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ENVIRONMENTAL MANAGEMENT OF THREATENING GOVERNMENT
PUBLIC POLICY

by

Jess Mikeska

A DISSERTATION

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ENVIRONMENTAL MANAGEMENT OF THREATENING GOVERNMENT
PUBLIC POLICY

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University of Nebraska, 2014

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This dissertation is the first to propose a test of environmental management theory through a reflective, managerial scale, and does so through a public policy lens. It matches 76 managerial respondents' (17 firms) perceptions of environmental management with objective, secondary data ranging between 2002 and 2014 so as to reflect longitudinal changes in marketplace activities which influence end consumers (e.g., pricing, promotional activity). Such changes are artifacts of firms' environmental management of threatening government public policy.

The findings of two studies, qualitative interviews based on a transcendental phenomenological design and an online survey matched to secondary marketplace data utilizing Hierarchical Linear Modeling, confirm the two classic orientations offered through environmental management theories: strategic choice and deterministic orientations, but extends the latter. This dissertation finds deterministic firms proactively avoid being determined by a force in the external business environment rather than let it completely determine the firms' business.

Additionally, this dissertation finds that environmental management is at least two-dimensional in that viewing the socio-political force of the external business environment as malleable is, in fact, a dimension of a firm's management ability. However, this management ability is mitigated by a duty orientation. Finally, both studies

confirm that not only do some strategic choice oriented firms use marketing skills and tactics (i.e. product development) to offset the public policy pressure over using political behaviors, but also that marketing tactics are viewed by some firms as a way to manage government public policy while still serving society's stakeholders.

While firms which manage government public policy pressures through political strategies affect consumers by changing promotion activities, a relatively unbeneficial consumer outcome, firms which manage such policy through marketing strategies benefit consumers by offering products of higher quality. Thus, government public policy that encourages firms to fight back through political behaviors create an unintended consequence of increasing utilization of non-personal, mass advertising rather than the intended improvements in safety and/or health among consumers for which the policy was inherently designed.

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CHAPTER ONE

INTRODUCTION

Public policy is a “political and technical approach to solving problems via instruments” (Lascoumes and Le Gales 2007, p. 2). Marketing research typically studies public policy to better understand the problems it attempts to solve. For example, Goldberg, Gorn, and Lavack (1994) study alcohol promotions that target underage drinkers and Kaikati and Label (1980) study US firms operating in foreign markets governed through corruption. Marketing research also examines the approach a public policy takes in solving problems, such as taxing consumer products like soda so as to reduce their consumption (e.g., Andreyeva, Long, and Brownell 2010) or standardizing product information to aid consumer nutrition decision-making (e.g., Moorman 1996). Regardless of the research objective(s), marketing research involving US public policy aids marketers in understanding how public policy alters marketplace activities (e.g., consumer preference, product availability) and public policy makers in understanding how marketplace activities influence the effectiveness of public policy. This dissertation attempts to continue these trends in marketing research of US public policy by studying both the 1) firm response to public policy which sometimes involves marketing activities and 2) the manner in which public policy impacts end consumers after accounting for the firm’s strategic response.

While most US public policy aims to directly or indirectly protect and benefit end consumers, some policies also work to protect consumers by altering or limiting the way firms conduct business. The Nutrition Facts Panel (NFP) of the Nutrition Labeling and Education Act provides information directly to consumers so as to assist in their nutrition

decisions, but also is designed to prompt food manufacturers to compete on nutrition rather than traditional attributes, such as price or convenience (e.g., Ghani and Childs 1999; Petruccelli 1996). As another example, the Federal Trade Commission's (FTC) recent Green Guides help consumer decision-making through standardization efforts regarding environmental product claims, but also facilitates inter-firm litigation in which firms use the guidelines to legally accuse, and thus limit, competitors' promotions (e.g., FTC 2013; Westervelt 2012).

These examples illustrate potential firm strategy in managing public policy and revolve around new ways to compete in the marketplace in light of threatening public policy, i.e., either materialized (e.g., law, fine) or immaterialized (e.g., bill, guidelines) local, state, national, or international government communication (e.g., documented law, press conference) that is threatening to a firm because it either directly or indirectly limits the way the firm conducts business or its ability to compete in the marketplace.

Unintended consequences of public policy which attempt to benefit consumers through altered firm strategies for competition include firm strategies that instead manage the actual policy. Firms contribute money to Political Action Committees (PACs) so as to gain access to key members of Congress and influence legislative decision-making in favor of the given business or lobby so as to discourage legislation that limits the way a firm conducts business, for example.

This dissertation asks Why do some firms manage threatening public policy while others do not? Additionally, of those that do manage these pressures, why do some push back by influencing the policy and others push forward by influencing competition? The answers to these questions likely reside in environmental management theories which

posit that some firms perceive forces, such as the socio-political force, as determining the way they do business while others perceive forces as malleable and manageable (e.g., Child 1972; Duncan 1972; Emery and Trist 1965; Lawrence and Lorsch 1967; Terreberry 1968; Zeithaml and Zeithaml 1984). Environmental management is the firm's "deliberate actions aimed at controlling, changing, influencing, or adapting to inputs" in the external business environment (Clark, Varadarajan, and Pride 1996, p. 23).

Not to be confused with the natural environment, a firm's external business environment can be thought of as a collection of forces including end consumer demand, supplier power patterns, competition, technological shifts, and socio-political influences (e.g., Duncan 1972; Porter 1979). While environmental management theories have yet to be extended to firm management of threatening public policy, literature examining firm political behavior distinguishes proactive from reactive political strategy. And proactive strategy and the environmental management theory of firm strategic choice are used interchangeably in environmental management literature (e.g., Bocquet, Le Bas, Mothe, and Poussing 2013; Zeithaml and Zeithaml 1984). For example, Meznar and Nigh (1995) and Blumentritt (2003) describe firms as either buffering threatening public policy, which includes proactive behaviors such as campaign contributions or lobbying, or bridging threatening public policy, which includes reactive behaviors such as tracking regulation trends so as to form appropriate compliance strategies. And Boddewyn and Brewer (1994) conceptualize bargaining strategies, such as PAC contributions, lobbying, or diplomatic government partnerships, in managing government pressures as more proactive than the nonbargaining strategy examples they offer of compliance and exit. Thus, this literature stream implies firms' deliberate attempt to strategically influence the

government agents/agencies involved in public policy, i.e. individuals, such as publicly-elected officials, or agencies, such as the US Federal Trade Commission, reflects an orientation towards strategic choice in managing public policy pressures.

The main objective of this dissertation is to apply environmental management theories to the examination of firm strategy in managing threatening public policy and, in doing so, fill several gaps in prior marketing literature. First, by measuring firm orientation towards managing public policy, this research directly extends environmental management theories to management of the socio-political force. Public policy pressures reside in the socio-political force, i.e., formal and informal social and political pressures arising from the external business environment. Prior literature examines firm strategic response to a host of various pressures in the external business environment, such as strategic relationships in a channel of distribution so as to effectively manage consumer demand (e.g., Archol and Stern 1988; Dwyer and Welsh 1985) or strategically adopting new technologies so as to manage the intense competition of diverse market domains (e.g., Miller and Friesen 1983; Porter 1979). Even though researchers continue to highlight the need for greater understanding of firm-government relationships (Wilkie and Moore 1999) and, in particular, firm strategic response to public policy (Lusch 2007), prior research either only tests environmental management theory with distant regard to threatening public policy (e.g., McDaniel and Kolari 1987) or examines firm strategies in influencing public policy without testing environmental management theory (e.g., Goll and Rasheed 2011; LaBarbera 1983; Kaikati and Label 1980). And when prior literature does apply environmental management theories to firm political activity, it is done so conceptually (Hillman and Hitt 1999; Hillman, Keim and Schuler 2004; Zeithaml and

Zeithaml 1984) rather than empirically. Consequently, environmental management theories list the socio-political force as a force firms manage, but research has not explored how, in fact, firms manage this force. So as to answer these calls for research that examines how firms manage government pressures, this dissertation measures firm orientation towards managing government public policy as well as the strategies involved.

This dissertation hypothesizes and tests relationships between a proactive (reactive) firm orientation towards the socio-political force and strategic response (non-response) to threatening public policy, among other relationships regarding firm strategy and public policy. A proactive orientation is regarded as strategic choice in environmental management literature (e.g., Child 1972; Zeithaml and Zeithaml 1984) and is generally described as a trend in firm activities reflecting attempts to strategically alter elements of the external business environment. And an orientation that strongly leans towards a reactive position, also known as deterministic (e.g., Lawrence and Lorsch 1967; Zeithaml and Zeithaml 1984), in managing threatening public policy, instead, likely leads firms to merely comply, adapt, exit the market domain, or close shop all together (see Bocquet et al. 2013; Calfee and Pappalardo 1991; or Moorman, Du, and Mella 2005 for examples of such reactionary management). This deterministic orientation reflects a trend in firm activities that reflect bowing down to an external environment that is too variable, complex, and illiberal to manage (e.g., Lawrence and Lorsch 1967).

Extending environmental management theories so as to include the socio-political force is important because it sheds light on the potential negative, unintended consequences of firm management of government public policy. On the one hand, an

orientation that strongly leans towards strategic choice in managing threatening public policy could lead to unintended consequences of public policy designed to protect and benefit end consumers, such as firms' use of political ties or aggressive campaign contributions to influence those government agents with the ability to prevent or reduce threat involved in a given public policy (e.g., Bhuyan 2000). As will be seen in the subsequent section highlighting the importance and implications of this research, firm attempts to manage government public policy to the firm's advantage, such as increasing the levels of healthy ingredients of foods while maintaining levels of unhealthy ingredients, also alters the consumer benefit intentions, whether direct or indirect, of the public policy, such as the availability of healthier food alternatives for consumers as well as the ease in comprehending the overall nutritional value communicated through a food item's nutritional label. On the other hand, the same orientation could lead firms to act as the policy intended, such as firms' attempts at improving their competitive position in the marketplace through product nutritional improvement or innovation to offset limitations of threatening public policy (e.g., Moorman and Stotegraaf 1999).

The second manner in which this dissertation fills the environmental management literature gaps previously mentioned is through consideration of firm responsibility. By hypothesizing and testing relationships between firm concern for stakeholders and marketplace strategies in managing threatening public policy, this research extends environmental management theory to concepts of firm concern with the way in which business impacts the local community or vulnerable groups of consumers, for example. One way in which firms impact society is through benefits offered to consumers, such as socially innovative or safer products. This dissertation hypothesizes and tests

relationships between a firm society-serving orientation and consumer benefits so as to offer a procedural explanation for how public policy that intends to benefit consumers through altered firm competition leads firms to behave in “irresponsible” manner(s). Prior research has expressed great interest in the motivations and societal impact of firm concern for external stakeholders (e.g., Friedman 1970, 1984; Goll and Rasheed 2004; Narver 1971). However, the literature stream on firm societal impact has yet to apply theories of environmental management, despite its theoretical grounding in stakeholder management (e.g., Carroll 1979; Goll and Rasheed 2004). In this regard, this dissertation fills this literature gap by comparing and contrasting the resulting strategies and consumer-related activities of firm orientations either strongly leaning towards serving stockholders or stakeholders.

Importance and Implications

Predicting firm strategic response to threatening public policy by effectively measuring firm orientation towards environmental management is important because such measurement also facilitates prediction of unintended consequences arising in public policy. Prior research finds firms manage threatening public policy by either pushing forward by competing in new ways to offset limitations placed on firms by public policy or pushing back so as to prevent public policy from limiting business (e.g., Goll and Rasheed 2011; Fuchs and Kalfagianni 2010; Kaikati and Label 1980; Zeithaml and Zeithaml 1984). When firms push forward in light of threatening public policy, environmental management literature implies competitive strategies could result in consumer benefits, such as research and development (R&D), quality products, or socially innovative products (e.g., Hambrick 1983; McDaniel and Kolari 1987; Snow and Hrebiniak 1980). And when firms push back at threatening public policy, environmental management literature implies strategies involving lobbying, political ties, campaign contributions, etc. ensue (e.g., McDaniel and Kolari 1987; Miles and Snow 1979).

Take for instance lists of lawsuits and settlements between competing manufacturers, mostly window manufacturers, revolving around FTC Green Guides reported online by the FTC (FTC 2013). The Green Guides offer guidance for manufacturers in making substantiated and clear environmental marketing claims and for consumers in interpreting such claims. Media reports interpreting these lawsuits find firms are using the guidelines to punish competitors' use of deceptive or unsubstantiated claims which, in turn, is prompting manufacturers to make products safer for the natural environment (e.g., Mahlum and Goodman 2013; Westervelt 2012).

As another example, investigations find that US food manufacturers spent as much as \$42 million on attempts to influence those involved in public policy (Bhuyan 2000) in the two years following the passage of the NFP law. Instead of product improvement or innovation, prior research reveals lowered prices (Moorman 1998) and improved taste formulations of energy-dense products (Moorman 1998; Moorman, Ferraro, and Huber 2012) as trends in firm response to the NFP. The NFP law potentially aided consumers in making decisions to avoid products with poor nutritional value by mandating that firms display nutrition information in a factual and standardized fashion. Yet, while the NFP law was intended to prompt innovation among firms trying to differentiate food products in light of the new ease in comparing the nutrition quality of competing products (e.g., Ghani and Childs 1999; Petruccelli 1996), industry reports depict manufacturers as fighting back (Food Institute Report 1990a,b,c). For example, these reports detail food manufacturer spokespersons communicating concern that the new restrictions of the NFP law made the extensive research and compliance with government procedures an endeavor too risky and expensive to justify new product development.

These two examples of firm response to public policy illustrate the importance of predicting firm marketplace activities. While both the Green Guides and NFP policies were designed to benefit consumers directly and indirectly, firms responded to the Green Guides with aggressive marketplace competition and product improvement but to the NFP with aggressive political competition and stagnation in product quality. This dissertation seeks to explain these differential reactions and hypothesizes that when firm environmental management of threatening public policy involves political activities,

changes in price and promotions, such as increased advertising expenditures or use of product claims, are likely to occur. This dissertation also hypothesizes that when firm environmental management of threatening public policy involves competitive marketplace behaviors, changes in product quality and innovation are likely to occur. Furthermore, aggressive political behaviors are an unintended consequence of most society-benefiting public policies. Thus, measuring firm environmental management orientation towards threatening public policy offers those who develop and draft US public policy another tool in predicting unintended consequences and consumer benefit.

CHAPTER TWO

LITERATURE REVIEW

At a glance, this chapter reviews two streams of literature, i.e. firm-stakeholder relationship literature and environmental management literature. In reviewing these two streams, four firm types in regards to environmental management that categorize firms as a degree of firm duty (towards stakeholders and stockholders) and firm ability (in managing the external environment) are developed and discussed. These firm types are then described as important antecedents to the strategy elements of environmental management. Integrating firm-stakeholder relationships into hypotheses regarding the relationships between environmental management and consumer outcomes is important because it explicates likely motives in firm decisions to not manage the socio-political force. This integration positions environmental management as two-dimensional, i.e. as involving an element of firm duty as well as an element of firm ability.

Theories of the Firm

Firm Duty. The role of business and its impact on society has been at least a century-long debate. Two camps of perspectives have evolved with regards to duty of the firm, with one camp revolving around duty towards the stockholder and the other towards the stakeholder (e.g., Acar, Aupperle, and Lowy 2001; Buono and Nichols 1985). Researchers who believe firms have a duty towards stockholders essentially believe that the firm is private property in which the primary responsibility is to create wealth for these stockholders. The stockholder perspective views serving external publics,

individuals, groups, or entities beyond stockholders, as a secondary goal after creating stockholder wealth (Friedman 1962). At the other end of the duty spectrum lies the stakeholder perspective. This perspective takes into account firm impact and views the firm as existing by permission of society (e.g., Ackoff 1974; Freeman 1984). Thus, the stakeholder perspective views the firm as public property in which the primary responsibility is to serve both internal (e.g., employees, customers) and external stakeholders (e.g., local residents, special interest groups), and the secondary responsibility is to create stockholder wealth.

In addition to engaging in activities so as to serve society (e.g., Abbott and Monsen 1979; Gallego-Alvarez, Prado-Lorenzo and García-Sánchez 2011), firms also are understood to hold an orientation towards serving society. Conceptualizations of firm orientation towards society, in fact, are centered on notions of “concern” (e.g., Carroll 1979; O’Neill, Saunders, and McCarthy 1989). Acar, Aupperle, and Lowy (2001, p. 30) distinguish “the degree of eagerness for socially commendable action” from actual firm strategy in addressing social issues. These authors insist that firms hold values about society and can hold a sense of responsibility. And Maigan and Ferrell (2004) describe the motivations for dutiful firm behavior, in terms of duty towards external stakeholders, as evolving from both a need for resources as well as moral obligation. In these ways, prior literature depicts the firm as more than a set of decision-makers forming strategy, but also as an entity concerned for external stakeholders. Consistent firm behavior reported by a manager offers a reflection of firm concern. Thus, a society-serving orientation is defined as habitual firm behavior that reflects a stronger sense of duty in serving stakeholders than stockholders. At the other end of the duty orientation

continuum, a self-serving orientation is defined as the habitual firm behavior that reflects a stronger sense of duty in serving stockholders than stakeholders. While Freeman (1984) specifically defines stakeholders as any group or individual that affects, or is affected by, the achievement of a company's aims, this research seeks a more expanded definition and considers stakeholders as individuals and/or groups external to the firm with no financial investment in the firm, such as special interest groups or end customers. This research further considers stockholders as individuals and/or groups either internal or external to the firm who are financially invested in the firm, such as shareholders or partnering owners.

Firm Ability. While a firm's orientation reflects the degree to which it prioritizes either stockholders or stakeholders, the efficacy of such duty exists within an orientation towards managing the external business environment. Clark, Varadarajan, and Pride (1996) define environmental management as "deliberate actions aimed at controlling, changing, influencing, or adapting to inputs" (p. 23). And the business environment can be thought of as a collection of external forces including end consumer demand, supplier power patterns, competition, technological shifts, and socio-political influences (e.g., Duncan 1972; Porter 1979). Theories of environmental management posit that when elements of a firm's external business environment change in a manner that alters its business, positively or negatively, the firm can develop formal strategy in response. Such strategy either manages opportunities to create benefit or threats to avoid detriment (e.g., Zeithaml and Zeithaml 1984).

Emphasis, however, must be placed on the adjective can, as in ability, in regards to instances in which the firm chooses to manage its external environment. While early

researchers narrowly thought of the firm's structure as being determined by its external environment (e.g., market volatility, technological turbulence, shifts in demand; e.g., Burns and Stalker 1961; Duncan 1972; Lawrence and Lorsch 1967), evolving views suggest firms also have strategic choice (Anderson and Paine 1975; Barnard 1938; Dill 1958; Emery and Trist 1965). Referred to generally as the systems perspective, the closed-systems perspective depicts the firm as restructuring in order to adapt to changes in the environment. And the open-systems perspective depicts the firm as having the ability to strategically alter the external environment to fit the firm's current structure. Though not illustrated directly in this literature stream, most firms are situated along a spectrum of the systems perspective anchored by determinism and strategic choice (e.g., Duncan 1972; Emery and Trist 1965). Determinism is an orientation which views the environment as determining firm structure, and strategic choice is an orientation which positions the firm as having choice, or ability, in altering the environment so that it does not have to structurally adapt (e.g., Galbraith 1977; Miles et al. 1978; Pfeffer and Salancik 1978). The firm's location on this spectrum offers researchers the ability to predict strategic responses to environmental pressures.

Environmental management literature often studies pressures residing in various forces (e.g., Achrol, Reve, and Stern 1983; Achrol and Stern 1988; Miller and Friesen 1983; Mintzberg 1973). For example, Achrol and Stern (1988) find close inter-firm relationships are useful in managing consumer demand pressures exerted on partners of a distribution channel, but are not as important in managing a small, and thus powerful, group of suppliers shared by the partners. This is an example of examination into firm management of the consumer (i.e. consumer demand pressures) and supplier forces (i.e.

supplier power pressures). And McDaniel and Kolari (1987) find banks offering products in many market domains manage competitive pressures by incorporating new technologies into their products, but those protecting one niche product from intense competition stick to relatively traditional product offerings but lower prices or offer superior service. This is an example of examination into firm management of the competition force (i.e. competitive pressures).

Literature regarding the socio-political force is limited and most often conceptual (e.g., Hutt, Mokwa, and Shapiro 1986; Mahon and Murray 1981). The socio-political force is defined as the positive or negative influences existing in the external business environment derived from government or public groups so as to influence or prevent market change (e.g., Duncan 1972). Rather than pressures of supplier power or growing competition, for example, pressures exerted on the firm from the socio-political force might include tight industry regulation, trade tariffs, government corruption, pop culture, terrorist attacks, trends in shoplifting, government-induced product recalls, government-sponsored media campaigns attempting to de-market products like alcohol or tobacco, intra-firm litigation, social movements in favor of natural environment sustainability, etc. Although some social pressures induce firm strategic response, such as consumer boycotts or litigation, most are less organized and more visible than political pressures, such as general public criticism of a firm's use of low-quality ingredients or cultural trends revolving around gender roles. As such, this research examines management of government pressures as a management orientation continuum anchored by strategic choice and determinism. A strategic choice orientation is defined as habitual firm behavior that positions government agents as impressionable and government authority as

malleable. Examples of strategies likely to ensue from a strategic choice orientation towards threatening public policy are proactive in nature and might include marketplace activities, such as product differentiation or innovation, or political activities, such as developing ties with those agents who develop public policy or developing an internal PAC to raise funds in influencing public policy. In turn, a deterministic orientation is defined as habitual firm behavior that positions government agents and authority as establishing firm structure. A firm that is deterministically oriented is more likely to react to pressures in the external business environment than being proactive in influencing such pressures, and is also unlikely to strategically respond to such pressures.

Firm Typology. This research posits that firm strategy in light of public policy that threatens a firm's business is influenced by an orientation reflecting duty towards external stakeholders (i.e. society-serving) as well as ability to impact the external environment (i.e., strategic choice). Prior literature in environmental management also discusses environmental management in terms of both organizational and environmental characteristics (e.g., Clark, Varadarajan and Pride 1996; Hrebiniak and Joyce 1985; Lawless and Finch 1989). This multi-dimensional perspective of firm orientation towards its external business environment suggests four types of responsibility orientations exist. Figure 1 depicts firms as either weakly (i.e. reactive, deterministic) or strongly (i.e. proactive, strategic choice) oriented towards managing the environment. Figure 1 also depicts firms as either weakly (i.e. stockholder concern, self-serving) or strongly (i.e. stakeholder concern, society-serving) oriented towards serving society. This typology combines the degree to which firms are oriented towards both strategic choice and

society-serving so that concern for serving society is positioned as a derivative of firm ability in positively impact society.

Cell 1 describes firms that serve society in a reactive manner. Because these firms do not view government agencies/agents as malleable, they are most likely to serve society by simply complying with public policies geared for positive societal impact. In contrast, however, Cell 4 describes firms that serve society in a proactive manner. These firms are likely to invest R&D expenditures into developing socially innovative products, for example, because they view the marketplace as an environment they can strategically alter. Similarly, Cell 3 describes firms that proactively manage customers, competitors, and other marketplace actors, but are more concerned with growing the return on investments of stockholders than engaging in activities that positively impact external stakeholders. These firms are also likely to invest in R&D expenditures and engage in product innovation, but these efforts are concerned with the ability to better compete in the marketplace rather than providing social benefit. And Cell 2 describes firms that serve stockholders in a reactive manner. These firms are concerned with growing the return on investments of stockholders, but take a less proactive stance than the R&D and innovation activities inherent in Cell 3. Instead, firms serve stockholders through marketplace activities which involve fewer resources and less slack, such as price leadership and general advertising activities. This typology of firm responsibility orientation is linked to firm strategy in the proceeding section to suggest that firms subservient to society act responsibly when powerful stakeholders, i.e. government agents or agencies, determine their business activities. It also suggests self-serving firms attempt to alter threatening public policy when stakeholders, i.e., government agents or

agencies, appear impressionable or when the policy appears malleable. And in later sections of this manuscript, firm types according to this typology are linked to innovation, product development, pricing, and non-personal promotional activities.

FIGURE 1

Firm Typology

		Environmental Management	
		<i>Reactive</i>	<i>Proactive</i>
External Concern	<i>Stockholders</i>	Self-Serving, Deterministic Orientation 2	Self-Serving, Strategic Choice Orientation 3
	<i>Stakeholders</i>	Society-Serving, Deterministic Orientation 1	Society-Serving, Strategic Choice Orientation 4

CHAPTER THREE

HYPOTHESIS DEVELOPMENT

Strategic Response to Threatening Public Policy

Public policy derived from government agents or agencies can appear threatening to a firm when it negatively alters the way the firm conducts business or limits the firm's functioning in the marketplace. This might involve, for example, potential but not yet enacted public policy that would fine a firm for emitting too much pollution in manufacturing products or recently increased employee minimum wage requirements. Such threats are likely to induce a firm response when the firm holds a strategic choice orientation towards managing political pressures. The preceding literature review suggests firms respond to a threatening force of the external business environment through formal strategy, but empirical examination most often considers forces other than that of socio-political pressures, such as consumer demand (e.g., Archol and Stern 1988; Dwyer and Welsh 1985) or intense competition (e.g., Miller and Friesen 1983; Porter 1979). Instead, environmental management research regarding the socio-political force most often examines strategy type (e.g., Alt, Carlson, Heum and Johansen 1999; Bhuyan 2000; Fuchs and Kalfagianni 2010; Getz 2001; Goll and Rasheed 2011; Keillor, Hauser and Dannemiller 2009; Keim and Zeithaml 1986; Kolk and Levy 2001; LaBarbera 1983; Li, Meng, Wang and Zhou 2008; Lux 2008; Lux, Crook, and Woehr 2011; Mahon and Murray 1981; Shaffer 1995; Shaffer and Hillman 2000; Shaffer, Quasney, and Grimm 2009; Sheng, Zhou and Li 2011) rather than orientation type, as in orientation towards managing the socio-political force. Yet, research examining types of strategies involved

in managing socio-political pressures provides three insights important in understanding firm response to public policy pressures. The following literature review delves further into environmental management of threatening public policy and these three insights.

First, literature examining environmental management of the socio-political force indicates that firms manage political threats derived from government agents or agencies through formal strategy (e.g., Getz 2001; Keillor and Lewison 2003). For example, in a study of US multinational firms' executive use of political strategies, Keillor and Lewison (2003) find firm strategy to vary depending on the form of environmental threat. Firms utilize host country lobbying, industry alliances, and political inducements when the political threat concerns local product content regulation, but public relations and political contributions strategies when the threat involves government restrictions and, specifically, restrictions on the trade of products between the firm's home and host countries. As another example, Goll and Rasheed (2011) find air carriers' most common strategic response to the Airline Deregulation Act of 1978 involved cost leadership, but air carriers' most common strategic response to terrorist attacks creating consumer demand droughts involved a change in service scope away from passenger transportation and towards freight transportation.

Literature finds or conceptualizes firm strategy in managing public policy threats to be distinct from strategy in managing pressures from other forces (e.g., Lux, Crook, and Woehr 2011; Mahon and Murray 1981; Zeithaml and Zeithaml 1984). Goll and Rasheed (2011) find firm strategy in response to public policy pressures to revolve around finding a new sense of market stability, but strategy in response to consumer demand pressures to rely on exploring new market domains in search of additional

demand. And Lux, Crook, and Woehr (2011) find increased political competition (i.e. the number of firms competing over a policy through monetary contributions), is positively related to firm use of political strategies (i.e. campaign contributions, lobbying, executive testimony before legislators and regulators, operating a government relations office, PAC contributions), but market competition as negatively related to use of political strategies. Mirrored in Zeithaml and Zeithaml's (1984) environmental management conceptualization, this literature stream finds socio-political pressures to prompt the non-market strategies of political activities, while pressures residing in market-related forces (i.e. consumer demand, supplier power, market domain competition) to prompt market strategies, such as product differentiation or comparative advertising.

Second, literature examining management of the socio-political force implies that firms that develop strategy to manage public policy threats hold a strategic choice orientation towards government agents/agencies (e.g., Keillor, Hauser, and Dannemiller 2009; Hill, Kelly, Lockhart, and Van Ness 2010; Holburn and Zelner 2010; Shaffer 1995). Weidenbaum (1980) distinguishes reactive from proactive strategic responses to public policy by describing firms as either deciding to play no role in policy formulation, play no role in formulation but formally account for the limitations and opportunities public policy sometimes present, or engage in political activities so as to directly shape public policy. Similarly, Meznar and Nigh (1995) and Blumentritt (2003) describe firms as either buffering threatening public policy, which includes proactive behaviors such as campaign contributions or lobbying, or bridging threatening public policy, which includes reactive behaviors such as tracking regulation trends so as to form appropriate compliance strategies. And Boddewyn and Brewer (1994) conceptualize bargaining

strategies in managing government pressures, such as PACs, lobbyists, or diplomatic government partnerships, as more proactive than the nonbargaining strategy examples they offer of compliance or exit. Proactive strategies and a strategic orientation are used interchangeably in environmental management literature (e.g., Bocquet et al. 2013; Zeithaml and Zeithaml 1984). Thus, a firm that engages in political behaviors in an attempt to prevent, alter, or mitigate public policy likely has a strategic choice orientation towards government agent(s).

