

**EMERALD STUDIES IN GLOBAL  
STRATEGIC RESPONSIVENESS**



**EDITED BY  
TORBEN JUUL ANDERSEN**

**STRATEGIC  
RESPONSES FOR  
A SUSTAINABLE  
FUTURE**

**NEW RESEARCH IN  
INTERNATIONAL MANAGEMENT**

# **Strategic Responses for a Sustainable Future**

# **EMERALD STUDIES IN GLOBAL STRATEGIC RESPONSIVENESS**

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# **Strategic Responses for a Sustainable Future: New Research in International Management**

EDITED BY

**TORBEN JUUL ANDERSEN**

*Copenhagen Business School, Denmark*



United Kingdom – North America – Japan – India – Malaysia – China

Emerald Publishing Limited  
Howard House, Wagon Lane, Bingley BD16 1WA, UK

First edition 2021

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**British Library Cataloguing in Publication Data**

A catalogue record for this book is available from the British Library

ISBN: 978-1-80071-930-9 (Print)

ISBN: 978-1-80071-929-3 (Online)

ISBN: 978-1-80071-931-6 (Epub)



ISOQAR certified  
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Environmental  
standard  
ISO 14001:2004.

Certificate Number 1985  
ISO 14001



INVESTOR IN PEOPLE

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# List of Contributors

Salwa Hanim Abdul-Rashid	University of Malaya, Kuala Lumpur, Malaysia
Martin Albæk	Copenhagen Business School, Frederiksberg, Denmark
Daniel Alonso-Martínez	Universidad de León, León, Spain
Torben Juul Andersen	Copenhagen Business School, Frederiksberg, Denmark
Aylin Ates	University of Strathclyde, Glasgow, United Kingdom
Victor J. Callan	University of Queensland, Brisbane, Australia
Line Ettrich	Copenhagen Business School, Frederiksberg, Denmark
Terrance W. Fitzsimmons	University of Queensland, Brisbane, Australia
Nuria González-Álvarez	Universidad de León, León, Spain
Ree Jordan	University of Queensland, Brisbane, Australia
S. Maryam Masoumik	Flinders University, Adelaide, Australia
Peter McKiernan	University of Strathclyde, Glasgow, United Kingdom
Mariano Nieto	Universidad de León, León, Spain
Carsten Lund Pedersen	Copenhagen Business School, Frederiksberg, Denmark
Akwai Sunner	University of Strathclyde, Glasgow, United Kingdom



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# Foreword

It is claimed that the world is becoming increasingly turbulent affected by events that (often) arise abruptly in unpredictable ways and potentially with extreme outcomes. As a testament to this, we are suddenly and unexpectedly embroiled in a global pandemic with severe consequences for economic activity, business performance, and life as we normally live it, only a decade after the adversities from a global financial crisis have subsided. These circumstances test the resilience and response capacity of organizations, and the individuals in them, dealing with the challenges imposed by these changing environmental conditions. While both public and private organizations are exposed to a variety of risks that affect their position in dynamic competitive contexts, some events have systemic proportions that influence everyone at the same time across industries, economies, and societies. Just think about the impending effects of climate change that eventually will require our urgent attention. These developments accentuate the need for adaptive capabilities that allow organizations to remain viable as conditions change but also adapt in ways that align with the need for collective solutions that can form a sustainable socio-economic fabric in the future.

This collection of articles provides relevant and timely thoughts to the challenges of dealing with uncertain, and in many cases unknown, future conditions that nonetheless require foresight, preparation, and (not least) capacity for flexible and resilient responses to deal with things as they evolve. The forthcoming chapters consider and analyze the influence of social capital and ethical corporate behavior on social progress confirming that social capital and corporate ethics have direct as well as indirect positive effects on the ability to advance social progression for collective solutions. It is observed how organizations move away from reactive compliance-based organizational processes moving toward more proactive strategic approaches that adopt green practices in business operations and supply chain structures. This is influenced by external (political and market) pressures but is also driven by strategic considerations aiming to preserve resources and retain competitiveness. An empirical study of certified manufacturing firms shows how the adoption of green strategies mediates the relationship between internal adaptive moves and external pressures to induce green supply chain practices.

Effective strategic response capabilities reflect the ability to sense environmental changes, learn from emergent responses, and realign organizational activities so they provide a better fit with environmental conditions over time. Organizations are more or less effective in their ability to respond and adapt, and this

heterogeneity across firms can explain the negatively skewed performance distributions observed empirically that are associated with inverse risk-return relationships. That is, a few highly responsive firms outperform and generate higher performance at lower risk where many firms underperform. The positive responsiveness features can be enhanced through interactive strategy-making that combines experiential insights from decentralized responses with central forward-looking analytics. Open strategy is a (relatively new) conceptualization of interactive strategies inspired by ideas about “open innovation” where openness sharing ideas can generate better adaptive solutions. A systematic review of this concept identifies a need for definitional focus and empirical research to identify and test effective (and ineffective) approaches. This can support a fruitful research agenda investigating how open strategy may advance our understanding of interactive strategy-making as a basis for effective adaptive responses.

Recent studies suggest that the need for decentralized responses to emergent changes in many cases must come from autonomous rule-breaking entrepreneurial “mavericks” that defy the formal organizational rules. Many firms operating in turbulent, hostile, and highly competitive industries adopt central control practices to gain immediate efficiencies but at the same time reduce organizational slack and inhibit responsive initiatives. It derives from an information gap between employees in the periphery that gain the daily business experiences and top management at the center that decide on major strategic actions. In this setting, the mavericks resent the ignorance of the corporate center and deliberately break the rules to engage in responses that can renew the business. They do this to advance the organization and constitute an important, but often overlooked, source of strategic renewal. But, the non-conforming rule-breaking anarchistic nature of mavericks does not provide a complete picture of these individuals. A comprehensive qualitative study of mavericks shows that while they certainly challenge the organizational norms, they do so to benefit the organization and its key stakeholders. They are not merely wild non-conformists as they actually conform to higher level societal hyper-norms in a kind of “bounded non-conformity.” Understanding this bounded non-conformity is essential to utilize the positive effects of maverick behavior to instigate ideas and plans for more innovative and radical changes needed to adapt the organization. Hence, conscious leadership can benefit from the unique contributions from mavericks at work including responsive initiatives based on unorthodox and out-of-the-box thinking to create important adaptive moves.

As international firms try to deal with the multitude of risks that expose them in the global economy, some are able to adjust and thrive against the odds, while most succumb or even fail. Only a few firms are able to repeatedly outperform, where a great many struggle and underperform. Hence, we observe leptokurtic distributions of negatively skewed returns with extreme negative tails of poor performers. Analyzing a large sample of European firms over 1995–2019 finds a consistent pattern of underperforming firms across industry classifications and time-periods and (very) few outperformers. This documents a regular, but often ignored, phenomenon that has implications for our understanding of adaptive responsiveness in organizations. The possession of strategic response capabilities

is a prominent explanation for effective adaptation but is rarely tested empirically. A study based on a large sample of US manufacturing firms over 2010–2019 investigates the effects of strategic response capabilities and innovation as adaptive mechanisms. The analysis finds that strategic responsiveness is associated with opportunity exploitation and risk avoidance reflected in positive performance and risk outcomes, whereas the precise role of innovation as an important dynamic factor requires further scrutiny and analysis.

These are the dishes on the table. It is hoped they look (appear) appetizing and are filling (possibly inspiring) after the digestive process.

*Torben Juul Andersen*  
Frederiksberg, January 10, 2021