevel issues in international business (IB) theorizing and analysis (Arregle, Beamish, and Hébert, 2009).

We acknowledge that there are many perspectives on the nature of national institutions and firm-level CSP and many levels of analysis could be considered; we focus specifically on what we believe to be among the most potent levels that have an influence on the connection of national institutions and firm CSP, i.e., the micro, firm, subnational, and supranational levels. Our commentary starts by reflecting upon these levels and by analyzing how they have an impact on the connection of national institutions and domestic firm CSP. We follow this discussion with a discussion on potential research opportunities to motivate future scholars to improve our understanding of this important relationship. The literature we use in our analysis is not an extensive list and aims to support our objective to lay foundational groundwork for a more nuanced view of the connection of national institutions and domestic firm CSP.

National Institutions and CSP from a Micro-Level Perspective

One way to extend Ioannou and Serafeim's (2012) findings that national institutions influence firm CSP is to discover how people make it happen, either as individuals or within teams. Adopting a micro-level perspective necessitates theorizing that goes beyond the arguments originally adopted by Ioannou and Serafeim (2012). Despite the common understanding that CSP decisions are made by individuals, i.e., within top management teams or on the board of directors (Felin, Foss, and Ployhart, 2015; Hafenbrädl and Waeger, 2017), only 5% of IB research examines CSP at the micro-level (Pisani, Kourula, Kolk, and Meijer, 2017). This level of analysis is particularly relevant when examining counter-examples, such as firms that do not correspond to the patterns identified in Ioannou and Serafeim (2012), indicating possible moderating effects at the micro level.

Forces such as top managers' idiosyncratic interests, identities, attention, values, and assumptions can counter macro-level structural pressures, leading to variability in how firms respond to relevant national, supranational, or subnational institutions (Aguilera and Grøgaard, 2019). To elaborate on these micro-level impacts, we use Gond and colleagues' (2017) review of CSP's psychological micro-foundation and illustrate *instrumental, relational, and moral drivers*. Instrumental drivers are those driven by individuals' personal goals or self-interest, such as those that influence cognitive micro-foundations; relational drivers are those that stem from interpersonal relations, such as intergroup social identity dynamics; and moral drivers relate to care-based concerns, such as that underlying some employee activism. We believe that each driver illustrates new ways to explain how individuals and teams influence the relationship between national institutions and firm CSP. We offer examples of instrumental and relational drivers mediating the relationship from national institutions to firm CSP, and moral drivers moderating the same relationship.

Instrumental drivers

Usually refer to self-serving motives such as power and control (Gond, et al., 2017). Power motives have long been shown to shift attention and perception toward opportunities that help the manager gain power (Fodor, 1975). This type of shift changes which CSP opportunities managers adopt. Thus, we argue based on managers' cognitive micro-foundations, which are further along the logical path from managers' instrumental drivers to firm outcomes. Focusing on cognitive micro-foundations demonstrates how micro-level instrumental drivers mediate the connection of national institutions and firm CSP.

Helfat and Peteraf (2015) described three ways top managers' cognitive micro-foundations could explain firms' dynamic capabilities – such as those affecting CSP: (1) *sensing* refers to the act of recognizing opportunities and threats that are influenced by managers' perceptions and attention; (2) *seizing* opportunities refers to the capacity to make high-quality and interrelated strategic decisions, driven by problem-solving and reasoning abilities; and (3) *reconfiguring* refers to the ability to recombine assets in response to changing competitive environments that is driven by both social cognition and language and communication skills. These activities are influenced by the breadth and direction of individual managers' attentional focus.

Some MNC managers, for example, noticed an opportunity in the institutional gender gap in South Korea (Siegel, Pyun, and Cheon, 2019). Specifically, they found that highly-educated female employees were marginalized in South Korean domestic firms (i.e., sensing), and the MNC managers responded by aggressively hiring women away from those domestic firms (i.e., seizing), resulting in higher profits, productivity, and better CSP in gender equality (Siegel, et al., 2019). MNCs have used similarly aggressive hiring practices for women and lower-class employees in Latin America (Newburry, Gardberg, and Sanchez, 2014). Patriarchal cultural norms are often reproduced within individual (predominantly male) managers by appealing to their desire for power or control over female subordinates. Yet, competitive MNC hiring practices like the ones just described may push domestic managers to treat female or lower-class employees better in an effort to retain them.

Illustrating how sensing can be driven by national institutions, managers within countries where regulatory institutions support fair markets are more inclined to believe in the business case for CSP (Hafenbrädl and Waeger, 2017). In these countries, managers can draw on self-serving instrumental drivers to sense CSP opportunities aligned with the idea that businesses can "do well by doing good". There are a limited number of CSP activities that support the bottom line, such as reducing waste or electricity usage. Thus, limiting managers' attention to this narrow set of opportunities will likely result in limited firm CSP. National institutions are thus filtered through top managers' instrumental drivers and subsequent micro-foundational cognitions to influence firm CSP.

Relational drivers

Even when national institutions encourage firms to improve CSP, top management team members still must choose which environmental or social activities they will enact. Social identities within the top management team may influence how firms make that choice. Social identity theory explains that people positively differentiate the groups to which they belong (in-groups) from all other identity groups (out-groups) to enhance self-esteem (Tajfel and Turner, 1986). One study of 1001 firms across 18 countries found that firms with foreign CEOs had higher CSP than firms with domestic CEOs. This difference was due to the foreign CEOs' social identity out-group status among the firms' local communities. They had to invest in CSP to compensate for lower levels of perceived trustworthiness and legitimacy (Bertrand, Betschinger, and Moschieri, 2021). Recent research on MNC subsidiaries in Thailand and Taiwan found that corporate social responsibility (CSR) related institutional differences between home- and host-country environments reduced subsidiaries' CSP, while greater national diversity in the subsidiaries' top management team members increased subsidiaries' CSP (Dahms, Kingkaew, and Ng, 2022). The authors draw on out-group legitimacy arguments similar to those just described to conclude that national institutional pressures can combine with top management team diversity to produce higher levels of CSP.

Ioannou and Serafeim (2012) found that firms scored lower on CSP when operating in countries with laws and regulations that promoted higher levels of competition. They argued that competition encourages firms to cut corners resulting in less money to invest in CSP. However, this result may depend on how top managers define their social identity in-group. For example, top managers who construct their in-groups to include their employees may be more likely to resist institutional pressures to cut corners on social performance indicators like employees' health and safety or respect for worker rights. In contrast, top managers who construe their in-groups to include other top managers may be more likely to acquiesce to these same institutional pressures. Therefore, national institutional pressures may operate differently when top managers are considered in-group members with key stakeholders versus out-group members.

Moral drivers

Although most micro-level CSP research focuses on top managers as key decision-makers, there is increasing recognition that lower-level employees can also influence firm CSP. Employee activism is rising, where employees band together to push their leaders to make specific strategic decisions, such as avoiding business relationships in particular countries (Tian, Tse, Xiang, Li, and Pan, 2021). A recent essay critiqued micro-level CSP research for prioritizing the business case for sustainability over all other rationales and proposed examining activist employees who promote social justice as an alternative approach (Girschik, Svystunova, and Lysova, 2022).

Activist employee social movements commonly focus on issues related to CSP, such as environmental performance, equality, diversity, and inclusion (Girschik, et al., 2022). A neo-institutional argument claims they influence firms by stigmatizing them and creating social pressures to change (Tian, et al., 2021). Thus, activist employees can make firms more or less sensitive to national institutions promoting CSP, moderating the relationship between national institutions and firm CSP. For example, MNCs with activist employees that successfully pressure their senior managers to enact more thorough environmental protections are likely to be *less* sensitive to the four political system hypotheses supported by Ioannou and Serafeim (2012). When managers are pressured to satisfy employees' demands, competing institutions like corruption, shareholder protections, and political ideology become less influential.

In contrast, the same firms may be *more* sensitive to Ioannou and Serafeim's (2012) two hypotheses about education and labor systems since both arguments rely on the power of employees to influence their firms. Firms operating in environments with strong unions or talent shortages are likely to be even more sensitive to activist employee demands. Thus, activist employees are both constructing institutional environments and moderating the influence of national institutions on their firms' CSP by offering an effective alternative approach.

Overall, the above examples indicate that it is possible to explain how national institutions influence firm CSP through individuals' instrumental, relational, and moral drivers. Further, as we elaborate in our discussion, these individual-level mechanisms reveal where interventions could be placed to facilitate firms achieving higher CSP than would be expected if driven by national institutions alone.

National Institutions and CSP from a Firm-Level Perspective

Another way to extend Ioannou and Serafeim's (2012) demonstration that national institutions influence firm CSP is to look at firm-level factors and consider how these factors might shape the relationship between national institutions and firm CSP. These impacts are important as firm-level differences (when compared to industry- and country-level differences) explain a large proportion of variance in aggregate CSP (Orlitzky, Louche, Gond, and Chapple, 2017). Patel and Chan (2021) investigate the non-economic performance of Benefit Corporations to determine the relative variance explained by firm, industry, and country levels. They also concluded that firm-level differences accounted for most of the variance in non-economic performance relative to the industry and country differences. While the list of firm-level factors influencing CSP and the relationship between national institutions and firm CSP is likely a long one, we examine just a few drivers, including *ownership drivers* as reflected in different shareholder types; *board drivers* such as the characteristics of corporate boards and sub-committees; *organizational slack drivers* in terms of different varieties of slack; and, *competitive resource drivers* as reflected in a firm's marketing and advertising intensities.

