Multinational
Business Review

International political risk management: a review and decision-making framework

Mauricio R.R. Hilbck Rios and Thomas C. Lawton
Cork University Business School, College of Business and Law, University College Cork, Cork, Ireland

Nóirín McCarthy
Spatial and Regional Economics Research Centre, Department of Economics, Cork University Business School, University College Cork, Cork, Ireland, and

S. Armagan Tarim
Institute of Informatics, Hacettepe University, Ankara, Turkey

Received 14 April 2025
Revised 10 September 2025
27 November 2025
20 February 2026
Accepted 25 February 2026

Abstract

Purpose – This study aims to synthesize international political risk management (IPRM) literature into a structured, multilevel decision-making framework explicitly anchored in decision theory (DT) and risk management (RM) concepts, enhancing theoretical coherence and managerial utility.

Design/methodology/approach – Hybrid bibliometric-narrative review of 83 peer-reviewed articles (1984–2025) from Web of Science and Scopus, conducted via Preferred Reporting Items for Systematic Reviews and Meta-Analyses guidelines. Bibliometric mapping identified three intellectual clusters explicitly aligned with DT phases (structuring, evaluation and choice) and RM stages (capability building, identification, assessment and strategic response), systematically integrated across macro, meso and micro contexts.

Findings – Three intellectual clusters emerged: foundational determinants and assessments (macro–meso), strategic responses (micro) and capability building (macro/meso to micro). Each map explicitly to DT phases and RM stages, creating a structured framework that emphasizes iterative learning and capability enhancement.

Research limitations/implications – The framework requires empirical testing across sectors and institutional contexts. Future research should examine cross-level interactions, underexplored industries and prescriptive approaches integrating optimization analytics.

Practical implications – Provides managers with explicit guidance for systematically assessing and responding to political risk, aligning strategic decisions with institutional contexts and organizational risk appetites.

Social implications – Reframing political risk as uncertainty that can be assessed and acted upon highlights its societal impact. Structured management fosters stable investment, employment and governance, while promoting constructive engagement with host-country institutions and communities. This advances resilience, legitimacy and sustainable development, shifting practice from defensive withdrawal to proactive, opportunity-oriented strategies.

Multinational Business Review
Vol. 34 No. 3, 2026
pp. 427-459
Emerald Publishing Limited
1525-383X
DOI 10.1108/MBR-04-2025-0117

Originality/value – Explicitly integrates fragmented IPRM research through established DT and RM principles into a structured, auditable decision-making framework, clearly linking theory, evidence and practice.

Keywords International political risk, Decision theory, Risk management, Multilevel framework, Strategic decision-making, Multinational enterprises

Paper type Literature review

1. Introduction

International political risk (IPR) represents a multidimensional phenomenon in which political uncertainties cascade through the interconnected operational, strategic and financial architecture of multinational enterprises (MNEs) (Bremmer and Keat, 2010; Dandage *et al.*, 2019; John and Lawton, 2018; Prakash and Luther, 1986; Rice and Zegart, 2018; Robock, 1971). Defined as measurable uncertainty arising from political dynamics, IPR significantly influences foreign exchange volatility (Filippou *et al.*, 2018), disrupts supply chains (Manuj and Mentzer, 2008), constrains operations through regulatory and policy shifts (Kobrin, 1979; Li and Moosa, 2015) and exposes firms to reputational challenges (Aula, 2010; Parker and Lambrechts, 2020; Rice and Zegart, 2018). Its reach extends across firms of different sizes (Kling *et al.*, 2023; Reddy and Naik, 2011) and ownership structures, including private, state-owned and family-controlled enterprises (Amighini *et al.*, 2013; Cannizzaro and Weiner, 2018; Gómez-Mejía *et al.*, 2024; Jiménez, 2010; Llanos-Contreras *et al.*, 2021). IPR also shapes international investment patterns, influencing both foreign direct investment (FDI) decisions (Aharoni, 1966; Bussy and Zheng, 2023) and foreign portfolio investment (FPI) flows (Durnev *et al.*, 2012).

Despite this broad relevance, the integration of political risk into strategic decision-making remains conceptually fragmented. Although long-standing International Business (IB) theories, including transaction cost economics (Coase, 1937; Williamson, 1981), the Ownership Location – Internalization (OLI) paradigm (Dunning, 1958, 1980) and the Uppsala model (Johanson and Vahlne, 1977), explain why firms internationalize and how they build experiential knowledge, they provide limited guidance on how MNEs systematically manage political risk. Much of the existing international political risk management (IPRM) literature still emphasizes defensive responses such as avoidance and mitigation (Figueira-de-Lemos *et al.*, 2011), rather than structured approaches that assess uncertainty, prioritize exposures and support strategic choice. In contrast, research in finance conceptualizes political risk in explicitly probabilistic and decision-oriented terms, emphasizing modeling, pricing and optimization (Cosset and Suret, 1995; Erb *et al.*, 1995; Filippou *et al.*, 2018). This highlights a central gap: political risk in IB research has not been consistently framed as a decision problem that firms can structure and manage systematically.

Earlier contributions recognized the strategic significance of political risk and its effects on organizational behavior and performance (Boddewyn, 1988; Fitzpatrick, 1983; Kobrin, 1979; Robock, 1971; Root, 1968). More recent work acknowledges the dynamic and context-specific nature of political risk, underscoring the need for adaptive, iterative approaches that reflect changing domestic and geopolitical environments (De Villa *et al.*, 2025; Hartwell and Devinney, 2021; Sun, Doh *et al.*, 2021). However, this growing body of research remains analytically dispersed, without a unifying framework that clarifies how firms can structure political risk, evaluate uncertainty and select appropriate responses across different institutional levels.

To address this gap, we pose the following research question:

RQ1. How can international political risk management (IPRM) be operationalized as a structured, multistage and multilevel decision-making process that integrates decision theory with risk management principles?

This question highlights the need for a coherent conceptual architecture that integrates political risk identification, assessment and response within a structured decision-making system.

The paper makes two main contributions. First, it reconceptualizes IPRM through the combined lenses of Decision Theory (DT) and Risk Management (RM) concepts. DT clarifies how decision-makers frame problems, encode uncertainty and evaluate tradeoffs, while RM provides sequential routines – capability-building, risk identification, risk assessment and strategic response – that organizations can embed in their processes. Together, they shift IPRM from a reactive set of practices toward an iterative, evidence-based decision system. Second, drawing on a hybrid review of 83 peer-reviewed studies, the paper develops a multilevel framework that maps these decision stages onto macro (home-host institutional context), meso (industry and regulatory structures) and micro (firm and managerial) environments. This framework integrates descriptive and predictive insights and highlights opportunities for more prescriptive and optimization-oriented approaches.

The review also underscores that firms' political risk responses encompass a wide repertoire of market and nonmarket strategies, including entry-mode adjustments, supply-chain and product configuration, political alignment, lobbying and portfolio optimization (Jiménez, 2010; Liou *et al.*, 2021; Liu *et al.*, 2022; Charpin *et al.*, 2021; Cosset and Suret, 1995). This diversity reinforces the need for an integrated multistage approach that links institutional conditions, managerial perceptions and strategic choice.

The remainder of the paper proceeds as follows. Section 2 develops the conceptual and decision-analytic foundations of IPRM. Section 3 presents the methodological design, bibliometric analysis and narrative synthesis that underpin the derivation of the multistage, multilevel framework. Section 4 outlines the future research agenda and Section 5 concludes with theoretical and managerial implications.

2. Theoretical and conceptual foundations

2.1 Contextualizing international political risk

IPR is a multidimensional construct arising from the interaction of political actors, institutions and regulatory systems. It refers to the possibility that political decisions or events affect the profitability, feasibility or continuity of foreign investments, whether through direct financial losses or through the disruption of expected returns (Bremmer and Keat, 2010; Kobrin, 1979; Lawton *et al.*, 2014; Simon, 1984). Unlike economic risks, which stem largely from market conditions, IPR risks arise from political processes such as expropriation, nationalization, regulatory intervention, policy instability and shifts in enforcement practices. More recent work highlights the growing influence of supranational bodies and nongovernmental actors, expanding the sources of political uncertainty beyond the state itself (Albino-Pimentel *et al.*, 2018; Cuervo-Cazurra *et al.*, 2023; Hartmann *et al.*, 2022).

Building on classical distinctions between risk and uncertainty (Keynes, 1921; Knight, 1921; O'Donnell, 2021) and probabilistic approaches that define risk as a function of likelihood and consequence (Kaplan and Garrick, 1981; Kolmogorov, 1933), this paper conceptualizes IPR as measurable uncertainty of political origin. This framing enables systematic decomposition into scenarios, probabilities and outcomes relevant for firm

decision-making. It also supports integrating political risk into structured analytical frameworks rather than treating it as an exogenous or inherently opaque phenomenon.

Although the primary focus of IPRM is the host-country political environment, external political dynamics increasingly shape firm exposure. Geopolitical tensions, rivalry among major powers, digital sovereignty initiatives and cross-border regulatory shifts can affect domestic institutions, altering the risk landscape for foreign firms (Ciravegna *et al.*, 2023; Lawton *et al.*, 2023; Tonn Goulart Moura *et al.*, 2025; De Villa, 2023). These developments are acknowledged in this review, where they influence institutional quality, bilateral relations, tariff regimes or political animosity (Bilgili *et al.*, 2023; Liou *et al.*, 2021; Steinbach, 2023; Sun and Liu, 2019; Yoon *et al.*, 2021), while still keeping the analytical focus on IPR as experienced within host-country environments.

IPR spans multiple levels of analysis. At the macro level, national institutions, governance characteristics and host relations shape the political context for international activity. At the meso level, industry-specific regulations, sectoral oversight, technology regimes and collective actors influence the nature and severity of political risks. Ultimately, it is at the micro level – within the firm – that political signals are interpreted, filtered and translated into specific assessments and strategic responses. Managerial perceptions, organizational capabilities and internal processes determine how risk is understood and acted upon.

Recognizing this multilevel structure underscores the need for an integrated approach that links structural political conditions to firm-level decision behavior. It also provides the conceptual foundation for introducing the decision-theoretic and risk-management principles that guide firms in identifying, assessing and responding to political risk. These principles are discussed in the following subsection.

2.2 Decision and risk foundations of international political risk management

IPRM is grounded here in the complementary logics of DT and structured RM. DT distinguishes normative, descriptive and prescriptive approaches and organizes decision processes into three linked phases: problem structuring, evaluation and choice (Raiffa *et al.*, 1988; Keeney and Raiffa, 1993; French *et al.*, 2009). In the structuring phase, decision-makers define objectives, alternatives and constraints. In the evaluation phase, they assess uncertainty and potential consequences. In the choice phase, they compare options and select strategies that align with their preferences and tradeoffs. Risk, in this context, is conceptualized as the joint consideration of likelihood and impact (Kaplan and Garrick, 1981).

Behavioral research shows that managerial assessments of uncertainty deviate from purely rational or statistical models. Perceptions, heuristics and cognitive biases systematically influence how probabilities and outcomes are interpreted (Kahneman and Tversky, 1979; March and Shapira, 1987; Simon, 1955). IB research reinforces the importance of these behavioral dynamics by documenting how experience, cognition and preference heterogeneity shape location choice, entry mode and other decisions under uncertainty (Buckley *et al.*, 2007; Werner *et al.*, 1996; Guercini and Milanesi, 2022; Kocoglu and Mithani, 2024; Ambos *et al.*, 2020).

RM translates these decision principles into organizational routines. Standard frameworks emphasize capability building, risk identification, risk assessment and risk response, supported by monitoring and iterative learning (Leitch, 2010; Aven, 2015). Two constructs are central to political risk. First, risk perception, which captures how managers interpret political signals and explains strategic variation among firms facing similar environments (Buckley *et al.*, 2007; Werner *et al.*, 1996; Guercini and Milanesi, 2022; Kocoglu and Mithani, 2024; Ambos *et al.*, 2020). Second, risk appetite/tolerance, which

specifies the degree of uncertainty a firm is willing or able to accept in pursuit of its objectives (Aven, 2015).

Conditional on assessed exposure and organizational appetite, RM outlines four canonical treatments: avoid, reduce/mitigate, transfer/share or accept (Hopkin, 2018; Leitch, 2010). These alternatives mirror DT's optimization logic by comparing expected performance outcomes under different courses of action.

Bringing DT and RM together positions IPRM as a structured decision system, not an ad hoc response to political shocks. Firms first structure the decision problem (clarifying objectives, alternatives and constraints), then evaluate exposure (linking political drivers to likelihood and impact) and finally choose among market and nonmarket strategies consistent with performance goals (Keeney and Raiffa, 1993; French *et al.*, 2009). This process is iterative: outcomes feed back into learning and capability-building, echoing the experiential, knowledge-based logic of the internationalization process (Johanson and Vahlne, 1977; Figueira-de-Lemos, Johanson and Vahlne, 2011).

Figure 1 summarizes this conceptual foundation and links it to macro-, meso- and micro-level contexts. Macrolevel political institutions, mesolevel industry structures and microlevel managerial processes provide the backdrop against which RM routines and DT phases interact. The figure also captures feedback loops, emphasizing iterative learning, which is essential for adapting political risk capabilities over time. This integrated decision-analytic foundation underpins the later-staged, multilevel framework and anchors the transition from conceptual grounding to methodological and empirical analysis.

