

Dynamics in strategic management research: An agenda for LRP

Long Range Planning (LRP) has a tradition of publishing insightful and impactful strategy research. Founded in 1968 as the first international journal focusing on strategic management, LRP has been at the forefront of new ideas and approaches to the formulation and achievement of long-term organizational goals and purpose, ranging from strategic planning and vision to business model innovation and open strategy.

As we assume responsibility for leading LRP during the next phase of its evolution, we reflect on the achievements of the past half century and pay tribute to the contributions of our predecessors. We also look ahead with excitement at the emergent and enduring research opportunities for LRP. Now more than ever, managers and organizations need rigorous and robust strategy, as they navigate domestic and global landscapes defined by volatility and uncertainty. This editorial sets out our strategic intent for the journal and highlights new emerging phenomena in the field that are worthy of attention within the worldwide community of strategic management researchers. We also clarify the methodological scope of LRP moving forward and suggest new initiatives such as the annual call for special issues.

Emerging and ongoing topics and theoretical challenges

So, what kind of papers do we want to see in future issues of LRP? First and foremost, we want to publish the best research. The most innovative and insightful work, undertaken with rigor and relevance. This means that we set the parameters broadly to detect and attract topics that are shaping, and will shape, the principles and practices of strategic management. To fulfil our aim to assess and advance the

state of knowledge in strategic management, we suggest some topics and themes worthy of further work in the coming years.

1. Digital transformation and new frontiers of business model theorizing

One of the most significant changes of the last decade is the generation of an exponential volume of data, with the possibility to analyze it through artificial intelligence and adjust corporate processes to the digital nature of the new competitive landscape. The volume of data or information created, captured, copied, and consumed worldwide from 2010 to 2021 grew exponentially from 2 to 79 zettabytes.¹ Analytics as a service market size is expected to grow from around U.S.\$8 billion in 2018 to more than U.S.\$110 billion by 2026.

The size and speed of digital transformation affects value creation and value appropriation processes, which raises a fundamental question for the LRP community: are established approaches to and conceptualizations of business models still valid when considering this transformation? LRP has been a pioneer in advancing conversations and debates around business models and business model innovation. Technological and social change continue to shape and catalyze platform corporations, business ecosystems, and the sharing economy. Moving forward, more work is needed to critically investigate and conceptualize these phenomena and to advance theoretical insight on new and novel business models.

The existence of data generates changes in the speed of business scalability. Is it also creating structural changes in industries and competition? Due to the combination of digitalization and artificial intelligence, multiple sectors now compete on platforms. What does this mean for competitive strategy? What does this mean for

¹ <https://www.statista.com/statistics/871513/worldwide-data-created/>

business model theorizing? Our forthcoming special issue on strategy for the digital world will address some of these issues. But there are many more approaches and avenues to investigate.

2. Global giants

The new digital world has facilitated the growth of global companies with unprecedented relative competitive sizes. Since size is a fundamental factor in competition, companies face an increasingly challenging competitive landscape. Descriptive analysis of the growing relative size of digital companies is overwhelming, either comparing current and past sizes, or in terms of their importance to the economy. At constant US\$ (i.e., inflation-adjusted) value, the size of the largest firm, in terms of stock market capitalization, in 2017 (Apple), was almost 20 times greater than the largest corporation a century before (U.S. Steel).² Empirical evidence indicates that three-quarters of U.S. industries saw an increase in concentration over the previous two decades (Gutiérrez and Philippon, 2018), with the market dominated by fewer and bigger companies. In 2020 the top 50 companies were sitting on a cash pile of U.S.\$1.8 trillion, enough to fund their entire capital spending for the year more than five times over.³

It is unclear what is the best way to regulate global giants (Khan, 2017). Besides, the existence of firms with extraordinary size also stretches the institutional context and pressures nation states and democracy (Reich, 2017). These corporations' lobbying power questions the applicability of anti-trust legislation and

² Our own estimation based on <https://www.forbes.com/sites/jeffkauflin/2017/09/19/americas-top-50-companies-1917-2017/?sh=4ee6beea1629>

³ https://www.bloomberg.com/graphics/2021-biggest-global-companies-growth-trends/?cmpid=BBD052121_MKT&utm_medium=email&utm_source=newsletter&utm_term=210521&utm_campaign=markets

imposes non-trivial competitive dilemmas for smaller companies. How do traditional theories of competition apply when dealing with global giants? Does the neo-institutional perspective sufficiently address these challenges? What is the role of the corporate world in enhancing institutional entrepreneurship practices?

