Corporate sustainability strategies in institutional adversity: An examination of their institutional drivers, boundary conditions and market performance consequences

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Conference scholarly productions during the doctoral process

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Dedications

I dedicate this thesis to my parents—Mr and Mrs B.O Nwoba—for their perpetual love, support and for always believing in me even when I did not believe in myself. Thank you for your unconditional love and prayers.

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Abstract

Today, scholars and top-level business managers agree that corporate sustainability strategies have become a strategic lens through which firms might view their operations and performance, which determines if they will survive in business. Notwithstanding this, there is a dearth of research on corporate sustainability strategies among emerging market firms that face institutional adversity. Accordingly, the aim of this research is to investigate the institutional drivers, associated boundary conditions and market performance consequences of corporate sustainability strategies among emerging market firms. Drawing from institutional theory, institutional development logic and the structure-conduct-performance (SCP) paradigm, the study proposes a conceptual model of corporate proactive and responsive sustainability strategies and tests it on a sample of 300 firms operating in a major sub-Saharan African market.

Findings show that top-level managerial linkages, contacts and connections with government and regulatory officials, top managers at other firms and local community leaders—irrespective of the levels of competition intensity—drive corporate proactive and responsive sustainability strategies, which lead to superior market performance. The findings also reveal that the innovative working culture inherent in emerging market firms strengthens paths between corporate proactive and responsive sustainability strategies and market performance. Furthermore, the findings show that financial resource slack strengthens the path between corporate proactive sustainability strategies and market performance, while it does not strengthen the path between corporate responsive sustainability strategies and market performance. These findings add to the extant scholarly work on corporate sustainability strategies by delineating the key institutional and internal organisational success factors necessary for the formulation and implementation of corporate proactive and responsive sustainability strategies among emerging market firms that face institutional adversity. The study concludes by outlining a number of fruitful avenues for future research.

Keywords: corporate proactive and responsive sustainability strategies, top-level managerial ties, competition intensity, innovative culture, financial resource slack, market performance, institutional theory, institutional development logic, structure-conduct-performance paradigm

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Chapter One: Introduction to the study

1.0 Overview of the study

Drawing from institutional theory, institutional development logic and the SCP paradigm, this study proposes and empirically examines a model of corporate proactive and responsive sustainability strategies, their institutional drivers, performance consequences and associated boundary conditions, among emerging market firms in Nigeria that face institutional adversity. Specifically, the study examines how top-level managerial linkages, contacts and connections with government and regulatory officials, top managers at other firms and local community leaders—depending on levels of competition intensity—drive corporate proactive and responsive sustainability strategies and their impact on market performance—depending on levels of innovative culture and financial resource slack. By doing so, the study adds to the literature and recent scholarly work on the nature of corporate sustainability strategies by delineating the institutional drivers and organisational success factors necessary for the formulation and implementation of corporate proactive and responsive sustainability strategies among emerging market firms.

This chapter introduces the study. The chapter presents the research background and gaps identified in the literature that motivated the study as well as the research questions and objectives. Furthermore, the chapter presents the expected theoretical, practical, contextual and empirical contributions of the study. The chapter concludes with the thesis outline.

1.1 Research background and gaps in the literature

Corporate sustainability (i.e., sustainability in business) is premised on the idea of sustainable development, which is defined as *"a development that meets the needs of the present without compromising the ability of future generations to meet their own needs"* (WCED, 1987, p.43). To strengthen the conceptualisation and operationalisation of sustainable development in the business arena, the tri-dimensional, triple-bottom-line approach—meeting economic, social and environmental objectives—has been adopted by management scholars to explain the importance of sustainability within business entities (Elkington 1998; Bansal 2005; Hubbard, 2009; Scherer et al. 2013; Gupta et al. 2014). According to Schaltegger et al. (2012) businesses have a large influence on life and the economy. Therefore, no sustainable development is possible without the sustainable development of businesses. This is premised on the notion that businesses are ideally positioned to solve social and environmental issues by providing goods and services that meet societal demands, which ensures long-term economic survival and superior performance (Gupta et al. 2014). Thus, top-level management play a pivotal role in shaping the development of businesses as well as the economy and society (Sharma and Henriques, 2005).

Consequently, the notion of corporate sustainability posits that top-level managers should consider social and environmental issues facing society while maximizing economic benefits, i.e., economic, social and environmental integrity (Gladwin et al. 1995; Starik and Rands, 1995; Bansal, 2005; Hubbard, 2009). According to Montiel (2008), for a firm to remain sustainable in business, it must strive to satisfy its economic objectives together with the environmental and social needs of society. On this note, the corporate sustainability concept posits that economic, social and environmental performances are complementary, i.e., the incorporation of social, environmental, and economic concerns into corporate strategy ensures that businesses survive in the long term (Epstein and Roy, 2001; Bansal, 2005; Baumgartner and Ebner, 2010; Eweje 2011; Baumgartner, 2014; Gupta et al. 2014; Venkatraman and Nayak, 2015). As a result, corporate sustainability strategies have gained significant attention in corporate boardrooms and the public policy arena, worldwide.

Corporate sustainability strategies—also identified as corporate sustainability initiatives—refer to the series of proactive and responsive actions designed by a firm to tackle latent and expressed social and environmental issues facing the market, which are integrated into corporate strategic plans to ensure long-term economic performance and survival in business (Siegel, 2009; Engert and Baumgartner, 2016). On the one hand, corporate proactive sustainability strategies involve a firm actively scanning the market to spot which latent social and environmental issues facing the market it will address, to improve economic performance and ensure survival in business (Engert and Baumgartner, 2016; Wijethilake, 2017). Corporate proactive sustainability strategies enable firms to pre-empt future social and environmental demands of the markets and devise products and services to match demand. On the other, corporate responsive sustainability strategies involve a firm acknowledging, adapting and responding to expressed social and environmental demands of the market, to ensure superior economic performance (Siegel, 2009; Engert and Baumgartner, 2016). Building upon these definitions, the study takes the view that firms invest only in social and environmental issues that would improve performance, in turn ensuring survival in business. Thus, corporate proactive and responsive sustainability strategies are of crucial importance to sustainable development but also for ensuring that a business achieves superior performance.

Accordingly, the impact of corporate sustainability strategies on firm performance has received a wide audience among academic researchers. However, empirical research has found the relationship to be positive, negative and neutral. For example, Wijethilake's (2017) findings from multinationals and local corporations in Sri Lanka revealed that corporate proactive sustainability strategies are positively associated with corporate sustainability performance. On the other hand, Cordeiro and Sarkis (1997), with data from the US Environmental Protection Agency and Securities and Exchange Commission (SEC), found that investing in corporate sustainability strategies has a negative relationship with short-term financial performance. Furthermore, Wagner et al. (2002) with data from the European paper industry and Soana (2011) with data from the Italian banking sector, respectively, found no statistically significant link between investing in social and environmental sustainability strategies and economic performance. In the same vein, Crisóstomo et al. (2011), with data from the Brazilian Institute of Social and Economic Analysis database, found the relationship between corporate social responsibility and financial performance to be neutral. Due to the inconsistencies in these findings, the relationship between corporate sustainability strategies and firm performance is a matter of ongoing debate among academics.

Today, scholars and top-level business managers agree that corporate sustainability has become a strategic lens through which firms might view their operations and performance, which determines if they will survive in business (Siegel, 2009; Kashmanian et al. 2011; Gupta et al. 2014). To this end, DNV GL consultant Nili Safavi—in a presentation delivered to the Enterprise Risk Management Special Interest Group at The Institute of Risk Management in 2011—reported that 93% of CEOs consider sustainability initiatives as critical for the future success and survival of their business (IRM ERM SIG, 2011). On this note, corporate proactive and responsive sustainability strategies are context-specific as firms tackle social and environmental issues within their business environment to achieve superior performance (Dobers and Halme, 2009; Siegel, 2009). This development has prompted organisations to re-evaluate their business strategies and give strong consideration to their corporate sustainability strategies (Gupta et al. 2014).

Notwithstanding the large audience, active and constructive scholarly research debates that are currently ongoing on the ontological assumptions of corporate sustainability strategies, which are healthy for scientific discourse (Bagozzi et al. 1991), there is still a dearth of research on the corporate sustainability phenomenon among emerging market firms that face institutional adversity (Dobers and Halme, 2009). According to Eweje (2011), the corporate sustainability notion has been viewed as a western phenomenon, particularly for businesses in developed market economies. As a result, Hoskisson et al. (2000), Dobers and Halme (2009), Chabowski et al. (2011), Goyal et al. (2013), Honig and Acquaah (2016) and Boso et al. (2018) call for more research studies to examine the fundamental drivers, associated boundary conditions and performance consequences of corporate sustainability strategies among emerging market firms. These scholars argue that corporate sustainability strategies are especially important among emerging market firms due to three reasons.

First, emerging market firms face institutional adversity (Khanna, and Palepu, 1997). This study defines institutional adversity as a diverse number of factors such as the absence of market-supporting institutions, lack of infrastructure and specialised intermediaries, weak government regulations and implementation of policies, change of governments through coup d'état and rigged elections, high levels of market imperfections, poor communication and transportation services, and environmental uncertainty, which create high levels of unpredictability and uncertainty for top-level managers, in turn affecting the efficient running of businesses (Khanna, and Palepu, 1997; Peng and Luo, 2000; Acquaah, 2007; Acquaah and Eshun, 2010; Acquaah, 2012). Consequently, these institutional adversities, weak market-supporting institutions and underdeveloped institutional frameworks have varying effects on an organisation's performance, thus creating greater levels of uncertainty in the sustainability of organisations (Djankov et al. 2003). As a result, levels of institutional development in emerging markets—due to the existence of these institutional adversities—are different from those in developed market economies (Wu, 2013; Kafouros and Aliyev, 2016; Wu et al. 2016). Subsequently, firms are required to help fill the gap by providing employment opportunities and producing goods and services that match social and environmental demands of the market, which in turn lead to the development of society (Boso et al. 2018).

Second, with a surge in population and rapid urbanisation (e.g., in sub-Saharan Africa) emerging economies have been listed as a new untapped market for businesses (Amankwah-Amoah et al. 2018; Boso et al. 2018). For instance, Nigeria, the largest economy in sub-Saharan Africa, is among the MINT (fastest developing economies) countries and is projected to be among the top 20 largest economies in terms of GDP by 2030 (Wall Street Journal, 2014; Trading Economics, 2016). Yet, Nigerian firms must somehow overcome a weak market-supporting environment while facing institutional adversity to survive in business. Moreover, the rapid pace of these economic changes and growth give rise to social and environmental issues that require urgent and corporate reactive attention. Hence, the nature of corporate sustainability strategies in emerging markets is likely to be different from those of developed market firms.

Third, emerging economies are highly collectivistic in nature (Acquaah, 2006). According to Acquaah (2012), emerging market societies have a highly collectivistic culture whereby the extended family and broader community perform a substantial role in the lives of individuals and organisations. In turn, the collectivistic culture in emerging markets plays a significant role in trade and commercial activities and facilitates economic exchanges (Peng and Luo, 2000; Holmes et al. 2013). Therefore, due to institutional adversities and the collectivistic culture in emerging markets, findings from developed market economies cannot be extended to emerging market firms.

In light of the above, the first gap identified by this study in the corporate sustainability literature relates to the nature of corporate sustainability strategies among emerging market firms that face institutional adversity. According to Buysse and Verbeke (2003), firms in developed market economies have shifted from corporate reactive sustainability strategies to focus solely on corporate proactive sustainability strategies. This is because of "*the ever-increasing regulatory expenses, stringent disclosure requirements to shareholders, lenders, and the public, escalating civil and criminal penalties, and the increasing cost and scope of environmental liability"* (Cordeiro and Sarkis, 1997, p.105). Eweje (2011) submits that these external factors cause firms in developed market economies with well-developed market structures and market systems that create stability, to invest in corporate proactive sustainability strategies to achieve superior performance. As a result, over the past two decades, academic scholars have substantially focused on corporate proactive sustainability strategies of developed market firms (e.g., Cordeiro and Sarkis, 1997; Berry and Rondinelli, 1998; Buysse and Verbeke, 2003; Sethi, 2003; Aragón-Correa and Rubio-Lopez, 2007; Sharma and Sharma, 2011; Aguilera-Caracuel et al. 2012; Torugsa et al. 2012).

Aragón-Correa and Sharma (2003) explain that firms facing institutional adversity will be less likely to invest in corporate proactive sustainability strategies. The weak and underdeveloped market institutions, weak government regulations and implementation of policies, and constant changes of government (either through coup d'état or rigged elections) which create high levels of environmental uncertainty and unpredictability make it difficult for top-level managers facing institutional adversity to survive in business by solely investing in corporate proactive sustainability strategies. Moreover, the regulatory expenses, stringent disclosure requirements required of firms to the public, and rising civil and criminal penalties that cause developed market firms to focus on corporate proactive sustainability strategies are weak and underdeveloped in emerging markets (*Cf.* Acquaah, 2012).

Additionally, most extant research studies in the corporate sustainability literature (e.g., McGuire et al. 1988; Preston and O'Bannon, 1997; Simpson and Kohers, 2002; Luo and Bhattacharya, 2006; Arendt and Brettel, 2010; Lai et al. 2010; Soana 2011; Torugsa et al. 2012; Barnett and Salomon, 2012; Erhemjamts et al. 2013; Flammer, 2013) have only focused on the social aspect of corporate sustainability—corporate social responsibility (CSR). CSR submits that a firm has social responsibilities to anyone who can affect or is affected by its business operations (Carroll, 1979; Becchetti et al. 2008). Therefore, proponents of CSR relegate environmental issues to a subset of social issues (Montiel, 2008). In the same vein, other research studies (e.g., Klassen and McLaughlin, 1996; Russo and Fouts, 1997; Cordeiro and Sarkis, 1997; Judge and Douglas, 1998; Wagner et al. 2002; Melnyk et al. 2003; Clemens, 2006; Montabon et al. 2007; Nakao et al. 2007; Molina-Azorín et al. 2009; Jiang et al. 2018) have focused only on the environmental component of corporate sustainability—environmental management (EM). EM scholars posit that addressing environmental issues will solve societal social issues (Shrivastava and Hart, 1995; Shrivastava, 1995). Notwithstanding this, as Montiel (2008) explains, social and environmental issues present different opportunities for firms to exploit. On this note, although CSR and EM are different aspects of corporate sustainability (Montiel, 2008; Bansal and Song, 2017), many scholars have failed to properly adhere to the tri-dimensional, triple-bottom-line approach to corporate sustainability (Galpin and Whittington, 2012; Bansal and Song, 2017).

Furthermore, the relatively few extant empirical studies (e.g., Rettab et al. 2009; Lai et al. 2010; Mishra and Suar 2010; Saeidi et al. 2015; Chang, 2015; Wijethilake 2017; Jiang et al. 2018) on corporate sustainability strategies among emerging market firms have failed to account for how institutional adversities in the business environment influence the nature of the corporate sustainability initiatives examined. As Goyal et al. (2013) and Boso et al. (2018) explain, it is important for scholars and top-level managers to understand the unique institutional environments in emerging markets and adopt strategies that would fit these environments. For instance, Wijethilake (2017), with data from multinationals and local corporations in Sri Lanka, finds that corporate proactive sustainability strategies are positively associated with corporate sustainability performance. However, Wijethilake's (2017) study fails to account for how institutional adversities that multinationals and local firms in Sri Lanka face influence the proactive nature of corporate sustainability strategies.

Along the same vein, Rettab et al. (2009), Mishra and Suar (2010) and Saeidi et al. (2015) with data from Dubai, India and Iran, respectively, also fail to account for how the institutional adversities in these respective emerging business environments determine the nature of corporate sustainability strategies. Additionally, Rettab et al. (2009) focus on the CSR initiatives of firms in fast-developing regions in Dubai and admit that the study findings cannot be generalised to other emerging markets. Saeidi et al. (2015) only consider the social aspects to the corporate sustainability initiatives of Iranian firms. In addition, Jiang et al.

(2018), with data from China, only investigates the impact of green environmental sustainability initiatives on organisational performance. Nevertheless, as Montiel (2008) explains, social and environmental issues present different opportunities for businesses to exploit.

Chang (2015) make a distinction between proactive and reactive CSR initiatives among Taiwanese firms. They define proactive CSR as a *"companies' integrity and ethical behaviour that go beyond the laws and regulations….a discretionary responsibility or philanthropic responsibility"* (p.455). On the other hand, they define reactive CSR as a *"company's integrity and ethical behaviour mere meet the country's laws and regulations"* (p.455). Notwithstanding this, the conceptualisation and operationalisation of the proactive and reactive CSR does not follow the tri-dimensional, triple-bottom-line approach to corporate sustainability. In sum, despite specific advances made by existing work, it remains pivotal for emerging market studies to incorporate the tri-dimensional, triple-bottom-line approach to corporate proactive and responsive sustainability initiatives (Gupta et al. 2014). Also, it is imperative for emerging market studies to examine how the weak institutional structures in emerging markets determine the nature of corporate sustainability strategies (Goyal et al. 2013; Boso et al. 2018).

The second gap in the corporate sustainability literature relates to the institutional drivers of corporate sustainability strategies among emerging market firms. The extant literature on corporate sustainability submits that top-level managerial commitment, perceptions, values and sense making, employees, organisational structure and size, level of financial resource slack, ethical issues, strategic orientation and processes are fundamental drivers that facilitate the formulation of corporate sustainability strategies (Henriques and Sadorsky, 1999; Sharma, 2000; Epstein and Roy, 2001; Aragón-Correa et al. 2004; Artiach et al. 2010; Gattiker et al. 2014; Stoughton and Ludema, 2012; Parisi, 2013; Jansson et al. 2017). However, while these drivers point towards the personality of the top-management team, employees and organisational structure, they fail to account for the institutional adversities and collectivistic culture existing in emerging markets.

In addition, other external factors such as stakeholder and legitimacy pressures, industry type, public concern, mimicry, etc., have been theorised as fundamental drivers of corporate sustainability strategies (Banerjee et al. 2003; Bansal, 2005; Chiu and Sharfman 2011; Wolf, 2014). However, these external factors are weak and underdeveloped in emerging markets. For instance, stakeholder pressures and public concerns are weak, underdeveloped and, oftentimes, supressed by the repressive and corrupt government regimes in emerging markets, most especially in sub-Saharan Africa (*Cf*. Acquaah and Eshun, 2010). According to Acquaah (2006), in emerging markets of sub-Saharan Africa, the government regulations and policies in relation to mimicry are close to non-existent and the non-governmental organisations (NGOs) do not exercise enough control over societal affairs.

Furthermore, not one of the few extant research studies on corporate sustainability strategies in emerging markets (e.g., Rettab et al. 2009; Lai et al. 2010; Mishra and Suar 2010; Chang 2015; Saeidi et al. 2015; Boso et al. 2017; Wijethilake 2017; Jiang et al. 2018) examined the institutional drivers of corporate sustainability strategies. Chang (2015) and Boso et al. (2017) argued that, green organisational culture and financial resource slack, respectively, are fundamental drivers of corporate sustainability initiatives among emerging market firms. However, considering the level of institutional development in emerging markets, none of these fundamental drivers argued in these works properly reflects the institutional drivers of corporate sustainability strategies in emerging markets.

As Peng et al. (2008) and Shepherd and Rudd (2014) explained, the institutions and tradition in a firm's business environment will influence its strategy, which in turn, determines its performance and survival in business. On this note, treating the key institutional entities in an environment as independent variables, a firm's strategy becomes a match between the environmental institutions and the organisation, with the strategic choice being the outcome of such interaction (Peng, 2003; Peng et al. 2008). Emerging markets are highly collectivistic in nature, with the extended family and broader community performing a substantial role in the lives of individuals and organisations (Acquaah and Eshun, 2010). Hence, collectivistic societies place great importance on adherence to social norms and value goodwill and cooperation among societal members (Huff and Kelley, 2003; Holmes et al. 2013). Thus, the collectivistic culture in emerging societies plays a significant role in trade and commercial activities and facilities economic exchanges (Peng and Luo, 2000). Therefore, under such collectivist social norms coupled with the existence of institutional adversities, it is imperative to understand the institutional drivers of corporate sustainability strategies.

The third gap in the corporate sustainability literature relates to the local environmental boundary conditions that might strengthen or weaken the formulation of corporate sustainability strategies among emerging market firms. According to Aragón-Correa and Rubio-Lopez (2007), the majority of research studies in the corporate sustainability literature have argued that there is a direct relationship (positive, negative and neutral) between corporate sustainability strategies and firm performance. Notwithstanding this, Baumgartner (2014) submits that there are boundary conditions that will most likely strengthen or weaken the formulation of corporate sustainability strategies. However, very few extant empirical studies in the corporate sustainability literature have examined such boundary conditions. For example, Clemens (2006) argues that economic green initiatives set by the government will strengthen or weaken the formulation of corporate sustainability strategies. Nevertheless, in emerging markets, there are weak government regulations and implementation of policies coupled with the threat of change of government through coup d'état and rigged elections, all of which create higher levels of unpredictability and uncertainty in the business environment (Acquaah and Eshun, 2010). In the same vein, from a resource dependence theory standpoint, Erhemjamts et al. (2013) argue that the levels of slack resources will positively or negatively influence the formulation of corporate sustainability strategies. Yet, resource slack is an internal firm variable (Barney, 1991).

From an emerging market perspective, apart from Boso et al. (2017), none of the few extant studies on corporate sustainability initiatives among emerging market firms (e.g., Rettab et al. 2009; Lai et al. 2010; Mishra and Suar 2010; Chang, 2015; Saeidi et al. 2015; Wijethilake 2017; Jiang et al. 2018) have examined boundary conditions that might strengthen or weaken the formulation of corporate sustainability strategies. Boso et al. (2017) argue that, at higher levels of market pressure from foreign market stakeholders, emerging market firms use their financial resource slack to invest in corporate sustainability strategies. However, Boso et al. (2017) fail to investigate the boundary conditions in relation to an emerging market's firm local business environment that would strengthen or weaken the formulation of its corporate sustainability strategies. Therefore, considering the institutional adversities existing in emerging markets, it is vital to examine the environmental boundary conditions that might strengthen or weaken the formulation of corporate sustainability strategies among emerging market firms.

The fourth gap in the corporate sustainability literature relates to the market performance consequences of corporate sustainability initiatives among emerging market firms that face institutional adversity. The majority of extant empirical research studies in the corporate sustainability literature have largely focused on the financial performance consequences of corporate sustainability strategies (e.g., McGuire et al. 1988; Klassen and McLaughlin 1996; Preston and O'Bannon 1997; Cordeiro and Sarkis, 1997; Judge and Douglas, 1998; Simpson and Kohers, 2002; Clemens, 2006, Nakao et al. 2007; Soana. 2011; Ameer and Othman, 2012; Torugsa et al. 2012; Barnett and Salomon, 2012; Erhemjamts et al. 2013). In the same vein, the limited extant studies on corporate sustainability strategies among emerging market firms (e.g., Rettab et al. 2009; Lai et al. 2010; Mishra and Suar, 2010; Jiang et al. 2018) have also investigated the financial performance consequences of corporate sustainability strategies. Furthermore, other research studies have focused on the environmental performance (Melnyk et al. 2003; Russo and Harrison, 2005; Sharfman and Fernando, 2008; Molina-Azorín et al. 2009; Hussain et al. 2018) and sustainability performance consequences of corporate sustainability strategies (López et al. 2007; Eweje 2011; Lourenço et al. 2012; Eccles et al. 2014; Ortiz-de-Mandojana and Bansal, 2016; Wijethilake, 2017).

Financial performance measures focus on profitability as a percentage of sales, return on investment, profit margin and profit growth over the past financial year (Hultman et al. 2009). On the other hand, environmental performance measures focus on reduction in pollution and waste levels, reducing environmental degradation and using recyclable materials (Russo and Fouts 1997). However, Prahalad (2012) explains that it is hard for emerging market firms to achieve financial and environmental performance as it is more of a developed country metric. This is due to affordability issues coupled with the institutional adversities in emerging markets. As emerging market firms are focused on survival in business (Shinkle and McCann, 2014; Boso et al. 2017), investigating the financial and environmental performance consequences fails to reflect how corporate sustainability strategies enable firms in emerging markets to survive in business for the long term. On this note, there is a need for research studies on emerging markets to focus on performance measures that imply scalability of the business and future performance as the marketplace emerges. Building on this, such performance measures should be able to reflect how corporate sustainability strategies enable firms to survive longer in business.

The fifth gap relates to internal firm boundary conditions that might strengthen or weaken the implementation of corporate sustainability strategies. Combe et al. (2012) posit that it is pivotal for firms to develop strategic flexibilities that would ensure the implementation of corporate sustainability strategies to create or respond to the social and environmental demands of the market. For instance, Luo and Bhattacharya (2006) explain that corporate ability—product quality and innovativeness capability—will strengthen or weaken the path between corporate social sustainability initiatives and market performance. Furthermore, Russo and Fouts (1997) argued that the level of industry growth will strengthen or weaken the path between environmental performance and firm performance. Nevertheless, the level of industry growth is an external environmental variable. In addition, Wagner (2010) notes that levels of innovation, differentiation and signalling strengthen or weaken the relationship between corporate sustainability performance and economic performance. Also, Erhemjamts et al. (2013) identify slack resources as a moderating variable that will strengthen or weaken the implementation of corporate social sustainability initiatives to achieve superior firm performance.

From an emerging market firm perspective, not one of the extant research studies (Rettab et al. 2009; Lai et al. 2010; Mishra and Suar 2010; Saeidi et al. 2015; Chang, 2015; Boso et al. 2017; Wijethilake 2017 and Jiang et al. 2018) have investigated the internal firm boundary conditions that strengthen or weaken the implementation of corporate sustainability initiatives. For instance, Boso et al. (2017) argue that, at greater levels of top-level managerial connections with political officials, emerging market firms do not invest in the implementation of corporate sustainability strategies. However, the moderating variable examined—managerial connections with political officials—is an external environmental construct. In line with the above findings and considering the uncertainty and unpredictable institutional environment in emerging markets, it is vital to examine internal boundary conditions that might strengthen or weaken the implementation of corporate sustainability strategies among emerging market firms that face institutional adversity. Identifying such internal firm characteristics will be pivotal for top-level managers of emerging market firms.

The sixth gap relates to the theories used in the extant research studies on corporate sustainability. As corporate sustainability strategies are context-specific (Dobers and Halme, 2009), the majority of extant research studies in the corporate sustainability literature have relied mainly on institutional theory (e.g., Luo and Bhattacharya, 2006; Zietsma and Lawrence, 2010) and stakeholder theory (McGuire et al. 1988; Preston and O'Bannon, 1997; Barnett and Salomon, 2012; Eccles et al. 2014; Venkatraman and Nayak**,** 2015; Ortiz-de-Mandojana and Bansal, 2016) to examine corporate sustainability initiatives. The institutional theory posits that a firm's strategic activities and performance are affected by the cultural, social and environmental context in which it operates (DiMaggio and Powell, 1983; DiMaggio, 1994; Oliver, 1997; Cantwell et al. 2010). Hence, the context in which a firm operates influences its performance and in turn determines its survival. On the other hand, the stakeholder theory posits that firms have social responsibilities to anyone who can affect or is affected by its business operations (Freeman, 1994; Donaldson and Preston, 1995).

In addition, other extant research studies in the corporate sustainability domain have relied on the resource-based view (RBV) (Russo and Fouts, 1997; Torugsa et al. 2012) and natural resource-based view (Hart 1995; Judge and Douglas 1998; Clemens, 2006; Wijethilake 2017). The RBV is a theoretical frame that posits that competitive advantage arises by implementing value-creating sustainability strategies that are derived from a firm's unique and heterogeneous resources and its ability to integrate and deploy those resources to achieve organisational aims and objectives (Wernerfelt 1984; Barney 1991; Grant 1991; Amit and Schoemaker 1993). On the other hand, the natural resource-based view of the firm is a theoretical framework that submits that firms gain competitive advantage based on their stewardship of the natural environment through pollution prevention, product stewardship and sustainable development (Hart, 1995). Furthermore, extant research studies have combined the resource-based view, institutional theory and stakeholder theory (for example, Lourenço et al. 2012; Erhemjamts et al. 2013) to explain issues on corporate sustainability.

Nevertheless, considering the unique institutional context in emerging markets, none of the extant theories in the corporate sustainability literature reflect the level of institutional development in emerging markets and how the weak institutional structures influence the conduct and performance of firms regarding their corporate sustainability initiatives. Hence, it is imperative to examine theories that explain the institutional adversities and the institutional structures that drive the conduct of emerging market firms regarding the formulation and implementation of their corporate sustainability strategies.

1.2 Research questions and objectives

In light of the gaps in the literature identified above, this study intends to build on and make contributions to the corporate sustainability literature by providing answers to the following questions:

1) How are corporate sustainability strategies conceptualised and operationalised among emerging market firms that face institutional adversity (e.g., sub-Saharan Africa)?
2) What are the institutional drivers of corporate sustainability strategies among emerging market firms that face institutional adversity (e.g., sub-Saharan Africa)?
3) What are the market performance consequences of corporate sustainability strategies among emerging market firms that face institutional adversity (e.g., sub-Saharan Africa)?
4) What are the associated boundary conditions that strengthen or weaken the formulation and implementation of corporate sustainability strategies among emerging market firms that face institutional adversity (e.g., sub-Saharan Africa)?

Correspondingly, the aims of this research are to analyse a model of corporate proactive and responsive sustainability strategies, their institutional drivers, market performance consequences and associated boundary conditions among emerging market firms that face institutional adversity.

1.3 Contributions of the study

The first contribution of this research study lies in the conceptualisation and operationalisation of corporate sustainability strategies as being proactive and responsive in nature among emerging market firms. By being proactive and responsive, corporate sustainability strategies become visionary and holistic while covering key social and environmental issues within a firm's business environment, which is an imperative for superior performance and survival in business over the long term (Baumgartner and Ebner, 2010). On this note, corporate proactive and responsive sustainability strategies are a match between occurrences in the institutional environment and the firm (Peng et al. 2008) and will lead to superior performance and survival in business (Hallstedt et al. 2013; Engert and Baumgartner, 2016).

Considering the surge in population, rapid urbanisation and economic development in emerging markets (Amankwah-Amoah et al. 2018; Boso et al. 2018), social and environmental issues arise that require urgent and corporate reactive attention. Hence, firms that develop robust corporate responsive sustainability strategies to tackle the expressed social and environmental demands of the market will achieve superior performance and survival in business (Siegel, 2009). In the same vein, firms that can develop robust corporate proactive sustainability strategies irrespective of the institutional adversities facing society will achieve superior performance and business survival (Aragón-Correa and Sharma, 2003; Siegel, 2009). Corporate proactive sustainability strategies enable firms to pre-empt latent and future social and environmental demands of the society and develop goods and services to meet such demands (Engert and Baumgartner, 2016). Thus, corporate proactive and responsive sustainability strategies are a robust and comprehensive measure as these present opportunities for firms to produce goods and services that would tackle latent and expressed social and environmental issues facing the market, in turn ensuring superior performance and survival in business (Hallstedt et al. 2013; Engert and Baumgartner, 2016). Accordingly, the study incorporates the tri-dimensional, triple-bottom-line approach to corporate sustainability

(Bansal, 2005; Siegel, 2009). As Gupta et al. (2014) and Bansal and Song (2017) note, it is imperative for future research studies to incorporate the tri-dimensional, triple-bottom-line approach when examining issues in corporate sustainability, most especially from an emerging market perspective.

The second contribution of this research study lies in examining the institutional drivers of corporate proactive and responsive sustainability strategies from an emerging market perspective. In emerging markets, key institutional entities such as government/political officials, regulatory officials, business associations (made up of top managers at other firms), and local community leaders play a decisive role in social, commercial and economic activities (Acquaah, 2012). With the highly collectivistic culture and institutional adversities in emerging markets, managers rely on their linkages, contacts and connections to these key institutional bodies when making strategic decisions (Peng and Luo, 2000; Acquaah, 2007; Acquaah, 2012, Xu et al. 2012, Chen et al. 2018). Consequently, managerial linkages, contacts and connections to these key institutional entities substitute for the underdeveloped market structures and weak communication and infrastructural facilities in emerging markets (Peng and Luo, 2000; Acquaah and Eshun, 2010).

In turn, top-level managerial linkages, contacts and connections with these key institutional entities will provide access to vital information, knowledge and intelligence needed to underscore corporate proactive and responsive sustainability strategies. Therefore, one major contribution of this study lies is examining the role of top-level managerial institutional linkages, contacts and connections with government/political officials, regulatory officials, top-level managers at other firms and local community leaders in driving corporate proactive and responsive sustainability strategies among emerging market firms that face institutional adversity. As institutional environments are multidimensional, complex and polycentric with various interdependent institutions, we can only understand the true effects of such environments by studying and examining multiple institutions (Holmes et al. 2013). Thus, the findings from this study will reveal the extent to which top-level managerial institutional linkages, contacts and connections with key institutional entities in the society drive and inform corporate proactive and responsive sustainability strategies among emerging market firms.

The third contribution of this study lies in examining the moderating role of competition intensity—in a firm's local industry sector—in the formulation of corporate proactive and responsive sustainability strategies among emerging market firms. Scholars in industrial organisation literature theorise that market competition influences firms' strategic activities (Peng, 2003; Auh and Menguc, 2005; Peng et al. 2008). To achieve superior performance, firms compete for resources, information and knowledge needed to formulate corporate strategic activities (Peng et al. 2008). Accordingly, Auh and Menguc (2005) submit that, at higher levels of competition intensity, there is pressure on firms to increase quality, through their corporate strategic initiatives. Following this view, this study theorises that at higher levels of competition intensity in a firm's local industry sector, there will be pressure to develop robust corporate proactive and responsive sustainability strategies to tackle latent and expressed social and environmental issues facing the market, to ensure superior economic performance and survival in business. Therefore, findings from this study will reveal the extent to which competition intensity strengthens or weakens the formulation of corporate proactive and responsive sustainability strategies among emerging market firms.

The fourth contribution of the study to the corporate sustainability literature lies in investigating the market performance consequences of corporate proactive and responsive sustainability strategies among emerging market firms that face institutional adversity. As Lee and Park (2008) and Hultman et al. (2009) submit, market performance refers to a firm's sales volume, sales revenue, market share and unit sales, which reflects its potential revenue and profitability. On this note, the current study chose to investigate the market performance outcomes of corporate proactive and responsive sustainability strategies based on the premise that emerging market firms are focused on survival in business due to the institutional adversities facing society (Shinkle and McCann, 2014; Boso et al. 2017). Moreover, market performance measures focus on scalability and future performance as the market place emerges (Lee and Park, 2008), and a longer-term type of performance measure (Hultman et al. 2009). Consequently, examining the market performance consequences of corporate proactive and responsive sustainability strategies will reveal the extent to which these strategies devise products and services that meet latent and expressed social and environmental demands of the market and enable emerging market firms survive longer in business through superior market shares and sales. Furthermore, from a theoretical standpoint, findings from the study will extend the literature on the consequences of corporate proactive and responsive sustainability strategies.

The fifth contribution of the study to the corporate sustainability literature relates to the firms' internal boundary conditions that strengthen or weaken the implementation of corporate sustainability strategies. Based on insights from the study's exploratory interviews (see table 4.1) and extant literature, the study identifies firm innovative culture and financial resource slack as two internal firm contingent factors that moderate the path between corporate proactive and responsive sustainability strategies and market performance.

Academic researchers posit that the internal characteristics of a firm are critical drivers of performance (Barney, 2012; Kozlenkova et al. 2014; Lin and Wu, 2014; Hitt et al. 2016). Such internal firm characteristics include innovative culture and financial resource slack (O'Cass and Ngo, 2007; Julian and Ofori-Dankwa, 2013). A firm with an innovative culture *"encourages openness to new ideas and cultivates internally-based capabilities to adopt new ideas, processes, strategies and products successfully"* (O'Cass and Ngo, 2007; p.870). Accordingly, a firm with an innovative culture places great importance on readiness and creativity in ensuring the implementation of corporate proactive and responsive sustainability strategies to achieve superior performance (Linnenluecke and Griffiths, 2010; Wei et al. 2013). On this note, Greenley et al. (2004) submits that an innovative working culture would devise products and services that match the social and environmental demands of the market, both in the short and long term. Therefore, at higher levels of innovative culture, this study theorises that the positive relationship between corporate proactive and responsive sustainability strategies and market performance will be higher and vice versa.

Financial resource slack refers to the utilisable financial capital that can be diverted or deployed by an organisation to achieve its aims and objectives (George, 2005). Financial capital is often captured by capital at hand (i.e., net profit after all discretionary expenses and taxes are deducted) and is a firm's major monetary resource (Austin et al. 1996). As emerging market firms are focused on survival (Shinkle and McCann, 2014; Boso et al. 2017), the study argues that, at higher levels of financial resource slack, the effects of corporate proactive and responsive sustainability strategies on market performance are higher. In doing so, this study presents a comprehensive conceptual model that examines the boundary conditions that might strengthen or weaken the formulation and implementation of corporate sustainability strategies. Thus, findings from this study will be pivotal for top-level managers of emerging market firms.

The sixth contribution of this study lies in examining the corporate sustainability concept from a different theoretical perspective. Previous extant research studies relied mainly on RBV, natural resource-based view and stakeholder/institutional theories to examine issues on corporate sustainability (Russo and Fouts, 1997; Bansal, 2005; Clemens, 2006; Lourenço et al. 2011; Torugsa et al. 2012; Ortiz-de-Mandojana and Bansal, 2016; Wijethilake, 2017). Taking into account the distinctive institutional environment and collectivistic culture in emerging markets, this study introduces to the literature stream the SCP paradigm and institutional development logic, and synthesises these with institutional theory to explain how top-level managerial ties with key institutional entities drive corporate proactive and responsive sustainability strategies, their market performance consequences and the boundary conditions that strengthen or weaken the relationship. The institutional development logic refers to the extent or standard to which economic, social and political institutions are well-developed to support free market systems, market policies and to aid commercial activities in an institutional context (Chan et al. 2008). Furthermore, the SCP paradigm is premised on the notion that a firm's external environmental characteristics and dynamics (structure) will influence its behaviour (conduct) in developing and implementing corporate strategies which leads to superior performance and in turn, ensures its survival (Panagiotou, 2006; Lo, 2013, Leonidou et al. 2013; Ralston et al. 2015).

Accordingly, due to institutional adversities, weak institutional development and the surge in population and rapid urbanisation in emerging markets, the study theorises that corporate sustainability strategies are proactive and responsive in nature and explains why financial resource slack and innovative culture will strengthen or weaken the implementation of these corporate sustainability strategies, standing on the premise of the institutional development logic. Furthermore, taking into consideration the strong collectivistic culture coupled with the institutional adversities that create high levels of uncertainty for top-level managers in emerging markets, this study theorises that top-level managerial ties with key institutional entities—depending on levels of competition intensity—will drive corporate proactive and responsive sustainability strategies based on the premise of institutional theory. Finally, the SCP paradigm is the overarching theory guiding the study. The SCP paradigm informs the study of how the local market information and knowledge obtained from top-level managerial ties—depending on levels of competition intensity—will drive an organisation's conduct in formulating and implementing corporate proactive and responsive sustainability strategies, which leads to superior market performance, depending on levels of innovative culture and financial resource slack (Leonidou et al. 2013; Ralston et al. 2015). Therefore, the findings from this study will present a new theoretical background to view issues on the corporate sustainability phenomenon. These theories are discussed in detail in chapter three (section 3.1).

1.4 Thesis outline

To achieve the study's research objectives and address the issues discussed in the forgoing sections, this thesis is divided into six (6) chapters that explain the various steps and aspects of the research process that are underlying the study. Table 1.1 displays an outline of the chapters.

Table 1.1: Outline of the thesis chapters

Chapters	**Chapter thematic focus**
Chapter One	General introduction to the research, gaps in the literature, research objectives and contributions
Chapter Two	Review and synthesis of corporate sustainability literatures identifying where gaps exist
Chapter Three	Theoretical arguments guiding the study, depiction of the conceptual model positing the institutional drivers, market performance consequences and associated boundary conditions of corporate sustainability strategies, and hypotheses arguments
Chapter Four	Philosophical foundations of the research and methodological processes
Chapter Five	Data examination and descriptive analysis, assessment, reliability and validity of study scales, hypothesis testing and results
Chapter Six	Discussion of the results, implications, conclusions and study limitations

1.5 Chapter summary

This chapter presented the research background and gaps identified in the literature that the thesis seeks to address. The chapter outlines that there is an inconclusive debate on the relationship between corporate sustainability strategies and firm performance. Therefore, due to the inconsistencies in these findings, the relationship between corporate sustainability strategies and firm performance is a matter of ongoing debate among academics. However, there is a dearth of research on corporate sustainability strategies among emerging market firms that face institutional adversity. Specifically, there is a lack of studies focusing on the institutional drivers, market performance consequences and associated boundary conditions of corporate sustainability initiatives among emerging market firms. Consequently, this study aims to extend previous scholarly works by theorizing the nature of corporate sustainability strategies among emerging market firms as being proactive and responsive while examining their institutional drivers, market performance consequences and associated contingent factors. The next chapter is devoted to a review of the literature on the corporate sustainability phenomenon.

Chapter Two: Literature review

2.0 Introduction

This chapter presents an overview of the relevant literature on the notion of corporate sustainability. The review starts with a background of the corporate sustainability concept which provides a basis of the study's definition of corporate sustainability strategies. This is followed by a discussion on the differences and overlap between corporate sustainability and related concepts. Furthermore, the chapter presents the fundamental drivers, performance consequences and contingencies of corporate sustainability strategies in the extant literature. In doing so, a case for gaps in the nature, institutional drivers, associated boundary conditions and market performance consequences of corporate sustainability strategies among emerging market firms—which merits this study—is established.

