MNC Strategy
From Constraints to Co-evolution
INTRODUCTION

• Professor of Practice in Management and Leadership
• Two decades in management consulting with a focus on Organisational Transformation
• MBA, CEIBS Shanghai
• PhD in Strategy, King’s College London

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FROM CONSTRAINTS TO CO-EVOLUTION: STRATEGIC CHOICE, ENVIRONMENT, RESOURCES AND FIRM-INSTITUTIONAL INTERACTION

Contents

1. Introduction & abstract
2. Summary of theory
3. Research construct
4. Typology-driven theorizing
5. Generic strategy
6. Institutional strategy
7. Findings and contribution
‘Five years in, the Volkswagen emissions-cheating scandal is looking like one of the costliest business scandals ever.’

— FORTUNE, 06.10.2020

Damage done to the:

- **Business**: $35b fines, litigation costs
- **Shareholders**: 35% below pre-scandal price, S&P 500 is up 68%
- **Dealers**: $1.2b compensation for losses (US)
- **Reputation**: Brand plunge 18th to 25th
- **Employees**: -30,000 jobs worldwide
- **Home country**: incalculable
‘California urges automakers to reveal improper emissions software.’
— REUTERS, 14.10.2020

• Is everybody doing it?
• What are the strategies MNCs pursue?
• Compete, contest, cheat, conform, circumvent, collaborate, or co-create?
• Conflict or compliance?
• Engaging or enraging?
• Go along to get along?
• Are institutions help of hindrance?
‘Only two or three auto manufacturers will likely survive.’

— REUTERS, 25.02.2018

‘The car industry is under siege.’

— NEW YORK TIMES, 06.06.2019

• No current car industry player is likely to win this battle against the invaders from outside without friends.

• To achieve and assert technological leadership, one has to adapt a new way of thinking in terms of sharing and combining strength.

• Geely aims to access Mercedes-Benz technology for electric cars and trucks, including battery technology, to help Geely comply with a Chinese crackdown on pollution.

Source: REUTERS, 25.02.2018, Shirouzu, N. & Taylor, E. ‘China’s Geely makes $9 billion Daimler bet against tech ‘invaders’.”

Keywords: [Strategic choice, industry-based competitive environment, firm resources, institutional context, firm performance, MNC, China]
• This research examines the convergence and economic of strategic choice, institutionalism and firm-institutional interaction in emerging markets.

• The research utilizes typology-driven theorizing based on

1. **Miles and Snow’s** (1978) enduring strategic typology,

2. **Oliver’s** (1991) strategic responses to institutional processes and a novel response based on


• Based on this theoretical framework, the author looks at generic strategy and institutional strategies, and it looks at how they work together.
INTRODUCTION & ABSTRACT

• It is assumed that distinctive clusters of strategic types exist among MNCs in China resulting into differentiated performance outcomes in conjunction with the strategic responses to institutions they adopt.

• China has been chosen as the setting because of its high-level dynamism and particular institutional features (e.g. state control) and high importance within MNCs' market portfolios.

• A comparative sector approach (Automotive vs. wider industry) answers the question, how the research findings vary across industries.

• The research intends to add to the empirical base for research on strategic choice and the institutional theory in international business strategy as well as provide implications for future research.
### Summary of theory

#### Typology-driven theorizing

**Miles and Snow (1978) P-D-A-A-R strategic types**

- **Prospector**
  - Active occupant of a domain in a continually changing product-market area
- **Defender**
  - Maintains a secure niche in relatively stable market segments
- **Analyzer**
  - Attempt to balance two (several) types of product-market areas
- **Reactors**
  - Lack a coherent strategy and are highly responsive to short-term exigencies
- **Manipulators**
  - Practice 'power with' rather than 'power over' or 'power to' (Göhler et al., 2012)

**Oliver (1991) strategic responses to institutional processes**

- **Acquiesce**
  - Obeys institutional stakeholder demands as conformity is self-serving
- **Compromise**
  - Balances, pacifies or bargains with external constituents
- **Avoid**
  - Buffers or escapes from institutional pressures
- **Defy**
  - Dismiss, challenges or attack sources of institutional pressures
- **Manipulate**
  - Co-opts, neutralizes, negotiates, controls or dominates institutional constituents

**Child et al.’s (2012) notion of co-evolution**

- **Acquiesce**
  - Reaches out, interacts, leads the dialogue, develops mutually beneficial relationships with institutions and contribute to institution building from below
- **Compromise**
  - Balances, pacifies or bargains with external constituents
- **Avoid**
  - Buffers or escapes from institutional pressures
- **Defy**
  - Dismiss, challenges or attack sources of institutional pressures
- **Assert**
  - Reaches out, interacts, leads the dialogue, develops mutually beneficial relationships with institutions and contribute to institution building from below

**Hypotheses**

Among MNCs in China, ...

