

ELEPHANTS IN THE ROOM: A REVIEW TO RESHAPE FUTURE RESEARCH ON POLITICALLY CONNECTED BOARDS AND FINANCIAL PERFORMANCE

Lim Keh Yee

Faculty of Economics and Business, Universiti Malaysia Sarawak

Ibrahim Mohd-Sabrun¹

Faculty of Economics and Business, Universiti Malaysia Sarawak

Nur Farrahani Ahmad Tarmizi

Faculty of Economics and Business, Universiti Malaysia Sarawak

Noor Adwa Sulaiman

Faculty of Business and Economics, Universiti Malaya

Fatimah Noor Rashidah Mohd Sofian

Kulliyah of Economics and Management Sciences, International Islamic University Malaysia

ABSTRACT

Politically connected firms are prevalent worldwide, spurring political connection research. This systematic literature review (SLR) examines the current development in political connection research, specifically examining the impact of politically connected directors and CEOs (PCDCs) and corporate financial performance (CFP). This study conducts a bibliometric analysis of 247 articles from Scopus, spanning the years 2006 to 2023. Additionally, 52 high-quality articles are selected for further evaluation using content analysis under the Theory, Context, Characteristics, and Methodology (TCCM) framework. The findings reveal that Asian studies have predominated the body of literature. Through thematic analysis by the keywords, the conceptual structure of PCDC-CFP research is grouped into five distinct clusters. The literature review highlights that PCDCs may be a double-edged sword for CFP, with contradictory findings. This study delves into the geographical focus, theoretical perspectives and methodological arguments of previous research, thereby identifying potential room for future research to enrich the literature. The complex effects of PCDCs on CFP makes call for better policy and business decisions.

Keywords: Corporate Governance; Political Connections; Financial Performance

Received: 20 July 2024

Accepted: 16th October 2024

<https://doi.org/10.33736/ijbs.8577.2024>

¹ Corresponding author: Ibrahim Mohd-Sabrun, Faculty of Economic and Business, Universiti Malaysia Sarawak, Jalan Datuk Mohd Musa, 94300 Kota Samarahan, Sarawak, Malaysia. Telephone: +6082-584373. E-mail: imsabrun@unimas.my

1. INTRODUCTION

The impact of political connections remains its attractiveness, continuously gaining interests across economic and social borders (Fu et al., 2022; García- Gómez et al., 2023; Sulaiman et al., 2022; Zainudin & Khaw, 2021). Political connections have been shown to influence firm performance, particularly by helping the connected firms to obtain external resources such as long-term debt financing (Li et al., 2008; Ling et al., 2016) and government subsidies (T. Liu & Wang, 2021; Wu et al., 2012). The impact of political connections is more profound during changes in political regimes and financial distress (Ben Cheikh & Loukil, 2023; He et al., 2019; Tawiah et al., 2022; Ullah et al., 2021). In countries with weak institutional frameworks, firms tend to establish political connections as government has significant involvement in the economy (Guo et al., 2014; Pang & Wang, 2021). As a result, firms strategically appoint politicians as board members or top officers, since politicians or the government control the majority of the resources (Agrawal & Knoeber, 2001). Political connections through directors and Chief Executive Officers (CEOs) are considered particularly stable providing firms with access to a broader resource base and enhancing their ability to navigate external contingencies (W. Y. Wong & Hooy, 2018).