Figure 1, therefore, serves as the conceptual anchor for the review that follows. It informs both the design of the search strategy and the classification of studies by decision stage and level of analysis, providing a consistent lens through which to interpret the bibliometric mapping and narrative synthesis.

3. Methodology

3.1 Search strategy and data collection

This review follows the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) guidelines (Page *et al.*, 2021), ensuring transparency and replicability throughout the selection process (Liberati *et al.*, 2009). The PRISMA flow diagram summarizing the screening and selection stages is presented in Figure 2.

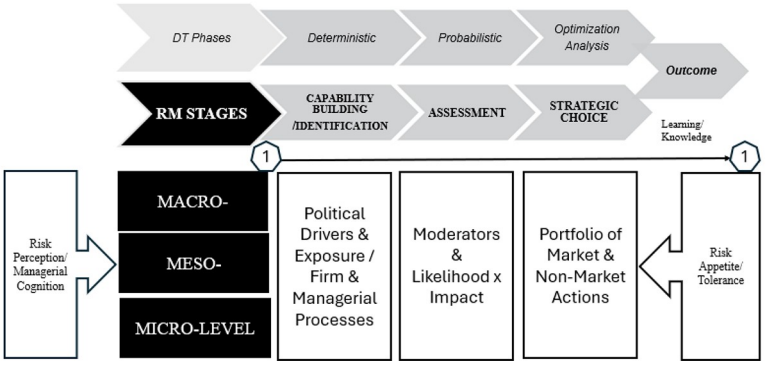

Figure 1. Decision-risk foundations of IPRM

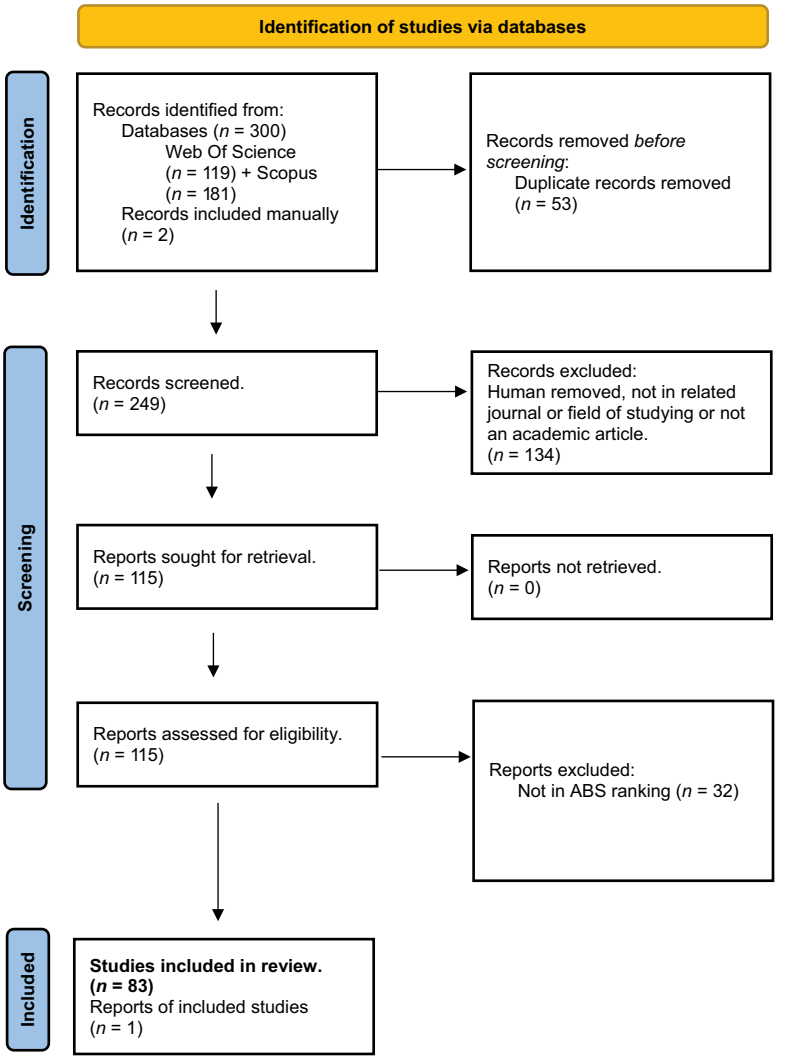

Figure 2. Prisma framework

We implemented a structured, multilayered search strategy, illustrated in Figure 3, informed by Stornelli *et al.* (2021). The query design incorporated four conceptual domains central to the analytical framing of this study:

(1) IB;

(2) political risk;

(3) risk management; and

(4) decision-making.

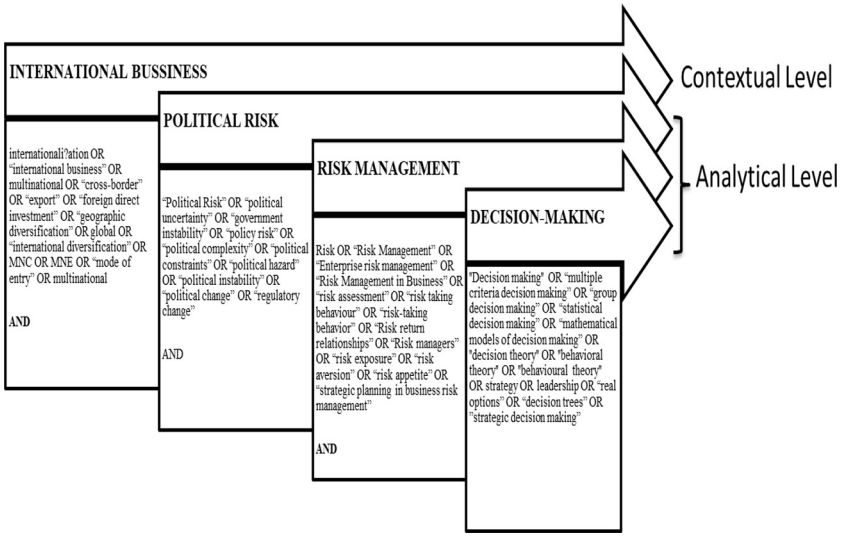

Figure 3. Multilayer search query

Keywords and relevant synonyms for each domain were combined to achieve both broad coverage and conceptual focus.

The conceptual dimensions outlined in Figure 1 directly informed the multi-layer search strategy in Figure 3, ensuring alignment between the theoretical framing of IPRM and the empirical identification of relevant studies. The search was conducted across Scopus and Web of Science and was restricted to English-language, peer-reviewed journal articles published between January 1, 1984 and December 31, 2024. The initial search yielded 300 articles (119 from Scopus and 181 from Web of Science). An additional two articles were identified through citation cross-referencing, bringing the preliminary data set to 302 articles.

Duplicate removal was performed using the Bibliometrix R package (Aria and Cuccurullo, 2017), resulting in the elimination of 53 records. The remaining articles were screened through a two-stage eligibility process. First, studies were assessed for relevance to management, strategy, economics, decision sciences and the political risk context defined in Section 2; 134 articles were excluded for insufficient topical relevance. Second, to ensure quality, only articles published in journals listed in the Association of Business Schools guide were retained; 32 articles were excluded at this stage. The final data set comprises 83 high-quality, peer-reviewed articles spanning four decades of research.

3.2 Hybrid review research design

Following the search and screening process, we adopted a hybrid methodological design that integrates quantitative bibliometric techniques with qualitative narrative synthesis (Beugelsdijk and Bird, 2025; Marzi *et al.*, 2025; Paul and Criado, 2020; Snyder, 2019). This dual-method approach, illustrated in Figure 4, supports both quantitative mapping and conceptual integration aligned with DT and RM.

The hybrid design proceeds in two steps:

(1) Quantitative bibliometric analysis, combining descriptive statistics and factorial clustering, to map the intellectual and thematic structure of IPRM research and identify key thematic concentrations.

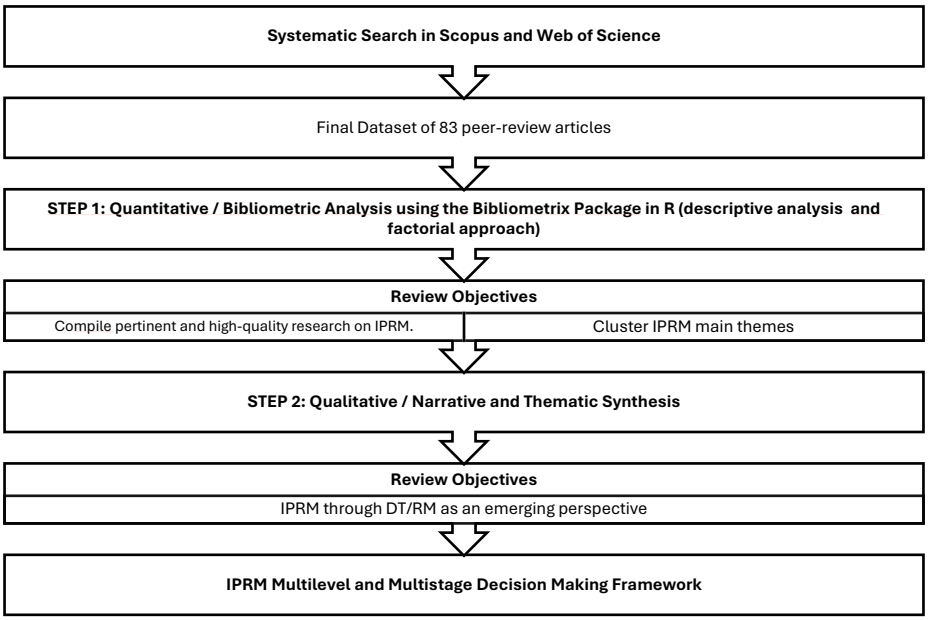

Figure 4. Hybrid methodology design

(2) Qualitative narrative synthesis, using DT as the primary analytical lens and RM as a complementary framework, to interpret the clusters and classify studies by decision-making stage. This step links the bibliometric evidence to the staged, multilevel framework developed in Section 5 and directly supports the objective of operationalizing IPRM as a structured decision-making process.

3.3 Bibliometric analysis

Bibliometric analysis helps visualize the intellectual structure and evolution of a research domain and fosters theory development by identifying core themes and gaps (Chen, 2017; Small, 1997). Our analysis used the Bibliometrix R package (Aria and Cuccurullo, 2017) and combined descriptive and factorial clustering analysis.

3.3.1 Descriptive analysis. Descriptive analysis reveals substantial growth in IPRM research activity since 2008, coinciding with major global disruptions such as the 2008 financial crisis, the COVID-19 pandemic and recent geopolitical events, including the Russia–Ukraine conflict and tariff wars. Annual publication trends are presented in Figure 5.

Further analysis shows a wide dispersion of IPRM-related publications across leading IB, strategy and related fields, underscoring the interdisciplinary appeal of political risk and growing attention to its financial and management implications. Journal rankings associated with the core publications are summarized in Figure 6.

3.3.2 Factorial clustering analysis. To examine the conceptual structure of the field, we conducted factorial analysis using Multiple Correspondence Analysis (MCA) complemented by K-means clustering (Cuccurullo *et al.*, 2016). MCA systematically identifies clusters that represent the conceptual structure of IPRM research and highlights major thematic intersections across the literature. The analysis revealed three distinct clusters, shown in Figure 7.

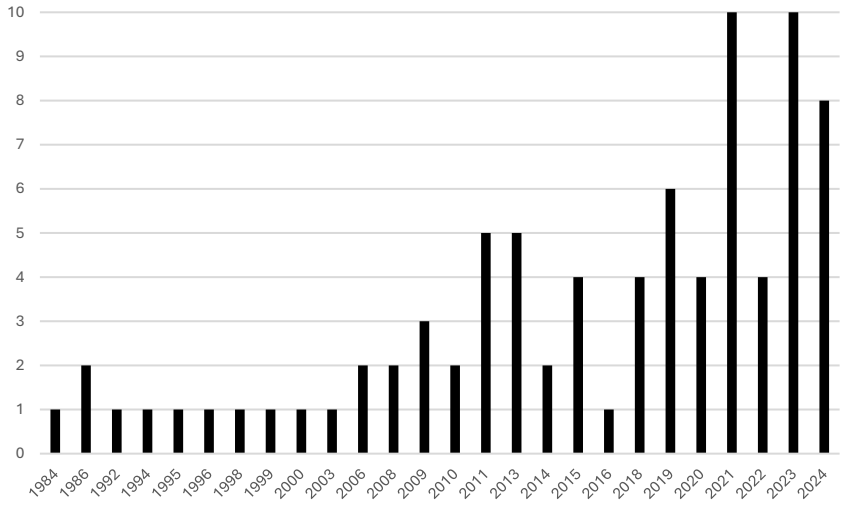

Figure 5. Annual scientific production

Figure 6. Journals ranking

In Figure 7, the axes represent the first two MCA dimensions, which capture the highest proportion of variance in the co-occurrence of keywords across studies. The percentages indicate the share of total inertia explained by each dimension. These dimensions were identified inductively through MCA but interpreted deductively using the DT-RM framework in Figure 1, which guided the substantive labeling of clusters.

