



Management Research Review

Nonmarket and market strategies, strategic uncertainty and strategic capabilities:

Evidence from the USA

John A. Parnell,

Article information:

To cite this document:

John A. Parnell, (2018) "Nonmarket and market strategies, strategic uncertainty and strategic capabilities: Evidence from the USA", Management Research Review, Vol. 41 Issue: 2, pp.252-274, <https://doi.org/10.1108/MRR-05-2017-0151>

Permanent link to this document:

<https://doi.org/10.1108/MRR-05-2017-0151>

Downloaded on: 04 April 2018, At: 15:31 (PT)

References: this document contains references to 168 other documents.

To copy this document: permissions@emeraldinsight.com

The fulltext of this document has been downloaded 33 times since 2018*

Users who downloaded this article also downloaded:

(2018), "Family involvement in publicly traded firms and firm performance: a meta-analysis", Management Research Review, Vol. 41 Iss 2 pp. 225-251 https://doi.org/10.1108/MRR-05-2017-0150

ECU Libraries

Access to this document was granted through an Emerald subscription provided by emerald-srm:161304 []

For Authors

If you would like to write for this, or any other Emerald publication, then please use our Emerald for Authors service information about how to choose which publication to write for and submission guidelines are available for all. Please visit www.emeraldinsight.com/authors for more information.

About Emerald www.emeraldinsight.com

Emerald is a global publisher linking research and practice to the benefit of society. The company manages a portfolio of more than 290 journals and over 2,350 books and book series volumes, as well as providing an extensive range of online products and additional customer resources and services.

Emerald is both COUNTER 4 and TRANSFER compliant. The organization is a partner of the Committee on Publication Ethics (COPE) and also works with Portico and the LOCKSS initiative for digital archive preservation.

*Related content and download information correct at time of download.

Nonmarket and market strategies, strategic uncertainty and strategic capabilities

Evidence from the USA

John A. Parnell

*School of Business, University of North Carolina at Pembroke, Pembroke,
North Carolina, USA*

Received 19 May 2017
Revised 11 September 2017
7 December 2017
Accepted 10 December 2017

252

Abstract

Purpose – Amidst rapid development in emerging economies, greater emphasis on public–private partnerships and a more complex regulatory environment, nonmarket strategy (NMS) is now widely viewed as a key component of a firm’s overall strategy. This paper aims to investigate how nonmarket and market strategies are influenced by strategic uncertainties and capabilities and ultimately drive firm performance.

Design/methodology/approach – A survey addressing strategic uncertainties, capabilities, NMS and market strategy and firm performance was administered online to 193 practicing managers in the USA. Measures for competitive strategy (i.e. cost leadership and differentiation), NMS, management and marketing capabilities, competitive and technology uncertainties and firm performance were adopted from or based on previous work. Hypotheses were tested via SmartPLS.

Findings – Emphasis on NMS was linked to high marketing capability, high competitive uncertainty and high technology uncertainty. Cost leaders were more likely than differentiators to emphasize on NMS, although all three strategies were positive drivers of performance. NMS appears to be viewed as a part of an integrated strategic approach by managers in many organizations.

Research limitations/implications – The sample included managers in multiple industries. Self-typing scales were used to assess strategic emphasis and firm performance.

Practical implications – Emphasis on NMS can promote firm performance, but the relationship is complex. Strategic managers should align the NMS with organizational capabilities and a market-oriented strategy appropriate for the firm.

Originality/value – This paper provides empirical support for a model linking select strategic uncertainties, capabilities, market strategy and NMS and firm performance. It supports NMS as a key performance driver, but with links to uncertainties and capabilities that differ from those of market strategies.

Keywords Uncertainty, Business strategy, Nonmarket strategy, Strategic capabilities, Strategic political emphasis, Strategic management and leadership, Corporate political analysis, NMS, Strategic political management

Paper type Research paper

Introduction

A market perspective on organizational success has traditionally dominated the business strategy literature, with firms crafting and executing strategies to leverage market forces. Today, however, many firms also engage in nonmarket activities, pursuing success outside of the traditional market realm. This phenomenon has generated scholarly interest about factors that influence a firm’s nonmarket emphasis, as well as the link between nonmarket strategy (NMS) and firm performance (Bach and Allen, 2010; Baron, 1995; Wei *et al.*, 2016; Buli, 2017; Mellahi *et al.*, 2016).



NMS refers to patterns of organizational actions designed to enhance firm performance outside of the market context by managing the institutional or societal context of competition (Lux *et al.*, 2011; Liedong *et al.*, 2017; Frynas *et al.*, 2017). The NMS domain is broad, including interactions between firms and external actors intermediated by the public, public institutions, government entities, the media and other stakeholders (Baron, 1995). With the continued development of emerging economies and a greater emphasis on government–business partnerships in many Western nations, it is now widely seen by some as an alternative to a market orientation and by others as a necessary complement (Doh *et al.*, 2012; Henisz and Zelner, 2012; Kingsley *et al.*, 2012; Sawant, 2012; Meyer and Peng, 2016).

Research assessing associations between NMS and both firm characteristics and outcomes has been multifaceted (Dorobantu *et al.*, 2017). NMS appears to be pursued more by larger firms than by smaller ones (Bach and Allen, 2010) and among firms in emerging economies with less developed regulatory regimes (Doh *et al.*, 2012; Henisz and Zelner, 2012; Kingsley *et al.*, 2012; Meyer and Peng, 2016; Khanna *et al.*, 2005; Marquis and Raynard, 2015). It is also influenced by such factors as industry membership, institutional context and market strategy (MS) (Wei *et al.*, 2016; Dorobantu *et al.*, 2017; Funk and Hirschman, 2017).

A number of scholars have identified a link between NMS and performance, but relatively little is known about precisely how this occurs (Parnell, 2015). However, the notion of an NMS–performance nexus is intuitive; nonmarket activity can enhance relationships with stakeholders, and ostensibly, firms would not pursue NMS if a performance payoff was not anticipated. However, some firms do not prioritize NMS, arguably because they do see such a benefit. To unravel this conundrum, scholars are focusing more on underlying mechanisms that appear to influence how NMS drives performance, including the influence of NMS on consumer perceptions of the firm (Luo and Bhattacharya, 2006), access to financial resources (Madsen and Rodgers, 2015) and preferential access to political resources (Frynas *et al.*, 2006).

This paper expands knowledge about NMS by considering uncertainty and capabilities as NMS drivers. Specifically, it examines how competitive uncertainty, technology uncertainty, management capability and marketing capability influence MS and NMS in different ways and how the emphasis on these strategies in turn affects performance. It helps explain why NMS – broadly defined (Baron, 1995; Frynas *et al.*, 2017) – is more of a priority for some firms than for others. It concludes by offering suggestions for managers and outlining future research opportunities.

Literature review

Previous research on market strategies (MSs) focused on relationships with customers, competitors, suppliers and other market-oriented entities through cost leadership, differentiation and other competitive endeavors (Cadogan *et al.*, 2002; van Raaij and Stoelhorst, 2008). In contrast, NMS includes an array of activities from social initiatives to lobbying, campaign contributions and even direct collaboration with government actors (Delmas and Montes-Sancho, 2010; Lawton *et al.*, 2013; Okhmatovskiy, 2010). As the share of global output attributed to emerging economies continues to grow and government–business partnerships receive greater attention in many developed nations, NMS is now understood by many as a vital complement to market strategy (Doh *et al.*, 2012; Henisz and Zelner, 2012; Kingsley *et al.*, 2012; Sawant, 2012; Meyer and Peng, 2016; Brito-Bigott *et al.*, 2008). The distinction between NMS and MS is not always clear, however. It can be difficult to distinguish between public–private partnerships designed to benefit society and those that trade favors with politicians. Corruption can even be viewed as part of an MS in

emerging economies insomuch that firms engage in it to enhance competitiveness (Iriyama *et al.*, 2016).

Perspective is critical to one's understanding of NMS. It can be viewed positively in terms of enhanced relationships with stakeholders and corporate social responsibility (CSR) (Morsing and Roepstorff, 2015; Scherer *et al.*, 2016; Wickert, 2016) or negatively in terms of cronyism and corruption through lobbying and political engagement (Iriyama *et al.*, 2016; Néron, 2016; Unsal *et al.*, 2016). A positive view could link NMS to higher performing firms, whereas a negative view could link it to poor performers less capable of meeting market demands. These competing connotations have led to diverse treatment of the construct (e.g. dos Reis *et al.*, 2012; Funk and Hirschman, 2017; Vázquez-Maguirre and Hartmann, 2013) and constitute an ongoing challenge for scholars.

Several distinct but overlapping NMS streams have emerged, including corporate political activity, strategic political management and strategic political emphasis (Oliver and Holzinger, 2008; Hillman and Hitt, 1999; Hillman *et al.*, 2004; Hillman and Zardkoohi, 1999). Two broad conceptual questions about NMS can be identified across these perspectives. First, do NMS and MS represent alternative or complementary efforts to attain high performance? Some scholars posit NMS and MS as complementary, integrating nonmarket considerations into a single, overarching market-oriented strategy. Advocates of this view often emphasize on a stakeholder orientation, with strategic decisions based on multiple stakeholder interests rather than those of shareholder and customers (Bosse *et al.*, 2009; Choi and Wang, 2009; Harrison *et al.*, 2010; Harrison and Wicks, 2013). As such, NMS can enhance firm performance by helping the organization achieve broader social objectives (Singer, 2013). Other scholars emphasize on trade-offs between MS and NMS, whereby firms unable or unwilling to compete through MS emphasize on NMS instead (Parnell, 2015; Adly, 2009). They warn that goals vary across stakeholders, and market and nonmarket conflicts are inevitable, requiring strategic managers to make choices (Cavazos and Rutherford, 2012; Baron, 1995; Hadani *et al.*, 2015).

Second, is NMS – as it relates to government – primarily a means of protecting the organization against a regime or is it a response to a lack of appropriate oversight? Indeed, NMS has been viewed as a defense mechanism – a “necessary evil” – for firms facing government overreach. Through domain defense, corporate political activity can advance private interests of the firm, minimize the effects of government policies at odds with corporate goals or maintain a status quo environment favorable to the organization (Baysinger, 1984; Keillor *et al.*, 2005; Lawton *et al.*, 2013; Baines and Viney, 2010). Even detractors of NMS acknowledge the need for responses to increases in government regulation (Parnell, 2015; Woiceshyn, 2011; Krozer *et al.*, 2013).