An abundance of empirical literature has explored on the impact of political connections on corporate financial performance (CFP), focusing on PCDCs. However, PCDCs as a catalyst for CFP remain debatable due to the inconsistent findings. In emerging economies, PCDCs are expected to play a key role in CFP, yet studies report both positive (Arnoldi & Villadsen, 2015; Saleh et al., 2020; Tawiah et al., 2022; W. Y. Wong & Hooy, 2018) and negative (Ha & Frömmel, 2020; Jaffar & Abdul-Shukor, 2016; Ling et al., 2016; Saeed et al., 2016; Trifonov, 2021) relationships between PCDCs and CFP. Meanwhile, research on developed economies tends to show a positive impact of PCDCs on CFP (Brown, 2016; Giosi & Caiffa, 2020; Guerra Pérez et al., 2015; Niessen & Ruenzi, 2010; Shin et al., 2018). Some cross-country studies suggest that PCDCs negatively affect CFP (Carney et al., 2020; Pang & Wang, 2021; Rocca et al., 2022). Additionally, Chen et al. (2017) claimed an inverted U-shaped relationship, where an optimal level of PCDCs benefits financial performance. The inconsistencies in the findings and discrepancies in the scope of empirical studies in PCDC-CFP literature have driven the motivation of this review study, aiming to conduct a thorough synthesis covering the aspects from bibliometric indicators to the current research structure, and ultimately, offering directions for future research.

While previous studies have included one meta-analysis (Prasetyo & Nasution, 2022) and one bibliometric analysis (Ahmed & Hussainey, 2023), this review differs in several ways. Prasetyo and Nasution (2022) conducted a meta-analysis to reconcile and summarise the effect of PCDC-CFP based on 35 empirical articles from 2009 to 2020 whereas Ahmed and Hussainey (2023) focused on the influential aspects and several research streams in political connections literature based on 138 research papers from Web of Science (WoS) with a period from 2000 to 2020. This study, however, incorporates a larger sample of 247 empirical articles from 2006 to 2023 to provide more timely insights into the PCDC-CFP literature. It also delves into the conceptual structure of the literature through thematic analysis of keywords, an area largely unexplored in previous studies. Additionally, it uses the TCCM framework for content analysis to examine research context, theoretical perspectives, key characteristics, and methodological approaches, providing a more comprehensive view not addressed in earlier works. Taking advantage of this golden opportunity, this paper seeks to answer the following questions.

RQ1. Which countries, articles and journals have contributed to the development of the PCDC-CFP field?

RQ2. What is the conceptual structure of the PCDC-CFP field?

RQ3. What is the current trend in terms of theories, geographical focus, methodology in the PCDC-CFP field?

RQ4. What is the future direction of the PCDC-CFP field?

This review paper contributes to the literature by being the first SLR to provide an up-to-date systematic evaluation of existing studies, as well as a comprehensive literature review that includes the main findings, methodological and theoretical arguments. It adds to the existing knowledge about recent developments in the political connection literature. Finally, despite the large number of existing studies in this field, it sheds light on potential research gaps that should be addressed in future studies to enrich the literature.

The remainder of this review paper is organized as follows: Section 2 describes the research methodology. Section 3 summarizes the findings and provides extensive discussion. Section 4 offers suggestions for future research. Lastly, Section 5 concludes the review.

2. METHODOLOGY

2.1. Review Method

This review paper performed bibliometric analysis and content analysis to examine the intellectual and conceptual structure in the PCDC-CFP field. The authors adopted SLR as the research approach to identify and evaluate related research before collecting and analysing the data obtained from the research to produce more comprehensive systematic review reports (Page et al., 2021). SLR allows researchers to map and assess the relevant research stream, thereby shaping the knowledge base and indicating future research directions in the particular field of study (Tranfield et al., 2003). As a result, SLR is an adequate and appropriate approach to addressing the research questions of these studies by exploring the methods, theories, and effects of current PCDC-CFP research. This systematic review is guided by PRISMA (see Figure 1 in *Appendix*) (Page et al., 2021). A detailed discussion on search and selection strategy is presented in the following section.

Alan Pritchard coined the term "bibliometric" in 1969, and it is defined as the practice of applying mathematical and statistical techniques to any manifestation of recorded information, such as books and articles (Groos & Pritchard, 1969). Performing bibliometric analysis on a large number of publications in a specific research field aids in identifying core research and authors, as well as the relationships within the research network (Bellis, 2009). As a result, it is an appropriate method for determining future trends in disciplines by analysing bibliometric data. This review used performance analysis and science mapping, which are two of the main techniques in bibliometric analysis (Donthu et al., 2021). Under performance analysis, publication-related metrics such as total publications and citation-related metrics like total citations and average citations are used to examine the publication trajectory, leading countries, most influential journals and most influential articles to address *RQ1*. The conceptual structure of a field points out the main themes, subthemes, and patterns of the area (Khare & Jain, 2022). This study utilized science mapping to analyse keywords from existing literature, categorizing them into thematic clusters to identify research

streams, thereby addressing *RQ2*. It was conducted using co-word analysis in VOSviewer software for better visualization.