Cluster 1 – Foundational risk determinants and assessment (Red): This cluster centers on core themes such as political risk, foreign subsidiaries, institutions and risk assessment. It captures research that examines how external and institutional determinants – such as governance quality, host-country conditions and institutional distance – influence MNE decision-making. These studies align closely with the probabilistic phase of DT and the risk

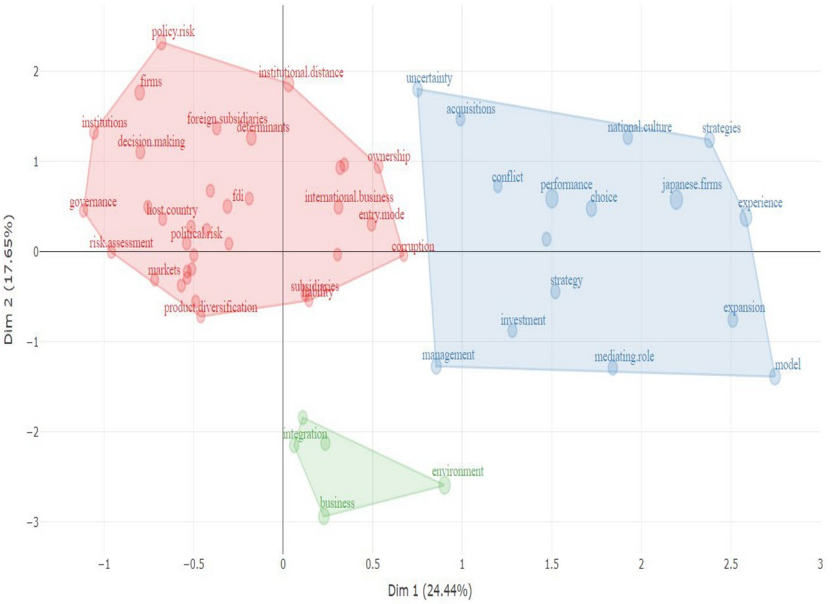

Figure 7. Factorial and clustering analysis

identification and assessment stages in RM frameworks. By quantifying uncertainty and identifying moderators, this body of work contributes to understanding how firms assess the likelihood and potential impact of political risk, forming the empirical backbone for modeling risk in structured IPRM.

Cluster 2 – Strategic responses and organizational decision-making (Blue): This cluster focuses on firm-level strategies, performance outcomes, managerial experience and cross-cultural dynamics. It reflects a microlevel orientation that explores how internal capabilities and strategic choices (e.g. entry mode, expansion or retrenchment, conflict resolution) shape firm responses to IPR. Conceptually, it aligns with the optimization phase in DT, where firms choose between alternatives to maximize utility, and with the strategic choice stage in RM, where responses are crafted based on risk appetite and goals. It also illustrates how managerial cognition and organizational learning shape strategic adaptation under uncertainty.

Cluster 3 – Business environment and prescriptive risk optimization (Green): This smaller but distinctive cluster extends political risk research into the broader business and financial environment. It reflects a shift from descriptive assessments toward prescriptive and optimization-based approaches, where political risk is treated as a variable to be quantified, priced and strategically managed. These studies emphasize how firms and investors integrate political risk into portfolio design, financing strategies and long-term value creation, including environmental and Environmental – Social – Governance (ESG) considerations. Conceptually, this cluster corresponds to early contextualization and capability-building stages in RM and to the optimization phase of DT, highlighting the transition from risk avoidance to proactive, data-driven decision support in IPRM.

Together, these clusters delineate the empirical architecture of IPRM research. They collectively trace a decision-making trajectory, progressing from contextual framing to

assessment and strategic response. This sequence mirrors the deterministic, probabilistic and optimization phases of DT outlined in Section 2, as well as the cyclical logic of RM frameworks: Cluster 1 reflects risk identification and assessment; Cluster 2 corresponds to strategic choice and optimization; and Cluster 3 links early-stage contextualization and capability-building to optimization strategies. In doing so, the factorial results provide an empirical bridge between the theoretical premises of DT and RM and the integrative narrative synthesis that follows.

3.4 Narrative synthesis and framework development

While bibliometric analysis outlined broad divisions and clusters, narrative synthesis enabled more fine-grained thematic integration and differentiation (Eduardsen and Marinova, 2020; Ferasso *et al.*, 2018). Narrative synthesis is widely used in management research to summarize findings under thematic headings and to accommodate studies using different research designs, including both qualitative and quantitative work (Briner and Denyer, 2012; Dixon-Woods *et al.*, 2005).

Building on the DT and RM foundations established in Section 2 and on the empirical clustering patterns described above, the narrative synthesis translates these logics into an integrated framework through a structured coding of the reviewed studies. Each article was examined along predefined analytical dimensions – level of analysis, IPRM stage, focal element, theoretical lens, method and decision orientation – as documented in Appendix. This framework-guided synthesis reveals that the emergent themes – capability building, identification, assessment and strategic choice – correspond systematically to specific DT phases and RM cycles, clarifying how existing research implicitly structures IPRM as a staged decision-making process.

The resulting framework consists of three primary phases, plus an overarching capability-building component (as outlined in Figure 8):

- a *risk identification or deterministic phase*, which involves systematic identification of political risks and assessment of MNE capabilities;

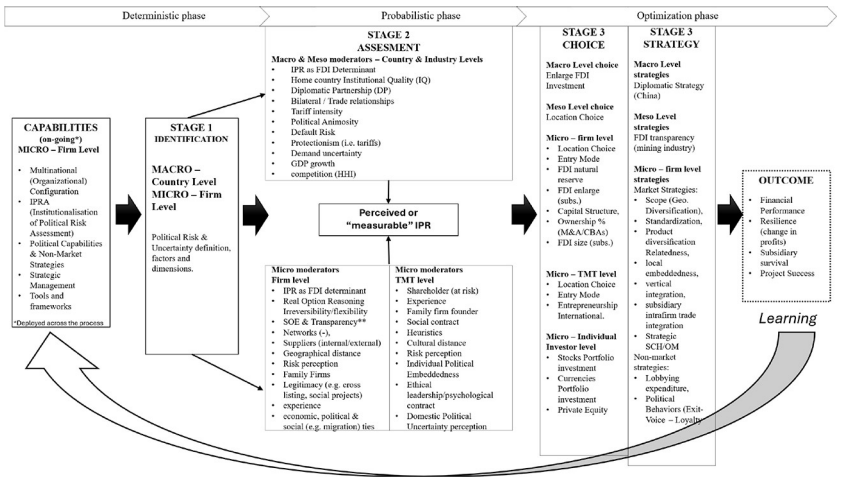

Figure 8. Structured multilevel decision-making framework for IPRM

- a *risk assessment or probabilistic phase*, where MNEs evaluate the probability and potential impact of these risks in line with their risk appetite and goals; and
- a *strategic choice or optimization phase*, where MNEs develop strategies to avoid, mitigate, transfer/hedge or leverage risks as opportunities.

We also incorporate an initial, but continuous, capability-building stage and explicit outcome and learning loops, in which performance, resilience and survival metrics feedback to update capabilities and decision thresholds. Figure 8 maps DT phases to RM processes and positions IPRM as an iterative decision-making system. This mapping represents a systematic alignment between DT logic and RM practice in IPRM research.

Recent IB literature has emphasized the value of a multilevel approach to political and geopolitical risk assessment (De Villa, 2023). Consistent with this, we conceptualize IPRM as a structured decision-making process that unfolds across macro (home–host country), meso (industry and regulatory) and micro (firm-level) environments. This multilevel view supports a more granular understanding of how MNEs identify, perceive, assess and respond to IPR [1].

Figure 8 presents IPRM as a staged decision process across the Macro, Meso and Micro levels. Each stage shows inputs (signals, priors, capabilities), decision rules (e.g. expected utility, value-of-information thresholds, risk appetite) and RM responses (avoid, mitigate, transfer/hedge, accept, leverage). Cross-level constraints shape feasible actions, while monitoring triggers updating and learning loops that feed back into earlier stages.

As outlined in the Appendix and expanded below, we classified the reviewed articles and their topics into four key stages, each with specific foundational elements:

(1) *Capability building stage:* multinational configuration, institutionalization of political risk assessment (IPRA), political capabilities and nonmarket strategy (NMS) and tools and frameworks.

(2) *Identification stage:* political risk and uncertainty definitions, risk factors and dimensions.

(3) *Assessment stage:* macro- and micro-level determinants and moderators; and

(4) *Strategic choice stage:* target choices and market and nonmarket strategies.

From a methodological standpoint, quantitative approaches remain dominant, with 45 articles (54%) using statistical or econometric methods, followed by 29 qualitative studies (35%) and nine mixed-method designs (11%). Overall, the corpus is predominantly predictive rather than prescriptive, as most studies focus on explaining or forecasting rather than optimizing decisions. This imbalance further motivates the decision-analytic framing adopted in this paper and underscores the need for prescriptive contributions in future IPRM research.

3.4.1 Capability building stage. The capability-building stage is treated as a foundational and ongoing element of the IPRM decision-making process. It encompasses the full toolkit – processes, tools, knowledge and people – necessary to manage IPR effectively from a firm-level perspective.

A first set of studies examines whether and how MNEs manage IPR explicitly, often referred to as the IPRA (Alon *et al.*, 2006; Hashmi and Guvenli, 1992; Al Khattab *et al.*, 2008; Noordin and Hazir, 2006). Interviews and case studies are typically used to assess whether organizations have ad hoc teams and tools for managing different IPR factors. Many studies conclude that risk assessments are often conducted under particular conditions (e.g. large investments or highly exposed markets), but are not fully institutionalized, except in

specific industries or due to sectoral risks (Giambona *et al.*, 2017). Stephens and Apasu (1986) analyze the optimal international configuration for successful internationalization with lower risk, suggesting the establishment of business subunits.

A second line of work focuses on political capabilities and NMS. Early studies analyze efforts to improve organization–environment fit through interorganizational ties and lobbying (Iankova and Katz, 2003). More quantitative contributions investigate how political capabilities and experience (learning and imprinting) influence location choice in the electric power generation industry (Holburn and Zelner, 2010). Other articles examine corporate political activity and NMS as part of the IPRM toolkit for achieving environmental fit (Moazzin, 2020; Schnyder and Sallai, 2020; De Villa *et al.*, 2019). More recent post-pandemic work emphasizes political animosity (country dissimilarity), tariff intensity and protectionism and investigates how firms react, adjust political behavior or strengthen legitimacy and resilience (Darendeli *et al.*, 2021; Liou *et al.*, 2023; Sun and Liu, 2019). Stevens and Newenham-Kahindi (2017) highlight the role of legitimacy spillovers, showing that legitimacy judgments formed in one country can spill over to other host countries and significantly affect a firm's IPR exposure. This broadens the scope of IPR across multiple jurisdictions. Political capabilities are thus dynamic; as the environment evolves, MNEs must adapt. The toolkit typically begins with proactive, preconceived strategies but is adjusted throughout the IPRM process, during both assessment and implementation of more proactive responses.

A third element in this stage highlights the importance of analytical and statistical tools for IPRM. This literature begins with complexity and nonlinear systems (Martinez *et al.*, 1999), advances through RM expertise (Dandage *et al.*, 2019) and increasingly incorporates data analytics, machine learning and artificial intelligence models (Hemphill *et al.*, 2021; Rios-Morales *et al.*, 2009).

3.4.2 Identification stage. At the identification stage, reviewed articles focus on the nature and definition of IPR, acknowledging its complexity and multidimensionality (Prakash and Luther, 1986; Simon, 1984). IPR is studied from multiple perspectives. From a macro perspective, political actions, constitutional changes (Young *et al.*, 2014) and political uncertainty can affect a country's economic growth (Henisz, 2000). At the industry level, political risk is analyzed in relation to sector-specific characteristics and regulatory regimes (Hemphill *et al.*, 2021; Laynesa Alcantara and Mitsuhashi, 2013; Moazzin, 2020; Skovoroda *et al.*, 2019). From the firm perspective, research examines how MNEs experience and interpret political disruptions (De Villa *et al.*, 2014; Donzé and Kurosawa, 2013; Kling *et al.*, 2023).

Recently, new perspectives on postpandemic IPR suggest that we should include not only institutional-level conditions but also the roles of individual political actors and authorities, reflecting the rise of authoritarianism and protectionism (Hartwell and Devinney, 2021). Cuervo-Cazurra *et al.* (2023) propose analyzing host-country politics as a process, focusing on how quickly regulations can be created and implemented. Populist regimes are also shown to exacerbate IPR by introducing unpredictable policy shifts, particularly where populism dominates political discourse (Blake *et al.*, 2022).

3.4.3 Assessment stage. The assessment stage is one of the "motor themes" identified in the red cluster and covers macro-, firm- and managerial-level determinants and moderators of IPR and its effects.

At the macro level, IPR is studied as a determinant of FDI and its effect on inward FDI flows (Lanciotti and Lluch, 2015; Sun and Liu, 2019; Young *et al.*, 2014). Several factors can mitigate perceived or measurable IPR for MNEs, including home–country institutional quality, diplomatic partnerships, bilateral relationships and GDP growth (Bilgili *et al.*, 2023; Sun and Liu, 2019; Yoon *et al.*, 2021). Conversely, factors such as political animosity

(dissimilarities and disagreements between countries), tariff intensity or protectionism, default risk, demand uncertainty and competition can increase IPR (Liou *et al.*, 2021; Sun and Liu, 2019).