However, other scholars see political involvement by firms not as a means of protecting the firm from or palliating the regulatory regime, but rather as a proactive approach to enhance society. From this perspective, social and environmental challenges such as water depletion, worker exploitation, child labor and deforestation occur when governments are unwilling or unable to promote socially and environmentally responsible business practices (Scherer and Palazzo, 2011; Scherer *et al.*, 2006). Given this void, consumers and interest groups pressure firms to engage in political activity by working with non-governmental organizations (NGOs) and other parties to address insufficient social and environmental standards and norms (Valente and Crane, 2010). Proponents refer to this phenomenon as political corporate social responsibility (PCSR) (Wickert, 2016).

From the PCSR perspective, NMS is a necessary extension of MS because it incorporates social concerns (McWilliams and Siegel, 2000; McWilliams and Siegel, 2001). Hence, CSR can be viewed as a building block of NMS to the extent that both seek to influence public policy

in a manner consistent with social values and to enhance trust between organizations and society (Liedong *et al.*, 2015; Mellahi *et al.*, 2016; Scherer, 2017; Scherer and Palazzo, 2011; Schneider and Scherer, 2016). A number of scholars have promoted this view (Scherer *et al.*, 2016; Scherer *et al.*, 2014; den Hond *et al.*, 2014; Matten and Crane, 2005), but others are wary (Liedong *et al.*, 2015; Mellahi *et al.*, 2016; Scherer, 2017; Scherer and Palazzo, 2011; Schneider and Scherer, 2016). It is difficult to judge the extent to which this actually occurs in practice because executives tend to couch NMS in CSR terms while motives remain speculative.

Recent scholarship on NMS has been productive, but questions remain. How and the extent to which environmental factors and certain strategic capabilities drive NMS is not completely understood (Oliver and Holzinger, 2008; Parnell, 2015). Moreover, competing streams of NMS research underscore the disparate interpretations of the construct and its link to firm performance (Frynas *et al.*, 2017). Indeed, some scholars have called for an integrated market–nonmarket approach to strategy, but relatively little is known about how NMS interacts with MS (Chong, 2017). The remainder of this paper seeks to provide insight on how NMS and MS are influenced by strategic uncertainties and capabilities, and ultimately drive firm performance.

Hypotheses

This paper tests three sets of hypotheses that test for links between strategy and performance, between strategic uncertainty and NMS and between strategic capabilities and NMS.

Strategy and performance

The first set of hypotheses addresses two traditional market strategy approaches – cost leadership and differentiation – and a broad, nonmarket strategic orientation. The nexus between competitive strategy and performance has been elaborated throughout the literature (Dess and Davis, 1984; Parnell, 1997), but invoking an NMS can also promote organizational performance in various ways (Doh *et al.*, 2012). Industries influence and manage public policy concerning product safety, environmental and general labor concerns (Vázquez-Maguirre and Hartmann, 2013; Porter and Kramer, 2006). Select firms in an industry (i.e. strategic groups) may also seek to influence government entities in a similar fashion (Frynas *et al.*, 2006; Mahon *et al.*, 2004).

A number of management theories suggest a positive linkage between NMS and firm performance (Parnell, 2015; *Economist*, 2016; Macher and Mayo, 2015; Davis *et al.*, 2010; Liu and Chen, 2015). Public choice theory reveals that organizations pursue mutually beneficial transactions with government entities (Bonardi, *et al.*, 2005; Bonardi *et al.*, 2006; Wood and Frynas, 2006). The behavioral theory of the firm suggests that organizations behave in ways that expand their resource and cognitive scope, even engaging in risky behavior when performance goals are not met (Ji-Yub *et al.*, 2011; Liu *et al.*, 2015; Cyert and March, 1963). Resource dependence theory emphasizes on the procurement of resources critical to firm survival (Leroux and Goerdel, 2009). Similarly, the resource-based view accentuates the roles played by governments and other external entities in the assimilation of strategic resources (Wei *et al.*, 2016). Stakeholder theory focuses on the need for strategists to consider a wide range of groups – beyond suppliers, customers and competitors – that influence and are affected by their actions (Hillman and Keim, 2001). Institutional theory emphasizes on how institutions can influence firm structure and strategy (Hadani, 2012). Each of these perspectives can help explain why an effective NMS can enhance firm performance (Mellahi *et al.*, 2016; Dahan *et al.*, 2013; Hadani and Schuler, 2013).

Empirical work investigating the direct link between NMS and performance has also been productive. Although the *potential* organizational benefits of NMS are widely understood, identifying clear, positive net effects (that justify costs) has been elusive (Hillman and Zardkoohi, 1999; Dorobantu *et al.*, 2017). A consensus has not yet been reached, but the majority of published work is supportive. Specifically, studies have identified positive, direct performances links with effective stakeholder management (Bosse *et al.*, 2009; Choi and Wang, 2009), political connect and embeddedness (Shi and Cheng, 2016; He *et al.*, 2007; Unsal *et al.*, 2016) and broad nonmarket activity (Bonardi *et al.*, 2006; Parnell, 2015). In their comprehensive review of NMS-performance work, Mellahi *et al.* (2016) found that 102 out of 163 studies assessing a form of NMS and performance identified a significant link. Hence, a positive association between each of the three strategies and performance is anticipated in the present study:

H1a. Emphasis on cost leadership will be positively associated with performance.

H1a. Emphasis on differentiation will be positively associated with performance.

H1c. Emphasis on nonmarket strategy will be positively associated with performance.

Strategic uncertainty and nonmarket strategy

The second set of hypotheses addresses links between NMS and strategic uncertainty – the extent to which an organization’s managers perceive the environment to be unpredictable (Stonehouse and Snowdon, 2007; Leitner and Guldenberg, 2010; Nandakumar *et al.*, 2011). The strategy process can be viewed as a means of managing uncertainty (Jauch and Kraft, 1986; Sun *et al.*, 2009); as such, the type and amount of emphasis placed on various strategic endeavors can be understood as a function of how strategic managers interpret their environments (Parnell *et al.*, 2012; Swamidass and Newell, 1987). Uncertainty about the competitive and technological environments weakens the foundation on which *market* strategies are developed. Faced with high uncertainty, managers must base their strategic actions more on conjecture than on facts, thereby increasing the risk of failure. One means of mitigating this risk is to seek *nonmarket* action. Faced with high competitive and technological uncertainty, managers may lobby legislators to erect entry barriers, adopt social initiatives to create public support, modify their business activities to align with current political trends or even pursue direct financial assistance from governments through loans or grants. If successful, they can leverage NMS to reduce uncertainty by placing boundaries around potential competitive action and the potential effects of technology.

Evidence that supports this argument in the US context might be found in emerging economies, where NMS tends to be associated more with corruption and has an unfavorable connotation (Adly 2009; Calderón *et al.*, 2009) that lack appropriate legal frameworks and infrastructures (Mantere *et al.*, 2009; Barron, 2010; Lailani Laynesa and Mitsuhashi, 2013; Vázquez-Maguirre and Hartmann, 2013; Holburn and Vanden Bergh, 2008; Peng, 2003). Although illegal in most countries, activities such as bribery, collusion with competitors and even direct payments to politicians are often tolerated in less developed nations (Cavazos and Rutherford, 2012; Kingsley *et al.*, 2012; Rival, 2012; Vázquez-Maguirre and Hartmann, 2013; Parnell and Dent, 2009; Parnell *et al.*, 2013; Mantere *et al.*, 2009). Strategic uncertainty also tends to be higher as well (Bonardi *et al.*, 2006; Delios and Hensiz, 2003; Ghemawat, 2008). In such instances, managers may respond to high competitive and technological uncertainty by emphasizing NMS. Following this logic, it is proffered that uncertainty about both the competitive environment and technology will be positively associated with NMS emphasis in firms in the USA:

- H2a.* Uncertainty about the competitive environment will be positively associated with emphasis on nonmarket strategy.
- H2b.* Uncertainty about technology will be positively associated with emphasis on nonmarket strategy.

Strategic capabilities and nonmarket strategy

The third set of hypotheses examines the nexus between strategic capabilities and NMS. Strategic capabilities represent complex bundles of skills and accumulated knowledge that enable organizations to utilize resources and coordinate activities effectively (Assudani, 2008; Teece *et al.*, 1997). They are linked to idiosyncratic organizational competencies (Berchicci *et al.*, 2012; Vogel and Güttel, 2013; Peteraf *et al.*, 2013; Peng, 2003) and tend to be scarce, relatively immobile and difficult to imitate (Desarbo *et al.*, 2005). Firm capabilities can be important components of both MS and NMS (Baysinger, 1984; Bonardi *et al.*, 2005; Bonardi *et al.*, 2006; Frynas *et al.*, 2006). Indeed, strategic decisions addressing market and nonmarket realms represent choices about resources and capabilities (Zajac and Shortell, 1989; Porter, 1981; Certo *et al.*, 2006; Baron, 1995). At the organization level, managers develop resources and capabilities to align their organizations with legislation and agency enforcement (Aplin and Hegarty, 1980; Holburn and Vanden Bergh, 2008; Rival, 2012; Capron and Chatain, 2008; Oliver and Holzinger, 2008).

A link between capabilities and NMS is logical, but the direction is not entirely clear. Managers in organizations with strong strategic capabilities geared toward market orientation may accentuate MS, whereas those in organizations with less developed capabilities may emphasize on NMS to compensate for the deficiency. For example, managers in US firms reporting low capability levels in their organizations were more likely to report a higher and increasing emphasis on NMS (Parnell, 2015). Although empirical support for such a relationship is limited, this reasoning suggests a negative relationship between capabilities and emphasis on NMS.

An argument can also be made for a positive link. A growing stream of literature provides empirical support for the connection between strategic capabilities and MS (Agyapong *et al.*, 2016; Cacciolatti and Lee, 2016; Song *et al.*, 2006; Theodosiou *et al.*, 2012). It is logical that strategic capabilities could be essential to effective *nonmarket* approaches in the same manner. Indeed, success in the nonmarket arena depends on the satisfaction of multiple nonmarket stakeholders, including politicians, regulatory agencies and interest groups (Bach and Allen, 2010; Henisz and Zelner, 2012; Lux *et al.*, 2011; Rui, 2010).

This argument can be extended by considering the view that MS and NMS should be mutually reinforcing (Frynas *et al.*, 2017; Scherer *et al.*, 2016). If MS and NMS are viewed as a single entity, then capabilities must be developed for and aligned with *both* market and nonmarket approaches. Following this logic, capabilities that drive MSs can also drive an integrated market–nonmarket approach. Given growing scholarly support and increasing empirical evidence for an integrated market–nonmarket approach to strategy (Deng *et al.*, 2010; Mellahi *et al.*, 2016; Wei *et al.*, 2016; Dorobantu *et al.*, 2017), the net influence of capabilities on NMS is expected to be positive:

- H3a.* Marketing capabilities will be positively associated with the emphasis on nonmarket strategy.
- H3b.* Management capabilities will be positively associated with the emphasis on nonmarket strategy.