3. New frontier markets

During the last decades, the emergence of China, with its impact on global value chains, was a fundamental antecedent for understanding strategic management. While understanding China continues to be an essential element in strategic management, its economic development shows signs of deceleration.

Attention is increasingly turning elsewhere, as scholars try to understand the impact and implications of diverse emerging economy contexts for strategic management. Until the turn of this century, the field was shaped by Western advanced economies (U.S., European and, to a lesser extent, Japanese) thinking and practices. Over the past two decades, we have incorporated strategic insights from China, and to a lesser extent, Latin America. But there is more work to be done, particularly in understanding how our theorizing about strategic management may be challenged or advanced by empirical insights from new frontier economies (countries with high risk but also high economic and population growth prospects) such as Indonesia, Nigeria, or Vietnam. Success in these markets of the future will require strategies that target differential segments, deploy innovative business models, understand institutional variance and stakeholder diversity, and invest in nonmarket capabilities.

Arguably, India is the country that may eventually replace China, at least in terms of inward and outward trade and investment growth. It is projected to be the

world's most populous country within a few years, and its economy is steadily growing, particularly in areas like information technology, which accounts for close to 10 percent of the country's GDP. But India is substantively different from China, particularly from a political economy, institutional, and geographical perspective. Does this context favor the development of firm-level competitive advantages based on localization? Does India provide unique access to strategic factors? How do the characteristics of India's capitalism and its institutional specificities change or contribute to extant strategy theories?

4. Emerging market multinationals

In recent years we have seen the growing international competitiveness of emerging market multinationals (EMNEs), including State-Owned Enterprises (SOEs) like the oil giants China National Petroleum and Petrobras of Brazil. As companies ranging from Argentina's MercadoLibre to Reliance of India and Xiaomi of China rise to global prominence and reach, we must stress test our largely U.S.-centric theories and constructs of strategic management. How relevant are the resource-based view and dynamic capabilities to market success when you have the unequivocal backing of the Chinese Communist Party? Does the institution-based view enable us to understand business success in institutionally weak sub-Saharan African countries? Can agency theory explain the headquarters-subsidary interplay of family-owned Indian conglomerates? What does transaction cost economics tell us about firm boundaries in EMNEs?

5. Geopolitical realignment and nonmarket strategy

Is globalization on the retreat? Do geopolitical realignments challenge globalization and the effectiveness of disaggregated international business supply chains? Is the global economy fragmenting into regional blocs or bifurcating into two competing geopolitical and economic camps, reminiscent of the Cold War bipolarity of the last century? And how can firms configure nonmarket strategies in response? The rise of populism in countries as varied as Brazil, Italy, and the Philippines, suggests that mercantilism is back in favor; whilst the 2022 Russian invasion of Ukraine and the resulting Western and anti-Western alliance groupings (and large nonaligned bloc) suggest that we are going back to the future, as the world moves from post-Cold War U.S. hegemony to diffused power structures and national alignments that are more akin to previous eras. For business leaders, the volatility and uncertainty are destabilizing and renders strategizing ambiguous at best, and pointless at worst. The more proactive are engaging scenario planning and substituting strategic foresight for strategic forecasting. Companies are reassessing risk and revisiting operations and supply chains that span the globe. Domestic and geographically proximate suppliers have become compelling, as geopolitical realities and pandemics disrupt and delay sourcing, and cost efficiencies through labor arbitrage are outweighed by security concerns and inconsistent supply.

6. Corporate social and environmental responsibility

Debate continues about the validity and legitimacy of stakeholder capitalism and the inherent strategic trade-offs required. But, in the meantime, managers must deal with the emergence and preponderance of environmental, social, and corporate governance (ESG) norms and rules. As companies, particularly in advanced economies, engage with and embed ESG principles and practices, what are the

implications for strategic management design, development, and delivery? It is also worth reflecting critically on ESG: do the costs outweigh the benefits, particularly for smaller companies and lesser developed economies? Although the drivers of ESG vary from regulatory and reporting compliance to the consumer demands of Millennials and Gen Z, strategic managers must increasingly figure out how to manage a myriad of competing stakeholder interests to simultaneously work on behalf of social and sustainability goals *and* maximize share price, profit, and return for shareholders. How real and embedded are the outcomes and what are the resultant tradeoffs for corporations, consumers, and communities?