At the firm level, moderators that reduce perceived or measurable IPR include flexibility (real options reasoning), state-owned enterprise transparency, networks, external (host-country) supplier relations, legitimacy (e.g. cross-listing and social projects) and prior experience (Amighini *et al.*, 2013; Cannizzaro and Weiner, 2018; Charpin *et al.*, 2021; Fisch, 2011; Lee *et al.*, 2020). Factors that increase perceived or measurable IPR include irreversibility (real options), reliance on internal (home–country) suppliers, geographical distance, family firm status and strong economic, political and social dependency (Hennart and Larimo, 1998; Jimenez *et al.*, 2019; Laynesa Alcantara and Mitsuhashi, 2013; Llanos-Contreras *et al.*, 2021; Sawant *et al.*, 2021). Most studies find an adverse effect of IPR when it is treated as an exogenous variable. However, research on firms' risk perception (risk appetite) shows that firms taking on more IPR sometimes achieve better financial performance, consistent with prospect theory and portfolio diversification theory (Jiménez and Delgado-García, 2012). Family firms (FF), for example, typically exhibit greater political risk aversion (Jimenez *et al.*, 2019) and distinct strategic behaviors, often providing enhanced employment security to protect socioemotional wealth (Gómez-Mejía *et al.*, 2024). Institutional voids in high-risk environments can amplify the benefits of firm-specific resources, leading to unique IPRM strategies compared with non-family-controlled MNEs.

At the managerial or top management team level, perceived IPR tends to increase when managers hold share options (Benischke *et al.*, 2022; Datta *et al.*, 2015), are founding members of FF (Llanos-Contreras *et al.*, 2021), rely heavily on heuristics or biases, face cultural distance or exhibit risk aversion (Ambos *et al.*, 2020b). Perceived IPR decreases when managers' shares are restricted, they have relevant experience, maintain a social contract with employees, display individual political embeddedness, show ethical leadership and uphold psychological contracts (Buckley *et al.*, 2016; Sawant *et al.*, 2021; Turi and Sarfraz, 2023). Considering domestic uncertainty (home–country conditions) as a reference point can also reduce relative perceptions of host-country political risk (Yasuda and Kotabe, 2021).

A further level of analysis concerns the individual investor in the context of FPI. Durnev *et al.* (2012) note that earlier academic discussions treated FDI and FPI as distinct categories, but this distinction has become more fluid as investors increasingly incorporate political risk into both. ESG practices have also been identified as a moderator of IPR in private equity investments (Donahue and Timmerman, 2021).

3.4.4 Strategic choice stage. In the strategic choice stage, MNEs translate assessed IPR into concrete moves – location and entry-mode choices, scaling decisions and combinations of market and nonmarket actions. Evidence is often fragmented, treating these decisions as isolated outcomes; in our synthesis, this stage is aligned with the blue cluster.

At a macro level, studies examine the effects of IPR on FDI flows into and out of countries, alongside diplomatic strategies to boost FDI outflows, as in the case of China (Sun and Liu, 2019). From an industry perspective, research analyzes the impact of IPR on likely petroleum investment locations and on the transparency of reserve acquisition operations (Cannizzaro and Weiner, 2018).

At the MNE level, commonly analyzed decisions (constituting a large proportion of the articles) include location choice and entry mode. Studies also explore FDI in natural resource locations, expansion or reduction of subsidiary investments and their scale and prescriptive approaches to optimal capital structure and financing sources for internationalization (Charpin *et al.*, 2021; Eom and Lee, 1987; Fisch, 2011; Lee *et al.*, 2020). Another group of articles examines market strategies adopted in response to IPR (Fan and Xiao, 2023),

including the scope of internationalization or geographical diversification (Jiménez, 2010), product standardization versus diversification (Omar and Porter, 2011), local embeddedness and vertical integration (Song, 2022). Subsidiary intrafirm trade integration and strategic supply chain operations are also examined as responses to political risk (Charpin *et al.*, 2021; Lee *et al.*, 2020).

Aligned with NMS, some studies focus on political responses such as lobbying expenditures and strategies based on exit, voice or loyalty (Liou *et al.*, 2023; Liu *et al.*, 2022). Political affinity between MNEs and host governments is shown to play a crucial role in managing political risks postacquisition (Hasija *et al.*, 2020). MNEs that align their operations with host-country political dynamics appear better positioned to mitigate regulatory risks and enhance the long-term stability of their investments.

From a portfolio and financial perspective, prescriptive analyses include optimizing currency and equity portfolios subject to IPR and examining private equity investors' strategies in less developed countries (Cosset and Suret, 1995; Donahue and Timmerman, 2021; Erb *et al.*, 1996; Filippou *et al.*, 2018). These strategies typically aim to optimize portfolio returns for a given level of risk. Only a limited number of articles examine the effects of IPR on outcomes such as financial performance (Barbopoulos *et al.*, 2014; Jiménez *et al.*, 2015; Kling *et al.*, 2023). More recent studies explore the impact of IPR on resilience (e.g. changes in profits after shocks), subsidiary survival (Darendeli *et al.*, 2021) and project success (Dandage *et al.*, 2019).

Taken together, these four stages – capability building, identification, assessment and strategic choice – form the analytical structure of IPRM and provide a forward-looking roadmap for research. The following section builds on this multistage, multilevel framework to outline a research agenda for future work.

4. Research agenda

Building on the multistage, multilevel framework developed through the bibliometric and narrative synthesis, this agenda outlines directions for future research across the four stages of IPRM (capability building, risk identification, risk assessment and strategic choice) anchored in DT and RM principles. The core aim is to deepen understanding of how MNEs structure, evaluate and optimize IPRM decisions under dynamic and often turbulent political conditions.

4.1 Capability building stage

Future research should examine how MNEs institutionalize political risk assessment within organizational routines, governance systems and decision-support architectures. This includes analyzing when and how IPRA moves from ad hoc practice to embedded organizational capability and how it interacts with multinational configuration and internal control systems. DT's prescriptive dimension and RM's context-setting principles offer a basis for studying the design of tools, metrics, and analytics for political risk evaluation. Further work could investigate how MNEs build and deploy political capabilities, such as lobbying, coalition formation and stakeholder engagement, as part of broader NMS portfolios. Integrating big data, machine learning and artificial intelligence (AI)-enhanced decision models into these capabilities is a natural extension, particularly to explore how firms move from predictive to explicitly prescriptive IPRM.

4.2 Identification stage

At the identification stage, there is scope to refine conceptualizations and operationalizations of IPR across macro, meso and micro levels. Research should more clearly map how specific

risk sources, such as regulatory volatility, political animosity, legitimacy shocks or populist policy swings, interact with firm-level exposure, configuration and managerial risk appetite. DT framing can help unpack how managers perceive, frame and prioritize different political risks. RM frameworks can guide the development of context-sensitive typologies that distinguish between transient shocks and structural shifts. Better-integrated measurement strategies, explicitly tied to decision needs, would strengthen both construct clarity and empirical comparability.

4.3 Assessment stage

At the assessment stage, methodological innovation remains a priority. Future research should combine scenario analysis, simulation and Bayesian or other stochastic modeling to better capture uncertainty, feedback effects and interdependencies among macro, meso and micro moderators. This approach would align empirical modeling more closely with the probabilistic phase of DT and the evaluation stage of RM. Comparative designs – examining different home–host configurations, industries or ownership types (e.g. family versus non-FF) – could test how political capabilities, institutional experience and reference points (e.g. domestic uncertainty) influence the gap between perceived and actual exposure. There is also potential to incorporate ESG and legitimacy variables more explicitly into assessment models, treating them as both moderators and outcomes of IPRM.

4.4 Strategic choice stage

The strategic choice stage is the least developed in the current literature but offers the most significant potential for integrating DT with IB and NMS. Future research could apply prescriptive analytics and optimization approaches to model tradeoffs between risk and return, market and nonmarket strategies and short-term mitigation versus long-term adaptation. Extending widely used prescriptive models in finance (e.g. portfolio optimization and real options analysis) to international strategy decisions, such as entry mode, location portfolios, supply chain configuration and political strategy design, would help bridge conceptual and practical gaps. Multi-objective optimization that incorporates resilience, survival and legitimacy alongside financial performance would be particularly valuable.

4.5 Cross-cutting priorities

Beyond stage-specific questions, several cross-cutting themes merit attention. First, future studies should broaden empirical focus beyond traditional developed-market MNEs to include emerging-market MNEs and financial investors originating from politically unstable environments. Second, underexplored sectors such as services, multinational banking and fintech warrant more systematic analysis, given their distinct regulatory and political profiles. Third, scholars should move beyond a narrow emphasis on financial outcomes to examine sustainability, resilience and legitimacy as explicit decision objectives within the IPRM process, linking strategic optimization to broader societal and stakeholder performance.

Taken together, these research directions extend the DT-RM framing from descriptive mapping toward genuinely prescriptive, decision-supportive IPRM and invite work that tests and refines the staged, multilevel framework developed in this review.

5. Conclusions and implications

This review systematizes IPRM as a structured, multistage and multilevel decision-making process. Synthesizing 83 peer-reviewed studies (1984–2025) through a DT lens and supported by structured RM principles, we consolidate a fragmented body of work and align

the core activities of IPRM – capability building, identification, assessment and strategic choice – with DT's deterministic, probabilistic and optimization phases. By integrating theoretical reasoning with empirical clustering and narrative synthesis, the paper demonstrates how decision logics and risk routines are embedded across the IPRM literature and how they can guide both scholarly analysis and managerial decision-making. Figure 8 summarizes this synthesis by linking decision-theoretic phases, RM cycles and the four empirical stages of IPRM.

The shift we highlight is both conceptual and practical. Rather than treating political risk as a hazard to avoid, we position it as a form of measurable uncertainty that can be systematically identified, assessed, and, in some cases, strategically leveraged. RM provides the procedural foundation (context, assessment, treatment and monitoring), while DT offers the analytical reasoning that connects information, preferences and actionable choices. Together, these foundations recast IPRM as an iterative, optimization-oriented system that incorporates feedback and organizational learning across stages and levels of analysis.

Our synthesis advances IB scholarship in three ways. First, it introduces a clear multilevel perspective – macro (home–host institutional context), meso (industry and regulatory structures) and micro (firm and managerial processes) – clarifying how political structures interact with firm-level agency. Second, it organizes IPRM across four empirically grounded stages that mirror DT and RM logic, thereby bringing coherence to a dispersed literature. Third, it highlights a persistent methodological imbalance: predictive studies dominate, whereas prescriptive and optimization-oriented approaches remain limited. Addressing this gap is essential to developing decision-support tools that can operate under political uncertainty.

For managers, the framework provides a structured framework for embedding political risk into strategic decision-making. It helps practitioners map context-specific drivers, assess likelihood and impact relative to risk appetite and develop coherent portfolios of market and nonmarket strategies to avoid, mitigate or leverage political risk. Applied iteratively, this staged approach supports resilience, strategic coherence and opportunity recognition in volatile environments.

The review also clarifies the scope of IPRM. While our focus is on host-country political risk, we recognize that geopolitical dynamics, such as conflicts, regulatory fragmentation and digital sovereignty, indirectly shape firm-level exposure. These forces primarily operate through macro-level conditioning, influencing domestic political environments and institutional responses.

Finally, this synthesis lays a foundation for future research that builds on the integration of DT-RM. The agenda outlined in the previous section highlights opportunities to test, expand and implement the framework across different industries, institutional settings and decision-making scenarios. By linking theoretical principles with empirical patterns and managerial insights, the review closes the gap between conceptual thinking, analytical findings and practical use. Overall, it presents a consistent, evidence-based and decision-focused perspective that redefines IPRM as a strategic capability that connects what firms encounter, what they perceive and what they ultimately choose to do.

Note

[1.] In certain studies where the unit of analysis is the firm (microlevel), the conclusions can also be valid for a specific industry. This is because the entire sample of observations belongs to the same industry, as seen in studies on the oil industry (Skovoroda *et al.*, 2019) the automotive industry (Laynesa Alcantara and Mitsuhashi, 2013) or the global mining industry (Yasuda and Kotabe, 2021).

References

Aharoni, Y. (1966), "The foreign investment decision process", *The International Executive*, Vol. 8 No. 4, pp. 13-14, doi: 10.1002/tie.5060080407.

Al Khattab, A., Anchor, J.R. and Davies, E.M.M. (2008), "The institutionalisation of political risk assessment (IPRA) in jordanian international firms", *International Business Review*, Vol. 17 No. 6, pp. 688-702, doi: 10.1016/j.ibusrev.2008.09.007.

Albino-Pimentel, J., Dussauge, P. and Shaver, J.M. (2018), "Firm non-market capabilities and the effect of supranational institutional safeguards on the location choice of international investments", *Strategic Management Journal*, Vol. 39 No. 10, pp. 2770-2793, doi: 10.1002/SMJ.2927.

Alon, I., Gurumoorthy, R., Mitchell, M.C. and Steen, T. (2006), "Managing micropolitical risk: a cross-sector examination", *Thunderbird International Business Review*, Vol. 48 No. 5, pp. 623-642, doi: 10.1002/tie.20113.

Ambos, T.C., Cesinger, B., Eggers, F. and Kraus, S. (2020), "How does de-globalization affect location decisions? A study of managerial perceptions of risk and return", *Global Strategy Journal*, Vol. 10 No. 1, pp. 210-236, doi: 10.1002/GSJ.1335.

Amighini, A.A., Rabellotti, R. and Sanfilippo, M. (2013), "Do Chinese state-owned and private enterprises differ in their internationalization strategies?", *China Economic Review*, Vol. 27, pp. 312-325, doi: 10.1016/j.chieco.2013.02.003.