- **H1** distinctive clusters of strategic orientations exist along Miles and Snow (1978)
- **H2** distinctive institutional strategies exist along Oliver (1991) and Child et al. (2012)
- **H3** these distinctive clusters of strategic orientations (Miles and Snow, 1978) experience differentiated performance outcomes in conjunction with the strategic responses to institutional processes (Oliver, 1991; Child et al., 2012) they adopt
- **H4.1** Analyzers that practice acquiescence will experience higher performance levels
- **H4.2** Prospectors that practice manipulation will experience higher performance levels
- **H4.3** Defenders that practice acquiescence will experience lower performance levels
- **H4.4** Reactors that practice avoidance will experience lower performance levels

- **Snow and Ketchen (2014)** suggested in an **AMR call for action** to empirically evaluate typologies for their current relevance, pointing to Miles and Snow (1978)
- **Based on Miles and Snow (1978), Luo and Park (2001)** suggest to further explore how MNCs comply with China’s institutional constraints including performance effects
- **While Miles and Snow’s (1978) theoretical foundation** (called ‘adaptive cycle’) implies the industry-based view (e.g., Porter 1980) as well as the resource-based view (e.g. Barney, 1991; Wernerfelt, 1984), it **does not** reflect the institution-based view (e.g. Peng et al, 2009)
SUMMARY OF THEORY

Strategic choice (Child, 1972) claims that organisations

• have the means to **exercise notable discretion**
  over their organisational **configuration** and **adaptation**
  as a function of environmental contingencies

• can **overcome organisational inertia**

• can **consciously choose** their **strategic direction**

• possess considerable latitude with respect to the **design** of their own **structures**

• can **proactive adjust** and **interconnect** with the external environment that allows organisational heterogeneity (overcoming isomorphism and homogeneity)
SUMMARY OF THEORY

Whittington’s (1993) Generic Perspectives on Strategy

1. Classical
   - Social embeddedness
     - Play by the local rules
   - Technical rationality
     - Analyse, plan and command
   - Environ. determinism
     - Keep your costs low and your options open
   - Logical incrementalism
     - Stay close to the ground and go with the flow

2. Evolutionary
   - Strategy Process
     - Deliberate ‘Rule-maker’
   - Strategic Outcome
     - Pluralistic
     - Unitary / profit-maximizing

3. Processual
   - Social embeddedness
   - Technical rationality

4. Systemic
   - Strategic Outcome
     - Emergent ‘Rule-taker’
       - Pettigrew (1973, 1985), Mintzberg (1973), Simon (1957), Cyert and March (1963)
   - Grannovetter (1985), Marris (1964)


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Recognizing the Institutional Context

Institution-based view (Peng 2006)

- **Institution-based view** is another dominant stream of strategy
- It follows the notion that economic exchange is **structurally embedded** in national configurations of economic institutions
- The institution based view concentrates on **dynamic firm-institution interaction**
- Firms need to understand, respect and if possible, leverage the **formal or informal constraints** of a given institutional framework
- In the context of MNCs in emerging markets, the institutional perspective is credited with having **superior explanatory power**

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**SUMMARY OF THEORY**

**Prof. Mike W. Peng**
Jindal School of Management
The University of Texas at Dallas

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Research construct

Strategy tripod


Industry-based competition

External

Institutional conditions and transitions

Strategy

Performance

Internal

Firm-specific resources and capabilities

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Overall research diagram

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**Research construct**

**Research diagram including IDV, IMV and DV**

**Strategy determinants IDV**

**Selected key variables**

6. Centralisation  
7. Legal form  
8. Stage  
9. Industry  
10. Country

**Strategy tripod variables**

11. Industry competition  
12. Institutional context  
13. Firm resources

**IDV antecedents predictors**

- Industry competition
- Firm resources
- Institutional context

**IDV intermediate**

**Generic strategy IMV1**

14. Prospector  
15. Defender  
16. Analyzer  
17. Reactor

**Firm performance DV**

1. Sales Revenue  
2. **Personnel Productivity (RPE)**  
3. Operating Profit (EBIT)  
4. Personnel Efficiency (PPE)  
5. Market share