Furthermore, evidence of the same policy or government trend leading to differing strategies among firms suggests that strategic response is an artifact of firm orientation rather than power of the socio-political force. Take for instance evidence of close government relations facilitating the dominant market position of one auto manufacturer but distant government relations limiting that of another's position (Frynas, Mellahi, and Pigman 2006). This research found a cyclical pattern between an auto manufacturer's offerings and government specialized orders from the manufacturer. Because the Government continued requesting special auto requests for military purposes, and because the given manufacturer continuously responded accordingly, the close firm-government relationship gave the firm relative resource, informational, and technological advantages in a way that reduced the market position of its major competitor. As another example, LaBarbera (1983) describes public complaints, litigation, and threat of government regulation as leading some advertising firms to alter advertising content and others to continue to focus on marketplace competition without altering content. The former reflects deterministic or reactive orientations towards the public policy trend, while the latter reflects strategic choice or proactive orientations.

Third, this literature also finds that firms develop either policy- or competition-altering strategies in managing political pressures. Competition-altering strategy is defined as involving firm marketplace activities useful for maintaining or improving a competitive marketplace position in light of threatening public policy. Policy-altering strategy is defined as involving firm activity that attempts to prevent or reduce the threat of the public policy. In studying firm response to the Foreign Corrupt Practices Act, Kaikati and Label (1980) find firms to either develop marketing or political strategies. Their study found marketing strategies to include exporting through foreign subsidiaries, entering joint bids in seeking foreign contracts, or utilizing consumer demand advantages. They found political strategies to include payoffs to minor officials or other bribery tactics, so as to continue operating in corrupt foreign markets. And Zeithaml and Zeithaml's (1984) seminal typology of firm environmental management strategies also ranges from political (e.g., Public Relations, Political Action) to market (e.g., Competitive Aggression, Diversification) maneuvering. While Kaikati and Label's (1980) study of foreign expansion strategy compares both competition- and policy-altering strategies, it is the only one of its kind. Most studies in this literature stream examine only one of these strategic themes. For example, Bhuyan (2000) examines only the policy-altering strategies of PAC contributions, lobbying, and political ties of the US food manufacturing industry in the face of increased regulation. And as another example, Fuchs and Kalfagianni (2010) examine only the competition-altering strategies of supply chain control, acquisitions, and market concentration facilitation of European Union food retailers in light of food system health concerns.

The preceding review of literature examining firm management of threatening public policy suggests that this management 1) involves formal strategy when the firm holds a strategic choice orientation towards government agents/agencies and 2) could involve policy- or competition-altering strategy. As such, this research hypothesizes a positive relationship between firm orientation more strongly leaning towards strategic choice and the incidence of strategic response, whether it is through policy- or competition-altering strategy. In other words, the stronger the firm's orientation towards managing government agents/agencies leans towards strategic choice, the more frequently will the firm strategically respond to various public policies seemingly threatening to the firm's business or marketplace functions. And the stronger the firm's orientation towards managing government agents/agencies leans towards deterministic, the less frequently will the firm strategically respond to threatening public policies. These relationships have not been studied in prior research. In fact, the only examination of a relationship between environmental management orientations and firm response to public policy is that of Bocquet, Le Bas, Mothe, and Poussing (2013) who study firm innovation as a result of European Union regulation regarding firm waste and pollution. These researchers only study firm response to government pressures in protecting the natural environment. In addition, instead of measuring firm orientation, these researchers code managers' publicized reports of corporate social responsibility (CSR) activities as either proactive or reactive.

Research has yet to link both society-serving and strategic choice orientations to strategic responses towards threatening public policy. However, research conceptualizing a socially responsible orientation posits this orientation to be multi-dimensional and

include a legal responsibility, in addition to profit, ethical and community responsibilities (Carroll 1979). In addition to simply obeying laws, firms which hold an orientation that strongly leans towards society-serving are also likely to serve government stakeholder individuals/groups by obeying the public policy process. And while a management orientation that strongly leans towards strategic choice positions government agents/agencies involved in creating and implementing public policy as malleable, this orientation also positions marketplace competition as malleable. Thus, a firm concerned with serving external stakeholders is unlikely to negate the intended societal benefits of public policy even if it does limit the firm's business or marketplace functions. Instead, a firm that is more strongly oriented towards serving society than stockholders will attempt to influence marketplace competition if it also holds a strategic choice orientation.

Narver's (1971) thesis on corporate responsibilities and firm welfare echoes this logic when he describes firm survival in the long-run as dependent on the ability to avoid long-run sanctions, particularly from government sources. This ability signals to investors that the firm is able to maximize long-term wealth. Thus, while firms strongly orientated towards society-serving prioritize concern for serving external stakeholders, these firms must also effectively transform environmental inputs into market outputs so as to survive and persist. Finding ways to maintain performance (e.g., sales, market share) in the marketplace in light of public policy that limits the way the firm conducts business or its marketplace functions is one way in which firms greatly concerned with serving society can serve stockholders so as to serve stakeholders. In essence, serving stakeholders requires some degree of firm wealth attributable to satisfied stockholders.

Prior research indicates that firms strongly oriented towards serving society sometimes respond to socio-political pressures through market-based strategies for an effective competitive position (e.g., Fuchs and Kalfagianni 2010; Hart 1995; Porter and van der Linde 1995; Ogle, Hyllegard, and Dunbar 2004; Russo and Fouts 1997). This research stream describes serving society as involving, and sometimes requiring, firm resources derived from successfully competing in the marketplace. In fact, social activities are described as a “virtuous circle” in that activities involved in serving society require, as well as create, intangible firm resources (e.g., Bansal 2005; Brammer and Millington 2009; Gallego-Álvarez, Prado-Lorenzo, and García-Sánchez 2011; Husted and Allen 2007; López, Pérez and Rodríguez 2008; McWilliams and Siegel 2001; Surroca, Tribó, and Waddock 2010). For instance, creating better products so as to better serve customers might require the firm resources of R&D and innovation, but the resulting intangible firm resource of customer value also contributes to the firm resources of revenue or market share which, in turn, can facilitate the resources of R&D and innovation. As such, the following hypotheses suggest that firms strongly oriented towards strategic choice will respond to threatening public policy through formal strategy, but firms also strongly oriented towards society-serving will only strategically respond by better competing in the marketplace so as to accrue benefits useful in offsetting public policy threats.

H1: A society-serving, strategic choice firm orientation is positively associated with a competition-altering strategic response to threatening public policy.

H2: A society-serving, deterministic firm orientation is positively associated with a non-strategic response to threatening public policy.

Consumer-Related Outcomes

Orientation to Firm Strategy. While the preceding sections discuss the relationships between threatening public policy and firm-level behavior, the following section examines prior environmental management literature so as to suggest a relationship between firm orientations towards and strategies involved in socio-politics and end consumer impact. Depending on the type of strategy a firm turns to in light of threatening public policy, policy- or competition-altering, one of two types of consumer-related outcomes are likely to occur, i.e. process- or product-focused. The distinction between these two types of outcomes lies in the type of firm focus on the threatening public policy.

In Mahon and Murray's (1981) seminal conceptualization of strategic planning of regulated firms, the authors describe the degree to which environmental strategy differs from firm to firm as depending on the type of government pressures exerted. They discuss these differences in terms of firm focus on either the process inherent in or the likely product, as in outcome, of the policy pressures. According to Mahon and Murray, and with regards to managing the socio-political pressure of government public policy, a firm's process-focused response to such pressures is "the management of ongoing, dynamic relationships among the firm and various actors external to it" (p. 253) and a firm's product-focused response centers on "the more substantive outcome, or result, of the regulatory process" (p. 254). Although they suggest any one firm could adopt both types of responses in effectively overcoming a public policy threat, it is indicated that the degree of focus towards one over the other potentially impacts the end consumer. When a firm exerts more effort and resources on a product-focused strategy, the firm focuses on

how the public policy threat is likely to impact the firm's marketplace strategies in influencing end consumers. For example, a firm focused on the product of the threatening public policy might, as a result, focus on how new government depreciation policies will position manufacturing machinery important to product innovation strategies as risky. And when a firm exerts more energy and resources on a process-focused strategy in managing a public policy threat, the firm focuses on relationship strategies in dealing with government entities (e.g., political contributions, political ties) and, in turn, begins to "delearn" important marketing skills and marketplace strategies (e.g., product differentiation, salesforce management strategies). Mahon and Murray describe these two strategic responses as requiring different skill sets, such as negotiation skills in attempting to offset the threat of public policy processes and marketing skills in attempting to offset the threat of public policy outcomes. In fact, they describe a focus on one strategic response as leading to an underutilization of the skills involved in the other strategic response as similar to a human muscle that deteriorates.

Firm Strategy to Consumer-Related Outcomes. A firm that responds to threatening public policy through policy-altering strategy is likely to exert resources towards and develop skill in policy-focused activities which should, in turn, divert firm resources and skill away from product-focused activities that potentially improve product quality for consumers, such as innovation and new product development. For the purposes of this research, process-focused activities are defined as involving firm dedication of tangible resources away from market activities heavily dependent on firm research (i.e. R&D, marketing research) and product-focused activities are defined as involving firm dedication of tangible resources toward market activities heavily

dependent on firm research. Although Mahon and Murray do not offer detail as to what activities these two strategies might entail, examples of process-focused activities would likely include product price reductions and/or increased use of product claims. Price reductions and use of product claims require relatively less firm research to develop than activities likely to substantially improve a firm's marketplace position, such as the product development and innovation activities involved in product-focused activities. In turn, the relatively few resources needed in developing pricing and product claim activities allow the firm to exert more focus on altering the policy through process-related measures (e.g., lobbying, PACs). These relationships are more thoroughly discussed in the subsequent section in which empirical findings related to forms of public policy focus are reviewed.

In addition to theoretical support, empirical research confirms the conceptualization of process- and product-focused firm activities. Based on Miles and Snow's (1978) typology of firm environmental management, firms with a narrow product mix operating in a small industry niche are successful because their predictable and stable environments allow them to specialize in production efficiency and cost-control activities rather than new product development or innovation. Thus, firms dependent on stable environments threatened by public policy that alters the basis of competition are more likely to expend resources in altering the threat rather than their niche, and are likely to resort to pricing and general promotion strategies. McDaniel and Kolari (1987) confirm this in finding that firms defending an industry niche and which rely on stable environments do in fact place high importance on pricing strategies and Miles and Snow (1978) suggest these firms are also likely to emphasize general, non-personal promotion

strategies, such as mass advertising over personal selling. Miles and Snow (1978) describe firms defending an industry niche as never developing skills in personal selling activities because they place so much emphasis and concern on efficiency. They go so far as to describe the decision-makers of such defending firms as particularly skilled in production and production control management. As further confirmation, prior research consistently finds these defensive firms to place little emphasis on product development (Hambrick 1983; McDaniel and Kolari 1987; Snow and Hrebiniak 1980) and marketing research (McDaniel and Kolari 1987). This pattern of logic in prior environmental management literature indicates a positive relationship between the frequency of policy-altering strategies in response to threatening public policy and the consumer-related outcomes of price and general promotion change is likely.

H3a: Policy-altering firm strategy is positively associated with firm product pricing change.

H3b: Policy-altering firm strategy is positively associated with firm non-personal promotions change.

H4a: Competition-altering firm strategy is positively associated with a change in firm innovativeness.

H4b: Competition-altering firm strategy is positively associated with a change in firm product development.

Firm Impact

Prior literature often examines the firm impact of various strategies by measuring firm gross profit margin, market position, sales growth rates, stock returns, return on investments, return on assets, etc. Research that examines the relationship between

environmental orientations and firm performance is common, but mixed. Environmental management theory posits that firms cannot survive their complex external business environment in the long-run without proactive, strategic maneuvering (i.e. strategic choice behavior; Aldrich 1974). In fact, differing levels of performance among firms in the same industry is argued as an artifact of strategic choice (e.g., Child 1972; Hambrick, MacMillan and Day 1982; Schendel and Patton 1978). Because competition-altering strategies are described in the preceding literature review as involving marketplace activities (i.e. pricing, product, promotion, innovation activities) designed to increase consumer purchases and/or decrease purchases of competing offers, competition-altering strategies are also likely to improve firm marketplace performance. And prior research examining firm political behaviors often finds the same strategy-performance relationship even when firms resort to policy-alerting strategies. When firm strategy includes lobbying, campaign contributions, political ties, and/or PAC activity, an increase in firm performance relative to before the political activity takes place is noted (e.g., Chan, Parsley, and Yang 2010; Hill et al. 2010; Keillor, Hauser, and Dannemiller 2009; Li et al. 2001; Lux, Crook, and Woehr 2011; Shaffer, Quasney, and Grimm 2009; Sheng, Zhou, and Li 2011), though this research does not directly measure political activity as a response to threatening public policy. Other research, however, finds no relationship between political activity and firm performance (e.g., Hersch, Netter, and Pope 2008; Hillman, Zardkoohi, and Bierman 1999; Keillor, Hauser, and Dannemiller 2009; Kim 2008). Thus, it is reasonable to posit that both policy- and competition-altering strategy will improve firm performance.

Prior research also finds a positive relationship between society serving activities and firm performance (e.g., Cochran and Wood 1984; Goll and Rasheed 2004; Ingram 1978; Luo and Bhattacharya 2006; Pava and Krausz 1996). In fact, many argue (e.g., Cho and Pucik 2005; Hart 1995; Hedstrom, Poltorzycki, and Stroh 1998; McWilliams, Fleet, and Cory 2002; Nidumoluu, Prahalad, and Rangaswami 2009) and Russo and Fouts (1997) and Rennings and Rammar (2011) confirm that firms acting socially responsible often develop a unique, inimitable capability that provides a sustained competitive advantage. Thus, a proactive strategy (i.e. strategic choice orientation) in response to threatening policy, regardless of the type of strategy involved or the degree to which the firm is oriented towards serving society, should lead to improved firm performance. Finally, to clearly argue for the mediated relationships of H5b and H6b, it must be noted that it is the THREAT that causes the response. In other words, a marked change in firm performance unrelated to normal operations would not occur due to the firm's orientation alone.

H5a: A competition-altering strategy is positively associated with firm performance.

H5b: A competition-altering strategy is a mediating variable between a society-serving, strategic choice orientation and firm performance.

H6a: A policy-altering strategy is positively associated with firm performance.

H6b: A policy-altering strategy is a mediating variable between a society-serving, strategic choice orientation and firm performance.

Social Impact

A preceding section of this dissertation discusses innovation strategies which are generally concerned with R&D and are not specific to social benefits. In addition to this traditional firm strategy, firms also engage in social innovation through product development activities. A socially innovative product provides end consumers with a social benefit in a novel way and provides unique incentives to firms strongly oriented towards society-serving as well as self-serving. Socially innovative products benefit firms with a strong society-serving orientation because they provide a direct link between a society-serving goal and stakeholder, which include consumers, benefits. In addition, socially innovative products benefit firms with a strong self-serving orientation by way of a competitive advantage. Prior research examining firm engagement in socially responsible activities finds these activities lead to positive consumer perceptions of the firm (Bhattacharya and Sen 2003; Brown and Dacin 1997; Du, Bhattacharya, and Sen 2007; Fombrun and Shanley 1990), improved brand value (Chu and Keh 2006; Fombrun and Shanley 1990), positive stock market returns (Luo and Bhattacharya 2006), reduced idiosyncratic risk (Luo and Bhattacharya 2009), and firm differentiation from competitors (Hull and Rothenberg 2008).

While this literature stream offers a clear link between competition-altering strategies of firms strongly oriented towards self-serving and socially innovative product development, it is also likely that such product development is an outcome of competitive strategies of firms strongly oriented towards society-serving. When firms concerned about serving external stakeholders are faced with a public policy that limits its ability to effectively compete in the marketplace, attempts to combine the positive social and

competitive benefits of socially innovative product development are likely to occur. Firms which hold an orientation that strongly leans towards deterministic, however, are unlikely to respond to threatening public policy at all, let alone through product development or innovation. And because policy-alerting strategy in light of threatening public policy involves policy process-focused strategies that divert skills and resources away from innovation and product development, policy-altering strategy decreases the likelihood of firms developing socially innovative products.

Finally, to clearly argue for the mediated relationship of H7b, it must be noted that it is the THREAT that causes the response. While strategic choice alone is likely to cause a firm to take innovation risks, duty alone is not. It is the threat that makes response automatic, and in this case only a dutiful firm will have dutiful responses. Additionally, a policy focused response would involve delearning and, therefore, not innovation. In other words, a marked change in social innovation immediately following the implementation of a strategic response to the government public policy would not occur due to the firm's orientation alone.

H7a: A competition-altering strategy is positively associated with a change in firm social innovativeness.

H7b: A competition-altering strategy is a mediating variable between a society-serving, strategic choice orientation and an increase in firm social innovativeness.

In essence, this dissertation examines the societal impact of public policy that attempts to limit the business and/or marketplace functions of firms by taking into account firm environmental management of socio-political pressures. First, by

hypothesizing that a strong self-serving, strategic choice orientation is positively related to public policy-altering strategy, this research suggests a firm's orientation in managing its external business environment predicts how firms will respond to public policy that is threatening to the firm's business. If confirmed, this allows researchers an additional tool in predicting firm strategy in managing the socio-political force as well as the firm's impact on society (i.e. improved consumer products, social innovation). In this way, firm orientation also allows researchers to predict how public policy impacts society by taking into account firm strategy.

Second, this dissertation proposes unintended consequences of threatening public policy through hypotheses that suggest a strong self-serving, strategic choice orientation is negatively related to societal benefits (i.e. improved consumer products, social innovation), both directly and indirectly. Thus, not only are firm attempts to change seemingly threatening public policy an unintended consequence of public policy, but also firms not engaging in product improvement and/or social innovation in response to public policy that often attempts to benefit end consumers by altering the basis of firm competition is an unintended consequence.

Third, this dissertation hypothesizes that strong deterministic, society-serving oriented firms do not respond to threatening public policy by competing in new ways. It is understood that firms strongly oriented towards society-serving serve external stakeholders out of concern for firm impact on society. However, it is also proposed that firms strongly oriented towards society-serving serve society when threatening public policy evokes proactively oriented firms to compete in new ways so as to offset limiting public policy. In addition, this research hypothesizes a firm strongly oriented towards

self-serving leads to societal benefit (i.e. social innovation) because this orientation-benefit relationship is believed to be mediated by competition-altering strategy when the firm also holds a strong strategic choice orientation. If confirmed, this relationship suggests firms which prioritize stockholder over stakeholder concerns can benefit society in ways similar to firms that prioritize stakeholder over stockholder concerns. Most importantly, this dissertation offers tools for public policy leaders to provoke societal benefit through healthy marketplace competition.

CHAPTER FOUR

RESEARCH METHODS

Although prior literature discussing environmental management is largely conceptual, academics have provided some detail in firm behavior likely involved in this management process. For example, researchers describe a firm with an orientation that leans deterministic as most likely responding to a threat in the external environment through restructuring, such as increased communication across departments (Burns and Stalker 1961; Hague and Aiken 1969; Lawrence and Lorsch 1967; Stinchcombe 1959), specialized administrative roles in dealing with specific dimensions of the environment (Lawrence and Lorsch 1967), such as a public affairs-government relations manager (Baysinger and Woodan 1982), and centralized decision-making in which most decisions are made by top managers and merely conveyed to lower managers (Hage 1965). Yet, researchers describing the behavior of a firm with an orientation that leans toward strategic choice suggest this type of firm is most likely to respond to environmental threats by using material technology to alter products and compete in new ways (Child 1972), choosing to compete in additional market domains so as to dilute environmental risks like product-specific regulation (Bourgeois 1984), forming close relationships with other organizations (Baybrooke and Lindblom 1963; Terreberry 1968), and bargaining with institutional stakeholders, such as professional associations, government agencies, business organizations, or union constituents (Scott 1983).

While these rich discussions offer future research some detail in what firm environmental management might entail depending on the firm's orientation, no

measurement scale has been developed to test the relationship between firm orientation and environmental management strategies. Instead, researchers testing environmental management orientations either judge a firm's orientation through secondary data or collect primary data but question managers or customers about the respective firm's activities. For example, Lawless and Finch (1989) use secondary census and economic data to compare firm performance (e.g., return on investment, earnings per share) across four firm profiles: firms that have minimum, differentiated, maximum, or incremental choice in managing the environment. But these four environmental management profiles are developed solely by the authors and based on their judgment of the degree to which the market a firm competes in involves determinism and strategic choice through examination of secondary data. And while other research utilizes survey data that questions managers directly about firm behavior, the approaches do not generalize to classifying firm orientation towards environmental management.

Sharma and Vredenburg (1998) survey business customers of railroad industry firms but the questioning is specific to reduced purchases, new use, or reduced waste so as that answers reflect firm responses to government pressures in protecting the natural environment instead of perceptions of the malleability of the external environment. Similarly, Bocquet and colleagues (2013) survey managers about their CSR practices, but code proactive or reactive CSR profiles themselves using publicized documentation of CSR motivations, practices, agendas and a measure of perceived benefits involved in CSR are then coded by the authors to reflect either a reactive or proactive CSR. And Hitt and Tyler (1991) perhaps come closest to measuring environmental management orientations through primary data involving managerial perceptions, but do so by

examining the risk propensity, cognitive ability, and demographics of the responding manager. Research examining environmental management needs to develop an orientation classification scale because a firm's orientation towards managing the external environment, and the extent to which this orientation involves having the ability to alter the environment or being determined by the environment, offers practitioners and academics a tool that extends additional context and environmental pressures. Measuring the firm's vantage point in terms of how manageable the environment is offers better prediction of general firm response to a given force than measuring a firm's specific activities in reacting to a specific pressure.

This dissertation follows the researcher's Institution Research Board (IRB) recommendations in utilizing a mixed method approach so as to better understand the dimensions and characteristics of an environmental management orientation as well as to test the outcomes involved. Mixed method approaches are useful to research in that qualitative and quantitative research methods combine so as to complement the unique tools and potential contributions of each design (Creswell and Clark 2010). Qualitative data is used in this research to collect direct, rich answers from managers to questions about the environmental management orientations of their respective firms and the outcomes involved. And quantitative research is used to test the relationships hypothesized between environmental management and firm marketplace strategies developed in Chapter 2 for research goals involving generalization of findings to various contexts. When combined, these two research tools aid in providing understanding of the literal, as well as the theoretical, aspects of firm environmental management.

This dissertation is composed of two studies, beginning with a qualitative study. The purpose of this initial study is three-fold. First, interviews with managers regarding their view of the external business environment and government policies that influence their employer's business were useful in selecting the most appropriate key informant for Study 2. These interviews confirmed that all managers involved in strategy formulation are appropriate key informants of firm behavior, regardless of their key management area, such as marketing or external communications. Second, interviews complemented the development of the environmental management orientation measurement scale tested in Study 2. Third, interviews offered information about the complete model of environmental management useful for testing the hypotheses of Study 2. In other words, interview questions asked participants in one sitting about an environmental management orientation that characterizes their respective firm, its direct effect on strategy in responding to threatening public policy, and its indirect effect on activities likely to affect consumers.

The purpose of Study 2 is also three-fold. First, quantitative survey responses to an originally-developed environmental management orientation scale offer the marketing literature the first tool in testing environmental management's outcomes through primary data collection. As discussed at the beginning of this chapter, of the three studies that utilize primary data to assess environmental management, only Bocquet and colleagues' (2013) study involves firm behavior assessed through managerial reports. Sharma and Vredenburg (1998) research specific firm responses to natural environmental pressures by surveying customers of the firms in question and Hitt and Tyler (1991) research only managers' individual traits. And even though Bocquet and colleagues' (2012) study does

involve primary data collected from managers, these researchers use the managerial responses to categorize the firms' environmental management stance based on managerial reports of CSR practices, documentation, and motives. As such, these authors did not measure environmental management in a way that's useful for predicting a broader spectrum of firm responses to environmental threats because only reports of CSR practices and motives, rather than beliefs about and/or perceptions of ability in environmental management, are used to measure environmental management. Although tailored for perceptions involved in managing the socio-political force specifically, the goal of this dissertation research is to develop an environmental management construct useful for future research in predicting various firm strategic responses to many environmental threats.

Second, survey data collection was used to test the hypotheses developed in Chapter 2. And third, the nature of the survey questioning allowed this dissertation research to examine the direct relationship between threatening public policy and the formal strategic response involved because managers were asked to indicate if their employing firm has faced a threatening public policy and then describe the firm's strategic response to this threat. In addition to capturing a direct relationship between policy and strategy, this survey design is unique in that this research carries the potential to capture strategic responses to a whole host of public policies, unlike specific policies as would be typical of case studies. Finally, all methods were conducted according to the researcher's IRB with recommendations beyond basic instructions offered in Appendix C (p. 169).

Study 1: Qualitative Inquiry

Study Context. Interviews with 40 senior-level executives of both for- and non-profit firms took place during the summers of 2013 and 2014. The mode of interview depended on the participant's scheduling and the degree of comfort requested. As such, some interviews took place over the phone, some through face-to-face meetings, and some through email. A colleague (i.e. Marketing practitioner and close acquaintance) unfamiliar with this dissertation's hypotheses was asked to pick a random subset of interviews conducted and note the mode of interview guessed after reviewing the content of the interview (i.e. the researcher's notes and participant's comments). Among the notes of these randomly-picked interviews, the mode through which the interview took place was guessed correctly only 47 percent of the time, suggesting the mode did not impact the data collected. No market sector, type of business (e.g., business-to-consumer, business-to-business), or degree of government monitoring was targeted in choosing executives and firms to interview for this qualitative inquiry.

Recruitment. Convenience and snowball participant sampling designs were utilized for this study. Convenience sampling is a nonprobability sampling design that involves recruitment of personal contacts. Snowball sampling is also a nonprobability sampling design that involves asking current participants to suggest their own personal contacts for further interview recruitment. It is suggested in prior research that a snowball sampling procedure "can be utilized to make statistical inferences about various aspects of the relationships present in the population" (Goodman 1961, p. 148) when a recruited individual (i.e. s stage) recruits a number of additional individuals (i.e. k name) for the study, relative to a random sample of individuals or binomial snowball sampling, for

example. However, snowball and convenience sampling are only used in Study 1 to explore (versus test) environmental management theories. Thus, convenience and snowball sampling are appropriate for an exploratory study considering that Study 1 does not involve confirmation, hypothesis testing, or generalization of findings to other contexts or groups of managers.

Recruitment started with contacting members of advisory boards of the researcher's university as this allowed for convenient recruitment. Then, these participants were asked at the end of the interview to offer the name and contact information of a colleague likely to agree to participate in this study. Finally, some of the interview participants were recruited during the quantitative data collection phase of Study 2 in using the third-party recruitment data purchased, to be discussed in greater detail in a subsequent section of this chapter. Senior-level executives were typically contacted initially via email and, if the Executive agreed to participate, signed a researcher confidentiality assurance form (see Appendix C, pp. 172-3) before beginning the interview. This form, drafted according to the researcher's IRB guidelines, informed the participant that no incentives were available for participation and that information shared with the researcher would be reported anonymously, among other items.

Participants. From this recruitment process, a very heterogeneous sample of 40 senior-level executives participated in interviews that typically lasted approximately 45 minutes. Detailed descriptions of these executive participants and the firms they represented in the interview can be seen by referring to Table 3 (pp. 78-9). This table indicates that 39 of the firms represented were for-profit, 39 of the Executives were currently employed by the firm they represented in the interview, and all of the

executives have at least three years tenure with their respective firm. Executives qualified for Study 1 if they described themselves as involved in strategy formulation, i.e. the formal generation of business ideas among senior-level management. Because this dissertation is interested in understanding how firms behave, executive participants acted as key informants in providing information about how their employing firm behaves in the external business environment. Key informants are considered a significant source of information (Wollcott 2008), because they are the gatekeepers in the organization who allowed researcher access, who are acquainted with the goals and strategies of their employer, and who have been employed by (or own) the firm relatively longer than other employees (i.e. potential informants; Wollcott 2008).

Analysis. According to Merriam-Webster (2014), a firm is defined as “1: the name or title under which a company transacts business 2: a partnership of two or more persons that is not recognized as a legal person distinct from the members composing it 3: a business unit or enterprise.” As such, the firm is made up relationships external and internal to the firm. The firm transacts with both people and other firms in the external business environment through transactions that involve trust, contracts, negotiations, etc. And the firm partners with people internal to the unit through membership, which also involves transactions of money, skill, and/or production, as well as partnerships occurring between and among members. The firm is a complex collection of people and processes that poses challenges for scholarly researchers who must make assumptions about the manner in which firms behave and use predetermined meanings or categories to test theories of the firm.

The challenge with a research approach that involves assumption and predisposition revolves around firms' "inherent messiness, contradictions and puzzling character of reality" (Chia 2011, p. 183). All the while, the scholar conducting the research has constructed an owned meaning of the world making it even more challenging to understand the complex and varying views of their participants without using their own meanings and understandings of the way the world works to interpret such participant views. One way to overcome these challenges is to induct meaning through the constructivist worldview of qualitative research.