Anginer, D., Bertay, A.C., Cull, R., Demirgüç-Kunt, A. and Mare, D.S. (2024), "Bank capital regulation and risk after the global financial crisis", *Journal of Financial Stability*, Vol. 74, p. 100891, doi: 10.1016/j.jfs.2021.100891.

Aria, M. and Cuccurullo, C. (2017), "Bibliometrix: an R-tool for comprehensive science mapping analysis", *Journal of Informetrics*, Vol. 11 No. 4, pp. 959-975, doi: 10.1016/J.JOI.2017.08.007.

Aula, P. (2010), "Social media, reputation risk and ambient publicity management", *Strategy and Leadership*, Vol. 38 No. 6, pp. 43-49, doi: 10.1108/10878571011088069.

Aven, T. (2015), "Risk assessment and risk management: Review of recent advances on their foundation", *European Journal of Operational Research*, Vol. 253 No. 1, pp. 1-13, doi: 10.1016/j.ejor.2015.12.023.

Barbopoulos, L., Marshall, A., MacInnes, C. and McColgan, P. (2014), "Foreign direct investment in emerging markets and acquirers' value gains", *International Business Review*, Vol. 23 No. 3, pp. 604-619, doi: 10.1016/j.ibusrev.2013.10.003.

Benischke, M.H., Guldiken, O., Doh, J.P., Martin, G. and Zhang, Y. (2022), "Towards a behavioral theory of MNC response to political risk and uncertainty: the role of CEO wealth at risk", *Journal of World Business*, Vol. 57 No. 1, p. 101265, doi: 10.1016/j.jwb.2021.101265.

Beugelsdijk, S. and Bird, A. (2025), "How to avoid a desk reject: do's and don'ts", *Journal of International Business Studies*, Vol. 56 No. 3, pp. 301-310, doi: 10.1057/s41267-024-00712-8.

Bilgili, T.V., Bilgili, H., Allen, D.G., Loncarich, H., Kedia, B.L. and Johnson, J.L. (2023), "Friends, foes, or 'frenemies': intercountry relations and cross-border acquisitions", *Global Strategy Journal*, Vol. 13 No. 2, pp. 349-390, doi: 10.1002/gsj.1460.

Blake, D.J., Markus, S. and Martinez-Suarez, J. (2022), "Populist syndrome and nonmarket strategy", *Journal of Management Studies*, Vol. 61 No. 2, doi: 10.1111/JOMS.12859.

Boddewyn, J.J. (1988), "Political aspects of MNE theory", *Journal of International Business Studies*, Vol. 19 No. 3, pp. 341-363.

Bremmer, I. and Keat, P. (2010), *The Fat Tail: The Power of Political Knowledge in an Uncertain World*, Oxford University Press.

Briner, R.B. and Denyer, D. (2012), "Systematic review and evidence synthesis as a practice and scholarship tool", *The Oxford Handbook of Evidence-Based Management*, doi: 10.1093/OXFORDHB/9780199763986.013.0007.

Buckley, P.J., Chen, L., Clegg, L.J. and Voss, H. (2016), "Experience and FDI risk-taking: a microfoundational reconceptualization", *Journal of International Management*, Vol. 22 No. 2, pp. 131-146, doi: 10.1016/J.INTMAN.2016.02.001.

Buckley, P.J., Devinney, T.M. and Louviere, J.J. (2007), "Do managers behave the way theory suggests? A choice-theoretic examination of foreign direct investment location decision-making", *Journal of International Business Studies*, Vol. 38 No. 7, pp. 1069-1094, doi: 10.1057/palgrave.jibs.8400311.

Bussy, A. and Zheng, H. (2023), "Responses of FDI to geopolitical risks: the role of governance, information, and technology", *International Business Review*, Vol. 32 No. 4, p. 102136, doi: 10.1016/J.IBUSREV.2023.102136.

Cannizzaro, A.P. and Weiner, R.J. (2018), "State ownership and transparency in foreign direct investment", *Journal of International Business Studies*, Vol. 49 No. 2, pp. 172-195, doi: 10.1057/s41267-017-0117-5.

Carballo Perez, A. and Corina, M. (2024), "Foreign direct investment in the context of rising populism: The role of institutions and firm-level internationalization", *Global Strategy Journal*, Vol. 14 No. 1, pp. 84-115, doi: 10.1002/gsj.1488.

Charpin, R., Powell, E.E. and Roth, A.V. (2021), "The influence of perceived host country political risk on foreign subunits' supplier development strategies", *Journal of Operations Management*, Vol. 67 No. 3, pp. 329-359, doi: 10.1002/JOOM.1127.

Chen, C. (2017), "Science mapping: a systematic review of the literature", *Journal of Data and Information Science*, Vol. 2 No. 2, doi: 10.1515/JDIS-2017-0006.

Ciravegna, L., Ahlstrom, D., Michailova, S., Oh, C.H. and Gaur, A. (2023), "Exogenous shocks and MNEs: Learning from pandemics, conflicts, and other major disruptions", *Journal of World Business*, Vol. 58 No. 6, p. 101487, doi: 10.1016/J.JWB.2023.101487.

Coase, R.H. (1937), "The nature of the firm", *Economica*, Vol. 4 No. 16, pp. 386-405, doi: 10.1111/J.1468-0335.1937.TB00002.X.

Cosset, J.-C. and Suret, J.-M. (1995), "Political risk and the benefits of international portfolio diversification", *Journal of International Business Studies*, Vol. 26 No. 2, pp. 301-318.

Cuccurullo, C., Aria, M. and Sarto, F. (2016), "Foundations and trends in performance management. A twenty-five years bibliometric analysis in business and public administration domains", *Scientometrics*, Vol. 108 No. 2, pp. 595-611, doi: 10.1007/s11192-016-1948-8.

Cuervo-Cazurra, A., Duran, P., Arregle, J. and van Essen, M. (2023), "Host country politics and internationalization: a meta-analytic review", *Journal of Management Studies*, Vol. 60 No. 1, pp. 204-241, doi: 10.1111/joms.12853.

Cui, J. and Maghyereh, A. (2023), "Higher-order moment risk connectedness and optimal investment strategies between international oil and commodity futures markets: insights from the COVID-19 pandemic and russia-ukraine conflict", *International Review of Financial Analysis*, Vol. 86, p. 102520, doi: 10.1016/j.irfa.2023.102520.

Dandage, R.V., Mantha, S.S. and Rane, S.B. (2019), "Strategy development using TOWS matrix for international project risk management based on prioritization of risk categories", *International Journal of Managing Projects in Business*, Vol. 12 No. 4, pp. 1003-1029, doi: 10.1108/IJMPB-07-2018-0128.

Darendeli, I., Hill, T.L., Rajwani, T. and Cheng, Y. (2021), "Surviving the Arab spring: socially beneficial product portfolios and resilience to political shock", *Multinational Business Review*, Vol. 29 No. 4, pp. 522-544, doi: 10.1108/MBR-11-2019-0156.

Datta, D.K., Musteen, M. and Basuil, D.A. (2015), "Influence of managerial ownership and compensation structure on establishment mode choice: the moderating role of host country political risk", *Management International Review*, Vol. 55 No. 5, pp. 593-613, doi: 10.1007/s11575-015-0250-y.

De Villa, M.A. (2023), "Assessing geopolitical risk: a Multi-Level approach for top managers of multinationals", *AIB Insights*, Vol. 23 No. 1, doi: 10.46697/001C.67875.

De Villa, M.A., Doh, J.P., Sidki Darendeli, I., Dieleman, M., Albino-Pimentel, J., Carolina, S., Getulio and V., F. (2025), "Seminal contributions and future directions in international business political behavior and nonmarket strategy: a tribute to jean boddewyn multinational business review", *Multinational Business Review*, Vol. 33 No. 3, doi: 10.1108/MBR-10-2024-0201.

De Villa, M.A., Rajwani, T. and Lawton, T. (2014), "Developing adaptive political capabilities for high political uncertainty contexts: a study of strategic responses in the international operations of food firms in Latin America".

De Villa, M.A., Rajwani, T., Lawton, T.C. and Mellahi, K. (2019), "To engage or not to engage with host governments: Corporate political activity and host country political risk", *Global Strategy Journal*, Vol. 9 No. 2, pp. 208-242, doi: 10.1002/GSJ.1205.

Dixon-Woods, M., Agarwal, S., Jones, D., Young, B. and Sutton, A. (2005), "Synthesising qualitative and quantitative evidence: a review of possible methods", *Journal of Health Services Research and Policy*, Vol. 10 No. 1, pp. 45-53, doi: 10.1177/135581960501000110.

Donahue, D. and Timmerman, M. (2021), "Private equity investment opportunities in Africa: Evaluation of the growth opportunities and risks in a global context", *The Journal of Alternative Investments*, Vol. 23 No. 4, pp. 61-83, doi: 10.3905/jai.2021.1.124.

Donzé, P.-Y. and Kurosawa, T. (2013), "Nestlé coping with Japanese nationalism: Political risk and the strategy of a foreign multinational enterprise in Japan, 1913–45", *Business History*, Vol. 55 No. 8, pp. 1318-1338, doi: 10.1080/00076791.2012.745065.

Dunning, J.H. (1958), *American Investment in British Manufacturing Industry*, George Allen and Unwin, London.

Dunning, J.H. (1980), "Toward an eclectic theory of international production: Some empirical tests", *Journal of International Business Studies*, Vol. 11 No. 1, pp. 1-31.

Durnev, A., Enikolopov, R., Petrova, M., Santarosa, V., Alesina, A., Frieden, J. and Guriev, S. (2012), "Politics, instability, and international investment flows".

Eduardsen, J. and Marinova, S. (2020), "Internationalisation and risk: Literature review, integrative framework and research agenda", *International Business Review*, Vol. 29 No. 3, p. 101688, doi: 10.1016/j.ibusrev.2020.101688.

Eom, H.B. and Lee, S.M. (1987), "A large-scale goal programming model-based decision support for formulating global financing strategy", *Information and Management*, Vol. 12 No. 1, pp. 33-44, doi: 10.1016/0378-7206(87)90070-X.

Erb, C.B., Harvey, Campbell, R. and Viskanta, T.E. (1995), "Country risk and global equity selection", *Journal of Portfolio Management*, Vol. 21 No. 2.

Erb, C.B., Harvey, C., R. and Viskanta, T.E., (1996), "Political risk, economic risk, and financial risk", *Financial Analysts Journal*, Vol. 52 No. 6.

Fan, D. and Xiao, C. (2023), "Firm-specific political risk: a systematic investigation of its antecedents and implications for vertical integration and diversification strategies", *International Journal of Operations and Production Management*, Vol. 43 No. 6, pp. 984-1007, doi: 10.1108/IJOPM-02-2022-0094.

Ferasso, M., Wunsch Takahashi, A.R. and Prado Gimenez, F.A. (2018), "Innovation ecosystems: a meta-synthesis", *International Journal of Innovation Science*, Vol. 10 No. 4, pp. 495-518, doi: 10.1108/IJIS-07-2017-0059/FULL/PDF.

Figueira-de-Lemos, F., Johanson, J. and Vahlne, J.E. (2011), "Risk management in the internationalization process of the firm: a note on the Uppsala model", *Journal of World Business*, Vol. 46 No. 2, pp. 143-153, doi: 10.1016/J.JWB.2010.05.008.

Filippou, I., Gozluklu, A.E. and Taylor, M.P. (2018), "Global political risk and currency momentum", *Journal of Financial and Quantitative Analysis*, Vol. 53 No. 5, pp. 2227-2259, doi: 10.1017/S0022109018000686.

Fisch, J.H. (2011), "Real call options to enlarge foreign subsidiaries – the moderating effect of irreversibility on the influence of economic volatility and political instability on subsequent FDI", *Journal of World Business*, Vol. 46 No. 4, pp. 517-526, doi: 10.1016/j.jwb.2010.10.012.

Fitzpatrick, M. (1983), "The definition and assessment of political risk in international business: a review of the literatur", *The Academy of Management Review*, Vol. 8 No. 2.

French, S., Maule, J. and Papamichail, N. (2009), "*Decision Behaviour, Analysis and Support*", *Decision Behaviour, Analysis and Support*, pp. 1-472, doi: 10.1017/CBO9780511609947.

Gad, M., Nikolaev, V., Tahoun, A., and van Lent, L. (2024), "Firm-level political risk and credit markets", *Journal of Accounting & Economics*, Vol. 77 Nos 2-3, p. 101642, doi: 10.1016/j.jacceco.2023.101642.

Gao, Y. (2009), "Managing political risk in cross-national investment: a stakeholder view", *Singapore Management Review*, Vol. 31 No. 1, pp. 99-114.

Giambona, E., Graham, J.R. and Harvey, C.R. (2017), "The management of political risk", *Journal of International Business Studies*, Vol. 48 No. 4, pp. 523-533, doi: 10.1057/s41267-016-0058-4.

Gómez-Mejía, L.R., Sanchez-Bueno, M.J., Miroshnychenko, I., Wiseman, R.M., Muñoz-Bullón, F. and De Massis, A. (2024), "Family control, political risk and employment security: a Cross-National study", *Journal of Management Studies*, Vol. 61 No. 6, pp. 2338-2372, doi: 10.1111/JOMS.12970.

Guercini, S. and Milanesi, M. (2022), "Foreign market entry decision-making and heuristics: a mapping of the literature and future avenues", *Management Research Review*, Vol. 45 No. 9, pp. 1229-1246, doi: 10.1108/MRR-11-2021-0806.