**Institutional strategy IMV2**

18. Acquiescence  
19. Compromise  
20. Avoidance  
21. Defiance  
22. Manipulation  
23. Assertiveness

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*Personnel Productivity, or Revenue per Employee (RPE), has been used as primary performance measure in this research.*

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**Recursive mechanisms**

* = Personnel Productivity, or Revenue per Employee (RPE), has been used as primary performance measure in this research.
On the nature of strategic typologies

**Typology-driven theorizing**

**Strategic typologies**

- are often referred to as *classifications*, clusters, gestalts, archetypes or taxonomies
- can account for *multiple causal relationships* in a given setting
- thus *reduce complexity* to manageable levels both conceptually and methodologically (Fiss, 2011)
- do not focus on individual elements of strategy but on the *complementarities or relationships* among those elements (Black & Boal, 1994)
- help researchers to order the world of organisations in a rich and *holistic way* (Miller, 1996)
- allow academicians and practitioners to absorb *massive amounts of information* (Meyer, 1991)
### Schemata of typologies

#### Strategic typologies

<table>
<thead>
<tr>
<th>Authors</th>
<th>Strategic Types</th>
<th>Dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miles and Snow (1978)</td>
<td>Analyzer</td>
<td>Entrepreneurial, Engineering, Admin. problem</td>
</tr>
<tr>
<td>Bartlett and Ghoshai (1986)</td>
<td>Global</td>
<td>Assets / capabilities, roles, knowledge diffusion</td>
</tr>
<tr>
<td>Bartlett and Ghoshai (1989)</td>
<td>Contributor</td>
<td>Local capabilities Importance of local market</td>
</tr>
<tr>
<td>Jarillo &amp; Marinez (1990)</td>
<td>Receptive</td>
<td>Degree integration, Importance, local content</td>
</tr>
<tr>
<td>Gupta and Govindarajan (1991)</td>
<td>Integrated Player</td>
<td>Knowledge outflow, knowledge inflow</td>
</tr>
<tr>
<td>Birkinshaw and Morrison (1995)</td>
<td>Specialized Contributor</td>
<td>Mandate, initiative</td>
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<tr>
<td>Taggart (1997)</td>
<td>Collaborator</td>
<td>Autonomy, procedural justice</td>
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<tr>
<td>Taggart (1998)</td>
<td>Constrained</td>
<td>Integration</td>
</tr>
<tr>
<td>Whittington (1997)</td>
<td>Systemic</td>
<td>Transfer of practices</td>
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<tr>
<td>Hsu et al. (2008)</td>
<td>Processual</td>
<td>Resistance to HQ</td>
</tr>
<tr>
<td>Roghé et al. (2008)</td>
<td>Integrated Center</td>
<td>Degree of portfolio integration</td>
</tr>
<tr>
<td>Lang and Mauerer (2010)</td>
<td>Global Player</td>
<td>Degree of value chain integration</td>
</tr>
<tr>
<td>Bosch (2010)</td>
<td>Imposer</td>
<td>Strategic choice, strategic governance</td>
</tr>
</tbody>
</table>

#### Strategic typologies are ‘a form of social scientific shorthand’ (Ragin, 1987, p. 149)
Miles and Snow’s (1978) strategic typology

1. **Prospectors** perceive an uncertain environment, maintain flexibility and employ innovation to combat change, often becoming the ‘industry designers’

2. **Defenders** focus on maintaining a secure niche in relative stable market segments

3. **Analyzers** stress stability and flexibility, attempting to capitalize on the best of both of the Prospector and Defender types, they prefer a ‘second-but-better’ strategy

4. **Reactors** lack a coherent strategy and are highly responsive to short-term environmental exigencies, similar to Porter’s (1980) ‘stuck-in-the-middle’ type

However, Miles and Snow’s (1978) typology does not reflect any institutional underpinnings.
Generic strategy

Miles and Snow’s (1978) strategic typology

Miles and Snow’s (1978) strategic typology is operationalized by Conant et al. (1990).