2.1 What is corporate sustainability?

Definitions of corporate sustainability abound in the literature (table 2.1). All these definitions point to the strategic importance of incorporating social and environmental issues into corporate strategies to achieve superior economic performance and survival in business. Building on all these definitions, this study defines corporate sustainability strategies as the series of proactive and responsive actions designed by a firm to tackle latent and expressed social and environmental issues facing society, which are integrated into corporate strategic plans to ensure long-term superior economic performance and survival in business (Sharma and Henriques, 2005; Siegel, 2009; Wijethilake, 2017). This definition submits to Baumgartner's (2014) argument that economic, social and environmental performances are complementary, i.e., if a firm wants to survive and achieve superior economic performance; its top managers should incorporate social and environmental initiatives together with economic objectives into corporate strategy. Also, the definition is in line with the argument by van Marrewijk and Werre (2003, p.107) that corporate sustainability strategies *"refers to a company's activities… demonstrating the inclusion of social and environmental concerns in business operations"*. Furthermore, by being proactive and responsive, corporate sustainability strategies become visionary and holistic, covering key social and environmental issues within a firm's business environment, which is imperative for superior economic performance and survival in business (Baumgartner and Ebner, 2010). According to Thambusamy and Salam, (2010) top-level managers implementing this visionary–holistic corporate sustainability approach will achieve superior performance.

Nevertheless, although top-level managers feel a sense of urgency to incorporate social and environmental concerns into corporate strategy, they often fail to link their sustainability initiatives to their corporate strategy (Galpin and Whittington, 2012). Most firms have not been able to implement the visionary–holistic approach to corporate sustainability because their social and environmental strategies are *"disconnected from the firm's strategy that neither makes any meaningful social impact nor strengthen the firm's long-term competitiveness"* (Porter and Karmer, 2006, p.4). Hence, Siegel (2009) submits that it is important for a firm's social and environmental strategies to complement its corporate strategy to maximise shareholder wealth and ensure superior economic performance and survival. Therefore, it is paramount for top-level managers to incorporate the tri-dimensional, triple-bottom-line approach to corporate sustainability to achieve superior performance and survival in business

Furthermore, top-level management often fail to achieve superior sustainability performance as they focus on either the social (CSR) or environmental (EM) aspect to corporate sustainability (Galpin and Whittington, 2012). Proponents of CSR submit that businesses have social responsibilities to anyone who can affect or is affected by their business operations (Carroll, 1979; Becchetti et al. 2008). In line with this view, CSR scholars relegate environmental issues to a subset of social issues (Montiel, 2008). In the same vein, proponents of EM focus on the environmental component to corporate sustainability and fail to consider the importance of tackling social issues in the market to achieve superior performance (Shrivastava, 1995). As a result, it is possible for firms to invest in social and environmental issues that do not improve organisational performance, as top-level managers fail to follow the tri-dimensional, triple-bottom-line approach to corporate sustainability (Montiel, 2008; Galpin and Whittington, 2012).

Accordingly, making corporate sustainability strategies the mainstay of corporate strategy would ensure that such strategies are adequately formulated and implemented, which in turn leads to superior performance (Salzmann, et al. 2005; Galpin and Whittington, 2012; Schaltegger et al. 2012). Building on this, if a firm's sustainability initiatives are to provide long-term value to both the business and society, corporate sustainability initiatives must be integrated into corporate strategy and should follow the tri-dimensional, triple-bottom-line approach—meeting economic, social and environmental objectives (Porter and Karmer, 2006; Sigel, 2009; Galpin and Whittington, 2012; Gupta et al. 2014). This development has prompted organisations to revaluate their corporate strategies and give strong consideration to their corporate sustainability strategies (Gupta et al. 2014).

Table 2.1: A summary of selected definitions of corporate sustainability in the literature

Author(s)	**Definition of corporate sustainability**
Dyllick and Hockerts (2002)	*"… meeting the needs of a firm's direct and indirect stakeholders (such as shareholders, employees, clients, pressure groups, communities, etc.), without comprising its ability to meet the needs of the future stakeholders as well" (p.131)*
Salzmann et al. (2005)	*"…a strategic and profit-driven corporate response to environmental and social issues caused through the organization's primary and secondary activities" (p.27)*
Eweje (2011)	*"… the incorporation of social, environmental, economic and cultural concerns into corporate strategy"* (p.125)
Mandelbaum (2007)	*"A business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments" (p.27).*
Bansal (2005)	"*… environmental integrity, social equity and economic prosperity" (p.198)*
Sharma and Henriques (2005)	*"… the reconciliation of the economic, social, and environmental performance of an organization…" (p.159)*
Baumgartner and Ebner (2010)	*"… incorporation of economic, ecological and economic strategies …" (p.77)*
Venkatraman and Nayak (2015)	*"… corporate environmental performance outcome, corporate social performance outcome and corporate financial performance outcome…" (p.482)*
Epstein and Roy (2001)	*"… balancing the social, environmental and economic needs of both the company and society…" (p.586)*
Lloret (2016)	*"… sustainable competitive advantage implies permanence amid the restrictions imposed by economic, social, and environmental systems" (p.418)*

2.2 Corporate sustainability and related concepts

Due to corporate sustainability's ideological nature that economic, social and environmental performances are complementary and interconnected (Epstein and Roy, 2001; Bansal, 2005; Baumgartner, 2014), most studies usually perceive CSR, EM and ecological sustainability (ES) as the same as corporate sustainability (Montiel, 2008). However, though similar, these concepts are not the same (Bansal and Song, 2017). The next sections discuss the differences and overlap between them.

2.2.1 Corporate sustainability and corporate social responsibility

Though similar, there are several differences between corporate sustainability and CSR. First, corporate sustainability argues that economic, social and environmental issues are interconnected and complementary (Bansal, 2005; Baumgartner, 2014). Corporate sustainability is a tri-dimensional, nested system that views the economy as part of the society, which in turn, is part of the larger ecological system—a systems connected issue (Epstein and Roy, 2001; Bansal, 2005; Gupta et al. 2014; Bansal and Song, 2017). Consequently, the economy being part of the society places emphasis on top-level managers considering social and environmental issues facing the market. Therefore, formulating and implementing corporate proactive and responsive sustainability strategies to address social and environmental issues facing the market is an imperative for superior economic performance and survival in business.

On the other hand, the CSR notion treats social and economic performance as independent components. Despite the large audience CSR has received, the association between economic and social performance remains enigmatic (Montiel, 2008). Carroll (1979, p.500) posited that "*the social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time"*. Hence, in defining CSR, Carroll (1979) submitted that social performance supplements the primary responsibility of a business—superior economic performance. Following this logic, Carroll (1979) separated social and economic performance. This suggests that a business can engage in social initiatives that do not add to its economic performance, while corporate sustainability views social, environmental and economic performance as interconnected and complementary. Hence, it is imperative for top-level managers to incorporate the tri-dimensional, triple-bottom-line approach to corporate sustainability for long-term survival in business and to achieve superior performance (Hubbard, 2009; Galpin and Whittington, 2012; Gupta et al. 2014).

Second, the corporate sustainability notion addresses the functioning of businesses from an eco-centric paradigm. This is a philosophy that places intrinsic value on all living beings and the environment (Vilkka, 1997; Winter, 2007). Corporate sustainability sees addressing social and environmental issues as imperative for achieving superior economic performance—the tri-dimensional, triple-bottom-line approach (Bansal, 2005). On the other hand, CSR is strategically focused on the anthropocentric paradigm (Winter, 2007). The CSR philosophy adopts the instrumental value (use value) or *"benefits that natural areas provide for humans through direct extractive use and through indirect or passive use"* (Montiel, 2008, p.259). Hence, CSR views social issues based on their relevance and benefit to consumers and businesses but relegates environmental issues to a subset of social issues. As Montiel (2008) submits, social and environmental issues present different opportunities for businesses to exploit. Hence, the corporate sustainability notion explains that incorporating social and environmental concerns into corporate strategy will enable a firm to achieve superior performance and survival in business—leading to the development of the society.

The third difference comes from the theories used in CSR and corporate sustainability research. Studies in CSR research have developed the stakeholder theory to translate CSR practices and its importance to businesses (e.g., Mears and Smith, 1977; McWilliams and Siegel, 2001; Maignan and Ralston, 2002). According to Lourenço et al. (2012, p.419), stakeholders of an organisation *"are individuals and constituencies that contribute, either voluntarily or involuntarily, to its wealth-creating capacity and activities, and who are therefore its potential beneficiaries and/or risk bearers"*. Thus, the stakeholder theory posits that managers have social responsibilities to any individual or group that can affect or is affected by the organisation's actions or activities (Freeman, 1994). As a result, proponents of the CSR notion have focused on the stakeholder theory to argue for investments in social sustainability initiatives. On the other hand, studies on corporate sustainability have borrowed heavily from other theoretical realms, such as the resource-based view and the natural resource-based view (Hart, 1995; Russo and Harrison, 2005; Lloret, 2016), motivation theory (Ramus and Steger, 2000), and institutional theory (Hoffman, 1999; Delmas and Toffel, 2004; Lloret, 2016) to argue for the importance of corporate sustainability. This cross-fertilisation of theories in the extant corporate sustainability literature has provided comprehensive insight into the importance of incorporating social and environmental concerns into corporate strategy. Also, the cross-fertilisation of theories has made it possible for the corporate sustainability concept to be explored in different disciplines, which extends the knowledge and literature on corporate sustainability.

Fourth, early research on CSR was grounded in normative arguments while corporate sustainability research is grounded on the systems arguments (Bansal and Song, 2017). According to Polanyi (1944, p.76) "*to allow the market mechanism to be sole director of the fate of humans beings and their natural environment… would result in the demolition of society"*. Polanyi (1944) argued that the market had negative effects on societies as market values were determining social values, creating class divisions and exploitation of labour. In turn, in the 1950s and 60s, CSR researchers—drawing on normative reasoning—posited that managers have moral responsibilities to the society and their stakeholders and should operate within the limits of the law and legal frameworks (e.g., Drucker, 1954; Frederick; 1960; Walton, 1967). Thus, this view further expounds on the use of stakeholder theory in CSR research studies. On the other hand, corporate sustainability researchers advocate for a sustainable development (Elkington 1998; Bansal 2005; Hubbard, 2009). Proponents of corporate sustainability argue that the economy is part of the society; i.e., firms are part of society and should incorporate social and environmental initiatives that would lead to the development of society and in turn ensure superior economic performance (Bansal, 2005; Meadows and Wright, 2008; Mele et al. 2010; Gupta et al. 2014). In line with this view, corporate sustainability is a system connected issues that advocates that top-level manager's consider social and environmental issues facing the market to achieve superior performance—the tri-dimensional, triple-bottom-line approach.

Fifth, though both concepts point to the importance of superior economic performance to a business, they differ in regard to the conceptualisation of the role of the economic dimension. For instance, Carroll (1979, p.500) posits:

…before anything else, the business institution is the basic economic unit in our society. As such, it has a responsibility to produce goods and services that society wants to sell them at a profit. All other business roles are predicated on this fundamental assumption.

Hence, Carroll (1979) submits that in CSR, economic performance is on its own as an outcome, i.e., economic performance is separate from social performance. On the other hand, Bansal (2005, p.200) defines the economic dimension of corporate sustainability through value creation:

Firms create value through goods and services they produce. Therefore, firms increase the value created by improving the effectiveness of those goods and services efficiently.

In this definition, Bansal (2005) submits that superior economic performance results from production of goods and services that meet the social and environmental needs of the society; i.e., economic, social and environmental performances are complementary. In turn, the definition points out that economic performance is not an outcome on its own but results from the integration of social and environmental initiatives into corporate strategy—economic, social and environmental responsibilities are interconnected. As firms are part of the society, Bansal (2005) explains that, for a firm to achieve superior economic performance and survive in the long term, top-level managers should incorporate the tri-dimensional, triple-bottom-line approach to corporate sustainability.

2.2.2 Corporate sustainability and ecological sustainability

ES is often perceived as being the same as corporate sustainability (Montiel, 2008). However, though similar, there are differences between the concepts (Bansal and Song, 2017). Proponents of ES argue that the industrial development over the past 200 years has caused Earth to experience several environmental problems, such as: global warming, ozone deletion, deforestation and desertification, declining biodiversity, acid rain, industrial accidents and toxic waste (Pryde, 1991; Smil, 1994; Shrivastava, 1995). The United Nations (2017) report presented that the world population is expected to double by 2050. Thus, ES scholars submit that increases in world population will make firms require more scarce resources—to the detriment of the environment—to provide goods and services to match the increases in demand (Shrivastava, 1995; Starik and Rands 1995). To reduce the environmental degradation which will affect the lives of the present and future generations, ES scholars argue that firms should develop environmentally friendly strategic initiatives to tackle environmental problems and reduce environmental degradation (Pryde, 1991; Smil, 1994; Hart, 1995; Shrivastava, 1995).

Accordingly, the ES notion explains that businesses are ideally positioned to solve all of society's environmental problems because corporations are the primary economic actors in the society and have the financial resources, technological knowledge and human resources to provide ecological solutions (Schmidheiny, 1992; Welford and Gouldson, 1993; Hart 1995). Therefore, by providing environmentally friendly goods and services, businesses "*could benefit by reducing costs through ecological efficiencies, capturing emerging green markets, gaining first-mover advantage in their industries, ensuring long-term profitability, establishing better community relations, and improving their image*" (Shrivastava, 1995, p.937). Terminologies such as ecological responsibility, corporate greening, or corporate environmental responsiveness and total environmental quality management have all been used to indicate the link between business and the natural environment (Montiel, 2008). On this note, the ES concept submits that incorporating environmental initiatives into corporate strategy would assist a firm to achieve superior performance. Nevertheless, ES scholars fail to consider the importance of social aspects of corporate sustainability (Bansal and Song, 2017). On the other hand, corporate sustainability submits that businesses are a part of the society and top-level managers should tackle both social and environmental issues facing the society, to improve their firm's economic performance and ensure survival in business (Bansal, 2005).

According to Shrivastava (1995), corporations can achieve ecological sustainability through total quality environmental management (TQEM), ecological sustainable competitive strategies, and technology transfer (technology for nature swaps and corporate population impact control). TQEM theorises that a firm's design, production processes and activities should be environmentally friendly (Miles and Russell, 1997; Melnyk et al. 2003; Yang et al. 2011). This is achieved through reducing energy usage, using renewable materials, offsetting energy/resource consumption through replenishments, and developing ecologically friendly policies and practices (Yang et al. 2011; Molina-Azorín et al. 2015). Furthermore, ecologically sustainable competitive strategies submit that, by adopting a TQEM approach, corporations will achieve a superior performance over their rivals (Simon et al. 2011; Molina-Azorín et al. 2015). This is premised on the notion that consumers buy environmentally friendly goods and services which leads to the development of the society.

Lastly, Shrivastava (1995) explained that technology transfer involves the transfer of technologies from the industrialised developed economies to developing economies to tackle environmental degradation. Shrivastava (1995) submits that developing economies do not have the necessary technologies to reduce environmental degradation. Thus, developed economies should help developing economies by transferring technology. Also, Shrivastava (1995) argued that the increase in population growth in developing economies is a result of extreme poverty and unavailability of birth control. Thus, a population impact control is required to reduce environmental degradation that arises from population increases (Hart, 1995). Hence, socioeconomic improvements will help curb increases in the population growth and in turn reduce environmental degradation.

In sum, the ES notion submits that, because of interactions between businesses and the natural environment, environmental responsibility and management are of paramount importance to reduce environmental degradation. The ES notion explains that corporations have the power to solve all of society's environmental problems by providing environmentally friendly goods and services. However, ES scholars fail to consider the role of consumers and governments in championing environmental sustainability. Shrivastava (1995, p.937), in one of the limitations to his study, admits that *"corporations are only one of the many wheels of sustainability. Consumers and governments form the other"*. Governments, through policies and regulations and consumers wanting to consumer fewer products and use renewable products, can champion the cause to reduce environmental degradation. In addition, in arguing that businesses have the power to solve all of society's environmental problems, ES scholars (Miles and Russell, 1997; Molina-Azorín et al. 2015) fail to consider the economic implications of investing in environmental strategies. Businesses aim to achieve superior economic performance; thus, top-level managers will only invest in environmental issues that ensure such performance (Siegel, 2009). Finally, the ES notion stresses that solving environmental problems will solve all societal social issues (Hart, 1995; Shrivastava, 1995; Shrivastava and Hart, 1995). However, as Montiel (2008) explains, social and environmental issues present different opportunities for businesses to exploit. Thus, this explains the importance of incorporating the tri-dimensional, triple-bottom-line approach (Gupta et al. 2014).

2.2.3 Corporate sustainability and environmental management

EM refers to an *"organization's capability to incorporate issues related to the environment into the strategic planning process"* (Judge and Douglas, 1998 p.243). EM theorists posit that firms should manage their environmental outputs to reduce environmental degradation (Sharma and Vredenburg, 1998; Prasad and Elmes, 2005). Hence, the goal of EM is to achieve ES by firms managing and reducing their environmental impact (Montiel, 2008). The EM notion submits that firms should take all necessary efforts to adopt practices that minimise the negative environmental impacts of their products and services on the natural environment (Klassen and McLaughlin, 1996; Christmann, 2000; Ramus and Steger, 2000; Rothenberg, 2003). Furthermore, the EM notion concludes that the natural environment provides opportunities on which firms can capitalise, to achieve superior performance. As a result, top-level managers should invest in environmentally friendly green practices and initiatives to achieve superior performance in business.

A major criticism of the EM notion is that it fails to consider the importance of social issues (Orlitzky et al. 2011). EM scholars relegate social issues to a sub-set of environmental issues and argue that solving environmental issues will solve all of society's social issues. However, Montiel (2008) submits that there is a distinction between social and environmental issues as both present different opportunities for businesses to exploit. Contrarily, the corporate sustainability notion argues that social, economic and environmental responsibilities are interconnected; i.e., for a firm to survive in the long term; top-level managers should incorporate these three elements into corporate strategy (Bansal, 2005). Therefore, the corporate sustainability notion maintains that, by investing in solving social and environmental issues, businesses will achieve superior economic performance, which in turn leads to the development of society.

2.3 Points of overlap

As explained in the preceding sections, though similar, there are differences between CSR, EM and ES and corporate sustainability. However, these concepts all address the interaction between businesses and the society and speak to the same audience—business managers and academic researchers (Bansal and Song, 2017). Therefore, there are points of overlaps between the concepts. The following sections discuss the points of convergence among the concepts.

2.3.1 Construct definitions

Early definitions of CSR, EM and ES were more distinct than contemporary definitions. Early CSR research studies solely focused on social issues (Clarkson, 1995; McWilliams and Siegel, 2001; Hillman and Keim; 2001) whereas early EM and ES focused on environmental issues (Russo, 2003, Hart 1995; Jennings and Zandbergen, 1995). Over time, these distinctions became less distinct as CSR studies acknowledged that social issues included the natural environment (Aguilera et al. 2007; Cheng et al. 2014; Bansal et al. 2014) while EM and ES scholars recognised that society was an important element in the environmental systems (Reinecke et al. 2012; Scherer et al. 2013). Montiel (2008, p.260) points to this convergence, arguing that corporate sustainability, CSR, EM and ES "*aim to balance economic prosperity, social integrity, and environmental responsibility, regardless of whether they conceptualise environmental issues as a subset of social issues or as a third element of sustainability"*.

Accordingly, such conceptual convergence is far more prevalent in contemporary definitions in the extant CSR, EM and ES literature. For instance, Cheng et al. (2014, p.1) defines CSR as *"the voluntary integration of social and environmental concerns in their companies' operations"* while Bansal et al. (2014, p.950) define it as "*commitments to both social and environmental practices"*. On the other hand, Valente (2012, p.568) describes ES as *"the integrity of multiple social and ecological systems is embedded equitable and interdependently"* and Hart and Dowell (2011; p.1466) argues that EM is *"not restricted to environmental concerns but also involves focusing on economic and social concerns"*. Thus, there is an overlap in contemporary definitions of the constructs as corporate sustainability, EM, ES and CSR scholars acknowledge the importance of incorporating social and environmental initiatives into corporate strategies.

2.3.2. Role of business in society

Organisation scholars are often concerned with two ontological questions: "*What a firm is?"* and "*How does it operate?"* (Bansal and Song, 2017). In turn, corporate sustainability, EM, ES and CSR scholars are particularly preoccupied with these questions. At the heart of this preoccupation is the questions: to whom or what are firms responsible? Early CSR studies presented a firm as a social actor among various stakeholders—for example, governments, employees, trade associations, suppliers, distributors (McWilliams and Siegel, 2001; McWilliams et al. 2006). According to Walton (1967, p.18), CSR *"recognizes the intimacy of the relationships between corporation and society and realizes that such relationships must be kept in mind by top managers as the corporation and the related groups pursue their respective goals"*. Thus, the notion of CSR posits that businesses have social responsibilities to anyone who can affect or is affected by their business operations (Freeman, 1994). As submitted by Berman et al. (1999), such social responsibilities lead to the development of the society. On the other hand, early EM and ES focused on the natural environment and saw firms as systems nested within the environment and economic system (Gladwin et al. 1995). The central premise behind EM and ES is that firms cannot exist without the natural environment. This led Gladwin et al. (1995, p.875) to ask, *"How many organisations could exist in the absence of oxygen production, fresh water supply or fertile soil?"*

Nevertheless, as Bansal and Song (2017) explain, the ontological positions on the role of firms in the society have converged as corporate sustainability, CSR, EM and ES scholars now focus on both social and environmental issues while submitting that firms have responsibilities to a broad range of demands. For instance, ES and EM scholars have widened their focus from the natural environment to include social issues (Bansal, 2002; Hart and Milstein, 2003). In the same vein, CSR scholars now acknowledge the natural environment as part of firms' stakeholders. Thus, CSR scholars now focus on stakeholder relationships, which they see as strategic (Berman et al. 1999), political (Mitchell et al. 1997), evolving (Jawahar and McLaughlin, 2001) and interdependent (Rowley, 1997). On this note, corporate sustainability, EM, ES and CSR argue that firms are part of the society in which they operate and should create value that not only ensures their survival in business but also benefits the ecology, society and the natural environment (Ortiz-de-Mandojana and Bansal, 2016). Consequently, this shared perspective submits that to achieve superior performance in business, top-level managers should follow the tri-dimensional, triple-bottom-line approach.

2.3.3 Construct measurement

Early research on CSR was highly normative in nature but became more descriptive and empirical in the 1990s (Bansal and Song, 2017). According to Lockett et al. (2006), 52% of CSR studies published from 1992 to 2002 were based on empirical data while 89% of the articles took a non-normative approach. On the other hand, EM and ES scholars have focused on empirical analysis since its inception. These studies have focused on the environmental dimension which they operationalised as environmental performance, environmental practice, environmental management, environmental strategy and environmental legitimacy (Montiel, 2008; Bansal and Song, 2017). Consequently, there is an overlap in the measurements of the constructs. This overlap is clearly seen by the language used by CSR, EM and ES scholars. For instance, Flammer (2013, p.758) conceptualises and operationalises environmental management as *"environmental CSR"*—environmental corporate social responsibility. In the same vein, various CSR scholars have measured responsibility to include community relations, human rights, workplace diversity, environmental management, product liability, employee relations and corporate governance (Janney and Gove, 2011; Wong et al. 2011; Chin et al. 2013; Kang, 2013; Koh et al. 2014).

Building on the arguments above, the main objective of these concepts is to conceptualise and define the interactions between businesses, natural environment and the society (Montiel, 2008). Accordingly, Van Marrewijk (2003) submits that EM, ES, CSR can be described as different sides to corporate sustainability. Consequently, contemporary organisations must address economic prosperity, social equity and environmental integrity before they can claim to be socially responsible or sustainable (Bansal and Song, 2017). In this vein, this study posits that, irrespective of the paradigmatic differences between the concepts, their end goal is to achieve corporate sustainability while developing the society. Therefore, this study concludes that CSR, ES and EM are different aspects of corporate sustainability.

In sum, the study focuses on the notion of corporate sustainability which argues that top-level managers consider both social and environmental issues facing the society to achieve superior performance. In this vein, by being proactive and responsive, corporate sustainability strategies provide a robust, comprehensive and sophisticated measure to tackle latent and expressed social and environmental issues facing the market, in turn ensuring superior performance and survival in business—leading to the development of the society (Baumgartner and Ebner, 2010). This visionary-holistic approach to corporate sustainability become a match between occurrences in the institutional environment and the organisation (Peng et al. 2008). The next sections present the nature, fundamental drivers, performance consequences and contingencies of corporate sustainability strategies in the extant corporate sustainability literature, identifying where gaps exist.

2.4 Conceptualisation of corporate sustainability strategies in the corporate sustainability literature

Table 2.2 presents a summary of selected empirical research findings on the impact of corporate sustainability strategies on organisational performance. These extant empirical findings are from 35 research studies in the corporate sustainability literature covering a 20-year time-period (1988-2018). Apart from Rettab et al. (2009), Lai et al. (2010), Mishra and Suar, (2010), Saeidi et al. (2015), Wijethilake (2017) and Jiang et al. (2018), the majority of these empirical research studies were carried out in developed market economies with well-developed market structures (e.g., Erhemjamts et al. 2013; Eccles et al. 2014; Venkatraman and Nayak, 2015; Ortiz-de-Mandojana and Bansal, 2016; Hussain et al. 2018).

As a result, Hoskisson et al. (2000), Dobers and Halme (2009), Chabowski et al. (2011), Goyal et al. (2013), Honig and Acquaah (2016) and Boso et al. (2018) call for more research studies to examine the corporate sustainability phenomenon among emerging market firms. As detailed in chapter one (section 1.1), these scholars explain that corporate sustainability strategies are especially important among emerging market firms due to three reasons. First, emerging market firms face institutional adversity (Khanna and Palepu, 1997). These institutional adversities, weak market-supporting institutions and underdeveloped institutional structures have varying effects on an organisation's performance, thus creating greater levels of uncertainty in its sustainability (Djankov et al. 2003). Second, with a surge in population and rapid urbanisation (e.g., in sub-Saharan Africa), there is a rise in social and environmental issues that require urgent and corporate reactive attention (Amankwah-Amoah et al. 2018; Boso et al. 2018). Third, emerging economies are highly collectivistic in nature (Acquaah, 2006). This collectivistic culture plays a significant role in trade and commercial activities and facilitates economic exchanges (Peng and Luo, 2000; Holmes et al. 2013). Thus, findings from developed market economies cannot be extended to emerging market firms.

The majority of extant research studies in the literature have concentrated on the corporate proactive sustainability strategies of developed market firms (e.g., Sethi, 2003; Aragón-Correa and Rubio-Lopez, 2007; Sharma and Sharma, 2011; Aguilera-Caracuel et al. 2012; Torugsa et al. 2012). According to Buysse and Verbeke (2003), firms in developed market economies have shifted from corporate reactive sustainability strategies to focus solely on corporate proactive sustainability strategies due to "*the ever-increasing regulatory expenses, stringent disclosure requirements to shareholders, lenders, and the public, escalating civil and criminal penalties, and the increasing cost and scope of environmental liability*" (Cordeiro and Sarkis, 1997, p.105). Hence, in business environments with well-developed institutional structures and market systems which creates stability, top-level managers are more likely to invest in corporate proactive sustainability strategies to achieve superior performance and survive in business (Shinkle and McCann, 2014; Kusnadi et al. 2015; Kafouros and Aliyev, 2016).

Nevertheless, the few empirical extant studies (Rettab et al. 2009; Lai et al. 2010; Mishra and Suar 2010; Saeidi et al. 2015; Wijethilake 2017 and Jiang et al. 2018) on corporate sustainability strategies among emerging market firms have failed to account for how the institutional adversities, rapid surge in population and urbanisation in the business environment influence firm strategic activities when conceptualizing the corporate sustainability initiatives examined. For instance, while Wijethilake's (2017) study acknowledges the dearth of research on corporate sustainability initiatives among emerging market firms, it conceptualises that corporate sustainability strategies are proactive in nature. However, Wijethilake (2017) fails to account for how institutional adversities that multinationals and local firms face in Sri Lanka influence the proactive nature of corporate sustainability strategies. As Aragón-Correa and Sharma (2003) explains, firms facing institutional adversity will less be likely to invest in corporate proactive sustainability strategies. The weak and underdeveloped market institutions, weak government regulations and implementation of policies and constant changes of government (either through coup d'état or rigged elections) which creates high levels of environmental uncertainty and unpredictability, makes it difficult for top-level managers facing institutional adversity to survive in business by solely investing in corporate proactive sustainability strategies. Therefore, the nature of the corporate sustainability variable examined is not holistic as it does not account for these institutional adversities in the business environment nor the rapid surge in population and urbanization that give rise to urgent social and environmental issues that require corporate reactive attention.

Furthermore, Rettab et al. (2009) argue for the importance of CSR in Dubai's emerging markets. However, they focus on fast-developing regions in Dubai. According to the authors, these regions are quickly growing commercial and industrial hubs within Dubai. Nonetheless, this context does not capture the full extent of the institutional environment in emerging markets and, as such, the CSR initiatives examined do not reflect the emerging market environment. In the same vein, Lai et al. (2010) argue that CSR improves industrial brand equity which in turn improves brand performance among emerging market firms in Taiwan. Nevertheless, the authors do not account for institutional adversities in the Taiwanese manufacturing and service sector. As such, the study findings cannot be generalised to other emerging markets.

Building on the dynamic capability theory, Jiang et al. (2018) submit that green entrepreneurial orientation positively influences environmental and financial performance among Chinese firms. However, as Xu et al. (2012) posit, Chinese businesses face institutional adversities. On this note, Jiang et al. (2018) fail to discuss how the institutional adversities shape the green entrepreneurial orientation of Chinese firms. Furthermore, Saeidi et al. (2015), with data from Iran, only consider the social and economic aspects to corporate sustainability. According to them, the study only *"considers the economic and ethical dimensions of CSR"* (p.342). On this note, the CSR initiatives examined do not follow the tri-dimensional, triple-bottom-line approach to corporate sustainability. Also, the study fails to consider how the Iranian business environment influences the development of CSR initiatives.

Additionally, Mishra and Suar (2010) examine the impact of CSR initiatives on firm performance of Indian companies. The study argues that, the more favourable a firm's CSR initiative towards its employees, customers, investors, community, environment and suppliers, the higher its financial and non-financial performance. Nevertheless, Mishra and Suar (2010) do not account for how the institutional adversities in India shape the CSR initiatives of firms. Moreover, Chang (2015), with data from Taiwan, submit that CSR initiatives are both proactive and reactive in nature. However, the study defines proactive CSR as going beyond government rules and regulations. In the same vein, the study defines reactive CSR as meeting the country's laws and regulations. In turn, the conceptualisation and operationalisation of proactive and reactive CSR does not follow the tri-dimensional, triple-bottom-line approach to corporate sustainability.

In sum, though emerging market firms face institutional adversities that create high levels of uncertainty in the sustainability of firms, there are *"wide-ranging differences among them in the form of social norms, culture, and even the levels of environmental uncertainty and business risks"* (Acquaah, 2007, p.1236). Hence, it is important to examine the corporate sustainability phenomenon from a different emerging geographical market, as it is likely that the nature and performance consequences of corporate sustainability strategies are likely going to be different in the emerging economies of sub-Saharan Africa. Also, it is pivotal to incorporate the tri-dimensional, triple-bottom-line when investigating issues relating to corporate sustainability. Furthermore, considering the institutional adversities in emerging markets, none of the extant available research studies have investigated the impact of corporate proactive and responsive sustainability initiatives—following the triple-bottom-line approach—among emerging market firms.

Table 2.2: A summary of selected empirical research on corporate sustainability and organisational performance

Study	Objective of study	Theory used	Corporate sustainability variable studied	Drivers	Moderating variable(s)	Data/Study setting	Methodology	Research findings
McGuire et al. (1988) ***Academy of Management Journal***	To examine the impact of corporate social responsibility initiatives on firm financial performance	Stakeholder theory	Corporate social responsibility initiatives	------------	---------	Data was collected from Fortune magazine's annual survey of corporate reputation since 1982	Quantitative	Investments in corporate social responsibility initiatives are positively associated with superior financial performance
Klassen and McLaughlin (1996) ***Management Science***	To investigate the impact of corporate environmental management on financial performance	Efficient Market Theory	Corporate environmental strategies	------------	--------------	Data was obtained from firms listed on the NEXIS database of newswire services	Quantitative	Strong environmental management initiatives are positively related to firm financial performance and market valuation while weak environmental management has a negative effect on financial performance
Preston and O'Bannon (1997) ***Business and Society***	To investigate the relationship between corporate social responsibility initiatives and financial performance	Stakeholder theory	Corporate social responsibility initiatives	------------	---------------	Data was obtained from 270 firms listed on Fortune magazine and COMPUSTAT over an 11-year period	Quantitative	Investments in corporate social responsibility initiatives are positively associated with superior financial performance
Russo and Fouts (1997) ***Academy of Management Journal***	To determine the impact of corporate environmental strategies on firm profitability	Resource based-view	Corporate environmental strategies	------------	Industry growth	243 firms assigned environmental ratings by the Franklin Research and Development Corporation (FRDC) in 1991 and 1992	Quantitative	The results show that it 'pays to be green', i.e., investments in corporate environmental strategies are positively associated with superior firm profitability. The results further reveal that the returns on investments on corporate environmental strategies are higher in high-growth industries
Cordeiro and Sarkis (1997) ***Business Strategy and the Environment***	To examine the impact of corporate proactive environmental initiatives-on financial performance	---------------	Corporate proactive environmental strategies	------------	-------------	523 firms listed on the toxic release inventory (TRI) database from the US Environmental Protection Agency (EPA, 1993) and industry analyst earnings forecasts provided by Zacks Investment Co., as part of the Securities and Exchange Commission (SEC) Disclosure database.	Quantitative	Corporate environmental proactivism is negatively related to corporate short-term financial performance

Table 2.2: A summary of selected empirical research on corporate sustainability and organisational performance (cont.)

Study	Objective of study	Theory used	Corporate sustainability variable studied	Drivers	Moderating variable(s)	Data/Study setting	Methodology	Research findings
Judge and Douglas (1998) ***Journal of Management studies***	To investigate the performance implications of incorporating natural environmental issues into the strategic planning process	Natural resource based-view	Natural environmental strategies	Resources provided, functional coverage	--------------	196 US-based firms	Quantitative	The findings reveal that integrating natural environmental issues into the strategic planning process has a positive relationship with firm financial and environmental performance
Simpson and Kohers (2002) ***Journal of Business Ethics***	To investigate the link between investments in corporate social responsibility initiatives and financial performance in the banking industry	----------------	Corporate social responsibility initiatives	--------------	--------------	National banks in the USA	Quantitative	Investment in corporate social responsibility initiatives has a positive relationship with superior financial performance in the commercial banking industry
Wagner et al. (2002) ***Corporate Social Responsibility and Environmental Management***	To examine the relationship between corporate environmental initiatives and economic performance of firms in the European paper manufacturing industry	--------------	Corporate environmental strategies	--------------	---------------	European paper industry	Quantitative	The findings show the relationship between investment in corporate environmental strategies and economic performance to be uniformly negative
Melnyk et al. (2003) ***Journal of Operations Management***	To assess the impact of corporate environmental management systems (EMS) on corporate and environmental performance	--------------	Corporate environmental initiatives	-------------	--------------	North American firms	Quantitative	The findings show that, when EMS is not present, corporate environmental performance is lowest. Further, corporate environmental performance is intermediate when EMS is present but not ISO 14001 certified, and highest when EMS is present, and ISO 14001 certified
Luo and Bhattacharya (2006) ***Journal of Marketing***	To investigate how investments in corporate social responsibility (CSR) initiatives influences firm market value	Institutional theory	Corporate social responsibility initiatives	--------------	Corporate ability	Secondary data from the publicly traded Fortune 500 companies	Quantitative	The findings reveal that investment in CSR is positively related to customer satisfaction, which improves a firm's market value. The findings further show that corporate ability moderates the relationship between CSR and firm market value

Table 2.2: A summary of selected empirical research on corporate sustainability and organisational performance (cont.)

Study	Objective of study	Theory used	Corporate sustainability variable studied	Drivers	Moderating variable(s)	Data/Study setting	Methodology	Research findings
Clemens (2006) ***Journal of Business Research***	To investigate the impact of corporate green environmental initiatives on financial performance of small firms?	Natural resource-based view	Corporate environmental strategies	--------------	Green economic incentives	76 small firms in the steel industry in the US	Quantitative	The findings show a positive relationship between investment in corporate environmental initiatives and financial performance of small firms, with green economic incentives positively moderating the relationship. These results encourage small firms to look for competitive advantages by improving their environmental strategies
López et al. (2007) ***Journal of Business Ethics***	To make a comparison between firms that adopted and complied with the Dow Jones Sustainability Index and those that did not and to examine the impact of these on corporate performance	----------------	Dow Jones Sustainability Index	---------------	--------------	European firms	Quantitative	The results show that firms that adopted and complied with the requirements of the Dow Jones Sustainability Index had a better growth of profit before tax, growth in revenue, return on earnings and return on assets than firms that did not comply
Montabon et al. (2007) ***Journal of Operations Management***	An examination of the relationship between corporate environmental management initiatives and firm performance	---------------	Corporate environmental initiatives	--------------	----------------	Environmental and business performance data from 45 corporate reports	Quantitative	Corporate environmental initiatives are positively associated with firm performance
Nakao et al. (2007) ***Business Strategy and the Environment***	To investigate the relationship between corporate environmental strategies and financial performance	-----------------	Corporate environmental strategies	----------------	-------------	300 listed firms operating in Japan	Quantitative	Corporate environmental strategies have a positive impact on financial performance and vice versa
Molina-Azorín et al. (2009) ***Journal of Cleaner Production***	To examine the impact of corporate environmental practices on firm performance in the Spanish hotel industry	----------------	Corporate proactive environmental strategies	------------------	--------------	Spanish hotel industry	Quantitative	Hotels showing a stronger proactive commitment to environmental practices achieved higher performance levels than those that did not invest in corporate proactive environment initiatives

Table 2.2: A summary of selected empirical research on corporate sustainability and organisational performance (cont.)

Study	Objective of study	Theory used	Corporate sustainability variable studied	Drivers	Moderating variable(s)	Data/Study setting	Methodology	Research findings
Rettab et al. (2009) ***Journal of Business Ethics***	To investigate the impact of management perceptions of corporate social responsibility initiatives on organisational performance of firms in emerging economies	--------------	Corporate social responsibility initiatives	---------------	-------------	280 firms in Dubai	Quantitative	The results show that corporate social responsibility has a positive relationship with financial performance, employee commitment, and corporate reputation in emerging economies
Bos-Brouwers (2010) ***Business Strategy and the Environment***	To examine the impact of corporate sustainability strategies on innovation practices in SMEs	Innovation theory	Social, environmental and economic strategies	------------	--------------	26 companies participating in the PRIMA project	Qualitative	The study findings show that SME's with sustainability strategies integrated in their orientation and innovation processes show value creation: the development of products new to the market (radical innovations) and better cooperation with stakeholders.
Arendt and Brettel (2010) ***Management Decision***	To assess the influence of corporate social responsibility (CSR) initiatives on firm success measures (firm performance)	---------------	Corporate social responsibility initiatives	---------------	-------------	389 European companies	Quantitative	CSR initiatives have no impact on company success measures.
Lai et al. (2010) ***Journal of Business Ethics***	How do corporate social responsibility initiatives influence brand performance?	---------------	Corporate social responsibility initiatives	---------------	--------------	179 Taiwanese manufacturing and service companies	Quantitative	Investment in corporate social responsibility initiatives leads to brand loyalty, perceived quality, brand awareness, brand association and brand satisfaction, which improves brand performance
Mishra and Suar (2010) ***Journal of Business Ethics***	To investigate the impact of corporate social responsibility initiatives on firm performance of Indian companies	Consumer inference making, signalling theory, social identity theory	Corporate social responsibility initiatives	--------------	--------------	150 Indian manufacturing companies	Quantitative	The more favourable the CSR is towards a firm's stakeholders, the more it will positively impact the firm's financial and non-financial performance

Table 2.2: A summary of selected empirical research on corporate sustainability and organisational performance (cont.)

Study	Objective of study	Theory used	Corporate sustainability variable studied	Drivers	Moderating variable(s)	Data/Study setting	Methodology	Research findings
Wagner (2010) ***Ecological Economics***	The study analyses the link between corporate sustainability management initiatives and economic performance	--------------	Corporate economic, social and environmental sustainability strategies	--------------	Firm innovation levels	Panel data from USA firms	Quantitative	Corporate sustainability strategies have a direct link to economic performance. The results on social and environmental performance reveal that the latter only has a direct effect and the former only a fully moderated effect on economic performance depending on levels of firm innovation
Eweje (2011) ***Corporate Social Responsibility and Environmental Management***	To investigate the impact of corporate sustainability strategies on firm performance	---------------	Corporate sustainability strategies	-------------	------------	Large corporations in New Zealand	Qualitative	Robust corporate sustainability strategies covering key social and environment issues are profitable, ensure firm survival in the long term and enable firms to achieve competitive advantage
Soana (2011) ***Journal of Business Ethics***	To examine the relationship between corporate social performance and corporate financial performance in the banking sector	---------------	Corporate social responsibility initiatives	--------------	-----------------	Italian banks	Quantitative	The findings reveal that there is no statistically significant link between corporate social performance and corporate financial performance in the banking sector.
Ameer and Othman (2012) ***Journal of Business Ethics***	To examine the impact of sustainability practices on corporate financial performance	---------------	Corporate economic, social and environmental strategies	--------------	--------------	The top 100 sustainable global companies in 2008 listed on the Global Sustainability Research Alliance	Quantitative	Companies with superior sustainability practices have superior financial performance and growth than those companies which do not place emphasis on corporate sustainability initiatives
Lourenço et al. (2012) ***Journal of Business Ethics***	How does the market value corporate sustainability performance?	Institutional theory, stakeholder theory and resource-based view	Dow Jones sustainability index	-------------	---------------	Largest 600 firms from Canada and the United States of America in the Dow Jones Global Total Stock Market Index (DJGTSM) at the end of 2010.	Quantitative	Corporate sustainability performance rating is positively related to investors' willingness to invest in a business

Table 2.2: A summary of selected empirical research on corporate sustainability and organisational performance (cont.)