Social constructivist research relies on a belief that participants construct their own meanings of the world surrounding them (Creswell 2013). Based on this belief, qualitative methods close the distance between the researcher and participant and prioritize the knowledge and experiences of participants over that of the researcher (Creswell 2012). To achieve this, the qualitative researcher uses open-ended questioning that allows participants to share their own views and uncovers the unique particularities of the context a given participant is situated within. Furthermore, qualitative research utilizes inductive methodologies in which meaning is a derivative of data only (Crotty 1998), often complemented by co-interpretation among the researcher and participants.

Qualitative Design: Phenomenology. To reiterate Chapter 1, the research questions Study 1 attempts to answer revolve around how firms experience government public policy influence that affects the way they do business. Specifically, the research questions ask Do orientations towards managing the government force indeed exist? And, if so, what types of management techniques do they entail? At the heart of these questions are why firms might experience the same government public policy influence

differently, such as through a deterministic or strategic choice lens. This unique, perceptual experience of an event that makes up the observer's knowledge of the event is the essence of phenomenology. Merriam-Webster (2014) defines phenomena as "an object or aspect known through the senses rather than by thought or intuition" or "a temporal or object of sensory experience as distinguished from a fact." Thus, letting the observer share the experience and knowledge of the phenomenon through the open-ended, generally unstructured data collection of qualitative designs allows meaning to be induced without the inherent constraint of closed-ended, structure questioning developed by the researcher's own experience and knowledge. Additionally, because the essence of understanding phenomena is understanding how observers of the same phenomenon experience it differently, phenomenology, a type of qualitative research, is a tool necessary to this research because it "seeks to illuminate experience through comprehensive description and vivid renderings" (Moustakas 1994, p. 15).

Unique to phenomena of government public policy influence is the 1) likelihood that the business-trained and experienced marketing scholar conducting the researcher has owned experience and self-constructed knowledge of this phenomena and 2) potential participant discomfort with sharing perceived threats derived from a governing body involved in these phenomena. Thus, in order to illuminate firms' experience of government public policy influence, transcendental phenomenology was chosen as the most appropriate method in collecting and analyzing data to answer the research questions posed in this study.

Transcendental phenomenology is different from other phenomenology methods because it is "free from the researcher's preconceptions, beliefs, knowledge from ... the

researcher's prior experiences," allowing the researcher to be "naïve in listening to the participants' description of experience." It places emphasis on the "underlying meaning of experience and how this underlay provides an understanding of feelings, thoughts, etc. evoked by the experience" (Moustakas 1994, p. 22). In other words, transcendental phenomenology allows the marketing scholar to collect descriptions of phenomena free from the scholar's own professional experiences related to government public policy influence (and the marketing tools involved) and allows the researcher to interpret feelings of government threat even when the participant is uncomfortable with describing this negative, and perhaps socially inappropriate, feeling explicitly.

Philosophical Assumptions. This study's philosophical assumptions lie within what Husserl (1931) refers to as directedness, i.e. "the mind is directed toward some entity whether the entity exists or not" (p. 32). In this study firms may be directed to sense a threat or opportunity from a government public policy influence. This directedness is likely an artifact of past experience, such as prior fines, government product purchases, political ties with government agency members, etc., used by the firm in understanding how the external business environment works. And the directedness may be used as a coping mechanism for survival, success, reinvention, persistence, etc.

Transcendental phenomenology is all about intention or "the wish for the content wished" (p. 28) and, thus, requires the researcher to parse out the structured meaning from the underlying meaning in the experiences described by participants. Individuals perceive phenomena through both consciousness and the object in reality to better understand what a phenomenon means. An individual has acquired knowledge in experiencing the 'real world' in a way that is unique from how others experience it and,

thus, combines consciousness with the object in reality to create meaning. The likelihood that two individuals might experience the same object or event differently is the essence of the phenomenon.

As the Merriam-Webster (2014) definition noted previously suggests, a phenomenon is an experience and that experience is made up of sensing what is separate from fact. However, transcendental phenomenology combines the directed object (sensing) with objective reality (fact) for holistic meaning. Ihde (1977) explains that sensation actually transcends into description of the event, rather than the other way around. The individual creates meaning of the phenomenon by allowing the *noesis*, or the underlying meaning, to transcend into the *noetic*, or the structural meaning (Husserl 1931). When a participant shares an experience of an event, such as government public policy influence, the oral description the researcher hears is really the manner deemed most appropriate by the participant in structuring senses possessed (Keen 1975).

Since the essence of the phenomenon is how the individual (firm) experienced the event (policy influence) but it is understood through transcendental phenomena research that experience is through sensing, the transcendental researcher assumes that the participant's experience story is really the *noetic* meaning (Husserl 1931). This *noetic* meaning originated from the *noesis* meaning (Husserl 1931). In other words, the transcendental phenomena researcher conducts an interview under the philosophical assumption that what is heard is a description that originated, or has been transcended from, sensing. Thus, the researcher looks for both *neomatic* (textural or oral) and *noetic* (structural) dimensions of meaning in an interview.

In returning back to what Moustakas (1994) refers to as the essence of the phenomenon, one further assumption should be noted to help guide the reader in understanding the interview analysis in a subsequent section. In this study, the essence of the phenomenon is defined as the temporal experience of government public policy influence, which could be one or several instances, so that the manner in which the firm interprets and responds to the influence varies across firms. This variation is the phenomenon and is hypothesized to be experienced through a deterministic or strategic choice lens. The language used by participants in describing the experience of government public policy influence, such as through the words “threat,” “reinvent,” “crisis,” “nudge,” “diligence,” etc., is one tool in assisting the researcher in identifying this essence, or *noesis*.

Data Collection Procedures. The transcendental phenomenology data collection prescriptions of Moustakas (1994) were followed. Moustakas is one of only a few scholars who have championed transcendental phenomenology research methods and whose recommendations are followed by researchers examining management styles (e.g., Moerrer-Urdahl and Creswell 2004), CEO strategy (e.g. Goldman 2006), and marketing (e.g., Baker and Gentry 1996; Scherf 1974). Moustakas’ championing is mostly due to what scholars describe as phenomenological researchers’ presentation of data in a “raw form to demonstrate their authenticity and to permit a holistic interpretation... data are typically analyzed through somewhat introspective techniques” (Suddaby 2006, p. 635). Accordingly, three basic collection stages were conducted. First, participants were encouraged to self-report on the topic so as to convey the seriousness and usefulness of participant descriptions. To do so, participants were pre-qualified via email or phone,

depending on the participants' requests. This involved describing the topic to participants as "an exploration of a management theory which suggests firms strategically and formally manage forces in the external business environment, such as societal concerns and government public policy." Then the researcher discussed with the participant their comfort level with speaking to this topic as well as with representing their employing firm.

Although Moustakas recommends that participants write self-reports just before an interview is conducted, in this study participants engaged in self-reporting through discussion of two comfort-level questions during pre-qualification for convenience purposes (see Appendix A, p. 165). In answering these two questions, a very informal pre-interview took place in which the participant was asked to 1) share examples and discussion of the topic and 2) their involvement in strategy development for their employing firm (i.e. comfort-level questions; also available in Appendix A, p. 165). In addition, the formal, semi-structured interview guide was sent to the participant upon qualification via email and described as a tool for reflection until the scheduled, formal interview took place.

Second, and according to Moustakas' (1994) recommendations, "long" and "informal" interviews were conducted that revolved around "interactive" and "open-ended" questioning. These interviews were recorded using researcher note-taking rather than audio or video recording. However, the interview excerpts in the Study 2 Findings Section should be considered verbatim while the words or phrases in brackets are researcher-inserted so as to complement clarification. The interview started with a discussion of the researcher's stage in graduate school as well as the researcher's career

goals (i.e. academic research, classroom instruction) for “social conversation to put the participant at ease and create an environment that encourages open sharing” (Moustakas 1994, p. 114). This was followed by open-ended questions about firm products, participant tenure, and participant day-to-day activities, with emphasis (follow-up questions) on involvement in marketing and product strategy. Next the participant was asked to “take a few moments to focus on the experience,” which in this study involved focusing on a “time in which government public policy changed the way you do business or make decisions.” Only in cases when the participants’ “story has not tapped into experience sufficiently with depth and meaning” (Moustakas 1994, p. 116) were the general interview questions used. These questions included, “Can you think of a time when government public policy provided you a business opportunity?” and “Are there times when you use marketing activities to offset the limitation of a government public policy?”, for example (see Appendix A for the full guide). In most interviews, the participant was asked if the researcher might get different information and opinions if another manager of the same firm was interviewed, with “no” being the common answer. And in approximately 25 percent of the cases, additional follow-up questions were necessary and took place via email.

Finally, both throughout and at the end of the interview, participant statements were read aloud so as to “check with others regarding what they perceive, feel, and think” (Moustakas 1994, p. 95) and in this “communalization there constantly occurs an alteration of validity through reciprocal correction” (Husserl 1970, p. 163). For example, if it was not completely clear to the researcher, the participant might have been asked mid-interview, after reading back to the participant one or more relevant statements noted

by the researcher, if the government public policy influence just described was a threat (benefit) based on the researcher's orally described interpretation. And every interview ended with a very brief description of the researcher's overall, general dissertation hypothesis. This was done by first telling the participant, "I want to tell you my hypothesis and just get your reaction, whether that be agreement or disagreement, ability to relate or not, further examples that confirm or disconfirm this hypothesis, etc." After the hypothesis was described, the researcher noted the participant's reaction. Then the researcher explained, based on the interview just conducted, whether the participant's experience of government public policy influence was through a deterministic or strategic choice lens, as diagnosed in real-time by the researcher. This was followed by a question for the participant that asked if there was agreement or similar interpretation in this conclusion after the hypothesis and experience dichotomies were explained. This co-interpretation was used to "debrief" (p. 110) participants in (dis)confirming the meaning interpreted, as Moustakas (1994) recommends.

Data Analysis. Following Moustakas' (1994) prescribed methods for analyzing data collected through transcendental phenomenology, the following six analysis steps were conducted. First, horizontalizing was conducted in which the researcher regards "every horizon or statement most relevant to the topic as holding equal value" (Moustakas 1994, p. 118). Thus, this research defines horizontalizing as identifying statements significant, i.e. relevant to the other statements given, and important, i.e. relevant to the overall research topic, within a participant's interview for developing meaning units important in the proceeding sections of transcendental phenomenological analysis. In this process the researcher isolated every statement that was meaningful to

the topic (i.e. horizontalized). Second, from each horizontalized statement, one or more meaning units were listed. Although not every horizontalized statement included both, two types of meaning units were developed: textural and structural. The textural meaning unit represents the noematic meaning and literal meaning suggested by the text noted (orally) of the participant's statement. And the structural meaning represents noetic meaning, which is the underlying meaning of the participant's statement (Keen 1975; Moustakas 1994). If the meaning unit was unclear from the statement, even when removed from isolation and placed back within the context of the entire interview, it was left without a unit. Combined, the textural and structural meanings (units) integrate and construct the "meanings and essence of the phenomenon" (Moustakas 1994, p. 119).

Third, for each interview all meaning units, both structural and textural, are listed together, but separate from the horizontalized statements, so as to look for patterns. These patterns are referred to by Moustakas (1994) as clusters and represent units that are similar in text and/or similar in meaning that combine into one larger meaning unit. Fourth, clusters of each interview are used to aid the researcher in developing descriptions of the experiences or to "construct thematic portrayals" that offer a "vivid account of the underlying experience" (Moustakas 1994, p. 135). In other words, each interview is analyzed in this way so that the conclusion of interpretation portrays the firm's factual (textual) and temporal (structural) experience of government public policy influence, with portrayal emphasis on experience occurring through a deterministic or strategic choice lens. Then, the fourth and fifth steps are repeated by isolating each interview's thematic portrayal into one list of overall themes which are grouped into patterns and concluded with one overall thematic portrayal of the study. Finally, a

narrative of the overall thematic portrayal is created that connects the overall identified themes into a coherent whole (Wollcot 2008).

Validity and Reliability. Moustakas (1994) refers to interview participants as co-researchers and emphasizes this researcher-participant relationship when prescribing methods for validating the research conclusions of transcendental phenomenology. As such, validation of the analysis conclusions of Study 1 was conducted in three ways. The first two are already described in the preceding section and include co-interpretation in real-time using discussion of significant statements and concluding interviews with discussion of the researcher's diagnosed orientation. First, repeating aloud statements the researcher considers significant throughout a given interview so as to ask the participant for real-time feedback on a potential conclusion, gives the researcher the opportunity to validate analysis in a live, ongoing, and iterative process. For example, in most interviews participants spent relatively greater time describing government public policy threats and their reactions to such. As such, the researcher would often ask the participants if they generally perceived government public policy as mostly threatening, rather than benefiting, the way they did business by immediately following the question by reading back to the participant statements necessary to summarize the threats offered at that point in the interview. At that point, mid-interview, the researcher and participant could validate the firm's perception of government public policy together and in real-time.

Second, ending every interview by describing the orientation towards government public policy the researcher believed the key informant's firm held based on data collected through a given interview allowed the participant to (dis)agree and validate the

researcher's interpretation. Similar to the process just described, this involved using only a statement or two to describe to the participant the researcher's general, overall hypothesis. Then the researcher would offer the orientation that fit the participant's shared experience and justify this orientation diagnosis by reading back significant statements that led to this conclusion. This allowed the participant to disagree with the researcher's logic and interpretation and, thus, (in)validate the qualitative measure.

Finally, validation is an artifact of the transparent reporting offered in the Findings Chapter (Chapter 5) and a noteworthy element of Moustakas' prescribed procedures for conducting transcendental phenomenological research (e.g., Suddaby 2006). Unlike other qualitative research designs, such as grounded theory, transcendental phenomenology relies on sharing the lived experience of a phenomenon experienced by a participant with the reader in a transparent way. In essence, reporting a great deal of data collected in transcendental phenomenological designs, rather than just themes, for example, generates transparency in the researcher's induction of themes and conclusions from the story shared in an interview.

Reliability of the conclusions and themes identified in Study 1 was assessed by asking a scholar uninvolved in this dissertation research to attempt to understand the researcher's logic in the qualitative deduction involved in Study 1. This scholar is a Marketing PhD student of the researcher's same academic program and was asked to pick a subset of interviews at random to check. Among these interviews, the scholar was asked to determine if the researcher's logic behind the qualitative conclusions could be identified. In other words, reliability in this study is not assessed based on agreement, but rather on an understanding of the researcher's deduction in logic. While Moustakas

(1994) believes “good” validation of data is when the researcher sends each participant their own researcher-constructed portrayal for participant corrections, the “good” examples Moustakas offers in his method prescriptions (1994) are not as sensitive in nature as asking senior-level executives to represent their employing firm and do not involve more than around 15 participants (versus 40).

Then this scholar was asked to make notes of cases in which it could not be figured out how the researcher made a meaning unit, identified a statement as significant, came up with a conclusion, etc. And if the outside scholar found many cases in which the researcher’s deduction could not be understood (i.e. identified), another subset of interviews was to be picked at random by the outside scholar to repeat the process in determining if the conclusions are reliable. If the outside scholar could identify most or all of the researcher’s deduction in conclusions, no further random sampling of interviews was to be conducted. This scholar did not identify any conclusions, including themes, interview portrayals, meaning units, clusters, and horizontalized statements of the randomly chosen subset of the 40 interviews conducted in which the deductive logic behind each of these conclusions could not be identified and understood by the outside scholar, suggesting the qualitative measures of Study 1 are reliable.

Study 2: Quantitative Confirmation

Study Context. Firm response to threatening public policy and the activities involved in the strategic response was quantitatively measured in Study 2 utilizing an online survey. Only business-to-consumer firms manufacturing consumer-packaged, consumer raw material (e.g., wood, siding, decking) useful for residential construction or improvement, and consumer medical devices (e.g., blood glucose meters) often

purchased through a medical doctor's office were sampled. Both privately- and publicly-held firms were recruited for this study as well as both for- and non-profit firms so long as the firm had a consumer good for sale in the marketplace.

Recruitment. The probability sampling designs of census and purposive sampling were utilized in recruiting participants in Study 2. First, DatabaseUSA, a third-party research firm, supplied three lists of manager profiles requested by the researcher. The first list included 1,409 records of the senior-most manager of firms rated, or at least reviewed, by Consumer Reports of the Consumer's Union. The second list included 19,111 records of managers whose professional title included the key words/phrases Director, Marketing, Vice President, Product, Brand, and Chief Marketing Officer and whose employing firm is rated, or at least reviewed, by Consumer Reports. The final list included 929 records and was similar to the first two, but expanded to include managers in the areas of communications, public relations, and product liability.

All three lists were purchased between February and May of 2014 and included the name, professional title, email, employer and other information useful for tailoring recruitment messages. This method is one of probability in that only managers whose employer offers a product rated or reviewed by Consumer Reports were recruited and potentially sampled because, to be discussed in greater detail in a subsequent section describing measures, two outcome measures involved in this dissertation's hypotheses involved data collected, developed and reported in published magazines of Consumer Reports. Additionally, respondents recruited through these methods had the opportunity to refer a colleague to the researcher at the end of the online survey to be contacted for potential participation. Respondents who completed the online survey of Study 2 and

referred a colleague who also completed the online study was entered into a raffle drawing for 2 gift cards to a national chain which offers office supplies, for a total of \$300. This incentive was described to respondents in the survey as a gift the respondent could share with the business student of their choice in assisting the student in buying academic supplies. In a similar manner, this incentive was described in recruitment emails.

Managers first received an email from the researcher through Qualtrics that merely introduced the researcher and the survey. This email included a cover letter in the body of the email to explain the significance of the study. A few days later, managers were emailed a second time with the link to the online survey, also created through Qualtrics. This email included instructions for participation in the body of the email. Managers who attempted to participate were qualified through a single item screener question at the beginning of the online survey, to be discussed in greater detail in a subsequent section. This census sampling design is an effort to overcome potentially low-response rates typical of research involving senior-level managers.

One week after sending managers the survey link, a follow-up email was sent to those managers who had not completed the survey so as to serve as a reminder and encourage participation. Thus, each manager whose name appeared in one of the three third-party recruitment lists received three recruitment emails, all of which were designed according to the researcher's IRB recommendations (see Appendix C for full IRB recommendations). These multiple attempts at recruitment were intended to ensure that at least two managers per firm were represented in the final dataset so as to better capture firm behavior over managerial behavior.

Respondents. As a result of this recruitment process, a total of 400 managers attempted participation in the online survey. This represents a participation rate of 9 percent out of 4,259 (i.e. 4,249 via DatabaseUSA plus 10 referrals) managers contacted for participation. Of these 400 managerial attempts, 183 completed the online survey fully, and 135 qualified (passed the screener question criterion) for analysis. Setting aside qualified participants for the moment, this led to a completion rate of approximately four percent. It is believed the sensitive nature of the topic of Study 2, i.e. senior-level executives reporting the threatening nature of government public policy as well as the political activities engaged in so as to fight limiting policies, greatly impacted the completion rate of this survey.

To reiterate, qualified respondents were senior-level executives who could act as key informants for their employing firm's overall strategies. Qualification was assessed utilizing one screener question that appeared at the beginning of the online survey which asked respondents to rate the degree to which they are "knowledgeable of the development of high-level strategies" of their employing firm on an eleven-point Likert-type scale anchored by "not at all" (i.e. 1) and "extremely" (i.e. 10). Respondents who answered this question with a seven or higher were considered qualified. Three respondents who chose an answer to this question lower than seven but provided at least two examples of government public policies that limited the way their firm does (did) business and the specific strategic firm response to such in a series of closed- and open-ended questions later in the survey were considered qualified respondents to act as key informants in reporting on the nature of their employing firm's management of the government force. Additionally, qualified respondents responded to survey items and

questions in a manner that did not suggest the respondent's goal was to offer only socially desirable responses. To be explained in greater detail in Chapter 5, no evidence of social desirability is found in the final dataset, eliminating the need to look for this bias respondent by respondent.

As a result, 135 managers completed the survey and were qualified to report their firm's strategic management of the government force. These 135 respondents represented 91 unique firms because several managers were recruited per firm. Of these 91 firms, only 17 were represented by two or more managers. So as to effectively utilize Hierarchical Linear Modeling (HLM) in analyzing the data collected in Study 2, any respondent representing a firm not also represented by at least one other manager was removed from the final dataset. This resulted in a final manager sample size of 76 managers and a final firm sample size of 17 firms.

TABLE 1

Respondent Descriptive Characteristics
n = 76 respondents, 17 firms

Base Title	
Chief Marketing Officer	1%
Executive Director	1%
Program Director	22%
Product Development	5%
Strategy	4%
Marketing Executive	22%
Sales Executive	34%
Account Management	3%
Govt., Public Affairs	3%
Legal	1%
Manager, Info. Tech.	1%
Tenure with Sampled Firm	
10 years +	100%
Response to Screener	
7-8	64%
8-9	36%
mean	8.68

Data Collection Procedures. Utilizing Qualtrics survey design and data collection services, data collection took place online on any device the respondent chose which was able to connect to the Internet and was compatible for completing the online survey. Data collection took place during the Spring of 2014. The online survey measured the focal constructs of society-serving, strategic choice and determinism orientations, instances of government public policy influence on the respondent's firm's operations, firm strategic responses to such policy influences and additional measures used to measure respondent biases to be discussed further in a subsequent section of this

chapter. The overall goal of this survey was to examine the relationship between firm orientation and strategic management of the government force.

Respondents were informed that the survey link would expire in 72 hours upon receiving the email containing the link, though there was no expiration component actually applied. Among those respondents who completed the survey in one day, the average completion time was 17.02 minutes. A z-test comparing the mean response to items of the survey measuring the society-serving orientation of those completing the survey in one day to those completing it over more than one day suggests completion duration did not affect survey responses ($p = .87$).

The first page respondents saw upon clicking the survey link offered a three-sentence promise to keep answers anonymous. This included both the IRB reference number for Study 2 as well as the official IRB letter (see Appendix C, pp. 169-171) granting data collection for Study 2 as a link which allowed respondents to download the letter in the case IRB contact information to verify this promise was desired by the participant. This was followed by a three-sentence explanation of the topic and goal of the survey. This page also informed respondents that by clicking on the arrow icon which directed respondents to the next page of the survey, they were agreeing to the IRB conditions. The next page required participants to sign-in using the email address the researcher used to contact respondents so that the respondent's survey answers could later be matched to secondary data describing their employing firm as well as to prevent multiple survey attempts.

Finally, respondents were instructed to choose answers as if answering for the entire firm they are employed by (or own). They were also instructed to consider both

formal (e.g., law) and informal (e.g., firm specific guidelines), potential (e.g., bills under consideration) and actual public policy (e.g., law), and all levels of government (i.e. local, state, federal, international) when considering answers to items and questions involving government public policy. This definition of government public policy was offered at the beginning of the survey and several times throughout so as to remind respondents.

Measures

This section will outline how each variable used in data analysis of Study 2 was measured and will be preceded by a section outlining additional measures included to test response biases. The organization of this section does not parallel the organization of the online survey. The survey first measured constructs, then measured variables used to test response biases, and finished by measuring government public policy influences and strategic responses to such.

Construct Development. Two constructs measured in Study 2 are originally developed by the author: strategic choice orientation and deterministic orientation. The procedures for developing these constructs are briefly outlined here. First, the domain of the constructs was identified (Churchill 1979). As seen in Chapter 2, both constructs' definitions involve two key words, habitual and behavior. Thus, the domain of a strategic choice orientation was specified as frequent and typical (i.e. habitual) firm behaviors, rather than beliefs, attitudes, etc., which reflect a unique firm vantage point in which government agents and agencies are malleable and manageable. And the domain of a deterministic orientation follows the same logic except the vantage point involves agents and agencies as part of a force that determines the way the firm does business (i.e. not manageable). Next, a sample of items was collected so as to potentially measure both

constructs (Churchill 1979). Because these two constructs tap into the same concept, i.e. environmental management, but at vastly different degrees, the samples for both often came from the same sources, i.e. pilot test, qualitative interviews, and environmental management literature. A deterministic item sampled from a pilot test includes “It is important that we break-down large departments into smaller, more differentiated departments when faced with government public policy that changes the way we do business,” an interview “We are not big enough to influence a government public policy that changes the way we do business,” and environmental management literature “Our business relies on negotiating with those involved in developing government public policy,” for example. This item generation concluded with 26 total items used to reflect the domains of both strategic choice and deterministic orientations.

As recommended by Churchill (1979), Cronbach alpha was developed for each construct after conducting the pilot test. Churchill (1979) suggests using this test as the first method for purifying the constructs. A Cronbach alpha close to or above .70 was desired (Nunally 1978). After examining SPSS output which revealed both the alpha for each construct as well as what the alpha would change to should a given item be dropped from the construct scale, 11 items in total were dropped. One additional method of purifying these two constructs involved a Confirmatory Factor Analysis (CFA) in which both the manner in which items converged onto their respective factor (i.e. construct) as well as the fit of data collected to the measurement model involving the two constructs was analyzed. Because the first analysis revealed poor fit and a lack of convergent validity, five additional items were dropped from these two constructs with a second convergent validity (i.e. CFA) analysis revealing the measures as purified. This analysis

is discussed in greater detail in a subsequent section. The final steps in assessing the meaning and accuracy of the two constructs involved measuring reliability and validity of each construct utilizing new (versus pilot) data (Churchill 1979). Again, as described in greater detail in the Findings Chapter, Cronbach alphas of the strategic choice and deterministic orientations developed using data of the final dataset reveal reliability coefficients close to or above Nunally's (1978) criterion. And the Table (Table 2, p. 72) of correlations of Study 2 reveal no significant correlations among any of these constructs, including these two originally developed constructs (i.e. strategic choice and deterministic orientation constructs), suggesting the item generation and construct purification successfully provided valid constructs.

Strategic Choice Orientation. The strategic choice orientation was measured through an originally-developed scale that taps into firm activities and outcomes desired in managing threatening public policy. A strategic choice orientation is defined as habitual firm behavior that positions government agents as impressionable and government authority as malleable. The items measuring this scale are derived from both environmental management literature (e.g., Duncan 1972; Emery and Trist 1965) and insight gained from Study 1. This scale is made up of 4 items which are all measured on a 7-point Likert-type answer option scale. As was done with items measuring the two other constructs of this study (i.e. society-serving, determinism orientations), some items' answer option scales were anchored by "very infrequently" and "very frequently" while others were anchored by "strongly agree" and "strongly disagree" to prevent respondents from relying on a common method in biasedly responding to survey items.

The items of this scale measure perceptions about the ability to (e.g., “We attempt to change government public policy that affects our businesses rather than change our business.”) and motives involved in (e.g., “We experience a high level of profit because of our ability to influence government public policy.”) managing and attempting to alter threatening public policy. Higher scores on this construct reflect an orientation that leans towards a strategic choice orientation in managing government pressures of the socio-political force and lower scores a perception of the socio-political force that indicates the firm does not view it as malleable. As seen in Table 2, this construct has a reliability coefficient of .61 which is close to Nunnally’s (1978) suggested criterion for a reliable construct (and a reliability coefficient of .85 in the larger dataset that includes all respondents who met the screener question (n=135)).

Deterministic Orientation. The deterministic orientation was also measured through an originally-developed scale that taps into both firm activities involved in restructuring business operations so as to react to government public policy pressures as well as perceptions that indicate the firm views the government force as an entity that determines (e.g., forces) the way it does business. A deterministic orientation is defined as habitual firm behavior that positions government agents and authority as establishing firm structure. As is the strategic choice orientation construct, the items measuring this scale are derived from both environmental management literature and insight gained from Study 1. This scale is made up of 9 items which are all measured on a 7-point Likert-type answer option scale and anchored by the phrases very (in)frequently or strongly (dis)agree, depending on the item.

The items of this scale measure reactions that suggest perceptions about the ability to manage government public policy (e.g., We break-down large departments into smaller, more differentiated departments when faced with government public policy that changes the way we do business.) and perceptions involved in being determined by government public policy (e.g., Government public policy constrains our ability to develop marketplace strategy.). Higher scores on this construct reflect an orientation that leans towards a deterministic orientation in managing government pressures of the socio-political force and lower scores an orientation that views the government force as an entity that does NOT force the firm to react and/or restructure its operations. This construct has a reliability coefficient of .82 which meets Nunnally's (1978) suggested criterion for a reliable construct (and a reliability coefficient of .75 in the larger dataset that includes all respondents who met the screener question (n=135)).

Society-Serving Orientation. The society-serving orientation was measured through an existing, multi-dimensional, 23-item scale that taps into firm activities in serving stakeholders. The scale was originated by Lerner and Fryxell (1994) and is referred to as the CEO Stakeholder Orientation scale. This multi-dimensional scale measures activities in serving customers (e.g., "If we encounter a customer complaint regarding a product or service deficiency, we respond quickly."), community (e.g., "We financially support charitable and philanthropic activities."), stockholders (e.g., "We pursue opportunities that have the highest expectations for maximizing earnings."), government (e.g., "We cooperate with governmental and regulatory agencies.") and employees (e.g., "We provide employee programs to cope with work and family stress."). Rather than adapting items assessing activities in serving stockholders, an eighth answer

option indicating the statement was not applicable to the responding privately-held firm (respondent) was available for all items of the society-serving construct and for all respondents. Setting aside this “N/A” answer option, these items were measured on a 7-point Likert-type answer option scale. So as to stay true to the original scale, answer options were only anchored by “strongly disagree” and “strongly agree.” Higher scores reflect an orientation that leans towards serving stakeholders and lower scores an orientation that leans towards serving stockholders. This construct has a reliability coefficient of .91 which meets Nunnally’s (1978) suggested criterion for a reliable construct (and a reliability coefficient of .91 in the larger dataset that includes all respondents who met the screener question (n=135)).