- (1) Prospector: deliberate / rule-maker
- (2) Defender: emergent / rule-taker
- (3) Analyzer: pluralistic
- (4) Reactor: unitary
Miles and Snow’s (1978) strategic typology

(2) Defender
- Product-market domain: narrow/carefully focused
- Success posture: prominence in "their" secure niche
- Surveillance: domain dominated, strong monitoring
- Growth: cautious change, not at industry forefront
- Tech. goal: cost efficiency/leadership
- Tech. breadth: focal core technology, base expertise
- Dominant coalition: finance and production
- Planning: inside-out control, dominated by finance
- Control: centralized, formal/financially anchored

(3) Analyzer
- Product-market domain: segmented/adjusted, some relatively stable, other(s) continually changing
- Success posture: calculated followers of change
- Surveillance: competitive oriented and thorough
- Growth: assertive penetration, careful market dev.
- Tech. goal: technological synergism, diff & efficiency
- Tech. breadth: interrelated tech., "at the edge"
- Tech. buffers: instrumentalism, synergism
- Dominant coalition: planning staffs
- Planning: comprehensive with incremental changes
- Structure: staff dominated/matrix oriented
- Control: comprehensive, forecast oriented

(4) Reactor
- Product-market domain: limited, uneven and transient
- Success posture: opportunistic thrusts, coping
- Surveillance: sporadic and issue dominated
- Growth: hasty change, not at industry forefront
- Tech. goal: project development, project completion
- Tech. breadth: shifting tech. applications/fluency
- Dominant coalition: trouble-shooters
- Planning: crisis oriented, disjointed, best job possible
- Structure: tight formal authority/loose ops. design
- Control: avoid/handle problems, remain solvent

(1) Prospector
- Product-market domain: broad, cont. expanding
- Success posture: active initiation of change
- Surveillance: market/envision, oriented, aggr. search
- Growth: enacting product/markets, diversification
- Tech. goal: flexibility, innovation
- Tech. breadth: multiple tech., "pushing the edge"
- Tech. buffers: technical personnel skills/diversity
- Dominant coalition: marketing and R&D
- Planning: problem/opportunity finding/campaigns
- Structure: product and/or market centered
- Control: market performance, sales volumes

Generic strategy typology

Miles and Snow’s (1978) strategic typology

(1) Prospector
- Deliberate / rule-maker
- Pluralistic

(4) Reactor
- Emergent / rule-taker
- Unitary

Miles and Snow’s (1978) strategic typology operationalized by Conant et al. (1990)

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Academy of International Business

Prof.-Emeritus
Charles C. Snow
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Prof.-Emeritus
Raymond E. Miles
Haas School of Business
Univ. of California, Berkeley
Institutional strategy

Oliver’s (1991) strategic responses to institutional processes

Institutional strategy typology

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**Oliver’s (1991) strategic responses to institutional processes**

- argue that firms can exercise strategic choice and active agency within an institutional context.

1. **Acquiesce**: To enhance legitimacy and social support, organisations may want to fully comply with institutional rules and expectations.

2. **Compromise**: To handle conflicting institutional and/or intra-company demands, organisations may attempt to balance, pacify or bargain with external constituents.

3. **Avoid**: To mitigate uncertainty and institutional constraints, organisations may try to buffer themselves from institutional pressures or escape from them.

4. **Defy**: To utilize a perceived lack of enforcement or mitigate conflicts of interest, organisations may try to dismiss, challenge or attack sources of institutional pressure.

5. **Manipulate**: To benefit from institutional contexts opportunistically, organisations may try to co-opt, neutralize, redefine, control or dominate institutional constituents.
Oliver (1991) does not address the co-evolutional perspective.