Study	Objective of study	Theory used	Corporate sustainability variable studied	Drivers	Moderating variable(s)	Data/Study setting	Methodology	Research findings
Torugsa et al. (2012) ***Journal of Business Ethics***	To assess the effect of proactive corporate social responsibility on firm financial performance of SME's	Resource based view	Corporate proactive environmental integrity and protection; social cohesion and equity; and economic growth and prosperity	Shared version, stakeholder management capability, strategic proactivity capability	------------	Australian Manufacturing Industry	Quantitative	The results reveal that proactive corporate social responsibility is positively associated with the financial performance of SME's. The results highlight that investing in proactive corporate social responsibility strategies supports economic growth and prosperity of SME's
Barnett and Salomon (2012) ***Strategic Management Journal***	To examine the nature of the relationship between corporate social initiatives and financial performance	Stakeholder theory	Corporate social responsibility initiatives	------------	-------------	Firms listed on the KLD database	Quantitative	The findings show that the relationship between corporate social performance (CSP) and corporate financial performance is U-shaped. The results show that firms with low CSP have higher CFP than firms with moderate CSP, but firms with high CSP have the highest CFP
Erhemjamts et al. (2013) ***Journal of Business Ethics***	To examine the impact of corporate social responsibility initiatives on firm performance	RBV, stakeholder theory and resource dependency theory	Corporate social responsibility strategies	Firm policies	Slack resources	Companies listed on the KLD website	Quantitative	Higher investment in corporate social responsibility initiatives is positively associated with firm performance. At higher levels of slack resources, the impact of corporate social responsibility initiatives on firm performance is higher
Eccles et al. (2014) ***Management Science***	To investigate the impact of corporate sustainability strategies on organisational processes and performance	Stakeholder theory	Corporate social, environmental and economic strategies	--------------	------------	A matched sample of 180 US companies	Quantitative	High sustainability companies—firms that voluntarily adopted sustainability policies—outperform low sustainability companies over the long term, both in terms of stock market and accounting performance. The findings also show that high sustainability companies are more likely to have established processes for stakeholder engagement, to be more long-term oriented, and to exhibit higher measurement and disclosure of nonfinancial information.
Saeidi et al. (2015) ***Journal of Business Research***	To examine how CSR initiatives, lead to financial performance	---------------	Corporate social responsibility initiatives	---------------	---------------	Iranian manufacturing and consumer firms	Quantitative	The findings reveal that CSR does not have a direct positive relationship with financial performance but rather customer satisfaction, reputation and competitive advantage mediate the relationship

Table 2.2: A summary of selected empirical research on corporate sustainability and organisational performance (cont.)

Study	Objective of study	Theory used	Corporate sustainability variable studied	Drivers	Moderating variable(s)	Data/Study setting	Methodology	Research findings
Venkatraman and Nayak (2015) ***Social Responsibility Journal***	What is the outcome of the triple-bottom-line approach on corporate sustainability?	Stakeholder management theory, shareholder theory	Corporate social performance, corporate environmental performance and corporate financial performance	--------------	--------------	Australia	Quantitative	Top-level managers should incorporate and integrate the triple-bottom-line approach into corporate strategy to ensure survival in business
Ortiz-de-Mandojana and Bansal (2016) ***Strategic Management Journal***	Does it pay to improve sustainability performance ratings?	Stakeholder theory	KLD 400 social Index	-------------	------------	United states	Quantitative	The findings show that it pays to improve sustainability performance rating because superior environmental and social performance make an organisation develop resilience capability, which creates a competitive advantage in the long term
Wijethilake (2017) ***Journal of Environmental Management***	To examine whether proactive sustainability strategies improve corporate sustainability performance	Natural resource-based view	Proactive sustainability strategy	----------------	--------------	Sri Lanka	Quantitative	Corporate proactive sustainability strategy is positively associated with corporate sustainability performance
Jiang et al. (2018) ***Journal of Cleaner Production***	To examine the impact of green entrepreneurial orientation on firm performance	Dynamic capability theory	Green (environmental) practices	-----------------	---------------	China	Quantitative	The results indicate that green entrepreneurial orientation is positively associated with environmental and financial performance
Hussain et al. (2018) ***Journal of Business Ethics***	To investigate the relationship between corporate governance and the triple-bottom-line sustainability performance	Agency theory and stakeholder theory	Economic, social and environmental initiatives	Board size, board independence, CEO duality, women on board, board meetings and sustainability committee	-------------	152 USA companies from the high-performance Global Fortune 2013 list	Quantitative	The results show that corporate governance characteristics play an important role in enhancing a firm's environmental and social sustainability performance, across all industries

2.5 Consequences and boundary conditions of the implementation of corporate sustainability strategies

With regards to table 2.2, the thrust of the empirical research findings on corporate sustainability points to a positive relationship between investments in corporate sustainability initiatives and organisational performance (e.g., Venkatraman and Nayak, 2015; Ortiz-de-Mandojana and Bansal, 2016; Wijethliake, 2017; Hussain et al. 2018). However, some of the findings point to a negative (Cordeiro and Sarkis, 1997; Wagner et al. 2002) and neutral (Arendt and Brettel, 2010; Soana, 2011) relationship. Therefore, the relationship between corporate sustainability strategies and firm performance is a matter of ongoing debate among academics.

Notwithstanding this, the majority of empirical research studies in the corporate sustainability literature have largely focused on the financial performance consequences of corporate sustainability strategies (e.g., Ameer and Othman, 2012; Torugsa et al. 2012; Barnett and Salomon, 2012; Erhemjamts et al. 2013; Flammer, 2013). Furthermore, other research studies have focused on environmental performance (Melnyk et al. 2003; Molina-Azorín et al. 2009; Hussain et al. 2018) and sustainability performance consequences of corporate sustainability strategies (López et al. 2007; Eweje 2011; Eccles et al. 2014; Lourenço et al. 2012; Ortiz-de-Mandojana and Bansal, 2016; Wijethilake, 2017). In addition, some of the extant research studies have concentrated on non-economic performance measures. For instance, Chan (2005) finds that corporate sustainability initiatives create competitive advantages. Klasseen and Whybark (1994) submit that corporate sustainability strategies lead to improved resource utilisation. Other research studies find that corporate sustainability strategies lead to less unsystematic stock market risk (Bansal and Clelland, 2004); improve firm innovative capabilities (Nidumolu et al. 2009); improve organisational contentious learning (Sharma and Vredenburg, 1998); improve corporate structural and cultural change (Shrivastava and Hart, 1995); and create dynamic capabilities (Aragón-Correa and Sharma, 2003). Furthermore, Chang (2015) finds that proactive CSR is positively associated with green product innovation performance while reactive CSR is negatively associated with green product innovation performance.

Nevertheless, Prahalad (2012) submits that it is hard for emerging market firms to achieve financial and environmental performance as it is more of a developed country metric. Financial performance measures focus on profitability as a percentage of sales, return on investment, profit margin and profit growth (Hultman et al. 2009). On the other hand, environmental performance measures focus on reduction in pollution and waste levels, reducing environmental degradation and using recyclable materials (Russo and Fouts (1997). However, emerging market firms face institutional adversities and there are affordability problems in the society. Consequently, emerging market firms are focused on survival in business (Shinkle and McCann, 2014; Boso et al. 2017). Therefore, investigating the financial and environmental performance consequences of corporate proactive and responsive sustainability strategies fails to reflect how these strategies enable emerging market firms to survive longer in business. On this note, there is a need for research studies on corporate sustainability strategies in emerging markets to focus on performance measures that imply scalability of the business environment and future performance as the marketplace emerges. Also, such a performance measure should be able to reflect how corporate sustainability strategies enable businesses to last longer and survive in business.

Moreover, Baumgartner (2014) submits that there are boundary conditions that will most likely strengthen or weaken the implementation of corporate sustainability strategies. Accordingly, Combe et al. (2012) submit that it is pivotal for firms to develop strategic flexibilities that would ensure the implementation of corporate sustainability strategies to create or respond to the social and environmental demands of the market. As explained in chapter one (section 1.1), very few extant research studies (e.g., Boso et al. 2017) have examined these boundary conditions among emerging market firms. With data from Nigeria, Boso et al. (2017) argues that, at greater levels of top-level managerial connections with political officials, emerging market firms do not invest in the implementation of corporate sustainability strategies. According to the authors, as emerging market firms are focused on survival, top-level managers use their ties with political leaders to protect their investments and to substitute for the insufficient formal institutions in the market. As a result, top managers do not invest in the implementation of social and environmental sustainability initiatives. On this note, Boso et al. (2017) examine the external environmental factors that might strengthen or weaken the implementation of corporate sustainability initiatives among emerging market firms.

However, this study departs from this perspective by examining the internal firm characteristics that would strengthen or weaken the implementation of corporate proactive and responsive sustainability strategies. Taking into account the uncertain and unpredictable institutional environment in emerging markets, it is vital to examine the firm internal boundary conditions that might strengthen or weaken the implementation of corporate sustainability strategies. Hence, identifying and examining such internal firm characteristics will be vital for top-level managers of emerging market firms.

2.6 Drivers and associated boundary conditions of the formulation of corporate sustainability strategies

As explained in chapter one (section 1.1), the extant literature points to the personality, commitment, perceptions, values and sense making of the top-management team, size, strategic orientations and organisational structure, financial resource slack and ethical issues as fundamental drivers of corporate sustainability strategies' initiatives (Artiach et al. 2010; Epstein and Roy, 2001; Gattiker et al. 2014; Henriques and Sadorsky, 1999; Sharma, 2000; Aragón-Correa et al. 2004; Stoughton and Ludema, 2012; Parisi, 2013; Jansson et al. 2017). In addition, other external factors such as stakeholder and legitimacy pressures, industry type, public concern, mimicry, etc. have been theorised as drivers of corporate sustainability strategies (Banerjee et al. 2003; Bansal, 2005; Chiu and Sharfman 2011; Wolf, 2014). However, these factors fail to account for the institutional drivers coupled with the collectivist culture and institutional adversities existent in emerging markets.

Furthermore, none of the few extant research studies on corporate sustainability strategies in emerging markets (Rettab et al. 2009; Lai et al. 2010; Mishra and Suar 2010; Julian and Ofori-Dankwa, 2013; Chang, 2015; Saeidi et al. 2015; Wijethilake 2017; Boso et al. 2017; Jiang et al. 2018) examined the institutional drivers of corporate sustainability strategies. For example, Julian and Ofori-Dankwa (2013) and Boso et al. (2017) argue that, at higher levels of financial resource slack, emerging market firms do not invest in corporate sustainability initiatives. Nevertheless, Julian and Ofori-Dankwa, (2013) and Boso et al. (2017) submit that financial resource slack is an internal firm variable that drives corporate sustainability strategies. On the other hand, Mishra and Suar (2010) explains that, the more favourable a firm's CSR initiatives are towards its employees, customers, investors, local community, environment and suppliers, the higher its financial and non-financial performance. However, Mishra and Suar (2010) do not account for the institutional drivers of the CSR initiatives. Also, Lai et al. (2010) posit that CSR initiatives create industrial brand equity which improves brand performance but fails to account for the institutional drivers of CSR initiatives. Rettab et al. (2009) argues for the importance of CSR in emerging markets but do not account for the institutional drivers of CSR initiatives. Moreover, Saeidi et al. (2015) posit that CSR is positively associated with firm performance but also do not account for their institutional drivers in the Iranian market context. In the same vein, Wijethilake (2017) and Jiang et al. (2018) fail to account for the institutional drivers of corporate proactive and green entrepreneurial orientation respectively. Along the same lines, Chang (2015) finds that green organisational culture drives proactive CSR but does not drive reactive CSR.

As Peng et al. (2008) and Shepherd and Rudd (2014) explained, the institutions and tradition in a firm's business environment will influence its strategy, which in turn determines its performance and survival in business. On this note, treating the key institutional entities in an environment as independent variables, a firm's strategy becomes a match between the environmental institutions and the organisation, with the strategic choice being the outcome of such interaction (Peng, 2003; Peng et al. 2008). Emerging market societies are highly collectivistic in nature, with the extended family and broader community performing a substantial role in the lives of individuals and organisations (Acquaah and Eshun, 2010). Therefore, under such collectivist social norms coupled with the existence of institutional adversities, it is imperative to understand the institutional drivers of corporate sustainability strategies.

Notwithstanding, Baumgartner (2014) submits that there are boundary conditions that will most likely strengthen or weaken the formulation of corporate sustainability strategies. However, very few empirical studies in the extant corporate sustainability literature have examined such boundary conditions. Apart from Boso et al. (2017), none of the extant studies on corporate sustainability initiatives among emerging market firms (Rettab et al. 2009; Lai et al. 2010; Mishra and Suar 2010; Saeidi et al. 2015; Wijethilake 2017; Jiang et al. 2018) have examined local environmental boundary conditions that might strengthen or weaken the formulation of corporate sustainability strategies. Boso et al. (2017) argue that, under higher levels of market pressure, firms will use their financial resource slack to invest in corporate sustainability strategies. The authors measure market pressures as "*the degree to which their firms, over the previous year, had to deal with considerable demands (or pressure) from their foreign market stakeholders (employees, customers, competitors, supply chain partners, and sustainability activists) regarding the firms' sustainability practices"* (p.251). This study departs from this perspective by investigating how the competition intensity in a firm's local business sector might strengthen or weaken the formulation of corporate proactive and responsive sustainability strategies.

In sum, due to the institutional adversities and collectivist culture in emerging markets, this study presents managerial ties with government/political officials, top-level managers at other firms, regulatory officials and local community leaders as the institutional drivers of corporate proactive and responsive sustainability strategies in emerging market, depending on levels of competition intensity. The next section discusses the managerial ties concept and importance of top-level managerial ties with key institutional entities, especially in emerging market contexts.

2.7 Top-level managerial ties: Background and definition

With the increasing dynamism and complexity of today's business world, gone are the days when firms strive for profit against their competitors based on only their resources or capabilities (Barney, 1991) or industry sector (Porter, 1980). The modern reality is that top-level managers are embedded increasingly in social, professional and exchange ties with other organisational and institutional actors (Acquaah, 2007). Hence, "*it is not only what you know/have that affects performance but also who you know"* (Acquaah and Eshun, 2010 p.668). This enduring proverb lays the background of the conventional wisdom behind the effects of top-level managerial ties developed with key external institutional entities on an organisation's activities and performance.

Indeed, definitions of managerial ties abound in the extant literature (see table 2.3). A common strand observable from the plethora of definitions is that top-level managerial ties proffer market information, knowledge and social influences about the environment, which managers align to their business strategy to improve organisational performance. Furthermore, empirical research in the extant literature has classified managerial ties as business and political/government ties (Peng and Luo, 2000; Zhang and Li, 2008; Li et al. 2008; Li et al. 2009; Li and Zhou, 2010; Kotabe et al. 2011; Shu et al. 2012; Ismail et al. 2013; Li et al. 2014; Chen et al. 2018). Over the years, studies have separated government officials from regulatory officials, due to their different roles in societal affairs, and hence have classified top-managerial ties to include business, government/political, and regulatory ties (Acquaah and Eshun, 2010; Xu et al. 2012).

Additionally, the role of institutional context is crucial. To this point, considering the unique institutional environments in emerging economies of sub-Saharan Africa, Acquaah (2007), Acquaah and Eshun (2010) and Acquaah (2012) have argued for the importance of top-level managerial ties with local community leaders. Therefore, building on these studies, this study defines managerial ties as top-level managerial linkages, contacts and connections with political/government officials, regulatory officials, top managers at other firms (business ties) and local community leaders. These key external institutional entities play a decisive role in social and economic activities, most especially in emerging economies of sub-Saharan Africa (Acquaah and Eshun, 2010; Acquaah, 2012). According to Peng and Luo (2000), top-level managerial ties with these key institutional entities—a micro-level construct—influence an organisation's activities and, ultimately, its performance—a macro-level construct. On this note, researchers, practitioners and the media have developed an avid interest in top-level managerial ties and their effects on organisational performance (Geletkanycz and Hambrick 1997; Peng and Luo, 2000; Hite and Hesterly 2001; Gu et al. 2008; Li and Zhou, 2010; Li et al. 2014; Zhou et al. 2014; Chen et al. 2018).

Table 2.3: A summary of selected definitions of managerial ties

Author(s)	Definition of managerial ties
Laumann et al. (1978)	*"...a set of nodes (e.g., persons, organisations) linked by a set of social relationships (e.g., friendship, transfer of funds, overlapping membership) of a specified type… (p.458)*
Geletkanycz and Hambrick (1997)	*"… executives' boundary spanning relations inside and outside their industry…" (p.654)*
Peng and Luo (2000)	*"… managers' ties with managers at other firms and with government officials…" (p.486)*
Gulati et al. (2000)	*"… networks of social, professional, and exchange relationships with other organisational actors" (p.203)*
Hite and Hesterly (2001)	*"… identity-based and calculative… identity-based networks are egocentric networks that have a high proportion of ties where some type of personal or social identification with the other actor motivates or influences economic action… calculative networks refer to egocentric networks where the focal actor's ties are primarily motivated by expected economic benefits" (p.278)*
Luo (2003)	*"Managerial networking is the process of developing and exploiting top managers' social ties, contacts, and connections with executives in external entities to reduce transaction costs or increase transaction values through facilitated exchange of resources, information, and knowledge" (p1315).*
Wu and Leung (2005)	*"… aggregated relationships with business partners, government offices and financial institutions" (p.451)*
Gu et al. (2008)	*"… durable social connections and network … to exchange favours for organisational purposes…" (p.12)*
Li and Zhou (2010)	*"… network-based strategies that use extensive social ties, based on personal trust and relations to achieve business success" (p.856)*
Shu et al. (2012)	*"Managerial ties, the personal networks of senior managers…" (p.125)*
Zhou et al. (2014)	*"Top managers' personal connections with related entities, to substitute for formal institutions and coordinate transactions… and navigate the institutional voids" (p.581)*

Today, scholars in the managerial ties' literature point to top-level managerial ties with key institutional entities improving organisational performance among emerging market firms that face institutional adversities (see table 2.4). These scholars argue that top-level managerial ties with key institutional entities substitute for the weak institutional exigencies in emerging markets (Acquaah, 2012; Chen et al. 2018). Therefore, a large consensus of strategy, marketing and entrepreneurship scholars have submitted that top-level managerial ties are essential in the successful growth and performance of firms (Aldrich and Reese, 1993; Hite and Hesterly, 2001). According to Burt (1997), managerial ties seek favours, resources, information and knowledge to add value to an organisation. Therefore, Gulati et al. (2000) posit that managerial ties lead to superior firm performance.

Notwithstanding this, there is an inconclusive debate on the relationship between managerial ties and firm performance. Extant research studies point to the dark sides associated with top-level managerial ties. According to Gu et al. (2008), although top-level managerial ties add value to firms' strategic activities and performance, there is an obligation for managers to reciprocate favours, even at the detriment of organisational performance. In the same vein, Noordhoff et al. (2011) argue that strong ties with suppliers cause top-level managers not to consider other cheaper suppliers. Additionally, managerial ties are susceptible to opportunistic behaviours, defined by Williamson (1985, p.47) as *"calculated efforts by an exchange agent to mislead, distort, disguise, obfuscate or otherwise confuse"* an exchange party. Williamson (1985, p.49) notes that opportunism is "*a troublesome source of behavioural uncertainty in economic transactions*". According to Wathne and Heide (2000), opportunism could be in the form of quality shirking—a party withholding efforts or passively failing to honour an agreement and consciously breaching a contract. Such behaviour has a domino and an adverse effect on performance.

In sum, irrespective of the inconsistencies in these research findings and taking into account the collectivist culture, institutional adversities and underdeveloped market structures in emerging markets, this study posits that top-level managerial ties with government/political officials, regulatory officials, top-level managers at other firms and local community leaders will provide information, local market intelligence and knowledge needed to underscore corporate proactive and responsive sustainability strategies. Moreover, while extant research studies have investigated the effects of top-level managerial ties on organisational performance, there is no available research on how managerial ties feed the corporate proactive and responsive sustainability strategies of emerging market firms. The next section highlights the roles of these key institutional entities generally, but also specifically in the emerging societies of sub-Saharan Africa, to justify their importance to top-level managerial ties.

Table 2.4: A summary of selected empirical research on the impact of managerial ties on firm activities and performance

Study	Main Question	Theories Used	Study Context	Findings/results
Peng and Luo (2000) ***Academy of Management Journal***	Do managerial interpersonal ties with top managers at other firms and political officials improve organisational performance?	Social network theory, Institutional theory	Data was collected from six industrial provinces using the Chinese government's provincial directories between 1989-1998	Managerial ties with top managers at other firms and government officials improve an organisation's market share and return on assets
Li and Zhang (2007) **Strategic Management Journal**	What is the role of managerial political networking in new venture performance?	Resource-based view (RBV) theory, transaction cost economics	Data was collected from 184 new technology ventures from the Administrative Office of the Beijing High Technology Experimental Zone, China	Managerial political networking is positively related to new venture performance
Acquaah (2007) ***Strategic Management Journal***	What impact do managerial ties with top managers at other firms, government officials and local community leaders have on an organisation's financial performance?	Social capital theory, institutional theory	Data was collected from 115 firms in the manufacturing and service industry in Ghana	Managerial ties with top managers at other firms, government officials and local community leaders are positively related to firm financial performance
Li et al. (2008) ***Strategic Management Journal***	Do managerial business and political/government ties always produce value?	Social network theory	Foreign and domestic firms operating in China	Managerial ties have a monotonic, positive effect on performance for domestic firms, whereas the effect is curvilinear (i.e., inverted U-shaped) for foreign firms. Furthermore, the results show that managerial ties become less effective for fostering performance when competition increases but lead to superior firm performance when structural uncertainty increases
Zhang and Li (2008) ***Asia Pacific Journal of Management***	How do managerial business and support ties affect organisational performance of cluster firms?	Resource-based view (RBV) theory, social networks	China	Managerial business and support ties contribute to the growth of cluster firms. However, business ties have a greater positive impact on sales growth than support ties

Table 2.4: A summary of selected empirical research on the impact of managerial ties on firm activities and performance (cont.)

Study	Main Question	Theories Used	Study Context	Findings/results
Li and Zhou (2010) ***Journal of Business Research***	Do managerial ties or market orientation help foreign firms achieve a competitive advantage?	Institutional theory	China. Data was collected from 179 foreign companies located in Beijing, Guangzhou and Shanghai between 2004-2005	Both managerial ties and market orientation help foreign firm achieve competitive advantage but in different ways. Market orientation provides differentiation and cost advantages while managerial ties provide institutional advantage
Sheng et al. (2011) ***Journal of Marketing***	What are the effects of business and political ties on firm performance?	Institutional theory, institutional void theory, social network theory	Data was collected from 241 high-tech firms in china	Business ties are more beneficial when legal impositions are weak, and technology is changing rapidly while political ties are stronger when the government support is low and technological change is low
Kotabe et al. (2011) ***Journal of World Business***	What impact do managerial ties with political/government officials and business ties with foreign multinational partner have on knowledge acquisition and new venture performance?	Social network theory	Chinese multinationals	The results show that political ties have an inverted U-shaped relationship with knowledge acquisition while business ties have a U-shaped relationship with knowledge acquisition. Furthermore, knowledge acquisition from managerial business and political ties does not improve new product market performance
Acquaah (2012) ***Strategic Management Journal***	What role do managerial ties play in the performance of family and non-family owned firms?	Social network theory, institutional void theory, RBV	Data was collected from 206 CEOs of family-owned and non-family owned firms operating in Ghana	Managerial ties with political leaders, community leaders and bureaucratic officials have more impact on the performance of family owned enterprises than on non-family owned firms
Shu et al. (2012) ***Journal of Product Innovation Management***	Do managerial ties provide possibilities and opportunities for firm innovation?	Social network theory	Cross-sectional survey data from 270 firms in information and communication, manufacturing, energy and chemicals industries located in 21 provinces of mainland China	Managerial ties lead to knowledge exchange, which results in exchange combination making firm innovation possible, thus improving an organisation’s performance. Business ties have a more substantial effect on firm innovation than political ties

Table 2.4: A summary of selected empirical research on the impact of managerial ties on firm activities and performance (cont.)

Study	Main Question	Theories Used	Study Context	Findings/results
Xu et al. (2012) ***Asia Pacific Journal of Management***	What are the effects of institutional ties on knowledge acquisition in uncertain environments?	Institutional theory, social capital theory	China	The study finds that environmental uncertainty has a direct influence on institutional ties and knowledge acquisition, but a firm's industry position influences institutional ties in a U-shaped manner. Also, the study finds that institutional ties are positively related to knowledge acquisition
Ismail et al. (2013) ***Asia Pacific Journal of Management***	In complex institutional environments, what impact does a managerial tie have on firm performance?	---------------------	Archival data from the World Bank's Business Environment and Enterprise Performance Survey (BEEPS) and World Bank Governance Indicators for 1996, 1998, 2000 and 2002 on central Asia and the Caucasus	In environments with higher levels of environmental uncertainty, managerial ties with top-level managers at other firms do not have a positive relationship with firm performance. Furthermore, in such societies with higher levels of environmental uncertainty, managerial ties with political officials are positively related to firm performance
Boso et al. (2013) ***Journal of Business Venturing***	Do entrepreneurial orientation, market orientation and network ties lead to superior firm performance?	Social capital theory, Institutional theory	Data from 221 entrepreneurial firms listed in Ghana's company register database and business directory between 2010-2012	Higher levels of market, entrepreneurial orientation and managerial network ties maximise performance in entrepreneurial firms in developing economies
Li et al. (2014) ***Asia Pacific Journal of Management***	What type of managerial ties helps organisations capture new opportunities?	Social capital	Data was collected from 159 manufacturing firms in China	Managerial business ties have a stronger positive effect on opportunity capture than ties with government officials
Zheng et al. (2015) ***Strategic Management Journal***	What is the impact of managerial political networks on firm survival and sales growth?	Resource based view	280 firms in China's television manufacturing industry from 1993 to 2003	Managerial political ties lower the risk of dissolution, ensuring higher survival in business. Furthermore, the results reveal that the stronger a firm's prior performance, the greater the effect of political ties on improving performance

Table 2.4: A summary of selected empirical research on the impact of managerial ties on firm activities and performance (cont.)

Study	Main Question	Theories Used	Study Context	Findings/results
Chung et al. (2016) ***Industrial Marketing Management***	Organisational capabilities and business performance: When and how do the dark side of managerial ties matter?	Resource dependence theory, absorptive capacity theory	Taiwan	The results show that the effect of perceived management capability on perceived firm performance declines when perceived political ties are stronger. Also, the findings reveal that the effect of perceived technology capability on perceived firm performance declines when perceived business ties are stronger
Danso et al. (2016) ***The Journal of Entrepreneurship***	What is the moderating role of managerial ties on the entrepreneurs' risk-taking propensity and firm performance relationship?	Prospect theory, social capital theory	Ghana	The positive association between entrepreneurial risk-taking and firm performance will be more positive when business, political and local community ties are stronger
Chen et al. (2018) ***Industrial Marketing Management***	What impact do top-level managerial political and business ties have on supplier and customer integration in firm activities?	Social capital theory	China	The findings show that top-level managerial business ties are positively related to supplier and customer integration while political ties have no relationship with supplier and customer integration

2.7.1 Government/political officials

Government/political officials play a vital role in commercial and economic activities in both developing and developed economies (Hillman and Hitt, 1999). Through policies, laws and regulations, governments control transactional activities in an economy, to the extent that governments use such laws and regulations to structure the nature of commercial activities within an economy (Hillman et al. 2004). By doing so, governments take control of strategic resources required by firms for survival and hence influence their profitability (Keim and Baysinger, 1988; Schuler, 1996; Shaffer 1995). As Weidenbaum (1980) argued, the impact of governments on economic and commercial activities has become notably significant, insofar as it has taken decision making away from managers to government regulators through increased regulation and selected deregulation. As a result, firms have developed a corporate political behaviour—an attempt to use the power of government to advance private gains for their business (Schuler, 1996). The essence of a firm's corporate political behaviour is to secure information, knowledge and the resources required to operate effectively and for governments to produce policies that are favourable to the firm's economic growth and survival.

In sub-Saharan African markets, despite the many years of economic reforms and democratic changes of governments, government officials still have considerable power and control over societal affairs (Acquaah, 2006). The government exercises control over the financial institutions and determines who to award major contracts to. Government officials make the rules and policies regarding societal, economic and commercial activities. In turn, government/political officials are major economic actors in commercial activities, while controlling every aspect of the society (Acquaah, 2007; Acquaah and Eshun, 2010, Acquaah, 2012, Boso et al. 2018). As a result, arbitrary intervention in economic activities by government/political officials remains a constant in emerging markets, which creates high levels of environmental uncertainties (Peng and Luo, 2000). According to Luo (2003) and Xin and Pearce (1996), government officials in emerging economies have the power to allocate scarce resources, provide access to financial resources, provide opportunities by awarding government projects and contracts, and provide information about new and forthcoming policies and regulations that may affect a firm's strategic activities and performance.

As the formal institutional structures and enforcement capacity are weak in emerging economies (e.g., legal institutions), it becomes difficult for the market mechanism to foster commercial and economic exchanges in emerging societies, thus creating high levels of uncertainty for business managers (Peng and Luo, 2000; Acquaah, 2012). Under such weak institutional environmental conditions, managerial ties with political/government officials provide access to the resources, information and knowledge required to buffer against the high level of institutional uncertainty (Peng and Luo, 2000; Acquaah, 2012; Chen et al. 2018). Therefore, this necessitates the importance of managerial ties with government/political officials in emerging markets (e.g., those of sub-Saharan Africa).

2.7.2 Regulatory officials

Regulatory officials oversee regulatory and licensing procedures such as providing certification and approval for newly manufactured products. They ensure that products and services meet government standards (Acquaah, 2007). These officials administer and enforce the laws and policies introduced by government officials (Acquaah and Eshun, 2010). While government officials are elected into power for a certain period, regulatory officials are meant to stay politically neutral and hold their positions irrespective of the political and government regime in power (Acquaah and Eshun, 2010). According to North (1991) and Scott (1995), regulatory officials codify expectations and preferences regarding the power and autonomy of organisations in society. They enact and enforce laws and policies to reduce uncertainty by standardizing practices and demanding conformance and protection of property rights (Spicer et al. 2000; Bekaert et al. 2005; Holmes et al. 2013). Also, regulatory officials define and enforce guidelines that control commercial and economic activities in a given country (Busenitz et al. 2000; Holmes et al. 2013). Hence, regulatory officials can communicate to top-level managers about impending government policies and regulations, which can help firms achieve superior performance.

As Holmes et al. (2013) argue, collectivism is positively related to the control that regulatory institutions exercise over organisations' activities. This is premised on the notion that collectivist societies value conformance to social norms and standards, and thus facilitate the development of regulatory institutions that enact and implement policies that control the activities of organisations (Greif, 1994; Newburry and Yakova, 2006). Therefore, given the highly collectivistic culture and weak institutional development in emerging markets of sub-Saharan Africa, managerial ties with regulatory officials will provide access to information, knowledge and resources needed to underscore corporate proactive and responsive sustainability strategies, which leads to superior market performance.

2.7.3 Top managers at other firms

In both developed and developing markets, scholars have submitted that ties with managers and executives at other firms (e.g., supplier companies, customers, competitor firms) enable firms to gain access to valuable information, knowledge and resources needed to mitigate against uncertainties, thus leading to superior performance (Peng and Luo, 2000; Acquaah, 2007). For example, managerial ties with executives at other firms enable the creation, acquisition and exploitation of information and knowledge, which enhances organisational performance (Dyer and Nobeoka, 2000; Yli-Renko et al. 2001). Also, top-level managerial ties with customers create both customer and brand loyalties, leading to superior performance (Park and Luo, 2001). Furthermore, Villena et al. (2011) submit that managerial ties with supplier firms provide high-quality raw materials and lead to the timely delivery of goods and services, which reduces lead times and transactions costs, and results in innovation, which creates value. In addition, managerial ties with competitors may lead to the exchange of information about how to reduce operation costs to achieve greater efficiency (Von Hippel, 1988).

In Nigeria and other emerging sub-Saharan markets, top-level managers are members of business associations in the industry or sector in which they operate. These business associations usually meet monthly, quarterly or yearly to discuss social and environmental occurrences facing the market and set rules and policies that govern firm activities while ensuring conformance (AMML, 2018). These business association meetings allow top-level managers to expand their contacts and connections with other top managers in their business sector (AMML, 2018). Therefore, managerial ties with top managers at other firms enable managers have access to local market information, resources and knowledge which underscore corporate strategies, leading ultimately to superior performance.

2.7.4 Local community leaders

Local community leaders such as tribal leaders (e.g., local kings, chiefs), religious leaders (like imams, pastors, reverend fathers, etc.), and local opinion leaders (like newspaper editors etc.) play an important role in societal affairs in emerging markets of sub-Saharan Africa, due to three reasons. First, sub-Saharan African societies are highly collectivistic in nature, with the extended family and broader community performing a substantial role in the lives of individuals and organisations. This is in line with Jacobs' (1965) argument that strong networks of personal and social relationships developed over time serve as a basis for collective action in societies. In sub-Saharan African societies, community leaders such as local chiefs, kings and religious leaders play a central role in resource allocation (e.g., land ownership) and serve as a filter in dissemination and consumption of information (Achebe, 1983). These local community leaders establish ownership, control and distribution of personal property among families and individuals in the communities. They also create, maintain and enforce the social norms and values of their communities, in turn establishing a strong interpersonal bond among members of these communities (Acquaah, 2006).

Second, the potency of the authority of local community leaders has led to the emergence of a two-tier political system in some African countries: a formal national political leadership headed by a political head of state (either elected or imposed through military coup or hereditary succession) and a kingship leadership headed by local community leaders representing ethnic groups (Eweje, 2006). While national political leaders enforce national governmental laws, local community leaders enforce social norms and values governing local communities. In fact, an individual or organisation can be arraigned before a national law court (presided over by a judge) as well as a traditional court (presided over by a local chief or king) to face charges of misconduct. For example, according to Achebe (1983), although individuals consider themselves citizens of the federal republic of Nigeria, they also consider themselves subjects of their local communities and leaders.

Third, local community leaders command strong allegiance and loyalty among their subjects. Local opinion leaders influence the purchase decisions of their subjects and therefore play an important role in local, commercial, economic and social affairs (Acquaah and Eshun, 2010). Local community leaders act as conduits for the transmission of information, resources and knowledge about social and environmental influences, as they serve as a bridge between the community and businesses (Acquaah, 2007). Hence, managerial ties with local community leaders provide access to local information, knowledge and resources which are needed to underscore corporate sustainability strategies (Acquaah, 2007). Further, these leaders have the power to influence their subjects to buy from a firm with which they have close connections (Acquaah and Eshun, 2010). Thus, ties with local community leaders enable top-level managers to enter new market segments or gain access to new customers and acquire technological know-how. On this note, local community leaders act as links to a broad marketplace, connecting organisations with their communities, leading to the transmission of valuable information and resources. Kuada and Buame (2000), Acquaah, (2007), Acquaah and Eshun, (2010) and Acquaah (2012) have shown that the managerial ties with local community leaders secure access to information, knowledge and resources, which improves an organisation's strategic activities, in turn leading to superior performance. Therefore, in the institutional context of sub-Saharan Africa, firm performance is likely a function of the extent to which top-level managers cultivate ties with these key institutional entities.

2.8 Theories in the extant corporate sustainability literature

As detailed in chapter one (section 1.1), extant research studies on corporate sustainability initiatives have relied mainly on the institutional theory (Luo and Bhattacharya, 2006; Zietsma and Lawrence, 2010) and stakeholder theory (McGuire et al. 1988; Preston and O'Bannon, 1997; Barnett and Salomon, 2012; Eccles et al. 2014; Venkatraman and Nayak**,** 2015; Ortiz-de-Mandojana and Bansal, 2016). In addition, other research studies in the corporate sustainability literature have relied on the resource-based view (RBV) (Russo and Fouts, 1997; Torugsa et al. 2012) and natural resource-based view (Hart, 1995; Judge and Douglas, 1998 Clemens, 2006; Wijethilake, 2017). However, these theories do not reflect the weak institutional development in emerging markets and the institutional structures that drive corporate strategic activities in emerging markets. On this note, the study introduces to the literature stream the SCP paradigm and institutional development logic; and synthesises these with institutional theory—to examine the institutional drivers, market performance consequences and associated boundary conditions of corporate sustainability among emerging market firms that face institutional adversity. These theories are explained in depth in chapter three (section 3.1).

2.9 Chapter summary

This chapter presented an overview of the extant literature on corporate sustainability. The literature review presented the differences and overlaps between corporate sustainability and CSR, EM and ES. The review concludes that CSR, ES and EM are different aspects of corporate sustainability. Therefore, the study focuses on the notion of corporate sustainability which argues that top-level managers consider both social and environmental issues facing the society to achieve superior performance. In this vein, by being proactive and responsive, corporate sustainability strategies provide a robust, comprehensive and sophisticated measure to tackle the key social and environmental issues facing the society, in turn ensuring superior performance and survival in business—leading to the development of the society. Furthermore, the review presented gaps in the extant corporate sustainability literature in relation to the nature, institutional drivers, and market performance consequences and associated boundary conditions that might strengthen or weaken the formulation and implementation of corporate sustainability strategies. The next chapter presents and discusses the study's theoretical background and conceptual framework.

Chapter Three: Conceptual framework and hypotheses

3.0 Introduction

In view of the research questions presented in chapter one and the literature reviewed in chapter two, this chapter presents a conceptual model linking the institutional drivers, associated boundary conditions and market performance consequences of corporate proactive and responsive sustainability strategies. The chapter is divided into two sections. The first section discusses the theoretical underpinnings of the study, namely, institutional theory, institutional development logic, and SCP paradigm. The second section presents and discusses the theoretical arguments to support the proposed relationships and hypotheses depicted in the conceptual framework.

3.1 Theoretical underpinnings of the study

Taking into consideration the subject matter of the study, an integrated theoretical lens consisting of institutional theory, institutional development logic and the SCP paradigm inform the study of the nature, institutional drivers, boundary conditions and market performance consequences of corporate proactive and responsive sustainability strategies among emerging market firms. Specifically, due to the institutional adversities emerging market firms face, the study employs the institutional development logic to explain reasons for the proactive and responsive nature of corporate sustainability strategies and to explain why innovative culture and financial resource slack will strengthen the path between corporate proactive and responsive sustainability strategies and market performance (Chari and Banalieva, 2015; Kafouros and Aliyev, 2016). Furthermore, due to the collectivistic culture existing in emerging markets and underdeveloped market structures, the study employs the institutional theory to explain why top-level managerial linkages, contacts and connections with key institutional entities—depending on levels of competition intensity—drive corporate proactive and responsive sustainability strategies (Scott, 2005; Cantwell et al. 2010). Finally, the SCP paradigm is the overarching theory guiding the study. The SCP paradigm informs the study of how the information and knowledge obtained from top-level managerial ties—depending on levels of competition intensity—will drive an organisation's conduct in formulating and implementing corporate proactive and responsive sustainability strategies, which leads to superior market performance, depending on levels of innovative culture and financial resource slack (Leonidou et al. 2013; Ralston et al. 2015). The next section presents and discusses these theories in detail.

3.1.1 Institutional theory

Institutional theory submits that institutional prescriptions and norms shape the nature of economic activities as they control, regulate and influence the behaviour of subjects in a given society or environment (North, 1990; DiMaggio, 1994; Scott, 1995; Lau et al. 2002; Scott, 2005; Campbell, 2007). The underlying principle behind the institutional theory is that firms' activities and outcomes are affected by the social and environmental context in which they operate (Oliver, 1997; Cantwell et al. 2010; Holmes et al. 2013). Hence, the institutional perspective is used to explain how firms will secure their legitimacy by submitting to the rules, norms and standards established in the institutional environment where they carry out their business activities (Pfeffer and Salancik, 1978; DiMaggio and Powell, 1983; DiMaggio, 1994; Peng, 2003; Peng et al. 2008). The institutional theory postulates that, although firms have the freedom to operate within institutional constraints, failure to conform to crucial, institutionalised standards and norms of acceptability can endanger a firm's legitimacy, its resources and, ultimately, its survival (DiMaggio and Powell, 1983; Scott, 1987; North, 1990; Oliver, 1991; Scott, 2005; Campbell, 2007).

Institutions, as manifested in professional, economic and commercial norms of behaviour as well as government legislations and property rights regimes, affect firms' strategic options and choices while exerting conformance pressures (Grewal and Dharwadkar, 2002). Such institutional arrangements shape the firms' boundaries and behaviours in a given environment (North, 1990; Grewal and Dharwadkar, 2002; Campbell; 2007) and can provide and create opportunities for firms to exploit, as well as create barriers which affect performance (Fligstein, 1996; Bruton et al. 2010). According to Zhou (2014), institutions shape human interaction and as such, determine the choice set of economic actors and the nature of commercial activities. Following this view, the differences in strategic actions across firms in different contexts can be explained as a function of differences in the existence, saliency and intensity of institutional arrangements. Therefore, North (1990) submits that firms make their strategic choices based on the defined set of legitimate options established by the institutional forces within the environment (e.g., industry, country or region) in which they operate.

Regulatory, cognitive and normative institutions are the three main institutional pillars studied in the management literature (Scott, 1995). The regulatory institutions include the laws, political power, government and regulatory officials that set policies, and control and regulate the actions of firms and individuals in the society (Manolova et al. 2008; Holmes et al. 2013). By contrast, the normative pillar expounds on the *"standards and commercial conventions such as those established by professional and trade associations, and business* *groups"* (Manolova et al. 2008, p.204). The normative pillar propounds on what is expected of firms and individuals in the society. Finally, the cognitive pillar emphasises social interactions that are formulated over time through social influences (Manolova et al. 2008; Ahlstrom and Bruton, 2010).