Methodology

Strategy along Porter's typology (i.e. cost leadership and differentiation) was assessed with items identified by [Nayyar \(1993\)](#). Emphasis on NMS was assessed via items based on those identified in the [Deng et al.'s \(2010\)](#) taxonomy. Scales developed and previously validated by [Desarbo et al. \(2005\)](#) were used to assess uncertainties and capabilities. Relative performance was measured via a five-point Likert scale with items adopted from multiple sources ([Harris and Mongiello, 2001](#); [Kaplan and Norton, 1992](#); [Kaplan and Norton, 1996](#); [Kaplan and Norton, 2001](#); [Kaplan and Norton, 2004](#); [Laitinen, 2004](#); [Madanoglu et al., 2014](#); [Norreklit, 2000](#); [Phillips, 1999](#); [Phillips and Moutinho, 1999](#); [Venkatraman and Ramanujam, 1986](#)). Hypotheses were tested via SmartPLS (version 3) software. Advances in partial least squares modeling is well documented in the strategic management literature and is especially appropriate for exploratory research and complex modeling with latent constructs ([Hair et al., 2012](#)).

A survey containing the strategy, uncertainty, capability and performance items was administered online through Cint's online insight exchange platform. Surveys were sent to full-time practicing managers in the USA; part-time managers and non-managers were excluded from consideration. From an initial population of approximately 1,400 qualified potential respondents, 193 surveys were completed. Multiple management levels, experiential backgrounds, industry affiliations, and organization sizes were represented, providing a cross section of management perceptions from individuals who have been exposed to a wide variety of strategic issues ([Table I](#)). Lower-level and middle managers

Variable	<i>n</i>	(%)
<i>Management level</i>		
Lower	49	29.4
Middle	85	44.0
Upper	59	30.6
<i>Functional background</i>		
Accounting/finance	30	15.5
General management/HR	70	36.3
Law	4	2.1
Marketing/sales	25	13.0
Production/engineering	46	23.8
Other	18	9.3
<i>Gender</i>		
Male	101	53.3
Female	92	47.7
<i>Industry</i>		
Manufacturing	66	34.2
Hospitality	16	8.3
Health care	19	9.8
Services	89	46.1
Other	2	1.0
<i>Firm size</i>		
Micro (<10 employees)	10	5.2
Small (11-50 employees)	35	18.1
Medium (51-250 employees)	69	35.8
Large (>251 employees)	79	40.9

Table I.
Sample
demographics

were included to inform the analysis, as they have played a greater role in recent years in both strategy formulation and execution (Balogun and Johnson, 2004; Raes *et al.*, 2011).

Findings

Strategy, uncertainty and capability scales were assessed for reliability and validity (table III). Two items in each of the original uncertainty and capability scales were eliminated to produce an optimal solution. Coefficient alphas exceeded 0.700, composite alphas exceeded 0.800 and average variance explained (AVE) exceeded 0.500 for all constructs (Tables II-III). The Fornell–Larcker criterion (Table IV) suggests discriminant validity in all instances.

Redundancy analysis was conducted to assess convergent validity for organizational performance. Four formative indicators – competitive position, market share, sales growth and return on assets – were linked to a single-item measure of overall firm performance. The path coefficient calculated in the analysis was 0.718, exceeding the recommended 0.700 threshold. Outer variance inflation factor (VIF) values ranged from 1.627 to 1.923, well below the collinearity threshold of 5. A bootstrapping procedure with 5,000 subsamples provided confirmation, producing *p*-values of 0.000 for each of the indicators.

Hypotheses were tested by bootstrapping a structural model that included links from each uncertainty and capability category with each strategy and from each strategy to performance. *H1* and *H2* were supported, but *H3* was not. *R*² coefficients were 0.390, 0.359, 0.372 and 0.424 for differentiation, NMS, cost leadership and performance, respectively (Table V and Figure 1). A subsequent bootstrap with only middle and upper-level managers was conducted to determine if including lower-level managers influenced the analysis. There were no differences in results (i.e. acceptance or rejection of hypotheses).

A revised, composite model was developed, starting with the tested model and adding prospective influences of cost leadership and differentiation on NMS. Bootstrapping was applied, and insignificant links were removed in a stepwise fashion until only significant ones remained in the model; the insignificant revenue–performance link was not removed to control for organizational size, however. All path coefficients in the final model are positive,

Item	Loading	Wording
<i>Strategy-cost leadership</i> ($\alpha = 0.809$, composite reliability = 0.875, AVE = 0.636)		
Cost1	0.724	Pricing below competitors
Cost2	0.826	Managing raw materials cost and availability
Cost3	0.830	Process improvements and innovation
Cost4	0.806	Product cost reduction
<i>Strategy-differentiation</i> ($\alpha = 0.819$, composite reliability = 0.880, AVE = 0.647)		
Differ1	0.770	Extensive customer/consumer service
Differ2	0.786	Building/maintaining the firm's reputation
Differ3	0.831	Premium product quality
Differ4	0.830	Highly skilled production personnel
<i>NMS</i> ($\alpha = 0.913$, composite reliability = 0.939, AVE = 0.793)		
NMS1	0.871	Lobbying government officials for legislation favorable to the organization
NMS2	0.896	Contributing to politicians, candidates or political action committees that advance our interests
NMS3	0.887	Working with government entities to create entry barriers for potential competitors
NMS4	0.908	Working with industry groups to campaign for public/government support favorable to our firm

Table II.
Survey items – MS
and NMS

Item	Loading	Wording
<i>Uncertainty-competition</i> ($\alpha = 0.721$, <i>composite reliability</i> = 0.823, <i>AVE</i> = 0.538)		
Unc_Comp2	0.676	There are many 'promotion wars' in our industry
Unc_Comp3	0.771	Anything that one competitor can offer can be matched readily by others
Unc_Comp5	0.781	One hears of new competitive moves almost every day
Unc_Comp6	0.700	Our competitors are relatively weak®
<i>Uncertainty-technology</i> ($\alpha = 0.711$, <i>composite reliability</i> = 0.849, <i>AVE</i> = 0.585)		
Unc_Tech1	0.678	The technology in our industry is changing rapidly
Unc_Tech2	0.802	Technological changes provide big opportunities in our industry
Unc_Tech4	0.775	Technological developments in our industry are rather minor®
Unc_Tech6	0.799	The technological changes in our industry are frequent
<i>Management capability</i> ($\alpha = 0.838$, <i>composite reliability</i> = 0.891, <i>AVE</i> = 0.672)		
Cap_Mgt1	0.786	Integrated logistics systems
Cap_Mgt2	0.812	Cost control capabilities
Cap_Mgt3	0.785	Financial management skills
Cap_Mgt5	0.793	Accuracy of profitability and revenue forecasting
<i>Marketing capability</i> ($\alpha = 0.756$, <i>composite reliability</i> = 0.842, <i>AVE</i> = 0.572)		
Cap_Mkt1	0.639	Knowledge of customers
Cap_Mkt2	0.695	Knowledge of competitors
Cap_Mkt3	0.807	Integration of marketing activities
Cap_Mkt4	0.751	Skill to segment and target markets

Table III.
Survey items –
uncertainties and
capabilities

Variable	Comp Unc	Cost lead	Differ	Mgt Cap	Mkt Cap	NMS	Perform	Rev (Size)	Tech Unc
Comp Unc	0.738								
Cost Lead	0.476	0.798							
Differ	0.214	0.578	0.805						
Mgt Cao	0.557	0.521	0.513	0.821					
Mkt Cap	0.479	0.452	0.483	0.773	0.759				
NMS	0.527	0.457	0.200	0.444	0.433	0.891			
Perform	0.514	0.547	0.504	0.749	0.622	0.468	n/a ^a		
Revenues	0.057	0.092	0.077	0.037	0.041	0.015	0.085	1.000	
Tech Unc	0.569	0.516	0.487	0.510	0.453	0.499	0.541	0.100	0.767

Table IV.
Fornell–Larcker
matrix

Note: ^aPerformance is measured as a formative construct

except for the competitive uncertainty-differentiation and differentiation-NMS links. The marketing capability–NMS link was not significant in the original model, but crossed the 95 per cent threshold in the revised model. R^2 coefficients were 0.379, 0.366, 0.408 and 0.424 for differentiation, NMS, cost leadership and performance, respectively. Results from the final bootstrap are presented in Table VI and Figure 2.

Structural properties of the final model were assessed further. VIF scores in the outer model ranged from 1.010 to 1.845, suggesting that collinearity was not a significant concern. The adjusted R^2 coefficient for performance was unchanged (0.412), denoting that the final parsimonious model does not sacrifice any predictive power. Effect sizes were assessed and interpreted following Cohen's benchmarks of 0.02 (small), 0.15 (moderate) and 0.35 (large) (Hair *et al.*, 2012). The effect size for each of the significant links was small, except for the

Table V.
Tests of hypotheses

Hypothesis	Link	Original sample	Sample mean	SD	T-statistics	p-value	Significance
H1a	Cost Lead → performance	0.228	0.233	0.114	1.999	0.046	*
H1b	Differentiation → performance	0.309	0.308	0.097	3.181	0.002	*
H1c	NMS → performance	0.301	0.303	0.073	4.128	0.000	*
	Revenues (size) → performance	0.036	0.009	0.073	0.493	0.622	
	Comp Unc → cost lead	0.151	0.152	0.072	2.114	0.035	*
	Comp Unc → differentiation	-0.282	-0.286	0.081	3.503	0.001	*
H2a	Comp Unc → NMS	0.296	0.302	0.081	3.665	0.000	*
	Tech Unc → cost lead	0.275	0.272	0.094	2.920	0.004	*
	Tech Unc → differentiation	0.398	0.393	0.087	4.589	0.000	*
H2b	Tech Unc → NMS	0.243	0.239	0.087	2.796	0.005	*
	Mkt Cap → cost lead	0.065	0.065	0.098	0.662	0.508	
	Mkt Cap → differentiation	0.191	0.186	0.126	1.512	0.131	
H3a	Mkt Cap → NMS	0.152	0.157	0.098	1.554	0.121	
	Mgt Cap → cost lead	0.247	0.253	0.102	2.429	0.015	*
	Mgt Cap → differentiation	0.320	0.333	0.109	2.929	0.004	*
H3b	Mgt Cap → NMS	0.037	0.035	0.111	0.335	0.738	

Note: *Significant at 0.05 level

technology uncertainty–differentiation and management capability–differentiation links, which were moderate.