Threatening Public Policy and Strategic Response. After responding to construct items as well as items useful in measuring response bias, respondents were informed that the next part of the survey involved describing five instances of government public policy which altered the way the respondent’s firm does business. To assess such instances, respondents saw the same series of questions revolving around the influence and response five times. After reporting the fifth instance, respondents were asked if they could think of additional instances. If the respondent replied “yes,” they were directed to the same series of questions for up to five additional instances. In other words, respondents could report on as many as 10 instances of government public policy altering the firm’s business operations and the firm’s response to such influence.

The first question in this series to measure government public policy and the firm response to such asked respondents to “Think of a time when public policy (potentially) altered the way your firm does business. Now, choose the best option that categorizes this

instance.” Prior research in public administration describes public policy as falling into one of four categories, i.e. public ownership and management, regulation, incentives, and information disclosure (e.g., Bengston, Fletcher, and Nelson 2004; Lascoumes and Le Gales 2007). The respondent could choose among these four types of government public policy as well as “less formal government behavior not listed” and an “other” option. This question not only formally measured the type of government public policy that influenced the firm, but also served as a warm-up exercise in effectively answering the following question that asked for specific details of the influence. In other words, instead of offering examples that illustrated a government public policy which altered the way a firm does business, and potentially biasing answers narrowly towards these examples, respondents were first asked to think of the type of policy in a way that might have made the respondent open-minded in considering all of the government public policies the firm has experienced.

Because it is likely that a firm’s orientation evolves over time due to change in leadership, economic strength indicators, society’s ethics, government administrators elected, etc., questions revolving around instances of government public policy influence instructed the respondent to only think of and report on instances occurring over the past 10 years. The second question of the series used to assess government public policy influence and the firm strategic response involved asking respondents to “Now, briefly describe this time you just categorized in the box below,” while also reminding the respondent that the instance should not have occurred outside 10 years, what definition of government public policy the respondent should be keeping in mind when responding, and that the respondent would be asked about four (three, two, one) additional instances

later in the survey. This second question allowed the respondent to describe the policy in detail in an open-ended question so as to both provide the researcher with a richer understanding as well as the opportunity to code the response for type of government public policy in the case that the preceding question offering choices of type was not answered. It should also be noted that government public policy was never described as threatening or beneficial to the respondent in the two questions just described, but the respondent did have the opportunity to describe the instance as threatening or beneficial in the third question of this series.

The fourth question in the series used to assess instances of government public policy influence and strategic response involved asking respondents to first categorize the firm's response to the influence and then describe it, as was done in the first two questions. Respondents were first asked to "Please complete the following statement: Our strategic response to this public policy mostly revolved around..." which involved answer option choices including marketing activities (i.e. "marketing activities (product, price, promotion, distribution changes)"), political activities (i.e. "gov. interaction (1-/2-way, (in)direct, written/spoken, with agents/agencies)"), no response (i.e. "nothing; we did not formally respond"), "compliance only," and an "other activities" option. And this multiple-choice question was proceeded with a question asking respondents "Could you briefly describe this strategic response?" with a box for typing in the open-ended response. Again, the open-ended question which allowed respondents to detail the response provided the researcher with a richer description of firm strategies as well as an opportunity for coding response types if the respondent did not answer the preceding multiple-choice question.

Instances in which the two multiple-choice questions (i.e. policy type, response type) were skipped by the respondent required researcher subjective coding. However, additional scholars, a Communications PhD student and Management PhD student attending the researcher's academic institution and unaware of this dissertation's hypotheses and goals, were invited to also code these missing values. This research desired a reliability coefficient of .90 considering the coding involves meaning-oriented decisions (e.g., coding the meaning which was derived by the respondent's text versus coding if the text is duplicative) by the coders. According to Rust and Cooil (1994) two additional judges are needed to produce a desired coding reliability coefficient of .90 after accounting for the proportion of expected loss that is avoided when data are used to make decisions. Rust and Cooil (1994, p. 11) describe this loss in reliability as resulting from the "fuzzy nature of marketing concepts" in that coding for marketing variables often involves the imprecision of thinking and feeling. After three researchers in total – including the researcher – coded text into five categories (i.e. marketing activity, political activity, no response, compliance, other), an 88 percent inter-rater agreement was reached. This suggests the resulting coding was objective and reliable.

Each strategic response chosen that reflects competing in the marketplace in a new or improved way (i.e. marketing activities) was coded as +1 and each one that reflects attempts at altering public policy or influencing government agents/agencies (i.e. political activities) was coded as -1. A choice of neither competition- or policy-altering responses to threatening public policy (i.e. "nothing; no response choice") was coded as 0. These codes were then averaged across respondent instance reports so that each respondent was assigned a tendency score, in that strategic responses to a government

public policy influence carries a tendency in responding typically through marketing or political activities. Higher scores reflect a firm tendency to respond to public policy through competition-altering strategy and lower scores a tendency to respond through public policy-altering strategy. Although it is possible for a firm to use both types of strategies depending on the type of public policy threat, this measure offers an overall firm tendency descriptive of firm behavior.

Each open-ended response was followed by a multiple-choice question asking the respondent to indicate the year in which the firm implemented the given strategic response. Any set of responses indicating the strategic response predated the instructed 10-year time period was deleted from the final dataset. This resulted in the removal of seven total instances. Additionally, a removal procedure was conducted to ensure the same instance was not described by two or more employees of the same firm. A spreadsheet of policies was created so that each tab represented a firm. Then each instance of duplicate policy instances was coded. Each tab included all respondents' answers (i.e. regarding policy type, policy description, response type, response description, year of implementation) for the given firm. Two colleagues, a Marketing PhD student in the researcher's academic program and a marketing practitioner, both unaware of the dissertation's hypotheses and goals, were invited to also code these policy instances so as to find duplicate government public policy influences among managers of the same firm. All identifiers were removed and coded with alphabet letters so that the invited colleagues could not identify the firm or respondent. The three coding attempts into two categories (i.e. duplicate, not) led to 12 randomly chosen policy influences (one policy of a pair of duplicate policies from two colleagues representing the same firm, for example)

to be excluded from the final dataset. The three judges coding with two categories produced a 98 percent inter-rater agreement. This suggests the resulting coding was objective and reliable.

Process-Focused Activities. The hypotheses developed in Chapter 2 posit some degree of change in the consumer-related activities of product pricing and non-personal product promotional activity will occur as a result of firm strategic response to threatening public policy. Chapter 2 also describes these two activities as process-focused in that they are the default result of firm resources being dedicated to altering the political process of the threatening public policy. A single-item measure of change in the mass advertising budget in response to the government public policy influence was used to assess the process-focused activity of strategic change in advertising. Respondents were asked “Thinking only of the product(s) most affected, please indicate the degree to which this public policy led your firm to change (decrease or increase) advertising expenditures...” and could answer the question using a 7-point Likert-type answer option scale anchored by “extreme decrease” and “extreme increase” with the middle option reflecting “no change.” Although the goal of this study was to rely on secondary marketplace data (activity) to offer evidence of strategic management of government public policy, it was important that the measure of strategic change in advertising activity was self-reported because some of the firms sampled are privately-held and no reliable secondary data exists for this measure among privately-held firms.

Consumer Reports publications were used to measure a change in firm product quality and price as a result of the firm’s strategic response to the government public policy influence. The Consumer Reports’ rating measure served as a proxy for product

quality, as is done in prior research of environmental management (Moorman, Ferraro, and Huber 2013). Additionally, when the researchers of this Union rate a product, they also list the product's price in the publication. Every product in a sampled firm's product portfolio rated by Consumer Reports between and including 2014 and 2002 was noted for the publication's record of rating and price. Pricing strategies (change in price) is not a processed-focused activity, but is noted here in relation to this study's reliance on Consumer Reports publications. Consumer Reports uses a 5-point pictorial rating system anchored by poor and excellent (i.e. "POOR"=1, "FAIR"=2, "GOOD"=3, "VERY GOOD"=4, "EXCELLENT"=5). And Consumer Reports typically rates a given product on several attributes, with each attribute receiving a rating on the 5-point scale.

Next, every rating recorded for the products of interest were averaged across attributes, months, and then brands so that every firm was assigned one quality measure per year. As such, and because the year the firm implemented its strategic response to a government public policy influence was reported in the online survey, a change in product quality was calculated as the percent change in average ratings across two years: the year preceding the strategy implementation noted by the respondent in the online survey and the year proceeding.

In some cases, there was no immediate pre- or post-measure of quality or price. In such cases, the nearest measure was used. For example, products of Roche Diagnostics were not rated by Consumer Reports in 2013 or in 2012. So, if a respondent described a strategic response to a government public policy influence which was implemented in 2012, product quality and price measures of 2014 served as the post-response measures and measures of 2011 as the pre-response measures. Just as prices were adjusted to

reflect the value of a dollar in 2014, it is believed that Consumer Union (i.e. Consumer Reports) researchers rated products relative to the marketplace at the time the rating was created. For example, in 2003 Genuine Parts Company's NAPA battery product was rated by Union researchers within the context of the 2003 market for automotive batteries only. NAPA batteries would have a specific market share, brand value, competitive market position, etc. unique to 2013 and likely different from the rating context of 2010, for example. In other words, there is no need to adjust ratings for year of rating and there is no such thing as an outdated rating because each rating was true to the marketplace at the time of the rating procedure.

Product-Focused Activities. In addition to process-focused activities, the hypotheses developed in Chapter 2 also posit some degree of change in the consumer-related activities of product innovation and product development will occur as a result of firm strategic response to threatening public policy. Chapter 2 describes these two activities as product-focused in that they are the result of firm resources dedicated to offsetting the potentially negative impact on the firm because of the threatening public policy.

Consumer Reports always reports price per unit, such as the price per ounce of sunscreen or the price per the recommended daily intake of aspirin. However, two products' unit pricing criterion was inconsistent between 2003 and 2014. As such, the researcher always calculated the price per two batteries and one light bulb, rather than a pack of light bulbs, a pack of six batteries, one battery, etc. After noting every price of the products of interest reported by Consumer Reports between 2003 and 2014, prices were averaged across months and brands so that every firm was assigned one price

measure per year. Finally, prices were adjusted for inflation by referring to the Bureau of Labor Statistics' calculations of the US Department of Labor (Bureau of Labor Statistics 2014) so that prices reflected 2014 dollar figures. Thus, a change in product price was calculated as the percent change in average price across two years: the year preceding the strategy implementation noted by the respondent in the online survey and the year proceeding. Finally, because there is a 6-month lag between the time a Consumer Reports' researcher assigns ratings or price to a product and the time these measures are published, measurement was adjusted accordingly. For example, a product rated in the January 2005 issue of Consumer Reports was considered a 2004 rating (and price).

Innovativeness is measured here as patent counts because this dissertation's interest is in the development of new technologies useful for offsetting a limitation posed by the external environment and, thus, is defined using similar, prior research on innovativeness in managing the external environment: patent counts in the interest of "innovativeness of a firm's technological...ability to formulate and develop new products" (Moorman and Slotegraaf 1999, p. 246).

Searches for the firm's name using the US Patent and Trademark Office online patent application database was conducted using the website's Boolean language and codes. For example, searching for General Electric's patent applications for the year 2007 included the following Boolean phrase: AN/"General Electric" and PD/1/1/2007->12/31/2007, where AN represents the Assignee's name (i.e. the entity or person submitting the application) and PD the publication date range to search within for applications. Focal brand names (i.e. brands of firms featured through Consumer Reports) were also searched in the case that some applications were submitted with the brand's

name as the Assignee's name, such as searching for Fenway Partners' Easton-Bell Sports brand. Finally, every firm's year's tally of patents was divided by a firm's product portfolio. Product portfolio, in this study, is the number of products in a firm's portfolio divided by the number of brands in the given firm's brand portfolio. This allows for a more appropriate measure of innovativeness because it assumes smaller firms, i.e. firms with a smaller product portfolio, can be relatively innovative. Thus, a change in innovativeness as a strategic response to government public policy influence was calculated as the percent change in average application tallies across two years: the year preceding the strategy implementation noted by the respondent in the online survey and the year proceeding.

Social Impact. Social innovativeness was also measured by tallying US patent application data. Kinder Lydenberg Domini Inc.'s PRO-str-X measure of socially innovative products is often used in prior research to measure a firm's positive social impact (e.g., Sharfman 1996; Wagner 2010). And Pro-str-A is an extension of the MSCI-adjusted Kinder Lydenberg Domini (KLD) Inc.'s PRO-str-X's measure of socially innovative products. MSCI's Environmental, Social, Governance (ESG) Index used to guide customers' investment portfolio(s) defines a quality social product (i.e. PRO-str-A) as the "firm's efforts to improve the safety and health effects of its products/services" (MSCI 2011, p. 11) but evaluates only a small set of publicly-traded US firms.

So as to more effectively match a firm's social impact with perceptual measures captured in the online survey across a larger list of diverse firms both privately- and publicly-held, the US Patent and Trademark Office's online patent application database was searched for applications submitted by the sampled firms which included either

“safety” or “health” in the applications’ abstracts. An example of a search for socially innovative patent applications includes the Boolean phrase: AN/”General Electric” and PD/1/1/2007->12/31/2007 and ABST/(safe\$ or health\$), where AN refers to the application’s Assignee name, PD the patent dates to search within, ABST the content of an application’s abstract, and \$ the ability for searches to include other versions of the searched word (e.g., safety, healthy).

Firm Impact. Firm performance was measured as market share, i.e. the firm’s total sales divided by sales of the industry in which the firm competes (Srinivasan, Lilien, and Sridhar 2011). Market share is a reflection of a firm’s capabilities useful for competing in the marketplace (e.g., Moorman and Slotegraaf 1999) and, thus, appropriately reflects one dimension of firm success in either preventing public policy from limiting firm marketplace functions or competing in the marketplace in new ways. Respondents were asked to “Please note the % of your firm's net sales relative to your largest industry competitor.” and could choose among options of <25%, 25-49.9%, 50-74.9%, 75-100%, “largest in sales”, or “can’t even guess.” While actual sales figures are ideal, these only exist for publicly-traded firms and the dataset contains both publicly- and privately-held firms. And the entire survey is full of sensitive questioning regarding political behaviors that in some cases could threaten a firm’s public image, public policy as a degree of threat to a firm’s business operations, the government as constraining the way a firm does business, etc. Thus, while a specific percentage is ideal, the combination of a sensitive survey topic with a sensitive performance question prevented the researcher’s ability to capture actual market share. To be discussed in greater detail in

Chapter 5, neither self-reported survey measurement (i.e. “knowledge” screener question, market share question) correlated with the measure of social desirability.

Controls. Recruitment data purchased through DatabaseUSA included the average range of individuals employed and sales per firm. Both were used as control measures in assessing a firm’s relative size. To check the validity of these two measures developed by DatabaseUSA, a sample of executives were emailed after having completed the online survey with regards to the accuracy of the two measures. The email explained to the respondent that the researcher had information about the number of employees the given firm employs as well as average sales and had gained this information from the same source that identifiers and contact information had been gained for recruiting the given respondent. Then the text of this email reported the two measures of the given firm and asked if they were accurate measures. All respondents of this random subset replied with a message indicating the measures were accurate. Because measures of employees per firm were only available in ranges (e.g., 500-999 employees), this variable was converted into an ordinal variable where 250-499 employees was coded as 1, 500-999 as 2, 1,000-4,999 as 3, 5,000-9,999 as 4, and 10,000+ as 5.

To be illustrated with greater detail in the Findings Chapter, these measures controlled for additional explanations of unit changes in outcome variables within tests by entering these variables into the tests first. In other words, the analysis used in Study 2 allows initial antecedents (i.e. controls) entered into the test first to ‘soak up’ or explain variance in the dependent variable so that any variance the focal antecedent, entered into the test after the controls, explains is unique to that antecedent’s movement of units of the outcome variable. This allows a unique examination of the relationship between the focal

antecedent and outcome variable that cannot be explained by other likely, but uninteresting in the given study, antecedents.

Data reported on the annual reports of publicly-traded firms was accessed using COMPUSTAT, a financial dataset made available through Wharton Research Data Services of the University of Pennsylvania (<https://wrds-web.wharton.upenn.edu/wrds/>). While annual reports accessed through COMPUSTAT included 2012 average sales per publicly-traded firm, but excluded privately-traded firms, this measure was still used as a control considering it represented most respondents in the final dataset. Only 12 of the 76 respondents in the final dataset could not be matched with a COMPUSTAT measure of firm sales. And because this measure is included in this study only to more accurately explain the variance in the data explained by focal constructs (i.e. a control variable), some missing data in this variable still allows sales of privately-traded firms to represent a useful control measure of firm size.

Firm age was also controlled for by utilizing the year the represented firm was first established. This piece of information is widely available on the Internet and mostly gained through firm-originated websites or wikipedia.org when necessary. In addition, binary measures of firm type (i.e. privately-held, publicly-traded) and industry type (i.e. consumer packaged foods, home improvement/remodel products) served as controls in testing the hypotheses. Finally, a binary measure of product type was developed and used as a control measure. Firms which feature a product that is either consumed (e.g., chicken nuggets, toothpaste) or applied physically (e.g., sunscreen, electric razors) by consumers was coded as 1 to represent firms that have a product portfolio at risk for directly and physically endangering consumers. It is believed that this product type might encourage

relatively greater government attention in terms of monitoring and regulating the safety of such products.

TABLE 2
Construct and Item Reliabilities and Correlations (n = 76 respondents, 17 firms)

	Society-Serving	Strategic Choice	Determinism	Strategic Tendency	Market Share	Firm Strategy Knowledge	Social Desirability
SS	(.91)						
SC	-.01	(.66)					
D	-.21	.14	(.82)				
ST	.27	.02	-.16	()			
MS	.02	-.03	-.10	.09	()		
FSK	.10	.13	.05	.06	-.03	()	
SD	-.12	-.20	.20	.20	.06	-.14	(.95)
Means	6.06	4.74	3.23	.14	3.84	8.68	1.42
Std. Deviation	.63	1.06	.98	.77	-1.50	1.61	.17

() in diagonals represent Cronbach alphas. Empty parentheses represent single items with no reliability coefficient.

* represents significant correlations.

Market share is measured using a categorical answer option scale with options including sales relative to the firm's largest competitor of <25%, 25-49%, 50-74%, 75-100%, and "we are the largest in sales."

Analytic Approach

Unit of Analysis. Several public policy threats were captured in this online survey. In addition, several managers representing one firm were sampled. However, because the strategic responses (codes) were averaged to reflect firm behavior (tendency), the firm is considered the conceptual unit of analysis (with the actual respondent the literal unit of analysis nested within the firm) when testing hypotheses which posit relationships between firm orientation and firm strategic response tendencies (i.e. H1-2). So as to measure firm type (i.e. Self-Serving, Strategic Choice; Society-Serving, Strategic Choice; Self-Serving, Deterministic; Society-Serving, Deterministic), interaction terms between the corresponding constructs were utilized as the independent variable in this hypothesis testing.

For hypotheses H3-7b, which posit the relationship between strategic tendencies and marketplace activities, the policy instance nested within the given firm served as the

unit of analysis. Among all 76 respondents and 17 firms in the final dataset, 219 policy instances were reported. Of these 219 instances, 208 were accompanied by the report of a strategic response, typically because the firm felt comfortable in sharing this information and vice versa. Approximately a quarter of all 219 policy instances were reported as involving a response involving only compliance. And after excluding instances in which it was indicated that the strategic response for the given policy influence was something “other” than what was listed in the options to choose from, 100 instances of government public policy influence accompanied by a report of the strategic response involved were left for analysis, i.e. offered enough and the relevant information to calculate the strategic response tendency necessary for the testing of all 12 hypotheses and included a strategic response falling into the categories of marketing activities, political activities, or choosing not to respond.

Confirmatory Factor Analysis. Utilizing MPlus software package Version 7.1 so that each of the constructs were allowed to co-vary with each other, a CFA was conducted. This was done in order to ensure that each item loaded onto the correct construct. Convergent validity, which suggests that the items that comprise a construct share a high proportion of variance, was assessed by examining the factor loadings of the items in the study. Loadings that are significant and substantial are considered desirable by Anderson and Gerbing (1988). An additional assessment of convergent validity included calculating the average variance extracted (AVE) for each construct (Fornell and Larcker 1981). Discriminant validity, which examines how dissimilar constructs are from each other, was assessed by comparing the AVE to the square of the inter-correlations among factors (Fornell and Larcker 1981).

Common Method Variance. Following the procedure for assessing common method variance advocated by Lindell and Whitney (2001), two marker variables were measured and then tested as antecedents to all focal variables of this study using simple regression. A subset of online surveys captured only Nowlis, Kahn, and Dahr's (2002), four-item shopping ambivalence scale with adjustments in wording and anchors so that frequency anchors adjusted to agreement anchors. One item was reversed (i.e. emotionally mixed reversed to emotionally confident) to prevent respondents from rushing through this construct's items. Another subset of online surveys only measured a four-item job satisfaction scale (Comer, Machleit, and Lagace 1989; Lagace, Goolsby, and Gassenheimer 1993). Two different marker variables were measured for a more robust test of common method variance. These marker variables were chosen because they are believed to be unrelated to any of the ideas measured in this study and are believed to be unrelated to all variables measured.

These marker variables were regressed onto all focal variables in the study using ordinary least squares simple regression to assess if they significantly predict the focal variables of Study 2. If the marker variable showed a significant coefficient in measuring a given relationship, an issue with common methods variance potentially exists (Williams, Hartman, and Cavazotte 2010). This is believed to be true, because a marker variable significantly predicting a focal variable suggests the method by which the respondent chose answers, such as only choosing middle options across all or most of the answers in the online survey, artificially creates a significant relationship since the marker variable is not reasonably related to the focal variables of this study. In such an

instance, it is the method of choosing common answers that predicts the outcome variable, not the antecedent proposed to be a predictor.

Social Desirability. So as to make sure that patterns in these data collected are not due to a respondent's desire to help the researcher achieve the desired study goals (i.e. supported hypotheses) and/or a desire to only report information deemed as socially acceptable, a scale was measured in the online survey that measures social desirability. This scale is a shortened, 10-item version of the Marlowe-Crowne Social Desirability Scale (MCSDS; 1960) adapted by Greenwald and Satow (1970) and proven adequate by prior testing of shorter versions of the full MCSDS (e.g., Ballard 1992; Strahan and Gerbasi 1972). It measures socially desirable response tendencies affected by defensiveness, protection of self-esteem, and affect inhibition of a respondent and involves true-false answer options. Focal variables are allowed to correlate with this measure of desirability bias to assess a spillover in bias onto the other focal measures of this study. A large and significant correlation between the social desirability variable and another focal variable indicates responses within the given focal variable are biased due to the respondent's desire for socially appropriate answers.

Analytical Tool. HLM will serve as the method for testing this study's hypotheses. HLM is necessary for the structure of the data collected, considering that policy instances belong to particular respondents, and respondents to firms. This tool is efficient for these data in that it does not assume cases are independent and, instead, assumes the relationship between an independent variable and a dependent variable is different across groups. In this study groups are firms and, thus, these relationships between independent and dependent variables is contextual, i.e. depends on the firm

being examined. As such, HLM nests respondents within their respective firms so as to allow for the dependency of responses to be based on the firm the respondent works for. In other words, HLM efficiently assumes respondents of the same firm are NOT independent and nests them together within the firm for this reason. Thus, HLM is the most appropriate tool in testing relationships among nested data, like the nested data of Study 2.

CHAPTER FIVE

FINDINGS

Study 1: Qualitative Inquiry

The following are the conclusions of the horizontalizing process prescribed by Moustakas (1994), in which the significant statements of 40 interviews created clusters, themes, and orientation portrayals of 40 unique firms. As Table 3 displays, all but one of the 40 executives interviewed work for or own a for-profit firm (versus a non-profit firm) and 25 for privately held firms (versus publicly-traded firms). The average age of the firms is 57.4 years. One of the key informants retired a year before the interview took place (in italics), and while the market sectors each firm operates in varies greatly, the more popular sectors represented by participating firms (i.e. executives) in this study are financial services, food and beverage, hospital and health care, and insurance sectors. In terms of the number of people employed, 18 of the 40 are small (500 or fewer employees) and 10 are large firms (5k or more).

Title	Administered	Employees	Orientation
CEO	Private	11-50	SC
Senior Director of Store Planning	Public	5-10,000	SC
President, CEO	Private	1-5,000	SC
CEO and CFO	Public	1-5,000	SC
President, CEO	Private	501-1,000	SC
Founder, Owner	Private	11-50	SC
Founding, Managing Partner	Private	0-20	SC
President	Private	1-5,000	D
Executive Chairman	Private	501-1,000	D
<i>Corporate Chief Actuary</i>	<i>Private</i>	<i>1-5,000</i>	<i>SC</i>
Founding, Managing Partner and President	Private	501-1,000	SC
Senior Corporate Analyst - Strategic Pricing	Public	10,000+	SC
President, CEO	Private	11-50	neither
Senior Director Transactions and eCommerce	Public	5-10,000	D
Senior VP, CTO	Private	201-500	D
VP	Public	5-10,000	SC
President, CEO	Private	0-10	D
VP Patient Outreach and Program Support, Health, Wellness, and Fitness	Non-Profit	0-10	SC
Founding, Managing Partner	Private	11-50	SC
President	Private	11-50	D

Title	Administered	Employees	Orientation
President, CEO	Private	201-500	D
Senior Business Analyst	Private	1-5,000	SC
Founder, President	Private	0	SC
Director of Marketing	Private	1-5,000	SC
Account Executive	Private	51-200	SC
President, CEO	Public	10,000+	SC
Director of Sales and Marketing	Private	11-50	SC
VP Product Development and Marketing	Public	201-500	SC
Executive VP	Private	1-5,000	D
President, CEO	Public	51-200	D
Marketing Director	Private	1-5,000	SC
Senior Product Manager - Chemicals	Public	10,000+	SC
President, Nebraska Operations	Public	10,000+	SC
President, CEO	Private	201-500	SC
President, CEO	Private	51-200	SC
President, CEO	Public	10,000+	SC
CEO	Private	501-1,000	SC
Director of HR Strategic Intelligence	Public	10,000	D
Founder, President	Public	11-50	SC
Chief Communications Officer	Public	10,000+	SC

To reiterate the previous chapters of this dissertation, the goal of this study was two-fold, i.e. to confirm the orientations proposed in managing the external business environment and to explore the nature and details of the strategies involved in such management. Thus, the following conclusions first revisit environmental management theories and ask if the orientations proposed in the original theories, strategic choice and determinism, exist in the interviews conducted and then explores the marketing and political activities involved in the strategies of firms holding either of these orientations. Additionally, the analysis accidentally finds two additional strategies aside from mostly marketing or political emphasis as well as uncovers who exactly holds these orientations. Finally, and as explained in the Research Methods Chapter, the interview excerpts can be considered verbatim participant statements with brackets indicating researcher-added words to offer further clarification and parentheses indicating the researcher's attempt at maintaining anonymity.

Firm Orientations

The first question this qualitative research sought to answer lies in (dis)confirmation of the core idea of environmental management theories, i.e. that firms' view of government agencies make up an orientation towards government public policy that predicts (re)action by the firm. The two orientations of strategic choice and determinism were very clearly voiced in the interviews, suggesting firm orientations in viewing government agents/agencies as malleable or rigid do indeed exist. In fact, in only one interview was an orientation unclear and this indecision was an artifact of a firm very rarely impacted by government public policy. Of the 40 interviews conducted, 29 reflected a firm oriented with strategic choice, 10 determinism, and 1 not influenced by

government public policy enough to develop an orientation in the first place. These orientations are discussed in greater detail in the subsequent sections.

Strategic Choice. Those executives of firms with a strategic choice orientation indicated that influencing government public policy through political behaviors is necessary to remain competitive. Political behaviors used included political ties, paying for politician's travels, lobbying, contributions to PACs, contributions to industry lobbying associations, presenting research to legislators unfavorable towards the undesirable policy, photo opportunities as incentives in persuading politicians, building relationships with politicians, serving on industry boards, providing agencies with internal data, direct aid in getting candidates elected to political offices, etc. Participants explained that influencing government agents is a matter of protecting products that are desirable to customers, a strategy for driving sales and profit, a way of protecting their core product, etc. In most cases, firms influence agents with political behaviors to keep a successful product or consumer segment safe, as seen in the following interview excerpts.

“see if we can help craft a final decision that is best for the consumer and appropriate for us.”