Institutional theorists (for example, Meyer and Rowan, 1977; DiMaggio and Powell, 1983; Scott, 1987; Powell, 1988; North, 1990 and Tolbert and Zucker, 1999) submit that there is a greater likelihood for an organisation to survive if it obtains legitimacy, social support and approbation from key institutional entities operating in its business context. For instance, in the emerging markets of sub-Saharan Africa, regulatory (government and regulatory authorities), cognitive (local community leaders) and normative (business associations—made up of top-level managers) institutions represent institutional structures of codified and explicit rules and standards that shape interaction among societal members and determine the nature and structure of commercial and economic activities in the society (Acquaah, 2007; Acquaah and Eshun, 2010; Acquaah, 2012). According to Xu et al. (2012) when top-level managers develop ties with these regulatory, normative and cognitive societal institutions, this portrays adherence to institutional prescriptions of appropriate conduct. In turn, organisations would secure a range of rewards that contribute to their survival, such as enhanced legitimacy and status, greater access to resources, information and knowledge, and greater stability and predictability to navigate the weak and underdeveloped institutional environment, thus necessitating the need of top-level managerial ties with these key institutional entities (Peng and Luo, 2000; Acquaah, 2012). As a result, this study focuses on the regulatory, cognitive and normative institutional pillars in the society.

Due to the weak institutional development and strong collectivist culture existent in emerging societies (Peng and Luo, 2000; Acquaah, 2012), this study theorises that top-level managerial institutional ties with government and regulatory officials, top managers at other firms and local community leaders—depending on levels of competition intensity—will drive and inform corporate proactive and responsive sustainability strategies among emerging market firms based on the premise of the institutional theory. Government officials, regulatory officials, top managers at other firms and local community leaders structure and determine the nature of trade, and commercial and economic activities in emerging markets (Acquaah, 2007; Acquaah and Eshun, 2010; Acquaah, 2012; Xu et al. 2012, Chen et al. 2018). Hence, managerial linkages, contacts and connections with these institutional entities substitute for the weak market structures and underdeveloped communication and infrastructural facilities in emerging societies (Peng and Luo, 2000; Acquaah and Eshun, 2008). Accordingly, top-level managerial ties with these key institutional entities in the society lead to the exchange of valuable market intelligence and knowledge, and greater access to information needed to underscore corporate proactive and responsive sustainability strategies, which in turn leads to superior market performance.

Furthermore, while previous studies have investigated the impact of top-level managerial ties with regulatory and normative institutions such as business associations, government and regulatory bodies on firm activities and performance in emerging economies (e.g., Peng and Luo, 2000; Gu et al. 2008; Li and Zhou, 2010; Shu et al. 2012; Xu et al. 2012; Chen et al. 2018), very few extant studies in the literature (Acquaah 2007, Acquaah and Eshun, 2010 and Acquaah, 2012) have investigated the impact of regulatory, normative and cognitive institutional pillars on firm strategic activities and performance among emerging market firms. Institutional environments are multidimensional, complex and polycentric with various interdependent institutions; thus, we can only understand the true effects of such environments by studying and examining multiple institutional entities (Holmes et al. 2013).

Thus, standing on the institutional theory, this study examines how regulatory, normative and cognitive institutional pillars—government officials, regulatory officials, top managers at other firms and local community leaders—drive corporate proactive and responsive sustainability strategies among emerging market firms that face institutional adversity.

3.1.2 Institutional development logic

Institutional development logic refers to the extent or standard to which economic, social and political institutions are well-developed to support free market systems, policies and to aid commercial activities in an institutional context (Chan et al. 2008). Institutional development logic also refers to the nature of market systems in an environmental context and the level of adherence to free market policies in such context (Shinkle and Kriauciunas, 2010; Shinkle and McCann, 2014). According to Lindblom (2001), a market system refers to a system whereby human activities are not coordinated by a central command but based on mutual interactions of demand and supply. Hence, in environments with higher levels of institutional development, mutual interactions of buyers and sellers organise, structure and coordinate economic activities rather than a central government planning such activities (Chan et al. 2008). In line with this view, the market system in an environment determines if a country or business environment has a marketing orientation, i.e., free market policies.

According to the World Bank (2010) report, the level of institutional development in an environment or country is determined by factors such as political stability, absence of violence, regulatory quality, government effectiveness, rule of law, voice and accountability, control of corruption and an open free market system. Building on this, institutional development arises from the implementation of free market economic policies (Levine and

Zervos, 1998; Collier and Gunning, 1999; Nelson and Singh, 1998; Rajan and Zingales, 1998), improvements in the provision of public goods and infrastructures (Boix, 2001), the efficiency of intermediation (Khanna and Palepu, 2000), and the reduction of the extent of corruption (Mauro, 1997).

Consequently, the notion of institutional development has received great attention among academic scholars. In this vein, institutional development theory scholars have empirically established that environments with higher levels of institutional development will adopt free market-oriented policies and behaviours, which enhances firm activities and performance (Chan et al. 2008; Kafouros and Aliyev, 2016). Thus, there is an agreement among institutional development scholars that well-developed institutional environments increase free-market behaviour, which provides financial incentives that improve innovation and property rights protection, which creates competitive advantage and economic rents (North, 1990; Whitley, 2000; Zhao, 2006; Zhou et al. 2006; Kafouros and Aliyev, 2016). On this note, in environments with higher levels of institutional development, there are profit-driven incentive structures, rules of law, strong intellectual property rights, and regulatory frameworks that aid market-oriented behaviours, which results in higher levels of economic productivity (North, 1990; Ginarte and Park, 1997; Zahra et al. 2000; Peng, 2003; Shen, 2010). Thus, well-developed institutional environments increase protection of property rights, which advances innovation, creates competitive advantages and, in turn enhances firm activities and performance. Subsequently, market environments with better institutional development create more stability, reducing uncertainty and unpredictability in business, and thus making it easier for firms to conduct their business activities.

Accordingly, the level of institutional developments varies across environments and countries (Kogut and Zander, 2000; Chari and Banalieva, 2015). Such country-specific variations could be formal (e.g., the role of government, regulatory authorities, rule of law) or informal (e.g., norms, culture). Kafouros and Aliyev (2016) submit that the level of institutional development in developed economies is different from those of emerging economies. This is due to the fact that business activities in developed economies are driven by well-developed market forces and systems. Under such environments, well-developed market forces and systems reduce uncertainty and lower transaction and search costs, which provides more opportunities and enhances business activities and performance (North, 1990). On the other hand, in emerging markets, there are gaps in social provision, governance and regulatory powers (Peng and Luo, 2000; Acquaah and Eshun, 2010; Acquaah, 2012). Hence, emerging market firms face institutional adversities. These resources and capabilities' deficiencies, institutional adversities, and structural obstacles have varying effects on an organisation's performance, thus creating greater levels of uncertainty in the organisations' business environment and sustainability (Djankov et al. 2003). The varying effects are a function of a firm's ability to cope with institutional adversities.

Thus, standing on the premise of the institutional development logic, this study theorises that, due to the institutional adversities, weak institutional development and underdeveloped market structures in emerging economies, firms will invest in corporate proactive and responsive sustainability strategies to achieve superior performance; i.e., corporate sustainability strategies are proactive and responsive in nature among emerging market firms. By being proactive and responsive, corporate sustainability strategies become visionary and holistic while covering key social and environmental issues in the environment (Baumgartner and Ebner, 2010). Furthermore, the study stands on the institutional development logic to explain why emerging market firms develop an innovative working culture and use available financial resource slack to fund the implementation of corporate proactive and responsive sustainability strategies to achieve superior performance and long-term survival in business.

3.1.3 Structure-conduct-performance paradigm

With roots in industrial organisation economics, the SCP paradigm submits that firms derive superior performance by conforming to the external environmental characteristics in the society, region, or country in which they operate (Ralston et al. 2015). The central premise behind the SCP paradigm is the consideration that a firm's external environmental characteristics and dynamics (structure) will influence its behaviour (conduct) in formulating and implementing corporate strategies which leads to superior performance and in turn ensuring survival in business (Panagiotou, 2006; Lo, 2013; Leonidou et al. 2013; Ralston et al. 2015). Porter (1980) argued that a firm’s environmental structure and characteristics influence its strategy, which in turn determines its performance. Hence, firm strategies are a match between internal firm capabilities and the external environmental structure (Grant, 1991).

In line with this paradigm, firms develop strategies in relation to opportunities available in their market environment, which influences their conduct and impacts on performance (Bettis, 1981). The SCP paradigm submits that the variability in performance among firms is as a result of a firm’s ability to create or respond to opportunities in its business environment (Panagiotou, 2006; Morgan, 2012). According to Porter (1979; 1980; 1991), the standard commercial and economic operating practices of an industry sector—formulated by key institutional entities such as government officials, regulatory bodies, business associations and local community leaders—has an impact on the strategic decisions firms adopt to survive in the long term. Hence, to achieve superior firm performance, it is important for top-level managers to consider the characteristics of the marketplace where they conduct their business (McKone-Sweet and Lee, 2009). Such considerations lead to the formulation of strategies which define corporate goals and the contingencies required to meet those goals (Lo, 2013). In line with this logic, firm strategies become reasoned planned actions, that are developed based on the external environmental dynamics, which in turn, determines the conduct and performance of the firm (Day, 1999).

Accordingly, standing on the premise of the SCP paradigm, this study theorises that top-level managerial ties—depending on levels of competition intensity—will drive corporate proactive and responsive sustainability strategies which lead to superior market performance, contingent on the levels of financial resource slack and innovative culture. The moderating variables are at different points in the model, thus providing a comprehensive model that considers contingent factors that might strengthen or weaken the formulation and implementation of corporate sustainability strategies among emerging market firms. In taking this stance, this study responds to the call by Hoskisson et al. (2000), Dobers and Halme (2009), Chabowski et al. (2011), Goyal et al. (2013), Honig and Acquaah (2016) and Boso et al. (2018) for more research studies on corporate sustainability strategies in the emerging market domain to incorporate relevant fundamental drivers and contingencies to understand strategic corporate sustainability decisions among emerging market firms.

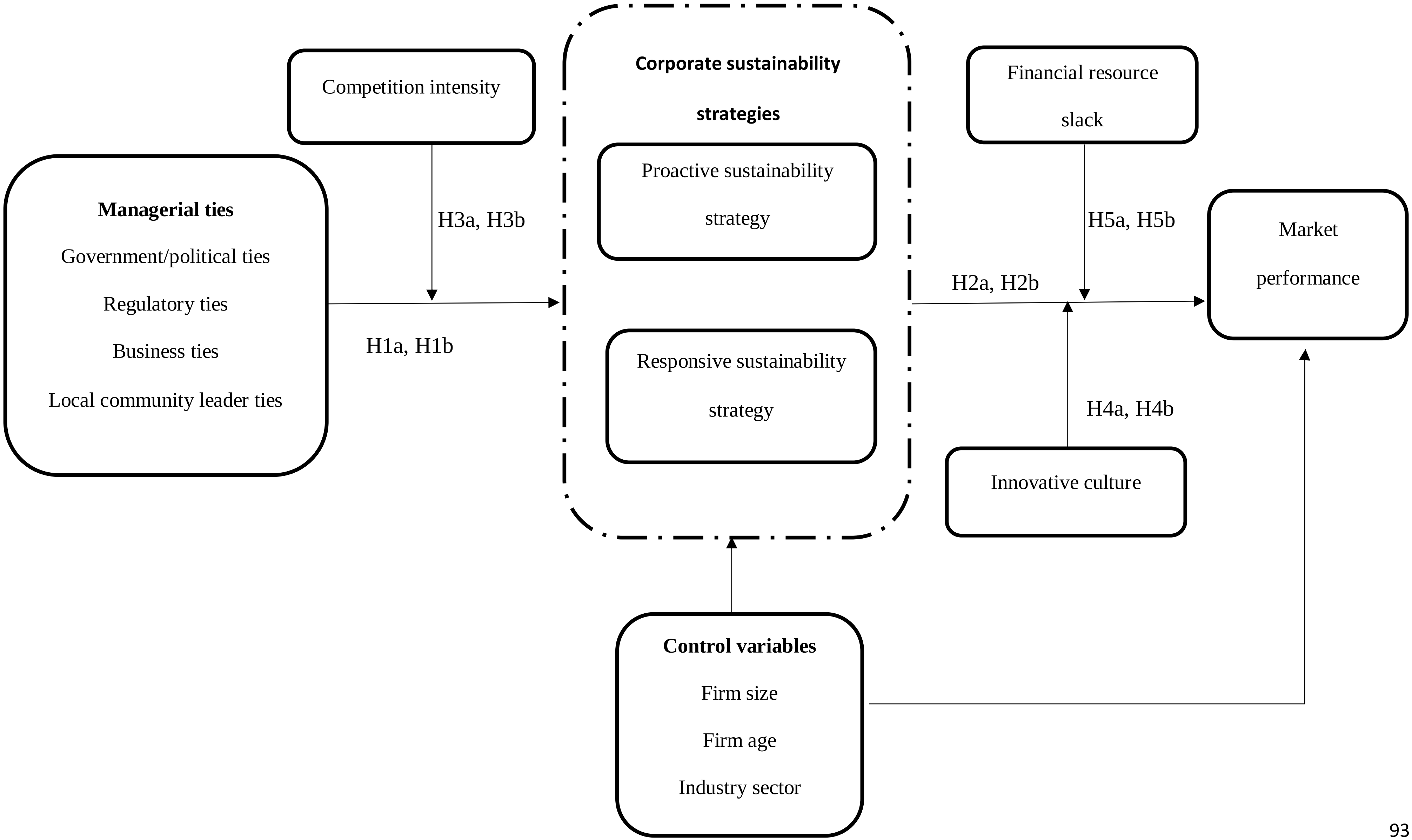
3.2 Conceptual model and hypotheses development

Figure 3.1 presents the study's conceptual model hypothesising the proposed nature, institutional drivers, boundary conditions and market performance outcomes of corporate proactive and responsive sustainability strategies. The model proposes that managerial ties, an external institutional variable—depending on levels of competition intensity—drive corporate proactive and responsive corporate sustainability strategies which lead to superior market performance. Furthermore, the model presents financial resource slack and innovative culture as firms' internal contingent factors that strengthen the path between corporate proactive and responsive sustainability strategies and market performance.

Moreover, it should be noted that this model was developed based on arguments and ideas from extant research studies and theories and in conjunction with the study's exploratory field interviews (see table 4.1) as well as the researcher's own direct experiences with firms in the emerging marketplace. The researcher recognises that the model does not present all the institutional drivers, associated boundary conditions and performance outcomes of corporate sustainability strategies in emerging economies. For pragmatic reasons, it focuses on the most important constructs and their effects. Furthermore, as recommended by strategy scholars (Covin and Slevin, 1991; Barreto, 2010; Eriksson, 2014), the model incorporates variables at the team management (managerial ties), organisational (corporate proactive and responsive sustainability strategies, market performance, financial resource slack, innovative culture) and environmental (competition intensity) levels for a more comprehensive and realistic model that includes variables at the three levels.

Additionally, by examining the impact of corporate proactive and responsive sustainability strategies on market performance, the study follows the recommendations by Chabowski et al. (2011) that research on corporate sustainability strategies in the marketing domain should consider the impact of the external-internal focus, i.e., the impact of social and environmental strategies on market performance. Also, as performance is not easily achieved, the inclusion of the boundary conditions is based on the premise that performance depends on other variables (North, 1990; Donaldson, 2001; Rudd et al. 2008). Furthermore, the study presents firm age, firm size and industry sector as control variables that influence the relationship shown in the study's conceptual framework. Chapter four section 4.5.2.7 discusses these control variables in detail.

Figure 3.1: Conceptual framework



3.3 Managerial ties as institutional drivers of corporate proactive and responsive sustainability strategies

3.3.1. Managerial ties and corporate proactive sustainability strategy

Corporate proactive sustainability strategies involve a firm actively scanning the market to spot which latent social and environmental issues facing the market it will address, to improve economic performance and ensure survival in business (Siegel, 2009; Wijethilake, 2017). On this note, corporate proactive sustainability strategies enable firms to pre-empt future social and environmental demands of the markets and devise products and services to match demand. Thus, corporate proactive sustainability strategies are visionary, futuristic and a match between social and environmental occurrences in the market (Baumgartner and Ebner, 2010; Engert and Baumgartner, 2016). Consequently, actively searching for information and knowledge about social and environmental issues facing the market is vital in formulating robust corporate proactive sustainability strategies (Narver et al. 2004). In developed economies, the well-developed market systems provide information and knowledge regarding social and environmental demands of the market (Kafouros and Aliyev, 2016). However, in emerging markets, there are institutional adversities (Julian and Ofori-Dankwa, 2013). Consequently, it becomes difficult for the market mechanisms to provide top-level managers with local market information and knowledge needed, to formulate robust corporate proactive sustainability initiatives (Honig and Acquaah, 2016). Subsequently, owing to the collectivistic culture existing in emerging markets (Xu et al. 2012), top-level managers rely on their ties to key institutional entities to obtain information and knowledge needed to plan and devise a robust corporate proactive sustainability strategy.

For instance, despite the many decades of economic liberalisation and democratic practices in emerging markets, government officials still have absolute power and control over societal affairs through rules, policies and regulations, and structure the nature of economic and commercial activities (Acquaah, 2012). On this note, close contacts and connections with key government decision makers (e.g., state governors in Nigeria) will enable top-level managers obtain latent social and environmental intelligence that will feed into their future corporate proactive sustainability initiatives. In the same vein, managerial ties with regulatory officials—in charge of enforcing government policies and regulations while ensuring conformance—will provide access to information and knowledge regarding impending social and environmental rules and regulations (Holmes et al. 2013). Hence, it is likely that top-level managers would use the privileged access to insights on likely future state regulation on social and environmental occurrences, to plan towards their corporate proactive sustainability strategies. Furthermore, managerial ties with top managers at other businesses (e.g., customer firms) will provide access to information and knowledge regarding latent local market environmental and social issues that will feed into corporate proactive sustainability initiatives. Finally, as local community leaders command strong allegiance among their subjects, they represent the interests, wants and demands of their subjects (Acquaah and Eshun, 2010). Accordingly, managerial ties with local community leaders will provide top-level managers with information and knowledge about the latent social and environmental issues facing the local community, which presents opportunities needed to feed corporate proactive sustainability strategies.

In turn, the greater degree of contacts and connections to key institutional entities affords managers information on likely future policy, regulatory changes and local market intelligence regarding social and environmental occurrences. Accordingly, greater contacts and connections to key institutional entities enable top-level managers to obtain local market information on latent social and environmental trends, which presents opportunities required to underscore future corporate proactive sustainability strategies to match market demands. On this note, corporate proactive sustainability strategies become visionary and futuristic (Baumgartner and Ebner, 2010) and a match between social and environmental occurrences in the market (Peng et al. 2008).

Therefore, this study proposes that:

H1a: Top-level managerial ties with government officials, regulatory officials, top managers at other firms and local community leaders are positively related to corporate proactive sustainability strategies

3.3.2 Managerial ties and corporate responsive sustainability strategies

Corporate responsive sustainability strategies involve a firm acknowledging, adapting and reacting to emergent, current and expressed social and environmental challenges facing the market (Siegel, 2009). On this note, such strategies are a match between incipient social and environmental occurrences in the market (Baumgartner and Ebner, 2010; Engert and Baumgartner, 2016). Therefore, just like corporate proactive sustainability strategies, robust corporate responsive sustainability strategies involve searching for information to quickly respond to the incipient and expressed social and environmental issues facing the market. However, due to the underdeveloped market structures and institutional adversities in emerging markets, which lead to unpredictability in the business environment (Julian and Ofori-Dankwa, 2013), it becomes difficult for the market systems to furnish top-level managers with the market information and knowledge needed to formulate robust corporate responsive sustainability strategies. Furthermore, in emerging markets, the surge in population and rapid urbanization give rise to expressed social and environmental issues, which require urgent and corporate reactive attention (Amankwah-Amoah et al. 2018; Boso et al. 2018). Due to the underdeveloped market structures, managers rely on their access to key institutional entities—government and regulatory officials, top managers at other firms and local community leaders to obtain information needed to plan and devise corporate responsive sustainability strategies to address expressed social and environmental demands.

Thus, the greater degrees of contacts and connections to key institutional entities provide top-level managers with diverse local market information, intelligence and knowledge needed to formulate short-run corporate responsive sustainability strategies to respond to the expressed social and environmental demands of the market. On this note, corporate responsive sustainability strategies become holistic as they react to the expressed social and environmental demands of the market (Baumgartner and Ebner, 2010; Engert and Baumgartner, 2016). Thus, greater levels of top-level managerial connections with key institutional entities provide access to diverse local market information, knowledge and resources to devise short-run corporate sustainability strategies to respond to expressed social and environmental issues facing the market.

On this note, this study proposes that:

H1b: Top-level managerial ties with government officials, regulatory officials, top managers at other firms and local community leaders are positively related to corporate responsive sustainability strategies

3.4 Corporate proactive sustainability strategy and market performance

Aragón-Correa and Sharma (2003) argued that firms facing institutional adversity that invest in the implementation of corporate proactive sustainability strategies will achieve superior performance. For instance, Wijethilake's (2017) findings from multinationals and local corporations in Sri Lanka revealed that corporate proactive sustainability strategies are positively associated with corporate sustainability performance. Corporate proactive sustainability strategies enable firms to anticipate future social and environmental demands of the market and thus mobilise resources and capabilities to match such demands (Baumgartner and Ebner, 2010). By anticipating and developing products and services that meet future social and environmental demands of the market through robust corporate proactive sustainability strategies, the firm becomes a pioneer and a market leader in its industry with respect to the marketing and sales of sustainable products and services (Ortiz-de-Mandojana and Bansal, 2016).

Market performance is a long-term performance measure that refers to a firm's market share, sales volume, sales growth and unit sales, which reflects its potential revenue and profitability (Lee and Park, 2008; Hultman et al. 2009). Thus, as a market leader and a pioneer of sustainable value proposition, a firm through its corporate proactive sustainability strategies produces goods and services that are likely to attract innovative consumers and thus has the privilege to set the benchmark and standards for sustainability in its industry (Bansal, 2005; Hubbard, 2009; Wijethilake, 2017). By being perceived as a market leader, the firm can expect to command superior market share and greater sales in its industry relative to less proactive competitors (Engert and Baumgartner, 2016). As such, consumers would buy from firms whose corporate proactive sustainability strategies devise products and services that match their social and environmental demands over the long term. In turn, such firms will experience higher market shares, and sales, which reflect their revenue and profitability while ensuring that they survive in business over the long term.

Accordingly, this study proposes that:

H2a: Corporate proactive sustainability strategies are positively related to market performance

3.5 Corporate responsive sustainability strategy and market performance

Corporate responsive sustainability strategies involve a firm acknowledging, adapting and reacting to current and expressed social and environmental issues facing the market to improve economic performance (Siegel, 2009). While corporate proactive sustainability strategies focus on the future demands of the market place, corporate responsive sustainability strategies focus on expressed and evolving needs of the market. Thus, corporate responsive sustainability strategies are mindful of the existing social and environmental needs of the market and devise goods and services to quickly meet those demands more effectively relative to market rivals (Engert and Baumgartner, 2016). For example, corporate responsive sustainability strategies would enable a firm to redesign its product packaging in response to expressed social concerns over environmental pollution. In the same vein, corporate responsive sustainability strategies would enable a firm to quickly recall a product or stop a service that is reported to be harmful to the society (e.g., Volkswagen recalling its defective cars worldwide due to an airbag problem). Thus, by being responsive to expressed social and environmental demands of the market through its corporate responsive sustainability strategies, a firm is able to sustain its reputation in the market, strengthen trust and loyalty among its customer base, and subsequently boost its sales level when compared to its less responsive rivals (Narver et al. 2004). Thus, consumers would buy from firms whose corporate responsive sustainability strategies devise products and services that match, respond and react to their expressed social and environmental demands. In turn, this would increase the firm's market share and sales, when compared to its less responsive rivals and ensure that it survives in business over the long term.

On this note, this study proposes that:

H2b: Corporate responsive sustainability strategies are positively related to market performance

3.6 Moderating role of competition intensity

The economic liberalisation policies introduced by emerging market governments (especially in sub-Saharan Africa) have increased the competitive intensity in the business environment (Acquaah, 2007). As a result, there is competition for resources, market information and knowledge. Thus, with this increase in competition levels, top-level managers are faced with significant constraints in relation to planning for corporate proactive and responsive sustainability strategies that meet the social and environmental demands of the market. In such high levels of competition intensity, managerial ties with key institutional entities become valuable as they facilitate access to resources, information, opportunities and favours that are needed to underscore corporate proactive and responsive sustainability initiatives (Acquaah and Eshun, 2010).

At higher levels of competition intensity, there will be pressure on firms to actively spot latent social and environmental issues that will bear fruit in the future and formulate robust corporate proactive sustainability strategies to match such demands in future and provide superior value to customers relative to market rivals. In the same vein, at higher levels of competition intensity, there will be pressure on firms to develop robust corporate responsive sustainability strategies to respond to expressed social and environmental demands facing the market relative to market rivals. Therefore, emerging market firms whose top-level managers develop stronger connections with key institutional entities will experience more value in highly competitive environments as such ties facilitate access to vital resources, information, favours and knowledge about customers' needs and local market conditions, which are needed to feed corporate proactive and responsive sustainability strategic activities (Acquaah and Eshun, 2010). On this note, at higher levels of competition intensity, emerging markets top-level managers develop stronger ties with government and regulatory officials, top managers at other firms and local community leaders to obtain access to the vital information, knowledge, resources and favours needed to underscore corporate proactive and responsive sustainability strategies.

In turn, top-level managers in markets characterised by low competition intensity do not need to develop stronger ties with key institutional entities because such a market environment offers firms the flexibility and ability to increase their sales through their strategic initiatives and is thus favourable to earning higher profits (Acquaah and Eshun, 2010). Additionally, stronger managerial ties may not be valuable for firms in low competition sectors because of the lack of or minimal constraints on their strategic activities (Auh and Menguc, 2005). On this note, emerging market firms operating in low competition market environments do not need to develop stronger managerial ties as intensely as top-level managers in highly competitive markets. In line with these arguments, this study proposes:

H3a: The levels of competition intensity moderate the positive effect of managerial ties on corporate proactive sustainability strategies such that, at high levels of competition intensity, the effects of managerial ties on driving corporate proactive sustainability strategies are higher and vice versa

H3b: *The levels of competition intensity moderate the positive effect of managerial ties on corporate responsive sustainability strategies such that, at high levels of competition intensity, the effect of managerial ties on driving corporate responsive sustainability strategies are higher and vice versa.*

3.7 Moderating role of innovative culture

The internal characteristics of a firm are critical drivers of performance (Barney, 2012; Kozlenkova et al. 2014; Lin and Wu, 2014; Hitt et al. 2016). One of such firm internal characteristics is innovative culture. A firm with an innovative culture *"encourages openness to new ideas and cultivates internally-based capabilities to adopt new ideas, processes, strategies and products successfully"* (O'Cass and Ngo, 2007, p.870). Innovative culture focuses on creative unique ways to deliver superior customer value by leveraging firm internal-based competences (O'Cass and Ngo, 2007). Building on this definition, a firm with an innovative culture places great importance on readiness and creativity in ensuring the implementation of corporate proactive and responsive sustainability strategies (Linnenluecke and Griffiths, 2010).

According to De Brentani and Kleinschmidt (2004) and Zheng et al. (2010), the innovative culture existent in a business entity informs the thoughts, feelings and actions of its members. Such innovative culture helps members understand the firm's focus while shaping norms for their behaviour. As a result, the innovative culture embedded within members of an organisation influences its performance (Wright and McMahan, 1992; Schneider et al. 1996). On this note, Wei et al. (2013) explain that an innovative working culture empowers employees in a firm to act creatively in the execution and implementation of their duties. Thus, Schneider et al. (1996) and Ogbonna and Harris (2000) submit that the performance of an organisation is dependent on the degree to which the values of the innovative culture are widely shared and the efforts of its employees as they implement its strategic actions. Building on this, Greenley et al. (2004) argued that an innovative working culture would devise products and services that match the social and environmental demands of the market, both in the short and long term. Thus, with an innovative working culture, firms can respond to and adapt to social and environmental changes in the market (Greenley et al. 2004)

As corporate proactive sustainability strategies involve spotting latent social and environmental issues that would bear fruit in future and are associated with long-term planning processes (Hubbard, 2009), at higher levels of innovative culture, firms are able to find ways to creatively implement corporate proactive sustainability strategies to devise products and services that provide superior value to customers in the long term and increase market shares and sales. In the same vein, as corporate responsive sustainability strategies are short-run strategies that respond to current and expressed social and environmental issues facing the market, at higher levels of innovative culture, firms can quickly and creatively design such strategies to devise products and services that would respond to the expressed social and environmental demands in the market better than market rivals. In doing so, this increases market sales which leads to higher revenue and long-term survival in business.

Thus, this study proposes that:

H4a: Innovative culture moderates the positive direct relationship between corporate proactive sustainability strategies and market performance, such that at high levels of innovative culture, the effects of corporate proactive sustainability strategy on market performance are higher

H4b: Innovative culture moderates the positive direct relationship between corporate responsive sustainability strategies and market performance, such that at high levels of innovative culture, the effects of corporate responsive sustainability strategy on market performance are higher

3.8 Moderating role of financial resource slack

This study defines financial resource slack as the utilisable financial capital that can be used, accessed, diverted or deployed by top-level managers to fund and achieve organisational aims and objectives (George, 2005). According to Austin et al. (1996), financial resource slack is often captured as capital at hand (i.e., net profit after all discretionary expenses and taxes are deducted). On this note, financial resource slack theorists argue that a firm's performance is a result of the availability of financial slack resources that provide opportunities for it to invest in strategy domains that improve its operations (McGuire et al. 1988). If financial slack resources are available, then better firm performance would result from the allocation of these capitals into implementation of corporate strategies that would result in efficient operations, and better financial/market performance (Waddock and Graves, 1997).

Accordingly, as emerging market firms are focused on survival due to the existence of institutional adversities and weak market-supporting institutions, top-level managers allocate financial resource slack to fund the implementation of corporate proactive and responsive sustainability strategies, to devise products and services that match social and environmental demands of market, while creating superior customer value. In turn, this leads to superior market shares and sales and, ensures survival in business. Hence, at higher levels of financial resource slack, top-level managers would fund the implementation of corporate proactive and responsive sustainability strategies to provide superior value to customers relative to market rivals, which leads to superior market performance.

On this note, this study hypothesises that:

H5a: Financial resource slack moderates the positive effect of corporate proactive sustainability strategy on market performance such that at high levels of financial resource slack, the effect of corporate proactive sustainability strategy on market performance are higher.

H5b: Financial resource slack moderates the positive effect of corporate responsive sustainability strategy on market performance such that at high levels of financial resource slack, the effect of corporate responsive sustainability strategy on market performance are higher.

3.9 Control variables

In line with previous empirical research on corporate sustainability strategies in emerging markets (e.g., Wijethilake 2017), this study controlled for three organisational related variables—firm size, firm age and industry sector—due to their potential effects on the formulation, implementation and market performance consequences of corporate proactive and responsive sustainability strategies. In terms of firm size, managers at larger firms are likely to have more institutional ties, which leads to increases in corporate proactive and responsive sustainability strategies (Orlitzky, 2001). As such, firm size is likely to influence the formulation, implementation and market performance outcomes of corporate proactive and responsive sustainability strategies. In turn, the study also controlled for firm age as older firms are more experienced, have first-mover advantages and will likely have more managerial institutional ties, which lead to increases in corporate proactive and responsive corporate sustainability strategies (Coviello et al., 2000). Therefore, firm age was included as a control variable to control for the effect that a firm's establishment is likely to affect the formulation, implementation and market performance consequences of its corporate proactive and responsive sustainability strategies. In terms of industry sector, it is possible that the industry sector in which a firm is operating in, will influence the level of its managerial institutional ties in driving its corporate proactive and responsive sustainability strategies and their market performance consequences (Peng and Luo, 2000). Accordingly, this study controlled for its potential effects.

3.10 Chapter summary

This chapter discussed the three underlying theories guiding the conceptual arguments developed for the study. The study draws from the institutional theory, institutional development logic and the SCP paradigm to explain how managerial ties with key institutional entities—depending on levels of competition intensity—drive corporate proactive and responsive sustainability strategies and their impact on market performance—depending on levels of innovative culture and financial resource slack. Hence, a preliminary conceptual model which hypothesises the institutional drivers (managerial ties), boundary conditions (competition intensity, innovative culture and financial resource slack) and performance outcomes (market performance) of corporate sustainability strategies among emerging market firms facing institutional adversity is presented. Arguments for these relationships are also presented. The next chapter discusses the methodological aspects of the study.

Chapter Four: Research methodology

4.0 Introduction

This chapter presents the philosophical foundations and the methodological aspects of the study. The research design, research setting, sampling procedures, data collection and analysis techniques, and the measures used to assure the overall quality of the research findings are presented.

4.1 Philosophical perspectives

There are two contrasting perspectives on the role of philosophy in social science research. In the first perspective, philosophy is seen as the background on which research is conducted in the specific scientific specialisms (Benton and Craib, 2011). Also referred to as the *"master-builder"* or *"master-scientist"* approach, this perspective submits that philosophers give an account of the world, everything in it and how it works (Benton and Craib, 2011). On the other hand, the second perspective—the *"under labourer"* approach—submits that armchair speculation about the state of the world cannot provide knowledge. Knowledge can only be gained through experience, observation and systematic experimentation (Benton and Craib, 2011). It is on the basis of the second philosophical perspective that this research study stands to refine the method of investigation used herein.

According to Winch (2008), an understanding of research philosophy enables scholars to examine different methodological methods and helps in identifying the strengths and limitations associated with each research method and methodology and ensures that researchers employ the right measures for a research study. Therefore, although not explicitly stated, a researcher's view of how knowledge can be gained does not only guide their choice of what to study but also has an important methodological implication (Johnson et al. 2007). Against this backdrop, it is important to understand the philosophical perspectives that guide social science researchers when developing knowledge about social phenomena. In fact, Proctor (1998) posits that the philosophy of a researcher is key in understanding the rationale behind any research study and is essential in ensuring that there is consistency between the research aims, research questions and the chosen research methods for a study. Hence, understanding the interrelationship between ontology (the theory of being), epistemology (the theory of knowledge) and methodology (how researchers can discover what can be known) is crucial in conducting research in social sciences.

Until recently, positivism and constructionism were the two dominant opposing ontological philosophical paradigms debated by social scientists (Tsai and Liu, 2005). According to the positivist ontology, positivism—a deductive approach—submits that reality is external, objective and can only be known epistemologically based on observation of external reality (Smith et al. 2012). Positivism argues that there is an independent relationship between the observed and the observer, and is the underlining principle behind the quantitative data collection and analysis techniques (Tashakkori et al. 1998). On the other hand, constructionism posits that reality is given meaning by people and is socially constructed (Andrews, 2012). Constructionism is focused on gaining an extensive understanding of a social phenomenon and not making law-like generalisations. According to Bryman (2012; p.33), the constructionism ontological view posits that *"social phenomena and categories are not only produced through social interaction but also that they are in constant state of revision"*. Hence, constructionism assumes that through human interaction and sharing of experiences, knowledge and truth about the world are created based on how people make sense of the world and their surroundings (Craib, 1997). Hence, the constructionists' school of thought adopts exploratory qualitative methods to explain social phenomena.

Recently, researchers such as Johnson and Onwuegbuzie, (2004), Benton and Craib (2011), Tashakkori and Teddlie (2010), Saunders and Lewis (2012) and Creswell, (2014) have posited that, philosophically, the quantitative and qualitative paradigms are not mutually exclusive and could be used together. This has led to the emergence of a third school of thought known as *"pragmatism"*. Pragmatism considers knowledge as '*what works'* and is seen as an intermediary between positivism and constructionism (Benton and Craib, 2011). According to Johnson and Onwuegbuzie (2004, p.17), pragmatism is a *"class of research where the researcher mixes or combines quantitative and qualitative research techniques, methods, approaches, concepts or language into a single study"*. In pragmatism, solving social problems in the real-world entails conceptualising the observed social problems, and based on those conceptualisations, the researcher develops hypothesis and applies theory to justify or predict actions (Morgan, 2007; Benton and Craib, 2011). In following this view which considers knowledge as *"what works"*, the inductive results from the qualitative approach serve as inputs into the deductive approach of the quantitative method and vice versa (Benton and Craib, 2011).

4.1.1 Philosophical foundation of the study

This study follows the pragmatism school of thought (mixed method approach) to guide the investigation of the research aims and objectives. On the one hand, the first phase of the study was guided by the constructionism school of thought. Highly interactive interviews that allowed for complex questions on the nature of corporate sustainability strategies, their institutional drivers, performance consequences and associated boundary conditions characterised this phase of the study (see appendix 4A). On the other, the second phase of the study was premised on the positivist (quantitative) approach (see appendix 4C). The aim of the second phase of the study was to validate or invalidate the observations obtained from the interactive interviews and to use the findings from the study to make law-like generalisations that can be extended to other emerging markets. By using this mixed method approach—collecting data using a variety of sources—this study benefits from using an extensive variety of data methods to examine a research problem as well as adopting several measures to assure and interpret the results. As Tashakkori and Teddlie (2003) and Greene (2006) submit, mixed investigative measures are necessary in examining complex social phenomena. Nevertheless, the researcher would like to state that, although the central philosophical idea behind the study was the pragmatist mixed-method school of thought, this study's central main data collection and analysis is based on a quantitative methodological approach.

4.2 Research context

This study is set in Nigeria—a developing emerging economy in West Africa. Nigeria was chosen for this study based on several reasons. First, Nigeria has the largest economy in sub-Saharan Africa, with roughly around 182.2 million people (Trading Economics, 2016) and an estimated GDP of USD1.105 trillion (and 6.3% annual growth rate). Second, Nigeria is among the MINT (fastest developing economies) countries and is projected to be among the top 20 largest economies in terms of GDP by 2020 (Wall Street Journal, 2014; Trading Economics, 2016). Third, despite Nigeria's human and huge natural resource potentials, Nigerian firms must somehow overcome a weak market-supporting environment to survive in business. According to Acquaah and Eshun (2010), such weak market-supporting environment creates greater levels of uncertainties in firms' sustainability. Fourth, Nigerian societies, as with most sub-Saharan emerging economies, are highly collectivist in nature, with communal relationships highly prevalent (Acquaah, 2012).

Against this backdrop, the Nigerian context was ideal to investigate the research aims and objectives of the study and in turn respond to the calls by Hoskisson et al. (2000), Dobers and Halme (2009), Chabowski et al. (2011), Goyal et al. (2013), Honig and Acquaah (2016) and Boso et al. (2018) for more research studies on corporate sustainability strategies to be carried out among emerging market firms that face institutional adversity. Also, within this socioeconomic context, Nigeria provides the economic, social and environmental background needed to examine how western theories that are argued to be universally binding operate in a large sub-Saharan African emerging market. Therefore, findings from this emerging market will aid the generalisation and validity of the corporate sustainability concept.

4.3 Research design

According to Malhotra (2006), a research design is a detailed outline of how, where and when data for a research study will be collected and analysed. The research design is an important methodological decision that not only determines the success of any research project but also ensures that the data gathered is suitable for theory testing. Having identified the research gaps and stated the research objectives (chapter one, section 1.3) and developed the study's hypotheses (chapter three, section 3.3), it is necessary to explain how the research objectives and hypotheses are going to be tested. The next paragraphs discuss the research design adopted for this study.

Exploratory, descriptive and causal research designs are the three types of research designs identifiable in social science research (Creswell, 2003). These research designs differ in terms of their research methods, central research questions and purpose, and clarity of the research hypothesis (Aaker, 2011). While descriptive research is concerned with how often a phenomenon occurs or the relationship between variables, exploratory research is focused on understanding the key attributes underlining a problem, the likely decision alternatives available and important variables that should be considered (Robson, 2011). On the other hand, causal research design is focused on analysing cause-and-effect relationships between variables (Robson, 2011).

Given the nature of the research aims and objective, the study employed descriptive and exploratory research designs. This is due to the dearth of research on the nature, institutional drivers, market performance outcomes and associated boundary conditions of corporate sustainability strategies among emerging market firms that face institutional adversity.

Hence, the exploratory research approach was used initially to explore the research gap and its applicability. Indeed, the exploratory research approach provided insights into the study constructs and research gap. Furthermore, following on from the exploratory research approach, the descriptive research approach was used to examine the relationships presented in the conceptual framework. However, the causal research design was not used because the study was not interested in establishing a cause-and-effect relationship.

4.3.1 Cross-sectional research design

After settling on the exploratory and descriptive research designs, a decision had to be made on which descriptive approach was best for the study. According to Churchill and Iacobucci, (2005), cross-sectional and longitudinal research designs are the two main dominant descriptive research approaches in the social science literature. Cross-sectional research design involves collecting data from a large number of people, with each respondent answering the same set of questions at a given one-time point (Bryman and Bell, 2015). As posited by Rindfleisch et al. (2008), a cross sectional research approach is popular among marketing scholars, with over 94% of studies published in the top marketing journals (e.g., *Journal of Marketing* and *Journal of Marketing Research)* adopting this research approach.

Longitudinal research design, on the other hand, involves the collection of data from the same set of respondents at different time intervals over long periods of time (Creswell, 2003). In longitudinal research studies, data is collected over different periods of time to obtain a deeper understanding of the study variables and to examine the developments, differences or changes in the variables over time (Churchill and Iacobucci, 2005). However, to effectively collect data at different time points over periods of time, the longitudinal research approach poses a great amount of time and financial constraints.

Considering that this is doctoral research with a set deadline and a limited budget, the longitudinal research design was not suitable for the study. Thus, due to time and financial constraints, the cross-sectional research design was chosen as the best approach for the study. Though cross-sectional surveys are susceptible to common method variance (CMV) problems and limited in their degree of inferences (Podsakoff et al. 2003), cross-sectional research design is still popular among marketing academics because it allows for inferences to be made from large samples in a cheaper and faster way (Churchill and Iacobucci, 2005). Moreover, this study was not interested in examining the changes in the study variables over time, thus rendering the longitudinal research design less desirable. To reduce the effects of CMV associated with cross-sectional studies, this study employed several measures as suggested by methodologists in the social science literature to control for any potential CMV problems in the study. Chapter five (section 5.7) provides a detailed discussion on the series of measures and tests performed to control for any potential effects of CMV. The next section discusses the two stages of the data collection process, beginning with a discussion on the exploratory field interviews.