Discussion

Several findings warrant additional discussion. First, the positive performance links with both competitive strategies – cost leadership and differentiation – reinforce decades of research on the topic (Dess and Davis, 1984; Gopalakrishna and Subramanian, 2001; Murray 1988), while the positive NMS–performance link reinforces more recent work in the field (Mellahi *et al.*, 2016). These findings highlight the importance of competitive market-oriented strategies and elevates the significance of NMS as part of the equation.

Second, the possible explanations for the *positive* cost leadership–NMS and *negative* differentiation–NMS links are compelling. Differentiation could be viewed as an alternative to a nonmarket approach, with innovative businesses developing new products and markets *instead of* focusing on nonmarket factors. Cost leadership – as opposed to differentiation – could be seen as insufficient for sustained competitive advantage, with many low-cost businesses adding a nonmarket emphasis as part of the broader strategy. Following this logic, NMS could be a standalone approach for businesses that pursue differentiation but an integrated approach for those that pursue cost leadership. To such an extent, this finding could explain why NMS can be, but does not have to be, part of an integrated competitive approach (Henisz and Zelner, 2012; Kingsley *et al.*, 2012; Sun *et al.*, 2012; Singer, 2013; Baron, 1995).

In a similar vein, the perceived level of competitive uncertainty appears to drive firms toward either differentiation or a nonmarket approach. Specifically, firms were more likely to pursue differentiation where competitive uncertainty was low but pursue NMS where competitive uncertainty was high. Viewing low uncertainty through a capabilities lens might explain this phenomenon. For example, low competitive uncertainty could reflect the development of strong competitive knowledge, an

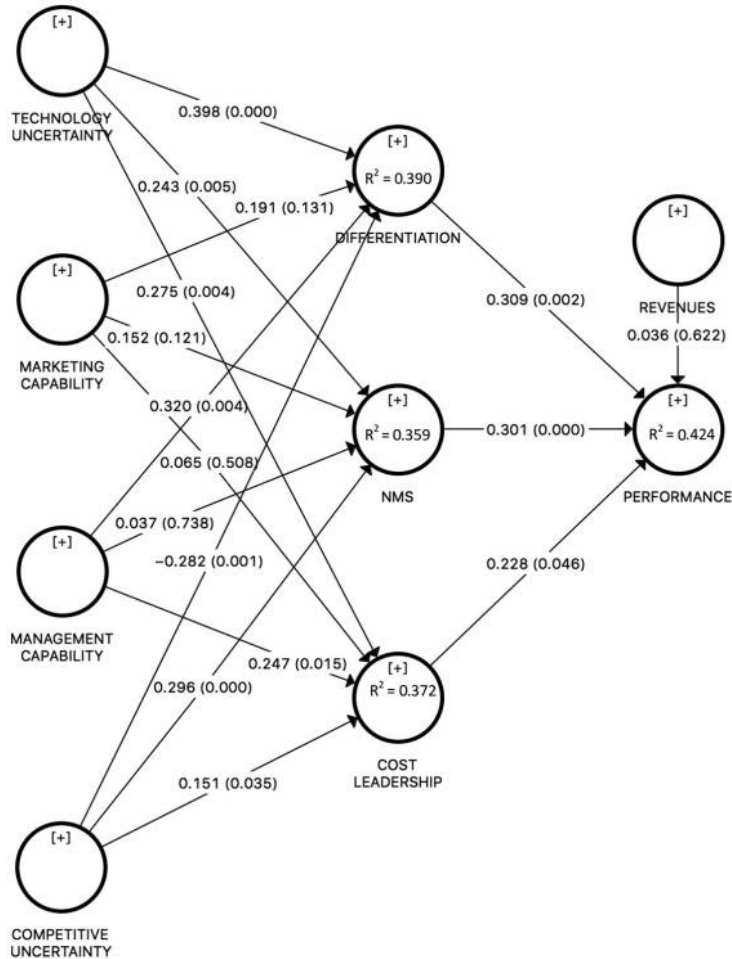


Figure 1.
Tests of hypotheses

important strategic capability (Assudani, 2008; Teece *et al.*, 2016). Following this logic, firms with such a capability are better equipped to pursue a form of differentiation, whereas those without it may resort to a nonmarket alternative.

Third, the lack of significant links between marketing capability and market-oriented strategies – particularly differentiation – was unexpected. In general, effective marketing broadly supports the execution of any market-based competitive strategy (Cacciolatti and Lee, 2016). The lack of significance does not necessarily preclude an association. Indeed, these links were positive but insignificant in the original model, suggesting that other competitive and technology uncertainties are better predictors of differentiation emphasis.

The positive link between marketing capability and NMS is intuitive. For example, marketing is a key facet of campaigns that promote a firm’s CSR activities, and marketing acumen is also important in efforts to gain political support (Krasnikov and Jayachandran, 2008; Morgan *et al.*, 2009; Ngo and O’Cass, 2012; Oliver and Holzinger, 2008; Wilden and

Link	Original sample	Sample mean	SD	t-statistics	p-value	Significance	Effect size (f ²)
Comp Unc → differentiation	-0.281	-0.284	0.087	3.244	0.001	*	0.074
Comp Unc → NMS	0.209	0.216	0.084	2.476	0.013	*	0.039
Cost Lead → NMS	0.257	0.260	0.080	3.218	0.001	*	0.059
Cost Lead → performance	0.227	0.239	0.115	1.975	0.048	*	0.048
Differentiation → NMS	-0.221	-0.227	0.079	2.779	0.006	*	0.043
Differentiation → performance	0.310	0.304	0.096	3.240	0.001	*	0.110
Mgt Cap → cost lead	0.349	0.358	0.082	4.261	0.000	*	0.140
Mgt Cap → differentiation	0.461	0.468	0.075	6.168	0.000	*	0.216
Mkt Cap → NMS	0.210	0.218	0.074	2.847	0.004	*	0.045
NMS → performance	0.301	0.298	0.076	3.985	0.000	*	0.123
Revenues (size) → performance	0.036	0.009	0.074	0.483	0.629		0.002
Tech Unc → cost lead	0.339	0.335	0.097	3.509	0.000	*	0.133
Tech Unc → differentiation	0.412	0.412	0.084	4.901	0.000	*	0.171
Tech Unc → NMS	0.260	0.250	0.092	2.840	0.005	*	0.061

Note: *Significant at 0.05 level

Table VI. Refined model results

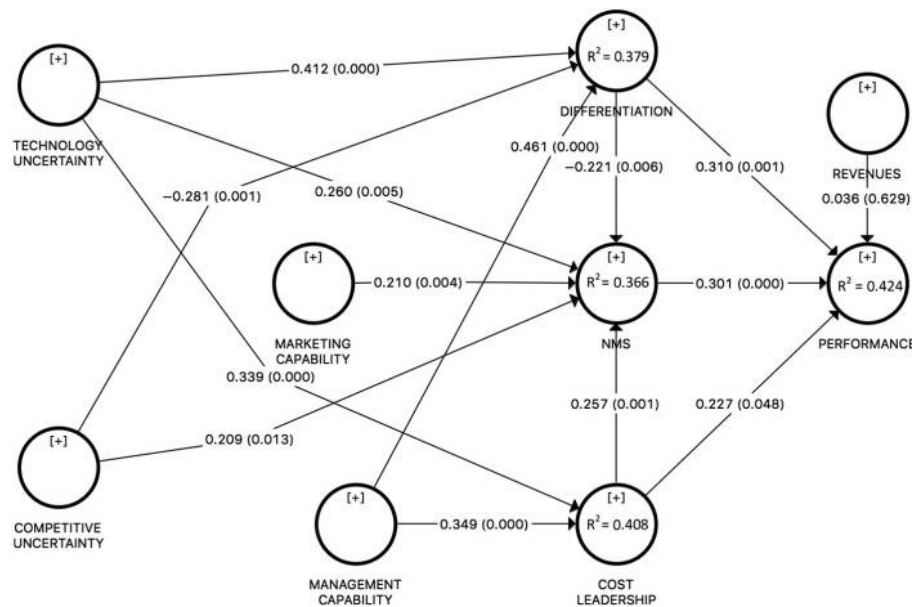


Figure 2. Refined model

Gudergan, 2015). As a function, marketing appears instrumental to both market and nonmarket activities (Grinstein, 2008; Kirca *et al.*, 2005; Parnell, 2015).

Finally, the development of management capabilities appears to align with market-oriented strategies in general, but not with NMS specifically. The distinction between marketing and management capabilities in the final model is compelling, as well-managed firms appear to emphasize on a market-oriented competitive strategy more than a

nonmarket one. This relationship could be viewed differently from an integrated NMS–MS perspective. Indeed, certain strategic capabilities may be most appropriate for a particular market or NMS (Berchicci *et al.*, 2012; Parnell, 2011; Theodosiou *et al.*, 2012; Wu *et al.*, 2012). Strategic managers who view the market and nonmarket domains as separate entities may seek to develop a different set of capabilities for each. In contrast, those who view NMS and MS as a single comprehensive strategy may pursue an integrated combination of capabilities designed to support that approach.

Conclusions

The increased emphasis on NMS as an integrated part of an organization's broad strategic effort rekindles a decades-old debate over the relative influence of industry and firm-specific factors on organizational performance (Karniouchina *et al.*, 2013). The fallout from this debate transitioned the field from an industrial organization orientation to one that focuses on firm-level resources and capabilities (O'Regan *et al.*, 2011; Barney, 1996). Regardless of one's perspective on integration, MS and NMS represent distinct paths to firm performance (Bach and Allen, 2010; dos Reis *et al.*, 2012; Henisz and Zelner, 2012; Lux *et al.*, 2011; Cavazos and Rutherford, 2012; Vázquez-Maguirre and Hartmann, 2013). Within this context, the present study investigated the performance impact of NMS as it relates to traditional cost leadership and differentiation strategies, as well as NMS links to strategic uncertainties and capabilities. It is distinctive in four ways, the latter three of which remain relatively unexplored in the literature.

First, the direct performance impact of NMS was positive and significant. When compared to the performance links of market strategies (i.e. cost leadership and differentiation), the effect size (f^2) of the NMS–performance nexus was the greatest. While the results of a single study should not be overgeneralized, the findings presented herein suggest that MS and NMS affect performance in similar ways. While this does not run counter to previous work in the field (Mellahi *et al.*, 2016), it demonstrates support for a model that considers MS and NMS as competing and direct drivers of firm performance.