Ownership drivers

The tenets of stakeholder theory suggest that corporations should be expected to create value for all of the firm's stakeholders, including its shareholders, customers, bondholders, suppliers, employees, and the broader community, among others (Dmytriyev, Freeman, and Hörisch, 2021). From this perspective, given that companies are expected to generate mutual benefits for the organization's stakeholders (Freeman, Harrison, Wicks, Parmar, and De Colle, 2010), the interests of shareholders should not be preferred over the interests of other stakeholders (Dmytriyev, et al., 2021). Notably, Dmytriyev, et al. (2021: 1447) have observed that some scholars regard "stakeholder theory as a stage in CSR development".

Seemingly consistent with the precepts of stakeholder theory, Ioannou and Serafeim (2012: 850) report that firm CSP is higher when national laws provide managers with authority to implement "decisions that may not be in the best interest of shareholders and potentially satisfy other stakeholders." Notably, research that has examined the relationship between different types of shareholders and the CSP of firms has considered the impact of shareholding by constituents who are more often regarded as "non-shareholding stakeholders." These stakeholders may include, among others, employees, governments, and regulatory authorities (Post, Preston, and Sachs, 2002; Smith, 2003). For example, Dam and Scholtens (2012) investigate how different categories of owners have an impact on a firm's CSR and find that ownership by employees is associated with poorer corporate social policies.

Conversely, Desender and Epure (2021) conclude that government ownership has a stronger positive relationship with CSP in liberal markets where owners are the key stakeholder, while investment company ownership has a stronger negative relationship with CSP in those same markets. Consequently, "it does matter who invests" (Dam and Scholtens, 2012: 233). Scholars whose work focuses on the national-level institutional drivers of firm CSP should consider the influence of the firm's ownership structure. It is possible that distinct types of ownership may interact with a country's national laws (pertaining to the degree of shareholder rights protection as one example) to influence the CSP of firms.

Board drivers

In addition to ownership drivers of CSP, it is also important to consider the influence of corporate directors who oversee the firm. Shareholder primacy theory is a legal doctrine which holds that a corporation's board has a fiduciary obligation to its shareholders. In essence, this legal principle dictates that, when exercising business judgement, corporate directors are obligated by common law and/or statutory law to act in the best interests of shareholders and make decisions that maximize the wealth of shareholders (Loewenstein and Geyer, 2021). However, in 2019, nearly 200 CEOs of some of the largest companies in the world became signatories to the Business Roundtable's *Statement on the Purpose of a Corporation,* which advocated for an increasingly stakeholder-driven system of corporate oversight rather than a primarily shareholder-driven model (Magee, 2021). In turn, legal scholars have been intensely debating the potential implications for the fiduciary duties of corporate boards and directors moving forward (Loewenstein and Geyer, 2021; Weeren, 2021).

Putting aside the legal question of a corporate director's duties, the initiation of a potential shift away from the principle of shareholder wealth maximization and towards the perspective that the purpose of a corporation should be to benefit all of its stakeholders has prompted some scholars to investigate the connection between various aspects of a company's board of directors and its CSP. In their meta-analytic study on whether and how women directors influence firms' engagement in socially responsible business practices, Byron and Post (2016) found that the female board representation–social performance relationship is even more favorable in national contexts when boards may be more motivated to draw on the resources that women directors bring to a board, and in contexts where intra-board power distribution may be more balanced. Similarly, using a sample of S&P 1500 index firms, Hyun, Yang, Jung, and Hong (2016) concluded that the number (or proportion) of women independent directors is positively associated with a firm's CSR ratings.

To focus more intensively on the impact of board sub-committees on the CSP of firms, Eberhardt-Toth (2017) examined the composition of board CSR committees for 177 non-financial companies and found evidence that higher CSP is more likely in companies with board CSR committees that were characterized by a larger proportion of independent directors, non-membership of the chief executive officer, a higher average age of directors, female chair, and smaller size. By extension, a complex web of relationships may exist between these firm-level drivers and Ioannou and Serafeim's (2012) national-level drivers to influence firm-level CSP. Board member characteristics, as well as the composition of board CSR committees, might moderate the relationship between national-level institutions (such as the laws that regulate the actions and behavior of corporate insiders and directors) and firm CSP.

Organizational slack drivers

Theory on slack resources postulates that because CSP can be characterized by relatively high levels of managerial discretion, the implementation of CSP initiatives may depend upon the availability of excess resources that managers have available to deploy (Orlitzky, Schmidt, and Rynes, 2003). Consistent with the tenets of organizational slack theory, Ioannou and Serafeim (2012) conclude that firms in countries with a credit-based corporate model exhibit lower levels of CSP because firms in such systems may be more likely to experience more pronounced capital constraints.

However, Shahzad, Mousa, and Sharfman (2016) have critiqued the body of work on the positive relationship between organizational slack and CSP. They contend that previous work has frequently measured slack in terms of the prior financial performance of the firm and has also assumed that slack is a homogenous construct. Instead, they maintain that slack should be conceptualized as heterogeneous. They find that, whereas more significant organizational slack in terms of human resources is associated with higher levels of CSP, financial slack exerts a negative impact on CSP. Further, Fu, Boehe, and Orlitzky (2020) found a positive association between firm R&D intensity and CSR specialization (the extent to which a firm specializes in environmental, social, or governance aspects of CSR). Notably, they also concluded insufficient empirical support for financial slack as a moderator in general. These results suggest that the relationship between organizational slack and firm CSP might be more fine-grained than has been assumed in the prior literature.

In turn, the impact of a country's financial system upon the CSP of its firms might need to be investigated in tandem with other national institutions that have the effect of embedding surplus labor or R&D resources in firms (such as legislated grants, tax credits, and refunds that are designed to help firms to overcome human resource and innovation resource constraints). Further, building on Ioannou and Serafeim's (2012) observation pertaining to countries with a credit-based corporate model, it is possible that different types of organizational slack may moderate the link between a country's financial system (i.e., a credit- or equity-based model) and firm-level CSP.

Competitive resource drivers

Ioannou and Serafeim (2012) find that national laws promoting market competition are associated with lower CSP. They reason that intense competition squeezes profit margins, reducing the availability of firm resources for activities that enhance CSP and possibly motivating the firm to engage in activities associated with lower levels of CSP (such as compromising on labor standards to contain costs). We juxtapose their findings against the work of scholars who study the firm-level antecedents of CSP. Notably, Harjoto and Jo (2011) have suggested that higher advertising expenditure ratios indicate more competitive markets. In turn, several studies have provided insights into the relationship between a firm's advertising and marketing intensities and its CSP.

Employing a sample of US firms across multiple industries during a 7-year period, Brower and Mahajan (2013) conclude that firms with greater marketing intensity have a greater breadth of positive CSP. In their study of Korean firms' CSR, Kang, Huh, and Lim (2019) included marketing intensity as a control variable, concluding that these firms were more likely to engage in CSR activities when their marketing intensity was high. Similarly, Zhang et al. (2010) investigated the connection between advertising intensity and the probability and amount of philanthropic giving by Chinese firms following an earthquake. They find a positive relationship between advertising intensity and corporate giving and find that this relationship is stronger in competitive industries.

Conversely, Sahasranamam, Arya, and Mukundhan's (2022) study of CSR engagement by publicly listed Indian MNCs in their home country controlled for marketing intensity and found that it had a negative impact on the domestic CSR spending of these firms. Given these varied findings, it is important to consider the possibility that an interaction exists (between the intensity of a firm's engagement in sales activities and the degree to which national laws promote market competition) to either augment or reduce firm CSP.

Notwithstanding prior studies highlighting the importance of firm-level drivers of CSP relative to industry- and country-level factors (Orlitzky, et al., 2017), recent research has suggested an increased focus on subnational drivers of CSP is warranted (Luo and Wang, 2021).

National Institutions and CSP from the Subnational-Level Perspective

Another opportunity to extend Ioannou and Serafeim's (2012) demonstration that national institutions influence firm CSP is to consider how subnational-level factors play a role. Using national-level metrics in research has become contentious based on the observation that countries are not homogenous (Beugelsdijk, Slangen, Maseland, and Onrust, 2014; Venaik and Midgley, 2015). There is a growing sense that research on the spatial dimension of firm behavior and performance has a severe weakness that stems from the traditional assumption that the political boundaries of a country capture most, if not all, of the variation in institutions (see, e.g., Tung and Stahl, 2018). In fact, scholars from various disciplines argue that many national boundaries never delineated different institutional boundaries, including those in the Persian Gulf (Huntington, 1996), Africa (Thomson, 2016) and emerging markets (Luiz, 2015), as those boundaries were drawn with little attention to local realities. Thus, various subnational factors must be considered in the connection of national institutions and firm CSP.

We examine these factors within the specific context of subnational agglomerations such as regions or city-regions (Chan, Makino, and Isobe, 2010; Scott, 2001) and cities, global cities in particular (Sassen, 2012). We consider the effects of large, particularly global, cities as defined by Goerzen, et al. (2013). Regions or city-regions, on the other hand, are a subnational area that is functionally organized around some internal central pole, or alternatively defined as a functional economic space consisting of a core city and its surrounding geographical catchment area for labor and services, comprising smaller cities and towns (Lorenzen, Mudambi, and Schotter, 2020: 1200; Scott and Storper, 2003).