–CEO, private, 500-1k

“I don't look at like you're being forced to do something, I look at it basically [as] making decisions based on ... how positively can impact your company?” –Director of Sales and

Marketing, private, 11-50

“Banks sent out comments so the government can make tweaks, our people waded through 900 pages to make comments and send in[to] the government. Our philosophy is we wanna obviously comply with regulation cause we don't have a choice but we will try to modify regulation as much as possible, such as talking with regulators.” –President and CEO, private,

500-1k

While the majority of executives of firms with a strategic choice orientation viewed influencing government agencies as a part of remaining competitive, others suggested it was a matter of survival; in line with many environmental management theories (e.g., Aldrich 1974). In the minds of participants, survival revolves around persisting in spite of public policies that drastically altered the way they did business. Policies changed entire business models, eliminated products and key consumer segments, etc.

“For [a] financial services organization, always, always a challenge.” “[We’ve] always a company that understands [the] effect of regulation, [and] has a culture of doing something about it and acting, participating, engaging, basically speaking. This is [an] industry issue that goes to survival of [the] company, not just culture.” “If don’t engage, then entire business [is] at risk.” – Founder and President, private, 501-1k

“I was lobbying for, since [the] Federal Government [is] taking over everything...” “In other kinds of insurance, like life, government, auto, government hasn’t taken over. I would just go to private actors and pay them money or something. But with this government, taken over industry, government runs exchanges, so they cut out all different private parties that were involved.” – Founding Partner, Insurance, private, 11-50

Finally, in 10 percent of the interviews, shaping public policy is a firm’s due diligence. These executives believe their entrepreneurial skills are not only useful in correcting for politicians’ mistakes in dictating businesses without business experience, but also believe playing a role in the political process is their responsibility. It is about firms that get involved and “step up and help” rather than “bitch.” A very common expression across interviews revolved around frustration that businesspeople with business skills and experience are dictated by entities and people who “don’t understand the economics and finance behind it” and are “ignorant” with

regards to economic and marketplace consequences of policies. This sentiment is expressed in a quarter of the interviews, regardless of the orientation, exemplified in the following interview excerpts.

“But in some way it forces small banks out of business and we get their business. This is sad, sad [that a] local corner bank no longer can help. Unfortunate in our opinion. So much regulation that they don’t have enough expertise and personnel to keep up.” –President and CEO, private, 500-1k

“As business leaders we cannot bury [our] head in [the] sand. Have to be participants in [the] process.” “...participation for greater good. I better participate in industry associations trying to make [the] total industry better.” –President and CEO, public, 10k+

“We have to.” “We’ve had nine straight years of record growth. Our share in our two major categories are 60 and 40 percent. [The] reason is faster learning cycles and being creative. So utopia would be for [a] government to understand what that means.” “Unfortunately, we have bureaucracies with no accountability and don’t deal with consequences cause [they believe] those things will work itself out.” –Director of Marketing, private, 1-5k

A Belief. Staying true to the definitions of orientations posed in Chapter 1, an orientation towards government public policy reflects a firm belief, or lack thereof, in its ability to influence government agents/agencies. Although beliefs were certainly present in the interviews conducted, a real divide between trends and beliefs appeared. Of the 29 firms (i.e. executives) oriented towards strategic choice, 8 rested almost entirely on belief. In other words, these 8 executives experience government public policy with strong conviction in possessing the ability to influence the agents or agencies involved, but absent an actual influence. In some of these instances, the lack of activity to support such a strategic choice orientation can be attributed merely to a lack of opportunity to influence agencies. For example, one of these firms has only been established for a

couple of years and another executive described policy influence as coming but yet to materialize, respectively, as demonstrated in the following two interview excerpts.

“A lot of conversation and movement, [but] not really materialized. It’s coming. [We’re a] start up, [but] looking to have one of our board members experienced in monitoring. Even in big companies, like Google (participant’s previous employer), with money floating around, have someone like legal monitoring or hire to lobby.” (Plans?) “Not yet, cause we are such a young company; thinking on it, we are thinking of it.” –Founder and President, public, 11-50

(Political activities?) “No, not yet because even our attorneys don’t know what’s even going to occur. When [the] time comes and it presents itself, we will be? fully armed.” –Founder and Owner, private, 11-50

However, the remaining firms with a strong belief in being able to influence government public policy had not really done so for fear of a negative public reaction and/or strong feelings that doing so is unethical business. In fact, worry over negative public reactions to firm influence of government public policy was a theme across many types of firms (i.e. executives) with both orientations. And this worry often prevents firm political behaviors in attempts to shape public policy, regardless of the firm’s orientation. Although most instances of such worry revolved around avoiding negative reactions among citizens and customers, some revolved instead around avoiding negative impressions among those agents and agencies in charge of drafting and enforcing government public policy. Because the interviews reveal these beliefs in the power of public image as related to public policy management strategies, instances and themes of such will be discussed further in a subsequent section of these findings titled, “Non-Traditional Management Strategies.”

Deterministic. As hinted in the preceding section, a quarter of participating executives experience government public policy influence as determining the way they

do business (i.e. deterministic orientation). In one case, the firm's market was truly determined by government public policy. The Biotechnology firm's market relies heavily on government protection and regulation in being able to bring a product to market. Yet, other executives of firms described an explicit strategy in avoiding markets with heavy government oversight and/or products likely to call government attention. Thus, the Biotechnology firm has, in essence, voluntarily entered a deterministic context.

In all other interviews a general sense of helplessness was echoed across deterministic firms. Vivid accounts of the Government being in complete control as a "mindless animal" that "can destroy things" were offered. In most of these cases, influencing government public policy is not realistic or not a consideration to begin with.

"We have much more control over our own actions than we do over those of the various governments." "you need to learn how to live in it" - Executive Chairman, Consumer Goods, private, 501-1k, 1921

"I don't know that our business would be able to have [an] impact on policy" -President, private, 1-5k

"[it's] a determination of whether we can successfully compete given the new mandate. ... If so, we proceed. If not, we withdraw." "Our feelings are that public policy is a cost of doing business in a highly regulated industry." -Executive Vice President, private, 1-5k

And in other cases, deterministic executives of firms feel as if their only option is to conduct business in a way that reduces the public policy threat.

"...that's something [that] could restrict us from buying a company, very real parameter, antitrust rules flex and move with the times." "...still can be reviewed, but that threshold changes over time, but that's something we keep abreast of, not necessarily influence but know would wanna be aware of." -VP, public, 5-10k

"If [the] Department of Labor eliminates this we would have to rethink, cause now we pay [\$] per hour, always under consideration," "[For] me, this small, clearly [have] to avoid but stay

aware of potential threats, I think that's how most approach, constantly staying aware [of] the threat and work to shape, work to minimize [the] threat associated." –President, private, 1-5k

Being “too small” was also a very common contingency to action. Almost all deterministic firms (i.e. executives) claim to be too small to have the resources, “hire a lobbyist”, have “legislative clout”, hold political ties, etc.

“I cannot, nor can my company influence what's gonna happen given our size... watch what happens and there's nothing you can do about it except through associations, and minimal even at that. Frustration.” –President and CEO, public, 51-200

Apparent in this last interview excerpt is that even though the deterministic firms claim that influencing government public policy cannot be considered because they are too small and lack the resources, half report being part of a larger industry effort, such as an industry association that lobbies government or a PAC. Keep in mind, this was NOT part of the interview questioning and, instead, was volunteered. Thus, this estimate of involvement is very likely a conservative estimate. Yet, even after mentioning these industry resources, executives of deterministic firms still appear to experience government public policy as constraining.

“I don't always agree with what [the] Association says, and again influence you have within [an] association is related to, [in a] certain sense, size of company, Kraft Foods [is a] multibillion [dollar] company, so they're gonna have more influence in [the] Association than us, because [they] contribute more money, have more resources.” “Some company our size isn't going [to] have all that. I happen to be on [a] committee where I have voice but there's 30 people on that committee, so really finite opportunity to say a lot, or influence a lot.” –President and CEO, public, 51-200

Aside from literal resources deterministic firms have at their disposal in influencing public policy, there also existed contradictions in literal size. The next interview excerpt

is from a deterministic firm that described itself as “too small” to be able to influence government, but in another part of the interview, as seen below, explains with regard to government influence on a firm,

“[It] sort of ramps up when you get bigger and bigger as [a] company when dealing with government. Even though we are approaching a billion dollars, we are still small to mid-sized.” – President and CEO, public, 51-200.

This confusion with the relationship between firm size and ability to influence government public policy is noteworthy because it is not factual. Table 3 indicates that roughly a third of deterministic firms employ approximately 10,000 individuals, another third between 1 and 5,000, and the remaining third a number relatively more representative of a small firm, at least with regard to employment. And a similar distribution in size exists among the executives of firms interviewed with a strategic choice orientation. In fact, a larger portion of firms with a strategic choice orientation employ 200 or fewer employees, i.e. are small firms. Approximately half of those firms with a deterministic orientation are private, and little over half of those firms with a strategic choice orientation are private. Although it might be concluded that there are more strategic choice than deterministic firms with a founding date predating the 19th Century, no patterns of expressed experience with government public policy and/or politics appeared. In fact, the opposite was found.

No obvious pattern in tangible resources explained a firm’s orientation, suggesting it is a belief largely shaped by the way the firm experiences government public policy. The most politically active firm interviewed explained, “as a small player we are surprised we can have any influence” and is usually satisfied if they have “nudged” government public policy their way. Consider the political behaviors and

experience in influencing government public policy this small, strategic choice firm engaged in at their very young age, as expressed in the interview excerpt below.

“Just met with senior IT people, business people working on those exact same projects, not necessarily legislators. We did go through [*politician*]’s office in [*neighboring state*] and a friend of mine who is President of [the] [*political*] party. He connected me to [the] Health Care Office, then they connected me. [It] ultimately led to [us], less than ultimately talking directly to legislators.” –Founding Partner, private, 11-50

And in the next interview excerpt, the same young, small, private firm discusses hiring a lobbyist and even lobbying himself.

“He had previously worked for [the] board of people making this decision we were bidding for, so he knows [the] decision process, some of the correct budgeting decisions, and can explain things. Later in the process we met another lobbyist...” “[*Insurance Firm*]’s [too] small to hire lobbyists, but [we] just happened to be one of best vendors bidding.” “...part of what we had to do.” – Founding Partner, private, 11-50

The participant goes on to explain,

“Since government [is] changing these, I had to investigate how models would impact people; impacted many, including smaller companies, I feel I’m uniquely capable of building these networks to lobby myself.” “I think only bigger companies engaging in politics is usually correct but not always.” “If serious about interrupting industry, [you] have to hire lobbyists early to forecast.” –Founding Partner, private, 11-50.

In addition to being too small to influence public policy, one of the largest firms, in terms of employment, interviewed might just be too big.

“Jesse Jackson’s leading [a] picket line outside Santa Clara. [The] environment demanding [we] look at this. Threat of regulation. Negative repercussions.” “He was upset. He felt like there wasn’t a reasonable amount of business being supplied to underrepresented minorities. In order to manage that potential negative perception, potential negative regulation or impact, [the] company put [a] strategic program in place. [It’s] perception risk mitigation. What it was is we had to have

this program or gonna suffer pretty severe consequences with minorities in business.” –HR

Strategic Intelligence, public, 10k+

The participant goes on to describe an entirely different government public policy that determined their business operations; relatively large operations that involve 10,000 employees.

“Everything changed. Now [we’re] making sure in compliance, being proactive in focusing attention in that area. We either comply or it’s bad news, but it wasn’t us going out and influencing that external environment. It was us modifying us in compliance.” “...because there’s a carrot and a stick. The stick is they’re gonna be hit by this stick cause there’s a federal repercussion or consequence.” –HR Strategic Intelligence, public, 10k+

Thus far, deterministic firms have been described as believing size constrains their ability to influence government public policy and holding a belief that the government force is too large to be able to influence. One last characteristic of some firms (i.e. executives) worth describing is a belief that it is unethical to attempt to influence government agents/agencies. Ironically, the two firms (i.e. executives) that are against intervening in public policy do, in fact, engage in political behaviors. These behaviors are described as attempts to influence government public policy and include presenting “the facts” to legislators, trying to “ask for particular legislation”, engaging in a “tremendous amount of education going on in D.C.,” and creating “maybe a slight budge” in government public policy because “the amount [of] regulation [that] exists is enormous.” While the next, immediate excerpt comes from the interview of a strategic choice firm, the excerpt that follows it is from a firm which holds no clear orientation.

“Only two times did we go to legislature and ask for particular legislation. Never felt like it was our role to do that; we respond.” “It is about looking at our missions which is to serve people.” “Companies generally don’t just sit back and wait.” “Can have heavy handed influence or

more moderate. [We say to government], ‘Here are the facts, here are how things work, you can do things this way, but here are the unintended consequences.’ Other companies use very strong, over the top mechanisms of quasi threats.” –

Founder and President, private, 0

“No, would be unethical and very short sided and we are not just wired that way. Would rather get it done right; go forward.” –President and CEO, private, 250-499

Orientation Contingencies. As part of the co-interpretation process, every interview was concluded by the researcher diagnosing the firm with one of the two orientations, explaining the diagnosis by reading back significant statements supporting such, and asking the participant for (dis)agreement. In all but one interview did a participant confirm the idea that firms are indeed oriented toward government public policy influence. This participating firm suggests that “...people that can and do influence policy tend to be in industries that are emerging and evolving and Government hasn’t fully sunk [their] teeth in” and doesn’t think of the government as a force when probed further. Further, this food-related product executive explains, “we are in a very large, complex category...so, what one can do is almost irrelevant. [It’s] a very mature segment of the economy (President and CEO, private, 250-499).” Admittedly, this is the only firm interviewed in which no clear orientation could be concluded.

However, every firm oriented towards strategic choice interviewed indicated that such an orientation is not a belief, but rather a series of marketplace contingencies. In other words, they all indicated that “it depends.” These contingencies range from size, as mentioned before, to the personal motives of legislators drafting public policy, to whether the firm is publicly traded, and so on. And while the participants had many reasons to suggest that their decisions to influence government public policy was anything but an

orientation, there is no real pattern in such reasoning to discount the orientations concluded. For example, only one of the executives (i.e. President and CEO, private, 250-499) interviewed in the food industry suggested that acting depends on the complexity or maturity of the product category. And, as another example, while some participants explained that there is too much uncertainty in predicting government public policy to be able to act, there are no common characteristics among these firms. In fact, some hold a strategic choice orientation while others hold a deterministic orientation. Examples of contingencies in deciding TO influence government public policy include:

- caused a major disruption -Founding Partner, private, 11-50;
- if the customer is hurt by the policy -VP, public, 5-10k;
- when business analysis (impact on money, profit) makes sense -Director of Sales and Marketing, private, 11-50; and
- depends on size because “it's no big deal for large companies to be hassled or punished” -Senior Corporate Analyst Strategic Pricing, public, 10k+.

And examples of contingencies used in deciding NOT to influence government public policy among firms with a strategic choice orientation include:

- industry is too powerful -Founding and Managing Partner, private, 1-10;
- uncertainty -Executive Chairman, private, 501-1k;
- public image prevents influence -Account Executive, private, 51-200; and
- lack of understanding, so rarely act -Founder and Owner, private, 11-50.

Thus far, these findings have clarified that firm orientations discussed in prior environmental management literature do in fact exist and can be described as strategic choice and determinism. The next section goes further to delve into whom exactly holds

these orientations. While prior environmental management literature discusses these orientations as belonging to the firm, this study is unique in that it uses key informants to clarify this distinction. The differences between firm and leader orientations are parsed in the subsequent section by returning to the interview content and analysis.

Are Firms or Leaders Oriented?

While the preceding section explicates the beliefs behind the orientations of strategic choice and deterministic, these findings have yet to confirm such orientations as firm- rather than leader-based. In parsing out these differences, Moustakas (1994) suggests examining the language used by participants as a tool in discerning underlying meaning. Language used in describing tendencies is one of many ways to (dis)confirm firm-based orientations used in this study. When describing decisions to influence government public policy (or not), “we,” “us,” “our,” etc. were used. And phrases such as “reflects our company,” “we support,” “it’s a mindset,” and “part of our culture” were the norm rather than the exception. However, words like “I” and “my” as well as phrases like “what most influences me is” or “I personally believe” were used in describing government public policy influences. In fact, words indicating concern for constraining public policy influence and distaste for government actions as personal occurred in almost all interviews. In most interviews, the topics discussed were highly moving and expressed with strong conviction, using adverbs like “maddening” and adjectives like “crazy” and even “creepy.” And in a little less than a quarter of the interviews, it was clear that the firm’s decision to influence government public policy (or not) was also a personal belief.

Yet, it is only in the accounts of one firm (i.e. CEO and President, private, 201-500) in which the participant's ideology appeared to bias what was shared about experiences with government public policy influence. This – looking for structural meaning units – is the second tool useful in parsing the difference between environmental management as firm- or leader-based. The participating firm (i.e. CEO and President, private, 201-500) suggests, for example, “[The] only thing standing from radical progressives and their goals is a Republican Congress.” And while others could usually think of at least one opportunity government public policy has provided their business, this same firm responds to such a query with, “Oh boy, [it] would [be] hard to be even think of one, and hard to spend my business' capital on public policy.” Two other executives of firms (i.e. Founder and President, private, 0; CEO and President, private, 0-10) also used personal motives in describing decisions to influence government public policy, but these firms employ 0 and 8 individuals, respectively, and these employees are the only strategy developers of their firms in these respects.

The third, and most convincing, tool in confirming environmental management orientations as firm- over leader-based is ending the interview by asking if the diagnosed orientation was a part of culture or the result of a leader. In doing so, it was overwhelmingly indicated that the tendency to allow government public policy to dictate ones business is the culture. And the tendency to push back against legislators constraining ones business is also the culture, but of senior-level executives. In other words, while only the three executives of firms just described as personally motivated (or biased) could not explain action with cultural accounts, all of those with deterministic orientations accounted their reactions to culture and a about half of those executives of

firms with strategic choice orientations to the culture of “the leaders.” In these cases of strategic choice, personal motives and interest in the political process was texturally indicated, as seen in the following interview excerpts.

“[An] entrepreneurial firm is a founder with a vision. Even Google’s (participant’s previous employer) culture is still founded on [a] few visions. A lot of companies are about founders and vision of big leaders.” “I believe that it is more about visionary founders than some esoteric company because companies are wiring.” Still being led by leaders, [but] when watch who is bold and ... bump into policy but get people to go meet to [the] FTC, [it’s] really, [I] think it’s about visionary.” –Founder and President, public, 11-50

“I became more interested in politics as a result. Generally, I’ve been someone who has not paid that much attention to politics and its impact on business. However, the more senior I become in our organization and more experienced in business as a whole, public policy has become something that I want to stay in-tune with and impact, if possibly through my vote.” –Senior Business Analyst, private, 1-5k

“It’s a very personal thing. It would break my heart. Bad enough to lose your own job, but people who depend on you leaving? Very personal. Ten years ago, [we] kept hiring, and our CEO [says], ‘what if there was a slow patch? Don’t wanna lay anyone off; can’t let these people down.’ I go to church with them, their kids know my kids. I don’t see it (policy). I see it in the way of people having lifetime jobs; people less than 100 feet away from me out in the factory.” –Director of Marketing, private, 1-5k

This distinction is important in two ways. First, literature related to environmental management suggests some firms “serve” stakeholders (Friedman 1962) and hold even “concern” for some stakeholders (e.g., Carroll 1979; O’Neill, Saunders and McCarthy 1989), but does not clearly distinguish behaviors from strategy. And the descriptions of marketplace context, firm management tools, environmental management decisions, etc. used in literature offering environmental management theories are often descriptions

emphasizing firm strategy (e.g., Duncan 1972; Porter 1979). This research suggests orientations are neither organizational behaviors or purely strategic. To reiterate, almost all firm executives attributed orientations to culture, and in many cases, to personal convictions. Instead, and as suggested in the literature review of Chapter 2, orientations may be more appropriately described as habits. While habits suggest an almost accidental behavior (i.e. cultural), they also suggest repeated activities (i.e. strategic tendencies).

Second, there appears to be two types of strategic choice orientations, i.e. strong choice in acting and strong belief in choice in acting. The former describes firms with a strategic choice orientation that display real tendencies in influencing government public policy, likely because of the strong conviction in doing so among leaders. The latter describes firms with the same strategic choice orientation as the former, but with relatively fewer tendencies in acting and likely because a firm culture is less provoking than the conviction of the senior-most leaders. Some of those executives of firms with a strategic choice orientation attribute the orientation to culture and others to the personal conviction of leaders. Remember also, that in a preceding section it was noted that some of those firms with a strategic choice orientation actually have tendencies to influence government public policy, while others believed in their ability to influence government agencies/agents but typically choose not to do so. Further examination of these strategic choice orientation groups reveals the two distinctions, i.e. culture of who and actual behavior, are related. In fact, almost all of those who have actual tendencies to act out strategic choice orientations in influencing government public policy also attribute their orientation to the personal conviction and interest in public policy.

Thus far, the discussion of Study 1 findings has focused on the first confirmation goal: to confirm that strategic choice and deterministic orientations do indeed exist in managing the government force. Additionally, these data found that while these two orientations exist, the strategic choice orientation exists at a belief and tendency level. Furthermore, it was uncovered that environmental management research must allow orientations to exist at both the firm- and leader-level. Finally, although many contingencies in influencing government public policy were found, the lack of common pattern among such contingencies suggests orientations in managing government public policy are two-dimensional (i.e. belief, tendency) and that the orientations found exist at the noesis level in which participants structure meaning by using textural descriptions, sometimes contradictorily, of the underlying meaning of their perceptions and actions surrounding the phenomenon. In other words, while this research confirms the strategic choice and deterministic orientations, it did so largely through the design that transcendental phenomenology qualitative design allows.

Pushing Forward versus Pushing Back

The second general question of this research asks, If firms do in fact hold an orientation towards managing the government force, what tools and activities are involved in such management? Specifically, do firms use marketing activities to push forward in the marketplace in spite of a government public policy threat and political behaviors to push back against the threat? The examples participants used in this study offer answers to these questions. The two subsequent sections sort through such examples and find generally that firms use both marketing activities and political behaviors in their management strategies, but rarely simultaneously. Then, marketing and political activities

aside, new and non-traditional strategies revolving around neither of these activities were uncovered and are discussed. These revolve around strategic avoidance of government public policy threats through intentional product development and/or market entry choice as well as varying approaches in interacting with the Government in reference to corporate responsible behavior.

The review of both marketing and political science literature offered in Chapter 2 suggests that firms sometimes use marketing activities, such as expansion of the scope of services a firm offers (Goll and Rasheed 2011) or advertising content alterations (LaBarbera 1983), when managing a government public policy threat that limits the way they do business. It was hypothesized in this same chapter that these marketing activities are used by firms with a strategic choice orientation to offset the limits the threat placed on the firm. If a firm can maintain a valuable marketplace position and/or improve such a position through adjusting its marketing activities, the firm is likely to prevent or cancel out the market limitation created by the public policy threat. Also, if a firm holds a strategic choice orientation it is likely to manage the government public policy threat, but may instead choose to do so by pushing back against the threat by using political activities designed to persuade government agents or agencies. The same literature review suggests these firm management activities, such as lobbying (Keillor and Lewison 2003) or political campaign contributions (Lux, Crook, and Woehr 2011), are also designed to prevent or mitigate the public policy threat. The interviews of Study 1 confirm that firms do indeed use marketing, political, or a combination of both types of activities in their formal, explicit management strategies. And the following discussion explicates these activities.

Management through Political Behaviors. It was more often the case that a participating firm with a strategic choice orientation described management of public policy threats through political behaviors (22 of 29 firms) than through marketing activities (6 of 29 firms). However, only 3 of the 29 strategic choice oriented firms (i.e. executives) mentioned utilizing both types of management strategies. When executives described pushing back against a public policy threat, it was very often with general statements about lobbying through industry associations. However, other political behaviors described involved providing internal data analysis to fuel the fight,

“one way we help banks is we have transaction data from numerous customers, we can help them say you’re really not seeing [a] positive impact on regulating customers” –Senior Corporate Analyst Strategic Pricing, public, 10k+,

“strategically provide information to the government force that helps articulate the case that my company is taking. For example, if we oppose a proposed government mandate, we would put together the facts that support our argument against the proposal.” –VP Product Development and Marketing, public, 201-500;

acting as consultants in assisting the Government in drafting legislation advantageous to the given firm,

“banks sent out comments so the government can make tweaks, our people waded through 900 pages to make comments and send in[to] the government” “sometimes they come in to get our opinion of changing banking” –Founder and President, private, 501-1k,

“now government comes to us for help, say [the] Government has [a] program [it] wants to run, they use us as an example, [a] very large ... team of surveyors that come to us so we can train them on how business can be run” –CEO and President, private, 51-200,

“we try to work with the government in advance of a final ruling to better understand their objective” “see if we can help craft a final decision that is best for the consumer and appropriate for us.” –CEO, private, 500-1k;

using political ties to sway agents or agencies for favorable legislation,

“we have involvement, we have relationships with people ...create legislation so we have a say in that there’s kind of a national [bias or basis] with support groups that try to sway Congress, but definitely groups that help to push legislation to go our way” “gives notoriety if we can partner with [the] Mayor’s office” –CEO and President, private, 51-200,

“when I get involved in product liability legislation, I’m looking into [the] interest of my company and how it might help me, [but] influencing my senator friends might be a matter of simple ego, [they] respect me for knowing something” –CEO and President, private, 0-10,

We did go through [*politician*]’s office in [*neighboring state*] and a friend of mine who is President of [the] [*political*] party. He connected me to [the] Health Care Office, then they connected me” –Founding Partner, 11-50;

financially contributing to political campaigns to increase the likelihood that the favorable candidate is elected and, thus, favorable legislation is passed,

“try to get professional business people elected at [the] state level, ... if they can’t get elected it doesn’t do you any good, the California Feed and Grain Association, all have PACs, we all contribute money to those PACs” “Democrat in [*city*] ..., his trip [was] paid for by PACs” –CEO and President, private, 201-500;

encouraging the firm’s retailers to talk to and get to know local representatives for potential persuasion in legislation favorable to the given firm,

“also, [we’ll] try to get our retailers, we sell in 2000 retailer locations, they get much more access to money cause they employee and have more access to transportation dollars; ... ABC [*firm product*] of Lincoln could make [a] larger influence in their community that we, a billion dollar company, could, ...but very rarely [do they] have the bandwidth to go [and] talk to [the] Mayor, but we send [them the] message that they will be heard” –Marketing Director, private, 1-5k;

using product experts in the effort to persuade government agents,

“the Farm Bill winds around [the] Senate and House every 4 years, I ‘m not gonna be able to affect that but what I can affect is that the same principles [that are] being advocating, we’ll have cream and dairy experts making sure our position is advocated” –President and CEO, public, 10k+;

or looking for loopholes in efforts to limit the threat of the public policy;

“if regulation limits driving to 10 hours and round trip is 12, we have to rethink if we can even do that, if [it’s a] critical part of business I might say I can’t do this and I’ll hire a third party to do this and worry about service regulation, ... I’m not going to break law in any way, [but] may hire someone suspect [of] not following law” –CEO and President, private, 201-500.

Although a majority of management strategies in dealing with the government force revolve around political tactics, some firms, instead, rely on marketing skills. The following section describes these firms and illustrates that marketing activities are used to offset business limitations a public policy threat creates.

Management through Marketing Activities. Executives described decisions to develop new products, alter product labeling, protect product strategies by buying ahead of the public policy threat, steal customers away from firms which do not have the capacity to maintain market share when limited by the threat, and many more examples of marketing activities used to offset the public policy threat. Consider these examples of pushing forward in the marketplace:

“a lot of our competition ran out of business, our strategy is diversification, we hedge against this risk by entering in a whole set of businesses, 20 legs under [a] table [is] gonna stand” –CEO and CFO, public, 1-5k

“work with [the] product and development team to make sure labels [are] not dealing with something [the] public doesn’t want to have” –Founding and Managing Partner, private, 1-10

“when times like this happen, you look at your expenditures as well, found ways to cut expenses to offset, whether changing vendors or renegotiation contracts to get lower rates, ...

changed vendors that offer [the] same level of business but at [a] lower rate” –CEO and President, private, 51-200

“intent was [a] product [that] for most part [was] convenient and take consumers away from borrowing” “[the] checking account product [was] more, people couldn’t afford that account, so [we] had to change products accordingly” –President of Neb. Operations, public, 10k+

While these examples offer only a glimpse into pushing forward in spite of the public policy threat, other firm descriptions of such marketing strategies were much more specific. Take, for instance, one firm’s strategic public policy forecasting so as to pre-buy the affected product in bulk as the following interview excerpt describes.

“there may be some particular type of cocoa, cocoa [is] primarily affected by government policy in countries around [the] horn of Africa, [it’s] highly volatile areas government-wise so [we’re] constantly monitoring” “if [I] believe [that] volatility [is] gonna go up, [I] can... pre-buy if I have enough storage and resources, before [the] volatile government [is] gonna hit those countries, to mitigate my risk” –President and CEO, public, 10k+

Because this firm’s industry is constantly being affected by government public policy, the firm is rarely surprised and, instead, is able to stay ahead of competitors and steal away customers because it has cheaper and more accessible products in demand. Purchasing ahead of the threat allows the firm a competitive advantage. However, the participant suggests only the larger firms are able to manage public policy this way. The participant goes on to explain,

“you have to have enough critical mass to [be able to] afford [the] overhead necessary to hire these new staff, so I can say to clients, you need to be with us cause I have the resources to ensure every one of our plants have the highest safety standards” –President and CEO, public, 10k+

Other firms rely on large business overhauls and significant product revamping so as to reduce the threat of a government public policy, as seen in the next interview excerpt.