Second, the cost leadership–differentiation split in the model suggests that a nonmarket orientation is more common among cost leaders than among differentiators. Indeed, viewing NMS from a cost perspective could provide insight into why cost leaders appear to be more likely than differentiators to engage in nonmarket activity. Perhaps, nonmarket initiatives – whether social or political – are pursued simply because they are viewed as *cost-effective*. Following this logic, a firm's CSR and lobbying activities might have less to do with published claims about the betterment of society and more to do with anticipated effects on the bottom line.

Third, the strong links between management capability and MS – but not NMS – suggest that firms pursuing NMS tend to lack broad management capability. Broadly speaking, this underscores the importance of strategy-specific capabilities (Oliver and Holzinger, 2008; Theodosiou *et al.*, 2012), but it also suggests that nonmarket initiatives could be pursued in part because of managerial shortcomings.

Finally, competitive uncertainty's negative association with differentiation and its positive association with NMS suggests that a keen understanding of competition underpins effective differentiation, and lacking one might prompt a shift toward a nonmarket approach. The uncertainty–differentiation link is consistent with Porter's original and subsequent views of differentiation (Porter and Kramer, 2011; Stonehouse and Snowdon, 2007). The uncertainty–NMS link is intuitive and consistent with an institutional perspective, as uncertainty could prompt an increased emphasis on NMS as a defense mechanism (Parnell, 2015).

Managerial implications

There are several key managerial implications of this work. First, managers should develop capabilities that reinforce their firms' market strategies, an approach supported by most scholarly work (Dess and Davis, 1984; Ray *et al.*, 2004; Stonehouse and Snowdon, 2007; Zajac and Shortell, 1989; Parnell, 2010; Rashidirad *et al.*, 2013). The findings presented herein reinforce extant knowledge detailing how various MS-capability configurations impact performance (Day, 1994; Theodosiou *et al.*, 2012; Wu *et al.*, 2012). As such, managers should develop, emphasize and support capabilities that underpin a strong market orientation.

Second, some firms view MS and NMS as components of a comprehensive, strategic approach (dos Reis *et al.*, 2012; Henisz and Zelner, 2012; Kingsley *et al.*, 2012; Sawant, 2012; Sun *et al.*, 2012; Singer, 2013; Baron, 1995), while others view NMS as a standalone endeavor (Vázquez-Maguirre and Hartmann, 2013; Porter and Kramer, 2002; Porter and Kramer, 2006). Managers seeking to integrate both dimensions into a single strategy should recognize the inherent trade-offs that are likely (Frynas *et al.*, 2017; Singer, 2013). Context is an important consideration as well, but at a minimum, managers should consider action in areas where nonmarket and market considerations coincide and are directly related to strategic success of the firm (Bach and Allen, 2010; Hadani *et al.*, 2015). For example, a health food store could become involved in a social initiative that supports organic farming, while a restaurant owner could lobby for certain food safety regulations. In this respect, nonmarket activities should reinforce the MS and thereby advance the firm's broader strategic orientation.

Finally, managers should give careful consideration before pursuing direct, nonmarket involvement in controversial or potentially contentious areas. For example, prior to passage of the Affordable Care Act in 2010, executives in US insurance and pharmaceutical firms had to decide whether to support and/or attempt to influence the legislation, even though it was forecast to affect their industries adversely over the long term. Some firms such as Pfizer decided to negotiate with the bill's political advocates – trading support for influence – while also revising their offerings to coordinate with impending government requirements. Many analysts supported this stance, arguing that public-private collaboration was the most effective approach under the circumstances. However, others argued that opposition to the plan could have prevented its passage altogether (Whelan, 2012; Fera, 2013). Hence, the long-term effectiveness of a proactive nonmarket approach remains unclear.

Limitations and future directions

Two limitations of this study should be recognized. First, the sample included managers in multiple industries. Factors unique to an industry influence strategic action and performance in each of the firms represented. Although significant cross-industry differences in performance were not identified, industry membership likely influences the process by which an NMS is crafted and executed. Second, self-typing scales were used to assess relative competitive and objective performance (Ramanujam and Venkatraman, 1987; Venkatraman and Ramanujam, 1986). This approach is especially appropriate for assessing performance with cross-industry samples because it assesses performance relative to competitors instead of relying on objective performance data that are driven in part by industry factors (McGahan and Porter, 1997). However, quantitative measures also provide an alternative lens for viewing performance, one that can also reduce the influence of common method variance (Chang *et al.*, 2010; Lindell and Whitney, 2001; Podasakoff *et al.*, 2003).

Several viable research directions have been identified. First, the relative influence of MS and NMS on performance warrants attention. Political considerations have always been

prominent in emerging economies, but this trend has become more pervasive in developed nations like the USA (Hillman and Hitt, 1999; Hillman and Zardkoohi, 1999; Oliver and Holzinger, 2008; Ozer, 2010; Kang and Liu, 2016). The increased emphasis on public-private partnerships and CSR, as well as the heightened influence of corporate and industry lobbyists, appears to have weakened the MS-performance link in many industries (Porter and Kramer, 2006; Mantere *et al.*, 2009; Singer, 2013; Cordeiro and Tewari, 2015; Macher and Mayo, 2015). Given the relatively large amount of unexplained performance variance in most strategy-performance studies, considering the role of NMS is germane.

Second, just as there are multiple generic MSs, there are multiple NMSs as well. For example, both CSR and corporate political activity purport to promote societal and governmental goodwill, but through different activities (Liedong *et al.*, 2015; Mellahi *et al.*, 2016). Nonetheless, the extent to which disparate nonmarket approaches can comprise a single overarching NMS remains unclear (Scherer *et al.*, 2016; Scherer *et al.*, 2014; den Hond *et al.*, 2014; Matten and Crane, 2005). Additional work delineating and validating specific NMSs is required.

Third, the link between firm size and NMS warrants further attention. *Ceteris paribus*, large firms are more likely than small firms to emphasize on NMS and to do so independently (Hillman *et al.*, 2004). However, smaller organizations can freeride by aligning with larger firms that support their policy preferences (Drope and Hansen, 2008). Because of differences in resource and capabilities, firms are not equally equipped to address political influences and therefore are likely to respond differently (Bonardi *et al.*, 2005; Oliver and Holzinger, 2008). The cost leadership and differentiation strategies may require different, complementary nonmarket approaches. Moreover, the positive association between NMS and uncertainties about both competitors and technology suggests that some top firms may develop NMS as a response to market uncertainties.

Finally, the long-term performance effects of NMS are unclear. For example, shortly after the 2018 school shooting in Parkland, Florida, a number of firms took steps to disassociate with the National Rifle Association (NRA), the nation's most prominent advocate of gun ownership rights. But Georgia legislators countered the move by Atlanta-based Delta Airlines, eliminating an amendment that would have reinstated a \$50 million jet fuel tax exemption the company had sought. Delta found itself in the middle of an ongoing political and social debate on gun rights and faced boycott threats from consumers and activists on both sides of the issue. Exactly how this type of political and social intervention will affect Delta and other companies in the long run remains to be seen.

References

- Adly, A.I. (2009), "Politically-embedded cronyism: the case of post-liberalization Egypt", *Business and Politics*, Vol. 11 No. 4, pp. 6-7.
- Agyapong, A., Ellis, F. and Domeher, D. (2016), "Competitive strategy and performance of family businesses: moderating effect of managerial and innovative capabilities", *Journal of Small Business & Entrepreneurship*, Vol. 28 No. 6, pp. 449-477.
- Aplin, J.C. and Hegarty, W.H. (1980), "Political influence: strategies employed by organizations to impact legislation in business and economic matters", *Academy of Management Journal*, Vol. 23 No. 3, pp. 438-450.
- Assudani, R.H. (2008), "What does it mean to manage 'knowledge': implications for the strategic management of knowledge in firms", *International Journal of Management & Decision Making*, Vol. 9 No. 6, pp. 646-659.
- Bach, D. and Allen, D. (2010), "What every CEO needs to know about nonmarket strategy", *MIT Sloan Management Review*, Vol. 51 No. 3, pp. 41-48.

- Baines, P.R. and Viney, H. (2010), "The unloved relationship? Dynamic capabilities and political-market strategy: a research agenda", *Journal of Public Affairs*, Vol. 10 No. 4, p. 258.
- Balogun, J. and Johnson, G. (2004), "Organizational restructuring and Middle manager sensemaking", *Academy of Management Journal*, Vol. 47 No. 4, pp. 523-549.
- Barney, J.B. (1996), "The resource-based theory of the firm", *Organization Science*, Vol. 7 No. 5, pp. 469-469.
- Baron, D.P. (1995), "Integrated strategy: market and nonmarket components", *California Management Review*, Vol. 37 No. 2, pp. 47-65.
- Barron, A. (2010), "Unlocking the mindsets of government affairs managers", *Cross Cultural Management: An International Journal*, Vol. 17 No. 2, pp. 101-117.
- Baysinger, B.D. (1984), "Domain maintenance as an objective of business political activity: an expanded typology", *Academy of Management Review*, Vol. 9 No. 2, p. 248.
- Berchicci, L., Dowell, G. and King, A.A. (2012), "Environmental capabilities and corporate strategy: exploring acquisitions among us manufacturing firms", *Strategic Management Journal*, Vol. 33 No. 9, pp. 1053-1071.
- Bonardi, J.-P., Hillman, A.J. and Keim, G.D. (2005), "The attractiveness of political markets: implications for firm strategy", *Academy of Management. The Academy of Management Review*, Vol. 30 No. 2, pp. 397-413.
- Bonardi, J.-P., Holburn, G. and Vanden Bergh, R.G. (2006), "Nonmarket strategy performance: evidence from U.S.", *Electric Utilities. Academy of Management Journal*, Vol. 49 No. 6, pp. 1209-1228.
- Bosse, D.A., Phillips, R.A. and Harrison, J.S. (2009), "Stakeholders, reciprocity, and firm performance", *Strategic Management Journal*, Vol. 30 No. 4, pp. 447-456.
- Brito-Bigott, O., Fariá, H.J., Rodríguez, J.M. and Sánchez, A. (2008), "Corruption and complex business rules", *Journal of Private Enterprise*, Vol. 24 No. 1, pp. 1-21.
- Buli, B.M. (2017), "Entrepreneurial orientation, market orientation and performance of SMEs in the manufacturing industry", *Management Research Review*, Vol. 40 No. 3, pp. 292-309.
- Cacciolatti, L. and Lee, S.H. (2016), "Revisiting the relationship between marketing capabilities and firm performance: the moderating role of market orientation, marketing strategy and organisational power", *Journal of Business Research*, Vol. 69 No. 12, pp. 5597-5610.
- Cadogan, J.W., Sundqvist, S., Salminen, R.T. and Puumalainen, K. (2002), "Market-oriented behavior: comparing service with product exporters", *European Journal of Marketing*, Vol. 36 Nos 9/10, pp. 1076-1102.
- Calderón, R., Álvarez-arce, J.L. and Mayoral, S. (2009), "Corporation as a crucial ally against corruption", *Journal of Business Ethics*, Vol. 87 No. S1, pp. 319-332.
- Capron, L. and Chatain, O. (2008), "Competitors' resource-oriented strategies: acting on competitors' resources through interventions in factor markets and political markets", *Academy of Management Review*, Vol. 33 No. 1, pp. 97-121.
- Cavazos, D.E. and Rutherford, M.A. (2012), "Bringing regulatory agencies into organizational studies: broadening the lens used to examine the state", *Journal of Management Inquiry*, Vol. 21 No. 1, pp. 4-12.
- Certo, S.T., Lester, R.H., Dalton, C.M. and Dalton, D.R. (2006), "Top management teams, strategy and financial performance: a meta-analytic examination", *Journal of Management Studies*, Vol. 43 No. 4, pp. 813-839.
- Chang, S.-j., Van Witteloostuijn, A. and Eden, L. (2010), "From the editors: common method variance in international business research", *Journal of International Business Studies*, Vol. 41 No. 2, pp. 178-184.
- Choi, J. and Wang, H. (2009), "Stakeholder relations and the persistence of corporate financial performance", *Strategic Management Journal*, Vol. 30 No. 8, pp. 895-907.
- Chong, H. (2017), "Are market and nonmarket strategies complementary in contributing to firm performance?", *Academy of Management Annual Meeting Proceedings*, No. 1, p. 1.