As suggested by previous researchers (see, e.g., Beugelsdijk and Mudambi, 2013; Lorenzen, et al., 2020), while it may appear that national borders are qualitative discontinuities where spatial heterogeneity changes abruptly, it also may be that space and place at the city and city-region level is a salient element that drives firm decisions. Yet, according to the recent review of CSP dimensions by Sinkovics et al. (2019), scholars have not yet begun to draw the link between CSP and the subnational level. Therefore, we contend that subnational geographic units of analysis can have an impact on the connection of national institutions and firm CSP and we focus specifically on *city-regional* and *city drivers*.

City-regional drivers

Prior research has indicated that the process of economic globalization has been an uneven process within nations (Borcherta and Yotov, 2017; Lorenzen, et al., 2020; Smith, 2017). This unevenness is related to systematic differences at the subnational level in the establishment and development of various factors such as knowledge (Appadurai, 1999), attitudes (Horner, Schindler, Haberly, and Aoyama, 2018), retail patterns (Coe and Wrigley, 2018), political processes (Eriksen, 2018), even diet and nutrition (Hawkes, 2006). Thus, countries' political, financial, education/labor, and cultural systems as used in Whitney (1999) vary among regions.

Taras, Steel, and Kirkman (2016), for example, found that approximately 80% of the variation in personal values resides within subnational regions. Similarly, Tung (2008) found that Chinese locals and western expatriates perceive significant differences within Chinese financial and education/labor systems, while Tung and Baumann (2009) find significant differences when comparing attitudes toward various financial concepts such as money, material possessions and savings among multicultural samples. This suggests that the cultural, education/labor, and financial systems that drive firm CSP are also moderated by subnational location. Firms working in socio-economic and politically complex countries face tremendous variability in geographically dispersed market characteristics, suggesting that they need to give special attention to different areas within the countries in which they operate (Amann, Jaussaud, and Schaaper, 2014). This aspect also connects to labor issues, such as work value differences across the six official regions of China (i.e., North-Beijing, East-Shanghai, Central-South-Guangzhou, Northeast-Dalian, Southwest-Chengdu, and Northwest-Lanzhou), and the degree of compatibility of a "cosmopolitan-local" orientation in the various regions with Western values (Ralston, Yu, Xun, Terpstra, and He, 1996). Taken together, these studies indicate that work-related attitudes and perspectives vary within countries and may mitigate or intensify the drivers that push firms toward adopting CSP initiatives under national institutional environments.

Similarly, Tabellini's (2010) analysis of regional institutions in Italy indicates a significant differential effect. With respect to the legal and regulatory system [more broadly, the political system within Whitley (1999)], the Italian judiciary, for example, seems to work very differently, whereas investigations and rulings on civil cases take much longer to complete in the South as compared to the North even though the legal system, career paths, and education are the same. This conclusion of the importance of subnational effects was also supported by Kaasa, Vadi, and Varblane (2014), who identified within-country differences in Europe, indicating that across various settings, firms should be expected to perceive differently the demands (e.g., on CSP) made upon them. Our contention, therefore, is that Whitley's (1999) political, financial, educational/labor, and cultural dimensions used by Ioannou and Serafeim (2012) would vary at the subnational level and that the characteristics of the subnational area moderates the connection of national institutions and firm CSP.

One way to look at this development and distinction of regions and areas within country boundaries is related to the division of urban and rural areas. Lorenzen, et al. (2020) delve deep into this issue by examining the rising importance of city-regions. Those authors suggest that the development of urban city-regions have created new interdependencies between firm activities and locations. More specifically, they argue that the rising international connectedness of city-regions creates a sense of local disconnectedness that, in turn, can energize a backlash against firm activities that may be diffused through strategic behaviors. These city-regional urban areas play an important role in the economic activities of countries, particularly in emerging and developing countries (Henderson, 2002). They create a range of benefits, such as supply and value chain relationships (Lorenzen, 2007; Maskell and Malmberg, 1999) and knowledge spillovers (Boschma and Iammarino, 2009), which can also lead to the transfer of best practices and sustainability behaviors such as those relating to CSP.

Thus, the institutional environments in these city-regions vary from the national institutional environments as well as between the different regional institutional environments. Andrews, Fainshmidt, Schotter, and Gaur (2022) suggest that there is a structural relationship between higher-level and national institutions and lower-level regional institutions within a country. These levels of institutional environments can be very distinct (Andrews, et al., 2022) and create environments that are more (or less) supportive of firm CSP and CSP standards. These differences in institutional environments are particularly evident in emerging and developing countries as well as between city-regions/urban areas and rural areas (Lian and Lejano, 2014). In urban areas, institutional environments are strongly dependent on formal institutions and policies, while in rural areas, informal institutions abound (Brandl, Moore, Meyer, and Doh, 2022), which challenges the implementation of CSP standards. Thus, divergence in living conditions by location would moderate firm behavior regarding CSP initiatives.

City drivers

The global trend towards urbanization is also highlighted by the emergence of "megacities" and, more specifically, "global cities" (Sassen, 2012). Global cities, in particular, have been shown to have unique characteristics that stem from the accumulation of political influence, educational facilities, and the arts community, thereby creating a cosmopolitan environment (Storper and Scott, 2009). The cities are important for analyzing firm CSP as they have distinct identities, often disconnected from their national context. The upshot is that New York or Shanghai, for example, might have more in common with Tokyo and Paris than with their compatriot communities (Sassen, 2001).

In addition, global cities enable the formation of external global linkages as channels that allow the flow of ingoing and outgoing resources (Belderbos, Du, and Goerzen, 2017; Lorenzen and Mudambi, 2013). Moreover, a global city's cosmopolitan environment is complemented by infrastructures that facilitate human resource mobility (Bel and Fageda, 2008) and the establishment of interpersonal relationships across geographic space (Bathelt, Malmberg, and Maskell, 2004); infrastructures that may be informational (e.g., popular press and social media) as well as physical (e.g., ports and airports).

Prior literature has converged on three key attributes that characterize global cities, including the availability of advanced producer services to facilitate the operations of international firms, a high degree of interconnectedness to local and global markets, and an innovative, cosmopolitan environment that emanates from its founding conditions and continued development as a high-status location (Chakravarty et al., 2021; Goerzen, et al., 2013). We believe that these open, more cosmopolitan environments that exist at the global city level would have a moderating effect on firm CSP initiatives as the firms located there would be drawn towards and strongly encouraged to implement more socially inclusive programs and address economic, social, and environmental issues.

Certain cities dominate as transmitters of culture because of a vibrant and substantial economic activity in aesthetics, the high level of relationship with the global cultural network, and the character and amount of capital accumulated within these places (Florida, 2003). Cities become poles of creative growth because of their tolerance of various lifestyles, significant cultural attractions, and vibrant and diverse economies. These values would disseminate not only into the areas of aesthetic culture but also the culture of business practices, norms, expectations, and assumptions. This is important because, as discussed by Harzing and Hofstede (1996), culture determines, first of all, the values of the decision-makers. This suggests that firms within cities may be more attuned to progressive change, including CSP-related initiatives. Thus, it may be that these urbanized settings are moderating factors that influence receptivity to CSP initiatives differently than smaller, often rural and more conservative, places.

National Institutions and Firm CSP from the Supranational-Level Perspective

Finally, while Ioannou and Serafeim's (2012) findings offer valuable insight into the effects of national institutions on firm CSP in respective countries, this view is restricted to the national level. However, the world has never been more interconnected and business activities and institutions cross borders, i.e., national boundaries are sometimes less prominent in the presence of supranational powers. For example, the European Union has caused national boundary conditions to be blurred. Thus, the domestic uni-directional view of national institutions that influence domestic firm CSP must be extended to accommodate supranational factors (Aguilera and Grøgaard, 2019). These factors include country-external and intergovernmental forces that impact national business environments, the multitude of interconnected institutional environments that impact internationally operating firms, and the global connections among firms via global networks. We examine these factors at the supranational level and discuss *intergovernmental*, *global business*, and *global network drivers* that can influence the connection of national institutions and firm CSP.

Intergovernmental drivers

National policies are influenced not only by domestic business environments but also by global factors. Consumers pressure governments, investors, employees, unions, and the general public to adopt policies that address critical global challenges, such as climate change, inequality, and inclusion (Ghauri, Strange, and Cooke, 2021). Although social and environmental issues are deeply rooted in national institutions (Frynas, Child, and Tarba, 2017; Marano and Kostova, 2016), these exogenous, often global factors can significantly influence government regulations. Countries are connected by participating in intergovernmental organizations (IGOs) as well as trade and investment agreements, which stipulate specific policies relating to CSP. Thus, intergovernmental drivers can shape national institutions thereby moderating the connection of national institutions and firm CSP.

For example, the broad focus of IGOs is on the interrelationship of countries to create a common platform that can solve global problems, such as the tackling of grand challenges (Buckley, Doh, and Benischke, 2017; Kahraman Akdoğu, 2017; Tschopp, 2005). Many EU policies aim to decrease the environmental footprint of EU firms and increase CSP activities (Guijarro and Poyatos, 2018). These policies aim to guide EU firms to follow CSP standards (Arraiano and Hategan, 2019; Remišová et al. 2013) to create environments that pressure firms to implement CSP strategies. Each IGO has such a unique cause and the signing and ratifying of IGO initiatives mean that member countries agree to align their national institutions with the supranational institutions promoted by IGOs (Lupu, 2016). However, while they provide members with a voice in the decision-making process of these institutions (Kahler, 2013), power dynamics still exist, and real-life outcomes of supranational policies often differ from original intentions. Thus, members might be challenged to agree upon, ratify, and implement supranational institutions, leading to institutional misalignments (Moore et al., 2019; Stoker, 1995) and vastly different institutional environments across countries.