4.4 Data collection techniques

4.4.1 Phase 1 – exploratory field interviews

The first phase of the study involved exploratory field interviews with 16 top-level managers in large, medium and small-scale firms operating in the service and manufacturing industries across all the six geo-political zones in Nigeria. The firms sampled were Nigerian owned and were not subsidiaries of a foreign firm or multi-national corporations, which is in line with the research aims and objectives of the study. To guide this phase of the study, a semi structured interview guide was developed by the researcher under the guidance of two (2) research supervisors (see appendix 4A). The interview guide was pre-tested with three (3) PhD researchers to determine the length of the interview, to ensure that the questions were properly worded and understood by the respondents, and to confirm that the questions were not misleading or displeasing. Furthermore, a preliminary interview was conducted with two (2) top-level managers in Nigeria to pre-test the interview guide before launching it live. The preliminary interviews revealed that the questions were properly worded and the two (2) respondents clearly understood the contents of the interview guide. After the preliminary interviews, a semi-structured interview guide was administered to sixteen (16) top-level managers in Nigeria. The two (2) managers used for the preliminary interviews were not among the final 16 managers that participated in the final exploratory field interviews.

The essence of the exploratory interviews was to determine the applicability and relevance of the study constructs as well as to identify possible indicators for measuring the study constructs for the second phase of the study. The interviews were used to examine the linkages between the study variables and to explore the relationships depicted in the conceptual framework. Furthermore, the essence of the exploratory interviews was to assess what top-level emerging market managers understood by sustainability in business, to explore the nature of their corporate sustainability strategies, their institutional drivers, associated boundary conditions and performance consequences.

Before the start of each interview, the respondent signed a consent form, signalling their intention to participate in it. The respondents were informed about the aims and objective of the research study and were encouraged to expatiate on their answers. They were asked to describe what they understood by sustainability in business, the nature of their corporate sustainability strategies, what they understood by networking in business and the nature of their networking ties. Also, the respondents provided details on the organisational factors that aid the implementation of their corporate sustainability initiatives. The researcher ensured that the respondents were not individuals only with a broad view of their firms' activities but had connections with key external institutional entities and were responsible for setting corporate sustainability strategies and determining the future directions of their firms. In situations where a firm had a chief marketing officer or a marketing manager, such personnel were interviewed about information concerning the market performance variables. The interviews lasted between 70 minutes and 120 minutes.

Table 4.1 presents the content analysis from the exploratory interviews. Insights from the interviews served as a background for the second phase of the study—questionnaire-based survey—and informed the survey instrument development. With insights from these interviews, necessary adjustments were made to the study's conceptual framework. The interviews were transcribed within 24 hours after the data was recorded to preserve the quality of the data. The transcripts were then analysed to identify the nature of corporate sustainability strategies, different types of managerial institutional ties, market performance consequences of corporate sustainability strategies and their associated boundary conditions. Accordingly, quotes that were related to the same theme were recorded together. Careful examination of these quotes revealed that the managerial ties construct involved ties with government officials, regulatory officials, business ties and local community ties, further confirming the findings of the study by Acquaah and Eshun (2010). As can be seen from table 4.1, the data obtained revealed that corporate sustainability strategies were proactive and responsive in nature. Finally, the interviews provided insights on the linkages and relationships between the study variables. The next section provides details on the second phase of the study.

4.4.2 Phase 2 – questionnaire-based survey

Given the interesting initial findings from the first phase of the study, there was a need for a larger survey to provide robust empirical assessment of the study variables. Hence, this led to the second phase of the study which involved a questionnaire survey and was the main platform used for data collection. A questionnaire, defined as *"a structured technique for data collection that consists of a series of questions, written or verbal, that a respondent answers"* (Malhotra, 2004, p.280), was developed based on insights from the exploratory interview phase of the study. The questionnaire survey was necessary because it helps to justify or invalidate the findings from the first phase of the study. Also, it helps the generalisability of the study findings to other emerging markets and is extremely useful at collecting large amounts of data at a low cost. In line with Churchill's (1979) recommendations, specific measures were followed critically to ensure that the questionnaire scales used, effectively covered the study variables. The following sections present a detailed explanation of the measures and steps followed in designing the questionnaire.

Table 4.1: Content analysis from the qualitative interviews

Constructs	Direct quotations and codes to represent the respondents
Top-level managerial ties	- One is the state **government officials**. You need to interface with the **local leaders** in the host communities to the business; you also need to interface with the state **regulatory** agencies and the federal **regulatory** agencies. **CZ** - You need to understand the relative framework, the type of **regulators** that will need to make your business work, the **government personnel** on the side of who is going to give you the necessary approval to get the business [to] work, and the **local community chiefs**. **CE** - Attending the **monthly business associations** meetings helps a lot. I get to interact with members from other companies. **AJ** - I started interfacing with **government and regulatory officials** and I started getting into government circles, trying to create [a] relationship with permanent secretaries, directors and commissioners. So, every point in time I had a need, I could just go through my phone and say, “Okay, I have a need in the Ministry of Land. Who do I know? The assistant director I had lunch with two days ago could help me resolve the problem.” So, I give him a call and, because I have built a special relationship with him, it becomes a lot easier for them to even get my job based on the information I will get from him. **TK** - Compliance with **government** rules and regulations or **regulatory** bodies’ rules and regulations and the **local laws** of the host communities is a key success factor. **RE**
Corporate sustainability strategies	- We **actively** search for social and environmental trends that will affect the society in the days ahead. **PS** - Based on the developments in the society, we **react** to social and environmental issues facing the market. **BO** - Sometimes, my contact in the ministry calls. After that call, **I get an idea of what will happen next** or when they will introduce the laws **BN** - You know how our country is, nothing is stable, and there are new things every day. We are always on the look out to **react** and meet those needs to stay in business. **FD** - Always, I have my ears steady checking to know of the occurrences in the society that we need to **respond** to. **GH**
Organisational success factors considered in the implementation of corporate sustainability strategies	- The level of our **finances** plays a key role in the implementation of our corporate sustainability strategies. **BN** - I feel blessed to be working with some of the best hands. They are so **innovative and creative** regarding the implementation of our corporate sustainability strategies. **AC** - Our **organisational culture** helps a lot. Once a staff [member] is recruited, they undergo trainings about our **innovative** workspace, and this has really helped in the implementation of our corporate sustainability [strategies] and is why we are still in business. **RE** - **Finance** is very important. We always ensure that we have some monies that we can use to fund our corporate sustainability activities. **CZ**

4.5 Questionnaire design procedures

According to Robson (2011), one of the major challenges facing social science researchers using the questionnaire survey approach is the ability to design a questionnaire that captures the purpose of the data collection while avoiding common data collection problems such as sampling errors, measurement errors and non-response errors. Therefore, it is important to pay great attention to the procedures followed when designing a study questionnaire. To avoid such data collection problems and to ensure that the survey instrument adequately reflected and captured the study variables, this study followed the questionnaire design recommendations submitted by Churchill (1979). Figure 4.1 below presents the procedures followed in the design of the questionnaire according to Churchill's (1979) recommendations.

Figure 4.1: Questionnaire design procedure

Step1
Determine what type of information will be sought

Step 2
Determine type of questionnaire and method of administration

Step 3
Determine content of individual questions

Step 4
Determine form of response to each question

Step 5
Determine wording of each question

Step 6
Determine sequence of questions

Step 7
Determine physical characteristics of questionnaire

Step 8
Re-examine steps 1-7 and revise if necessary

Step 9
Pre-test questionnaire and revise if necessary

4.5.1 Type of data sought from respondents

Careful attention was paid to the type of data sought from the respondents. This is to ensure that information on the survey instrument covered the full breadth of the variables in the conceptual framework. Guided by the research aims and objectives, an extensive literature review was conducted on the existing study variables in the literature. However, considering that there is a dearth of research on the nature, institutional drivers, market performance consequences and boundary conditions that strengthen or weaken the formulation and implementation of corporate sustainability strategies among emerging market firms that face institutional adversity, it was necessary to search the broader marketing and management literature for measures on the study's construct. Categorically, the scale search was focused on identifying the nature of corporate sustainability strategies in emerging markets. The measures obtained from the literature search were adapted in line with the definitions provided in chapters one (section 1.1), two (section 2.1) and three (section 3.1) of the study. The same scale search approach in the literature was conducted for all the study constructs. In addition, as explained earlier, the exploratory field interviews with managers in Nigeria provided insights into understanding the study constructs. Hence, this helped in capturing the constructs in the questionnaire in words that would be understood by the managers. Table 4.2 below provides details about the type of data sought from the respondents and is followed by a description of how the constructs are operationalised in the study.

Table 4.2: Type of data sought from respondents

Main construct Corporate sustainability strategies • Corporate proactive sustainability strategies • Corporate responsive sustainability strategies
Criterion variable Market performance
Institutional drivers Managerial ties; second order four-dimensional construct • Government/political ties • Regulatory ties • Business ties • Local community ties
Boundary conditions Competition intensity Financial resource slack Innovative culture
Controls Firm size Firm age Industry sector

4.5.2 Operationalisation of study constructs

This section discusses how the study constructs were operationalised. Appendix 4B provides details on the items adopted while the next paragraphs present a brief discussion on the measures.

4.5.2.1 Managerial ties

Defined as top-level managerial linkages, contacts and connections with key institutional entities, the measures of the managerial ties construct was adapted from Acquaah and Eshun's (2010) study. The managerial ties scale was conceptualised as a second-order, four-dimensional construct consisting of:

a) Government/political ties: defined as ties with government or political officials such as city council politicians, regional and national council politicians and government officials
b) Regulatory ties: defined as ties with officials in industrial and investment institutions, government supporting institutions (e.g., government ministries) and officials in government bureaus
c) Business ties: defined as ties with top managers at other firms such as suppliers, customers, business associations, distributors, and trade unions
d) Local community ties: defined as linkages, contacts and connections with local community bodies such as tribal leaders (e.g., local kings, chiefs, representatives), religious leaders, opinion leaders/activists and newspaper editors/reporters

All the items for the four dimensions of managerial ties were measured on a seven-point Likert-type scale, anchored at 1 = *"Not at all" and 7 = "To an extreme extent"*.

4.5.2.2 Corporate sustainability strategies

Based on insights from the exploratory interviews (see table 4.1) and literature search, this study posits that corporate sustainability strategies are proactive and responsive in nature among emerging market firms. In turn, the study defines corporate sustainability strategies as the series of proactive and responsive actions designed by firms to tackle latent and expressed social and environmental issues facing the market to ensure long-term economic survival in business (Siegel, 2009; Engert and Baumgartner, 2016). Thus, corporate sustainability strategies become visionary and holistic in nature, covering the key social and environmental demands of the market, which ensures superior firm performance (Bansal, 2005; Baumgartner and Ebner, 2010).

4.5.2.2.1 Corporate proactive sustainability strategy

The study adapted and reproduced the measures for corporate proactive sustainability strategies from Bansal (2005) and Hubbard (2009). Corporate proactive sustainability strategies involve a firm actively scanning the market to spot which latent social and environmental issues facing the market, it will address, to improve economic performance and ensure survival in business (Siegel, 2009; Wijethilake, 2017). Thus, corporate proactive sustainability strategies enable firms to pre-empt future social and environmental demands of the society and produce goods and services to match the demand.

4.5.2.2.2 Corporate responsive sustainability strategy

The measures for corporate responsive sustainability strategies were also adopted and reproduced from Bansal (2005) and Hubbard (2009). When a firm adopts a corporate responsive sustainability strategy, it adapts, reacts or responds to expressed social and environmental issues facing society to achieve superior economic performance and survival in business. Thus, corporate responsive sustainability strategies are an instrumental response to social and environmental demands of the market (Siegel, 2009). All the items used for corporate proactive and responsive sustainability strategies were measured on a seven-point Likert-type scale, anchored at 1 = *"strongly disagree"* and 7 = *"strongly agree"*.

4.5.2.3 Market performance

In line with the recommendations of Engert and Baumgartner (2016), firms should track the impact of their corporate sustainability strategies on firm performance. This is to ensure that corporate sustainability strategies are transparent and meets the aims of the organisation. Thus, this study theorises that the information and knowledge obtained from top-level managerial ties will drive corporate proactive and responsive sustainability strategies, which in turn leads to superior market performance contingent on levels of competition intensity, firm innovative culture and financial resource slack. To investigate the effect of these relationships on market performance, the respondents were asked for their previous years' market performance and market performance projection for the next year. However, following the recommendations by Geringer and Hebert (1991), the study used the previous years' market performance measures for further analysis. The market performance measures were adapted from Hultman et al. (2009). The respondents were asked to specify their sales volume, market share, unit sales and sales revenue from the previous year.

4.5.2.4 Innovative culture

As emerging market firms are focused on survival due to the weak institutional development, such firms develop an innovative working culture to ensure that corporate proactive and responsive sustainability strategies are effectively implemented, which leads to superior performance. Thus, this study defines a firm with an innovative culture as one that *"encourages openness to new ideas and cultivates internally-based capabilities to adopt new ideas, processes, strategies and products successfully"* (O'Cass and Ngo, 2007; p.870). During the exploratory interviews, all of the respondents revealed that their firm innovative culture ensured that corporate proactive and responsive sustainability strategies were effectively implemented. Therefore, this study posits that at higher levels of innovative culture, the effects of corporate proactive and responsive sustainability strategies are stronger on market performance. Hence, measures of firm innovative culture were adapted from O'Cass and Ngo (2007). All the items used to measure the innovative culture construct were measured on a seven-point Likert-type scale, anchored at 1 = "*strongly disagree*" and 7 = *"strongly agree".*

4.5.2.5 Financial resource slack

This study defines financial resource slack as the utilisable financial capital that can be used, accessed, diverted or deployed by managers to fund and achieve organisational aims and objectives (George, 2005). According to Austin et al. (1996), financial resource slack is often captured as capital at hand (i.e., net profit after all discretionary expenses and taxes are deducted). Financial resource slack theorists argue that firm performance is a result of the availability of financial slack resources that provide an opportunity for a firm to invest in strategy domains that improve its operations (McGuire et al. 1988). If financial slack resources are available, then better firm performance would result from the allocation of this capital into the implementation of corporate strategies that would result in efficient operations, and better market performance (Waddock and Graves, 1997). Therefore, this study posits that at higher levels of financial resource slack, the path between corporate proactive and responsive sustainability strategies and market performance will be higher.

Notwithstanding this, despite extant research studies on the effect of financial resource slack on firm performance and sustainability expenditures (e.g., Gibbert et al. 2007; Cheng et al. 2014; Boso et al. 2017), there is no empirical evidence on how corporate proactive and responsive sustainability strategies are effectively implemented based on the availability of financial resource slack, especially, among emerging market firms. Accordingly, the measures for financial resource slack were adapted and reproduced from Boso et al. (2012) and Boso at al. (2017). The measures were anchored on a seven-point Likert scale ranging from 1 = *"strongly disagree"* and 7 = "*strongly agree"*.

4.5.2.6 Competition intensity

When competition is intense and fierce in a firm's business sector, the study argues that the impact of managerial ties in driving corporate proactive and responsive sustainability strategies will be higher, as the firm strives to find new ways to compete and improve its internal processes to differentiate itself from its competitors (Auh and Menguc, 2005).

Accordingly, the measures for competition intensity were adapted from Auh and Menguc (2005). The measures were also anchored on a seven-point Likert scale ranging from 1 = *"strongly disagree"* and 7 = *"strongly agree".*

4.5.2.7 Control variables

In line with previous empirical research on managerial ties and corporate sustainability strategies in emerging markets (e.g., Peng and Luo, 2000; Acquaah 2007; 2012; Acquaah and Eshun 2010; Wijethilake 2017), this study controlled for three organisational related variables—firm size, firm age and industry sector—due to their potential effects on the formulation and implementation of corporate sustainability strategies. In terms of firm size, managers at larger firms are more likely to have more institutional ties, which leads to increases in corporate proactive and responsive sustainability strategies. As such, firm size is likely to influence the performance outcomes of corporate proactive and responsive sustainability strategies. The measure for firm size was adapted from Orlitzky (2001). Firm age will likely influence the performance consequences of corporate proactive and responsive sustainability strategies as older firms are more experienced, have first-mover advantages and will likely have more managerial institutional ties, which lead to increases in corporate proactive and responsive corporate sustainability strategies. Therefore, firm age was included as a control variable to control for the effect that a firm's establishment is likely to affect its performance. The measure for firm age was also adapted from Coviello et al (2000). Finally, in terms of industry, it is possible that the industry sector in which a firm is operating in, will influence the level of its managerial institutional ties in driving its corporate proactive and responsive sustainability strategies and their performance consequences. Accordingly, this study controlled for its potential effects. The measures for firm size were total number of full-time employees in a firm. In regard to firm age, it was measured as how many years the firm has been in business. Finally, industry sector was coded as Manufacturing 0; Service 1 (Coviello et al. 2000).

4.6 Questionnaire type

After deciding on the type of information sought from the respondents, the next step was to determine the type of questionnaire to use for the research. According to Bryman (2012), the type of questionnaire used for a research study influences respondent response rate and has an impact on data analysis. Therefore, the researcher paid great attention to deciding on which type of questionnaire to use for the study. After extensive research, the researcher decided that a structured questionnaire would be best for the study. This is because structured questionnaires reduce the amount of thinking time respondents require to complete a questionnaire and ensures that more accurate data is obtained with a higher response rate (Creswell, 2003). Moreover, structured questionnaires are characterised by multiple responses from which the respondents could pick the option best reflecting their opinion (Robson 2011). Therefore, adopting this questionnaire type makes it easier to code and analyse the data and allows for accurate generalisation of the research findings.

4.7 Questionnaire wording

In designing the questionnaire, careful attention was paid to how the constructs were worded. As posited by Christian and Dillman (2004), how the questions in a questionnaire are worded has an implication on how well the respondents complete the survey. As submitted by Pallant (2013), respondents will not answer questions they do not understand or questions they find confusing, which will in turn have implications during data analysis. Hence, a respondent's non-response may not reflect their true opinion on the question asked. Therefore, ensuring that questions in a questionnaire are properly worded is of paramount importance (Churchill, 1999).

Accordingly, the researcher paid careful attention when wording the questions in the questionnaire. As the researcher is from Nigeria and is familiar with the vocabulary used by managers in the country, common and simple words were used. Also, during the exploratory interviews, it was established that the respondents were not comfortable with certain words. For example, the respondents preferred the words companies instead of firms, managerial contacts and connections instead of managerial ties, etc. Hence, great efforts were made to ensure that these words were clearly reflected in the study questionnaire. Consequently, following the recommendations by Churchill and Iacobucci (2005), careful attempts were made not to ask leading questions or questions that will confuse the respondents. For example, instead of including two to three questions in one sentence, the questions were spilt into different sentences. This is to obtain a true reflection of the respondent's opinions. Finally, the questionnaire was developed in English based on the conviction that English is the official language in Nigeria. Despite the over 300 ethnic tribes and 750 languages spoken in Nigeria, all official business and government transactions in the country are carried out in the English language. Furthermore, during the pilot stage of the study, the respondents read, understood and answered the questions on the questionnaire correctly with relative ease.

4.8 Questionnaire sequence

According to research methodology scholars (e.g., Churchill and Iacobucci, 2005; Malhotra, 2006), questions in a questionnaire should be arranged in a logical sequence with questions around the same thematic topics grouped together. To this end, there are two alternatives in relation to the sequence that questions in a questionnaire should follow. These are the funnel and the inverted funnel approach. The funnel approach involves asking general and broader questions at first, followed by more specific questions that are related to the research objectives, while the inverted funnel approach is the opposite (Churchill and Iacobucci, 2005; Malhotra, 2006). This study adopts the funnel approach. This approach entails placing important questions after the general introduction. This ensures that partially completed questionnaires may still contain important information which is useful when testing the study relationships, as, most times, respondents do not complete all the questions on a questionnaire (Malhotra, 2006). Hence, even if the respondents fail to complete all the questions on the questionnaire, valuable information could still be obtained and used for data analysis.

Accordingly, the study questionnaire begins with an opening section explaining the aims and objectives of the study while seeking voluntary participation/consent from the respondents. This section attempts to gain the trust and cooperation of the respondents, establish the legitimacy of the study and to stimulate respondents' interest in the study. This was then followed by questions that are related to the research aims and objectives. Finally, the questionnaire ended on less tasking questions, such as questions on the profile of the firm and demographics of the respondents.

Following the recommendations by Malhotra (2006) and Pallant (2013), thematic questions or questions that are related to the same construct were introduced with brief sentences to help the respondents switch their train of thought. For instance, section A, which was focused on corporate sustainability strategies, started with the instruction "*This section concerns the nature of your corporate sustainability strategies. Please indicate, by circling one number, the extent to which you agree or disagree with the following statements."* Furthermore, in section B, which was focused on the managerial contacts and connections, the instruction given to the respondents was: "*The following statements concern your personal, social and economic institutional contacts and connections in your business endeavours. Please indicate, by circling one number, the extent to which you have developed and utilised contacts and connections with these institutional entities during the past three years;"* The face-to-face approach employed for the questionnaire administration (see section 4.12) ensured that the respondents clearly understood these instructions before proceeding to answer the questions.

4.9 Response format

There are different types of response formats in a questionnaire-based survey. According to Churchill (1999), they include open-ended answers, multi-dichotomous answers, dichotomous answers and close-ended answers. This study adopted the close-ended answers response format for the questionnaire based on a number of reasons. First, the close-ended answers format reduces the amount of thinking time respondents require to complete the questionnaire as they do not have to write out their responses. Second, it ensures that the respondents do not misinterpret the questions. Third, its best suited for a quantitative research study as it allows for comparisons to be made from responses across different respondents

(DeVellis 1991). Fourth, it is a faster and cheaper data collection approach compared to other response formats (Creswell, 2003).

Hence, for most of the questions in the study questionnaire, the respondents had the option of selecting the answers that best reflected their opinions based on a seven-point Likert-type scales. This approach provided diverse options for the respondents to select the answer that best reflected their opinion on a particular question (Hair et al. 2006). However, it should be noted that the questionnaire had some open-ended questions such as those on the number of full-time employees, how many years the firm has been in operation, the industry in which the firm is operating and an approximation of firm annual sales.

4.10 Physical characteristics of the questionnaire

The physical features of a questionnaire have important implications for respondent cooperation and disposition to participate in a research study (DeVellis 2003). As such, great attention was given to the physical characteristics of this study's questionnaire. It was agreed that the cover of the questionnaire should have the official University of Leeds logo to boost the credibility of the study. Furthermore, there was an introduction section explaining the aims and objectives of the study. Respondents were promised that the details and information they provided would be kept anonymous and confidential. They also had to consent to participate in the study. The researcher's signature and contact details as well as those of the two research advisors were provided in case the respondents required any further information or clarification on any question in the questionnaire.

Again, as extremely long questionnaires could deter respondents from participating in the study, leading to low response rate and partially or incomplete questionnaires (DeVellis (2003), a cautious effort was made to reduce the length of the questionnaire to a reasonable level. In this vein, the questionnaire was made into a booklet instead of a stapled document. This made the questionnaire easier to handle and improved its image. The questionnaire was divided into different sections with each section containing questions with the same thematic topics. There was a brief introduction before the start of each section, clearly identified with a grey background to separate the instructions from the questions. Finally, the questionnaire had five pages in total. See appendix 4C for the study's questionnaire and appendix 4D for the ethical approval from the University of Leeds.

4.11 Questionnaire pre-testing

Once developed and before administering the questionnaire surveys, the research instrument was subjected to a series of meticulous review tests. Firstly, two seasoned research advisors who are experienced in developing research questionnaires were consulted to go through the questionnaire. This was to ensure that the instructions and questions were clearly worded. Secondly, the researcher had the opportunity of consulting two senior PhD colleagues who were at the completion stages of their PhDs. Their insights helped in improving the formatting of the survey instrument. Also, three academic researchers in Nigeria—the research context—were consulted to review the quality, clarity and length of the questionnaire. Several useful comments and insights were provided, which were adequately adapted into the questionnaire survey. After adapting these changes, the revised questionnaire version was piloted among seven top-level managers in Nigeria. These seven managers were among the 16 managers involved in the exploratory field interviews. This exercise provided a clear picture of how the survey instructions and questions were understood by the respondents and the extent to which their interpretations were shared across the respondents. Furthermore, this pilot study enabled the researcher to have an idea of what to expect during the actual survey administration.

4.12 Response rate enhancement

To motivate the respondents to participate and fully complete the questionnaire, a series of steps were adopted by the researcher to boost the response rate. First, the cover page included a note thanking the respondents for agreeing to participate in the study and explaining that their contributions will greatly help in the success of the study. Second, the respondents were briefed on the research aims and objective, how the findings from the research study will help shape their corporate sustainability strategies and in turn ensure their long-term survival in business. Third, there was a section in the questionnaire where the respondents were asked to identify whether they wanted to receive a copy of the findings from the research. Moreover, the researcher’s contact details as well as those of the two research advisors were provided in case the respondents required any further information or clarification on any question in the questionnaire.

Fourth, the face-to-face approach was adopted to administer the questionnaires and this approach proved very useful. This is due to the fact that most of the respondents preferred to complete the questionnaire in front of the researcher in the form of an interview, rather than taking it home and completing it at their convenience. This greatly improved the response rate and ensured that many of the respondents fully completed the questionnaire. However, due to some constraints (e.g., time), some managers took the questionnaire home and promised to call when they had completed it. Also, a few of the respondents preferred the questionnaire to be sent to their email address, so that they could complete it at their convenience and then return it to the researcher.

4.13 Sampling procedure

According to Robson (2011), while research on all samples in a population will offer more accurate and reliable results, it is impossible to collect and analyse data from every sample in a population. For instance, because most research projects are bound by time and financial constraints, it is not possible to collect data from a whole population. In short, even in situations where the research is not bound by time or financial constraints, it is impossible to collect data from every sample in a population as some places may not be accessible, some members may not be available to participate in the research or the population is just too large that data cannot be collected from every sample. To this end, scholars such as Churchill and Iacubucci (2005) and Zikmund et al. (2013) have suggested that if well planned and efficiently coordinated, samples from a population will provide accurate and reliable results that can be generalised. Building on this, a sample investigation was chosen for this study. Considering that this is doctoral research with a set deadline and limited budget, this approach was considered best for the study. Also, taking into account the research aims and objectives, collecting data from a sample was more practical. However, cautious efforts were made to ensure that the sample chosen for the study was representative of the population to aid the generalisation of the research findings.

The unit of analysis of the study is at the firm level. The study respondents were top-level management personnel (i.e., presidents, vice-presidents, board-level directors, CEOs, senior executives, general managers, heads of departments, chief operating officers, chief marketing officers) working in firms registered with the Corporate Affairs Commission (CAC)—a regulatory body in charge of the registration of companies in Nigeria. These managers are responsible for formulating and implementation of their firm's corporate sustainability strategies. Moreover, as suggested by Engert and Baumgartner (2016), it is important for those responsible for designing and formulating corporate sustainability strategies to participate in its implementation. Thus, this is in line with the primary aims of the study, which are to investigate the impact of top-level managerial institutional ties in driving corporate proactive and responsive sustainability strategies in emerging market firms, and the impact of these on market performance whilst depending on the levels of competition intensity, financial resource slack and innovative culture.

4.14 Sampling design

The sampling frame was drawn from a directory of firms provided by the CAC in Nigeria. To supplement this list, an additional list from the Nigerian Business Directory was used. Using both directories, names, company addresses, and telephone numbers of top-level management executives were obtained for the research. The firms on the databases were screened to ensure that the following study conditions were met: (1) the firms (large, medium and small scale) were Nigerian owned, autonomous establishments and were not part of any affiliated foreign group or chain; (2) they have been operating in Nigeria for at least five years; (3) they have between 5 and 5000 full-time employees; (4) there is full contact information on the senior management team and chief marketing officers to ensure that adequate information is provided on the study variables. By collecting data from firms that have been operating in Nigeria for at least five years, the study responds to the call by Ortiz-de-Mandojana and

Bansal (2016) for more studies to examine the long-term effects of corporate sustainability strategies on organisational activities. Hence, the companies that met these study conditions were ideal to examine the institutional drivers, boundary conditions and market performance consequences of corporate sustainability strategies. Furthermore, great efforts were made to ensure that all of the firms chosen for the study were from across the six geo-political zones in Nigeria. This was done to have a true reflection of the Nigerian economy.

4.14.1 Sampling size

Initially, 630 questionnaires were administered for the study. However, only 420 were returned. Out of the 420 questionnaires returned, 120 were discarded as the respondents did not provide information on the companies' market performance or sustainability strategy activities. The 120 discarded questionnaires were not included in the further analysis to test the study's hypothesised paths. These 120 uncompleted questionnaires could be attributed to the respondents thinking that their corporate sustainability initiatives and market performance information would be revealed to their competitors or would have been used for tax information purposes. However, it should be noted that the respondents duly agreed to participate in the survey and were adequately informed that it was solely for research purposes and their participation was voluntary. After eliminating 120 surveys with missing data, only the 300 useable questionnaires were used for hypothesis testing and further analysis. Table 4.3 presents this information in detail. Of the 300 questionnaires, 30 were manufacturing firms while 270 were service firms. The firm age ranged from 5 to 35 years while the firm size was from 6 to 1800.

As can be seen in Table 4.3, the useable questionnaires are in line with the recommendations by Hair et al. (2010) and Bryman (2012) that a sample size ranging from 200-400 is required for structural equation modelling (SEM). Furthermore, the sample size is in line with previous empirical studies (e.g., Acquaah, 2007; Acquaah, 2012; Peng and Luo, 2000; Li et al. 2014) on the impact of managerial networking relationships on firm activities.

Table 4.3: Useable questionnaires

Total questionnaires sent out		630
Unreturned/not collected	210	
Returned		420
Uncompleted questionnaires (respondent did not provide any answers on their corporate sustainability initiatives and market performance ratings)	120	
Useable questionnaires		**300**

4.15 Data analysis technique

Data obtained from the surveys was subjected to a series of meticulous analyses to examine the relationships between the constructs as depicted in the conceptual framework. The following sections provide a discussion on the data analysis techniques used for the study.

4.15.1 Descriptive analysis

Data was codded and entered in the IBM Statistical Package for the Social Sciences (SPSS) version 23.0. The descriptive analysis provided a synopsis and a description of the basic attributes of the data. It also helped determine any missing values, as recommended by Hair et al. (2013). After the descriptive analysis, correlation analysis was conducted to examine whether there is a positive or negative relationship among the constructs as well as determining the strength of the relationships. Table 5.12 presents details on the descriptive analysis of the study measures (correlations, means and standard deviations).

4.15.2 Strategy used for measure validation

After the descriptive analysis of the data, the reliability and validity of the measures used to test the relationship in the conceptual framework were assessed. According to Hair et al. (2013), this is an important stage in the data analysis process as it helps in deleting items of measures that are loading poorly. Following the recommendations by Menguc and Auh (2008), the validation procedure used to assess the measures of this research included exploratory factor analysis (EFA), internal consistency and confirmatory factor analysis (CFA). According to Pallant (2013), EFA is used to explore the interrelationships among items of a construct. Although most of the constructs in the study have been used and validated before, it was necessary to preliminarily explore the interrelationships between the constructs considering that this is the first study to research the institutional drivers, market performance consequences and associated boundary conditions of corporate proactive and responsive sustainability strategies among emerging market firms.

After the EFA stage, an assessment of internal consistency and reliability of the scales used was carried out. Afterwards, a number of CFAs were performed as a final empirical validation of the scale measures before hypothesis testing analysis. Therefore, all of the study constructs were subjected to CFA to establish unidimensionality, reliability and validity of the scales. Each of the scales grouped together during the CFA were specified based on existing theories or prior research in the literature (Hair et al. 2006). Hence, the CFA is unlike the EFA which is aimed at exploring interrelationships among the constructs in the data. Chapter five (section 5.4.1) presents details on the extensive criteria that were adopted in assessing the CFA models as recommended in the literature.

4.15.3 Multivariate modelling technique

While there are various multivariate modelling techniques such as linear regression, logistic regression, Poisson regression and ANOVA (Pallant, 2013) used for investigating the relationships between variables in empirical research, the SEM technique was used to test the study's proposed hypotheses. This approach was adopted because it allows for control variables, main effects and interaction effects to be tested hierarchically and simultaneously while taking account of measurement error (Steenkamp and Van Trijp, 1991; Bagozzi and Yi, 2012). In contrast to other modelling techniques which are limited in the number of dependent variables in a model, for example, as is the case in multiple regression, SEM allows for the estimation of all parameters in a given model, including direct and indirect relationships to be estimated simultaneously (Anderson and Gerbing, 1988; Bagozzi and Yi, 2012). Also, considering that the study's conceptual framework involved testing on more than one dependent variable (corporate proactive and responsive sustainability strategies and market performance), SEM was the best option to investigate the relationships between the constructs in the study's conceptual model.

Additionally, SEM was chosen as the best option for the study as it allows for the assessment of dimensionality, reliability and validity of multi-item measures, including convergent validity and discriminant validity. Therefore, employing SEM will provide a robust examination of the proposed hypotheses in the conceptual framework. Also, with the study's' sample size being over 200, the study qualifies for SEM as it beats the minimum sample size requirements, further qualifying SEM as the suitable modelling technique for the study (Steenkamp and Van Trijp 1991).

4.15.4 Model estimation method

There are various methods for model estimation such as Instrumental Variables (IV), Two-stage Least Squares (TSLS), Unweighted Least Squares (ULS) and the Maximum Likelihood (ML) (Pallant, 2013). This study employed the ML method for model estimation. ML is a full information estimator method that estimates simultaneously by using all the information from a model system unlike other methods such as TSLS that estimate parameters for each equation separately (Diamantopoulos and Siguaw, 2000). Hence, ML allows for more reliable parametric statistical results (Hair et al. 2006). Also, performing SEM using the ML estimation method provides a wide range of fit indices that could be used to determine how well the model fits the data, which is not the case with other model estimators such as the two-stage least-squares for latent variable SEM (TSLS). Furthermore, unlike ULS, which is a scale-dependent method that requires that all observed variables are measured in the same units, the ML is a scale-free method (Enders and Bandalos, 2001). Another alternative method worth noting is the asymptotic distribution-free (ADF) estimators. This method has an advantage over ML in that it does not require data to be normally distributed. However, it requires a very large sample size (at least 1000), which is very demanding, and, considering the budget and time constraints associated with this study, the ADF method was not suitable. As Diamantopoulos and Siguaw (2000) posit, if a model is properly specified with a large enough sample size, most of the estimation methods are more likely to produce estimates that are close to the true parameter.

Additionally, as the study data does not have excess violations of normality because the conceptual framework was specified based on theories in the literature, the ML was the best-suited estimation method for the study. Also, the ML method is statistically more efficient, consistent, asymptotically unbiased, asymptotically efficient and normal in situations of correct model specification and no excess violation of multivariate normality (Browne, 1984; Joreskog and Sorbom, 1993). To determine the structural model fit, the values of the following fit indices were considered as recommended by social science researchers. These included the chi-square ($\chi 2$) statistic, Normed Fit Index (NFI), Non-Normed Fit Index (NNFI), Comparative Fit Index (CFI), and Root Mean Square Error of Approximation (RMSEA) (e.g., Bentler, 1992; Kline, 1998; Hair et al. 2006; Bagozzi and Yi, 2012). Chapter five (section 5.4.1) provides a detailed discussion on the measures of these goodness-of-fit.

4.15.5 Analysis packages

With regard to the analysis package, the study used the Linear Structural Relationships (LISREL) 8.71 software package. According to Byrne (1998), while there are various statistical software packages (e.g., MPLUS, EQS, and AMOS) used for SEM, LISREL is one of the most widely used because it allows for CFA modelling and SEM. LISREL is a powerful methodology package that allows for assessing the relationship between a construct and its measures and for assessing the relationship between constructs in a model while taking account of measurement errors. It should be noted that, while LISREL was the principal analysis package used to test the study's hypotheses, the SPSS software (version 23) was further employed to enhance the robustness of the study findings.

4.15.6 Quality criteria

Quality criteria relate to the assessment of validity and reliability of the measures used in a research study (DeVellis, 2003). It is important that before testing the hypothesised relationships in a study, a meticulous examination of the measures is carried out to ensure that they are valid, reliable and capture the construct which they purportedly represent/measure (Peter, 1981; Hair et al. 2006). Reliability and validity tests were the two psychometric measures used to establish the validity of the constructs in the study. The aim was to ensure that the measures actually measured what they were supposed to capture, and the model had a good fit to the sample data. The next paragraphs provide details on the reliability and validity assessment procedures.

4.15.6.1 Assessment of validity

The extent to which an instrument represents a construct, trait or concept that it is meant to measure is called validity (Churchill, 1979). As posited by Hair et al. (2006), validity testing helps in accounting for the credibility of the findings of a research study. Hence, this study adopted three types of measures to assess the validity of the constructs. First, the content validity—also referred to as the face validity—is the extent to which the domain of a construct is indeed captured by the measure (Churchill, 1979). The second, the convergent validity, is the degree to which each individual item actually measures the construct it is intended to measure (Cunningham et al. 2001). To determine these measures, the composite reliability (CR) must be higher than .70 and Average Variance Extracted (AVE) must be higher than .50, so that the scale can be treated as an independent and identifiable construct (Bagozzi and Yi, 1988). Thirdly, the discriminant validity measures the degree or extent to which a construct is distinct and different from other constructs in the study (Peter, 1981; Campbell and Fiske, 1959). Chapter five (section 5.5) provides detailed discussion on these measures.

4.15.6.2 Assessment of reliability

The Cronbach's alpha measures the internal consistency of a scale (Cortina, 1993). It determines if the items in a scale truly measure the construct they are meant to measure, i.e., if it is a reliable scale (Pallant, 2013). According to Peter (1979), it is important for researchers to estimate the reliability of the measures used in a research study by taking account the proportion of variation in observed values. To access the reliability of the scales, the CR—which shows how the measures consistently reflect the factors they are measuring—was employed (Hair et al. 2013). The results from the CFA analysis were used to compute the CR scores for each measure. Following the recommendations by Bagozzi and Yi (1988), Fornell and Larcker (1981) and Pallant (2013), the acceptable minimum score for the CR value was set at 0.70. Furthermore, the AVE which *"assesses the amount of variance captured by a set of items in a scale relative to measurement error"* (Netemeyer et al. 2003, p.153) was also employed to test the reliability of the measures. The AVE was estimated as a function of all squared standard factor loadings divided by the number of items. According to Hair et al. (2006), the recommended threshold for AVE is 0.50 (i.e., the AVE value should not be less than 0.50).

4.16 Common method variance

It is an acceptable practice in social science research to account for the possible effects of CMV. Also known as common method bias, CMV is associated with the variance that is attributable to the measurement errors rather than to the measures used to represent the constructs (Podsakoff et al. 2003). CMV is an error that relates to both random and systematic errors (Podsakoff et al. 2003). According to MacKenzie and Podsakoff (2012), random error occurs due to the limitations of the measurement device in being precise and thus can be evaluated through statistical analysis. On the other hand, systematic error, which is difficult to detect, leads to misinterpretation of the research findings, which has serious consequences on the research study findings. Consequently, this study adopted several measures to minimise the effect of CMV (chapter five, section 5.7). Three tests—CFA method estimation method, Harman single-factor and CMV adjusted correlation—were performed to check for any potential effect of CMV in the study. With all the study measures having satisfied the required recommended thresholds, the study's hypotheses were then tested.

4.17 Chapter summary

This chapter presented the philosophical foundation underpinning the study as well as the research methods that were employed to achieve the research aims and objective of the study. The exploratory and descriptive research designs using interviews and a survey-based questionnaire as well as the data collection method were discussed. Also, the chapter presented the analytical statistical tests conducted to test the study's hypotheses, drawing on the EFA, CFA and SEM as well as measures adopted to deal with any potential effect of

CMV. Furthermore, this chapter discussed measures employed to test the research validity and reliability of the study. The next chapter discusses the findings from the research analysis.

Chapter Five: Data analysis and findings

5.0 Introduction

This chapter presents findings from the descriptive and statistical analysis. The chapter begins with a description of the profile of the firms and study respondents. This is followed by the measure selection and purification processes as well as a detailed discussion on the procedures followed to test the study's hypothesis and assure the study findings.

5.1 Study sample profile

As discussed in Chapter 4 (section 4.14.1) the final study sample involved 300 top-level managers (i.e., presidents, vice-presidents, board-level directors, CEOs, senior executives, general managers, heads of departments, chief operating officers, chief marketing officers) operating across all the six geo-political zones in Nigeria. All the sampled managers had contacts and connections with the key institutional entities defined in the study and hold the responsibility of setting their corporate proactive and responsive sustainability strategies. Instances where a firm had a chief marketing manager, such personals answered questions on the market performance variables (this was still counted as information from one firm). Sampled firms were Nigerian-owned firms that have been operating either in the service or manufacturing industry for at least five years.

5.2 Missing value analysis

Following the recommendations by Hair et al. (2013), the study conducted a missing value analysis to analyse the extent to which some questions were left unanswered by the respondents, before testing the relationship between the study variables. As indicated in Chapter 4 (see section 4.12), the face-to-face approach adopted to administer the study questionnaires not only helped improve the respondent's response rate but also ensured that many of the questionnaires were fully completed by the respondents. However, using SPSS, the missing value analysis conducted revealed that SLACK1, INCUL3 and INCUL5, the indicants of financial resource slack and innovative culture had missing data with a percentage of 0.2%, 0.4% and 0.5% respectively. However, as posited by Hair et al. (2013), for missing values to pose a threat to a study, the missing data percentage should be above 15%. Upon a closer examination, the study's missing data percentages are well below this 15% threshold, thus indicating that missing data does not pose a threat for further multivariate analysis. Nevertheless, the missing data values were replaced using their respective mean values.