**Institutional strategy**

Oliver’s (1991) strategic responses to institutional processes

<table>
<thead>
<tr>
<th>Oliver (1991) informs the research as she emphasized the active firm-institutional interaction …</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Institutional strategy typology</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1) Acquiesce</th>
<th>2) Compromise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ac1 Habit/follow invisible, taken-for-granted norms</td>
<td>Co1 Balance expectations of multiple constituents</td>
</tr>
<tr>
<td>Ac2 Imitate/mimick institutional models</td>
<td>Co2 Pacify/accommodate institutional elements</td>
</tr>
<tr>
<td>Ac3 Comply/obey rules and accepting norms/Ac4 Encourage self-regulation/other mechanisms of trust</td>
<td>Co3 Bargain/negotiate with inst. stakeholders</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>3) Avoid</th>
<th>4) Defy</th>
<th>5) Manipulate</th>
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</thead>
<tbody>
<tr>
<td>Av1 Conceal/disguise nonconformity</td>
<td>Dy1 Dismiss/ignore explicit norms and values</td>
<td>Ma1 Co-opt/import influential constituents</td>
</tr>
<tr>
<td>Av2 Buffer/minimize/loosen up institutional attachments</td>
<td>Dy2 Challenge/test rules and requirements</td>
<td>Ma2 Influence/lobby/shape values and criteria</td>
</tr>
<tr>
<td>Av3 Escape/change goals, activities, or domains to circumvent institutional pressure</td>
<td>Dy3 Attack/assault the sources of institutional pressure</td>
<td>Ma3 Control/dominant inst. constituents and processes</td>
</tr>
<tr>
<td>Av4 Withdraw to location with better institutional conditions</td>
<td>Dy4 Substitute/replace local institutions to cover their roles</td>
<td>Ma4 Utilize strategic complementarities and institutional arbitrage</td>
</tr>
</tbody>
</table>

**Prof.-Emeritus**
Christine Oliver
Schulich School of Business

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Institutional strategy

Oliver’s (1991) strategic responses to institutional processes

... supplemented by a further institution-oriented strategic choice option (‘Assert’)

### Institutional strategy typology

<table>
<thead>
<tr>
<th>1) Acquiesce</th>
<th>2) Compromise</th>
<th>6) Assert</th>
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</thead>
<tbody>
<tr>
<td>Ac1</td>
<td>Co1</td>
<td>As1</td>
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<tr>
<td>Ac2</td>
<td>Co2</td>
<td>As2</td>
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<td>Ac3</td>
<td>Co3</td>
<td>As3</td>
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<tr>
<td>Ac4</td>
<td>Co4</td>
<td>As4</td>
</tr>
</tbody>
</table>

- **Acquiesce**
  - Ac1: Habit/follow invisible, taken-for-granted norms
  - Ac2: Imitate/mimick institutional models
  - Ac3: Comply/obey rules and accepting norms
  - Ac4: Encourage self-regulation/other mechanisms of trust

- **Compromise**
  - Co1: Balance expectations of multiple constituents
  - Co2: Pacify/accommodate institutional elements
  - Co3: Bargain/negotiate with inst. stakeholders
  - Co4: Mitigate conflicts with repeated soc. interaction pattern

- **Assert**
  - As1: Actively involve/engage/interact with local institutions
  - As2: Make transparent, lead dialogue, provide facts/feedback
  - As3: Enable/ dificate practices, contribute and build from below
  - As4: Firm initiatives to incentivize/align joint goals/win-wins consequences for the firm and institutions

### Strategic Responses

- **Avoid**
  - Av1: Conceal/disguise nonconformity
  - Av2: Buffer/minimize/loosen up institutional attachments
  - Av3: Escape/change goals, activities, or domains to circumvent institutional pressure
  - Av4: Withdraw to location with better institutional conditions

- **Defy**
  - Dy1: Dismiss/ignore explicit norms and values
  - Dy2: Challenge/contest rules and requirements
  - Dy3: Attack/assault the sources of institutional pressure
  - Dy4: Substitute/replace local institutions to cover their roles

- **Manipulate**
  - Ma1: Co-opt/import influential constituents
  - Ma2: Influence/lobby/shape values and criteria
  - Ma3: Control/dominate inst. constituents and processes
  - Ma4: Utilize strategic complementarities and institutional arbitrage
  - Ma5: Move into uncharted market space (‘institutional voids’)

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Institutional strategy incl. co-evolution

Co-evolution takes a less confrontational stance

**Notion of co-evolution**

**Child et al. (2012) notion on co-evolution**

- firms and their environments **develop interactively** over time (Rodrigues & Child, 2008)
- emphasizes ‘**power with**’ rather than ‘power over’ or ‘power to’ (Göhler, 2009)
- focuses on **interaction, dialogue, knowledge dissemination** and **joint initiatives**
- entails a slow and **incremental cycle** rather than a fast and radical adaptation process.
- fosters the **development of the community** between its constituent members (Poroc, 1994)
Institutional strategy incl. co-evolution

Research construct

Synthesis of Miles and Snow (1978) with Oliver (1991) informed by Child et al. (2012)

Miles and Snow's (1978) strategic typology
Oliver's (1991) strategic response to institutional processes
Oliver's (1991) 5-item scale adapted by additional 'assert' response