Moreover, recently negotiated trade and investment agreements include the obligation for signatories to comply with specific policies and regulations related to sustainability standards. For example, the United States–Mexico–Canada Agreement (USMCA), the free-trade agreement that replaced the North Atlantic Free Trade Agreement, includes environmental regulations about "the prevention, abatement, or control of the release, discharge, or emission of pollutants or environmental contaminants" (United States–Mexico–Canada Agreement, 2019). It also established actions to monitor and enforce environmental obligations via the USMCA Interagency Environment Committee for Monitoring and Enforcement (IECME). Similar policies were added to other newly negotiated trade agreements, such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). The CPTPP Environment Chapter also established a binding and enforceable dispute resolution process to address any questions regarding compliance, including a dispute settlement mechanism if countries cannot resolve matters through consultation and cooperation.

Global business drivers

Globalization means that more firms than ever are operating within multiple national institutional environments, where policies implemented in one country can also have an impact on firm behaviors in other countries. MNCs and their subsidiaries deal with home and host national institutions. When these vary, it can challenge the overall business activities of the firm (Sun, Doh, and Rajwani, 2021). Thus, firm CSP is simultaneously impacted by a multitude of national institutions and the connection of national institutions and firm CSP can be moderated by different global factors.

The CSP of MNCs is simultaneously influenced by the national institutions of the headquarters country and any countries where subsidiaries are located (Sun, et al., 2021). Interconnections among these countries also connect their respective institutional environments. This is particularly important when the national institutions are significantly different, which is often the case when MNCs operate in developed and developing economies. Institutional differences can be caused by institutional voids (Palepu and Khanna, 1998) or insufficient institutional stability in some countries, such as lower labor standards (Kolk, 2016) or discriminative gender policies (Grosser, 2009). Thus, MNCs often attempt to adhere to their home-country's CSP policies to satisfy national and global stakeholders, particularly when host-country policies appear to be insufficient (Rathert, 2016).

Firms can also influence these policies by informing, guiding, and engaging in negotiations with governments to shape policies, laws, and regulations (Hillman and Hitt, 1999). These strategies to shape institutional environments take form through lobbying activities of national and international firms and are influenced by the strength of the firms and institutional environments (Bonardi, Hillman, and Keim, 2005). Thereby, national firms and MNCs have different priorities and power; national firms have the advantage of being insiders in the system and knowing the needs of the national environment, while MNCs may struggle with liabilities of foreignness (Zaheer, 1995) and outsidership (Rugman and Verbeke, 2000).

MNCs often have a global appeal and recognition, however, and can develop deep personal and organizational relationships with leading governmental figures and entities that influence policies (Cuervo-Cazurra, 2006; Sidki Darendeli and Hill, 2016). These lobbying activities are based on pressures firms face from stakeholders to follow higher CSP standards, especially in environments that do not have them. In other words, firms can take over the role of international standard-setters in environments that are less willing and/or able to elevate CSP standards (Palepu and Khanna, 1998), having an impact on national institutions and firm CSP standards.

International network drivers

Firms can be deeply integrated within global value chains (GVCs) and global supply chains (GSCs), which also connects them to the national institutional environments and sustainability performance of their partner firms. Similar to the influence of global business drivers, partner firms' institutional environments and power can influence GVC/GSC members and their firm CSP, even in arms-length relationships that cross organizational boundaries. Thus, a firm's relationships within a global network influence the connection of national institutions and firm CSP.

For example, GVCs/GSCs are networks in which firms are connected to governmental decisions in partner countries. These governments can adapt corporate due diligence obligations to ensure CSP standards are upheld among their partners and within their global networks (e.g., the UK Antislavery act). These policies require firms connect to GVCs partners to identify, prevent, mitigate, and account for violations that occur against legislatively defined sustainability standards (Buhmann, 2018). Thus, firms are being pushed to develop capabilities and practices to identify and address the potential and actual adverse social and environmental impacts linked to their products or services and within their value chains and business relationships (Goerzen and Van Assche, 2020; Van Assche and Brandl, 2021).

The due diligence guidelines originated from the United Nations Guiding Principles on Business and Human Rights (UNGP), a set of guidelines for states and companies to prevent, address and remedy human rights abuses committed in business operations in their GVCs (United Nations Human Rights Council, 2011). The UNGPs are voluntary guidelines; they have only limited leverage on firms and their network partners. However, many governments have begun to use these guidelines to implement stricter national due diligence policies and impose fines in cases of compliance violation (Bueno and Bright, 2020). The Dutch government, for example, adopted the Child Labour Due Diligence Act in 2019 (Littenberg and Binder, 2019), and the EU proposed new legislation on corporate sustainability due diligence (European Commission, 2022).

"Lead firms" within a GVC can also influence members and their CSP standards (Gereffi and Lee, 2016; Goerzen and Van Assche, 2020). These lead firms often have the corporate power to influence the GVC by defining the terms and conditions of the GVC membership (Dallas, Ponte, and Sturgeon, 2019; Gereffi, Humphrey, and Sturgeon, 2005). They can use their power to select the firms that are allowed to be part of the GVC and where, when, and how they are to add value. Due to this power, lead firms can promote elevated CSP standards within the GVC (Pietrobelli, Rabellotti, and Van Assche, 2021). For example, they can ensure that their GVC partners object to strict social and environmental codes of conduct (Locke, Amengual, and Mangla, 2009) or follow sustainable production initiatives, such as the Council to the Roundtable Sustainable Palm Oil (Ponte, 2014).

FUTURE RESEARCH

We have outlined how micro, firm, subnational, and supranational levels of analysis can add further insights into the connection of national institutions and firm CSP (see Figure 1 for an illustration). The micro-level perspective explains how individuals and teams can influence the connection and particularly the CSP behaviors of firms via instrumental, rational, and moral drivers. The firm-level perspective explains how firm characteristics can influence the connection, mainly by ownership, board, organizational slack and competitive resource drivers. The subnational-level perspective allows a focus on the complexities within countries and how city/urban-regional and city drivers influence the connection of national institutions and firm CSP. And finally, the supranational-level adds a global perspective on the intergovernmental, global business, and global network drivers that impact the connection. This multilevel discussion unearthed research opportunities in terms of new insights, new theorizing, and a better understanding of policy implications of IB research on CSP.

We have argued for multilevel research to fully understand the complexities that connect national institutions and firm CSP. Outlining these levels in isolation allowed us to provide more nuance on each level and its impact on national institutions and firm CSP. However, future research should go further and conduct cross-level assessments. For example, we need more research to understand how individuals and teams drive firm CSP across countries, interconnecting the micro- and the supranational level. We call for research that builds on the "veritable explosion of micro-CSR research" (Jones et al. 2017) in the fields of applied psychology, ethics, and organizational behavior (Girschik, et al., 2022; Gond and Moser, 2021; Gond, et al., 2017; Jones et al., 2019). So far, IB research on CSP offers no parallel explosion (Pisani, et al., 2017; Sinkovics, et al., 2019).

We also see a broader opportunity to develop a more comprehensive understanding of the interconnection of national institutions through firm-level factors, interconnecting the national- and firm-levels. This avenue is particularly important as firm characteristics account for a more significant proportion of the variance in aggregate CSP and non-economic performance relative to industry- and country-level differences (Orlitzky, et al., 2017; Patel and Chan, 2021). Moreover, Whitney's (1999) framework of institutional factors that drive CSP is expected to vary by region as supported by similar research (e.g., Kaasa, et al., 2014). Thus, future research should consider geographies other than country borders, such as cities (particularly global

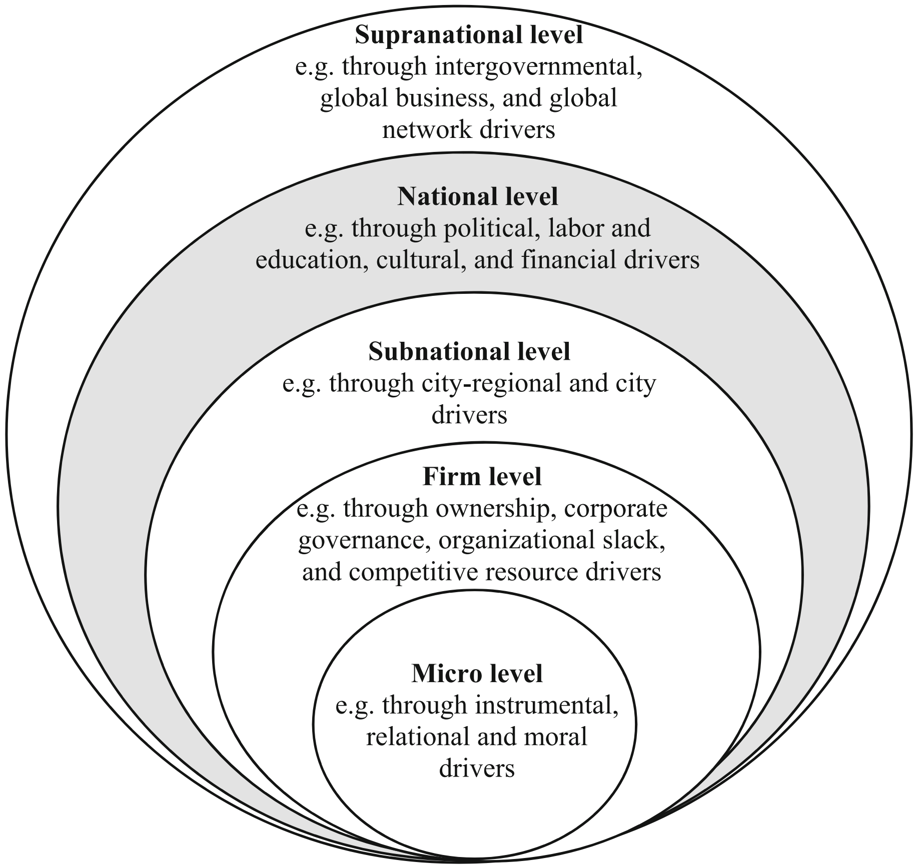

Figure 1 Multilevel drivers impacting the connection of national institutions and firm CSP. The national level are drivers from Ioannou and Serafeim (2012).

cities) and larger agglomerations such as city-regions that differ from other urban areas and rural settings.