5.3 Measure assessment and purification

When using multivariate analysis, it is important for researchers to employ data reduction strategies because of the multiple variables computed in a multivariate analysis. According to Hair et al. (2013), the essence of multivariate analysis is to establish factor patterns before proceeding to hypothesis testing. Therefore, one of such data-reduction techniques to employ is the factor analysis (Pallant, 2013). The aim of the factor analysis is to determine the underlying structures among variables in a dataset, which helps in the discovery of smaller subsets in a data (Hair et al. 2013). Variables that belong to the same factor are assumed to be highly correlated with each other. In this study, the researcher employed the EFA and CFA as the two data reduction techniques in selecting and purifying scale measures. The next sections discuss these measure purification techniques in detail.

5.3.1 Item selection through Exploratory Factor Analysis

The EFA was used in the early stages of the data analysis to explore the interrelationships among the variables in the dataset and to determine the number of factors underlying the variations and correlations among items. As Bandalos (1996) submitted, through revealing items that load on a particular factor, the EFA enable researchers remove items that do not load on any of the expected extracted factors that they are meant to load on. According to Hair et al. (2010), the principal component analysis (PCA) and common factor analysis are the two fundamental factor analysis techniques used in EFA. This study employed the PCA technique because—unlike the common factor analysis—the PCA is recommended for already established scales (Hair et al. 2006). Since this study did not develop any new scale, the common factor analysis was not suitable for the study. The PCA was accompanied by the direct oblimin rotation technique.

Two principles guided the EFA data reduction technique in this study. Following the recommendations by Babakus and Boller (1992), any item with a factor loading that was less than 40% (.40) or loading significantly on more than one component was removed and not used for further analysis. With the EFA being an initial exploration strategy to establish the underlying factors, the numbers of factors to be extracted was estimated freely (Anderson and Gerbing, 1988). The initial EFA model comprised of all 46 indicants of the seven multi-item constructs in the model. The measures included the four dimensions of the managerial ties constructs: political/government ties (PGT), regulatory ties (REGT), business ties (BUSNT), local community ties (LCT); corporate proactive sustainability strategy (PROACT), corporate responsive sustainability strategy (RESPON), financial resource slack (SLACK) innovative culture (INCUL), competition intensity (COMPET) and market performance (MPF). As shown in table 5.1, the initial EFA retuned a 12-factor model instead of the expected 10 factor model. Overall, these 12 factors explained 75% of the cumulative variance in the model.

Table 5.1: **Initial EFA factor loadings**

Items	Component											
	PGT	SLACK	RESPON	INCUL	COMPET	PROACT	SLACK2*	BUSNT	LCT	MPF	SLACK8,9*	REGT
BUSNT1	.049	.058	.074	.024	.034	.017	.029	**-.772**	.072	.010	.001	-.086
BUSNT2	.163	.041	.037	-.062	.004	-.005	.118	**-.660**	.113	-.085	-.128	-.020
BUSNT3	.178	.118	.089	-.017	-.065	.067	.102	**-.381**	-.203	.028	.074	.154
BUSNT4	.153	-.036	.043	.124	.023	.041	-.059	**-.659**	.030	.025	.001	.130
BUSNT5	.030	-.108	-.038	.049	.021	-.035	-.049	**-.767**	-.025	-.068	.116	.044
BUSNT6	-.151	.033	-.047	-.084	.003	.046	-.114	**-.650**	.153	.039	.115	.085
LCT1	.101	-.018	.075	.024	.032	.032	.038	-.070	**.731**	-.058	.052	.016
LCT2	-.049	.004	-.004	.018	-.040	.033	.078	-.046	**.853**	-.060	-.005	.019
LCT3	.032	.070	.012	-.052	-.030	.051	.022	-.079	**.755**	.028	.091	.067
LCT4	.268	.066	.048	-.048	.034	-.042	-.132	.042	**.600**	.050	-.021	.160
PGT1	**.745**	.012	.026	-.013	.004	.034	.010	-.106	.096	-.070	-.010	.106
PGT2	**.833**	.024	.021	-.026	.027	.010	-.002	-.070	.066	-.022	.024	.090
PGT3	**.828**	.004	-.007	-.021	.002	.021	-.002	-.070	.091	-.002	.006	.094
REGT1	.058	-.002	.027	.034	.016	.007	-.003	-.004	.050	-.031	-.006	**.830**
REGT2	-.004	.014	-.028	-.060	-.024	.035	-.003	-.065	.001	-.034	.087	**.859**
REGT3	.136	-.034	.010	.010	.029	.020	.083	.038	.114	-.047	-.027	**.782**
RESPON1	.018	.044	**.823**	-.025	.009	-.001	-.006	-.040	.083	-.005	.035	-.081
RESPON2	-.037	-.021	**.850**	.025	.001	.004	.014	.030	.129	.020	-.009	-.013
RESPON3	.069	-.009	**.885**	-.012	.021	-.009	.028	.126	-.072	.042	.019	.020
RESPON4	.059	-.096	**.841**	.024	.033	.016	-.050	-.055	-.074	-.073	.003	-.009
RESPON5	-.126	.060	**.768**	-.008	-.035	.040	-.004	-.085	-.023	-.037	.030	.073
PROACT1	.033	.030	.008	-.020	-.033	**.837**	-.105	.091	-.015	-.033	.021	.013

Items	PGT	SLACK	RESPON	INCUL	COMPET	PROACT	SLACK2*	BUSNT	LCT	MPF	SLACK8,9*	REGT
PROACT2	.139	-.082	-.001	.046	.006	**.834**	.025	.090	.007	-.023	.149	-.030
PROACT3	-.106	-.034	.042	-.015	.036	**.856**	.047	-.089	.000	.017	-.032	.046
PROACT4	-.043	.044	-.002	-.017	.042	**.848**	.023	-.082	.045	.010	-.089	-.003
INCUL1	-.045	.019	-.040	**.859**	-.050	.020	.077	.001	-.012	-.018	.026	-.016
INCUL2	.041	.010	.046	**.892**	.009	-.021	.007	.045	-.068	.004	.051	-.034
INCUL3	-.010	-.011	.007	**.952**	-.009	.001	-.042	-.052	.036	-.022	-.025	.004
INCUL4	-.010	.055	-.014	**.940**	.031	-.010	-.019	-.031	.046	.036	-.041	.040
SLACK1	-.026	**.771**	-.054	.066	-.019	-.044	-.148	.023	.035	.043	.038	.010
SLACK2	.078	**-.029**[a]	-.004	.002	.000	.081	**.830**	-.003	.060	-.071	-.009	-.100
SLACK3	-.080	**.873**	.057	-.005	.012	.014	-.073	.013	.003	-.071	-.107	.069
SLACK4	.061	**.855**	-.009	.069	.044	.042	-.022	.004	-.024	-.004	.096	-.036
SLACK5	.023	**.818**	.028	.045	.003	.031	.112	.019	.024	-.098	-.040	-.015
SLACK6	.081	**.696**	-.050	-.057	-.011	-.105	.189	-.071	.032	.015	.172	-.065
SLACK7	-.091	**.006**	-.001	.034	.024	-.102	.854	.046	-.009	.050	-.003	.151
SLACK8	.008	**.028**[a]	.054	.008	.002	.005	-.059	-.002	.054	.009	**.884**	.062
SLACK9	-.025	**.043**[a]	.046	.010	.055	.034	.050	-.035	.015	-.110	**.834**	-.020
MPF1	.008	.151	.002	-.022	.041	-.004	-.008	.024	-.054	**-.828**	-.047	.119
MPF2	.063	.017	.021	-.011	-.060	.006	-.001	.067	-.008	**-.866**	.012	-.004
MPF3	-.027	-.077	.008	.016	.027	-.029	.001	-.063	.012	**-.916**	.087	-.011
MPF4	-.035	-.005	-.006	.017	.010	.045	.005	-.027	.064	**-.891**	.006	-.032
COMPET1	.009	-.003	-.010	-.077	**.837**	-.014	-.032	-.046	-.042	-.009	.065	-.109
COMPET2	.129	.038	-.038	.036	**.860**	.014	.015	.084	.020	.025	.014	-.053
COMPET4	-.041	-.032	.067	.012	**.879**	-.023	-.045	-.042	-.025	-.027	-.075	.045
COMPET4	-.096	.018	.001	.007	**.793**	.067	.087	-.020	.022	.002	.036	.136

KMO: 0.852; Bartlett's Test of Sphericity: 9219.444 ***(sig. 0.00); Percentage of variance explained: 75%; *Items creating surplus factors; a Cross-loading items***

As can be seen from table 5.1, aside the 10 factors that was expected to be extracted, three indicants of financial resource slack (SLACK2) (SLACK8) and (SLACK9) created a surplus factor. These suggest that these items do not share any properties with their expected underlying factor. Also, (SLACK7) and the third indicant of business ties (BUSNT3) returned loadings below the criteria of 0.40 (40%), recommended by Babakus and Boller (1992). Hence, these items were excluded from further analysis. Subsequently, the researcher estimated a second EFA solution comprising of 41 items. The same methods of extraction and rotation were adopted in estimating the second EFA solution. The second EFA extracted the 10 expected factors. Furthermore, all the returned factor loadings were above the 0.40 (40%) threshold. Overall, these 10 factors explained 75.3% of the cumulative variance in the model. Table 5.2 presents the final EFA solution for the study.

Table 5.2: Final EFA solution

Items	Component									
	PGT	SLACK	RESPON	INCUL	COMPET	MPF	PROACT	BUSNT	LCT	REGT
BUSNT1								.773		
BUSNT2								.599		
BUSNT4								.663		
BUSNT5								.819		
BUSNT6								.693		
LCT1									.777	
LCT2									.907	
LCT3									.797	
LCT4									.658	
PGT1	.724									
PGT2	.815									
PGT3	.799									
REGT1										.854
REGT2										.877
REGT3										.791
RESPON1			.822							
RESPON2			.845							
RESPON3			.889							
RESPON4			.846							
RESPON5			.769							
PROACT1							.821			
PROACT2							.802			
PROACT3							.804			
PROACT4							.873			

Items	PGT	SLACK	RESPON	INCUL	COMPET	MPF	PROACT	BUSNT	LCT	REGT
INCUL1				.864						
INCUL2				.894						
INCUL3				.948						
INCUL4				.939						
SLACK1		.785								
SLACK3		.858								
SLACK4		.884								
SLACK5		.814								
SLACK 6		.732								
MPF1						.868				
MPF2						.873				
MPF3						.926				
MPF4						.868				
COMPET1					.838					
COMPET2					.863					
COMPET3					.872					
COMPET4					.807					
KMO:** .860**; Bartlett's Test of Sphericity:** 8506.913 **(sig. 0.00); Percentage of variance explained: 75.3%										

5.3.2 Internal consistency analysis

After EFA, the various factors extracted were further examined for their measurement properties. The purpose was to determine if the items constituting these factors meet the fit criteria required for further analysis in a CFA. The criterion for construct reliability was set at a coefficient (Cronbach) alpha of 0.70 as recommended by Hair et al. (2013). As shown in table 5.3, an examination of the reliability coefficients of all the scales returned alpha values above the 0.70 cut off threshold, with the alpha values obtained ranging from 0.86 to 0.93. These alpha values were taken as evidence of construct reliability across the scales. Additionally, upon further examination (table 5.3), all the selected items were decently spread around their respective means, suggesting there is a reasonable variance in the data. Also, the corrected item-total correlations between items met the critical threshold of 0.50 and above as suggested by Hair et al. (2013). With these results meeting the recommended thresholds, it was concluded that the retained items were appropriate for further analysis. Hence, these items were used in CFA to assess the discriminant and convergent validity.

Table 5.3: Profile of variables extracted from EFA

Latent Variables (number of items)	Items	Mean	SD	Alpha	Corrected item-total correlation
Managerial Ties (15)	BUSNT1	5.32	1.45	**.92**	.56
	BUSNT2	5.48	1.40		.62
	BUSNT4	5.48	1.35		.63
	BUSNT5	5.37	1.46		.53
	BUSNT6	4.67	1.73		.50
	LCT1	3.94	1.79		.65
	LCT2	4.09	1.71		.57
	LCT3	3.93	1.58		.66
	LCT4	4.26	1.57		.62
	PGT1	4.24	1.72		.74
	PGT2	4.10	1.74		.74
	PGT3	4.10	1.74		.73
	REGT1	4.62	1.44		.62
	REGT2	4.28	1.48		.64
	REGT3	4.41	1.55		.66
Proactive Sustainability Strategy (4)	PROACT1	4.72	1.20	**.86**	.60
	PROACT2	4.96	1.12		.72
	PROACT3	4.96	1.17		.74
	PROACT4	4.95	1.23		.76
Responsive Sustainability Strategy (5)	RESPON1	4.75	1.27	**.89**	.75
	RESPON2	4.79	1.17		.75
	RESPON3	4.90	1.10		.76
	RESPON4	4.97	1.12		.79
	RESPON5	4.87	1.08		.69

Table 5.3: Profile of variables extracted from EFA (cont.)

Latent Variables (No.of items)	Items	Mean	SD	Alpha	Corrected item-total correlation
Financial Resource Slack (5)	SLACK1	5.26	1.50	**.88**	.65
	SLACK3	5.30	1.45		.74
	SLACK4	5.21	1.47		.81
	SLACK5	5.32	1.43		.76
	SLACK 6	4.88	1.66		.65
Innovative Culture (4)	INCUL1	5.55	1.44	**.93**	.79
	INCUL2	5.55	1.44		.83
	INCUL3	5.68	1.36		.89
	INCUL4	5.72	1.36		.88
Competition intensity (4)	COMPET1	5.72	1.44	**.86**	.71
	COMPET2	5.62	1.30		.73
	COMPET3	5.66	1.30		.76
	COMPET4	5.65	1.29		.68
Market Performance (4)	MPF1	4.58	1.33	**.92**	.80
	MPF2	4.54	1.28		.79
	MPF3	4.65	1.36		.86
	MPF4	4.73	1.36		.80

5.4 Confirmatory factor analysis

With the EFA and internal consistency results meeting the recommended thresholds, the study employed the CFA to further purify and assure the study measures. This is because, unlike the EFA, the CFA is focused on a priori theoretical understanding or conceptualisation of a construct, to establish the factor structure underlying a given data (Hair et al. 2013). The CFA aims to understand the extent to which theory is replicated in a data. As submitted by Gerbing and Anderson, (1988), CFA provides an objective way against which researchers can use to accept or reject a study's hypothesis based on the nature of the constructs. According to DeVellis (2003) and Gerbing and Anderson (1988), it is through CFA that the convergent validity as well as the discriminant validity of a construct can be accessed. Also, as Netemeyer et al. (2003) submitted, CFA is a data reduction technique that helps to assure a scale's reliability through the CR and AVE values. Succinctly, the CFA is a robust measure purification and validation technique because it allows for both external, internal consistency and validity of study measures to be assessed (Gerbing and Anderson, 1988; Byrne, 1998; Schumacker and Lomax, 2010). As discussed in chapter 4, the study performed the CFA in LISREL employing the ML method for model estimation (see section 4.15.4 for more details).

The models in the CFA were estimated based on extant theories. This is in line with the recommendations in the literature (e.g., Anderson and Gerbing, 1988; Jaworski and Kohli, 1993; Diamantopoulos and Siguaw, 2000; Hair et al. 2013) for CFA model estimation. Covariance matrix and mean files were created in LISREL 8.5 software to estimate the relationships between the observed items in the questionnaire and the latent variables (unobserved). Each latent variable was corresponded to one and only one of its indicants

(Anderson and Gerbing, 1988). Also, as submitted by Diamantopoulos and Siguaw (2000) and Hair et al. (2013), the first item of each latent variable was constrained to one (1). This was done to set the unit of measurement of the latent variables. The CFA models were estimated in a manner to assured a 1:5 ratio between number of parameters and number of observations (Bentler and Chou, 1987 and Hair et al. 2006). The essence of this was to allow for a proper model convergence and parameter estimate accuracy. Hence, this approach is widely used in marketing and social science research (e.g., Gerbing and Anderson, 1988; Katsikeas et al. 2009; Hultman et al. 2009; Morgan et al. 2012).

Accordingly, four CFA measurement models were estimated. With corporate proactive and responsive sustainability strategies being the main study construct, they were estimated in the first CFA model. In the second CFA model, the external environmental related factors that drive corporate proactive and responsive sustainability strategies were estimated. This consisted of the managerial ties construct—a second order four-dimensional scale consisting of political/government ties, regulatory ties, business ties and local community ties—as well as the competition intensity measures. In the third CFA model, the boundary conditions that might strengthen or weaken the implementation of corporate proactive and responsive sustainability strategies (firm innovative culture and financial resource slack) and the market performance measures was estimated. In the fourth and final model, all the study measures were estimated together. This was done to establish the robustness of the study measures. Hence, in line with the recommendation from Byrne (2006), Hair et al. (2006) and Keith et al. (2006), the CFA model results revealed the overall model fit as well as the contribution of each of the study parameters. This provided a basis for model re-specification and proved the measures were fit for hypothesis testing.

5.4.1 Assessment of model fit

Several measures were used to determine the model fit during the CFA. Following established principles as recommended by Hair et al. (2013) and Anderson and Gerbing (1988), the items retained were those that returned a standardised loading of at least 0.5 and above on their underlying factors and had low correlated errors. Furthermore, the study uses chi-square goodness-of-fit statistics to assess the fit indices of the CFA models. To ensure that the discrepancy between the sample and the covariance matrices is non-significant (which is an indication of a good model fit), scholars recommend a low and non-significant chi-square. On the hand, if the chi-square is statistically significant, it implies that the model does not fit the data and is a criterion for possible rejection of a model (Hu and Bentler, 1999; Diamantopoulos and Siguaw, 2000). However, Byrne (2006) and Hair et al. (1998) submit that the chi-square statistic is sensitive to sample size. In larger samples, it is not unusual for the chi-square statistic to be significant even though there are slight variations from the data. Considering this limitation, the normed chi-square (chi-square divided by the degrees of freedom) was estimated to determine the model fit in this model. According to Iacobucci (2010), for the normed chi-square to be significant, it should be less than three (<3).

In addition, to check the robustness of the study measures, three incremental fit statistics were computed: Normed Fit Index (NFI), Non-Normed Fit Index (NNFI) and Comparative Fit Index (CFI). These fit statistics was used to measure proportionate improvements in model fit by comparing the specified model to a competing null model (Diamantopoulos and Siguaw, 2000; Byrne, 1998; Hu and Bentler, 1999). For instance, the NFI is used to establish the proportion in the improvement of the overall fit of the CFA model relative to a null model while NNFI serves the same purpose, it also allows correcting for model complexity (Bentler and Chou, 1987). Similarly, the CFI, which is not affected by sample size, is a measure of good fit, whose fit indices should be above 0.90. Such fit indices indicate that the overall fit of the model specified is 90% better than the independence model.

The study also considered the standardised root mean square residual values (SRMR). SRMR is *"the square root of the difference between the residuals of the sample covariance matrix and the hypothesised covariance model"* (Hooper et al. 2008, p.197). According to Byrne (1998) and Diamantopoulos and Siguaw (2000), an acceptable SRMR score ranges from zero to 1.0. However, models with better fit should obtain values less than 0.05 (Hooper et al. 2008). Additionally, the root mean square error of approximation (RMSEA), which submits a standardised overview of the average covariance residuals (the differences between the observed and implied model covariance's) was also used to examine fit between the specified model and the observed covariance's (Bollen, 1990; Diamantopoulos and Siguaw, 2000; Byrne 1998). The study's criteria for model fit was a RMSEA score of ≤ 0.08 in line with Iacobucci's (2010) recommendation. Table 5.4 below summarises the model fit indices that guided this study and their sources.

Table 5.4: **CFA model fit indices**

Index	Threshold	Sources
Chi-Square ($\chi 2$)	≥0.05	Anderson and Garbing (1988)
Normed Chi-Square($\chi 2/df$)	≤3.0	Bagozzi and Yi (2012)
Non-Normed Fit Index (NNFI)	≥0.95	Byrne (1998)
Normed Fit Index (NFI)	≥0.9	Bentler (1992)
Comparative Fit Index (CFI)	≥0.95	Bollen (1990) Gonzalez and Griffin (2001)
Root Mean Square Error of Approximation (RMSEA)	≤0.08	Iacobucci (2010)
Standardised Root Mean Square Residual (SRMR)	≤0.05	Hooper et al. (2008)

5.4.2. CFA model 1: Scales for corporate proactive and responsive sustainability strategies

With corporate sustainability strategy being a multidimensional construct comprising of proactive and responsive sustainability strategies, this CFA model was estimated with the indicants of the two dimensions. This was to allow for a test of the null hypothesis that corporate proactive and responsive sustainability strategies do not converge into one corporate sustainability strategy factor (i.e., corporate proactive sustainability strategies are different from corporate responsive sustainability strategies). In specifying this measurement model, path coefficients of the first variable of the proactive and responsive sustainability scales were fixed to 1.0. For scale purification processes, all factor loadings failing to load significantly (>0.5) were to be dropped. However, all the factors returned were higher than

0.5 (see table 5.5). The results obtained reveal that the model fits the data. This suggests that corporate sustainability strategy is a multidimensional construct which comprises of proactive and responsive sustainability strategies. All the fit statistics met the recommended thresholds (table 5.5). Also, a look at the path loadings of the indicants and their corresponding t-values reveal that they all loaded significantly, thus confirming their association with the underlying factors.

Furthermore, considering that measures for corporate sustainability strategy were adopted and reproduced from extant research studies, it was important to undertake further assessments to assure that the scale reflects the construct well. Also, with a firm's corporate sustainability strategy determining its market performance, it was necessary to further assure the dimensions of the scale. Hence, the researcher proceeded to estimate a competing model in which all items of the two dimensions were forced to load onto one factor (Vera and Crossan, 2004). As shown in table 5.5, the multi factor view offers a much better fit to the data than the competing single factor model, suggesting that the proactive and responsive sustainability strategies are different constructs. In addition, as table 5.5 shows, all relevant fit statistics for the competing model were lower than the hypothesised two-factor model. An examination of the normed-chi-square statistic for the two models show that the hypothesised measurement model returned a better score (less than 3) than the competing model. Additionally, the degrees of freedom associated with the hypothesised model were less than the competing model, further indicating model fit.

Table 5.5: CFA for corporate proactive and responsive sustainability strategy

Hypothesised CFA model		Competing CFA model
Indicants/ Standardised loadings [a]		Indicants/ Standardised loadings [a]
Proactive sustainability strategy	**Responsive sustainability strategy**	**Corporate sustainability strategies**
PROACT1 **0.65[b]**	RESPON1 **0.80[b]**	RESPON1 **0.68[b]**
PROACT2 **0.80(11.40)**	RESPON2 **0.80(15.11)**	RESPON2 **0.79(13.77)**
PROACT3 **0.84(11.80)**	RESPON3 **0.82(15.43)**	RESPON3 **0.79(13.82)**
PROACT4 **0.83(11.68)**	RESPON4 **0.85(16.32)**	RESPON4 **0.84(14.83)**
	RESPON5 **0.74(13.73)**	RESPON5 **0.74(12.92)**
		PROACT1 **0.55[b]**
		PROACT2 **0.43(7.20)**
		PROACT3 **0.44(7.35)**
		PROACT4 **0.40(6.60)**
Hypothesised CFA model Fit Indices: χ^2 =61.26; *df*=26; p=0.00; RMSEA=0.067; NFI=0.962; NNFI=0.971; CFI=0.97; SRMR=0.0295		
Competing model Fit Indices: χ^2 = 716.92; *df*=28; p=0.00; RMSEA=0.287; NFI=0.62; NNFI=0.523; CFI=0.629; SRMR=0.188		
[a] *t*-values in parenthesis	**[b] Fixed parameter**	

5.4.3. CFA model 2: External environment related factors

The second CFA model was estimated with the external environmental factors. The study posits that managerial ties with key institutional entities—depending on levels of competition intensity—will drive corporate proactive and responsive sustainability strategies. Hence, the items included in this CFA model included all indicants of the managerial ties construct and competition intensity. In specifying this measurement model, path coefficients of the first variable of each factor was fixed to 1.0. For scale purification processes, all factor loadings failing to load significantly (>0.5) were to be dropped. However, all of the factors returned were higher than 0.5 (see table 5.6). The results obtained reveal that the model fits the data. This is due to all the fit statistics meeting the recommended thresholds (table 5.6). Also, a look at the path loadings of the indicants and their corresponding t-values (in parentheses) reveal that they all loaded significantly, thus confirming their association with their underlying factors.

Table 5.6: CFA for external environmental related factors

Factor	**Standardised loadings [a]**
Business ties	
BUSNT1	0.75[b]
BUSNT2	0.72 (11.83)
BUSNT4	0.77 (12.63)
BUSNT5	0.72 (11.73)
BUSNT6	0.61 (9.96)
Local community ties	
LCT1	0.80[b]
LCT2	0.78 (14.12)
LCT3	0.82 (15.14)
LCT4	0.72 (12.88)

Factor	Standardised loadings [a]
Political/government ties	
PGT1	0.87[b]
PGT2	0.96 (25.20)
PGT3	0.93(24.04)
Regulatory ties	
REGT1	0.83[b]
REGT2	0.86 (17.21)
REGT3	0.86 (17.26)
Competition intensity	
COMPET1	0.78[b]
COMPET2	0.80 (13.92)
COMPET3	0.84 (14.51)
COMPET4	0.75 (12.94)
Model Fit Indices: χ^2 =245.72; *df*=142; p=0.00; RMSEA=0.059; NFI=0.933; NNFI=0.964; CFI=0.970; SRMR=0.0442	
[a] *t*-values in parenthesis **[b] Fixed parameter**	

5.4.4. CFA model 3: Internal firm related factors

The third CFA model was estimated on internal firm factors (financial resource slack and innovative culture) that influence the implementation of corporate proactive and responsive sustainability strategies and the market performance measures. Just like in the two other CFA models, in specifying this measurement model, path coefficients of the first variable of each factor were fixed to 1.0. For scale purification processes, all factor loadings failing to load significantly (>0.5) were to be dropped. However, all of the factors returned were higher than

0.5 (see table 5.7). As with the other two models, this CFA model also attained acceptable fit to show that the model represented the data well. Also, a look at the path loadings of the indicants and their corresponding t-values (in parentheses) reveal that they all loaded significantly, thus confirming their association with their underlying factors.

Table 5.7: CFA for internal firm related factors

Factor	**Standardised loadings** [a]
Innovative culture	
INCUL1	0.81[b]
INCUL2	0.85(17.67)
INCUL3	0.95(20.59)
INCUL4	0.94(20.35)
Financial resource slack	
SLACK1	0.69[b]
SLACK3	0.81(12.85)
SLACK4	0.88(13.75)
SLACK5	0.82(13.01)
SLACK 6	0.69(11.08)
Market performance	
MPF1	0.85[b]
MPF2	0.83(17.69)
MPF3	0.92(20.75)
MPF4	0.85(18.58)
Model Fit Indices: χ^2 =90.59; *df*=62; p=0.01; RMSEA=0.039; NFI=0.969; NNFI=0.988;CFI=0.990; SRMR=0.0342	
[a] ***t*-values in parenthesis** [b] **Fixed parameter**	

5.4.5. CFA model 4: All study constructs

The final CFA model estimation included all study constructs from model 1 through to model 3 (Cadogan et al. 2006). A total of 41 items, retained after the preceding measure assessment and purification processes, were estimated in the final CFA model. This final model fits the data with some fit criteria being attained. The objective of the final CFA model was to assess the robustness of the measures used in the study. Due to the large number of items included in this model, the final model converged with all of the fit statistics acceptable but the NFI score. As can be seen from table 5.8, the NFI score (0.879) was below the threshold set for this study. However, the normed chi-square was less than 3 and RMSEA was less than 0.08 respectively (Iacobucci, 2010). Nevertheless, it was concluded that the measures were robust and fit to be used for hypothesis testing.

Table 5.8: **Final CFA model fit statistics**

Final CFA model	χ^2	*df*	RMSEA	SRMR	NFI	NNFI	CFI
All study measures	1046.22	734	0.038	0.0428	0.879	0.952	0.957

5.4.6 Validation of the managerial ties (second-order) construct

The study defines managerial ties as a higher order construct comprising of government/political ties, regulatory ties, business ties and local community ties. As such, the study carried out further test to validate the second-order nature of the managerial ties construct. On this note, two models were estimated. The first-order model included all the items of each dimension of the managerial ties construct (based on the CFA analysis) while in the second-order model, the items were estimated on a single indicant.

Table 5.9 presents the fit indices of the first and the second order models. As can be seen from the table, both the first and second-order models provided good fit indices. According to Cao and Zhang (2011), in a more parsimonious way, the second-order model explains co-variations among the first-order factors. Nevertheless, the variations among the first-order factors cannot be totally explained by the single second-factor. On this note, according to Segars and Grover (1998), the fit indices of the second higher-order model can never be better than the first-order model. The validity of the second-order model can be assessed by computing the ratio of the chi-square of the first-order model to that of the second-order model—that is target, *"T"* coefficient (Marsh and Hocevar, 1985). A "*T"* coefficient ranging between .80 and 1.00 suggests that validity of the second order model (Marsh and Hocevar 1985). The "*T"* coefficient computed was .989 (162.76/164.45) which supports the validity of the managerial ties construct as a second order factor.

Table 5.9: Fit indices for the first and second order models

Construct	**Model**	**X^2/(df)**	**Normed x^2**	**CFI**	**NNFI**	**RMSEA**	***T* coefficient**
Managerial ties	First-order	162.76(84)	1.937	0.974	0.968	0.056	0.989
	Second-order	164.45(86)	1.912	0.975	0.969	0.055	

Furthermore, a correlation analysis was performed which revealed that the four dimensions of the managerial ties construct shared large correlations. According to Pallant (2013), the value of a correlation coefficient ranging between 0.40 and 1.0 will be regarded as a high correlation coefficient. As can be seen from Table 5.10, the correlation coefficients ranged from .483 to .620, suggesting quite a strong relationship between the four dimensions.

Based on the correlation analysis results, the study further concluded that the managerial ties construct is a second-order construct comprising of political/government, regulatory, business and local community ties.

Table 5.10*: Correlations results of the four dimensions of the managerial ties construct*

	Business ties	Local community ties	Political/government ties	Regulatory ties
BUSINESS TIES	1			
LOCAL COMMUNITY TIES	.506**	1		
POLITICAL/GOVERNMENT TIES	.546**	.581**	1	
REGULATORY TIES	.483**	.518**	.620**	1

**. Correlation is significant at the 0.01 level (2-tailed). N = 300

5.5 Validity and reliability

With study constructs meeting the recommended thresholds required for CFA, the study further examined the constructs convergent validity, discriminant validity and reliability evaluations. This was done to examine the extent to which the measures reflected their latent constructs and discriminated from other constructs (Hair et al. 2013). Following the recommendations in the measure validation literature, the validity and reliability of the constructs was assessed by computing the Cronbach alpha, average variance extracted and composite reliability values for each of the multi-item constructs (Ping, 2004; Grewal et al. 2004; Hair et al. 2013).

As can be seen from Table 5.11, the reliability and convergent validity values met the recommended thresholds. All the Cronbach alpha values were above the 0.7 cut-off mark as recommended by Bagozzi and Yi (2012). The composite reliability (CR) for each construct was well above the recommended threshold of 0.70 (Robson et al. 2018). Furthermore, the average variance extracted (AVE) values met Hair et al. (2006) recommended cut-off point of 0.50, further providing evidence of the reliability and validity of the study constructs. In addition, with the full CFA model converging with good fit indices coupled with significant loadings, there is further proof of the robustness of the study measures. In sum, these good fit statistics establish evidence of the robustness, reliability and validity of the study measures.

Table 5.11: Details of study constructs

Constructs and details of items	Factor loadings	Alpha	CR	AVE
Corporate sustainability strategies				
Corporate proactive sustainability strategy		.86	0.86	0.62
Actively scan the market to determine which social and environmental issues might affect this company in the future	0.65			
Anticipate environmental and social changes that might be needed in our business operations in the light of developments in the market	0.80			
Consider potential future social and environmental issues which could affect our business operations	0.84			
Try to predict environmental and social disturbances in the society	0.83			
Corporate responsive sustainability strategy		.89	0.90	0.65
Adapt to situations caused by expressed social and environmental issues in the market	0.80			
Acknowledge expressed social and environmental issues facing society	0.80			
Respond to social and environmental changes in the market	0.82			
React to social and environmental market changes in a quick and satisfactory way	0.85			
Adapt the organization adequately to social and environmental changes facing society	0.74			

Table 5.11: Details of study constructs (cont.)

Constructs and details of items	**Factor loadings**	**Alpha**	**CR**	**AVE**
Managerial ties				
Business ties		**0.79**	**0.88**	**0.51**
Supplier companies	**0.75**			
Customer companies	**0.72**			
Business associations	**0.77**			
Distributor or marketer firms	**0.72**			
Labor/trade unions	**0.61**			
Local community ties		**0.86**	**0.86**	**0.62**
Tribal leaders (e.g., local kings, chiefs, representatives)	**0.80**			
Religious leaders (e.g., pastors, imams, reverend fathers/sisters)	**0.78**			
Opinion leaders/activists	**0.82**			
Newspaper editors/reporters	**0.72**			

Table 5.11: Details of study constructs (cont.)

Constructs and details of items	Factor loadings	Alpha	CR	AVE
Political/government ties		**0.94**	**0.97**	**0.92**
City council politicians	**0.82**			
Regional government politicians	**0.96**			
National government politicians	**0.93**			
Regulatory ties		**.89**	**0.93**	**0.81**
In supporting institutions (e.g., standards board, internal revenue service, government ministries, central bank, environmental protection agency)	**0.83**			
In industrial and investment institutions (e.g., investment board, export promotion council, Nigerian stock exchange)	**0.86**			
Like permanent secretaries, directors and commissioners of government bureaus	**0.86**			
Innovative culture		**0.93**	**0.94**	**0.79**
We are receptive to new ways of doing things in regards to the implementation of our social and environmental initiatives	**0.81**			
Readiness to meet and ensure the implementation of social and environmental initiatives are important	**0.85**			
Creativity and innovation in the implementation of social and environmental initiatives is encouraged	**0.95**			
We are a company a customer can identify with based on our social and environmental initiatives	**0.94**			

Table 5.11: Details of study constructs (cont.)

Constructs and details of items	Factor loadings	Alpha	CR	AVE
Financial Resource slack		**0.88**	**0.92**	**0.61**
There are enough financial resources to see the implementation of corporate sustainability strategies till its end	**0.69**			
There is easy access to funding for the implementation of corporate sustainability activities	**0.81**			
There are uncommitted financial resources that can quickly be used to fund new sustainability strategic initiatives	**0.88**			
There are enough financial resources available in the short run to fund corporate sustainability strategic initiatives	**0.82**			
I have access to the financial resources I need to fund the implementation of corporate sustainability strategies	**0.69**			
Competition intensity		**0.86**	**0.87**	**0.63**
Competition is very intensive	**0.78**			
Anything that one competitor can offer, the others can readily match	**0.80**			
Competitors are aggressively trying to increase market share	**0.84**			
Competitors are aggressively promoting special offers	**0.75**			
Market performance		**0.92**	**0.91**	**0.74**
Sales revenue	**0.85**			
Market share	**0.83**			
Sales volume	**0.92**			
Unit sales	**0.85**			

Table 5.11: Details of study constructs (cont.)

Constructs and details of items
Firm Age
How many years has your company been in business?
Firm Size
How many full-time employees does your company have?
Industry
In what industry does your company operate in?

To assess the discriminant validity of the constructs, the study followed the recommendations by Fornell and Larcker (1981), by comparing the AVEs for each construct with the shared variances (squared correlations) between pairs of the constructs. As shown in the descriptive analysis in table 12, in all cases the AVEs were larger than the shared variances (squared correlation) of each construct. With the AVEs values significantly higher than the squared correlation estimates in all cases, it can be concluded that the discriminant validity for each construct was satisfactory (Ping, 2004; Anderson and Gerbing; 1988). In sum, this approach provided evidence of discriminant validity of the study constructs.

5.6 Creating measurement index

Considering the number of multi-item constructs in the model, it was necessary to reduce the data before proceeding to the hypothesis testing and model measurement. To this end, following established research guidelines in the psychometric literature (e.g., Churchill, 1979; Ping, 2004; Jaccard and Wan, 1996), the study created a measurement index by computing composite variables for each of the multi-item constructs including the higher order constructs. The following sections provide details on the procedures followed in creating the measurement index.

5.6.1 Composites for higher-order constructs

As the managerial ties constructs is a higher-order construct consisting of four dimensions: political/government ties, regulatory ties, business ties and local community ties, a single MGTT construct was created for the purposes of measurement model evaluation and hypothesis testing. To begin with, composite scores for each of the four dimensions were computed from the average of the retained CFA scale items. Hence, BUSNT = (BUSNT1 + BUSNT2 + BUSNT4 + BUSNT5 + BUSNT6)/5; LCT = (LCT1+ LCT2+ LCT3+ LCT4)/4; PGT = (PGT1 + PGT2 + PGT3)/3; REGT = (REGT1 + REGT2+ REGT3)/3. Thereafter, a single indicant for managerial ties MGTT, was created by averaging the four newly created single indicants of its dimensions: MGTT = (BUSNT + LCT + PGT + REGT/4). This new managerial tie single indicant was used in the in the subsequent analysis and hypothesis testing.

5.6.2 Composites for single item factors

For the single item constructs: corporate proactive sustainability strategy, corporate responsive sustainability strategy, competition intensity, financial resource slack, innovative culture and market performance, single scores were obtained by averaging the scale items that passed the CFA. Five items were averaged to compute corporate responsive sustainability strategy (RESPON) and financial resource slack (SLACK) while four items were averaged for corporate proactive sustainability strategy (PROACT). Also, four items were averaged for competition intensity (COMPET), innovative culture (INCUL) and market performance (MPF). These single indicants were used in the subsequent analysis and hypothesis testing.

5.6.3 Composites for interaction terms

With the conceptual model having three moderating variables (competition intensity, financial resource slack and innovative culture), it was important to compute composite scores for the interaction terms. According to Ping (1995), this is for model parsimony purposes. Subsequently, building on Ping (1995) and using SPSS 23, this study created single indicants for competition, financial resource slack and innovative culture, as explained in the previous section. The means of these single indicants of the moderator variables were multiplied with the independent variables that they are moderating to create 5 new interaction terms: MGTCOM (COMPET X MGTT); SLK_RES (SLACK X RESPON); SLK_PRO (SLACK X PROACT); CUL_RES (INCUL X RESPON) and CUL_PRO (INCUL X PROACT). Afterwards, a multiple regression was performed to obtain the unstandardized residuals of the interaction terms. These unstandardized residual terms of the interactions were used in the hypothesis testing: MGTCOM1; SLK_RES1; SLK_PRO1**;** CUL_RES1; CUL_PRO1.

Table 5.12: Descriptive analysis and construct inter-correlations

	Constructs	M	SD	1	2	3	4	5	6	7	8	9	10
1	Managerial ties	4.48	1.13										
2	Corporate proactive sustainability strategy	4.89	0.99	.294**									
3	Corporate responsive sustainability strategy	4.85	0.97	.289*	.339*								
4	Innovative culture	5.63	1.28	-.075	-.047	.022							
5	Financial resource slack	5.19	1.25	.237**	-.081	.034	.250**						
6	Competition intensity	5.66	1.13	.097	.211	.164**	-.065	.046					
7	Market performance	4.63	1.19	.292*	.255*	.268**	.041	.28**	.096				
8	Firm Age	2.68	0.62	.119	-.024	.033	.011	.003	-.032	.040			
9	Firm Size	3.79	1.07	.109	.002	.057	-.079	.031	.041	.167**	.401**		
10	Industry sector	0.90	0.301	-.015	-.037	-.117*	.084	-.001	.004	-.044	-.104	-.093	

N = 300

**.From Table 12, Correlation is significant at the 0.01 level (2-tailed).

*. From Table 12, Correlation is significant at the 0.05 level (2-tailed).

5.7 Common method variance test

As discussed in Chapter 4 (section 4.16), this study employed several measures as suggested by methodologist in the social science literature to control for any potential CMV problems. In this vein, the study employed the Harman single-factor test, CFA estimation method, and the CMV adjusted correlations test to examine for any potential effects of CMV. The next sections provide details on these measures.

5.7.1 Harman single-factor test

According to Chang et al. (2010), the Harman single-factor test is used to investigate whether the variance in a data-set can be predominantly attributed to a single factor. In an EFA, all items from each of the constructs are loaded on a single factor (fixed number of factors constrained to 1) to determine whether one single factor does emerge or whether one general factor does account for most of the covariance between the measures; if not; the claim is that CMV does not pose a threat to the study. Furthermore, the rule of thumb is that the single factor obtained should not explain more than 50% of the variance in the data. As can be seen from appendix 5A, when all the items of each construct in the study were loaded on a single factor, the total variance explained obtained was 22.621%, which is less than the 50% threshold. Thus, this suggests that CMV does not pose a threat to the study. However, Podsakoff et al. (2003) explains that the Harman's single-factor test is insensitive as it is improbable for a single-factor model to fit the data and thus, simply reporting reassuring outcomes from the Harman's single-factor test is not sufficient to prove that CMV is not a pervasive issue in a study. As a result, the study carried out further tests to investigate for any potential effect of CMV.

5.7.2 CFA estimation method

Due the deficiencies associated with the Harman's single-factor test, the study further adopted the CFA estimation method to statistically test for potential CMV problems. Accordingly, following the recommendations by Boso et al. (2013), three competing models were estimated. The first model was a method-only model, the second model was a trait-only model while the third model was estimated including both the method and trait models. In the method-only model, all indicators were loaded on a single latent factor. The following results were obtained: $\chi2$ = 8745.90; DF = 788; RMSEA = 0.184; NNFI = 0.225; NFI = 0.235; CFI = 0.225; and SRMR = 0.173. In the trait-only model, this model was estimated with which each indicator loading on its respective latent factor. The following results were obtained $\chi2$ = 1046.22; DF = 734; RMSEA = 0.038; NNFI = 0.952; NFI = 0.879; CFI = 0.957; and SRMR = 0.0428. In the third model, both the method model and trait model were estimated together. The following results were obtained: $\chi2$ = 943.128; DF = 683; RMSEA = 0.0357; NNFI = 0.956; NFI = 0.890; CFI =; and SRMR = 0.0376. As can be seen in Table 5.13, a comparison of the three models shows that model 2 and 3 are superior to model 1 while model 3 is not substantially better than model 2. Thus, this indicates that common bias does not pose a major problem to this study.