- above average performance outcomes
- below average performance outcomes

---

(2) Defender
1) Acquiesce
2) Compromise
(3) Analyzer
6) Assert

(4) Reactor
3) Avoid
4) Defy
(1) Prospector
5) Manipulate

Pluralistic
Emergent / Rule-taker
Unitary
Deliberate / Rule-maker
Findings and contribution

### Hypotheses H3 (3.1-4)

Based on the research construct outline, the testable hypotheses state:

Among MNCs in China, …

H3: distinctive clusters of strategic orientations (Miles and Snow, 1978) experience differentiated performance outcomes in conjunction with the strategic responses to institutional processes (Oliver, 1991; Child et al., 2012) they adopt.

- **H3.1** Prospectors will experience higher perf. than the sample mean if they practice Manipulation;
- **H3.2** Defenders will experience lower perf. levels if they practice a) Acquiescence and higher ones if b) Compromise;
- **H3.3** Analyzers will experience higher perf. than the sample mean if they practice Assertiveness;
- **H3.4** Reactors will experience lower perf. if they practice a) Avoidance or b) Defiance.
Findings and contribution

**Descriptive statistics and correlations**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
<th>Median</th>
<th>Q1</th>
<th>Q3</th>
<th>Minimum</th>
<th>Maximum</th>
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## Findings and contribution

### Strategy models predicting firm performance outcomes

<table>
<thead>
<tr>
<th>Variable</th>
<th>Sales</th>
<th>Revenue</th>
<th>RPE</th>
<th>Operating Profit Margin</th>
<th>PPE</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 1</td>
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<td>Model 2</td>
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<td>Model 3</td>
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</table>

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Findings and contribution – extract

Mapping of Automotive MNCs

MNC feature different generic strategy and institutional strategy types

Oliver’s (1991) strategic response to institutional processes
Oliver’s (1991) 5-item scale adapted by additional ‘assert’ response based on Child et al. (2012)

Prospector

Defender

Analyzer

Compromise

Assert

Acquiesce

React

Defy

Avoid

Manipulate

Pluralistic

Deliberate / rule-maker

Emergent / rule-taker

Unitary

Academy of International Business
Findings and contribution

This research contributes to the body of knowledge from three different angles:

<table>
<thead>
<tr>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Theoretical contribution</strong></td>
</tr>
<tr>
<td>• <strong>Explore and disentangle</strong> the relationship between generic strategy and institutional strategies based on three competing mechanisms (i.e. filter, independence, recursive system) and show, how this <strong>informs the empirical approach</strong>.</td>
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<tr>
<td>• <strong>Advance the notion</strong> of institution-oriented strategic choice in international business (IB) strategy</td>
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<tr>
<td>- by first linking Miles and Snow’s (1978) typology to Oliver’s (1991) institutional perspective,</td>
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<td>- by second adding a further deliberate firm-institutional response (‘Assert’) based on Child et al. (2012) and</td>
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<td>- by third shaping a parsimonious model for the complex concepts of generic, institutional and co-evolutional strategy.</td>
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<tr>
<td>• <strong>Systematically map and delineate</strong> the existing typologies along the universal dimensions of strategic choice (Child, 1972), i.e. ‘rule makers’ versus emergent ‘rule takers’, and performance outcomes, i.e. pluralistic versus singular, which transcend the strategic types and strategic responses in a matrix.</td>
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<tr>
<td><strong>2. Empirical contribution</strong></td>
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<tr>
<td>• <strong>Add to the empirical base</strong> for research on strategic choice and institutional theory</td>
</tr>
<tr>
<td>• <strong>Help to close a serious lack</strong> of empirical research on typology-driven theorizing.</td>
</tr>
<tr>
<td>• <strong>Empirically validate</strong> the application of strategic frameworks for MNCs in China.</td>
</tr>
<tr>
<td>• <strong>Shed light onto</strong> the strategy-performance link and the best-performing strategic type in China.</td>
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<td><strong>3. Managerial contribution</strong></td>
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<tr>
<td>• <strong>Explain the relationship</strong> between generic strategy and institutional strategies and the best-performing combinations.</td>
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<tr>
<td>• <strong>Provide insights</strong> that help MNCs to develop proper strategic configurations to adjust to turbulent market.</td>
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<tr>
<td>• <strong>Investigate</strong> and explain unresolved market phenomena in China considering the institutional context.</td>
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</tbody>
</table>
THANK YOU

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