- Cordeiro, J.J. and Tewari, M. (2015), "Firm characteristics, industry context, and investor reactions to environmental CSR: a stakeholder theory approach", *Journal of Business Ethics*, Vol. 130 No. 4, pp. 833-849.
- Cyert, R. and March, J.G. (1963), *Behavioral Theory of the Firm*, Prentice-Hall, Englewood Cliffs, NJ.
- Dahan, N.M., Hadani, M. and Schuler, D.A. (2013), "The governance challenges of corporate political activity", *Business & Society*, Vol. 52 No. 3, pp. 365-387.
- Davis, E.B., Kee, J. and Newcomer, K. (2010), "Strategic transformation process: toward purpose, people, process and power", *Organization Management Journal*, Vol. 7 No. 1, pp. 66-80.
- Day, G.S. (1994), "The capabilities of market-driven organizations", *Journal of Marketing*, Vol. 58 No. 4, pp. 37-51.
- Delios, A. and Henisz, W.J. (2003), "Political hazards, experience, and sequential entry strategies: the international expansion of Japanese firms, 1980-1998", *Strategic Management Journal*, Vol. 24 No. 11, pp. 1153-1164.
- Delmas, M.A. and Montes-Sancho, M.J. (2010), "Voluntary agreements to improve environmental quality: symbolic and substantive cooperation", *Strategic Management Journal*, Vol. 31 No. 6, pp. 575-601.
- den Hond, F., Rehbein, K.A., de Bakker, F.G.A. and Kooijmans-van Lankveld, H. (2014), "Playing on two chessboards: reputation effects between corporate social responsibility (CSR) and corporate political activity (CPA)", *The Journal of Management Studies*, Vol. 51 No. 5, pp. 790-790.
- Deng, X., Tian, Z. and Abrar, M. (2010), "The corporate political strategy and its integration with market strategy in transitional China", *Journal of Public Affairs*, Vol. 10 No. 4, p. 372.
- Desarbo, W.S., Benedetto, C.A.D., Song, M. and Sinha, I. (2005), "Revisiting the miles and snow strategic framework: uncovering interrelationships between strategic types, capabilities, environmental uncertainty, and firm performance", *Strategic Management Journal*, Vol. 26 No. 1, pp. 47-74.
- Dess, G.G. and Davis, P.S. (1984), "Porter's (1980) generic strategies as determinants of strategic group membership and organizational performance", *Academy of Management Journal*, Vol. 27 No. 3, pp. 467-488.
- Doh, J.P., Lawton, T.C. and Rajwani, T. (2012), "Advancing nonmarket strategy research: institutional perspectives in a changing world", *The Academy of Management Perspectives*, Vol. 26 No. 3, pp. 22-39.
- Dorobantu, S., Kaul, A. and Zelner, B. (2017), "Nonmarket strategy research through the lens of new institutional economics: an integrative review and future directions", *Strategic Management Journal*, Vol. 38 No. 1, pp. 114-140.
- Dorobantu, S., Luo, J., Hiatt, S.R., Jia, N., Lenox, M.J., Lyons, T.P., Macher, J.T., Marquis, C. and Wang, H. (2017), "Research frontiers in nonmarket strategy (PDW)", paper presented at Academy of Management Annual Meeting, 5 August, Atlanta.
- dos Reis, J.A.F., Meyer, V., Jr and Meyer, B. (2012), "Political strategies and organizational effectiveness: the case of contribution to political campaigns by Brazilian corporations", *International Journal of Management and Administrative Sciences*, Vol. 1 No. 5, pp. 15-26.
- Drope, J.M. and Hansen, W.L. (2008), "Futility and free-riding: corporate political participation and taxation rates in the United States", *Business and Politics*, Vol. 10 No. 3, p. 3.
- Economist (2016), "Our crony-capitalism index; The party winds down article", *The Economist*, The Economist Intelligence Unit N.A., Incorporated, London, p. 54.
- Fera, B. (2013), "How are insurance companies preparing for health insurance exchanges?", *Financial Executive*, Vol. 29 No. 1, pp. 24-26.
- Frynas, J.G., Child, J. and Tarba, S.Y. (2017), "Non-market social and political strategies - new integrative approaches and interdisciplinary borrowings", *British Journal of Management*, Vol. 28 No. 4, pp. 559-574.

- Frynas, J.G., Mellahi, K. and Pigman, G.A. (2006), "First mover advantages in international business and firm-specific political resources", *Strategic Management Journal*, Vol. 27 No. 4, pp. 321-345.
- Funk, R.J. and Hirschman, D. (2017), "Beyond nonmarket strategy: market actions as corporate political activity", *Academy of Management Review*, Vol. 42 No. 1, pp. 32-52.
- Ghemawat, P. (2008), "Reconceptualizing international strategy and organization", *Strategic Organization*, Vol. 6 No. 2, pp. 195-206.
- Gopalakrishna, P. and Subramanian, R. (2001), "Revisiting the pure versus hybrid dilemma: Porter's generic strategies in", *a Developing Economy*", *Journal of Global Marketing*, Vol. 15 No. 2, pp. 61-79.
- Grinstein, A. (2008), "The relationships between market orientation and alternative strategic orientations", *European Journal of Marketing*, Vol. 42 Nos 1/2, pp. 115-134.
- Hadani, M. (2012), "Institutional ownership monitoring and corporate political activity: governance implications", *Journal of Business Research*, Vol. 65 No. 7, p. 944.
- Hadani, M. and Schuler, D.A. (2013), "In search of el dorado: the elusive financial returns on", corporate political investments", *Strategic Management Journal*, Vol. 34 No. 2, pp. 165-81.
- Hadani, M., Dahan, N.M. and Doh, J.P. (2015), "The CEO as chief political officer: managerial discretion and corporate political activity", *Journal of Business Research*, Vol. 68 No. 11, p. 2330.
- Hair, J.F., Sarstedt, M., Pieper, T.M. and Ringle, C.M. (2012), "The use of partial least squares structural equation modeling in strategic management research: a review of past practices and recommendations for future applications", *Long Range Planning*, Vol. 45 Nos 5/6, p. 320.
- Harris, P.J. and Mongiello, M. (2001), "Key performance indicators in European hotel properties: general managers' choices and company profiles", *International Journal of Contemporary Hospitality Management*, Vol. 13 No. 3, pp. 120-127.
- Harrison, J.S. and Wicks, A.C. (2013), "Stakeholder theory, value, and firm performance", *Business Ethics Quarterly*, Vol. 23 No. 1, pp. 97-124.
- Harrison, J.S., Bosse, D.A. and Phillips, R.A. (2010), "Managing for stakeholders, stakeholder utility functions, and competitive advantage", *Strategic Management Journal*, Vol. 31 No. 1, pp. 58-74.
- He, Y., Tian, Z. and Chen, Y. (2007), "Performance implications of nonmarket strategy in China", *Asia Pacific Journal of Management*, Vol. 24 No. 2, p. 151.
- Henisz, W.J. and Zelner, B.A. (2012), "Strategy and competition in the market and nonmarket arenas", the", *Academy of Management Perspectives*, Vol. 26 No. 3, pp. 40-51.
- Hillman, A.J. and Hitt, M.A. (1999), "Corporate political strategy formulation: a model of approach, participation, and strategy decisions", *Academy of Management Review*, Vol. 24 No. 4, pp. 825-842.
- Hillman, A.J. and Keim, G.D. (2001), "Shareholder value, stakeholder management, and social issues: what's the bottom line?", *Strategic Management Journal*, Vol. 22 No. 2, pp. 125-139.
- Hillman, A.J. and Zardkoohi, A. (1999), "Corporate political strategies and firm performance: indications of firm-specific benefits from", *Strategic Management Journal*, Vol. 20 No. 1, pp. 67-81.
- Hillman, A.J., Keim, G.D. and Schuler, D. (2004), "Corporate political activity: a review and research agenda", *Journal of Management*, Vol. 30 No. 6, pp. 837-857.
- Holburn, G.L.F. and Vanden Bergh, R.G. (2008), "Making friends in hostile environments: political strategy in regulated industries", *Academy of Management. The Academy of Management Review*, Vol. 33 No. 2, pp. 521-540.
- Iriyama, A., Kishore, R. and Talukdar, D. (2016), "Playing dirty or building capability? Corruption and HR training as competitive actions to threats from informal and foreign firm rivals", *Strategic Management Journal*, Vol. 37 No. 10, pp. 2152-2173.
- Jauch, L.K. and Kraft, K.L. (1986), "Strategic management of uncertainty", *Academy of Management Review*, Vol. 11 No. 4, pp. 777-790.