Divergence in CSP between firms, regions, or cities provides an important new trajectory for scholars to analyze the nature of firm behavior in terms of their CSP initiatives, interconnecting the firm- and subnational-levels. Last, further consideration of supranational forces that impact national institutions and environments is needed to understand how these forces can pressure governments – and ultimately firms – to follow supranational CSP regulations. Moreover, the international operations of MNCs and firms interacting in GVCs/GSCs are pressured by a multitude of global institutional environments and these diverse and complex pressures challenge the sustainable behaviors of globally active firms. Thus, there is a possibility for future research to build on GVC literature (Gereffi and Lee, 2016; Goerzen and Van Assche, 2020) and political sciences research (Lupu, 2016) to identify the multitude of pressures on firms from the national-level, supranational-level, and firm-level.

Each of these proposals crosses at least two, and sometimes three, levels of analysis. This added complexity creates an opportunity to build better theories and better policy recommendations to lead to new contributions to research and practice. To spark ideas for future research that builds on these levels, we propose a series of sample research questions that draw on the research already described in this paper (see Table 1).

Better Theorizing

Adopting a multilevel perspective provides an opportunity to draw on new theoretical explanations from often-isolated research areas. One avenue from a micro standpoint is to build upon the moral driver of CSP within IB. Ethics research on CSP is vibrant outside of IB and growing inside IB such that ethics, management, and contextual factors were the largest cluster of articles in a recent review of social responsibility dimensions in IB

Table 1 Sample research questions for the future

	Better theorizing	Better policy recommendations
Micro-level influences	How does employee activism moderate the relationship between national institutions and firm CSP? How are national institutions related to CSR interpreted through top management teams' social identity groups to produce firm CSP? How do institutional and colonial power differentials between countries affect how managers determine and implement CSP priorities? What happens to firm CSP when culturally-bounded approaches to ethical leadership are transferred across national and cultural contexts?	Do regulatory environments supporting fair markets influence firm CSP through managerial attention, such as narrowing focus on CSP opportunities that also support the firm's financial performance? How do national policies influence individuals' roles in the CSP-financial performance relationship in MNCs? How do proximal outcomes like affective commitment and trust mediate more distal and policy-relevant CSP outcomes like progress on achieving sustainable development goals, EDI indicators, or environmental indices?
Firm-level influences	Do the firm-level drivers of CSP within emerging markets differ from those in developed markets? How might the firm drivers of an emerging market multinational's CSP differ from those of developed market MNCs?	How can national institutions be leveraged to either motivate CSP-positive firm actions or attenuate CSP-negative firm actions? What are the firm-level mechanisms (i.e., uncertainty reduction; signaling; etc.) that underpin the relationship between national institutions and CSP-positive and -negative firm behaviors? Which firm-level mechanisms should be prioritized by countries that seek to implement national laws that are designed to augment CSP-positive firm behaviors, or attenuate CSP-negative firm behaviors?
Subnational-level influences	How is conflict managed between global city effects (such as openness or cosmopolitanism) and national institutional effects (such as conservatism in traditional and authoritarian contexts)? How does the city-region's global-ness moderate the ways firms engage with local and regional actors?	How can institutional pressures such as enforcement mechanisms facilitate a more unified implementation of CSP standards?
Supranational-level influences	How do supranational institutions created by IGOs or via the influence of intergovernmental collaborations impact firm CSP of global and/vs. domestic firms? How are MNCs differently pressured to enhance firm CSP by national and supranational institutions? How are regional, national, and supranational institutional environments differently impacting global and domestic firm CSP? What impact have GVC/GSC network partners on global and domestic firms in implementing firm CSP?	How can national and supranational institutional pressures facilitate a more unified and global implementation of CSP standards? How do supranational pressures and regulations change national policies related to firm CSP? How can cross-country boundary policies impact (global and domestic) firm CSP? What role does large international firms play in the national and global policy making on firm CSP?

(Sinkovics, et al., 2019). This stream of research already examines topics ranging from culturally-bounded approaches to ethical leadership (Wang et al., 2017) and how colonial legacies can impede CSR activities led by MNCs (Khan et l., 2010). The next steps for the field could include deeper examinations of how institutional and colonial power differentials between countries affect how managers determine CSP priorities and how they are implemented.

Another promising avenue is to probe even deeper into the primary firm-level mechanisms expected to underpin the connection of Ioannou and Serafeim's (2012) national institutions and CSP-positive and -negative firm behaviors. Ultimately, we expect that the influence of Ioannou and Serafeim (2012) will become more pronounced over time as further theoretical extensions and insights are elaborated in several areas, including the drivers of CSP in emerging markets (Muller and Kolk, 2010), the CSP of emerging market multinationals (Zyglidopoulos et al. 2016), and the nature of the association between CSR and CSP (Barnett, 2007).

In line with Andrews et al. (2022), there is great promise in theorizing on the multi-level relationships of firm behaviors such as CSP and locational factors, including those associated with city-regions and global cities. For example, while theory on the nature of global cities increased in recent years, little work in this area has adopted a multi-level or nested approach (for an exception, see, e.g., Goerzen, et al., 2013). Thus, additional research questions include how conflict is managed between, for example, global city effects of openness or cosmopolitanism and national institutional effects of conservatism in traditional and authoritarian contexts. Further, Lorenzen, et al.'s (2020) suggestions of the ways and means by which firms can engage with local and regional actors may be significantly moderated by the global-ness of the city and the nature of the city-region.

New theoretical insights on the supranational-level should come from various angles. Ioannou and Serafeim's (2012) comparative politics theory is an institutional theory stream that does not readily acknowledge the supranational level, particularly the supranational institutional influences by intergovernmental institutions and the cross-country border business activities. Other institutional theory strands, such as the new institutional economics (North, 1990), acknowledges the influence of country-external factors, such as pressures by intergovernmental organizations or national and multinational firm lobbying. This strand allows researchers to theorize factors that have an impact on institutional environments. Moreover, the neo-institutional theory (DiMaggio and Powell, 1983) is another strand of institutional theory that acknowledges the domestic and foreign pressures firms face in following CSP behaviors. While being used to explain international firm activities related to CSP (Marano and Kostova, 2016) the theory has the potential to go even further and allow theorizing across multi-level activities.

Better Policy Recommendations

To ensure that research addresses grand challenges (Buckley, et al., 2017), we call for a better understanding of the policies that could advance CSP and how they can be better developed and applied. For example, combining applied psychological research within IB research could be a strong theoretical foundation to unpack individuals' roles in the CSP-financial performance relationship in MNCs (Gond and Moser, 2021). Further, this approach may enable the extension of applied psychology research on proximal outcomes like affective commitment and trust, to instead predict more distal and policy-relevant CSP outcomes like progress on achieving sustainable development goals, EDI indicators, or environmental indices.

Research has suggested that improvements in the CSP of firms may benefit both the countries within which these firms are embedded (Yang, Chang, Chen, and Shiu, 2019) and the firms themselves (Cho and Lee, 2019). Consequently, an important and potentially high-impact opportunity exists for IB scholars to build upon Ioannou and Serafeim (2012) foundational work to prescribe how these national institutions might be leveraged to either motivate CSP-positive firm actions or attenuate CSP-negative firm actions (Brower and Mahajan, 2013). In doing so, scholars may be able to provide both government policymakers and corporate managers with guidance regarding the resources and capabilities needed to promote improvements in firms' CSP.

CSP policies, whether driven by subnational city-regions, cities, nations, IGOs, or trade agreements, need to recognize the divergence in local conditions, leading to differences in firm behaviors and CSP initiatives. The potential convergence of these disparate influences is an opportunity to develop higher CSR standards globally. There are, of course, significant challenges in ensuring that all policies and regulations are implemented and enforced (Moore, et al., 2019), representing an opportunity for IB research to offer recommendations on how institutional pressures such as enforcement mechanisms could facilitate a more unified implementation of CSP standards. Policy needs to account for the fact that supranational pressures and regulations could change national policies, eventually building improved firm CSP among domestic and global firms. Country boundaries are in flux, and policymakers need to understand cross-country boundary policies (Van Assche and Brandl, 2021). Future research should take this opportunity and develop new insights into how these global policies and regulations can impact firm CSP, particularly of globally connected firms.