“recently ... 2 percent cut of medical reimbursement, as CEO ... [I] have to find ways to make up revenue” “have to supplement business, new lines of business” “we got a campus where we have an assisted living center, [we] portioned off 20 percent of those rooms and created [a] secure environment for Alzheimer’s patients, invested \$250k in renovations, but will see additional revenue because [it] will offset because this center [involves] private pay and is sheltered from government revenue” “not having to rely on government resources added a whole new line of business” “with this private line of business, now only 60 percent of revenue [is dependent on government reimbursements]” –CEO and President, private, 51-200

In this example, the firm used product development to mitigate the threat. However, other firms’ marketing strategies involved product development in staying ahead of the threat. While this mostly involved descriptions of accurate policy forecasting, it also often involved rich descriptions of a perceived disconnect between government and marketing skill among government agents and agencies. Unlike the previous example that illustrates product development to mitigate the threat of public policy, the next example illustrates product development that outwits public policy.

“we don’t wanna adjust our old products, [we] wanna fulfill these things (public policies) but bring something new to the marketplace” “continue to be entrepreneurial and push the envelope, cause [we] will be out in front of [the] Government at some point and they gotta catch up” “we gotta innovate and be unique, if you try to manage a stagnant business you get more and more bogged down” “[the] Government struggled with keeping up with this technology, funny seeing them trying to keep up, problems with leakage of [government] information, problems with Target, inability to prosecute these people” “obviously [we] have to comply, but can also invent yourself out of it rather than try to go backwards” –Director of Marketing, private, 1-5k

Technological and entrepreneurial creativity allows this firm to not only survive, but also to thrive. “We’ve had 9 straight years of record growth. Our market share in our two major categories are 60 and 40 percent. [The] reason is faster learning cycles and being

creative,” explained the participant. The examples of firms pushing forward in spite of threatening public policy provided thus far illustrate proactivity, aggressiveness, and persuasion. However, not all firms (i.e. executives) pushing forward with marketing activities displayed such active strategies. In fact, approximately half of the strategic choice oriented firms (i.e. executives) using marketing activities to manage public policy described such a stance as simply less risky than relying on political behaviors.

“it’s not clear yet on privacy, but we want to have certain things in process, two pricing ideas, not sure which to use until polices [are] more formal, so both legal contracts and sales presentations” –Founder and President, public, 11-50

“can’t bet [the] whole farm on influencing policy” –CEO and CFO, public, 1-5k

Firms engaging in marketing activities vary in their strategies. This section demonstrated that while some firms use basic marketing tactics, such as package message alteration, other firms rely on major product changes. And it further demonstrated that some of the marketing strategies used to offset limitations on how a product can be sold or advertised, for example, involve marketing activities, such as inventing new products not yet regulated. Yet, other examples of marketing activities to push forward rely on skill, such as cost-benefit analysis of marketing over political action.

It should also be noted that almost all of the executives of firms holding a strategic choice orientation tended to prioritize political over marketing behaviors in management strategies, but 3 of the 29 firms (i.e. executives) oriented in strategic choice approached government influence strategies purely through a marketing approach. Another three approached decisions to and action in influence government public policy with equal consideration of both political and marketing behaviors. And all six of these executives of firms who seem to place special emphasis in using marketing activities to

manage the government force sell products consumed or applied physically by consumers, i.e. consumer-packaged foods, baby products, student loans, “community” banking, and personal grooming products.

Non-Traditional Management Strategies

While the preceding two sections discussed the two most common types of managing government public policy, i.e. through marketing or political activities, this research uncovered two other strategies somewhat unrelated to pushing forward and back. These two strategies are developing policy-neutral products and managing government agencies through the façade of responsible corporate behavior, to be discussed in greater detail in the two subsequent sections.

Policy-Neutral Management. Ten percent of participants described management of government public policy as revolving around themes of avoidance. Thus, rather than the firm engaging in pushing forward strategies that emphasize marketing activities or pushing back strategies requiring political behaviors, a few firms use avoidance strategies that are just as proactive as those using pushing forward or back strategies. Ironically, these strategies involved avoiding interaction with or attention from the Government (i.e. public policy). Yet, these strategies greatly relied on formal and explicit marketing tactics. Take the following interview excerpts as examples of strategic choice firms taking into account the markets to enter/exit based on the degree of government oversight or attention.

“as much as I can, I try to limit my dependency on them (Government)” “big force, and [a] force you can’t ignore” “we’ve got to have a good balance, ...increase our government awareness, but increase our ability to not rely on them, I got to play that line very carefully” –CEO and President, private, 51-200

“if we were looking at a company and its portfolio full of, ...[we’re] not in [the] tobacco business, tobacco, ... [we] wouldn’t wanna necessarily have a negative...” “Hart-Scott-Rodino, ... antitrust affects, American and United Airlines bonding together, [the] perception of if [you] put two [big] market share products together, [it’s] not good for consumers as a whole, so when looking at acquisitions that’s something [that] could restrict us from buying a company, [it’s] a very real parameter” –VP, public, 5-10k

While these offer subtle examples of proactive avoidance strategies, other firms (i.e. executives) created a neutral business atmosphere for themselves by placing great care into offering a good product and/or doing the right thing (according to government public policy) in creating the product.

“PPE, personal protection equipment,, hard hats, safety glasses, jeans, steel-toed boots, shields, breathing protection, we work constantly on that, yes it is requirement but it’s important and something we constantly dwell on, [we] have safety meetings once a quarter about lifting properly, what to do when [it’s] too hot [or] too cold, [we give] constant reminders of this equipment, how to hold things and not cut yourself, [it’s] never ending” –President, private, 11-50

“we will make [the] right products for consumers and much prefer not getting involved in policy” -President and CEO, public, 51-200

These executives, i.e. firms whose management strategies in dealing with potentially threatening government public policy revolve around avoiding attention by avoiding government sanctions (e.g., regulation, fines, direct monitoring), place great care and focus on consumers and the employees that indirectly affect consumers. This is different than care and focus placed on market position in spite of threatening public policy as well as care and focus placed on the political process. Both of these types of management strategies occur in spite of a threat while avoidance occurs notwithstanding the threat, but with awareness of the threat. And, not surprisingly, these executives of firms hold a

deterministic orientation, but one different than that described in management and marketing literature. This literature stream suggests a deterministic orientation is one in which the firm views forces, e.g., socio-political force, as determining the way the firm does business and structures its operations (e.g., Duncan 1972; Porter 1979). Rather, avoidance strategies are proactive in nature, despite still being deterministic. Firms engaging in avoidance strategies proactively develop products and enter markets that are understood to involve little to no government monitoring. The interviews with executives of firms engaging in avoidance strategies were vivid and specific in terms of the decisions and tactics that go into an avoidance strategy. These decisions were described as plans to avoid government threats, which is a very proactive stance. Consider yet another type of avoidance strategy that is even more proactive: policy-neutral strategies. The following excerpts are from interviews with executives of firms who deliberately engage in business arenas and develop products that are very unlikely to involve government attention, regulation, oversight, etc.

“in the lifecycle of a firm, the orientation can change, ...earlier in our lifecycle we believed we could influence, then so many strange events happen that you can't” “I'm just going to create products, services that are policy neutral” –CEO and CFO, public, 1-5k

“we are, right now, not regulated by Health and Human Services, but [we] constantly ask if adding [a] new service, does it bump us into falling under [it]? [this] adds [a] layer of complexity to [the] decision-making process” “I don't know that our business would be able to have [an] impact on policy, and [we're] certainly not interested in spending time and money trying to do so, and [we've got] other things to spend time and money on, opportunities, ... avoid it” –President, private, 1-5k

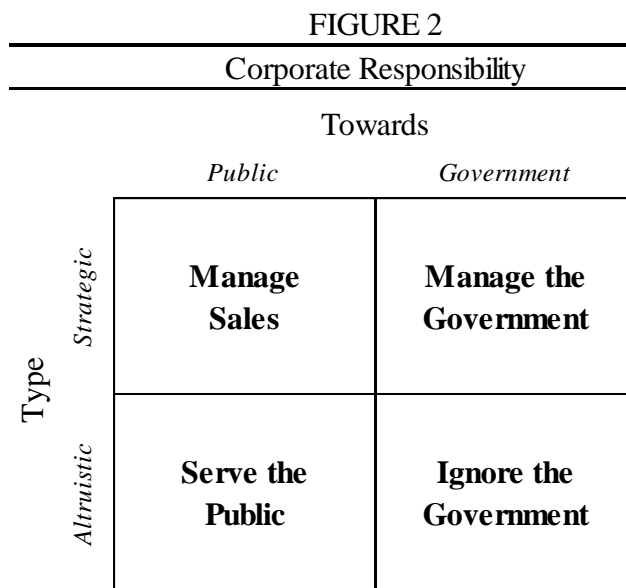
While the first interview excerpt is from a firm holding a strategic choice orientation, the second is from a firm holding a deterministic orientation. And while the first excerpt is

from a firm who targets young consumers between 18 and 24, the second firm targets senior citizens. In fact, beyond sharing a policy-neutral strategy goal, the firms (i.e. executives) holding non-traditional management strategies share very little in common. Instead, these data reveal a management strategy that is both proactive and reactive in nature, both strategic choice and deterministic with regards to orientation, and both concerned and somewhat unconcerned with potential threat sourced by government public policy. Perhaps firms utilizing this last management style, i.e. policy-neutral, are the true escape artists who are proactive, yet intelligently uninvolved. Escape strategies that involve evading the government force is new to external environmental management. It is different from determinism in that it does not involve allowing the force to dictate the firm, yet different from strategic choice in that it does not proactively manipulate the force.

Management through CSR. While no interview questions involved Corporate Social Responsibility (CSR), the topic came up very often in interviews. This involved mentioning worry about the public's perception of the company, (natural) environmentally sound product development, a responsibility to engage in politics as good businessmen, the lack of ethics involved in attempts to influence the Government, doing good, partnering with agencies in efforts to protect consumers, consumer demand for CSR behaviors and products that symbolized such, etc. Some follow-up questions did involve an inquiry into a participant's statement about not engaging in political behaviors because it was inappropriate (e.g., follow-up question in a semi-structured interview). For example, when one participant said "the last thing [we] want is [for] ... [a] guy from 60 Minutes [to] show up on [our] door step (Senior Director Transactions and eCommerce,

public, 5-10k),” it was asked if public image is factored into decisions involving influencing government public policy. Yet, the notion that responsible behaviors on the part of the firm are a very important part of the firm’s culture and/or strategy became a significant element of discussions. From these mentions, four types of corporate responsibility arose.

As seen in Figure 2, two major themes appeared across interviews in which this notion of corporate responsibility dominated the conversation, i.e. the type of behavior, and who the firm behavior was intended for. Cells along the y-axis of Figure 2 depict two types of corporate responsibility perceptions that grew from the interviews, i.e. strategic and altruistic responsibilities. In some interviews, executives of firms volunteered information about their responsible behaviors as a for-profit business, but did so in a way that was synonymous with smart business. In other words, executives of firms practicing strategic corporate responsibility mentioned in the interviews that doing so drove sales or facilitated compliance with threatening public policies, for example. And as these two examples imply, strategic responsible behavior was described by the given executives as useful for competing in the marketplace, but also for avoiding government sanctions. The other type of corporate responsibility that appeared in interviews with executives desiring conversation about this topic involves altruistic behaviors in which the firm believes acting responsible is the right thing to do for society without mention of business benefits.



Cells along the x-axis of Figure 2 depict two groups of people the firm's responsible behaviors are concerned with and, thus, directed towards, i.e. members of the public and government agents/or agencies. Participants discussing worry about public image often also mentioned that they alleviated such worry with visible, responsible behaviors. These behaviors included avoiding political tactics in influencing government agents that might "end up on the front page of the WSJ the next day" or working with supply chain members in finding new ways of reducing product waste that might harm the natural environment, for example. However, firms describing responsible behaviors in the same statement which described their concern, or lack thereof, for government public policy threats are examples of engaging in responsible behaviors designed with the Government in mind.

Together these two dimensions of corporate responsible behaviors, i.e. type and target, combine to create four types of firms that the interviews suggest exist in the marketplace. These firm types involve firms behaving responsibly so as to manage the

government force and include the utilization of responsible behaviors to 1) Manage Sales, 2) Manage the Government, 3) Serve the Public, and 4) Ignore the Government. The next few sections explicate these four types of firms further by turning to interview excerpts that illustrate each.

Executives of firms which Manage Sales offered examples of responsible behaviors they engage in as for-profit businesses, but never without also mentioning the marketplace rewards of doing so. Because marketplace position (e.g., sales) was always associated with corporate responsibility among these firms, they can best be positioned as engaging in strategic (rather than altruistic) behaviors that are responsible, but in an effort to positively persuade members of the public, which include consumers. Consider the following interview excerpts as examples of such firms which do not mention responsible behaviors without also mentioning market rewards or incentives, a discussion trend common throughout such interviews.

“[you’re] not gonna see companies take [a] hard issue, no profit in doing that, [people] much less likely to rally to [your] cause, people who disagree with you will react more negatively than people agreeing with you acting more positively...people who disagree with me [are] probably gonna take some kind of action and the other part may be quiet and do nothing at all, how do I come out better doing this, I don’t, so why would I do it?” “not so much influencing government, what you do is when see consumers caring about something you reformulate products, free of preserves, free of GMOs, ... we’ve appealed to them” “nobody saying not [they’re] gonna eat [the] product cause no [there’s] GMOs in it where there are people saying [they’re] not gonna eat [it] cause it does have GMOs, so you market that action and try to get appeal without alienating [the rest of [the] population” –President and CEO, public, 51-200

“everyone has limited marketing dollars so try to get [the] biggest bang for it, but entertaining clients, trying to stay engaged with various chambers, various nonprofits including UNL, ... invest

resources so that you would be an important part of consideration” –President of Neb. Operations, public, 10k+

“[we’ve] been proactive in going out and reaching out and engaging with [the] NFL and leading physicians” “you’re not gonna sell a billion extra pieces because of that, at least not yet, what do we invest in, we gotta make money to stay in business, so [it’s] part of that, societal expectation though” –President and CEO, public, 10k+

These excerpts, as well as other examples of responsible behaviors offered by executives of firms that Manage Sales through corporate responsibility are, in fact, responsible with regards to being safe and fair. Yet, the following excerpts which describe firms using responsible behaviors to Serve the Public are in sharp contrast to firms that use responsible behaviors in Managing Sales. The former firm type described responsible behaviors without also describing potential marketplace rewards for conducting themselves in this manner. As such, firms that engage in responsible behaviors to Serve the Public, do so out of altruistic motives, as seen in the following interview excerpts.

“[we’re a] very ethical company, our founder is not in it for [the] money at all, we don’t work for shareholder value, that means nothing, we have a vision for what it means to be a good citizen” “our primary responsibility is the 900, 800 families that build great products for our consumers, [yes, we] have to pay bills at end [the] of [the] day, but take pride in being [a] company that’s an unusual company in this world, I got enough money to live my life, I’m in it for the families” – Director of Marketing, private, 1-5k

“our primary job is to make a consistent long term profit, [it’s the] objective of every business, if [I] do that, [then] I have to be respectful to [the] community, such as how I treat employees and [the] environment, if [I] trash both I won’t be in business for [the] long haul, doing right things over the long term to help [the] community, environment, and owners of business, the shareholders” –President and CEO, public, 10k+

“we were trying to source out cocoa beans from different parts of the world, and we’re trying to source out products that were family-owned instead of conglomerate, that’s where [the] rice stove project started, ...there’s an issue for farmers, the husks of rice plants, [meant] to help farmers, but ended up taking oxygen or something, hurting them [more] than helping them so [we’re] sending [a] percentage of sales back for rice stoves that burn husks without hurting the environment” –Owner and Founder, private, 11-50

While the excerpts just offered describe firms that engage in responsible behaviors altruistically so as to serve members of the public, another group of firms with altruistic motives are engaged in such behaviors to ignore, rather than serve, the Government. Firms that Ignore the Government do engage in responsible behaviors, but do so without the intention of serving some stakeholder, such as the public or the Government. Instead, these firms are either too concerned with other stakeholders to serve the government stakeholder in an effortful manner, or simply are not threatened enough to view the Government as a stakeholder to serve. Regardless of the context, however, executives of firms that Ignore the Government provide examples and discussion points in interviews that suggest their motives for behaving responsibly are without concern for marketplace rewards. Consider this first set of interview excerpts as examples of responsible behaviors of firms that Ignore the Government because other forces in their external business environment require much more relative attention and motivation.

“not (government public policy) one of the primary forces we consider on [a] daily basis, weather, competitors, people’s general recreational choices are all [a] bigger force, general economy, those things are forces we deal with regularly” –Marketing Director, private, 1-5k

“view public policy as doable if the market will allow us to price for the additional risk and/or expense. Our feelings are that public policy is a cost of doing business in a highly regulated industry.” –

Executive VP, private, 1-5k

And consider this set of interview excerpts as examples of altruistically responsible behaviors among for-profit firms without conviction to serve any person or group simply because a lack of pressure exists for doing so.

“highly ethical, conserve in nature, [we’re] not stepping out on [a] limb, from [a] business perspective [we’re] very aggressive, but conservative” “we always set [the] bar high, if they say go 4 inches, we go 6.5 inches, we would rather be conservative than reckless, [we’re] probably proactive to that sense” “but in my mind it’s about ... working with [the] Government, [we] don’t view [it] as adversaries” –Senior Director Transactions and eCommerce, Information and Technology Services, public, 5-10k

“[we’ve] never [been] limited [by] those types of situations, ...there hasn’t been any ...as far as what we could or could not do , just have to make sure in guidelines, anticipate” “no, would be unethical and very short-sided and we are not just wired that way, would rather get it done right, go forward” “amount of regulation exists is enormous so what one co can do is almost irrelevant, very mature segment of [the] economy” “most of its fine, fair, reasonable” –President and CEO, private, 250-499

“here are the facts, here are how things work, you can do things this way” “(Montana, Nebraska), no government force to do anything, so just continue on” –Founder and President, private, 0

“restricting free speech, trade, can and cannot advertise, privacy laws, ...have to be really respectful” “laws for privacy [are] pretty clear, ...I totally agree with privacy laws, I think as a company we do , I think as an industry we do” “we won’t actively or publicly condemn restrictions, there’s an old adage that you need to pick the hill you’re willing to die on...” “we’ve been fortunate... very strict when I started but eased quite a bit” –Account Executive, private, 51-200

Finally, and similar to firms engaging in responsible behaviors strategically so as to Manage Sales, some of the executive descriptions offered in interviews of corporate

responsible behaviors suggested the motives for doing so are to Manage the Government. Similar to the firms engaging in such behaviors to Manage Sales, executives of firms doing so to Manage the Government never described their responsible behaviors without mentioning a reward or strategic incentive as well. Unlike those firms concerned with Managing Sales through responsible behaviors, however, executives of firms Managing the Government were concerned with behaving responsibly so as to avoid public policy attention or threat. These executives discussed volunteering for Government projects, partnering with the Government so as to assist in an effort to benefit society, offering services that allow marketplace fairness to disadvantaged vendors, etc. And the incentives for acting in these responsible ways included more effectively being able to predict the drafting or materialization of public policy, ‘keeping your friends close and your enemies closer’, avoiding negative government sanctions, etc. Consider the following interview excerpts as examples of firms acting responsibly in an effort to Manage the Government, rather than for purely altruistic reasons.

“car seats, influenced by government regulators” “interactive with [the] Consumer’s Union and Highway HS, mostly in outreach” “figure out what policies they’re pushing, ... so advocacy and associate with [the] National Highway Transportation Safety Administration” “they [are] very powerful in pushing consumers so we want to align with them” –CEO, private, 500-1k

“I really believe it’s ... 75% compliance driven, 25% society driven, and that balance is usually closer to a Pareto, everything in life boils down to 80 20, everything we do boils down to us reacting to the environment in which we operate, the industry, the market, the threats, opportunities, and 20 is okay if this is for the good of society” “any corporation, any company are going to be socially responsible, of course, because there’s a carrot and a stick, the stick is they’re gonna be hit by this stick cause there’s a federal repercussion or consequence” –HR Strategic Intelligence, public, 10k+

“amount of reimbursements, ...less machines needed, less scanning done, less equipment needed, affects us but also society because you could provide preventative care” “can take [the] high ride and say we care about health, can take [the] other road about, we care about standards, can take [a] stance on either side and be fair and correct” –President and CEO, public, 10k+

“making sure we are having engagement in [a] highly transparent way” “innovation, being innovative in [the] way we partner with government entities, with competitors, [it’s in our] corporate DNA” “our organization [was] established to address significant impacts of diseases in emerging economies” –CCO, 10k+

Uncovering the firm management type Manage the Government is in sync with literature discussing the theory of the firm discussed in Chapter 2. It described one scholarly perspective of firm duty as revolving around surviving the marketplace by not only serving stockholders, but also avoiding sanctions from the external business environment that might signal negative survival skills to stockholders. Narver’s (1971) thesis on corporate responsibilities and firm welfare describes firm survival in the long-run as dependent on the ability to avoid long-run sanctions, particularly from government sources. This ability signals to investors that the firm is able to maximize long-term wealth. Thus, while Narver’s thesis does describe firms’ motivations for managing sales as well as the Government, it is somewhat limited in describing CSR motivations in this respect. However, the findings of this study perhaps extend Narver’s thesis by suggesting two ways in which firms can signal to stockholders their ability to survive the external business environment and persist is through visible responsible behaviors.

These four types of firm behaviors with regard to responsibility enrich literature conceptualizing CSR (e.g., Ackoff 1974; Berens, van Riel and Van Bruggen 2005; Hult 2011). To the researcher’s knowledge, this literature stream has yet to study responsible behaviors among for-profit firms through the lens of environmental management of the

external business environment, and especially not through the lens of managing threats posed by the government force of this external environment. Furthermore, while this literature stream has considered strategic motivations behind CSR behaviors that are visible to the public and its members (e.g., Hill and Watkins 2007; Maignan and Ralston 2002; Rapp and Mikeska 2014), it has yet to consider these motivations in avoiding government sanctions. Instead, the only examination of a relationship between management of business environment forces and CSR is that of Bocquet et al. (2013) who study firm innovation as a result of European Union regulation regarding firm waste and pollution. They find firms to innovate as a result of such pressures which result in societal benefit, but do not study CSR strategy or motivations. The present study, however, finds that some firms engage in visible behaviors that portray the firm as responsible so as to positively impact consumer attitudes towards the firm and its products, but also as a form of impression management to avoid negative attitudes towards the firm held by members of the Government who draft and enforce public policy.

Study 1 Discussion

This study is important to environmental management literature because it allows individuals to share the noetic (structured, textural description) story and, thus, allows the researcher to glean the individual's noesis (underlying meaning). This study found that exploration of firm environmental management orientation should allow for both firm-level and executive-level descriptions. It found a second layer of firm orientation beyond the categorical description of strategic choice and determinism: that of belief or trend. And through this exploration process, this study found that ignoring whether the firm

describes such management to be actual or perceptual also ignores whether the orientation belongs to the firm or senior executive team. The implication of this finding may be important to researchers wishing to study empirically environmental management orientations in that the potential outcomes of such orientations will likely depend on whether the measurement revolves around actual or convicted strategic choice.

The confirmation goals of this study were to resolve whether strategic choice and determinism orientations exist (or not) as well as to confirm that strategic choice includes both marketing and political activities. Not only did this study meet these goals, but also it found that firms are relatively more likely to engage in political activities, i.e. push back, in managing government public policy threats. It further found a third type of environmental management that fit into neither strategic choice or determinism orientations, designated in this analysis as policy-neutral strategies designed to all together avoid this threat in a very proactive and explicit manner. While it was suggested that this third orientation is proactive in nature and among only strategic choice oriented firms, it is yet to be clarified if this strategy is explaining an orientation beyond the two focal orientations highlighted throughout this study. Future research should work to parse out these differences and allow for policy-neutral strategies to be measured in research working to understand the antecedents and outcomes of managing the government force.

It is because individuals perceive phenomena through both consciousness and the object in reality that descriptions of the Government, the external business environment, the firm's ability, or lack thereof, to manipulate government agents or agencies, etc. vary so widely among participants. While some executives described contingencies in public policy influence as size, others described size as the platform for influence. While some

executives described orientations toward managing government public policy threats as culturally-based, others did so through personal conviction (i.e. conviction-based). While some executives described responsible behaviors as a tool important for managing the marketplace, others did so by emphasizing the importance of managing the Government, and so on. The similarities and differences were only partially explained by strategic choice and determinism orientations. In some instances, the orientation was the impetus behind the behavior being described, while in other cases, such as policy-neutral strategies or cases in which uncertainty prevented active management, the orientation could not be used to describe the patterns found in this study. This is likely due to past experience, such as prior fines, government as consumer exchanges, existing political ties, etc. And it is this directedness that transcendental phenomenology allows to both come about in data and explain data results. The directedness understood as inherent in qualitative designs may be used by participants as a coping mechanism for survival, success, reinvention, persistence, etc. As suggested earlier, studying firms is messy, plagued with confusion, and full of contradiction. This research was able to capture some of this messiness and induce patterns of non-traditional CSR, non-traditional government management strategies, contingencies to engaging in political behaviors revolving around the sensitive nature of products, and degrees of strategic choice and determinism orientations. It is this messiness, the varying degree to which firms perceive and manage the same force, which is the phenomenon of environmental management of government public policy threats.

Study 2: Quantitative Findings

Descriptive Characteristics. The final dataset analyzed using HLM in this second study represents a heterogeneous set of firms (n = 17 firms, 76 respondents). Six are publicly-traded and eight manage a product portfolio revolving around offerings that are consumed or applied physically by consumers (e.g., running shoes, blood glucose meters). Firms categorized as managing product portfolios not revolving around consumed or physically applied products offer products for home construction or improvement, bathroom fixtures, computers, etc. In total, four firms' offerings mostly revolve around residential maintenance and improvement (e.g., home appliances, yard maintenance), three around computers and software, and the remaining around consumer personal hygiene and/or packaged foods.

Five of the sampled firms employ 999 or fewer individuals, 2 employ 5-9,999 individuals, 1 employs 10,000 or more individuals, and all other sampled firms employ 1-4,999 individuals. Among those publicly-traded, the average annual sales (reported on 2012 annual reports gathered through COMPUTSTAT) are \$60,922 and \$67,224 is the median sales figure (as of 2012). Firms are 66.7 years old on average, and 4 of the 17 firms are 100 years or older.

Most (12) of the 17 firms sampled are represented by two senior-level executives, and one is represented by 23 executives. On average, firms are represented by 5.2 executives. Fifteen respondents reported only 1 government public policy instance in full (i.e. including the strategic response), while 53 respondents reported two instances. Twenty one reported on 3 instances, 18 on 4, 13 on 5, and 1 respondent reported 6 instances (excluding those removed which pre-dated 2004).

The most common type of government public policy influence reported on was government regulation, representing approximately 38 percent of all instances. Examples of such include “California law to prohibit "natural" eggs vs caged free,” “New ISO regulation for product accuracy,” and “Energy Efficiency Standards - Changing minimum efficiencies for heating and ac products.”

“Access of National parks to mountain bikes” is an example of land management/ownership policies reported, “Business expansion incentives” an example of government incentive policies, and “last yr fda published list of diseases they would focus on” an example of a policy of government disclosure of information impacting the way a firm does business. Fifty four of the instances of government public policy influence involved firm decisions to only comply and 19 indicated they did nothing, i.e. “did not formally respond;” the epitome of determinism for at least that moment in time. Of the 100 instances that comprise the strategic tendency measure (i.e. included enough information for analysis), 45 involve strategic responses revolving mostly around marketing activities (i.e. competition-altering strategy), 35 around political activities (i.e. policy-altering strategy), and 20 involving deliberate non-response.

Examples of competition-altering strategies include “Increased sales and educational efforts in select regions where legislation has passed,” “we built toilets, faucets and showers that provided excellent performance with reduced water consumption,” and “Product design and promotion of dust collection systems-from tools to accessories. Developing training courses and videos on safety.”

Examples of policy-altering strategies include “Our response was to better educate the local municipal governments on the advantages of this type of Siding

material, reflecting the new formulations that have earned NHAB green status.”, “the company has used the combination of political influence, legal fight and compliance to adhere to these issue. The company initially appealed the ruling and then it has reached a settlement with EU.”, “direct legal engagement with US government to influence H1-B visa quotas and policies,” and “We updated our transparency reporting to provide new information relating to governmental demands for customer data. Beginning last summer, Microsoft, Google, and other companies filed lawsuits against the U.S. government arguing that we have a legal and constitutional right to disclose more detailed information about these demands. . . ., the Government recently agreed for the first time to permit technology companies to publish data about FISA orders.”