- Ji-Yub, K., Jerayr, H. and Finkelstein, S. (2011), "When firms are desperate to grow via acquisition: the effect of growth patterns and acquisition experience on acquisition premiums", *Administrative Science Quarterly*, Vol. 56 No. 1, pp. 26-60.
- Kang, Y. and Liu, Y. (2016), "Natural resource-seeking intent and regulatory forces", *Management Research Review*, Vol. 39 No. 10, pp. 1313-1335.
- Kaplan, R.S. and Norton, D.P. (1992), "The Balanced Scorecard - Measures That Drive Performance", *Harvard Business Review*, Harvard Business Review, Boston, p. 71.
- Kaplan, R.S. and Norton, D.P. (1996), "Linking the balanced scorecard to strategy", *California Management Review*, Vol. 39 No. 1, pp. 53-79.
- Kaplan, R.S. and Norton, D.P. (2001), "Transforming the balanced scorecard from performance measurement to strategic management: Part I", *Accounting Horizons*, Vol. 15 No. 1, pp. 87-104.
- Kaplan, R.S. and Norton, D.P. (2004), "How strategy maps frame an organization's objectives", *Financial Executive*, Vol. 20 No. 2, pp. 40-45.
- Karniouchina, E.V., Carson, S.J., Short, J.C. and Ketchen, D.J. (2013), "Extending the firm vs. industry debate: does industry life cycle stage matter?", *Strategic Management Journal*, Vol. 34 No. 8, pp. 1010-1018.
- Keillor, B.D., Wilkinson, T.J. and Owens, D. (2005), "Threats to international operations: dealing with political risk at the firm level", *Journal of Business Research*, Vol. 58 No. 5, pp. 629-635.
- Khanna, T., Palepu, K.G. and Sinha, J. (2005), "Strategies that fit emerging markets", *Harvard Business Review*, Vol. 83 No. 6, pp. 63-76.
- Kingsley, A.F., Bergh, R.G.V. and Bonardi, J.-P. (2012), "Political markets and regulatory uncertainty: insights and implications for integrated strategy", *The Academy of Management Perspectives*, Vol. 26 No. 3, pp. 52-67.
- Kirca, A.H., Jayachandran, S. and Bearden, W.O. (2005), "Market orientation: a Meta-analytic review and assessment of its antecedents and impact on performance", *Journal of Marketing*, Vol. 69 No. 2, pp. 24-41.
- Krasnikov, A. and Jayachandran, S. (2008), "The relative impact of marketing, research-and-development, and operations capabilities on firm performance", *Journal of Marketing*, Vol. 72 No. 4, p. 1.
- Krozer, Y., Franco-García, M.-L. and Micallef, D. (2013), "Interactions management in environmental policy", *Management Research Review*, Vol. 36 No. 12, pp. 1210-1219.
- Lailani Laynesa, A. and Mitsuhashi, H. (2013), "Dynamics of entering politically risky foreign markets", *Management Research Review*, Vol. 36 No. 6, pp. 580-595.
- Laitinen, E.K. (2004), "Nonfinancial factors as predictors of value creation: Finnish evidence", *Review of Accounting & Finance*, Vol. 3 No. 3, pp. 84-130.
- Lawton, T., McGuire, S. and Rajwani, T. (2013), "Corporate political activity: a literature review and research agenda", *International Journal of Management Reviews*, Vol. 15 No. 1, pp. 86-105.
- Leitner, K.-H. and Guldenberg, S. (2010), "Generic strategies and firm performance in SMEs: a longitudinal study of austrian SMEs", *Small Business Economics*, Vol. 35 No. 2, pp. 169-189.
- Leroux, K. and Goedel, H.T. (2009), "Political advocacy by nonprofit organizations a strategic management explanation", *Public Performance & Management Review*, Vol. 32 No. 4, pp. 514-536.
- Liedong, T.A., Ghobadian, A., Rajwani, T. and O'Regan, N. (2015), "Toward a view of complementarity: trust and policy influence effects of corporate social responsibility and corporate political activity", *Group & Organization Management*, Vol. 40 No. 3, p. 405.
- Liedong, T.A., Rajwani, T. and Mellahi, K. (2017), "Reality or illusion? The efficacy of non-market strategy in institutional risk reduction", *British Journal of Management*, Vol. 28 No. 4, p. 609.
- Lindell, M.K. and Whitney, D.J. (2001), "Accounting for common method variance in cross-sectional research designs", *Journal of Applied Psychology*, Vol. 86 No. 1, pp. 114-121.

- Liu, C., Maslach, D., Desai, V. and Madsen, P. (2015), "The first 50 years and the next 50 years of a behavioral theory of the firm: an interview with James G. March", pp. 149-55.
- Liu, T.-C. and Chen, Y.-J. (2015), "Strategy orientation, product innovativeness, and new product performance", *Journal of Management and Organization*, Vol. 21 No. 1, pp. 2-16.
- Luo, X. and Bhattacharya, C.B. (2006), "Corporate social responsibility, customer satisfaction, and market value", *Journal of Marketing*, Vol. 70 No. 4, pp. 1-18.
- Lux, S., Crook, T.R. and Woehr, D.J. (2011), "Mixing business with politics: a Meta-analysis of the antecedents and outcomes of corporate political activity", *Journal of Management*, Vol. 37 No. 1, pp. 223-247.
- Macher, J.T. and Mayo, J.W. (2015), "Influencing public policymaking: firm-, industry-, and country-level determinants", *Strategic Management Journal*, Vol. 36 No. 13, p. 2021.
- Madanoglu, M., Okumus, F. and Avci, U. (2014), "Building a case against strategic equifinality", *Management Decision*, Vol. 52 No. 6, pp. 1174-1193.
- Madsen, P.M. and Rodgers, Z.J. (2015), "Looking good by doing good: the antecedents and consequences of stakeholder attention to corporate disaster relief", *Strategic Management Journal*, Vol. 36 No. 5, p. 776.
- Mahon, J.F., Heugens, P.P.M.A.R. and Lamertz, K. (2004), "Social networks and non-market strategy", *Journal of Public Affairs (Affairs)*, Vol. 4 No. 2, pp. 170-189.
- Mantere, S., Pajunen, K. and Lamberg, J.-A. (2009), "Vices and virtues of corporate political activity: the challenge of international business", *Business and Society*, Vol. 48 No. 1, pp. 105-132.
- Marquis, C. and Raynard, M. (2015), "Institutional strategies in emerging markets", *The Academy of Management Annals*, Vol. 9 No. 1, p. 291.
- Matten, D. and Crane, A. (2005), "Corporate citizenship: toward an extended theoretical explanation", *Academy of Management Review*, Vol. 30 No. 1, pp. 166-179.
- McGahan, A.M. and Porter, M.E. (1997), "How much does industry matter, really?", *Strategic Management Journal*, Vol. 18, pp. 15-30.
- McWilliams, A. and Siegel, D. (2000), "Corporate social responsibility and financial performance: correlation or misspecification?", *Strategic Management Journal*, Vol. 21 No. 5, pp. 603-609.
- McWilliams, A. and Siegel, D. (2001), "Corporate social responsibility: a theory of the firm perspective", *Academy of Management. The Academy of Management Review*, Vol. 26 No. 1, pp. 117-127.
- Mellahi, K., Frynas, J.G., Sun, P. and Siegel, D. (2016), "A review of the nonmarket strategy literature: toward a multi-theoretical integration", *Journal of Management*, Vol. 42 No. 1, p. 143.
- Meyer, K.E. and Peng, M.W. (2016), "Theoretical foundations of emerging economy business research", *Journal of International Business Studies*, Vol. 47 No. 1, pp. 3-22.
- Morgan, N.A., Slotegraaf, R.J. and Vorhies, D.W. (2009), "Linking marketing capabilities with profit growth", *International Journal of Research in Marketing*, Vol. 26 No. 4, p. 284.
- Morsing, M. and Roepstorff, A. (2015), "CSR as corporate political activity: observations on IKEA's CSR identity image dynamics", *Journal of Business Ethics*, Vol. 128 No. 2, pp. 395-409.
- Murray, A.I. (1988), "A contingency view of porter's "generic strategies", *Academy of Management Review*, Vol. 13 No. 3, pp. 390-400.
- Nandakumar, M.K., Abby, G. and Nicholas, O.R. (2011), "Generic strategies and performance - evidence from manufacturing firms", *International Journal of Productivity & Performance Management*, Vol. 60 No. 3, pp. 222-251.
- Nayyar, P.R. (1993), "On the measurement of competitive strategy: evidence from a large multi-product U.S. Firm", *Academy of Management Journal*, Vol. 36 No. 6, pp. 1652-1669.
- Néron, P.-Y. (2016), "Rethinking the ethics of corporate political activities in a post-citizens united era: political equality, corporate citizenship, and market failures", *Journal of Business Ethics*, Vol. 136 No. 4, pp. 715-728.