Ultimately, adopting a multilevel approach helps scholars provide guidance to both government policymakers and corporate managers regarding the resources and capabilities that may be needed to promote improvements in firms' CSP. In this sense, Ioannou and Serafeim (2012: 859) recognize that "to reach any level of CSP, firms need to first adopt a range of CSR practices and strategies."

CONCLUSION

Ioannou and Serafeim's (2012) work has encouraged scholars across a wide range of academic disciplines (including, to name a few, psychology, economics, finance, business ethics and IB) to extend the domains of CSP (Boubakri et al. 2016; Orlitzky, et al., 2017; Rathert, 2016). Consequently, to advance this research agenda, IB scholars will need to probe even deeper into the multilevel mechanisms that can be expected to underpin the connection of Ioannou and Serafeim's (2012) national institutions and both CSP-positive and CSP-negative firm behaviors. Our objective within this paper is to advocate for new promising strands of inquiry where research could help improve firm CSP, overcoming challenges MNCs face when operating across many different institutional environments. As described in this paper, this research stream has been robust over the decade since Ioannou and Serafeim (2012) published their findings on national institutional influences on firm CSP. Given the potential research opportunities identified here, we look forward to an even more vibrant debate in the decade to come.

REFERENCES

Aguilera, R., & Grøgaard, B. 2019. The dubious role of institutions in international business: A road forward. *Journal of International Business Studies,* 50: 20–35.

Amann, B., Jaussaud, J., & Schaaper, J. 2014. Clusters and regional management structures by Western MNCs in Asia: overcoming the distance challenge. *Management International Review,* 54: 879–906.

Andrews, D., Fainshmidt, S., Schotter, A., & Gaur, A. 2022. Formal institutional context in global strategy research: A layer cake perspective. *Global Strategy Journal*, Forthcoming.

Appadurai, A. 1999. Globalization and the research imagination. *International Social Science Journal,* 51: 230–238.

Arraiano, I., & Hategan, C. 2019. The stage of corporate social responsibility in EU-CEE countries. *European Journal of Sustainable Development,* 8: 340.

Arregle, J.-L., Beamish, P., & Hébert, L. 2009. The regional dimension of MNEs' foreign subsidiary localization. *Journal of International Business Studies,* 40: 86–107.

Barnett, M. 2007. Stakeholder influence capacity and the variability of financial returns to corporate social responsibility. *Academy of Management Review,* 32: 794–816.

Bathelt, H., Malmberg, A., & Maskell, P. 2004. Clusters and knowledge: Local buzz, global pipelines and the process of knowledge creation. *Progress in Human Geography,* 28: 31–56.

Bel, G., & Fageda, X. 2008. Getting there fast: Globalization, intercontinental flights and location of headquarters. *Journal of Economic Geography,* 8: 471–495.

Belderbos, R., Du, H., & Goerzen, A. 2017. Global cities, connectivity, and the location choice of MNC regional headquarters. *Journal of Management Studies,* 54: 1271–1302.

Bertrand, O., Betschinger, M.-A., & Moschieri, C. 2021. Are firms with foreign CEOs better citizens? A study of the impact of CEO foreignness on corporate social performance. *Journal of International Business Studies,* 52: 525–543.

Beugelsdijk, S., & Mudambi, R. 2013. MNEs as border-crossing multi-location enterprises: The role of discontinuities in geographic space. *Journal of International Business Studies,* 44: 413–426.

Beugelsdijk, S., Slangen, A., Maseland, R., & Onrust, M. 2014. The impact of home–host cultural distance on foreign affiliate sales: The moderating role of cultural variation within host countries. *Journal of Business Research,* 67: 1638–1646.

Bonardi, J.-P., Hillman, A., & Keim, G. 2005. The attractiveness of political markets: Implications for firm strategy. *Academy of Management Review,* 30: 397–413.

Borcherta, I., & Yotov, V. 2017. Distance, globalization, and international trade. *Economic Letters,* 153: 32–38.

Boschma, R., & Iammarino, S. 2009. Related variety, trade linkages, and regional growth in Italy. *Economic geography,* 85: 289–311.

Boubakri, N., El Ghoul, S., Wang, H., Guedhami, O., & Kwok, C. 2016. Cross-listing and corporate social responsibility. *Journal of Corporate Finance,* 41: 123–138.

Brandl, K., Moore, E., Meyer, C., & Doh, J. 2022. The impact of multinational enterprises on community informal institutions and rural poverty. *Journal of International Business Studies,* 53: 1133–1152.

Brower, J., & Mahajan, V. 2013. Driven to be good: A stakeholder theory perspective on the drivers of corporate social performance. *Journal of Business Ethics,* 117: 313–331.

Buckley, P., Doh, J., & Benischke, M. 2017. Towards a renaissance in international business research? Big questions, grand challenges, and the future of IB scholarship. *Journal of International Business Studies,* 48: 1045–1064.

Bueno, N., & Bright, C. 2020. Implementing human rights due diligence through corporate civil liability. *International and Corporate Law Quarterly,* 69: 789–818.

Buhmann, K. 2018. Neglecting the proactive aspect of human rights due diligence? A critical appraisal of the EU's non-financial reporting directive as a pillar one avenue for promoting pillar two action. *Business and Human Rights Journal,* 3: 23–45.

Businesswire. 2019. Consumers expect the brands they support to be socially responsible. *Businesswire*, October 2.

Byron, K., & Post, C. 2016. Women on boards of directors and corporate social performance: A meta-analysis. *Corporate Governance: An International Review,* 24: 428–442.

Chakravarty, D., Goerzen, A., Musteen, M., & Ahsan, M. 2021. Global cities: A multi-disciplinary review and research agenda. *Journal of World Business*, 56.

Chan, C., Makino, S., & Isobe, T. 2010. Does subnational region matter? Foreign affiliate performance in the United States and China. *Strategic Management Journal,* 31: 1226–1243.

Cho, S., & Lee, C. 2019. Managerial efficiency, corporate social performance, and corporate financial performance. *Journal of Business Ethics,* 158: 467–486.

Christensen-Salem, A., Walumbwa, F., Babalola, M., Guo, L., & Misati, E. 2021. A multilevel analysis of the relationship between ethical leadership and ostracism: The roles of relational climate, employee mindfulness, and work unit structure. *Journal of Business Ethics,* 171: 619–638.

Coe, N., & Wrigley, N. 2018. Towards new economic geographies of retail globalization. In W. Dariusz (Ed.), *Oxford handbook of economic geography*: 427–445. Oxford: Oxford University Press.

Cuervo-Cazurra, A. 2006. Who cares about corruption? *Journal of International Business Studies,* 37: 807–822.

Dahms, S., Kingkaew, S., & Ng, E. 2022. The effects of top management team national diversity and institutional