After responding to questions revolving around the government public policy influence, respondents were asked to identify the influence as a threat or benefit and the degree of such. Setting aside policy and orientation type, respondents rated the degree of sentiment involved in government public policy influences as 4.66, which indicates most policy influences experienced were experienced as a slight threat where 1 on this scale reflects extreme threat and 9 extreme benefit. Among only those holding a strategic choice orientation towards managing the socio-political force (i.e. the upper end of a strategic choice construct score median split), respondents rated the degree of sentiment involved in government public policy influences as 5.06 on average. This is expected, considering strategic choice oriented firms view government public policy as a force that is malleable and something that can be overcome with savvy strategy. Thus, executives of strategic choice firms view government public policy influence as neither a threat nor a benefit.

It should be emphasized here that this dissertation revolves around firms' formal strategies for managing socio-political threats. However, the actual data collection lacked this emphasis and, instead, measured mere influence. Yet, threat was the overall theme voiced in the online survey and in the qualitative interviews. Among all qualified respondents, i.e. the larger dataset of $n = 183$, only 7.8 percent reported experiencing a public policy incentive rather than the other three types (i.e. regulation, land ownership/management, information disclosure), which can be considered relatively threatening to business. Thus, while the idea of government public policy threats was captured in this study, the remaining content will appropriately report on the findings in regards to government public policy influence since this is what was measured. At any rate, the goal of this dissertation is to uncover how marketing skills and tools are involved in managing the socio-political force, which is likely to take place in contexts of both threat and benefit sourced from the Government.

In regards to the endogenous variables of this study, the average Consumer Reports' 5-point product quality rating among all products rated, of all 17 firms sampled, over the past 10 years is 3.28 with 2.82 representing the median Consumer Reports' rating. This suggests all products considered in this study are of "GOOD" quality on average. The average price per products rated, among all 17 firms across the past 10 years reported by Consumer Reports is \$275.40 with \$67.23 representing the median price. Products considered both across and within firms ranged greatly in price and included products such as refrigerators, computer monitors, bike helmets, a gallon of paint, a tube of toothpaste, and a single light bulb.

The average patent application tally among all firms over the past 10 years (after being divided by the respective firm's product portfolio) is 8.24 patents per year and .09 socially innovative patents per year. One and 11 of the 17 firms have no patent applications and socially innovative patent applications filed over the past 10 years, respectively. And one firm files 85.70 patent applications with the US Patent and Trademark Office on average per year (after dividing the original per year tally by the firm's product portfolio). Table 2 (p. 72) displays additional descriptive characteristics of the data, including correlation and reliability coefficients of the constructs of Study 2.

Confirmatory Factor Analysis. A CFA was attempted utilizing the MPlus software package Version 7.1. The CFA was developed to utilize the Anderson and Gerbing (1988) two-step procedure. First, the CFA was conducted without phi constraints between factors. According to the chi-square test, the perfect fit null hypothesis should be rejected, suggesting that the model does not have exact fit with these data.

The measurement model has a chi-square of 2236.312 ($df = 776$) and meets Hu and Bentler's (1999) fit criteria. Hair, Black, Babin, Anderson, and Tatham (2010) also recommend a CFI greater than or equal to .95 or an RMSEA less than or equal to .08. The scores on the measurement model of CFI = .46 and RMSEA = .11 indicate that the factors are not loading on the correct constructs. Hu and Bentler (1999) further recommend an SRMR of less than or equal to .08. The score on the measurement model of SRMR = .13 indicates the chance of errors in the structure of the model is high.

These results provide evidence of poor convergent validity (i.e. items did not converge appropriately). Although all 41 items of the three constructs significantly loaded on their respective factors (i.e. constructs), only one factor (strategic choice

orientation) met the criteria of both significance and a standardized weight above .50 (Hair et al. 2010). One item loaded onto the strategic choice factor at .21, one item loaded onto the determinism factor at .16, and seven items loaded onto the determinism factor below a loading of .40.

The results of this CFA indicate that these data do not fit the factor model well and a second CFA was run with adjusted constructs, explicated in the following section. In this adjusted factor model, one item was dropped from the strategic choice orientation scale and four from the determinism orientation scale. After some reflection, two of the four items dropped from the determinism orientation scale caused some respondents confusion in the pilot study due to the complex wording and the other two items dropped from this scale are at a level of abstractness that may have caused difficulty in respondent interpretation and, thus, difficulty in responding. At any rate, it is not believed that by dropping these five items in total that a significant portion of the domains of the two constructs were lost.

As seen in Table 8 of Appendix D, the second measurement model has a chi-square of 1637.21 ($df = 591$) and meets Hu and Bentler's (1999) fit criteria. Hair et al. (2010) also recommend a CFI greater than or equal to .95 or an RMSEA less than or equal to .08. The scores on the measurement model of CFI = .54 and RMSEA = .11 indicate that the factors are loading on the respective constructs in a manner less than ideal. Hu and Bentler (1999) further recommend an SRMR of less than or equal to .08. The score on the measurement model of SRMR = .07 indicates an unlikely chance of errors in the structure of the model. The results also provide evidence of convergent validity. All factor loadings on the construct items were significant and substantial. In

fact, only the seventh, eighth, and ninth items on the determinism orientation scale, while still significant, have standardized weights (.36, .38, and .37, respectively) below a standardized weight of the recommended .50 (Hair et al. 2010).

In the second step of the two-step procedure recommended by Anderson and Gerbing (1988), an assumption was made that there is no discriminant validity and was done so by setting the phi values to 1. After conducting this second CFA with this constraint, the fit indices comparison (χ^2 2036.646 (627) – χ^2 1637.208 (630) = 399.438) indicates that the unconstrained CFA model fits these data better than the constrained CFA model, suggesting discriminant validity exists among the factors (i.e. constructs).

Fornell and Larker (1981) posit that the AVE extracted should be examined and compared to the correlations among the factors. Discriminant validity is demonstrated if the AVE for both factors is less than the correlation squared of the two factors. The phi squared for the strategic choice and society-serving orientation constructs is .04, which is lower than both the AVE coefficients (.62 and .11, respectively) for the two constructs. The phi squared for the determinism and society-serving orientation constructs is .03, which is lower than both the AVE coefficients (.60 and .11, respectively) for the two constructs. And the phi squared for the determinism and strategic choice orientation constructs is .02, which is lower than both the AVE coefficients (.62 and .60, respectively) for the two constructs. It should also be noted that the adjustments made in the strategic choice and determinism orientation scales as a result of the coefficients indicating poor fit of these data to the factor model actually improved the reliability of these two scales. The original strategic choice and determinism orientation scales which included all originally-planned items had reliability coefficients of .61 and .82,

respectively, and now have reliability coefficients of .66 and .85 respectively. Thus, not only are these adjusted reliability coefficients close to or well above Nunnally's (1978) suggested criterion for reliability of .70, but also are improved after dropping items that lead to poor fit of these data to the measurement model described in the preceding section. Additionally, none of the three correlation tests between these three factors resulted in significant relationships. Throughout the remaining of this dissertation, only the adjusted constructs are considered, analyzed, and discussed unless noted otherwise.

Common Method Variance. The results of the marker variable tests indicate that all ten paths between the marker variable, shopping ambivalence, and the endogenous constructs in the study are non-significant, with the exception of the determinism orientation: society-serving orientation ($\beta = -.43$, $p = .20$), strategic choice orientation ($\beta = .65$, $p = .20$), determinism orientation ($\beta = .98$, $p = .02$), strategic tendency ($\beta = -.61$, $p = .15$), Δ product quality ($\beta = -.04$, $p = .68$), Δ product price ($\beta = .72$, $p = .36$), Δ innovativeness ($\beta = 1.93$, $p = .64$), Δ social innovativeness ($\beta = -61.20$, $p = .62$), Δ advertising expenditures ($\beta = .14$, $p = .44$), and firm performance ($\beta = -.69$, $p = .35$). These findings indicate that common method variance is likely not an issue.

Unfortunately, the job satisfaction marker variable could not be used as a second test of common method variance because the surveys this variable was tested in were all excluded in this final dataset that includes policies within the past 10 years and firms represented by at least two executives. However, when utilizing the job satisfaction marker variable among the larger dataset not entirely utilized in the analysis that follows, similar results are found. For example, the results of the marker variable tests indicate that paths between the marker variable job satisfaction and the focal endogenous

constructs in the study are non-significant: society-serving orientation ($\beta = .29$, $p = .35$), strategic choice orientation ($\beta = -.74$, $p = .14$), and determinism orientation ($\beta = .44$, $p = .63$). These findings offer further evidence that common method variance bias was not an issue throughout the entire data collection process.

Social Desirability. Simple correlation tests were conducted between the social desirability scale and the six self-reported focal measures of Study 1. No significant correlations were found, suggesting social desirability bias does not exist in this study: society-serving orientation ($r = -.12$, $p = .35$), strategic choice orientation ($r = -.20$, $p = .13$), determinism orientation ($r = .20$, $p = .13$), strategic tendency ($r = .10$, $p = .52$), Δ advertising expenditures ($r = -.29$, $p = .06$), firm performance ($r = .08$, $p = .54$), and the screener used to qualify respondents (i.e. knowledge of the employing firm's strategies; $r = -.14$, $p = .33$).

Hypotheses Testing. In testing Hypotheses 1-7b, the Mixed Models application in SPSS with the linear design was utilized (i.e. HLM) with REML as the estimator. The orientation interaction terms served as interaction-main effects and the firm nest (i.e. firm identifier variable) as the random, unstructured effect. Using unstructured analysis allows for variable dependency to be based on the variables of interest (rather than based on variance components, for example). The control variables firm sales, firm type, product type, and employees were first entered, in this order, into the HLM test as fixed-effect, independent variables in all hypothesis testing. All independent variables throughout the testing of H1-7b utilized a grand mean-centered version of the variable. Finally, in testing Hypotheses 1 and 2, these data were nested within firms. And in testing Hypotheses 3-7b,

these data were nested with the government public policy instance (i.e. 1-6 policy instances) and then within the firm.

H1 hypothesizes that a society-serving, strategic choice orientation is positively associated with a competition-altering strategic response to government public policy. So as to test this hypothesis an interaction term that represented society-serving*strategic choice served as the independent variable predicting the strategic tendency variable in an HLM test in which respondents were nested within firms. H1 is supported in that the interaction term society-serving*strategic choice did positively, significantly predict strategic tendency ($\beta = .02$, $p = .06$). This suggests that as the firm orientation moves from Self-Serving (i.e. low scores on the society-serving scale) to Society-Serving (i.e. high scores on the society-serving scale), the firm's strategic response to government public policy moves from policy-altering to competition-altering (i.e. from negative to positive scores on the tendency variable) among firms strongly (i.e. high scores on the strategic choice scale) oriented towards managing the malleable agencies involved in government public policy. H2 hypothesizes that a society-serving, deterministic orientation is positively associated with a non-strategic response to government public policy. A significant relationship between the interaction term society-serving*determinism and strategic tendency with a β close to 0 would support this hypothesis and indicate that firms oriented towards serving society as well as determinism deliberately choose not to strategically respond to government public policy. However, this interaction term does not significantly predict strategic tendency ($\beta = .01$, $p = .25$).

So as to test the remaining hypotheses, dataset cases in which strategic tendency contained positive numbers were selected to test instances involving marketing activities, and vice versa. H3a hypothesizes that policy-altering firm strategy (i.e. negative values of the strategic tendency variable) is positively associated with firm product price changes. So as to test this, and the remaining hypotheses, HLM nested policy instances within managers (i.e. respondents) and then managers within firms and continued to control for the influential variables described in the preceding section. H3a is not supported in that strategic tendency did not significantly predict product pricing changes ($\beta = -.03$, $p = .95$), suggesting that the degree to which a firm's tendency in managing government public policy involves policy-altering (i.e. political activities) behaviors does not predict how the firm utilizes product pricing strategies in the midst of pushing back against public policy that alters the firm's business operations.

H3b hypothesizes that policy-altering firm strategy is also positively associated with non-personal promotions change and is supported ($\beta = .08$, $p = .05$). This suggests that the greater degree to which a firm engages in policy-altering strategies to manage government public policy, the more likely the firm is to alter their promotions activity. Furthermore, this relationship suggests firms involved in political behaviors are more likely to increase rather than decrease their promotional activity. H4a hypothesizes that competition-altering firm strategies are positively associated with a change in firm innovativeness and is not supported ($\beta = .23$, $p = .50$). This suggests that the degree to which a firm is engaged in altering the competition so as to offset a government public policy influence is not useful in predicting a firm's decision to be innovative as part of its competition-altering strategy. H4b hypothesizes that competition-altering firm behavior

is also positively associated with a change in firm product development and is supported ($\beta = .02$, $p = .00$). This relationship suggests that as the degree to which a firm is engaged in competition-altering behavior increases, so too does the firm's product development activities.

H5a hypothesizes that a competition-altering strategy is positively associated with firm performance and is supported ($\beta = .23$, $p = .00$). This relationship suggests that the greater degree to which a firm is engaged in competition-altering strategies, the greater marketplace success it is enjoying. H5b hypothesizes that competition-altering strategies mediate a positive relationship between a strategic choice, society-serving orientation and firm performance, but because competition-altering strategies does not significantly predict firm performance, this hypothesis is not supported. And the society-serving, strategic choice orientation does not significantly predict firm performance ($\beta = .70$, $p = .48$), nor do society-serving and strategic choice orientations in isolation predict firm performance ($\beta = -.02$, $p = .86$ and $\beta = -.09$, $p = .80$, respectively).

H6a hypothesizes that policy-altering strategies are positively associated with firm performance, but is not supported ($\beta = .06$, $p = .12$). This suggests that the degree to which the firm turns to political behaviors in pushing back against government public policy is not useful in predicting the firm's marketplace performance level. H6b hypothesizes that policy-altering strategies mediate a positive relationship between society-serving, strategic choice orientations and firm performance. A Sobel test (e.g., MacKinnon et al. 2002) indicates that policy-altering strategies do not act as a mediator in this way ($z = 1.20$, $p = .23$). As an additional test, the percent change in sales growth between the years 2009 and 2013 was calculated for publicly-traded firms using

COMPUSTAT annual report data and entered into an HLM as a dependent variable.

Among the cases in which only strategic tendency cases involving political activities are selected in the dataset, the degree to which a firm is engaged in policy-altering strategy significantly predicts firm sales growth ($\beta = .35$, $p = .02$). And society-serving ($\beta = 3.73$, $p = .68$) and strategic choice ($\beta = 1.87$, $p = .75$) orientations also do not predict sales growth. H7a hypothesizes that competition-altering strategies are positively associated with an increase in firm social innovativeness and is not supported ($\beta = -124.94$, $p = .55$). Finally, H7b hypothesizes that competition-altering behavior mediates a relationship between a society-serving, strategic choice orientation and an increase in firm social innovativeness. According to a nonsignificant Sobel test ($z = .70$, $p = .48$), it is found that competition-altering behavior does not mediate the relationship between society-serving, strategic choice firm orientations and social innovativeness. A summary of all hypothesis tests can be seen in Table 4.

TABLE 4
HLM and Sobel Test Results (n=76 respondents, 17 firms)

H	Relationship	Parameter Estimate	p-value	Nesting	Result
H1	society-serving, strategic choice to competition-altering	.02	.06	(Firms)	supported
H2	society-serving, determinism to non-response	.01	.25	(Firms)	UNsupported
H3a	policy-altering to product pricing change	-.03	.95	(Firms (Policies))	supported
H3b	policy-altering to product promotions change	.08	.05	(Firms (Policies))	supported
H4a	competition-altering to innovativeness change	.23	.50	(Firms (Policies))	UNsupported
H4b	competition-altering to product development change	.02	.00	(Firms (Policies))	supported
H5a	competition-altering to firm performance	.23	.00	(Firms (Policies))	supported
H5b	society-serving, strategic choice to competition-altering to firm performance	.70	.48	(Firms (Policies))	UNsupported
H6a	policy-altering to firm performance	.06	.12	(Firms (Policies))	UNsupported
H6b	society-serving, strategic choice to policy-altering to firm performance	1.20	.23	(Firms (Policies))	UNsupported
H7a	competition-altering to social innovativeness change	.03	.43	(Firms (Policies))	UNsupported
H7b	society-serving, strategic choice to competition-altering to social innovativeness change	-	-	(Firms (Policies))	UNsupported

() Indicates how the respondent is nested for the given test.

Study 2 Discussion

The overall goal of Study 2 was to examine the relationship between firm orientation and strategic management of the government force. The findings of this study suggest 1) strategic choice oriented firms' strategies are shaped by their concern for serving stakeholders, 2) firms oriented towards both strategic choice and determinism are proactive in their management of government public policy, 3) firms engaged in policy-altering strategies adjust their promotions strategies rather than invest in product development or innovation and firms engaged in competition-altering strategies adjust their product quality rather than merely adjust prices or promotions, and 4) competition-altering strategies earn firms relatively greater market share.

Included in the first major finding, firms that hold strategic choice orientations towards managing government public policy and also serve society's stakeholders manage the socio-political force by attempting to improve their marketplace position rather than engage in political behaviors. This finding is important in that it both confirms environmental management theories which posit that firms with strategic choice orientations formally and explicitly manage forces in the external business environment and also suggests empirical studies of environmental management must incorporate measures of serving society.

An additional HLM test was conducted with strategic choice orientation alone (but in addition to the control variables) as a main-effect, independent variable in predicting strategic tendency. In this test, strategic choice does not significantly predict tendency ($\beta = -.40$, $p = .70$), suggesting that strategic choice is truly constrained by firm beliefs in serving society and doing 'good.' In a similar test, society-serving orientation

was entered alone (but in addition to the control variables) as a main-effect and is found to positively, significantly predict strategic tendency ($\beta = .61, p = .01$). Because the coefficient in this test is positive, this test suggests that firms strongly oriented towards serving society are relatively more likely to engage in marketing over political activities in managing the socio-political force (and government public policy that influences the way a firm does business).

To reiterate, these findings confirm the proposed relationship between strategic choice and proactive management of original environmental management theories, but also extends such theories by noting that 1) this proactive management depends on and is shaped by attempts at serving external stakeholders and 2) involves marketing tools. Strategic choice alone is not meaningful enough in this study to predict firm management strategies of the socio-political force. It is only when this orientation is combined with the firm's orientation towards serving society that strategic choice meaningfully predicts the behaviors involved in managing government public policy. This makes sense in that concern for serving the Government, one of many stakeholders measured in this study, for example, might cause a firm to exclude some tools in a firm's tool belt for managing government public policy. A firm that attempts to serve the Government might, for example, not use political ties to alter a Bill or look for loopholes in current legislation drafted and enforced by the Government in trying to mitigate a public policy threat.

Beyond serving stakeholders, a strategic choice oriented firm which is also oriented towards serving society might simply not want to be viewed by the public as engaging in political behaviors which often carry negative connotations. For example, these firms might not want to be known for capitalizing on legislation loopholes or

funding a political candidate's travels so as to help a candidate that might draft and fight for legislation advantageous (e.g., conservative, likely to reduce business taxes, holds ideas for flexible definitions of acceptable product labeling) to the given firm get elected. Thus, marketing activities allow a firm which is proactive in managing government pressures (i.e. strategic choice oriented) mitigate the threat while still serving, or at least appearing to serve, society and stakeholders. This is an important finding in that it illustrates how environmental management is indeed a marketing concept.

However, firms which are deterministic and serve stakeholders do not appear to engage in a pattern of environmental management. An HLM test did not reveal this firm type to engage in deliberate choice to not respond to a government public policy pressure by way of reacting through compliance, exit, restructuring, etc. Again, because this type of non-response typical of deterministic firms, according to environmental management theories, was measured in the online survey, a significant parameter is needed to confirm this theoretical pattern of firm behavior. However, it should be at least noted that deterministic firms (also oriented towards serving society) were not found to engage in either competition- or policy-altering behaviors in managing government public policy, i.e. the relationship was nonsignificant. Furthermore, a test in which only a determinism orientation was entered in as a main-effect in predicting strategic tendency was conducted and a positive, significant relationship was found ($\beta = .57$, $p = .02$). Counter to what was hypothesized, this relationship suggests that the greater the degree to which a firm is oriented towards determinism, the more likely the firm is to engage in competition-altering strategy.

Thus, while the four firm types represented in Figure 1 (i.e. Self-Serving, Strategic Choice; Society-Serving, Strategic Choice; Self-Serving, Deterministic; Society-Serving, Deterministic) were not all found to predict a firm's strategic management of government public policy, the firm orientations of society-serving, strategic choice (i.e. society-serving*strategic choice), strategic choice in isolation, and determinism in isolation are found to predict such management practices. The stronger (i.e. higher society-service scale scores) the firm is oriented towards serving society, the more likely the firm's strategic management of government public policy tendency is to include marketing activities relative to political activities or no activity, i.e. a deliberate non-response, deterministic-type reaction.

The second major finding of Study 2 involves the proactive nature of the deterministic firms sampled. Surprisingly, the stronger (i.e. higher determinism scale scores) the firm is oriented towards determinism, the more likely the firm's strategic management of government public policy tendency is to include marketing relative to political activities. This is surprising in that deterministic firms are believed to merely react to government public policy that alters business operations. Further reflection that takes into account the way government public policy was measured as well as the types of firms sampled, however, mitigates the surprise. The online survey asked respondents to report instances of government public policy that altered the way the firm does business instead of instances of public policy that threatened the firm's operations. The respondent even had the opportunity to categorize the instance as a government incentive when responding to the multiple-choice question regarding policy type. Thus, while

deterministic firms are unlikely to strategically manage government public policy threats, it is reasonable to assume they are likely to take advantage of a government incentive.

Furthermore, six of the firms sampled are believed to perform market transactions with government agencies, i.e. the Government as a purchaser/customer. This is believed to be true based on the qualitative findings of Study 1. Interviews with participants who are not respondents in the dataset involved in Study 2, but who are employed by firms sampled in Study 2 indicated these firms transact with the Government for profit. In fact, three of the firms sampled in Study 2 being analyzed in this section employ a participant (3 participants total) in Study 1 and the interviews of these three senior-level executives explicitly indicated these firms sell products to the Government for profit. And the other three firms sampled are of a similar industry to the employing firms of those three participants interviewed in Study 1 in a manner that suggests respondents of these other three firms in Study 2 may also sell to the Government. In essence, the positive relationship between a deterministic orientation and marketing activities in strategically responding to a government public policy likely is partially an artifact of the client list of these deterministic firms and partially the responses to a policy involving a government incentive.

The third and fourth major findings of this study involve firm decisions to utilize product- or process-focused activities in their proactive strategy for managing government public policy pressures. Again, firms engaged in policy-altering strategies adjust their promotions strategies rather than invest in product development or innovation and firms engaged in competition-altering strategies adjust their product quality rather than merely adjust prices or promotions. Returning back to Chapter 3, Mahon and

Murray (1981) theorize that firms which choose to become political experts so as to push back against threatening policy or take advantage of a policy opportunity invest in learning the political process and, as a result, have few material or immaterial resources left over for effectively marketing their products, and vice versa. This was partially found to be true in this study.

This dissertation defines product-focused activities as firm activities that rely relatively more on marketing research, a substantial resource relative to decisions in altering a product's price, for example. And according to this definition, it is found that firms which manage government public policy through competition-altering strategies do indeed have and use substantial resources in pushing forward in the marketplace in spite of a government public policy pressure. Competition-altering strategies involved firms improving their products' quality (i.e. developed products) and this is a substantial investment of time, energy, skill, money, etc. relative to the change in promotions budgets typical of firms engaging in policy-altering strategies found in this study. However, the other product-focused activity of innovativeness was not predicted by firm decisions to push forward in spite of the pressure through competition-altering strategies. Likewise, the other process-focused activity of product price adjustments was not predicted by firm decisions to push back against the legislation in a manner which might soak up the resources necessary in developing quality and innovation strategies.

Overall, the pattern of firms "delearning" marketing activities that involve relatively greater resources when managing government public policy pressures through political behaviors (i.e. altering the policy) was found in this study. It should be noted that, although not hypothesized, policy-altering strategies do not involve product-focused

activities (i.e. policy-altering as an antecedent to product development: $\beta = .00$, $p = .34$; and to innovativeness $\beta = -.01$, $p = .11$). Furthermore, competition-altering strategies do not involve process-focused activities (i.e. competition-altering as an antecedent to pricing strategies: $\beta = 1.43$, $p = .11$; and to promotions strategies $\beta = .04$, $p = .32$).

This is an important finding in that it both shows how marketing is used in environmental management and also shows how environmental management of the socio-political force directly impacts consumers. This study finds that when firms choose to push back against the government public policy pressure, consumers are less likely to be rewarded with higher quality products available for sale. Additionally, this study finds that when firms choose to push back against the pressure, consumers are more likely to see, hear, be exposed to, etc. product advertisements; an outcome relatively less rewarding than quality improvements among firms which manage their external environment through competition-altering strategies.

CHAPTER SIX

DISCUSSION, IMPLICATIONS, AND AREAS FOR FUTURE RESEARCH

Discussion

The two research questions posed in the beginning of this dissertation ask Why do some firms manage threatening public policy while others do not? Additionally, of those that do manage these pressures, why do some push back by influencing the policy and others push forward by influencing competition? At a glance, firms manage threatening government public policy because the agents and agencies involved are viewed as malleable in regards to firms developing environmental management strategies. Furthermore, some firms do not manage public policy because they legitimately, or apparently, serve society. And although it was found that firms are more likely to engage in political behaviors relative to marketing activities in managing the socio-political force, firms utilize marketing tactics in competition-altering strategies (over political behaviors in policy-altering strategies) so as to either avoid unethical behavior or stay true to their society-serving orientation. The following discussion attempts to answer these two questions further and revolves around five major take-aways from Studies 1 and 2: 1) strategic choice is sometimes only a belief, 2) deterministic firms are in fact proactive in their environmental management strategies, 3) management of government public policy pressures lends itself to a pattern of consumer benefits, 4) environmental management involves the dimensions of ability AND duty, and 5) environmental management can be firm- or team-based.

In Study 1, approximately a quarter of all firms diagnosed by the researcher as strategic choice oriented, hold this orientation almost entirely on belief. In other words, these participant firms experience government public policy with strong conviction in possessing the ability to influence the agents or agencies involved, but absent an actual influence. In some of these instances, this lack of activity is simply an artifact of not having the opportunity to influence government agents. However, in other instances these belief-based strategic choice executives expressed viewpoints in which government agents and agencies were positioned as malleable and manageable, but also expressed beliefs that doing so would be unethical or risky with regard to their firm's public image. Thus, future environmental management research should consider strategic choice as purely an orientation and be sure to measure this orientation in a way that captures actual management activity. If future research does not take this step, it could artificially measure strategic choice management (over orientation alone).

Surprisingly, and counter to original environmental management theories which posit deterministic firms as reactionary and most likely to restructure operations in the face of a threatening government public policy, deterministic firms are similarly proactive to those oriented with strategic choice. In Study 1, executives of deterministic firms were found to utilize explicit strategy in avoiding markets with heavy government oversight and/or developing products likely to call government attention. Aside from very proactive evasion strategies, executives of deterministic firms also engage in heavy monitoring of administration trends (e.g., President Obama's administration), Bills likely to materialize into legislation, changes in government public policy discussed on Capitol Hill, etc. And in other cases, executives of deterministic firms described government

agents and agencies very similar to the accounts of strategic choice oriented firms but describe management as unethical or ‘below them.’ These executives are so effective, concerned with, and proactive at managing their customers, products, markets, etc. that there is little need to manage the government force OR there are few resources and time left over.

In other words, Study 1 found that deterministic firms are very proactive in managing the forces in their external business environment, but not concerned with managing government public policy. And in Study 2, a deterministic firm orientation did not predict a reactionary management style (i.e. formal decision to not manage the policy pressure) and, instead, was found to lead firms to engage in marketing activities when faced with a government public policy that alters the way the firm does business. Thus, an empirical examination of these two management orientations is important to environmental management theories because to hold a deterministic orientation does not appear to mean that a firm’s business operations and organizational structure is determined by the force as original environmental management theories suggest. Instead, this dissertation finds a deterministic orientation to more often mean proactively avoiding instances in which management of government public policy is necessary because doing so would be unethical or inefficiently divert management resources away from managing the other forces in the external business environment.

This also lends credence to measuring management of the socio-political force in addition to the other forces of the external business environment. Although prior literature largely ignores this force in terms of environmental management, this dissertation’s findings hint that firm’s management orientations towards the socio-

political force is different from orientations towards managing the other forces. In other words, a deterministic orientation might hold different meanings depending on the force potentially determining the firm. Thus, it is important that this literature stream works to extend environmental management theories by including the measurement of managing all forces.

Although not all were beneficial to customers, executives in Study 1 described their firms as developing new products, protecting product strategies by buying ahead of the public policy threat, stealing customers from firms who did not have the capacity to maintain market share when limited by the threat, etc. “Introduction and re-positioning of technologies to enable users / customers attain compliance.”, “Increased sales and educational efforts in select regions where legislation has passed,” “Product design and promotion of dust collection systems-from tools to accessories. Developing training courses and videos on safety.”, and “Going green with our floor products” are examples of marketing tactics firms use to manage a government public policy pressure that has real potential to positively impact customers.