- Ngo, L.V. and O'Casey, A. (2012), "Performance implications of market orientation, marketing resources, and marketing capabilities", *Journal of Marketing Management*, Vol. 28 Nos 1/2, pp. 173-187.
- Norrekliit, H. (2000), "The balance on the balanced scorecard - a critical analysis of some of its assumptions", *Management Accounting Research*, Vol. 11 No. 1, pp. 65-88.
- Okhmatovskiy, I. (2010), "Performance implications of ties to the government and SOEs: a political embeddedness perspective", *The Journal of Management Studies*, Vol. 47 No. 6, p. 1020.
- Oliver, C. and Holzinger, I. (2008), "The effectiveness of strategic political management: a dynamic capabilities framework", *Academy of Management Review*, Vol. 33 No. 2, pp. 496-520.
- O'Regan, N., Kluth, C. and Parnell, J. (2011), "What drives firm performance: environment or capabilities?", *Strategic Change*, Vol. 20 Nos 7/8, p. 279.
- Ozer, M. (2010), "Top management teams and corporate political activity: do top management teams have influence on corporate political activity?", *Journal of Business Research*, Vol. 63 No. 11, pp. 1196-1201.
- Parnell, J.A. (1997), "New evidence in the generic strategy and business performance debate: a research note", *British Journal of Management*, Vol. 8 No. 2, pp. 175-181.
- Parnell, J.A. (2010), "Strategic clarity, business strategy and performance", *Journal of Strategy and Management*, Vol. 3 No. 4, pp. 304-324.
- Parnell, J.A. (2011), "Strategic capabilities, competitive strategy, and performance among retailers in Argentina, Peru and the United States", *Management Decision*, Vol. 49 No. 1, pp. 139-155.
- Parnell, J.A. (2015), "Strategic political emphasis, strategic capabilities and uncertainty", *Journal of Strategy and Management*, Vol. 8 No. 1, p. 41.
- Parnell, J.A. and Dent, E.B. (2009), "Philosophy, ethics, and capitalism: an interview with BB&T chairman John Allison", *Academy of Management Learning & Education*, Vol. 8 No. 4, pp. 587-596.
- Parnell, J.A., Lester, D.L., Zhang, L. and Köseoglu, M.A. (2012), "How environmental uncertainty affects the link between business strategy and performance in SMEs", *Management Decision*, Vol. 50 No. 4, pp. 546-568.
- Parnell, J.A., Scott, G.J. and Angelopoulos, G. (2013), "Benchmarking tendencies in managerial mindsets: prioritizing stockholders and stakeholders in Peru, South Africa, and the United States", *Journal of Business Ethics*, Vol. 118 No. 3, pp. 589-605.
- Peng, M.W. (2003), "Institutional transitions and strategic choices", *Academy of Management Review*, Vol. 28 No. 2, pp. 275-296.
- Peteraf, M., Di Stefano, G. and Verona, G. (2013), "The elephant in the room of dynamic capabilities: bringing two diverging conversations together", *Strategic Management Journal*, Vol. 34 No. 12, pp. 1389-1410.
- Phillips, P.A. (1999), "Hotel performance and competitive advantage: a contingency approach", *International Journal of Contemporary Hospitality Management*, Vol. 11 No. 7, pp. 359-365.
- Phillips, P.A. and Moutinho, L. (1999), "Measuring strategic planning effectiveness in hotels", *International Journal of Contemporary Hospitality Management*, Vol. 11 No. 7, pp. 349-358.
- Podasakoff, P.M., MacKenzie, S.B., Lee, J.-Y. and Podsakoff, N.P. (2003), "Common method biases in behavioral research: a critical review of the literature and recommended remedies", *Journal of Applied Psychology*, Vol. 88 No. 5, pp. 879-903.
- Porter, M.E. (1981), "The contributions of industrial organization to strategic management", *Academy of Management Review*, Vol. 6 No. 4, pp. 609-620.
- Porter, M.E. and Kramer, M.R. (2002), "The competitive advantage of corporate philanthropy", *Harvard Business Review*, Vol. 80 No. 12, pp. 56-69.
- Porter, M.E. and Kramer, M.R. (2006), "Strategy and society: the link between competitive advantage and corporate social responsibility", *Harvard Business Review*, Vol. 84 No. 12, pp. 78-92.
- Porter, M.E. and Kramer, M.R. (2011), "Creating shared value", *Harvard Business Review*, Vol. 89 Nos 1/2, pp. 62-77.

- Raes, A.M.L., Heijltjes, M.G., Glunk, U. and Roe, R.A. (2011), "The interface of the top management team and Middle managers: a process model", *Academy of Management Review*, Vol. 36 No. 1, pp. 102-126.
- Ramanujam, V. and Venkatraman, N. (1987), "Planning system characteristics and planning effectiveness", *Strategic Management Journal*, Vol. 8 No. 5, pp. 453-468.
- Rashidirad, M., Soltani, E. and Syed, J. (2013), "Strategic alignment between competitive strategy and dynamic capability: conceptual framework and hypothesis development", *Strategic Change*, Vol. 22 Nos 3/4, pp. 213-224.
- Ray, G., Barney, J.B. and Muhanna, W.A. (2004), "Capabilities, business processes and competitive advantage: Choosing the dependent variable in empirical tests of the resource-based view", *Strategic Management Journal*, Vol. 25 No. 1, pp. 23-37.
- Rival, M. (2012), "Are firms' lobbying strategies universal? Comparison of lobbying by French and UK firms", *Journal of Strategy and Management*, Vol. 5 No. 2, pp. 211-230.
- Rui, J.P.D.F. (2010), "Institutions, politics, and non-market strategy", *California Management Review*, Vol. 52 No. 2, pp. 123-131.
- Sawant, R.J. (2012), "Asset specificity and corporate political activity in regulated industries", *Academy of Management. The Academy of Management Review*, Vol. 37 No. 2, pp. 194-210.
- Scherer, A.G. (2017), "Theory assessment and agenda setting in political CSR: a critical theory perspective", *International Journal of Management Reviews*, Vol. 19, pp. 1-24.
- Scherer, A.G. and Palazzo, G. (2011), "The new political role of business in a globalized world: a review of a new perspective on CSR and its implications for the firm, governance, and democracy", *Journal of Management Studies*, Vol. 48 No. 4, pp. 899-931.
- Scherer, A.G., Palazzo, G. and Baumann, D. (2006), "Global rules and private actors: toward a new role of the transnational corporation in global governance", *Business Ethics Quarterly*, Vol. 16 No. 4, pp. 505-532.
- Scherer, A.G., Palazzo, G. and Matten, D. (2014), "The business firm as a political actor: a new theory of the firm for a globalized world", *Business & Society*, Vol. 53 No. 2, pp. 143-156.
- Scherer, A.G., Rasche, A., Palazzo, G. and Spicer, A. (2016), "Managing for political corporate social responsibility: new challenges and directions for PCSR 2.0", *Journal of Management Studies*, Vol. 53 No. 3, pp. 273-298.
- Schneider, A. and Scherer, A.G. (2016), "Government beyond the shadow of hierarchy - the case of the CSR policies of the European Union", *Academy of Management Proceedings*, Vol. 2016 No. 1, p. 1.
- Shi, Y. and Cheng, M. (2016), "Impact of political, guanxi ties on corporate value", *Chinese Management Studies*, Vol. 10 No. 2, pp. 242-255.
- Singer, A.E. (2013), "Corporate political activity, social responsibility, and competitive strategy: an integrative model", *Business Ethics: A European Review*, Vol. 22 No. 3, pp. 308-324.
- Song, M., Di Benedetto, C.A. and Nason, R.W. (2006), "Capabilities and financial performance: the moderating effect of strategic type", *Journal of the Academy of Marketing Science*, Vol. 35 No. 1, pp. 18-34.
- Stonehouse, G. and Snowdon, B. (2007), "Competitive advantage revisited: Michael Porter on strategy and competitiveness", *Journal of Management Inquiry*, Vol. 16 No. 3, pp. 256-273.
- Sun, P., Mellahi, K. and Wright, M. (2012), "The contingent value of corporate political ties", *The Academy of Management Perspectives*, Vol. 26 No. 3, pp. 68-82.
- Sun, S.-Y., Hsu, M.-H. and Hwang, W.-J. (2009), "The impact of alignment between supply chain strategy and environmental uncertainty on SCM performance", *Supply Chain Management: An International Journal*, Vol. 14 No. 3, pp. 201-212.
- Swamidass, P.M. and Newell, W.T. (1987), "Manufacturing strategy, environmental uncertainty and performance: a path analytic model", *Management Science*, Vol. 33 No. 4, pp. 509-600.

- Teece, D., Peteraf, M. and Leih, S. (2016), "Dynamic capabilities and organizational agility: risk, uncertainty, and strategy in the innovation economy", *California Management Review*, Vol. 58 No. 4, pp. 13-35.
- Teece, D.J., Pisano, G. and Shuen, A. (1997), "Dynamic capabilities and strategic management", *Strategic Management Journal*, Vol. 18 No. 7, pp. 509-533.
- Theodosiou, M., Kehagias, J. and Katsikea, E. (2012), "Strategic orientations, marketing capabilities and firm performance: an empirical investigation in the context of frontline managers in service organizations", *Industrial Marketing Management*, Vol. 41 No. 7, pp. 1058-1070.
- Unsal, O., Hassan, M.K. and Zirek, D. (2016), "Corporate lobbying, CEO political ideology and firm performance", *Journal of Corporate Finance*, Vol. 38, pp. 126-149.
- Valente, M. and Crane, A. (2010), "Public responsibility and private enterprise in developing countries", *California Management Review*, Vol. 52 No. 3, pp. 52-78.
- van Raaij, E.M. and Stoelhorst, J.W. (2008), "The implementation of a market orientation: a review and integration of the contributions to date", *European Journal of Marketing*, Vol. 42 Nos 11/12, pp. 1265-1293.
- Vázquez-Maguirre, M. and Hartmann, A.M. (2013), "Nonmarket strategies of media enterprises in the mexican television industry", *Journal of Business Research*, Vol. 66 No. 10, pp. 1743-1749.
- Venkatraman, N. and Ramanujam, V. (1986), "Measurement of business performance in strategy research: a comparison of approaches", *Academy of Management Review*, Vol. 11 No. 4, pp. 801-814.
- Vogel, R. and Güttel, W.H. (2013), "The dynamic capability view in strategic management: a bibliometric review", *International Journal of Management Reviews*, Vol. 15 No. 4, pp. 426-446.
- Wei, W., Zhao, X., Li, M. and Warner, M. (2016), "Integrating nonmarket and market resources, strategy and performance in chinese enterprises: a review of the field and a resource-based empirical study", *Asia Pacific Business Review*, Vol. 22 No. 2, pp. 220-237.
- Whelan, G. (2012), "The political perspective of corporate social responsibility: a critical research agenda", *Business Ethics Quarterly*, Vol. 22 No. 4, pp. 709-737.
- Wickert, C. (2016), "Political" corporate social responsibility in small- and medium-sized enterprises", *Business & Society*, Vol. 55 No. 6, pp. 792-824.
- Wilden, R. and Gudergan, S.P. (2015), "The impact of dynamic capabilities on operational marketing and technological capabilities: investigating the role of environmental turbulence", *Journal of the Academy of Marketing Science*, Vol. 43 No. 2, pp. 181-199.
- Woiceshyn, J. (2011), "A model for ethical decision making in business: reasoning, intuition, and rational moral principles", *Journal of Business Ethics*, Vol. 104 No. 3, pp. 311-323.
- Wood, G. and Frynas, J.G. (2006), "The institutional basis of economic failure: anatomy of the segmented business system", *Socio - Economic Review*, Vol. 4 No. 2, p. 239.
- Wu, Q., He, Q., Duan, Y. and O'Regan, N. (2012), "Implementing dynamic capabilities for corporate strategic change toward sustainability", *Strategic Change*, Vol. 21 Nos 5/6, pp. 231-247.
- Zajac, E.J. and Shortell, S.M. (1989), "Changing generic strategies: likelihood, direction, and performance implications", *Strategic Management Journal*, Vol. 10 No. 5, pp. 413-430.

Corresponding author

John A. Parnell can be contacted at: john.parnell@uncp.edu

For instructions on how to order reprints of this article, please visit our website:

www.emeraldgroupublishing.com/licensing/reprints.htm

Or contact us for further details: permissions@emeraldinsight.com