uncertainty on subsidiary CSR focus. *Journal of Business Ethics,* 177: 699–715.
Dallas, M., Ponte, S., & Sturgeon, T. 2019. Power in global value chains. *Review of International Political Economy,* 26: 666–694.
Dam, L., & Scholtens, B. 2012. Does ownership type matter for corporate social responsibility? *Corporate Governance: An International Review,* 20: 233–252.
Desender, K., & Epure, M. 2021. The pressure behind corporate social performance: Ownership and institutional configurations. *Global Strategy Journal,* 11: 210–244.
DiMaggio, P., & Powell, W. 1983. The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review,* 48: 147–157.
Dmytriyev, S., Freeman, E., & Hörisch, J. 2021. The relationship between stakeholder theory and corporate social responsibility: Differences, similarities, and implications for social issues in management. *Journal of Management Studies,* 58: 1441–1470.
Eberhardt-Toth, E. 2017. Who should be on a board corporate social responsibility committee? *Journal of Cleaner Production,* 140: 1926–1935.
Eccles, R. & Klimenko, S. 2019. The investor revolution: Shareholders are getting serious about sustainability. *Harvard Business Review*, May–June.
Eckardt, R., Yammarino, F., Dionne, S., & Spain, S. 2021. Multilevel methods and statistics: The next frontier. *Organizational Research Methods,* 24: 187–218.
Eriksen, T. 2018. Handbook of political anthropology. In H. Wydra, & B. Thomassen (Eds.), *Globalization*Northampton: Edward Elgar.
European Commission. 2022. Just and sustainable economy: Commission lays down rules for companies to respect human rights and environment in global value chains: https://ec.europa.eu/commission/presscorner/detail/en/ip_22_1145.
Fatima, T. & Elbanna, S. 2022. Corporate social responsibility (CSR) implementation: A review and a research agenda towards an integrative framework. *Journal of Business Ethics*: 1-17.
Felin, T., Foss, N., & Ployhart, R. 2015. The microfoundations movement in strategy and organization theory. *The Academy of Management Annals,* 9: 575–632.
Florida, R. 2003. Cities and the creative class. *City & Community,* 2: 3–19.
Fodor, J. 1975. *The language of thought*. New York: Thomas Y. Crowell.
Freeman, E., Harrison, J., Wicks, A., Parmar, B., & De Colle, S. 2010. *Stakeholder theory: The state of the art*. New York: Cambridge University Press.
Frynas, J., Child, J., & Tarba, S. 2017. Non-market social and political strategies–new integrative approaches and interdisciplinary borrowings. *British Journal of Management,* 28: 559–574.
Fu, L., Boehe, D., & Orlitzky, M. 2020. Are R&D-Intensive firms also corporate social responsibility specialists? A multicountry study. *Research Policy,* 49: 1040–1082.
Gereffi, G., & Lee, J. 2016. Economic and social upgrading in global value chains and industrial clusters: Why governance matters. *Journal of Business Ethics,* 13: 25–38.
Gereffi, G., Humphrey, J., & Sturgeon, T. 2005. The governance of global value chains. *Review of International Political Economy,* 12: 78–104.
Ghauri, P., Strange, R., & Cooke, F. 2021. Research on international business: The new realities. *International Business Review,* 30: 1017–1094.
Girschik, V., Svystunova, L., & Lysova, E. 2022. Transforming corporate social responsibilities: Toward an intellectual activist research agenda for micro-CSR research. *Human Relations,* 75: 3–32.
Goerzen, A., & Van Assche, A. 2020. Global value chain governance: A MNC capabilities view. In K. Mellahi, K. Meyer, I. Surdu, & A. Verbeke (Eds.), *Oxford handbook of international business strategy*Oxford: Oxford University Press.
Goerzen, A., Asmussen, C., & Nielsen, B. 2013. Global cities and multinational enterprise location strategy. *Journal of International Business Studies,* 44: 427–450.
Gond, J.-P., & Moser, C. 2021. Critical essay: The reconciliation of fraternal twins: Integrating the psychological and sociological approaches to 'micro'corporate social responsibility. *Human Relations,* 74: 5–40.
Gond, J. P., El Akremi, A., Swaen, V., & Babu, N. 2017. The psychological microfoundations of corporate social responsibility: A person-centric systematic review. *Journal of Organizational Behavior,* 38: 225–246.
González-Romá, V., & Hernández, A. 2017. Multilevel modeling: Research-based lessons for substantive researchers. *Annual Review of Organizational Psychology and Organizational Behavior,* 4: 183–210.
Guijarro, F., & Poyatos, J. 2018. Designing a sustainable development goal index through a goal programming model: The case of EU-28 Countries. *Sustainability,* 10: 3167.
Hafenbrädl, S., & Waeger, D. 2017. Ideology and the microfoundations of CSR: Why executives believe in the business case for CSR and how this affects their CSR engagements. *Academy of Management Journal,* 60: 1582–1606.
Harjoto, M., & Jo, H. 2011. Corporate governance and CSR nexus. *Journal of Business Ethics,* 100: 45–67.
Hartmann, S., Lindner, T., Müllner, J., & Puck, J. 2022. Beyond the nation-state: Anchoring supranational institutions in international business research. *Journal of International Business Studies,* 53: 1–25.
Harzing, A., & Hofstede, G. 1996. Planned change in organizations: The influence of national culture. *Research in the Sociology of Organizations,* 14: 297–340.
Hawkes, C. 2006. Uneven dietary development: Linking the policies and processes of globalization with the nutrition transition, obesity and diet-related chronic diseases. *Globalization and Health*, 2.
Helfat, C., & Peteraf, M. 2015. Managerial cognitive capabilities and the microfoundations of dynamic capabilities. *Strategic Management Journal,* 36: 831–850.
Henderson, J. 2002. Urbanization in developing countries. *World Bank Research Observer,* 17: 89–112.
Heyward, C. 2020. The growing importance of social responsibility in business. *Forbes Magazine*, Nov 18.
Hillman, A., & Hitt, M. 1999. Corporate political strategy formulation: A model of approach, participation and strategy decisions. *Academy of Management Journal,* 24: 825–842.
Horner, R., Schindler, S., Haberly, D., & Aoyama, Y. 2018. Globalisation, uneven development and the North-South 'big switch.' *Cambridge Journal of Regions, Economy and Society,* 11: 17–33.
Humphrey, S., & LeBreton, J. 2019. *The handbook of multilevel theory, measurement, and analysis*. Washington: American Psychological Association.
Huntington, S. 1996. *The clash of civilizations and the remaking of the world order*. New York: Simon and Schuster.
Hyun, E., Yang, D., Jung, H., & Hong, K. 2016. Women on boards and corporate social responsibility. *Sustainability,* 8: 1–26.
Ioannou, I., & Serafeim, G. 2012. What drives corporate social performance? The role of national-level institutions. *Journal of International Business Studies,* 43: 1–31.
Jackson, G., & Apostolakou, A. 2010. Corporate social responsibility in Western Europe: An institutional mirror or substitute? *Journal of Business Ethics,* 94: 371–394.
Jones, D., Willness, C., & Glavas, A. 2017. When corporate social responsibility (CSR) meets organizational psychology: New frontiers in micro-CSR research, and fulfilling a quid pro quo through multilevel insights. *Frontiers in psychology,* 8: 520.
Jones, D., Newman, A., Shao, R., & Cooke, F. 2019. Advances in employee-focused micro-level research on corporate social responsibility: Situating new contributions within the current state of the literature. *Journal of Business Ethics,* 157: 293–302.

Kaasa, A., Vadi, M., & Varblane, U. 2014. Regional cultural differences within European countries: Evidence from multi-country surveys. *Management International Review,* 54: 825–852.

Kahler, M. 2013. Rising powers and global governance: Negotiating change in a resilient status quo. *International affairs,* 89: 711–729.

Kahraman Akdoğu, S. 2017. The link between CSR and sustainable development in a global economy. In S. Vertigans, & S. Idowu (Eds.), *Corporate social responsibility, sustainability, ethics & governance*: 223–240. Cham: Springer.

Kang, Y., Huh, E., & Lim, M.-H. 2019. Effects of foreign directors' nationalities and director types on corporate philanthropic behavior: Evidence from Korean firms. *Sustainability,* 11: 31–32.

Khan, F., Westwood, R., & Boje, D. 2010. 'I feel like a foreign agent': NGOs and corporate social responsibility interventions into Third World child labor. *Human Relations,* 63: 1417–1438.

Klein, K., Tosi, H., & Cannella, A. 1999. Multilevel theory building: Benefits, barriers, and new developments. *Academy of Management. The Academy of Management Review,* 24: 243–248.

Lian, H., & Lejano, R. 2014. Interpreting institutional fit: Urbanization, development, and China's "land-lost." *World Development,* 61: 1–10.

Littenberg, M. & Binder, N. 2019. Dutch child labor due diligence act approved by senate–implications for global companies: https://www.ropesgray.com/en/newsroom/alerts/2019/2006/Dutch-Child-Labor-Due-Diligence-Act-Approved-by-Senate-Implications-for-Global-Companies.

Locke, R., Amengual, M., & Mangla, A. 2009. Virtue out of necessity? Compliance, commitment, and the improvement of labor conditions in global supply chains. *Politics & Society,* 37: 319–351.

Loewenstein, M., & Geyer, J. 2021. Shareholder primacy and the moral obligation of directors. *Fordham Journal of Corporate and Financial Law,* 26: 105–146.

Lorenzen, M. 2007. Social capital and localised learning: Proximity and place in technological and institutional dynamics. *Urban Studies,* 44: 799–817.

Lorenzen, M., & Mudambi, R. 2013. Clusters, connectivity, and Catch-up: Bollywood and Bangalore in the global economy. *Journal of Economic Geography,* 13: 501–534.

Lorenzen, M., Mudambi, R., & Schotter, A. 2020. International connectedness and local disconnectedness: MNE strategy, city-regions and disruption. *Journal of International Business Studies,* 51: 1199–1222.

Luiz, J. 2015. The impact of ethno-linguistic fractionalization on cultural measures: Dynamics, endogeneity and modernization. *Journal of International Business Studies,* 46: 1080–1098.

Luo, X., & Wang, D. 2021. Are politically endorsed firms more socially responsible? Selective engagement in corporate social responsibility. *Journal of Business Ethics,* 170: 535–555.

Lupu, Y. 2016. Why do states join some universal treaties but not others? An analysis of treaty commitment preferences. *Journal of Conflict Resolution,* 60: 1219–1250.

Magee, A. 2021. Something's got to give: The business roundtable statement and the opportunity to change the status quo of shareholder wealth maximization. *Wake Forest Law Review,* 56: 1167–1190.

Marano, V., & Kostova, T. 2016. Unpacking the institutional complexity in adoption of CSR practices in multinational enterprises. *Journal of Management Studies,* 53: 28–54.

Maskell, P., & Malmberg, A. 1999. Localised learning and industrial competitiveness. *Cambridge Journal of Economics,* 23: 167–185.

Moore, E., Brandl, K., & Dau, L. 2019. Institutional schisms in Argentina: The impact of intergovernmental organizations on country institutional environments. In R. Tulder, A. Verbeke, & B. Jankowska (Eds.), *International business in a VUCA world: The changing role of states and firms*Emerald Publishing: Bingley.

Muller, A., & Kolk, A. 2010. Extrinsic and intrinsic drivers of corporate social performance: Evidence from foreign and domestic firms in Mexico. *Journal of Management Studies,* 47: 1–26.

Newburry, W., Gardberg, N., & Sanchez, J. 2014. Employer attractiveness in Latin America: The association among foreignness, internationalization and talent recruitment. *Journal of International Management,* 20: 327–344.

North, D. 1990. *Institutions, institutional change, and economic performance*. Cambridge: Cambridge University Press.

Orlitzky, M., Schmidt, F., & Rynes, S. 2003. Corporate social and financial performance: A meta-analysis. *Organization Studies,* 24: 403–441.