These executives described marketing as a tool in either mitigating the pressures of government public policy or outwitting the agencies that source the pressures by buying ahead of the policy, creating safe and good products that do not call for government attention, creating product portfolios that are policy-neutral, etc. And in Study 2, firms engaged in competition-altering strategies to manage government public policy were likely to develop products and NOT likely to engage in marketing activities that do not directly benefit consumers, including pricing and promotions strategies. In other words, this dissertation finds that firms which choose to manage the socio-political

force though altering competition, create some instances of consumer benefit through marketing. As such, the marketing behaviors of the firm depend on how the firm chooses to deal with government pressures! This is an important confirmation and contribution of this dissertation in that this finding is due to the marketing activities of firms' environmental management strategies. In other words, marketing is an inherent part of environmental management and one of two ways firms manage the socio-political force. This dissertation found that firms which decide to push forward in the marketplace so as to offset the business adjustment the government public policy posed benefit to consumers by developing products of higher quality.

Environmental management is a richer concept than ability to strategically manage forces in the external business environment and, instead, also depends on duty. Remember that in Study 1 a belief among executives was found that suggests it is unethical to attempt to influence government agents and agencies, even though these executives' firms were, in fact, engaged in political behaviors. Thus, measuring environmental management as two-dimensional, i.e. as a function of both duty and ability, effectively captures strategic choice instances in which no proactive action is actually taken; i.e. the firm does not choose to manage the force.

And notions of CSR was a common and strong undertone to the data collection of Study 1 and involved mentioning worry about the public's perception of the company, (natural) environmentally sound product development, a responsibility to engage in politics as good businessmen, the lack of ethics involved in attempts to influence the Government, doing good, partnering with agencies in efforts to protect consumers, consumer demand for CSR behaviors and products that symbolized such, etc. Study 1

finds that some firms engage in visible behaviors that portray the firm as responsible so as to positively impact consumer attitudes towards the firm and its products, but also as a form of impression management to avoid negative attitudes towards the firm held by members of the Government who draft and enforce public policy. Study 2 similarly finds that strategically managing government public policy depends on the degree to which the firm is orientated towards serving society. Strategic choice not only loses its ability in predicting firm environmental management strategies when it is considered in isolation, but also predicts marketing over political strategies when the firm is oriented towards serving society. This dissertation extends not only environmental management theories' use of a one-dimensional view of environmental management (in terms of ability alone), but also extends Narver's (1971) thesis by suggesting an additional method through which firms can signal to stockholders their ability to survive the external business environment and persist: through visible, but artificial, responsible behaviors.

The final, and perhaps most important, finding of this dissertation is that environmental management orientations exist at the firm-level SOMETIMES. In Study 1 it was overwhelmingly indicated that the tendency to allow government public policy to dictate ones business is the culture. And the tendency to push back against legislators constraining ones business is also the culture, but of senior-level executives. In other words, while some executives' management of government public policy is personally motivated (or biased), none could explain action without also discussing cultural accounts. All of those with deterministic orientations accounted their reactions to culture and about half of those executives of firms with strategic choice orientations to the culture of "the leaders." In Study 2, respondents were nested within firms using multi-

level analysis instead of aggregating scores across respondents to develop firm-based measures. In other words, Study 2 allowed managers of a given firm to hold varying degrees of the firm's orientation, as should future research regarding environmental management.

A distinction involving environmental management as sometimes residing within the firm and other times within the team of executive leaders is important in two ways. First, almost all executives of firms attributed orientations to culture, and in many cases, to personal convictions in Study 1. Thus, future research exploring these orientations may be more appropriately measuring strategic choice and determinism if it does so as habits. While habits suggest an almost accidental behavior (i.e. cultural), they also suggest repeated activities (i.e. strategic tendencies). Second, it was found in Study 1 that some of those executives of firms with a strategic choice orientation actually have tendencies to influence government public policy, while others believed in their ability to influence government agencies but typically choose not to do so. Further examination of these strategic choice orientation groups reveals that these two distinctions, i.e. culture of who and actual behavior, are related. Almost all of those who have actual tendencies to act out strategic choice orientations in influencing government public policy also attribute their orientation to the personal conviction and interest in public policy.

Theoretical Implications

Because the main objective of this dissertation was to apply environmental management theory to management of government public policy, meeting this objective filled several gaps in prior marketing literature. First, this research is the first to successfully develop and test reflective, managerial scales useful for measuring

constructs involved in environmental management, i.e. strategic choice and deterministic orientations. Additionally, the items of these constructs measure such management through a public policy lens, while the items are easily (and intended to be so) adaptable to measure management of other forces of the external business environment. Reflecting back to the summary of prior literature on environmental management offered in the beginning of Chapter 4, a measure utilizing primary data of environmental management – of any force in the external business environment – has yet to be offered. Instead, researchers testing environmental management orientations either judge a firm's orientation through secondary data or collect primary data but question managers or customers about specific firm activities. For example, Lawless and Finch (1989) use secondary census and economics data to compare firm performance (e.g., return on investment, earnings per share) across firms that have minimum, differentiated, maximum, or incremental choice in managing the environment. But these four environmental management profiles are developed by the authors and based on their judgment of the degree to which the market a firm competes in involves determinism and strategic choice through examination of secondary data. And while other research utilizes survey data that questions managers directly about firm behavior, the approaches do not generalize to classifying firm orientation towards environmental management. Not only does this dissertation fill this measurement gap, it also does so by offering future researchers flexibility in adapting items for other forces the firm manages (e.g., “Government public policy constrains the way we do business”. altered to “Vendor relationships constrain the way we do business.”)

To reiterate Chapter 1, even though researchers continue to highlight the need for

greater understanding of firm-government relationships (Wilkie and Moore 1999) as well as firm response to public policy (Lusch 2007), prior research either only tests environmental management theory with distant regard to public policy (e.g., McDaniel and Kolari 1987) or examines strategies without testing environmental management theory (e.g., Goll and Rasheed 2011; LaBarbera 1983; Kaikati and Label 1980). And when prior literature does apply environmental management theories to firm political activity, it is done so conceptually (Hillman and Hitt 1999; Hillman, Keim and Schuler 2004; Zeithaml and Zeithaml 1984) rather than empirically. This dissertation fills this third gap by empirically studying environmental management of holistic public policy, rather than a given policy with unique antecedents and outcomes, through primary data collection using reflective, managerial scales.

The final, and perhaps most important, environmental management literature gap this dissertation fills regards the reliance on marketing activities in managing the external business environment, and public policy specifically. Research in political science and public administration fields examines firm strategic response to public policy holistically, but without incorporation of important marketing variables, such as new product development or market share. And research in marketing fields does incorporate marketing variables when examining firm strategic response to public policy, but most often with regard to one policy at a time. This research found firms use marketing activities (i.e. competition-altering strategy) in managing government public policy pressures and the socio-political force; a holistic approach to understanding the relationship between many types of policy pressures and many types of marketing responses. In addition, it found those firms which rely on marketing over political

strategies (i.e. policy-altering strategy) are likely to utilize produce development (i.e. product quality improvements) in such marketing strategies. This unequivocally proves that the marketing discipline is an inherent part of firm environmental management.

Implications for Public Policy Leaders

In essence, this dissertation examines the societal impact of public policy that attempts to limit the business by taking into account firm environmental management of socio-political pressures. The introduction of this dissertation illustrated two examples of public policy designed to benefit society and consumers, but with ultimate unintended consequences likely due to the absence of predicting how firms would respond to such policies. While both the Green Guides and NFP policies were designed to benefit consumers directly and indirectly, firms responded to the Green Guides with aggressive marketplace competition and product improvement but to the NFP with aggressive political competition and stagnation in product quality. Thus, understanding firm response to public policy is important for predicting firm marketplace activities and this dissertation extended this understanding in two direct ways.

First, confirming that a society-serving, strategic choice orientation leads firms to improve their product quality when faced with government public policy pressures allows researchers an additional tool in predicting firm strategy in managing the socio-political force as well as the firm's impact on society. In this way, firm orientation also allows researchers to predict how public policy impacts society by taking into account firm strategy.

Second, this dissertation finds that firms which manage the socio-political force through political behaviors not only do not invest in product development, but also resort

to mere promotions strategies so as to persist in the marketplace. Most US public policy aims to directly or indirectly protect and benefit end consumers, some policies also work to protect consumers by altering or limiting the way for-profit firms conduct business. Thus, not only are firm attempts to change threatening public policy an unintended consequence of public policy, but also firms not engaging in product improvement and/or social innovation in response to public policy that often attempts to benefit end consumers by altering the basis of firm competition is an unintended consequence.

Predicting firm strategic response to threatening public policy should be important to public policy leaders. When firms push forward in light of threatening public policy, environmental management literature implies competitive strategies could result in consumer benefits (e.g., Hambrick 1983; McDaniel and Kolari 1987; Snow and Hrebiniak 1980). And when firms push back at threatening public policy, environmental management literature implies strategies involving lobbying, political ties, campaign contributions, etc. ensue (e.g., McDaniel and Kolari 1987; Miles and Snow 1979). While these references to prior literature in environmental management hinge on “implies,” this dissertation explicated direct links between marketing strategies (i.e. competition-altering) and improved product quality and between political strategies (i.e. policy-altering) and mere promotions tactics and no changes in product quality or innovativeness. Aggressive political behaviors are an unintended consequence of most society-benefiting public policies. Thus, measuring firm environmental management orientation towards threatening public policy offers those who develop and draft US public policy another tool in predicting unintended consequences and consumer benefit.

Limitations

Two major and two minor limitations exist within this dissertation. The two major limitations involve desiring cause and effect conclusions and a sample with few innovative market sectors represented. First, this research was not of experimental design. This means it does not allow the researcher to conclude that the antecedents tested caused changes in the outcomes involved. The findings of this dissertation suggest firms who engage in political behaviors in managing government public policy are likely to increase their advertising budgets as part of this strategy, for example. However, this research cannot conclude the firm decision to engage in such policy-altering strategies causes firms to increase their advertising budgets. Second, because the sampling design of Study 2 relied heavily on firms rated by Consumer Reports, rather than other marketplace characteristics (e.g., market concentration, market sector, type of product offered), a high proportion of firms in the technological or pharmaceutical industries were not sampled. These industries, among others, might have included relatively more firms engaged in innovativeness. And this would have greatly impacted the innovativeness and social innovativeness measurements of Study 2. It might have led to this dissertation capturing higher levels of innovativeness and social innovativeness.

The two minor limitations involve years in which no secondary data was available in Study 2 and a possible bias in the original development of environmental management orientation scales. First, Consumer Reports did not rate every focal product of Study 2 (i.e. products the participating firms offer) every year. While it is explained in Chapter 4 that the researchers of the Consumer Union (i.e. Consumer Reports) would have rated a focal product in a given year in a way that would have reflected the marketplace at that

time, this marketplace adjustment-like procedure taken on by the Union researchers is not without its limitations. No missing data (i.e. years in which Consumer Reports did not rate a given product) would have led to findings slightly closer to a cause and effect relationship between firm strategy and the marketing tactics of product development and product price adjustments. Second, the items of both strategic choice and deterministic orientations lean towards firms choosing to manage (or not) the socio-political force through political activities. Items involve (dis)agreement and reports of (in)frequency among respondents to political activities such as “influencing government public policy.” Few items reference marketing activities, such as the item that references depart “from our original marketplace strategy.” It is possible that the firm strategy tendency (to engage in political versus marketing activities) measurement of Study 2 was slightly biased towards measuring more political activities (i.e. policy-altering strategies) relative to marketing activities (i.e. competition-altering strategies) for this reason.

Areas for Future Research

Perhaps the most important next step in this research area is to conduct an experiment so as to parse out the cause and effect relationships between firm orientation and firm management strategy as well as the relationship between firm management strategy and the political and/or marketing activities utilized. This research could also be strengthened by both an incorporation of other forces as well as a longitudinal extension. Similar research that also tests the orientations towards the other three forces of the external business environment (i.e. consumer demand, supplier relationships, technological turbulence) and the likely management strategies that ensue would enrich the environmental management literature stream. This extension would allow scholars to

compare and contrast strategies occurring due to the given force. Gaining greater understanding of whether or not firm strategic responses to two or more threatening forces were (dis)similar would enhance understanding of environmental management theories overall.

Knowing whether or not a firm maintains a strategic response to government public policy pressures several years into the future would offer scholars greater understanding into the nature of such strategies, such as if they are short- or long-term responses. This would involve simple data collection of additional years of secondary data post 2014 and matching such to present orientations towards and the strategies involved in government public policy pressures. Finally, future research should continue to tease out the differences between strategic choice belief orientations versus strategic choice trend orientations explicated in the findings of Study 1. This study suggests that two separate firms could hold a strategic choice orientation towards government public policy threats while one's orientation revolves around the belief and confidence that the firm can manipulate the agencies or market elements involved and the other's around actual behaviors involved in such manipulation (i.e. trends). Future research could develop a multi-dimensional scale for quantitative data collection that tests both a belief and trend dimension of a strategic choice orientation scale and manipulate tests (i.e. test dimensions as antecedents separately and together) to see if measuring both dimensions predicts outcomes in a manner similar to those involved in this dissertation.

Conclusions

This dissertation asked if environmental management theories can be empirically tested and, in testing such theories, when public policies lead firms to provide society and

consumer with benefits and when with detriments. After successfully developing two environmental management constructs, this dissertation found that some firms do not manage public policy because of concern for serving society. It further found that this notion of firm duty, a second dimension of environmental management lacking in prior literature and introduced in this dissertation, led firms to utilize marketing tactics in competition-altering strategies (over political behaviors in policy-altering strategies) and invest in product quality improvements. These findings are important in that they not only prove firms very proactively and strategically manage government public policy, but also encourage public policy leaders to factor in likely firm strategic responses in drafting legislation designed to keep consumers safe and healthy.

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APPENDIX A

QUALITATIVE QUESTIONING

Pre-Interview Self-Reporting

[brief description of the topic: “I’m testing a management theory which suggests firms formally and strategically manage events occurring outside company walls. And this theory suggests there are five forces in this external business environment: consumer demand, supplier relationships, competition, and the last two which I’m focusing on, societal concerns, such as concern for the natural environment or worry about targeting vulnerable consumer groups, and government public policy, which really runs the gamut in the way I’m studying it. In my study it includes both formal policy, such as legislation, and informal policy, such as Bills, trends on Capitol Hill, or even press conferences. So, I’m studying how firms manage these two forces, society and government concerns.]

Now that you know more about the topic, can you tell me if you feel comfortable in participating in questioning of this topic?

- 1) [If “Yes” in question 1:] Can we spend a minute or two discussing at least one example you can think of right now of your firm’s management of either of these forces?
 - 2) [If not already gleaned through the answer to question 2:] What role did you play in [example shared in question 2]?
- [Two Comfort-Level Questions]

Non-Structured Interview Guide

- a) Could you describe your role at [Company Name]?
- b) In what ways are you involved in developing marketing strategy at [Company Name]?
 - a. [If participant unsure of what is being asked, follow-up questions:]
 - i. Do you play a role in developing promotions strategies? If so, how would you describe your role?
 - ii. Do you play a role in developing pricing strategies? If so, how would you describe your role?
 - iii. Do you play a role in developing distribution strategies? If so, how would you describe your role?
 - iv. Do you play a role in product development? If so, how would you describe your role?
 1. Tell me about a time when government public policy altered your decision-making regarding [participant example] (repeat for each example provided).
 2. Are there times when you use marketing activities to offset the limitation of a government public policy?
- c) Can you think of a time when government public policy provided you a business opportunity?
- d) What would be your thoughts if I described the Government as a force?
- e) What does a strategic response mean to managers faced with a government threats?

- f) Do you believe your senior colleagues experience these pressures or threats in a similar manner?
- g) Has the way [Company Name] experienced government threats changed in recent company history?
- h) [share hypothesis with participant]

APPENDIX B

MEASUREMENT SCALES AND ITEMS

Italicized text reflects items dropped after a measurement model that did not fit these data well.

Strategic Choice Orientation (anchored by “very infrequently” and “very frequently”)

Our influence on government public policy is different than the typical influence our competitors hold.

We attempt to influence government public policy for desirable profit levels.

It is important that we attempt to influence government public policy (anchored by “strongly disagree” and “strongly agree”)...

that affects our business rather than change our business.

so as to achieve desirable consumer demand for products.

so as to remain competitive.

Deterministic Orientation (anchored by “strongly disagree” and “strongly agree”)

We are not big enough to influence a government public policy that changes the way we do business.

We do not have the appropriate resources to be able to influence a government public policy that changes the way we do business.

Government public policy changes too frequently to be able to influence it to our benefit.

Government public policy is too complex to be able to influence it for our benefit.

Government public policy is too intolerant for us to be able to influence it to our benefit.

Government public policy constrains the way we do business.

Government public policy makes it impossible for us to reach our strategic goals.

Government public policy forces us to depart from our original marketplace strategy.

When a government public policy (potentially) alters the way we do business (anchored by “very infrequently” and “very frequently”)...

we emphasize bypassing traditional levels so that people at the same level communicate across departments.

we emphasize specialized roles for managing elements of policy.

we reduce our presence in the affected market.

we break-down large departments into smaller, more differentiated departments.

we restructure departments to soften the potential firm alteration.

Society-Serving Orientation (anchored by “very infrequently” and “very frequently”)

Customer Orientation

We initiate product/service improvements in response to customer expectations.

We provide quality goods and services to customers.

We provide reputable products and services to customers for value.

We maintain programs so as to protect consumers against faulty products.
If we encounter a customer complaint regarding a product or service deficiency, we respond quickly.

Community Orientation

We financially support charitable and philanthropic activities.
We support the arts and other cultural activities.
We financially support colleges and universities.
We respond to requests for support from social service agencies.

Stockholder Orientation

We pursue opportunities that have the highest expectations for maximizing earnings (per share).
We perform in a manner that leads to great market performance (high stock market valuation).
We invest in opportunities that promise maximum return on (stockholders') investments.
We meet (stockholders') investors' expectations for high future earnings.
We allocate resources to activities that promise maximum return on investment.

Government Orientation

We cooperate with governmental and regulatory agencies.
We maintain corporate staff to ensure compliance with governmental regulations.
We develop mechanisms and technical expertise to comply with governmental regulations regarding environmental issues.
We voluntarily support enforcement activities of regulatory issues.
We publicly support governmental regulations.

Employee Orientation

We provide employee programs to cope with work and family stress.
We provide training and employment for those that are disadvantaged and looking for employment.
We provide programs and services to meet physical and mental health needs of employees.
We provide ongoing training opportunities for employees.

Consumer-Related Outcomes

Whether related to the policy you just described or not, can you remember if your advertising budget changed immediately following your strategic response? If so, to what degree? (anchored by "extreme decrease" and "extreme increase")

Market Share

Please note the % of your firm's net sales relative to your largest industry competitor.
>25%, 25-49.9%, 50-74.9%, 75-100%, largest in sales, clarification _____

APPENDIX C**IRB STUDY APPROVAL, INCORPORATED RECOMMENDATIONS, AND PARTICIPANT CONSENT**

Jessica Mikeska

Department of Marketing

Leslie Carlson

Department of Marketing

317 CBA, UNL, 68588-0492

IRB Number: 20131013857 EX

Project ID: 13857

Project Title: firm management of elements in the external business environment

Dear Jessica:

This letter is to officially notify you of the certification of exemption of your project by the Institutional Review Board (IRB) for the Protection of Human Subjects. It is the Board's opinion that you have provided adequate safeguards for the rights and welfare of the participants in this study based on the information provided. Your proposal is in compliance with this institution's Federal Wide Assurance 00002258 and the DHHS Regulations for the Protection of Human Subjects (45 CFR 46) and has been classified as Exempt Category 2.

You are authorized to implement this study as of the Date of Exemption Determination: 10/03/2013.

1. Since your informed consent document is an email, please include the IRB approval

3/17/2014

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number (IRB#20131013857 EX) in the email. Please email me a copy of the document, with the number included, for our records. If you need to make changes to the informed consent document, please submit the revised document to the IRB for review and approval prior to using it.

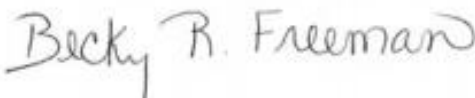
We wish to remind you that the principal investigator is responsible for reporting to this Board any of the following events within 48 hours of the event:

- * Any serious event (including on-site and off-site adverse events, injuries, side effects, deaths, or other problems) which in the opinion of the local investigator was unanticipated, involved risk to subjects or others, and was possibly related to the research procedures;
- * Any serious accidental or unintentional change to the IRB-approved protocol that involves risk or has the potential to recur;
- * Any publication in the literature, safety monitoring report, interim result or other finding that indicates an unexpected change to the risk/benefit ratio of the research;
- * Any breach in confidentiality or compromise in data privacy related to the subject or others; or
- * Any complaint of a subject that indicates an unanticipated risk or that cannot be resolved by the research staff.

This project should be conducted in full accordance with all applicable sections of the IRB Guidelines and you should notify the IRB immediately of any proposed changes that may affect the exempt status of your research project. You should report any unanticipated problems involving risks to the participants or others to the Board.

If you have any questions, please contact the IRB office at 472-6965.

Sincerely,



Becky R. Freeman, CIP

for the IRB

3/1/2014

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Close

Attachments:

There are no records in this table

Documentation

- [Sponsored Programs - Quick Reference](#)
- [Sponsored Programs - Complete Guide](#)
- [IRB - Human Subjects](#)
- [IACUC - Quick Reference](#)
- [Course and Lab Fees - Quick Reference](#)

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Credits

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- NUgrant contacts



By Becky Freeman on 09/18/2013 11:31 am

Dear Ms. Mikeska and Dr. Carlson,

A pre-review has been conducted for your project: Mikeska Dissertation. The following items must be addressed prior to completing the review process.

1. The informed consent form lists a title for your research. This title should be listed on your IRB protocol (Section 1) as well.
2. Can you ask that IP addresses are not collected through Qualtrics? What will you do with the IP addresses? IF Qualtrics automatically records them, when will you destroy this information?
3. In Section 5.4 of the protocol, please indicate what information you are collecting on the survey which will enable you to contact non-respondents. Are you only using the position title and firm name? Please explain. Also, since you will have to have some type of information for you to call non-respondents, please answer Section 8.2 of the protocol as yes and then answer the questions that follow.
4. Please make the following revisions to the survey link email.
 - a. In the 3rd paragraph, you say, "First, let me ensure you that your survey responses.." You might want to revise to say, "First, let me reassure you that your survey responses"
 - b. Please include a statement indicating that they should print or keep a copy of the email for their records.
 - c. Please upload the revised document to NUgrant.
5. The first statement on the survey document indicates that this is a pilot study. Is this a pilot study?

Once you have addressed the outlined concerns, please resubmit your protocol for review. Please note, revisions are required to be submitted via NUgrant by October 2, 2013. If the revisions have not been submitted, the project will be set to a Preparation status. You will then have 30 days to complete the revisions or the project will be administratively closed.

Please let me know if you have any questions.

Cordially,
 Becky Freeman
 IRB/Research Compliance Coordinator



COLLEGE OF BUSINESS ADMINISTRATION
MARKETING DEPARTMENT

Participant Informed Consent Form

IRBN _____

Title: Environmental Management of the Forces External to Internal Operations

Purpose:

This research project aims to explore the managerial perceptions of pressures in the external business environment and general strategies used, if any, to manage these. You must be 19 years of age or older to participate. You are invited to participate in this study because you are a manager in a decision-making role with regards to company strategy.

Procedures:

You will be asked to discuss a set of topics pertaining to pressures, obstacles, opportunities, etc. in the environment external to your employing company's operations and your responses will be noted. Participation will take approximately half an hour, and will be conducted either in person in a professional, quiet environment or via phone and/or internet communications. Although unlikely, it may be that a follow-up interview is necessary. If this is the case, you will be contacted and asked for the timing and context that best suits your schedule and that is within approximately one month following the initial interview.

Benefits:

There are no direct benefits to you as a research participant.

Risks and/or Discomforts:

There are no known risks or discomforts associated with this research.

Confidentiality:

Any information obtained during this study which could identify you will be kept strictly confidential. The data will be stored on the investigator's password-protected media devices and will only be seen by the investigator and by a colleague of the investigator to assist in transcription of the interview. The information obtained in this study may be published in scientific journals or presented at scientific meetings but the data will be reported as aggregated data. The company name and names of individual participants will not be used in the results of this study.

Compensation:

You will not receive compensation in exchange for participating in this project.

Opportunity to Ask Questions:

You may ask any questions concerning this research and have those questions answered before agreeing to participate in or during the study. Or you may contact the investigator(s) at the phone numbers below. Please contact the University of Nebraska-Lincoln Institutional Review Board at (402) 472-6965 to voice concerns about the research or if you have any questions about your rights as a research participant.

310 CBA / P.O. BOX 802021 / Lincoln, NE 68588-0402
(402) 472-2218 / FAX (402) 472-0777

Freedom to Withdraw:

Participation in this study is voluntary. You can refuse to participate or withdraw at any time without harming your relationship with the researchers or the University of Nebraska-Lincoln, or in any other way receive a penalty or loss of benefits to which you are otherwise entitled.

Consent, Right to Receive a Copy:

You are voluntarily making a decision whether or not to participate in this research study. Your signature certifies that you have decided to participate having read and understood the information presented. You will be given a copy of this consent form to keep.

Signature of Participant:

Signature of Research Participant

Date

Name and Phone number of investigator(s)

Jess Mikeska, MA, Principal Investigator Office: (402) 472-5610 Cell: (417) 456-2054
Lex Carlson, Ph.D., Secondary Investigator Office (402) 472-3156

APPENDIX D

ITEM RELIABILITY AND CFA FIT INDICES COEFFICIENTS

TABLE 5

Strategic Choice Scale Item Reliabilities (n=76 respondents, 17 firms)

Item	Item-to- Total Correlation	Alpha if Deleted
Please rate the following statement in terms of frequency:		
1. We attempt to influence government public policy for desirable profit levels.	.46	.65
Please rate the following statement in terms of (dis)agreement:		
2. It is important that we attempt to influence government public policy that affects our business rather than change our business.	.55	.64
3. It is important that we attempt to influence government public policy so as to achieve desirable consumer demand for products.	.57	.64
4. It is important that we attempt to influence government public policy so as to remain competitive.	.59	.64
FINAL COEFFICIENT ALPHA = .66		

TABLE 6
Determinism Scale Item Reliabilities (n=76 respondents, 17 firms)

Item	Item-to- Total Correlation	Alpha if Deleted
Please rate the following statement in terms of agreement:		
1. Government public policy changes too frequently to be able to influence it to our benefit.	.38	.83
2. Government public policy is too complex to be able to influence it for our benefit.	.55	.82
3. Government public policy is too intolerant for us to be able to influence it to our benefit.	.20	.84
4. Government public policy constrains the way we do business.	.11	.85
5. Government public policy makes it impossible for us to reach our strategic goals.	.10	.85
6. Government public policy forces us to depart from our original marketplace strategy.	.42	.83
Please rate the following statement in terms of frequency:		
7. When a government public policy (potentially) alters the way we do business we emphasize bypassing traditional levels so that people at the same level communicate across departments.	.42	.83
8. When a government public policy (potentially) alters the way we do business we break-down large departments into smaller, more differentiated departments.	.52	.82
9. When a government public policy (potentially) alters the way we do business we restructure departments to soften the potential firm alteration.	.37	.83
FINAL COEFFICIENT ALPHA = .85		

TABLE 7
Society-Serving Scale Item Reliabilities (n=76 respondents, 17 firms)

Item	Item-to- Total Correlation	Alpha if Deleted
Please rate the following statement in terms of agreement:		
We initiate product/service improvements in response to customer expectations.	.21	.91
We provide quality goods and services to customers.	-.02	.91
We provide reputable products and services to customers for value.	-.02	.91
We maintain programs so as to protect consumers against faulty products.	.41	.91
If we encounter a customer complaint regarding a product or service deficiency, we respond quickly.	-.01	.91
We financially support charitable and philanthropic activities.	.55	.90
We support the arts and other cultural activities.	.35	.91
We financially support colleges and universities.	.26	.92
We respond to requests for support from social service agencies.	.66	.90
We pursue opportunities that have the highest expectations for maximizing earnings (per share).	.66	.90
We perform in a manner that leads to great market performance (high stock market valuation).	.67	.90
We invest in opportunities that promise maximum return on (stockholders') investments.	.63	.90
We meet (stockholders') investors' expectations for high future earnings.	.74	.90
We allocate resources to activities that promise maximum return on investment.	.45	.91
We cooperate with governmental and regulatory agencies.	-.07	.91
We maintain corporate staff to ensure compliance with governmental regulations.	.72	.90
We develop mechanisms and technical expertise to comply with governmental regulations regarding environmental issues.	.86	.89
We voluntarily support enforcement activities of regulatory issues.	.22	.91
We publicly support governmental regulations.	-.19	.92
We provide employee programs to cope with work and family	.82	.89
We provide training and employment for those that are disadvantaged and looking for employment.	.56	.90
We provide programs and services to meet physical and mental health needs of employees.	.68	.90
We provide ongoing training opportunities for employees.	.73	.90
FINAL COEFFICIENT ALPHA = .91		

TABLE 8

2nd CFA Fit Indices Coefficients

$$\chi^2 (591) = 1637.21$$

$$\text{CFI} = .54$$

$$\text{RMSEA} = (.12 - .13) .11$$

$$\text{SRMR} = .07$$