Hartmann, S., Lindner, T., Müllner, J. and Puck, J. (2022), "Beyond the nation-state: Anchoring supranational institutions in international business research", *Journal of International Business Studies*, Vol. 53 No. 6, pp. 1282-1306, doi: 10.1057/s41267-022-00537-3.

Hartwell, C.A. and Devinney, T. (2021), "Populism, political risk, and pandemics: the challenges of political leadership for business in a post-COVID world", *Journal of World Business*, Vol. 56 No. 4, pp. 1090-9516, doi: 10.1016/j.jwb.2021.101225.

Hashmi, M.A. and Guvenli, T. (1992), "Importance of political risk assessment function in U.S. multinational corporations", *Global Finance Journal*, Vol. 3 No. 2, pp. 137-144, doi: 10.1016/1044-0283(92)90009-A.

Hasija, D., Liou, R.S. and Ellstrand, A. (2020), "Navigating the new normal: Political affinity and multinationals' Post-Acquisition performance", *Journal of Management Studies*, Vol. 57 No. 3, pp. 569-596, doi: 10.1111/JOMS.12545.

He, C., Xie, X. and Zhu, S. (2015), "Going global: understanding china's outward foreign direct investment from motivational and institutional perspectives", *Post-Communist Economies*, Vol. 27 No. 4, pp. 448-471, doi: 10.1080/14631377.2015.1084716.

Hemphill, T.A., Kelley, K.J.T., Hemphill, C.A. and French, D.M. (2021), "Artificial intelligence and the fifth phase of political risk management: an application to regulatory expropriation", *Thunderbird International Business Review*, Vol. 63 No. 5, doi: 10.1002/tie.22222.

Henisz, W. (2000), "The institutional environment for multinational investment", *Journal of Law, Economics, and Organization*, Vol. 16 No. 2, pp. 334-364, doi: 10.1093/jleo/16.2.334.

Hennart, J. and Larimo, J. (1998), "The impact of culture on the strategy of multinational enterprises: Does national origin affect ownership decisions?", *Journal of International Business Studies*, Vol. 29 No. 3, pp. 515-538, doi: 10.1057/palgrave.jibs.8490005.

Herrero, Á., Corchado, E. and Jiménez, A. (2011), "Unsupervised neural models for country and political risk analysis", *Expert Systems with Applications*, Vol. 38 No. 11, pp. 13641-13661, doi: 10.1016/j.eswa.2011.04.136.

Holburn, G.L.F. and Zelner, B.A. (2010), "Political capabilities, policy risk, and international investment strategy: Evidence from the global electric power generation industry", *Strategic Management Journal*, Vol. 31 No. 12, pp. 1290-1315, doi: 10.1002/SMJ.860.

Hopkin, P. (2018), *Fundamentals of Risk Management: Understanding, Evaluating and Implementing Effective Risk Management* (5th ed.), Kogan Page.

Iankova, E. and Katz, J. (2003), "Strategies for political risk mediation by international firms in transition economies: the case of Bulgaria", *Journal of World Business*, Vol. 38 No. 3, pp. 182-203, doi: 10.1016/S1090-9516(03)00018-X.

Jiménez, A. (2010), "Does political risk affect the scope of the expansion abroad? Evidence from Spanish MNEs", *International Business Review*, Vol. 19 No. 6, pp. 619-633, doi: 10.1016/j.ibusrev.2010.03.004.

Jiménez, A. and Delgado-García, J.B. (2012), "Proactive management of political risk and corporate performance: the case of Spanish multinational enterprises", *International Business Review*, Vol. 21 No. 6, pp. 1029-1040, doi: 10.1016/j.ibusrev.2011.11.008.

Jiménez, A., Benito-Osorio, D. and Palmero-Cámara, C. (2015), "Learning from risky environments: Global diversification strategies of Spanish MNEs", *Management International Review*, Vol. 55 No. 4, pp. 485-509, doi: 10.1007/s11575-014-0232-5.

Jimenez, A., Majocchi, A. and Piana, B.D. (2019), "Not all family firms are equal: the moderating effect of family involvement on the political risk exposure of the foreign direct investment portfolio. Preliminary evidence from Spanish multinational enterprises", *Thunderbird International Business Review*, Vol. 61 No. 2, pp. 309-323, doi: 10.1002/TIE.22032.

Johanson, J. and Vahlne, J. (1977), "The internationalization process of the firm: a model of knowledge development and increasing foreign market commitments", *Journal of International Business Studies*, Vol. 8 No. 1, available at: www.proquest.com/docview/197407744?parentSessionId=8OQldgojO3898bHS1%2BxAKd%2BJ0qKZjZUCuRSqQpNlcqo%3Dandpq-origsite=summonandaccountid=14504 (accessed 9 February 2023).

John, A. and Lawton, T.C. (2018), "International political risk management: Perspectives, approaches and emerging agendas", *International Journal of Management Reviews*, Vol. 20 No. 4, pp. 847-879, doi: 10.1111/IJMR.12166.

Kahneman, D. and Tversky, A. (1979), "Prospect theory: an analysis of decision under risk", *Econometrica*, Vol. 47 No. 2, pp. 263, doi: 10.2307/1914185.

Kaplan, S. and Garrick, B.J. (1981), "On the quantitative definition of risk", *Risk Analysis*, Vol. 1 No. 1,

Keeney, R.L. and Raiffa, H. (1993), *Decisions with Multiple Objectives, Decisions with Multiple Objectives* Cambridge University Press, doi: 10.1017/CBO9781139174084.

Keynes, J.M. (1921), "A treatise on probability", available at: www.gutenberg.org (accessed 30 January 2023).

Kling, G., Oh, I. and Rowley, C. (2023), "Alibaba and coupang in the spotlight", *Asia Pacific Business Review, Routledge*, Vol. 29 No. 2, pp. 267-278, doi: 10.1080/13602381.2023.2177936.

Knight, F. (1921), "Risk, uncertainty and profit", Chicago University Press, Vernon Art and Science Inc.

Kobrin, S.J. (1979), "Political risk: a review and reconsideration", *Journal of International Business Studies*, Vol. 10 No. 1, pp. 67-80, doi: 10.1057/PALGRAVE.JIBS.8490631/METRICS.

Kocoglu, I. and Mithani, M.A. (2024), "How do managerial biases affect foreign market entry decisions?", *AIB Insights*, Vol. 24 No. 4, doi: 10.46697/001C.123988.

Kolmogorov, A.N. (1933), *Foundations of Probability Theory*, Julius Springer, Berlin.

Lanciotti, N.S. and Lluch, A. (2015), "Investing in growing markets: opportunities and challenges for multinationals in Argentina, 1900–1960", *Management and Organizational History*, Vol. 10 No. 2, pp. 119-135, doi: 10.1080/17449359.2015.1029949.

Lawton, T.C., Doh, J.P. and Rajwani, T. (2014), "Aligning for advantage: Competitive strategies for the political and social arenas", *Aligning for Advantage*, Oxford University Press, doi: 10.1093/ACPROF:OSO/9780199604746.001.0001.

Lawton, T.C., Moura, S.T.G., Tobin, D. and Silva-Rêgo, B. (2023), "Geopolitics of the digital economy: Implications for states and firms", *AIB Insights*, Vol. 23 No. 1, p. 2023, doi: 10.46697/001C.67966.

Laynesa Alcantara, L. and Mitsuhashi, H. (2013), "Dynamics of entering politically risky foreign markets", *Management Research Review*, Vol. 36 No. 6, pp. 580-595, doi: 10.1108/01409171311325741.

Lee, J.Y., Jiménez, A., Yang, Y.S. and Song, Y. (2020), "Political risk, internal versus global value chain knowledge, and subsidiary operational integration", *Global Strategy Journal*, Vol. 10 No. 3, pp. 444-472, doi: 10.1002/GSJ.1377.

Ledyaeva, S. (2009), "Spatial econometric analysis of foreign direct investment determinants in russian regions", *World Economy*, Vol. 32 No. 4, pp. 643-666, doi: 10.1111/j.1467-9701.2008.01145.x.

Leitch, M. (2010), "ISO 31000:2009—the new international standard on risk management", *Risk Analysis*, Vol. 30 No. 6, pp. 887-892, doi: 10.1111/J.1539-6924.2010.01397.X.

Li, L. and Moosa, I. (2015), "Operational risk, the legal system and governance indicators: a country-level analysis", *Applied Economics*, Vol. 47 No. 20, doi: 10.1080/00036846.2014.1000533.

Liberati, A., Altman, D.G., Tetzlaff, J., Mulrow, C., Gøtzsche, P.C., Ioannidis, J.P.A. and Clarke, M. (2009), "The PRISMA statement for reporting systematic reviews and meta-analyses of studies that evaluate health care interventions: Explanation and elaboration", *Annals of Internal Medicine*, Vol. 151 No. 4, doi: 10.7326/0003-4819-151-4-200908180-00136/SUPPL_FILE/PRISMA_FIGURE-S1.DOC.

Liou, R.-S., Brown, L.W. and Hasija, D. (2021), "Political animosity in cross-border acquisitions: EMNCs' market and nonmarket strategy in a developed market", *Multinational Business Review*, Vol. 29 No. 4, pp. 451-475, doi: 10.1108/MBR-02-2020-0034.

Liou, R.-S., Faifman, L. and Ellis, K. (2023), "Navigating political risk: Protectionism and ownership strategy in cross-border MandAs", *Journal of Business Research*, Vol. 162, p. 113885, doi: 10.1016/j.jbusres.2023.113885.

Liu, R., Zhang, J.J. and Vortherms, S.A. (2022), "In the Middle: American multinationals in China and trade war politics", *Business and Politics*, Vol. 24 No. 4, doi: 10.1017/bap.2022.14.

Llanos-Contreras, O., Arias, J. and Maquieira, C. (2021), "Risk taking behavior in Chilean listed family firms: a socioemotional wealth approach", *International Entrepreneurship and Management Journal*, Vol. 17 No. 1, pp. 165-184, doi: 10.1007/s11365-019-00628-y.

Manuj, I. and Mentzer, J.T. (2008), "Global supply chain risk management strategies", *International Journal of Physical Distribution and Logistics Management*, Vol. 38 No. 3, pp. 192-223, doi: 10.1108/09600030810866986.

March, J.G. and Shapira, Z. (1987), "Managerial perspectives on risk and risk taking", *Management Science*, Vol. 33 No. 11, pp. 1404-1418.

Martinez, Z.L., Priesmeyer, H.R., Menger, R.A. and Persellin, M. (1999), "Nonlinear systems theory: a more dynamic approach to international strategic management", *Managerial Finance*, Vol. 25 No. 2, pp. 16-29, doi: 10.1108/03074359910765894.

Marzi, G., Balzano, M., Caputo, A. and Pellegrini, M.M. (2025), "Guidelines for Bibliometric-Systematic literature reviews: 10 steps to combine analysis, synthesis and theory development", *International Journal of Management Reviews*, Vol. 27 No. 1, pp. 81-103, doi: 10.1111/IJMR.12381.

Moazzin, G. (2020), "Investing in the new republic: Multinational banks, political risk, and the Chinese revolution of 1911", *Business History Review*, Vol. 94 No. 3, pp. 507-534, doi: 10.1017/S0007680520000276.

Murtinu, S., Scalera, V.G. and Strange, R. (2023), "Cross-border acquisitions by sovereign wealth funds: A legitimacy-based view", *Global Strategy Journal*, Vol. 13 No. 4, pp. 888-926, doi: 10.1002/gsj.1496.

Noordin, B.A.A. and Hazir, A.Y. (2006), "Political risk assessment of Malaysian based multinational corporations", *Problems and Perspectives in Management*, Vol. 4 No. 3, pp. 91-99.

O'Donnell, R. (2021), "Keynes and knight: risk-uncertainty distinctions, priority, coherence and change", *Cambridge Journal of Economics*, Vol. 45 No. 5, pp. 1127-1144, doi: 10.1093/cje/beab034.

Omar, M. and Porter, M. (2011), "Reducing risk in foreign market entry strategies: standardization versus modification", *Competitiveness Review: An International Business Journal*, Vol. 21 No. 4, pp. 382-396, doi: 10.1108/10595421111152174.

Page, M.J., McKenzie, J.E., Bossuyt, P.M., Boutron, I., Hoffmann, T.C., Mulrow, C.D. and Shamseer, L. (2021), "The PRISMA 2020 statement: an updated guideline for reporting systematic reviews", *BMJ*, p. n71, doi: 10.1136/bmj.n71.

Parker, T. and Lambrechts, D. (2020), "Make or break: Reputational risks facing Chinese companies operating in Africa's extractive industries".

Paul, J. and Criado, A.R. (2020), "The art of writing literature review: What do we know and what do we need to know?", *International Business Review*, Vol. 29 No. 4, doi: 10.1016/j.ibusrev.2020.101717.

Prakash, S. and Luther, S.K.A.N. (1986), "Political risk analysis and direct foreign investment: Some problems of definition and measurement", *California Management Review*, Vol. XXVIII No. 2.

Raiffa, H., Tversky, A. and Bell, D.E. (1988), *Decision Making: Descriptive, Normative and Prescriptive Interactions*, Cambridge.

Reddy, Y.V. and Naik, S.S. (2011), "Determinants of goan SME firms going global: Theoretical and empirical approach", *Vikalpa: The Journal for Decision Makers*, Vol. 36 No. 2, pp. 45-58, doi: 10.1177/0256090920110204.