Table 5.13*:* CFA estimation method for CMV

Fit Indices	**$\chi2$**	***df***	***RMSEA***	***CFI***	***NNFI***	***NFI***	**SRMR**
Method only (Model 1)	8458.28	299	0.182	0.293	0.256	0.271	0.156
Trait only (Model 2)	1046.22	734	0.038	0.957	0.952	0.879	0.0428
Both method and trait models	943.128	683	0.0357	0.963	0.956	0.890	0.0370

5.7.3 CMV adjusted correlations test

Considering that this study did not include marker variables in the research questionnaire prior to data collection, the study also employed the CMV adjusted correlations test to statistically test for potential CMV problems (Lindell and Whitney, 2001). The CMV adjusted correlations test makes use of the second-lowest positive correlation, among variables as a proxy. As can be seen in appendix 5B, an examination of the t-values showed that the slight difference between the original and the CMV-adjusted correlations did not make much difference to the statistical significance as reported in the correlations analysis. Hence, as the majority of the original correlations remained significant after the CMV adjustment, this assured that the relationship tested in the empirical model are not affected by any potential CMV issues (Malhotra et al. 2006).

5.8 Hypothesis testing

As discussed in chapter 4 (see section 4.15.3), the SEM technique was used to test the study's proposed hypotheses. This approach was adopted because it allows for control variables, main effects and interaction effects to be tested hierarchically and simultaneously while taking account of measurement errors (Steenkamp and Van Trijp, 1991; Bagozzi and Yi, 2012). As detailed in section 5.6.2, composites for the study's single indicants which were created through finding the mean scores of the scales were used in the hypothesis testing. To test the interaction effects, the means of the single indicants of the moderator variables were multiplied with the independent variables that they are moderating to create 5 new interaction terms: MGTCOM (COMPET X MGTT); SLK_RES (SLACK X RESPON); SLK_PRO (SLACK X PROACT); CUL_RES (INCUL X RESPON) and CUL_PRO (INCUL X

PROACT). Afterwards, a multiple regression analysis was performed to obtain the unstandardized residuals of the interaction term. These unstandardized residual terms of the interaction terms were used in the hypothesis testing. (see section 5.6.3).

5.8.1 Managerial institutional ties as institutional drivers of corporate proactive and responsive sustainability strategies

In line with the study's predictions, the results show that top-level managerial ties drive corporate proactive ($\gamma = .28$, $t = 5.16$) and responsive ($\gamma = .27$, $t = 4.96$) sustainability strategies among emerging market firms that face institutional adversity. Hence, hypothesis 1a and 1b are accepted.

5.8.2 Market performance consequences of corporate proactive and responsive sustainability strategies

In hypothesis 2a and 2b, the study hypothesises that the implementation of corporate proactive and responsive sustainability strategies leads to superior market performance. The results confirm that corporate proactive ($\gamma = .24$, $t = 4.07$) and responsive ($\gamma = .22$, $t = 3.76$) sustainability strategies are positively related to market performance. Hence, hypothesis 2a and 2b are also accepted.

5.8.3 Contingent effect of competition intensity, innovative culture and financial resource slack

In hypothesis 3a and 3b, the study hypothesises that at higher the levels of competition in a firm's industry or business sector, the impact of top-level managerial ties in driving corporate proactive and responsive sustainability strategies will be higher. However, the findings from the study fail to confirm these predictions. The findings show that the levels of competition intensity in a firm's business sector have no effect in driving corporate proactive (γ = -0.01, t = -0.25) and responsive (γ= -0.06; t= -1.12) sustainability strategies. Therefore, both hypothesis 3a and 3b are rejected.

Furthermore, in hypothesis 4a and 4b, the study hypothesises that the higher the levels of firm innovative culture, the higher the effect of corporate proactive and responsive sustainability strategies on market performance. The results confirm these predictions. Thus, at higher levels of firm innovative culture, the effect of corporate proactive (γ = 0.24, t =4.31) and responsive (γ = 0.26, t =4.69) sustainability strategies on market performance are higher. Thus, hypothesis 4a and 4b are accepted.

In hypothesis 5a and 5b, the study argues that at higher levels of financial resource slack, the effect of corporate proactive and responsive sustainability strategies on market performance are higher. The findings confirm hypothesis 5a to be correct; at higher levels of resource slack, the impact of corporate proactive (γ =0.17, t =3.16) sustainability strategy on market performance are higher, as top-level managers would provide funds to implement corporate proactive sustainability strategies. However, hypothesis 5b is rejected. At higher levels of resource slack, corporate responsive ($\gamma = 0.10$, $t = 1.76$) sustainability strategy has no effect on market performance.

5.8.4 Control variables

Following on from previous studies on corporate sustainability strategies in emerging markets (Wijethilake, 2017), this study controlled for firm size, firm age and industry sector due to their potential effects on the formulation and implementation of corporate sustainability strategies. However, the results indicate that these controls have no effect on managerial ties driving firm proactive and responsive sustainability strategies. This suggests that irrespective of firm size, age or industry sector, top-level managerial ties is positively related to corporate proactive and responsive sustainability strategies among emerging market firms. Furthermore, firm size was the only control variable that had a positive relationship in the path between corporate proactive and responsive sustainability strategies market performance ($\gamma = .19$, $t = 2.90$). Hence, it should be noted that the proposed relationships argued in the study were verified with regards to the effects of these control variables.

Table 5.14: Results of structural equation modelling

Independent Variables	Dependent Variables														
	Corporate Sustainability Strategies						Market Performance								
	Proactive Strategy			Responsive Strategy											
Control Paths	**Model 1**	**Model 2**	**Model 3**	**Model 1**	**Model 2**	**Model 3**	**Model 1**	**Model 2**	**Model 3**	**Model 4**	**Model 5**	**Model 6**	**Model 7**	**Model 8**	**Model 9**
Industry	-0.04(-0.68)	-0.04(-0.75)	-0.04(-0.73)	-0.11(-1.94)	-0.11(-2.07)	-0.11(-1.98)	-0.02(-0.33)	-0.02(-0.42)	0.00(0.05)	-0.01(-0.25)	0.01(0.20)	-0.02(-0.33)	-0.00(-0.02)	-0.01(-0.28)	0.01(0.24)
Firm Age	-0.03(-0.52)	-0.05(-0.80)	-0.05(-0.81)	0.00(0.06)	-0.01(-0.22)	-0.02(-0.28)	-0.03(-0.47)	-0.05(-0.85)	-0.05(-0.77)	-0.04(-0.61)	-0.04(-0.63)	-0.05(-0.79)	-0.05(-0.83)	-0.04(-0.76)	-0.02(-0.34)
Firm Size	0.01(0.18)	-0.02(-0.36)	-0.02(-0.37)	0.05(0.73)	0.02(0.28)	0.01(0.20)	0.19(2.90)	0.17(2.70)	0.16(2.65)	0.17(2.80)	0.14(2.39)	0.16(2.68)	0.15(2.57)	0.16(2.78)	0.12(2.37)
Main effect path															
Managerial Ties (MGT)		0.28(5.16)	0.28(5.16)		0.27(4.96)	0.27(4.99)		0.24(4.12)	0.18(2.94)	0.16(2.68)	0.22(3.72)	0.23(3.95)	0.19(3.12)	0.15(2.60)	0.09(1.61)
Competition (COM)		0.18(3.36)	0.18(3.36)		0.14(2.49)	0.14(2.50)									0.04(0.79)
Responsive Sustainability strategy (RSS)									0.22(3.76)		0.22(3.77)		0.21(3.75)		0.19(3.64)
Proactive Sustainability Strategy (PSS)										0.24(4.07)		0.20(3.48)		0.24(4.18)	0.17(3.18)
Innovative culture (ICU)								0.03(0.45)	0.01(0.19)	0.02(0.36)	0.07(1.25)	0.09(1.59)			0.01(0.19)
Financial Resource slack (SLK)								0.21(3.53)	0.22(3.81)	0.25(4.24)			0.22(4.00)	0.26(4.68)	0.25(4.69)
Interaction effect paths															
MGT x COM			-0.01(-0.25)			-0.06(-1.12)									0.04(0.81)
RSS x ICU											0.26(4.69)				0.19(3.18)
PSS x ICU												0.24(4.31)			0.12(2.13)
RSS x SLK													0.10(1.76)		-0.02(-0.37)
PSS x SLK														0.17(3.16)	0.11(1.74)
Goodness of fit Indicators															
R^2	0.002	0.124	0.125	0.016	0.115	0.119	0.033	0.161	0.203	0.210	0.224	0.212	0.212	0.239	0.336
ΔR2	--	0.122	0.001	--	0.099	0.004	--	0.128	0.042	0.007	0.014	0.198	0.014	0.225	0.097
Chi-Square/*df*	122.96/55	91.27/53	91.16/52	117.73/55	92.16/53	90.74/55	134.73/55	105.70/52	93.28/51	91.92/51	86.52/51	90.44/51	90.91/51	84.13/51	92.11/57
RMSEA	0.064	0.049	0.050	0.062	0.050	0.050	0.070	0.059	0.053	0.052	0.048	0.051	0.051	0.047	0.045
NNFI	0.841	0.911	0.908	0.856	0.912	0.911	0.807	0.872	0.897	0.902	0.913	0.904	0.904	0.924	0.926
NFI	0.913	0.938	0.938	0.918	0.938	0.939	0.902	0.927	0.936	0.938	0.941	0.938	0.938	0.944	0.938
CFI	0.943	0.969	0.969	0.948	0.970	0.970	0.931	0.956	0.966	0.967	0.971	0.968	0.968	0.975	0.972
SRMR	0.0545	0.0343	0.0342	0.0532	0.0343	0.0339	0.0933	0.0667	0.0610	0.0580	0.0447	0.0443	0.0542	0.0439	0.0289

Standardized coefficients are reported;
t-value;
†$p < 0.10$;
*$p < 0.05$;
**$p < 0.01$. Critical *t*-values are, respectively, 1.645, 1.960, and 2.326 (two-tailed test)

5.9 Multicollinearity test

The notion of Multicollinearity entails a situation where the independent variables have a high correlation among them. Hence, in multivariate analysis, multicollinearity is a major statistical problem that must be addressed as it could lead to non-significant or wrong effects of estimates. According to Tabachnick and Fidell (2007), it is difficult to determine the individual effect of independent variables on a dependent variable where there is a high correlation between two or more independent variables. Hence, one way of accounting for the problems of multicollinearity is to is to examine the inter constructs correlation for a possible high correlation coefficient. According to researchers, the given rule is that (a) correlation coefficients should not be more than 0.80, (b) just like the discriminant validity test, the squared correlation of any pair constructs should not be more than the AVE values (Grewal et al. 2004) to rule out any possible multicollinearity issues. As can be seen from table 5.11 and table 5.12, the issue of multicollinearity does not arise as far this current analysis is concerned. Thus, the highest correlation coefficient is 0.339 (between the study constructs) and none of the squared correlations is higher than the AVE values. Furthermore, Boso et al. (2012) posit that the highest VIF value from the regression analysis should not be greater than 5 to rule not any potential multicollinearity bias. The highest VIF value from the study's regression analysis was 1.08 which is less than 5. In addition, using the multiplicative terms of the variables in the structural model during the moderation effect analysis could also lead to multicollinearity. To avoid problem, the variables were mean centred before their cross-product terms were used for SEM analysis (Ping, 2004)

5.10 Post Hoc Analysis

5.10.1 Additional insights on suppression effects

Following the recommendations by Aiken et al. (1991), the study plotted the moderation findings from the hypothesis testing to determine the nature of the effects of the three moderating variables: competition intensity, financial resource slack and innovative culture. The effects of competition intensity on driving the relationship between managerial ties and corporate proactive and responsive sustainability strategies were plotted. Furthermore, the moderating roles of innovative culture and financial resource slack on the path between corporate proactive and responsive sustainability strategies and market performance were also plotted. The figures below present the nature of these relationships.

Figure 5.1: Moderating role of competition intensity on managerial ties-corporate proactive sustainability strategies path

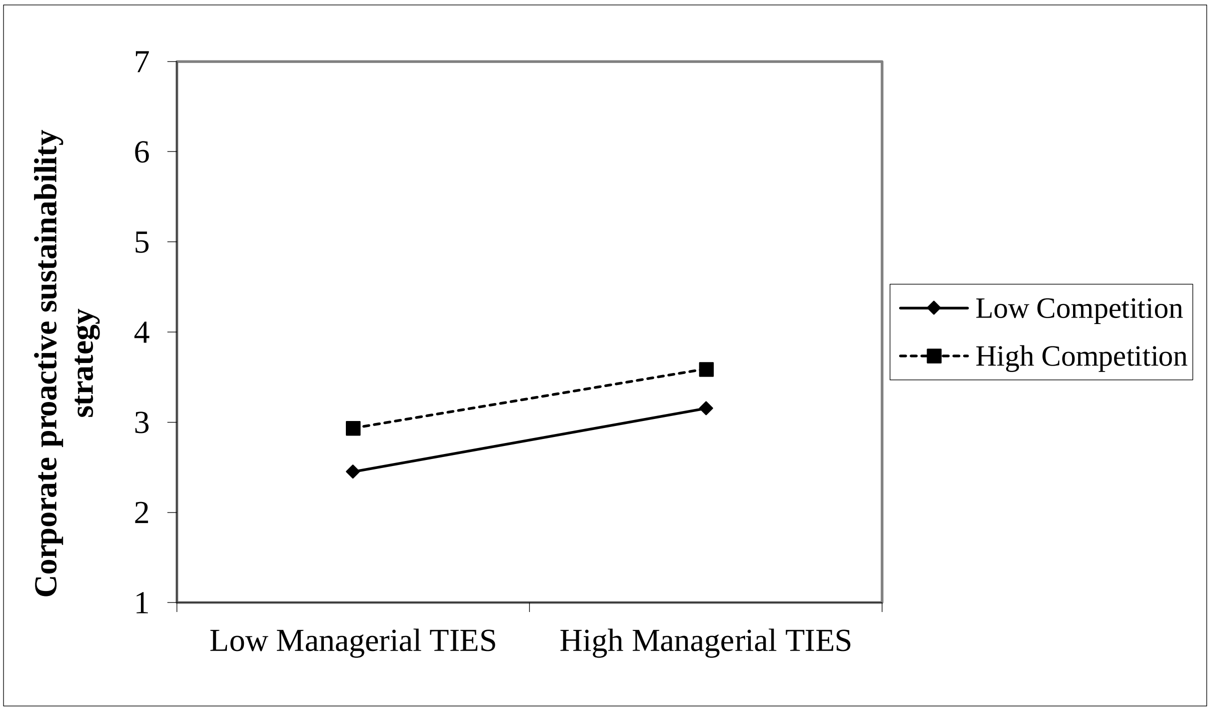


Figure 5.2: Moderating role of competition intensity on managerial ties-corporate responsive sustainability path

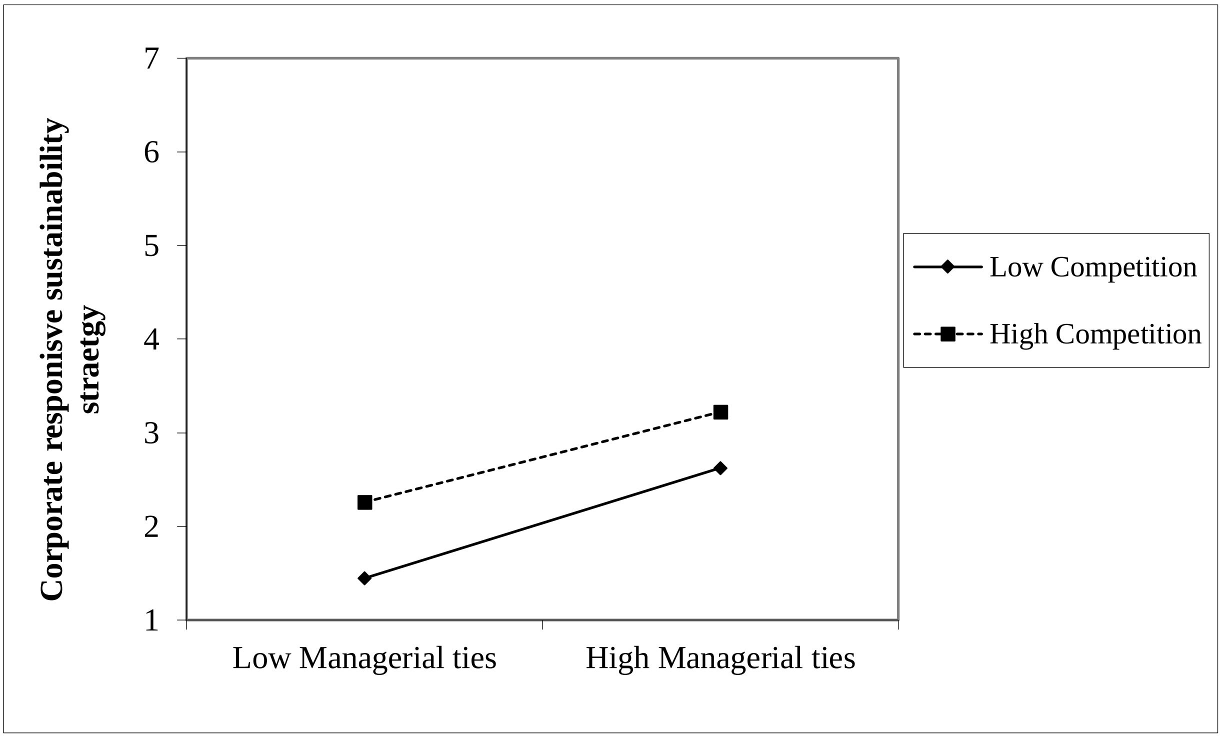


Figure 5.3: Moderating role of innovative culture on corporate proactive sustainability strategy-market performance path

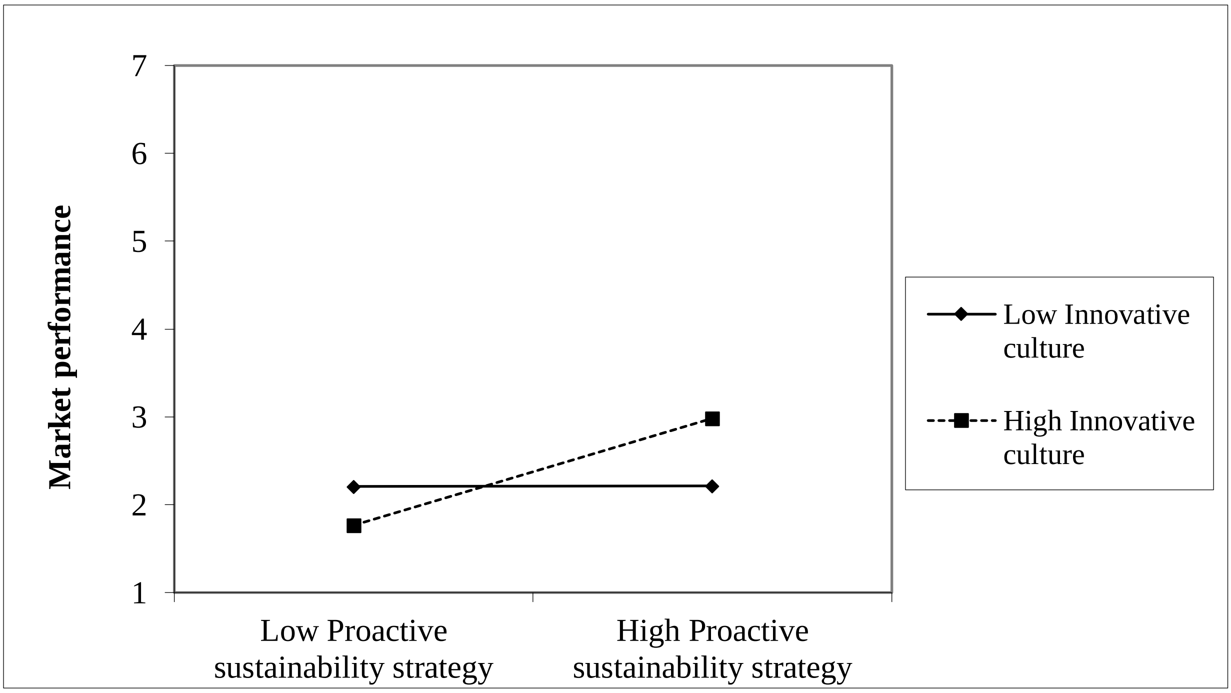


Figure 5.4: Moderating role of innovative culture on corporate responsive sustainability strategy-market performance path

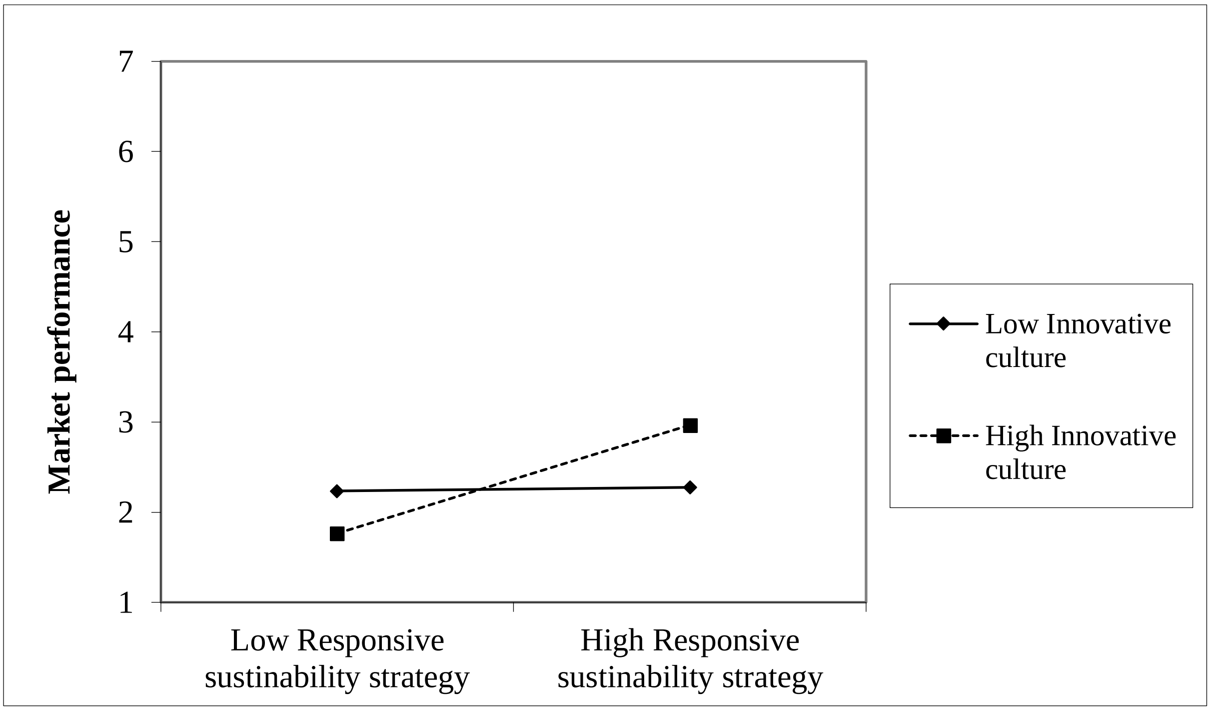


Figure 5.5: Moderating role of financial resource slack on corporate proactive sustainability strategy-market performance path

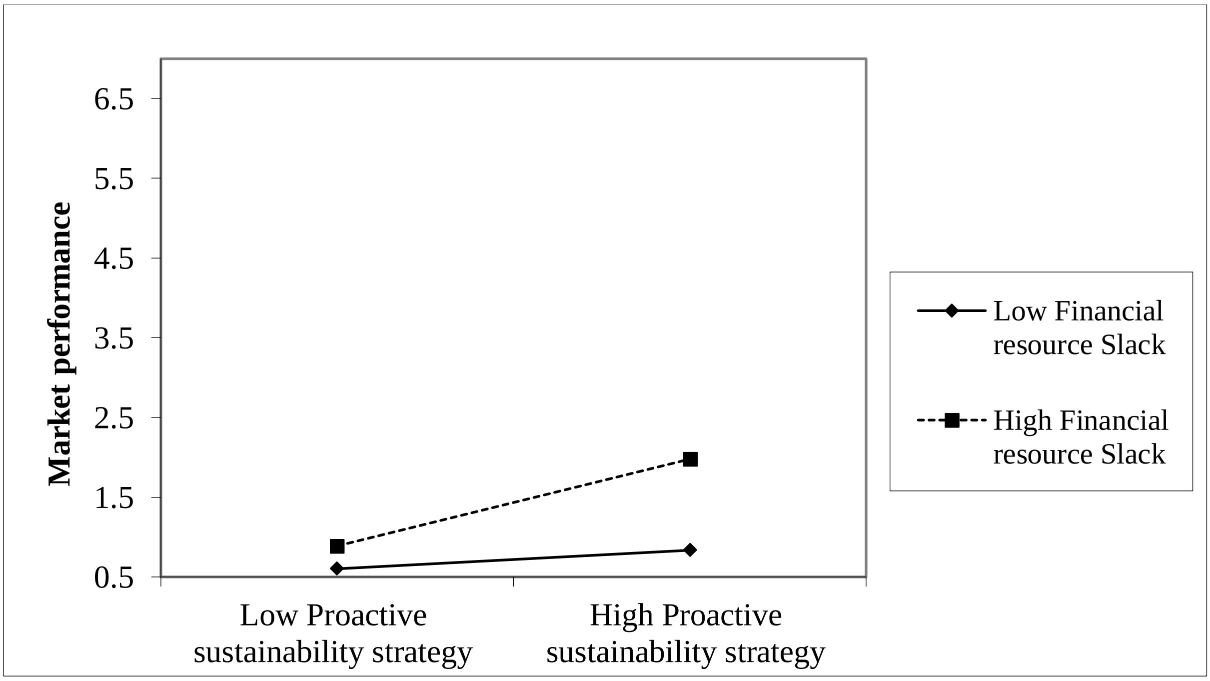
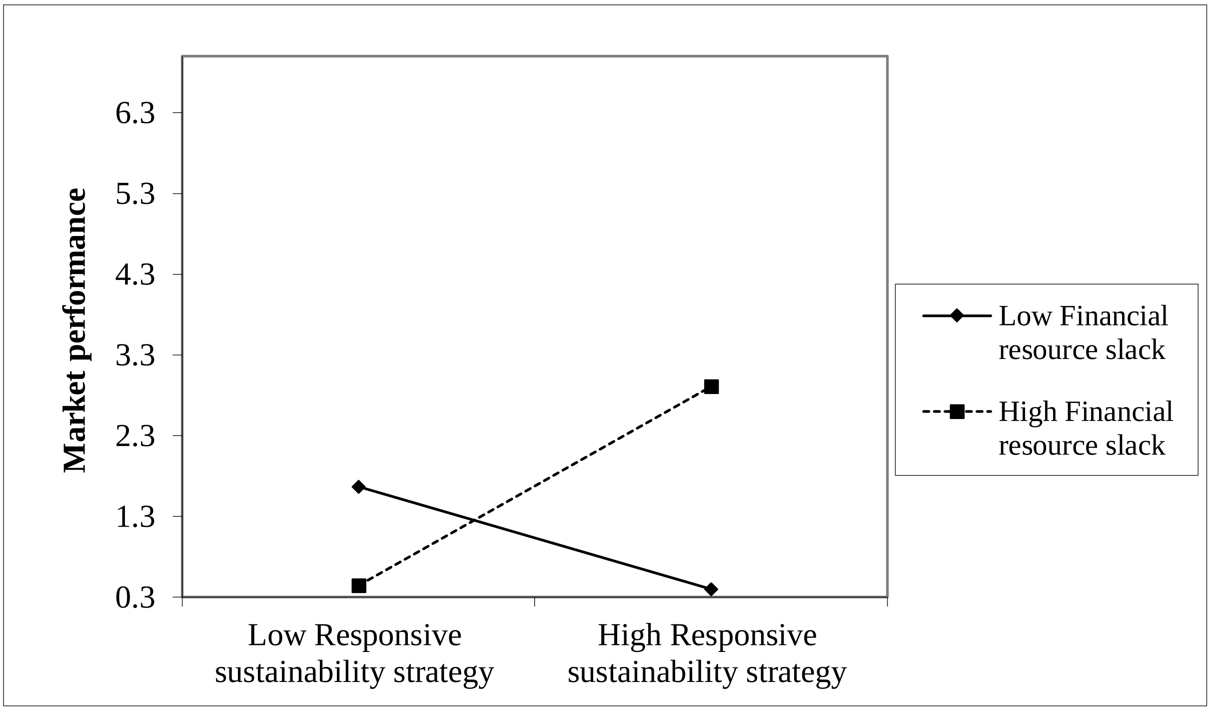


Figure 5.6: Moderating role of financial resource slack on corporate responsive sustainability strategy-market performance path



5.10.2 Endogeneity test

According to Toubia et al. (2003), most research findings—especially those that collected data using questionnaire survey—are liable to issues of endogeneity bias. Endogeneity arises when the explanatory variables, in a regression analysis, are correlated to the error terms, such that it could potentially bias the regression estimates or make them inconsistent (Wooldridge, 2002). Hence, endogeneity bias has the potential to bias regression estimates and assume causality between the independent and dependent variables, even when such relationship does not exist (Antonakis et al. 2014; Jean et al. 2016). Sources of endogeneity issues include errors in variables, omitted variables and simultaneous causality (Zaefarian et al. 2017). On this note, this study argues that corporate proactive and responsive sustainability strategies could be endogenous due to one or more of the reasons raised above. If these regressors were endogenous—correlated with the error term—their already established relationship with market performance could be misleading. As a result, the study carried our further analysis to eliminate any possible endogeneity bias.

Consequently, as recommended by marketing and strategy scholars (e.g., Poppo et al. 2016; Hamilton and Nickerson, 2003), a three-stage least squares analysis was conducted to eliminate any potential endogeneity bias. In stage one, the study regressed managerial ties and competition intensity on corporate proactive and responsive sustainability strategies with the unstandardized residuals saved. In stage 2, the unstandardized residuals of corporate proactive and responsive sustainability strategies—obtained in stage 1—were used as the independent variables to examine their effect on market performance. In stage 3, two interaction terms (corporate proactive sustainability strategies RESIDUAL x innovative culture) and (corporate responsive sustainability strategies RESIDUAL x financial resource slack) were estimated on market performance. This analysis used the residuals of corporate proactive and responsive sustainability strategies instead of their original values that were used in the main analysis. As can be seen from table 5.15, the effect of the residuals of corporate proactive and responsive sustainability strategies on market performance and the interaction term of corporate proactive sustainability strategies RESIDUAL x innovative culture on market performance were significant while the interaction term of corporate responsive sustainability strategies RESIDUAL x financial resource sack was not. Hence, these results were the same as those obtained from the initial analysis. On this note, the study concluded that it has ruled out any possible endogeneity bias.

Table 5.15: Endogeneity test results

	Model 1		Model 2		Model 3	
Intercepts	β	t-value	β	t-value	β	t-value
Controls						
Firm size	0.197	2.838***	0.197	2.901***	0.170	2.669***
Firm age	-0.066	-0.551	-0.066	-0.564	-0.053	-0.480
Industry	-0.122	-0.531	-0.122	-0.543	-0.102	-0.485
Main effect						
Corporate proactive sustainability strategies Residual			0.170	2.283***	-1.082	-2.930
Corporate responsive sustainability strategies residual			0.189	2.497***	0.131	0.404
Interaction effect						
Corporate proactive sustainability strategies Residual x innovative culture					0.222	3.669***
Corporate responsive sustainability strategies residual x financial resource slack					0.014	0.247
Innovative culture					-0.038	-0.743
Financial resource slack					0.296	5.609***
R^2	0.030		0.078		0.212	
ΔR	----		0.048		0.134	

5.11 Chapter summary

This chapter presented findings from the descriptive and statistical analysis of the hypothesised paths in the study's conceptual framework. The chapter further presented post hoc analysis that was performed to explain any possible explanation for the unsupported hypotheses as well as any issues of endogeneity. Table 5.16 provides a summary of the tested hypotheses. The next chapter discusses the implications of these findings.

Table 5.16: Summary of hypotheses

Hypothesis	Hypothesised relationship	Level of support
H1a	Managerial ties to corporate proactive sustainability strategies	Supported
H1b	Managerial ties to corporate responsive sustainability strategies	Supported
H2a	Corporate proactive sustainability strategies to market performance	Supported
H2b	Corporate responsive sustainability strategies to market performance	Supported
H3a	Competition X ties to corporate proactive sustainability strategies	Not supported
H3b	Competition X ties to corporate responsive sustainability strategies	Not supported
H4a	Innovative culture X corporate proactive sustainability strategies to market performance	Supported
H4b	Innovative culture X corporate responsive sustainability strategies to market performance	Supported
H5a	Financial resource slack X corporate proactive sustainability strategies to market performance	Supported
H5b	Financial resource slack X corporate responsive sustainability strategies to market performance	Not supported

Chapter Six: Discussion, implications and conclusion

6.0 Introduction

The aim of this concluding chapter is to discuss the implications of the hypothesis findings presented in chapter five. The chapter starts by discussing the study findings as they situate within the existing body of knowledge on corporate sustainability strategies and how they relate to the study's aims and objective. This is followed by a presentation of the study's empirical contributions in terms of its theoretical, managerial and policy implications. The chapter further outlines the limitations of the study while providing valuable insights for future research.

6.1 Discussion of research findings

DNV GL consultant Nili Safavi—in a presentation delivered to the Enterprise Risk Management Special Interest Group at The Institute of Risk Management in 2011—reported that 93% of CEOs consider sustainability initiatives as critical for future success and survival of their business (IRM ERM SIG, 2011). Thus, there is growing recognition among academics and top-level business managers that corporate sustainability strategies have become a strategic lens through which firms might view their operation and performance, which determines if they will survive in business (Siegel, 2009; Kashmanian et al. 2011; Gupta et al. 2014). On this note, corporate sustainability strategies are context-specific as firms tackle social and environmental issues within their market environment to achieve superior performance (Siegel, 2009; Dobers and Halme, 2009). This development has prompted organisations to re-evaluate their business strategies and give strong consideration to their corporate sustainability strategies (Gupta et al. 2014). Nevertheless, corporate sustainability initiatives among emerging market firms have received very limited attention (Dobers and Halme, 2009). As a result, Hoskisson et al. (2000), Dobers and Halme (2009), Chabowski et al. (2011), Goyal et al. (2013), Honig and Acquaah (2016) and Boso et al. (2018) call for more research studies to examine the corporate sustainability phenomenon among emerging market firms. These scholars argue that the emerging market context is especially important due to the institutional adversities (Khanna, and Palepu, 1997), surge in population and rapid urbanisation that give rise to social and environmental issues (Amankwah-Amoah et al. 2018; Boso et al. 2018) and the highly collectivistic culture prevalent in emerging societies (Peng and Luo, 2000).

Against this backdrop, the study set out to examine among emerging market firms: i) the nature of corporate sustainability strategies, ii) the institutional drivers of corporate sustainability strategies, iii) boundary conditions that strengthen or weaken the formulation and implementation of corporate sustainability strategies, and iv) market performance consequences of corporate sustainability strategies. In this vein, the study proposed a driver–focal construct–consequence–contingency framework and statistically examined the institutional drivers, market performance consequences and boundary conditions of corporate proactive and responsive sustainability strategies among 300 emerging market firms operating in Nigeria—the largest market in sub-Saharan Africa. In doing so, the study makes several contributions to the corporate sustainability literature that may be of interest to both academics and business managers.

Significantly, the study lays the background for future research studies on corporate sustainability initiatives in emerging markets by delineating corporate sustainability strategies as being proactive and responsive in nature. By being proactive and responsive, corporate sustainability strategies become visionary and holistic (Baumgartner and Ebner, 2010) while covering latent and expressed social and environmental issues within a firm's business environment—which is an imperative for superior performance and survival in business over the long term (Narver et al. 2004; Siegel, 2009; Thambusamy and Salam, 2010). On this note, corporate proactive and responsive sustainability strategies are a match between occurrences in the institutional environment and the firm (Peng et al. 2008) and will lead to superior performance and survival in business (Hallstedt et al. 2013; Engert and Baumgartner, 2016). This contribution is critical as—following the tri-dimensional, triple-bottom-line approach—extant research studies have not examined the institutional drivers, boundary conditions and market performance consequences of corporate proactive and responsive sustainability initiatives, most especially from an emerging market perspective.

Another contribution of this study lies in examining the institutional drivers of corporate proactive and responsive sustainability strategies among emerging market firms that face institutional adversity. In emerging markets, government/political officials, regulatory officials, business associations (made of top-level managers at other firms) and local community leaders play a decisive role in social, commercial and economic activities (Peng and Luo, 2000; Acquaah, 2012, Xu et al. 2012). With the highly collectivistic culture and institutional adversities in these markets, managers rely on their linkages, contacts and connections with key institutional entities when making strategic decisions (Peng and Luo, 2000; Acquaah, 2007; Gu et al. 2008, Acquaah, 2012, Xu et al. 2012, Chen et al. 2018). Consequently, the study is the first to examine how emerging markets' top-level managerial ties with key institutional entities provide diverse local market information, knowledge and intelligence needed to underscore corporate proactive and responsive sustainability initiatives.

Additionally, investigating the market performance consequences of corporate proactive and responsive sustainability strategies among emerging market firms extends the literature on the performance consequences of corporate sustainability initiatives. As emerging market firms are focused on survival (Shinkle and McCann, 2014; Boso et al. 2017), the findings from this study reveal that consumers buy from firms whose corporate proactive and responsive sustainability strategies devise products and services that match the social and environmental demands of the market, thus ensuring that firms survive in business over the long-term. Also, these findings point out that firms whose corporate proactive and responsive sustainability strategies match latent and expressed social and environmental demands would achieve greater market shares and sales relative to its market rivals.

The study is also the first to examine boundary conditions that strengthen or weaken the formulation and implementation of corporate sustainability strategies among emerging market firms. By examining the moderating roles of competition intensity, financial resource slack and innovative culture, the study examines external local environmental (competition intensity) and organisational success factors (financial resource slack and innovative culture) that strengthen or weaken the formulation and implementation of corporate sustainability strategies. For instance, finding that financial resource slack strengthens the path between corporate proactive sustainability strategies and market performance while it weakens the path between corporate responsive sustainability strategies and market performance is of paramount importance to emerging market managers when setting corporate sustainability initiatives.

Another contribution of the study lies in applying novel theories to the corporate sustainability literature. The study introduces to the literature stream the SCP paradigm and institutional development logic; and synthesises these with institutional theory to explain the institutional drivers, market performance consequences and boundary conditions of corporate proactive and responsive sustainability strategies. At a first glance, it looks like corporate proactive and responsive sustainability strategies operate in the same way i.e., they have the same institutional drivers and market performance consequences. On this note, previous emerging market research could be forgiven for not making a clear distinction between the two corporate sustainability strategies (e.g., Wijethilake, 2017). However, upon further inspection of the model results, the findings show that corporate proactive and responsive strategies have different moderation effects—especially in respect to financial resource slack. Thus, corporate proactive and responsive sustainability strategies respond differently to differences in institutional adversities and levels of development in the business environment. By applying the SCP paradigm and institutional development theory—together with the institutional theory—the moderation findings make it possible to separate the two corporate sustainability strategies as being different. In this vein, the study benefitted from the combination of the theories in producing interesting results in the emerging market context and in understanding the proactive and responsive nature of corporate sustainability strategies.

In sum, findings from this research help to understand how firms operating in weak and underdeveloped market environments can formulate, implement and achieve superior market performance through their corporate proactive and responsive sustainability strategies. As Goyal et al. (2013) and Boso et al. (2018) explain, it is imperative for top-level managers and academic researchers to understand the unique institutional environments in emerging markets while adopting corporate strategies that would fit these environments.

6.1.1 Discussion of hypothesis 1a and 1b: Managerial ties as institutional drivers of corporate proactive and responsive sustainability strategies

Despite the myriad of extant research studies on the fundamental drivers of corporate sustainability strategies (e.g., Gattiker et al. 2014; Stoughton and Ludema, 2012; Parisi, 2013; Wolf, 2014; Jansson et al. 2017), empirical evidence on the role of top-level managerial ties with key institutional entities on driving corporate proactive and responsive sustainability strategies remains thin in the literature. To address these gaps in knowledge, the study put forward hypothesis 1a and 1b arguing that top-level managerial ties with government/political officials, regulatory officials, top-managers at other firms and local community leaders are positively related to corporate proactive and responsive sustainability strategies. Accordingly, drawing on institutional theory and the SCP paradigm, the study posits that top-level managerial linkages, contacts and connections with these key institutional entities will provide access to local market information, knowledge, intelligence, resources and favours needed to underscore corporate proactive and responsive sustainability strategies.

Correspondingly, the study findings reveal a positive association between top-level managerial ties and corporate proactive ($\gamma = .28$, $t = 5.16$) and responsive ($\gamma = .27$, $t = 4.96$) sustainability strategies. In confirmation with the study's expectations, these results suggests that due to the institutional adversities, weak market systems and highly collectivistic culture existing in emerging markets, top-level managerial ties with government and regulatory officials, top-level managers at other firms and local community leaders proffer local market information, intelligence, resources, favours and knowledge which presents opportunities that are needed to underscore corporate proactive and responsive sustainability strategies.

Corporate proactive sustainability strategies involve spotting latent social and environmental trends that will bear fruit in the longer run (Siegel, 2009; Wijethilake, 2017). Consequently, due to the institutional adversities, highly collectivistic culture and underdeveloped market systems in emerging markets, managers rely on their ties with key institutional entities to provide local market information, intelligence, and knowledge regarding social and environmental issues facing the market. In turn, the information, knowledge and resources got from their institutional ties enable top-level managers to spot latent social and environmental issues that will bear fruit in the future and develop robust corporate proactive sustainability strategies that will match such demands. On this note, corporate proactive sustainability strategies become visionary, futuristic and a match between occurrences in the environment (Baumgartner and Ebner, 2010).