Orlitzky, M., Louche, C., Gond, J.-P., & Chapple, W. 2017. Unpacking the drivers of corporate social performance: A multilevel, multistakeholder, and multimethod analysis. *Journal of Business Ethics,* 144: 21–40.

Palepu, K., & Khanna, T. 1998. Institutional voids and policy challenges in emerging markets. *Journal of World Affairs,* 5: 71.

Patel, P. & Chan, C. 2021. Non-economic performance of Benefit Corporations: A variance decomposition approach. *Journal of Business Ethics*, Online.

Pietrobelli, C., Rabellotti, R., & Van Assche, A. 2021. Making sense of global value chain-oriented policies: The trifecta of tasks, linkages, and firms. *Journal of International Business,* 4: 327–346.

Pisani, N., Kourula, A., Kolk, A., & Meijer, R. 2017. How global is international CSR research? Insights and recommendations from a systematic review. *Journal of World Business,* 52: 591–614.

Ponte, S. 2014. Roundtabling' sustainability: Lessons from the biofuel industry. *Geoforu,* 54: 261–271.

Post, J., Preston, L., & Sachs, S. 2002. Managing the extended enterprise: The new stakeholder view. *California Management Review,* 45: 6–28.

Ralston, D., Yu, K.-C., Xun, W., Terpstra, R., & He, W. 1996. The cosmopolitan Chinese manager: Findings of a study on managerial values across the six regions of China. *Journal of International Management,* 2: 79–109.

Rathert, N. 2016. Strategies of legitimation: MNEs and the adoption of CSR in response to host-country institutions. *Journal of International Business Studies,* 47: 858–879.

Remišová, A., Lašáková, A., & Krzykała-Schaefer, R. 2013. Corporate social responsibility in European countries: The keystones of the concept and intercultural connotations. *Journal for East European Management Studies*: 512-543.

Rugman, A., & Verbeke, A. 2000. Multinational enterprises and public policy. In C. Miller, R. Grant, & C. Choi (Eds.), *International business: emerging issues and emerging markets*: 21–43. London: Macmillan.

Sahasranamam, S., Arya, B., & Mukundhan, K. 2022. Dual institutional embeddedness and home country CSR engagement: Evidence from Indian MNEs. *Journal of Business Research,* 141: 163–174.

Sassen, S. 2001. *The global city: New York*. London, Tokyo: Princeton University Press.

Sassen, S. 2012. *Cities in a world economy*. Los Angeles: Sage.

Scott, A. 2001. *Global city-regions: Trends, theory, policy*. Oxford: Oxford University Press.

Scott, A., & Storper, M. 2003. Regions, globalization, development. *Regional Studies,* 37: 579–593.

Shahzad, A., Mousa, F., & Sharfman, M. 2016. The implications of slack heterogeneity for the slack-resources and corporate social performance relationship. *Journal of Business Research,* 69: 5964–5971.

Sidki Darendeli, I., & Hill, T. 2016. Uncovering the complex relationships between political risk and MNE firm legitimacy: Insights from Libya. *Journal of International Business Studies,* 47: 68–92.

Siegel, J., Pyun, L., & Cheon, B. 2019. Multinational firms, labor market discrimination, and the capture of outsider's

advantage by exploiting the social divide. *Administrative science quarterly,* 64: 370–397.
Sinkovics, N., Sinkovics, R., & Archie-Acheampong, J. 2019. An overview of social responsibility dimensions in international business. In L. Leonidou, C. Katsikeas, S. Samiee, & C. Leonidou (Eds.), *Socially responsible international business*: 29–72. USA: Edward Elgar.
Smith, H. 2003. The shareholders vs. stakeholders debate. *MIT Sloan Management Review,* 44: 85–90.
Smith, N. 2017. The satanic geographies of globalization: Uneven development in the 1990s. In S. Corbridge (Ed.), *Development: Critical essays in human geography*London: Routledge.
Stoker, G. 1995. Intergovernmental relations. *Public Administration,* 73: 101–122.
Storper, M., & Scott, A. 2009. Rethinking human capital, creativity and urban growth. *Journal of Economic Geography,* 9: 147–167.
Sun, P., Doh, J., & Rajwani, T. 2021. Navigating cross-border institutional complexity: A review and assessment of multinational nonmarket strategy research. *Journal of International Business Studies,* 52: 1818–1853.
Tabellini, G. 2010. Culture and institutions: Economic development in the regions of Europe. *Journal of the European Economic Association,* 8: 677–716.
Tajfel, H., & Turner, J. 1986. The social identity theory of intergroup behavior. In S. Worchel, & W. Austin (Eds.), *Psychology of intergroup relations*: 7–24. Chicago: Nelson-Hall.
Taras, V., Steel, P., & Kirkman, B. 2016. Does country equate with culture? Beyond geography in the search for cultural boundaries. *Management International Review,* 56: 455–487.
Thomson, A. 2016. *An introduction to African politics* (4th ed.). New York: Routledge.
Tian, L., Tse, C. H., Xiang, X., Li, Y., & Pan, Y. 2021. Social movements and international business activities of firms. *Journal of International Business Studies,* 52: 1200–1214.
Tourigny, L., Han, J., Baba, V., & Pan, P. 2019. Ethical leadership and corporate social responsibility in China: A multilevel study of their effects on trust and organizational citizenship behavior. *Journal of Business Ethics,* 158: 427–440.
Tschopp, D. 2005. Corporate social responsibility: a comparison between the United States and the European Union. *Corporate Social Responsibility and Environmental Management,* 12: 55–59.
Tung, R., & Baumann, C. 2009. Comparing the attitudes toward money, material possessions and savings of overseas Chinese vis-a'-vis Chinese in China: Convergence, divergence or cross-vergence, vis-a'-vis "one size fits all" human resource management policies and practices. *International Journal of Human Resource Management,* 20: 2382–2401.
Tung, R., & Stahl, G. 2018. The tortuous evolution of the role of culture in IB research: What we know, what we don't know, and where we are headed. *Journal of International Business Studies,* 49: 1167–1189.
Tung, R., Worm, V., & Fang, T. 2008. Sino-western business negotiations revisited—30 years after China's open door policy. *Organizational Dynamics,* 37: 60–74.
United Nations Human Rights Council. 2011. *Guiding principles on business and human rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*: United Nations.
United States–Mexico–Canada Agreement. 2019. Environment: https://ustr.gov/sites/default/files/IssueAreas/Environment/USMCA_Environment_Chapter_24.pdf.
Van Assche, A., & Brandl, K. 2021. Harnessing power within global value chains for sustainable development. *Transnational Corporations Journal,* 28: 135–145.
Venaik, S., & Midgley, D. 2015. Mindscapes across landscapes: Archetypes of transnational and subnational culture. *Journal of International Business Studies,* 46: 1051–1079.
Wang, A.-C., Chiang, J., Chou, W.-J., & Cheng, B.-S. 2017. One definition, different manifestations: Investigating ethical leadership in the Chinese context. *Asia Pacific Journal of Management,* 34: 505–535.
Weeren, M. 2021. Fiduciary duty and social responsibility: Implications of the business roundtables statement on the fiduciary duties of boards of directors to corporate stakeholders other than shareholders. *Corporate and Business Law Journal,* 2: 157–187.
Whitley, R. 1999. *Divergent capitalisms: The social structuring and change of business systems*. Oxford: Oxford University Press.
Yang, S.-L., Chang, A., Chen, Y.-H., & Shiu, Y.-M. 2019. Can country trade flows benefit from improved corporate social responsibility ratings? *Economic Modelling,* 80: 192–201.
Zaheer, S. 1995. Overcoming the liability of foreignness. *Academy of Management Journal,* 38: 341–363.
Zhang, R., Zhu, J., Yue, H., & Zhu, C. 2010. Corporate philanthropic giving, advertising intensity, and industry competition level. *Journal of Business Ethics,* 94: 39–52.
Zyglidopoulos, S., Williamson, P., & Symeou, P. 2016. The corporate social performance of developing country multinationals. *Business Ethics Quarterly,* 26: 379–406.

ABOUT THE AUTHORS

Anthony Goerzen is the D.R. Sobey Professor of International Business at Smith School of Business of Queen's University, Canada. Prior to academia, Anthony Goerzen spent 15 years in management positions in both small firms and MNEs. His research interests relate to the behavior and performance of MNEs with a focus on location strategy, cooperative strategies (e.g., JVs, alliances, and networks), and sustainability in the context of global value chains.

Michael A. Sartor is Associate Professor at the Smith School of Business, Queen's University in Kingston, Canada. He received a PhD and MBA from the Ivey Business School and a JD from Osgoode Hall Law School in Canada. His research focuses on global business strategy and the institutional environment of foreign markets.

Kristin Brandl is Associate Professor of International Business at the Peter B. Gustavson School of Business, University of Victoria, Canada. Her research interests are national and supranational institutions and international services and knowledge sourcing, focusing on developing countries. She has won various awards for her work and is on the editorial review boards of *JIBS* and *GSJ*.

Stacey Fitzsimmons is Associate Professor of International Management at the Peter B. Gustavson School of Business, University of Victoria,

Canada. Her research objective is to support migrant and multicultural employees by improving the way international organizations manage them. She has received AOM's International Human Resources Scholarly Research Award and WAIB's (Women in the Academy of International Business) Emerging Scholar Award.

Accepted by Alain Verbeke, Editor-in-Chief, 16 October 2022. This article was single-blind reviewed.