Rialp-Criado, A., Zolfaghari Ejlal Manesh, S.M. and Moen, Ø. (2019), "Home (not so) sweet home", *Critical Perspectives on International Business*, Vol. 16 No. 4, pp. 379-406, doi: 10.1108/cpoib03-2018-0031.

Rice, C. and Zegart, A. (2018), "Political risk: How businesses and organizations can anticipate global insecurity".

Rios-Morales, R., Gamberger, D., Šmuc, T. and Azuaje, F. (2009), "Innovative methods in assessing political risk for business internationalization", *Research in International Business and Finance, Elsevier*, Vol. 23 No. 2, pp. 144-156, doi: 10.1016/J.RIBAF.2008.03.011.

Robock, S. (1971), "Political risk – identification and assessment", *The Columbia Journal of World Business*, Vol. 6 No. 4.

Rodriguez, E. (2008), "Cooperative ventures in emerging economies", *Journal of Business Research*, Vol. 61 No. 6, pp. 640-647, doi: 10.1016/j.jbusres.2007.06.039.

Rogmans, T. (2013), "Location and operation mode decision making in the middle east: a case study approach", *Journal of Strategy and Management*, Vol. 6 No. 2, pp. 190-206, doi: 10.1108/17554251311322440.

Root, F.R. (1968), "The expropriation experience of American companies: What happened to 38 companies", *Business Horizons*, Vol. 11 No. 2, pp. 69-74, doi: 10.1016/0007-6813(68)90088-8.

Rygh, A. and Knutsen, C.H. (2024), "Does state ownership mitigate political risk in foreign direct investments? evidence from subsidiary-level data for norwegian MNEs", *Multinational Business Review*, Vol. 32 No. 2, pp. 183-203, doi: 10.1108/MBR-08-2022-0117.

Sawant, R.J., Nachum, L. and Panibratov, A.Y. (2021), "The effect of interpersonal political embeddedness on firm internationalization scope", *British Journal of Management*, Vol. 32 No. 3, pp. 812-831, doi: 10.1111/1467-8551.12430.

Schnyder, G. and Sallai, D. (2020), "Between a rock and a hard place: Internal-and external institutional fit of MNE subsidiary political strategy in contexts of institutional upheaval", *Journal of International Management*, Vol. 26 No. 2, doi: 10.1016/j.intman.2020.100736.

Simon, H.A. (1955), "A behavioral model of rational choice", *The Quarterly Journal of Economics*, Vol. 69 No. 1, pp. 99-118, doi: 10.2307/1884852.

Simon, J.D. (1984), "A theoretical perspective on political risk", *Journal of International Business Studies*, Vol. 15 No. 3.

Skovoroda, R., Goldfinch, S., DeRouen, K. and Buck, T. (2019), "The attraction of FDI to conflicted states: the Counter-Intuitive case of US oil and gas", *Management International Review*, Vol. 59 No. 2, pp. 229-251, doi: 10.1007/s11575-018-0374-y.

Small, H. (1997), "Update on science mapping: Creating large document spaces", *Scientometrics*, *Springer Netherlands*, Vol. 38 No. 2, pp. 275-293, doi: 10.1007/BF02457414/METRICS.

Snyder, H. (2019), "Literature review as a research methodology: an overview and guidelines", *Journal of Business Research*, Vol. 104, doi: 10.1016/j.jbusres.2019.07.039.

Song, S. (2022), "Determining investment size and local embeddedness under host market uncertainty and growth rates", *International Business Review*, Vol. 31 No. 2, p. 101945, doi: 10.1016/j.ibusrev.2021.101945.

Steinbach, S. (2023), "The Russia–Ukraine war and global trade reallocations", *Economics Letters*, *North-Holland*, Vol. 226, p. 111075, doi: 10.1016/J.ECONLET.2023.111075.

Stephens, R.A. and Apasu, Y. (1986), "Exploiting global opportunities: a future-oriented strategic perspective for multinational corporations", *European Management Journal*, Vol. 4 No. 2, pp. 104-113, doi: 10.1016/S0263-2373(86)80018-4.

Stevens, C.E. and Newenham-Kahindi, A. (2017), "Legitimacy spillovers and political risk: the case of FDI in the East African community", *Global Strategy Journal*, Vol. 7 No. 1, pp. 10-35, doi: 10.1002/gsj.1151.

Stornelli, A., Ozcan, S. and Simms, C. (2021), "Advanced manufacturing technology adoption and innovation: a systematic literature review on barriers, enablers, and innovation types", *Research Policy*, Vol. 50 No. 6, doi: 10.1016/j.respol.2021.104229.

Sun, C. and Liu, Y. (2019), "Can China's diplomatic partnership strategy benefit outward foreign direct investment?", *China and World Economy*, Vol. 27 No. 5, pp. 108-134, doi: 10.1111/CWE.12289.

Sun, P., Doh, J.P., Rajwani, T., Siegel, D. and Doh, J.P. (2021), "Navigating cross-border institutional complexity: a review and assessment of multinational nonmarket strategy research", *Journal of International Business Studies*, Vol. 52 No. 9, pp. 1818-1853, doi: 10.1057/s41267-021-00438-x.

Tanveer, A., Zeng, S., Zaman, R. and Scagnelli, S. (2024), "World trade organization (WTO) trade policy reviews and green technology adoption: global evidence", *International Review of Financial Analysis*, Vol. 96, p. 103715, doi: 10.1016/j.irfa.2024.103715.

Tonn Goulart Moura, S., Lawton, T.C., Tobin, D. and Thomas Lawton, C.C. (2025), "How do multinational enterprises respond to geopolitics? A review and research agenda", *International Journal of Management Reviews*, John Wiley and Sons, Ltd, doi: 10.1111/IJMR.12399.

Turi, J.A. and Sarfraz, M. (2023), "The impact of perceived organizational politics and political risk on project success through ethical leadership and the psychological contract", *Kybernetes*, Vol. 52 No. 11, pp. 4829-4845, doi: 10.1108/K-11-2021-1192.

Werner, S., Brouthers, L.E. and Brouthers, K.D. (1996), "International risk and perceived environmental uncertainty: the dimensionality and internal consistency of miller's measure", source", *Journal of International Business Studies*, Vol. 27 No. 3, pp. 571-587.

White, G.O., Guldiken, O., Hemphill, T.A., He, W. and Khoobdeh, M.S. (2016), "Trends in international strategic management research from 2000 to 2013: Text mining and bibliometric analyses". *Management International Review*, Vol. 56 No. 1, pp. 35-65, doi: 10.1007/s11575-015-0260-9.

Williamson, O.E. (1981), "The economics of organization: the transaction cost approach", *American Journal of Sociology*, Vol. 87 No. 3, pp. 548-577.

Xu, J. (2024), "Rethinking institutional arbitrage: de jure exposure and de facto enforcement", *Global Strategy Journal*, Vol. 14 No. 4, pp. 754-799, doi: 10.1002/gsj.1510.

Yasuda, N. and Kotabe, M. (2021), "Political risks and foreign direct investments by multinational corporations: a reference point approach", *Global Strategy Journal*, Vol. 11 No. 2, pp. 156-184, doi: 10.1002/gsj.1380.

Yoon, H., Peillex, J. and Buckley, P.J. (2021), "Friends or foes? Bilateral relationships and ownership choice in cross-border acquisitions by emerging market firms", *British Journal of Management*, Vol. 32 No. 3, pp. 852-871, doi: 10.1111/1467-8551.12442.

Young, S., Ross, D. and MacKay, B. (2014), "Inward foreign direct investment and constitutional change in Scotland", *The Multinational Business Review*, Vol. 22 No. 2, pp. 118-138, doi: 10.1108/MBR-04-2014-0016.

Further reading

Blake, J. (2025), "Corporate governance and risk appetite in insurance firms: a strategic management perspective", *International Insurance Law Review*, Vol. 33 No. S3, pp. 28-45.

Buckley, P. and Casson, M. (2019), "Decision-making in international business", *Journal of International Business Studies*, Vol. 50 No. 8, pp. 1424-1439, doi: 10.2307/48703554.

David, E., Bell, H.R. and Tversky, A. (1988), *Decision Making: Descriptive, Normative and Prescriptive Interactions*, cambridge university Press.

Howard, R.A. (1988), "Decision analysis: Practice and promise", *Management Science*, Vol. 34 No. 6, pp. 679-695.

Corresponding author

Thomas C. Lawton can be contacted at: thomas.lawton@ucc.ie

Table A1. Data set summary

Level*	Stage	Element	Authors	Theory	Method	Tecnique	B.A. Stage	Choice and strategy
MACRO	Assessment	IPR as determinant of portfolio investment	Cui and Maghyereh (2023)	Connectedness theory and Portfolio optimization	Quantitative	TVP-VAR, DCC-GARCH Copula	Prescriptive	Portfolio optimization
MACRO	Assessment	IPR as FDI determinant	Young *et al.* (2014)	IB theories	Qualitative	SWOT analysis	Descriptive	FDI
MACRO	Assessment	IPR as FDI determinant	Lanciotti and Lluch (2015)	Parameters for explaining multinational decision-making	Qualitative	Qualitative, historical case study	N/A	FDI
MACRO	Assessment	IPR as FDI determinant	Liu *et al.* (2022)	Default risk literature	Quantitative	System generalised method of moments	Predictive	Location choice
MACRO	Assessment	Bilateral Trade	Steinbach (2023)	International trade and gravity model	Quantitative	Bilateral trade econometrics	Predictive	Trade reallocation
MACRO	Identification	IPR definition, factors and dimensions	Simon (1984)	N/A	Qualitative	Case study (South Africa MNEs)	Descriptive	Location choice
MACRO	Identification	IPR definition, factors and dimensions	Prakash and Luther (1986)	N/A	Qualitative	Conceptual	N/A	N/A
MACRO	Identification	IPR definition, factors and dimensions	Henisz (2000)	Positive political theory and economic growth	Quantitative	OLS, GLS and MMM regressions	Predictive	GDP growth rates
MACRO	Identification	IPR definition, factors and dimensions	Gao (2009)	Stakeholder theory	Qualitative	Conceptual	N/A	N/A
MACRO	Identification	IPR definition, factors and dimensions	John and Lawton (2018)	IB theories	Qualitative	Narrative review	NA	NA
MACRO	Identification	IPR definition, factors and dimensions	Hartwell and Devinney (2021)	IB theories, institutional theory and political risk/ political science literature	Qualitative	Perspective article	N/A	NA
MACRO	Assessment	Bilateral relationships/ home-host country relations	Bilgili *et al.* (2023)	Political institutions approach and relational embeddedness perspective	Quantitative	logistic regression	Predictive	Cross-border Aq. (CBA) completion
MACRO	Assessment	Sanctions	Martinez *et al.* (1999)	Institution-based view and resource dependency	Qualitative	Systematic literature review	Descriptive	IB strategy under sanctions
MACRO	Assessment	IPR as FDI determinant	Cuervo-Cazurra *et al.* (2023)	Political risk literature (host country politics)	Mixed Methods	Literature review and meta-analysis	N/A	Location choice, entry mode, scope and subs. survival
MESO	Assessment	Bank capital regulation and risk	Anginer *et al.* (2024)	Banking regulation and supervision literature	Quantitative	Panel data analysis	Predictive	Bank risk-taking
MESO	Assessment	IPR as FDI determinant	Skovoroda *et al.* (2019)	IB Theories (e.g. OLI, TCT)	Quantitative	Bivariate probit model with selection correction	Predictive	Location choice/ FDI

(*continued*)

Table A1. Continued

Level*	Stage	Element	Authors	Theory	Method	Tecnique	B.A. Stage	Choice and strategy
MICRO (firm level)	Assessment	Frameworks and tools	Rios-Morales *et al.* (2009)	Statistics	Quantitative	Machine Learning Models	Predictive	Location choice
MICRO (firm level)	Assessment	IPR as FDI determinant	Song (2022)	Real options perspective (ROP)	Quantitative	Multinomial logistic Regression	Predictive	Investment size and country-specificity (local embeddedness)
MACRO	Assessment	WTO trade policies and green tech adoption	Tanveer *et al.* (2024)	Trade policy, sustainability transition	Quantitative	Econometric analysis	Predictive	Technology adoption and regulatory alignment
MICRO (firm level)	Capability building	Institutionalization of political risk assessment (IPRA)	Hashmi and Guvenli (1992)	N/A	Qualitative	Surveys	Descriptive	N/A
MICRO (firm level)	Capability building	Institutionalization of political risk assessment (IPRA)	Alon *et al.* (2006)	Risk management frameworks	Qualitative	Case study (different industries)	Descriptive	Location choice
MICRO (firm level)	Capability building	Institutionalization of political risk assessment (IPRA)	Noordin and Hazir (2006)	Risk management frameworks	Qualitative	Surveys	Descriptive	N/A
MICRO (firm level)	Capability building	Institutionalization of political risk assessment (IPRA)	Al Khattab *et al.* (2008)	Organizational theory/ institutionalization	Mixed methods	Surveys and nonparametric methods	Descriptive	N/A
MICRO (firm level)	Capability building	Frameworks and Tools	Martinez *et al.* (1999)	Nonlinear system theory (complexity)	Qualitative	Case study	Predictive	FDI
MICRO (firm level)	Capability building	Frameworks and Tools	Dandage *et al.* (2019)	Risk management and interpretive structural modeling (ISM)	Qualitative	Literature review and expert consultants	N/A	N/A
MICRO (firm level)	Capability building	Frameworks and Tools	Hemphill *et al.* (2021)	Data analytics, machine learning and artificial narrow intelligence (ANI)	Qualitative	Perspective Article	N/A	NA
MICRO (firm level)	Assessment	IPR as FDI determinant	Rogmans (2013)	IB theories (e.g. TCT, OLI, Uppsala)	Qualitative	Case study approach	Predictive	Location choice/ entry mode
MICRO (firm level)	Assessment	IPR as FDI determinant	Jiménez *et al.* (2015)	IB theories and prospect theory and portfolio diversification	Quantitative	Three-stage least squares	Predictive	Product diversification relatedness