7. Corporate foresight and strategy process

LRP has a longstanding commitment to advancing knowledge around strategic vision, scenario planning, and strategy process. In a world characterized by the aforementioned changes and challenges, and riven by VUCA cross currents, we continue to need rigorous and robust studies that contribute to our understanding of the capabilities of corporate foresight and the structures and processes through which organizations utilize foresight activities. Where will future threats, opportunities, and growth come from and how can firms organize to proactively engage?

We recognize the need for more data and theorizing on environmental scanning and risk and uncertainty assessment, as critical managerial activities in planning and strategic decision-making. These activities are well documented but we lack sufficient scientific evidence and insight on the underlying resources and capabilities and the associated analytical process. This knowledge deficit is particularly evident in emerging economy and EMNE contexts.

In a broader sense, we continue to welcome novel approaches to and conceptualizations of strategy process, i.e., studies of how strategies are envisioned, delivered, transformed, and governed, via deliberate or emergent processes. The previously discussed emerging topics and themes emphasize that the need to understand and advance strategy processes is more vital than ever. How has digital transformation reshaped strategy processes? Do global giants configure and do strategy differently? Is there a need to design and deliver strategy in other ways for emerging economies, particularly new frontier markets? What can we learn from the strategy processes of emerging market multinationals? How have geopolitical shifts impacted corporate strategy and what nonmarket strategy processes are needed to respond? What is different about strategy process for ESG and how can firms align market and nonmarket strategy processes?

Methodological scope

LRP continues to take an inclusive approach to empirical research, publishing studies based on primary survey data, archival data, case studies, and other recognized approaches to data collection. Irrespective of the methodological approach, we require all work to meet high standards in terms of research design and analysis.

Review papers have the potential to make a valuable contribution to scientific knowledge. To be eligible for publication in LRP, these articles must address leading research questions, demonstrate methodological rigor in the review process, and propose a conceptual synthesis that guides future scholarly conversations. Strong review papers go beyond a mere synthesis of current work and provide substantial new and innovative ideas to the reader, based on extant research.

LRP also welcomes theory development papers that take bold positions and make clear, substantive theoretical contributions (Thatcher and Fisher, 2022). Good theoretical papers either extend received knowledge in new and creative directions or develop a new theory that explicitly rejects the assumptions and logic of prior work and replaces these with different assumptions and a new logic (Barney, 2018). Theoretical papers are ultimately more challenging to publish but fundamental to the advancement of strategic management as a field.

The LRP editorial team no longer accept managerial papers but remain committed to better understanding strategy practitioners and the process and praxis of strategy. We welcome theoretically informed work that endeavors to better understand the why and how of strategy practice, as well as the performance impact of specific strategy processes and practices (Bromiley and Rau, 2014; 2016; Jarzabkowski, Kaplan, Seidl, and Whittington, 2016; Jarzabkowski, Kavas, and Krull, 2021; Whittington, 1996). Reflecting on the emerging topics and themes discussed in this editorial, it would be particularly interesting and worthwhile to sense check and advance our understanding of strategy practice, process, and performance through studies that involve digital transformation, global giants, new frontier markets, emerging market multinationals, geopolitics and the nonmarket, or ESG.

From 2022 onwards, we will have an annual call for special issue proposals. This will happen once a year, with a deadline in September or October, and, as an editorial team, we will carefully read and evaluate each submission to decide on future important thematics for the journal and field. Guidelines will be published in advance and we encourage proposals that connect with the emerging and established themes outlined here, and more broadly, that advance the corpus of strategic management knowledge. For the current call for special issue proposals,

please visit <https://www.journals.elsevier.com/long-range-planning/call-for-papers/long-range-planning-call-for-special-issue-proposals>.

We hope that publishing in LRP will be a purposeful venture and preferred outcome. We want you, the reader and writer, to see us as your first port of call for first class research and novel insights on strategy. Producing and publishing research that will ultimately transform how we approach, impart, and apply strategy is an arduous but essential endeavor for our collective advantage. Thank you for your continued support as researchers and reviewers. We look forward to receiving your best work and living up to it in the editorial process.

Thomas C. Lawton and Roberto Vassolo

Co-Editors-in-Chief

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