On the other hand, corporate responsive sustainability strategies involve adapting and reacting to expressed social and environmental issues facing society (Siegel, 2009). Corporate responsive sustainability strategies respond to expressed social and environmental issues that emerge in the society. The surge in population and rapid urbanisation in emerging markets (Boso et al. 2018), give rise to social and environmental issues that require urgent corporate reactive attention. In turn, due to the institutional adversities in emerging markets (Acquaah, 2012), managers rely on their ties with key institutional entities to provide information and knowledge about the expressed social and environmental issues facing the market. On this note, top-level managers use their access and diverse information got from their institutional ties to formulate corporate responsive sustainability strategies to match the expressed social and environmental demands in the society.

In conclusion, we can deduct from these findings that top-level managerial linkages, contacts and connections with government and regulatory officials, top-level managers at other firms and local community leaders are institutional drivers of corporate proactive and responsive sustainability strategies among emerging market firms. Due to the institutional adversities and highly collectivistic culture in emerging markets, top-level managerial ties with these key institutional entities is an essential part in exploring and identifying market information and knowledge required to underscore corporate proactive and responsive sustainability strategies (Acquaah, 2012). Furthermore, although this study represents the first to empirically examine the role of managerial ties in the context of corporate sustainability strategies (to the author's knowledge), the study confirms previous extant studies in the literature that suggests that top-level managerial ties is positively related to firm strategic activities in emerging markets (e.g., Acquaah, 2007; 2011; 2012; Kotabe et al. 2011).

6.1.2 Discussion of hypothesis 2a and 2b: The impact of corporate proactive and responsive sustainability strategies on market performance

Previous extant empirical research studies in the corporate sustainability literature have largely focused on the financial performance (e.g., Ameer and Othman, 2012; Torugsa et al. 2012; Barnett and Salomon, 2012; Erhemjamts et al. 2013) and environmental performance (e.g., Melnyk et al. 2003; Sharfman and Fernando, 2008; Russo and Harrison, 2005; Molina-Azorín et al. 2009; Hussain et al. 2018) consequences of corporate sustainability strategies. However, Prahalad (2012) explains that it is hard for emerging market firms to achieve financial and environmental performance as it is more of a developed country metric. This is due to affordability issues coupled with the institutional adversities in emerging markets. On this note, there is need for research studies on emerging markets to focus on performance measures that imply scalability of the business and future performance as the marketplace emerges. To address this gap in knowledge, the study put forward hypothesis 2a and 2b arguing that corporate proactive and responsive sustainability strategies are positively related to market performance. Market performance refers to a firm's market share, sales volume, sales revenue, market share and unit sales, which reflects its potential revenue and profitability. As emerging market firms' are focused on survival due to the institutional adversities facing the market (Shinkle and McCann, 2014; Boso et al. 2017), market performance measures reflect the extent to which consumers buy from firms whose corporate proactive and responsive sustainability devise products and services that match market demands which in turn ensures its survives in business.

Accordingly, the study findings reveal a positive association between corporate proactive (γ = .24, t = 4.07) and responsive (γ = .22, t = 3.76) sustainability strategies and market performance. These findings imply that firms whose corporate proactive and responsive sustainability strategies devise products and services that match market social and environmental demands achieve superior market performance. By anticipating and developing products and services that meet future social and environmental demands of the market through robust corporate proactive sustainability strategies, a firm becomes a pioneer and a market leader in its industry with respect to the marketing and sales of sustainable products and services (Ortiz-de-Mandojana and Bansal, 2016). Being perceived as a market leader, the firm can expect to command superior market share and greater sales in its industry relative to less proactive competitors (Narver et al. 2004). As such, consumers would buy from firms whose corporate proactive sustainability strategies match their social and environmental demands over the long term.

While corporate proactive sustainability strategies focus on the future demands of the market place, corporate responsive sustainability strategies focus on expressed and evolving needs of the market (Hubbard, 2009). Thus, corporate responsive sustainability strategies are mindful of the expressed social and environmental needs of the market and devise goods and services to quickly meet those demands more effectively relative to market rivals. Consequently, being responsive to social and environmental demands of the market through corporate sustainability strategies, a firm can sustain its reputation in the market, strengthen trust and loyalty among its customer base and subsequently boost its sales level (Hubbard, 2009). Considering that emerging market firms are focused on survival, consumers would buy from firms whose corporate responsive sustainability strategies devise products and services that match, respond and react to the expressed social and environmental demands of the market. In turn, this ensures that such a firm has higher market share, sales volume, and sales revenue and unit sales and survives in business over the long term.

In sum, we can conclude from these findings that corporate proactive and responsive sustainability strategies devise products and services that match future and expressed market demands which lead to superior market performance. Consequently, the findings from this study extend the literature on the performance consequences of corporate proactive and responsive sustainability strategies (Baumgartner, 2014).

6.1.3 Discussion of hypothesis 3a and 3b: The effect of competition intensity in the formulation of corporate proactive and responsive sustainability strategies

One research gap identified in the corporate sustainability literature is the inability of studies—especially among emerging market firms—to empirically examine local market environmental conditions which strengthen or weaken the formulation of corporate proactive and responsive sustainability strategies. To address this knowledge gap, this study identified the levels of competition intensity in a firm's local industry sector as a contingent factor that might strengthen or weaken the formulation of corporate proactive and responsive sustainability strategies. Drawing on insights from the SCP paradigm and institutional theory, the argument put forward by the study is that at higher levels of competition intensity, the impact of managerial ties on driving corporate proactive and responsive sustainability strategies would be higher.

Contrarily to the study's predictions, the findings show that competition intensity does not strengthen the relationship between managerial ties and corporate proactive (γ = -0.01, t = -0.25) and responsive (γ= -0.06; t= -1.12) sustainability strategies. These findings suggest that irrespective the levels of competition intensity in a firm's industry sector, managers in emerging markets rely on their institutional ties when making strategic decisions in relation to their corporate proactive and responsive sustainability strategies. Also, the findings go against the arguments by Auh and Menguc (2005) that at higher levels of competition intensity, there is pressure on firms to increase quality, through their corporate strategic initiatives. Furthermore, competition intensity not influencing the path between managerial ties and corporate proactive and responsive sustainability strategies could be attributed to the weak institutional development in emerging markets (Kafouros and Aliyev, 2016). Due to the institutional adversities and underdeveloped market structures, top-level managers rely on their institutional ties irrespective of the levels of competition intensity in the market to develop corporate proactive and responsive sustainability strategies to match market demands (Acquaah, 2012).

6.1.4 Discussion of hypothesis 4a and 4b: The role of innovative culture in the implementation of proactive and responsive corporate sustainability strategies

Another research gap identified in the corporate sustainability literature is the inability of research studies to empirically examine firm internal boundary conditions which strengthen or weaken the implementation of corporate sustainability strategies among emerging market firms. Based on the exploratory field interviews (table 4.1), one of such internal firm boundary conditions identified by the study is innovative culture. A firm with an innovative culture *"encourages openness to new ideas and cultivates internally-based capabilities to adopt new ideas, processes, strategies and products successfully"* (O'Cass and Ngo, 2007; p.870). Accordingly, a firm with an innovative culture places great importance on readiness and creativity in ensuring the implementation of corporate proactive and responsive sustainability strategies (Linnenluecke and Griffiths, 2010; Wei et al. 2013). Drawing from the institutional development logic and SCP paradigm, the study argues in hypothesis 4a and 4b that firm innovative culture strengthens the path between corporate proactive and responsive sustainability strategies and market performance.

In line with the study's findings, the results confirm these predictions. The results show that at higher levels of firm innovative culture, the effect of corporate proactive ($\gamma = 0.24$, $t = 4.31$) and responsive ($\gamma = 0.26$, $t = 4.69$) sustainability strategies on market performance are higher.

Hence, as emerging market firms are focused on survival due to the institutional adversities in the business environment, firms develop an innovative working culture to creatively ensure that corporate proactive and responsive sustainability are effectively implemented, to provide greater value to customers which lead to increases in sales i.e., at higher levels of innovative culture, the impact of corporate proactive and responsive sustainability strategies on market performance will be higher. In sum, these findings confirm the argument by organisational culture scholars that adopting an innovative working culture is an important component of superior performance (O'Cass and Ngo, 2007; Ireland and Webb, 2007; Linnenluecke and Griffiths, 2010; Zheng et al. 2010; Wei et al. 2013; Ali and Park, 2016).

6.1.5 Discussion of hypothesis 5a and 5b: The role of financial resource slack in the implementation of corporate sustainability strategies

Based on insights from the exploratory field interviews (table 4.1), the study also presents financial resource slack as an internal organisational factor that might strengthen or weaken the path between corporate proactive and responsive sustainability strategies and market performance. The study defines financial resource slack as the utilisable financial capital that can be diverted or deployed by an organisation to achieve its aims and objectives (George, 2005). Consequently, Cheng et al. (2014) argued that firms with greater levels of financial resource slack have an increased flexibility to invest in greater sustainability causes. Therefore, this study submits that at higher levels of financial resource slack, the relationship between corporate proactive and responsive sustainability strategies and market performance are strengthened.

In line with the study's predictions, the results show that at higher levels of financial resource slack, the path between corporate proactive sustainability strategies and market performance are strengthened ($\gamma = 0.17$, $t = 3.16$). However, the findings reveal that financial resource slack does not strengthen the path between corporate responsive sustainability strategies and market performance ($\gamma = 0.10$, $t = 1.68$).

Accordingly, these findings suggest that at higher levels of financial resource slack, firms invest in corporate proactive sustainability strategies to achieve superior performance. Hence, the findings support Aragón-Correa and Sharma's (2003) argument that firms that formulate and implement robust corporate proactive sustainability initiatives irrespective of the institutional adversities in the market environment will achieve superior performance. On the one hand, the findings show that higher levels of financial resource slack, emerging market firms do not invest in corporate responsive sustainability strategies. This could be attributed to the risk associated with implementing corporate responsive sustainability strategies in emerging markets, due to the unstable institutional environment (Acquaah, 2012). Furthermore, the findings support the arguments by Julian and Ofori-Dankwa (2013) and Boso et al. (2017) that at higher levels of financial resource slack, emerging market firms do not invest in corporate sustainability initiatives.

6.1.6 Discussion of the effect of control variables

The study controlled for firm size, firm age and industry sector due to their potential effects the formulation, implementation and market performance consequences of corporate proactive and responsive sustainability strategies. The results reveal that only firm size has a statistically significant influence on the path between corporate proactive and responsive sustainability strategies and market performance ($\gamma = .19$, $t = 2.90$).

6.2 Research purpose and questions revisited

The aim of this research was to contribute to the corporate sustainability literature by examining among emerging market firms' the i) the nature of corporate sustainability strategies, ii) the institutional drivers of corporate sustainability strategies, iii) market performance consequences of corporate sustainability strategies, and iv) boundary conditions that strengthen or weaken the formulation and implementation of corporate sustainability strategies. Based on the findings from the study's hypothesis testing, the following are the answers to the study's research questions.

Although not formally hypothesised, the study's findings suggest that:

- ❖ Corporate sustainability strategies in emerging markets are proactive and responsive in nature. This is due to the unstable and unpredictable business environments in emerging markets i.e., the weak institutional development
- ❖ Adopting the SCP paradigm and institutional development logic—together with the institutional theory—help explain the distinctions between corporate proactive and responsive sustainability strategies. Corporate proactive and responsive sustainability strategies function differently depending on social and environmental occurrences in the market

Regarding the study's hypothesised research questions, the findings show that:

- *Managerial ties with government and regulatory officials, top-level managers at other firms and local community leaders are institutional drivers of corporate proactive and responsive sustainability strategies in emerging markets.*
- *Corporate proactive and responsive sustainability strategies are positively associated with market performance. Hence, corporate proactive and responsive sustainability strategies are visionary and holistic while matching social and environmental demands of the market*
- *The level of competition intensity in a firm's local business industry does not the strengthen the path between top-level managerial ties and corporate proactive and responsive sustainability strategies*
- *Firm innovative culture strengthens the path between corporate proactive and responsive sustainability strategies and market performance*
- *Financial resource slack strengthens the path between corporate proactive sustainability strategies and market performance. However, financial resource slack does not strengthen the path between corporate responsive sustainability strategies and market performance*

6.3 Study implications

This section discusses the study's empirical contributions in terms of theoretical, managerial and policy implications. First, the theoretical and methodological implications are discussed followed by the policy implications.

6.3.1 Theoretical implications

The study's implications for theory development are manifold. It finds that corporate sustainability strategies in emerging market are proactive and responsive in nature. According to Buysse and Verbeke (2003), developed market firms have shifted from corporate reactive sustainability strategies to focus on corporate proactive sustainability initiatives. Cordeiro and Sarkis (1997, p.105) submits that this is due to "*the ever-increasing regulatory expenses, stringent disclosure requirements to shareholders, lenders, and the public, escalating civil and criminal penalties, and the increasing cost and scope of environmental liability*". Notwithstanding this, the findings from the study suggest that emerging market firms should invest in both corporate proactive and responsive sustainability strategies to achieve superior performance and survive in business. This becomes an imperative due to the institutional adversities and weak market structures in emerging markets which creates instability and unpredictability in the business environment (Acquaah, 2012). Furthermore, the surge in population and rapid urbanisation in emerging markets (for example, sub-Saharan Africa) gives rise to social and environmental issues that require urgent corporate reactive attention (Amankwah-Amoah et al. 2018; Boso et al. 2017). On this note, corporate proactive and responsive sustainability strategies become visionary and holistic and a match between occurrences in the environment and the firm (Baumgartner and Ebner, 2010). Also, the study finds that implementing corporate proactive and responsive sustainability strategies would devise products and services that match market demands, which increases market share, sales and revenue, in turn, leading to superior market performance and survival in business.

Finding that managerial ties with governmental officials, regulatory officials, top managers at other firms and local community leaders are institutional drivers of corporate proactive and responsive sustainability strategies extends the literature on the institutional drivers of corporate proactive and responsive sustainability strategies. These institutional entities determine the structure and nature of commercial and economic exchanges in emerging markets (Peng and Luo, 2000; Xu et al. 2012). Therefore, the findings from the study reveal how these managerial institutional ties substitute for the underdeveloped market systems in emerging markets (Chen et al. 2018) and in turn provide local market intelligence and information that are needed to underscore corporate proactive and responsive sustainability strategies.

Furthermore, previous studies on corporate sustainability strategies in emerging markets (e.g., Julian and Ofori-Dankwa, 2013; Boso et al. 2017; Wijethilake, 2017) have failed to account for the local environmental conditions that might strengthen or weaken the formulation of corporate sustainability strategies. Importantly, the finding that competition intensity does strengthen the path between managerial institutional ties and corporate proactive and responsive sustainability strategies suggests the significance of managerial ties with key institutional entities in emerging markets. As Auh and Menguc (2005) submit, at higher levels of competition intensity, there is pressure on firms to increase quality, through their corporate strategic initiatives. However, the study findings suggest that, due to the collectivist culture and weak institutional development in emerging markets, top-level managers rely on their institutional ties to inform their corporate proactive and responsive sustainability strategies irrespective of the levels of competition intensity.

The study's examination of the firm internal variables that might strengthen or weaken the implementation of corporate proactive and responsive sustainability strategies also has two-fold theoretical implications First, previous studies on corporate sustainability strategies—

especially on emerging markets—have failed to investigate the role of an innovative working culture in ensuring the effective implementation of corporate proactive and responsive sustainability strategies (e.g., Rettab et al. 2009; Lai et al. 2010; Mishra and Suar 2010; Julian and Ofori-Dankwa, 2013; Saeidi et al. 2015; Chang 2015; Wijethilake 2017 and Jiang et al. 2018). As emerging market firms are focused on survival, firms will adopt an innovative working culture to creatively ensure the implementation of corporate proactive and responsive sustainability strategies. Second, the finding that financial resource slack does not strengthen the path between corporate responsive sustainability strategies and market performance supports other extant research studies on emerging markets that, at higher levels of financial resource slack, emerging market firms do not invest in corporate sustainability strategies (e.g., Julian and Ofori-Dankwa, 2003; Boso et al. 2017).

Finally, adopting the SCP paradigm and institutional development logic—together with the institutional theory—provides a new theoretical background to examine corporate proactive and responsive sustainability initiatives. Importantly, these theories reveal how firms invest in corporate proactive and responsive sustainability strategies depending on social and environmental occurrences in the environment. For instance, due to the institutional adversities in emerging markets, the results show that top-level managers do not fund the implementation of corporate responsive sustainability strategies. This could be attributed to the risk associated with implementing corporate responsive sustainability strategies in emerging markets due to the unstable institutional structures. By adopting these novel theories, this study has extended the theories in the corporate sustainability domain.

6.3.2 Implications for top-level managers and policy makers

The study findings reveal that corporate sustainability strategies are proactive and responsive in nature among emerging market firms. Due to the institutional adversities, surge in population and rapid urbanisation and underdeveloped market structures, these findings point to the importance of emerging market firms investing in both corporate proactive and responsive sustainability initiatives to survive in business. Corporate proactive sustainability strategies involve addressing latent social and environmental issues that would bear fruit in future. On the other hand, corporate responsive sustainability strategies react to expressed social and environmental issues facing society. Accordingly, emerging market firms should invest in both corporate proactive and responsive sustainability strategies to ensure superior market performance and, in turn, survive in business over the long term.

The study findings point to the importance of emerging market top-level managers building and maintaining ties with key institutional entities in the society. These institutional ties provide local market information, intelligence and knowledge about the social and environmental issues facing the market, which presents opportunities for top-level managers to formulate robust corporate proactive and responsive corporate sustainability strategies that match market demands. Also, due to the weak and underdeveloped market systems, these institutional ties help top-level managers monitor social and environmental issues facing the markets.

The findings from the study also point to the importance of top-level managers of emerging market firms building an innovative working culture. The findings reveal that an innovative working culture leads to readiness and creativity in the implementation of corporate proactive and responsive sustainability strategies, which provides superior value to the customers. An innovative working culture ensures that firms are active and ready to spot latent social and environmental issues that will bear fruit in the future and, in turn, develop robust corporate proactive sustainability strategies that devise products and services that would match demand. In the same vein, an innovative working culture ensures readiness and creativity in the implementation of corporate responsive sustainability strategies to devise products and services that would match demand and increase market performance.

Finally, finding that financial resource slack strengthens the path of corporate proactive sustainability strategies and market performance is pivotal for emerging market top-level managers when planning for corporate proactive sustainability initiatives. As corporate proactive sustainability initiatives are associated with long-term planning processes, the study findings point to the importance of financial resource slack in the implementation of corporate proactive sustainability strategies.

6.3.3 Limitations and suggestions for future research directions

Like with most research studies, there are limitations associated with this study, which provides an avenue for future research directions. First, the study only considered the institutional ties of top-level managers. Extant research studies have largely argued that there is positive relationship between top-level managerial ties and firm performance, most especially among emerging market firms (Peng and Luo, 2000; Acquaah, 2012, Xu et al. 2012). However, Van der Gaag and Webber (2008) and Erickson (2017) have argued in favour of the importance of the social capital gained from the institutional ties and networks of employees or low-level managers to achieving superior firm performance. With individuals being members of the society, these scholars point to the importance of the networks of every individual working in a firm and how such networks can help achieve superior performance. Building on this, it will be useful for future research studies to examine the role of institutional ties or networks of lower-level employees and managers in the formulation of corporate proactive and responsive sustainability strategies.

Second, as emerging economies are slowly moving towards a developed market system (Boso et al. 2018), it will be useful for future research studies to examine whether managerial institutional ties will still be fruitful in informing corporate sustainability strategies. As Gu et al. (2008) argued, *Guanxi*—top-level managerial ties—will be become less effective as China moves towards a well-developed market system. Also, the study collected data at one time-point and mostly from single informants—cross-sectional research design. Employing this research design, it is not possible to make casual inferences about the observed paths in the conceptual framework. Thus, there is a limitation of not being able to examine the proposed relationships over periods of time (Rindfleisch et al. 2008). As emerging market firms are slowly moving towards a developed market structure (Boso et al. 2018), it is recommended for future research studies to examine whether managerial institutional ties will still inform corporate proactive and responsive sustainability strategies, most especially as the market and institutional structures improve (Boso et al. 2018)

Third, the study only investigated financial resource slack and firm innovative culture as factors that strengthen or weaken the path between corporate proactive and responsive sustainability strategies and market performance. As emerging market firms are focused on survival in business due to the existing institutional adversities (Julian and Ofori-Dankwa, 2013; Boso et al. 2017), future research studies should examine other firm internal factors that might strengthen or weaken the path between corporate proactive and responsive sustainability strategies. Also, to aid the generalisation of corporate proactive and responsive sustainability strategies, it is recommended that future research studies replicate the model across firms in a different geo-graphical emerging market.

Finally, the study acknowledges that there are statistical problems associated with collecting data from single informants, especially in regard to the independent variables and market performance consequences of corporate proactive and responsive sustainability strategies. Thus, even though the study took several measures to control for the potential effects of CMV (chapter 5, section 5.7), CMV may still be prevalent in this study—due to the questionnaire survey approach employed for data collection—and the unfavourable and biased effect of collecting data from single informants. Accordingly, future research studies should collect both independent and dependent data from multiple respondents. Also, future research studies should collect objective performance data from secondary sources such as company financial reports.

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Appendices

Appendix 4A: Qualitative interview guide

1. Company background

Company name ……………………………………………….

Contact details ………………………………………………….

Industry …………………………………………………………

Interviewee's position …………………………………………

Date and time of interview ……………………………………

2. Corporate sustainability strategies

a. How would you describe the idea of sustainability in business?

b. What are the main sustainability objectives of your company?

c. What is the nature of your corporate sustainability strategies?

d. How do you plan for your sustainability activities?

e. Do you for some reason react to the need to be sustainable in your business activities?

3. Resources and capabilities to implement corporate sustainability strategies

a. What mechanisms do you have to ensure that your corporate sustainability objectives are effectively implemented?

b. Do you have the necessary resources and capabilities needed to implement your corporate sustainability strategies? Specifically, how?

c. How are your sustainability practices communicated to your final consumers, and other stakeholders?

d. Which communication tools do you use to communicate your sustainability practices?

e. In which ways are your corporate sustainability initiatives beneficial to your business activities?

4. Networking ties/relationships in business

a. What do you understand by networking relationships in business?

b. What types of networking relationships do you have?

c. What's your overall description of the importance of such relationships?

d. What factors motivate you to build and keep these relationships?

e. Are networking relationships a common trend in your industry? If yes, could you please give me some more details on the general trend?

5. Depth of networking relationships/ties

a. How many networking relationships have you formed over the past 5 years?

b. Are these relationships formal? e.g., bounded by contracts/signed agreements etc.

c. How many are informal? e.g., not bounded by contracts, personal relationships etc.

d. To what extent do you utilize your networks in your daily business activities?

e. In what specific business activities do you utilize your networks?

6. Performance Outcomes

a. Finally, could you kindly tell me a little more about the key success factors in your industry?

b. How relevant are your corporate sustainability strategies to the future of your company?

7. Any other comments

Appendix 4B: Construct items

Construct	Construct items	Source
Corporate sustainability strategies	**Corporate proactive sustainability strategy** Actively scan the market to determine which social and environmental issues might affect this company in the future Anticipate environmental and social changes that might be needed in our business operations in the light of developments in the market Consider potential future social and environmental issues which could affect our business operations Try to predict latent environmental and social issues in the society **Corporate responsive sustainability strategy** Adapt to situations caused by expressed social and environmental issues in the market Acknowledge expressed social and environmental issues facing society Respond to social and environmental changes in the market React to social and environmental market changes in a quick and satisfactory way Adapt the organisation adequately to social and environmental changes facing society	Bansal (2005) Hubbard (2009)

Appendix 4B (cont.)

Construct	Construct items	Source
Top-level managerial **Institutional ties**	**Business ties** • Supplier companies • Customer companies • Competitor companies • Business associations • Distributor or marketer firms • Labour/trade Unions **Local community Ties** • Community leaders (local kings, chiefs and representatives etc...) • Religious leaders (pastors, imams, reverend fathers/sisters etc...) • Local opinion leaders/ activists • Local pressure groups • Local newspaper editors/reporters **Government/ Political ties** • City council politicians and executives • District council politicians and executives • Regional government politicians and executives • National government politicians and executives **Regulatory officials** • In supporting institutions (e.g., Standards Board, Internal Revenue Service, Government Ministries, Central Bank, Environmental Protection Agency, NAFDAC etc.) • In industrial and investment institutions (e.g., Investment Board, Export Promotion Council, Nigerian Stock exchange etc.) • In industrial departments (or bureaus) • Like permanent secretaries, directors, commissioners of government bureaus	Acquaah and Eshun (2010)

Appendix 4B (cont.)

Construct	Construct items	Source
Financial resource slack	There has been easy access to financial capital to support our African market operations There have been substantial financial resources at the discretion of our managers for funding our African market operations If we needed more financial capital for our African operations, we could easily get it The export unit has easy access to financial capital to support its export operations If we need more financial assistance for our export operations, we could easily get it We have substantial financial resources at the discretion of export managers for funding export initiatives We are able to obtain financial resources at short notice to support export operations	Boso et al. (2012) Boso et al. (2017)
Innovative culture	Encouraging creativity Encouraging innovation Being receptive to new ways of doing things Being an organisation people can identify with Allowing individuals to adopt their own approach to the job Improving communication between departments Taking a long-term view even at expense of short-term performance Valuing effectiveness more than adherence to rules and procedures	O’Cass and Ngo (2007)

Appendix 4B (cont.)

Construct	Construct Items	Source
Competition intensity	In this industry, competition is very intensive Anything that one competitor can offer, the others can readily match Price competition is common Competitors are aggressively trying to increase market share Competitors are relatively weak Competitors are aggressively promoting special offers	Auh and Menguc (2005)
Market performance	Sales Revenue Market Share Unit Sales Sales volume Unit sales growth	Hultman et al. (2009)

Firm size	How many full-time employees does your company have?	Orlitzky (2001)
Firm age	How many years has your company been in business?	Coviello et al (2000)
Industry	In what industry does your company operate in?	Coviello et al (2000)

Appendix 4C: Questionnaire

Leeds University Business School

UNIVERSITY OF LEEDS

Survey on Corporate Sustainability Strategies

2016/17

UNIVERSITY OF LEEDS

SURVEY ON CORPORATE SUSTAINABIBILITY STRATEGIES

Dear Respondent,

Thank you for agreeing to participate in this study on corporate sustainability strategies in institutional adversity. Corporate sustainability strategies are a **series of proactive and responsive actions designed by companies to tackle social and environmental issues facing the market, which are integrated into corporate strategic plans to ensure long-term economic performance and survival in business.** Hence, the aim of this research is understand the **institutional drivers, boundary conditions and performance consequences** of corporate proactive and responsive sustainability strategies among emerging market companies.

This study is conducted as part of a PhD project by a doctoral student at the University of Leeds (United Kingdom) and is guided by protocols ensuring anonymity and confidentiality. Please be assured that your responses will be treated in the strictest confidence. Though some questions appear similar, please answer accordingly as this is deliberately done for statistical analysis purposes.

GUIDELINES FOR COMPLETING THE QUESTIONNAIRE

- This questionnaire is targeted at top management personnel (i.e., presidents, vice-presidents, board-level directors, CEOs, senior executives, general managers, heads of department, chief operating officers and chief marketing officers) who make major organisational decisions and guide strategy and planning. **If you feel you are not the right person to complete the questionnaire, we would appreciate you passing it on to a more suitable colleague in your organisation.**

- The questionnaire is organised in sections, please pay attention to the instructions guiding each section.

- **Please answer every question**. For each statement, please select one answer option that best describes your opinion.

Once again, we are extremely grateful of your time to participate in this study.

Yours Sincerely,

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Please indicate your consent for participation here: *I agree* ☐ *I disagree* ☐

SECTION A

This section concerns the nature of your corporate sustainability strategies. Please indicate, by <u>circling one number</u>, the extent to which you agree or disagree with the following statements

(1=strongly disagree, 2= disagree, 3= slightly disagree, 4= neither agree nor disagree, 5= slightly agree, 6= agree, 7= strongly agree

When developing corporate sustainability strategy, I …	***Strongly disagree***		***Neither agree nor disagree***				***Strongly agree***
adapt to situations caused by expressed social and environmental issues in the market	1	2	3	4	5	6	7
acknowledge expressed social and environmental issues facing society	1	2	3	4	5	6	7
respond to social and environmental changes in the market	1	2	3	4	5	6	7
react to social and environmental market changes in a quick and satisfactory way	1	2	3	4	5	6	7
adapt the organisation adequately to social and environmental changes facing society	1	2	3	4	5	6	7
actively scan the market to determine which social and environmental issues might affect this company in the future	1	2	3	4	5	6	7
anticipate environmental and social changes that might be needed in our business operations in the light of developments in the market	1	2	3	4	5	6	7
consider potential future social and environmental issues which could affect our business operations	1	2	3	4	5	6	7
Try to predict latent environmental and social issues in the society	1	2	3	4	5	6	7

SECTION B

The following statements concern your personal, social and economic institutional contacts and connections in your business endeavours. Please indicate, by <u>circling one number,</u> the extent to which you have developed and utilized contacts and connections with these institutional entities during the <u>past three years</u>;

(1= not at all, 2= to a very slight extent, 3= to a small extent, 4=to a moderate extent, 5= to a considerable extent, 6 = to a great extent, 7=to an extreme extent)

I have developed and utilised contacts and connections with top managers in …	***Not at all***			***To a moderate extent***			***To an extreme extent***
supplier companies	1	2	3	4	5	6	7
customer companies	1	2	3	4	5	6	7
competitor companies	1	2	3	4	5	6	7
business associations	1	2	3	4	5	6	7
distributor or marketer companies	1	2	3	4	5	6	7
labour/trade unions	1	2	3	4	5	6	7
I have developed and utilised contacts and connections with local community …	***Not at all***			***To a moderate extent***			***To an extreme extent***
tribal leaders (e.g., local kings, chiefs, representatives)	1	2	3	4	5	6	7
religious leaders (e.g., pastors, imams, reverend fathers/ sisters)	1	2	3	4	5	6	7
opinion leaders	1	2	3	4	5	6	7
newspaper editors/reporters	1	2	3	4	5	6	7
I have developed and utilised contacts and connections with political/government officials like …	***Not at all***			***To a moderate extent***			***To an extreme extent***
city council politicians	1	2	3	4	5	6	7
regional government politicians	1	2	3	4	5	6	7
national government politicians	1	2	3	4	5	6	7
I have developed and utilised contacts and connections with* regulatory officials *… *(these are officials in charge of regulatory and licensing procedures such as providing certification and approval for newly manufactured products and ensuring that products or services meet government standards; hence, they are different from political and government officials)*	***Not at all***			***To a moderate extent***			***To an extreme extent***
in supporting institutions (e.g., standards board, internal revenue service, government ministries, central bank, environmental protection agency)	1	2	3	4	5	6	7
in industrial and investment institutions (e.g., investment board, export promotion council, Nigerian Stock Exchange)	1	2	3	4	5	6	7
like permanent secretaries, directors and commissioners of government bureaus	1	2	3	4	5	6	7

SECTION C

This section concerns the levels of your financial resource slack, innovative culture and competition intensity. Please indicate, by circling one number, the extent to which you agree or disagree with the following statements.

(1=strongly disagree, 2= disagree, 3= slightly disagree, 4= neither agree nor disagree, 5= slightly agree, 6= agree, 7= strongly agree)

To a large extent, in this company…	***Strongly disagree***		***Neither agree nor disagree***			***Strongly agree***	
there are enough financial resources to see the implementation of corporate sustainability strategies till its end	1	2	3	4	5	6	7
the finances I need to fund the implementation of corporate sustainability strategies are *never* enough	1	2	3	4	5	6	7
there is easy access to funding for the implementation of corporate sustainability activities	1	2	3	4	5	6	7
there are uncommitted financial resources that can quickly be used to fund new sustainability strategic initiatives	1	2	3	4	5	6	7
there are enough finances available in the short run to fund corporate sustainability strategic initiatives	1	2	3	4	5	6	7
I have access to the financial resources I need to fund the implementation of corporate sustainability strategies	1	2	3	4	5	6	7
we have substantial financial resources at the discretion of management for funding corporate sustainability activities	1	2	3	4	5	6	7
I feel confident in this companies' ability to provide me with the finances I need to follow through when implementing sustainability strategy	1	2	3	4	5	6	7
I am given enough time and finances to adequately implement corporate sustainability strategies	1	2	3	4	5	6	7

Please indicate, by circling one number, the extent to which you agree or disagree with the following statements concerning the culture of your company

(1=strongly disagree, 2= disagree, 3= slightly disagree, 4= neither agree nor disagree, 5= slightly agree, 6= agree, 7= strongly agree)

With regards to the culture of this company …	***Strongly disagree***		***Neither agree nor disagree***			***Strongly agree***	
we are receptive to new ways of doing things in regards to the implementation of our social and environmental strategic initiatives	1	2	3	4	5	6	7
readiness to meet and ensure the implementation of social and environmental initiatives are important	1	2	3	4	5	6	7
creativity and innovation in the implementation of social and environmental initiatives is encouraged	1	2	3	4	5	6	7
we are a company a customer can identify with based on our social and environmental initiatives	1	2	3	4	5	6	7
creativity and innovation in the execution of corporate sustainability initiatives is a key commodity necessary to guarantee survival in our target market	1	2	3	4	5	6	7

Using a scale of 1 to 7; (*where, 1=strongly disagree, 2= disagree, 3= slightly disagree, 4= neither agree nor disagree, 5= slightly agree, 6= agree, 7= strongly agree),* **indicate, by circling one number, the extent to which you agree or disagree with each of the following:**

In this Industry …	***Strongly disagree***		***Neither agree nor disagree***			***Strongly agree***	
competition is very intensive	1	2	3	4	5	6	7
anything that one competitor can offer, the others can readily match	1	2	3	4	5	6	7
competitors are aggressively trying to increase market share	1	2	3	4	5	6	7
competitors are aggressively promoting special offers	1	2	3	4	5	6	7

Section D

This section seeks information on your company's market performance. As sated earlier, please be assured that your response will be treated in the strictest confidence, with the results obtained being **anonymised** and **used for statistical purposes only**

*For each of the following performance measures, use the left side to evaluate your company's **past year's performance** and the right side project your **performance for the next year***

Past year's performance								**Performance projection for the next year**						
Much lower than target			***Much better than target***					***Much lower than target***				***Much better than target***		
1	2	3	4	5	6	7	Sales volume	1	2	3	4	5	6	7
1	2	3	4	5	6	7	Sales revenue	1	2	3	4	5	6	7
1	2	3	4	5	6	7	Market share	1	2	3	4	5	6	7
1	2	3	4	5	6	7	Unit sales	1	2	3	4	5	6	7

SECTION E

Please write your answers to the following questions about your company's general information

What industry does your company operate in? ...………………………………………………………………..

How many years has your company been in this business? ...……………………………………………………… Years

How many full-time employees does your company have? ...……………………………………………………… Employees

Please indicate the (approximate) annual sales of your organisation in the last year...………………………………………**NGN**

Please indicate the (approximate) annual profit of your organisation in the last year.……………………………………….. **NGN**

SECTION F

Please choose one option on each of the following questions to indicate your role as a respondent

	Strongly disagree			***Neither agree nor disagree***			***Strongly agree***
The questionnaire deals with issues I am very knowledgeable about	1	2	3	4	5	6	7
I am completely confident about my answers to the questions	1	2	3	4	5	6	7
I am confident that my answers reflect the company's situation	1	2	3	4	5	6	7

Finally, kindly provide us with information on yourself. Rest assured that this information will be used for data validation purposes only and will not under any circumstances be used to identify you as a respondent.

Your current position held:

Your number of years working in this company: Years

Your number of years working in this industry

Gender: [ ] Male [ ] Female

Would you like to receive a summary of the study's findings? [ ] Yes [ ] No

Email:

Phone number:

Once again, we are so grateful that you took the time to participate in this study.

For Leeds University Business School Use only
Survey Code:

Appendix 4D: Ethical approval

Performance, Governance and Operations
Research & Innovation Service
Charles Thackrah Building
101 Clarendon Road
Leeds LS2 9LJ Tel: 0113 343 4873
Email: ResearchEthics@leeds.ac.uk

UNIVERSITY OF LEEDS

Arinze Christian Nwoba

Marketing Division

Leeds University Business School

University of Leeds

Leeds, LS2 9JT

ESSL, Environment and LUBS (AREA) Faculty Research Ethics Committee

University of Leeds

Dear Arinze

Title of study: **The impact of organisational/ managerial networking relationships on formulation of sustainability strategy and market performance**

Ethics reference: **AREA 15-126**

I am pleased to inform you that the above research application has been reviewed by the ESSL, Environment and LUBS (AREA) Faculty Research Ethics Committee and I can confirm a favourable ethical opinion as of the date of this letter. The following documentation was considered:

Document	Version	Date
AREA 15-126 Ethical_Review_Form_V3.doc	1	11/05/16
AREA 15-126 Information sheet for Interview.doc	1	11/05/16
AREA 15-126 Information sheet for Questionnaire.doc	1	11/05/16
AREA 15-126 Questionnaire Briefing.docx	1	11/05/16
AREA 15-126 Consent form for Interview.doc	1	11/05/16

Committee members made the following comments about your application:

General comments		
It would greatly increase the value of the data you collect if you had consent for keeping the identity of those interviewed on file to allow follow up study with those participants. Should you decide to do this, you would need to modify the documentation and it would also be wise to amend your application for ethical review so that reviewers can check the documentation. Additionally, it might be worth seeking permission to store the audio recordings for any follow up research by your researchers working with your supervisors on research that is overseen by an ethics committee.		
Application section	**Comment**	**Response required/ amended application required/ for consideration**
C24	Why retain the data for only 2 years? With consent it could be stored in perpetuity.	For consideration
Information Sheet for Questionnaire	In section C3 you estimate 30 minutes for the survey. In the participant information sheet you state no more than 1 hour.	For consideration
Documentation to be given to participants.	There are various minor mistakes of English which should be corrected.	For consideration

Please notify the committee if you intend to make any amendments to the original research as submitted at date of this approval, including changes to recruitment methodology. All changes must receive ethical approval prior to implementation. The amendment form is available at http://ris.leeds.ac.uk/EthicsAmendment

Please note: You are expected to keep a record of all your approved documentation. You will be given a two week notice period if your project is to be audited. There is a checklist listing examples of documents to be kept which is available at http://ris.leeds.ac.uk/EthicsAudits.

We welcome feedback on your experience of the ethical review process and suggestions for improvement. Please email any comments to ResearchEthics@leeds.ac.uk.

Yours sincerely

Jennifer Blaikie

Senior Research Ethics Administrator, Research & Innovation Service

On behalf of Dr Andrew Evans, Chair, AREA Faculty Research Ethics Committee

CC: Student's supervisor(s)

Appendix 5A: Harman single-factor test

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.271	22.612	22.612	9.271	22.612	22.612
2	4.479	10.925	33.537			
3	3.831	9.343	42.880			
4	2.827	6.894	49.774			
5	2.629	6.413	56.187			
6	2.199	5.363	61.550			
7	1.743	4.251	65.801			
8	1.551	3.784	69.585			
9	1.302	3.175	72.760			
10	1.057	2.577	75.337			
11	.768	1.873	77.210			
12	.635	1.549	78.759			
13	.605	1.476	80.235			
14	.548	1.336	81.571			
15	.535	1.304	82.875			
16	.464	1.131	84.006			
17	.441	1.076	85.083			
18	.423	1.032	86.115			
19	.402	.980	87.094			
20	.390	.951	88.045			
21	.375	.913	88.958			
22	.363	.884	89.843			
23	.354	.863	90.706			
24	.331	.806	91.512			
25	.309	.753	92.266			
26	.305	.743	93.009			
27	.296	.722	93.731			
28	.274	.668	94.399			
29	.251	.613	95.012			
30	.242	.590	95.602			
31	.227	.555	96.157			
32	.218	.531	96.688			
33	.211	.516	97.203			
34	.201	.490	97.693			
35	.187	.456	98.150			

36	.182	.444	98.593			
37	.150	.367	98.960			
38	.136	.333	99.293			
39	.127	.310	99.603			
40	.084	.206	99.808			
41	.079	.192	100.000			

Extraction Method: Principal Component Analysis.

Appendix 5B: CMV adjusted correlations test

CMV adjusted correlations (based on 2nd smallest correlation)

Managerial ties	1									
Corporate proactive sustainability strategies	0.2796	-0.02								
Corporate responsive sustainability strategies	0.2745	0.3255	-0.01							
Innovative culture	-0.0969	-0.068	0.0121	-0.01						
Financial resource slack	0.2214	-0.103	0.0242	0.2424	-0.01					
Competition intensity	0.0786	0.1949	0.1556	-0.076	0.0364	-0.01				
Market performance	0.2776	0.2398	0.2606	0.0313	0.2727	0.0869	-0.01			
Firm age	0.1010	-0.045	0.0133	-0.009	-0.017	-0.053	0.0204	-0.02		
Firm Size	0.0908	-0.018	0.0378	-0.101	0.0112	0.0214	0.15	0.3888	-0.02	
Industry	-0.0357	-0.058	-0.14	0.0653	-0.021	-0.016	-0.065	-0.127	-0.115	1

t-values

3.420889037							
3.353326212	4.0441						
-1.144161371	-0.805	0.1424					
2.66741097	-1.217	0.2849	2.9354				
0.925867628	2.3343	1.8499	-0.893	0.4275			
3.393826637	2.9016	3.171	0.368	3.3301	1.0243		
1.192823156	-0.528	0.1558	-0.108	-0.204	-0.624	0.2398	
1.071277159	-0.216	0.4438	-1.193	0.1319	0.2518	1.7823	4.957
-0.419815687	-0.684	-1.659	0.7688	-0.252	-0.192	-0.769	- 1.498