(*continued*)

Table A1. Continued

Level*	Stage	Element	Authors	Theory	Method	Tecnique	B.A. Stage	Choice and strategy
MICRO (firm level)	Assessment	Risk perception	Yasuda and Kotabe (2021)	Microfundations view and reference point theory	Quantitative	Zero-inflated negative binomial regression model	Predictive	Enlarge FDI (Investment)
MESO	Assessment	State ownership enterprises (SOE)	Cannizzaro and Weiner (2018)	SOE and transparency literature	Quantitative	Multinomial Logit	Predictive	FDI natural reserve
MICRO (firm level)	Assessment	Populism and institutions in FDI	Carballo Perez and Corina (2024)	IB theories, Institutional theory, populism literature	Mixed methods	Econometric and qualitative analysis	Predictive	Location choice
MICRO (firm level)	Assessment	Institutional arbitrage	Xu (2024)	Institutional theory, Arbitrage theories	Quantitative	Econometric analysis	Predictive	Regulatory arbitrage
MACRO	Assessment	Diplomacy and MNE strategy	Hartwell and Devinney (2021)	International relations and IB theories	Qualitative	Literature review	Descriptive	Strategic decisions under diplomatic scenarios
MICRO (firm level)	Capability building	Multinational configuration	Stephens and Apasu (1986)	Portfolio planning and strategic business units	Qualitative	Case study (Iran MNEs)	Descriptive	N/A
MICRO (firm level)	Capability building	Political capabilities and nonmarket strategies	Iankova and Katz (2003)	Resource dependency framework	Qualitative	In depth research case study	Descriptive	Location choice
MICRO (firm level)	Capability building	Political capabilities and nonmarket strategies	Holburn and Zelner (2010)	Political capabilities; learning, imprinting	Quantitative	A fixed-effects logit model	Predictive	Location choice
MICRO (firm level)	Capability building	Political capabilities and nonmarket strategies	Donzé and Kurosawa (2013)	N/A	Qualitative	Case study (Nestle)	Descriptive	Location CHOICE
MACRO	Capability building	Strategic management	White III *et al.* (2016)	N/A	Mixed Methods	Literature review	N/A	N/A
MICRO (firm level)	Capability building	Political capabilities and nonmarket strategies	De Villa *et al.* (2019)	Corporate political activity (CPA) and political strategies literature	Qualitative	Inductive case study	N/A	N/A
MICRO (firm level)	Capability building	Political capabilities and nonmarket strategies	Moazzin (2020)	N/A	Qualitative	Historical case study (banks in china)	N/A	NA
MICRO (firm level)	Capability building	Political capabilities and nonmarket strategies	Schnyder and Sallai (2020)	CPA and Fit paradigm	Qualitative	longitudinal case study and semistructured interviews	Descriptive	NA
MICRO (firm level)	Capability building	Political capabilities and nonmarket strategies	Liou *et al.* (2021)	Political animosity, legitimacy and resource-based view (RBV)	Quantitative	Tobit regression	Predictive	Ownership Choice (M&A) and lobbying expenditure
MICRO (firm level)	Capability Building	Political capabilities and nonmarket strategies	Darendeli *et al.* (2021)	Political risk, social legitimacy and resilience	Quantitative	Panel data and endogenous average	Predictive	N/A

(*continued*)

Table A1. Continued

Level*	Stage	Element	Authors	Theory	Method	Tecnique	B.A. Stage	Choice and strategy
						treatment effects estimation		
MICRO (firm level)	Capability Building	Political capabilities and nonmarket strategies	Liu *et al.* (2022)	Trade politics	Mixed methods	Multinomial logit model and Case studies	Predictive	Political behaviours/ reactions (exit, voice, loyalty)
MICRO (firm level)	Assessment	IPR as FDI determinant	Rodriguez (2008)	Transaction cost theory (TCT)	Qualitative	Theoretical, mathematical model	N/A	Entry mode (ownership) choice
MICRO (firm level)	Assessment	IPR as FDI determinant	Ledyaeva (2009)	Export-platform FDI	Quantitative	Panel data pooled OLS	Predictive	Location choice
MICRO (firm level)	Assessment	IPR as FDI determinant	Jiménez (2010)	Uppsala model	Quantitative	Negative binomial regression	Predictive	Scope
MICRO (firm level)	Assessment	IPR as FDI determinant	Herrero *et al.* (2011)	N/A	Quantitative	Cooperative Maximum-Likelihood Hebbian Learning (CMLHL)	Predictive	Location choice
MICRO (firm level)	Assessment	IPR as FDI determinant	Jiménez (2010)	N/A	Quantitative	Conditional Logit Model	Predictive	Location choice
MICRO (firm level)	Assessment	IPR as FDI determinant	Reddy and Naik (2011)	IB theories (e.g. TCT, Uppsala)	Mixed Methods	Survey method/logit regression	Predictive	Entry mode choice
MICRO (firm level)	Assessment	IPR as FDI determinant	Omar and Porter (2011)	Standardization, strategy selection	Qualitative	Surveys	Predictive	Standardization
MICRO (firm level)	Assessment	IPR as FDI determinant	Laynesa Alcantara and Mitsuhashi (2013)	Problematic search/slack search	Quantitative	Conditional (fixed effect) logistic model	Predictive	Entry mode choice
MICRO (firm level)	Assessment	IPR as FDI determinant	Barbopoulos *et al.* (2014)	IB theories/portfolio diversification	Quantitative	event studies	Predictive	Entry mode choice
MICRO (firm level)	Assessment	IPR as FDI determinant	He *et al.* (2015)	Based upon motives of FDI: market-seeking, resource-seeking and asset-seeking	Quantitative	Probit model /Tobit model	Predictive	Location Choice/ FDI
MICRO (firm level)	Assessment	IPR as FDI determinant	Rialp-Criado *et al.* (2019)	Political risk, IB and IE (international entrepreneurship) literature	Qualitative	Multiple case study methodology	Descriptive	Internationalization
MICRO (firm level)	Assessment	IPR as FDI determinant	Liou *et al.* (2023)	Legitimacy-based view and protectionism literature	Quantitative	Tobit regression	Predictive	Cross-border Aq. (CBA) ownership

(*continued*)

Table A1. Continued

Level*	Stage	Element	Authors	Theory	Method	Tecnique	B.A. Stage	Choice and strategy
MICRO (firm level)	Assessment	IPR as FDI determinant	Kling *et al.* (2023)	N/A	Qualitative	Case study (Alibaba)	N/A	NA
MICRO (firm level)	Assessment	National origin/cultural distance	Hennart and Larimo (1998)	"National Character" Theory	Quantitative	Quantitative, binomial log regression	Predictive	Entry mode choice
MICRO (firm level)	Assessment	Learning, uncertainty and irreversibility	Fisch (2011)	Real options	Quantitative	Semiparametric hazard rate models and parametric Weibull models	Predictive	Enlarge FDI (subsidiaries)
MICRO (firm level)	Assessment	State ownership enterprises (SOE)	Amighini *et al.* (2013)	Strategic asset seeking	Quantitative	Random-effect panel Poisson model via maximum likelihood	Predictive	Location Choice
MICRO (firm level)	Assessment	Degree of Multimarket contact (networking, embeddedness, etc)	Laynesa Alcantara and Mitsuhashi (2013)	Multi market contact	Quantitative	Conditional (fixed-effect) logistic model of multiple	Predictive	Entry mode choice
MICRO (firm level)	Assessment	Internal and external suppliers (SUP)	Lee *et al.* (2020)	TCT and network learning literature	Quantitative	Random-intercept multilevel Tobit model with double censoring	Predictive	Subsidiary intrafirm trade integration
MICRO (firm level)	Assessment	Interpersonal political embeddedness (IPE)	Sawant *et al.* (2021)	Relational embeddedness and dependence asymmetry	Quantitative	Two-stage instrumented Arellano–Bond generalized method of moments (GMM) regression	Predictive	Scope
MICRO (firm level)	Assessment	Bilateral relationships/ home-host country relations	Sun and Liu (2019)	Political risk and bilateral political relations literature	Quantitative	Balanced panel data	Predictive	Location choice
MICRO (firm level)	Assessment	Bilateral relationships/ home-host country relations	Yoon *et al.* (2021)	Real options and OLI	Quantitative	Logistic regression	Predictive	Ownership choice (M&A)
MICRO (firm level)	Assessment	Firm-specific Political Risk	Fan and Xiao (2023)	Supply chain risk management literature	Quantitative	Two-way fixed-effect regression analysis of panel data	Predictive	Geographical and Product diversification and vertical integration
MICRO (firm level)	Dynamic Capabilities	Political Capabilities and Non-market strategies	Fan and Xiao (2023)	Nonmarket strategy, Institutional theory	Qualitative	Case study (MNEs in Cameroon)	Descriptive	Nonmarket strategy choice

(*continued*)

Table A1. Continued

Level*	Stage	Element	Authors	Theory	Method	Tecnique	B.A. Stage	Choice and strategy
MICRO (firm level)	Assessment	SWF acquisitions and legitimacy	Murtinu *et al.* (2023)	Legitimacy-based view	Quantitative	Econometric analysis (event study)	Predictive	M&A
MICRO (firm level)	Dynamic capabilities	State ownership enterprises (SOE)	Gad *et al.* (2024) and Rygh and Knutsen (2024)	Political risk, state ownership	Quantitative	Econometric analysis	Predictive	Ownership
MICRO (firm level)	Assessment	Firm-level political risk and credit markets	Gad *et al.* (2024)	Economic policy uncertainty and network theory	Quantitative	Panel data (OLS, fixed effects)	Predictive	Credit risk pricing
MICRO (TMT level)	Assessment	Managerial Equity Ownership	Datta *et al.* (2015)	Prospect theory/ behavioural decision theory	Quantitative	Logistic regression	Predictive	Entry mode choice
MICRO (TMT level)	Assessment	Domestic experience/ potential slack	Buckley *et al.* (2016)	Behavioural decision theory	Mixed methods	Discrete choice method: surveys and probit regression	Predictive	Location choice
MICRO (TMT level)	Assessment	Family firms (FF) and social capital (SC)	Jimenez *et al.* (2019)	Social capital theory	Quantitative	Negative binomial cross-sectional analysis	Predictive	Scope
MICRO (TMT level)	Assessment	Risk perception, distance and TMT characteristics	Ambos *et al.* (2020)	Microfundations view, risk perception (heuristics) and ramdon utility theory	Mixed methods	Discrete choice experiment: surveys and multinomial logit model	Predictive	Location choice
MICRO (TMT level)	Assessment	Risk perception (RP)	Charpin *et al.* (2021)	Political risk, institutional theory and legitimacy	Qualitative	Survey Method	Descriptive	Strategic SCH/OM
MICRO (TMT level)	Assessment	Family firms (FF)	Llanos-Contreras *et al.* (2021)	Family firms (FF) literature and socioemotional wealth (SEW)	Quantitative	Two-way fixed effects OLS data panel regressions and GMM	Predictive	Risk Taken
MICRO (TMT level)	Assessment	Managerial equity ownership	Benischke *et al.* (2022)	Behavioural agency model (BAM)	Quantitative	logistic regression	Predictive	Entry mode choice
MICRO (TMT level)	Assessment	Leadership	Turi and Sarfraz (2023)	Perceived organizational politics (POP), psychological contract (PC) and ethical leadership	Mixed methods	Surveys and structural equations (SEM)	Predictive	Project Success
MICRO (Individual investor level)	Assessment	Portfolio investment	Eom and Lee (1987)	Optimal capital structure	Quantitative	Multiple objective decision support system	Prescriptive	Capital structure
MICRO (Individual investor level)	Assessment	Portfolio investment	Cosset and Suret (1995)	Portfolio optimization	Quantitative	Minimum Variance analysis (MVA)	Prescriptive	Stock's portfolio investment

(*continued*)

Table A1. Continued

Level*	Stage	Element	Authors	Theory	Method	Tecnique	B.A. Stage	Choice and strategy
MICRO (Individual investor level)	Assessment	Portfolio investment	Erb *et al.* (1996)	Portfolio optimization	Quantitative	Risk adjust returns (RAR)	Prescriptive	Stock's portfolio investment
MICRO (Individual investor level)	Assessment	Portfolio investment	Filippou *et al.* (2018)	Capital asset pricing model (CAPM)	Quantitative	Regression and mimicking portfolios	Prescriptive	Currency portfolio investments
MICRO (Individual investor level)	Assessment	Portfolio investment	Donahue and Timmerman (2021)	Risk management framework	Qualitative	Investment report	Descriptive	Private equity

Note(s): *The micro level is subdivided into the firm level (from the MNE perspective), the top management team (TMT) level (from a managerial perspective), and the individual investor level (from a foreign portfolio investor [FPI] perspective)