Content analysis is defined as a scientific tool for drawing justifiable conclusions from text (or other forms of communication medium) for research (Krippendorff, 2018) which is a widely used approach in review work (Braun & Clarke, 2006). According to Krippendorff (2018), content analysis provides novel perspectives, expands a researcher's knowledge of specific phenomena, and illuminates practical steps in the field of study. The content analysis is conducted using the TCCM framework, initiated by Paul and Rosado-Serrano (2019). It is a simple framework that elucidates the core of the contemporary research areas and pave the way for future research focusing on theory development, context, characteristics, and methodology (Buitrago & Barbosa Camargo, 2021; Paul & Rosado-Serrano, 2019). This method synthesised the main findings including research context, methodological and theoretical arguments, and highlighted underexplored areas for future research, thus, addressing the remaining *RQ3* and *RQ4* of the review paper.

2.2. Search Strategy

The search strategy was created with the search keyword, online database, source type, and research period in mind. Several relevant search keywords such as “political connection”, “political ties”, “politically connectedness”, “political connected board”, “political connected directors”, “government ties”, “government linkage”, “firm performance”, “firm value” and “financial performance” were identified based on the recent research. These keywords were adopted and modified from the previous review studies (Gulati et al., 2020; Prasetyo & Nasution, 2022; Trinarningsih et al., 2021). These keywords are sufficient to find relevant articles of interest for this review with a low chance of omission and coherent to the PCDC-CFP field.

In the academic world, there are two top global citation databases, namely Web of Science (WoS) and Scopus. J. Zhu & Liu (2020) asserts that both databases are widely used in bibliometric and meta-analysis studies, and Scopus, as a newcomer in academic databases, is threatening the WoS's dominant role. The Scopus database was chosen as the source of academic journals in this review study because it has a much broader coverage of indexed journals than WoS, particularly in the field of Social Sciences (Singh et al., 2021).

2.3. Selection Strategy

The journal articles in this review were chosen through several screening processes to obtain the most relevant-to-topic articles. After identifying keywords, a search string was created, and on April 20th, 2023, an initial record of 305 samples was generated from Scopus. The first stage of screening included only English journal articles with a final status of publication after 1999. Press articles were excluded at this stage. Other types of publications, such as conference papers, book chapters, books, working papers, and so on, were not considered because books and book chapters contribute slightly to scholarly advancement, whereas conference papers and working papers do not go through a rigorous peer-review process (Nwachukwu, 2022). Following that, journal articles that could not be retrieved due to non-open access and no response from the authors were excluded, yielding 259 samples for eligibility assessment. In addition, 12 review papers were discarded as

this review aimed to focus on empirical results. Hence, only 247 publications were eligible for bibliometric analysis.

Moving on to content analysis, this review considered articles published in reputable academic journals as sources. This review considered journal articles from the subject areas of business, management, finance, and accounting in the second stage. As a result, 39 articles were excluded because they were outside of the subject areas. Only articles from high-quality (Q1 and Q2) journals according to the H-Index provided by Scimago Journal and Country Rank were included in this content analysis (Buitrago & Barbosa Camargo, 2021). 45 journal articles that were not ranked in the first and second quartiles were omitted. The remaining samples were then subjected to a more thorough manual selection process, which included a review of the content relevance via title, abstract, and main content. The articles that did not focus on PCDCs and their impact on CFP were excluded from the analysis, leading to the removal of 111 irrelevant journal articles. Finally, 52 journal articles in the review were eligible for content analysis.

3. FINDINGS AND DISCUSSION

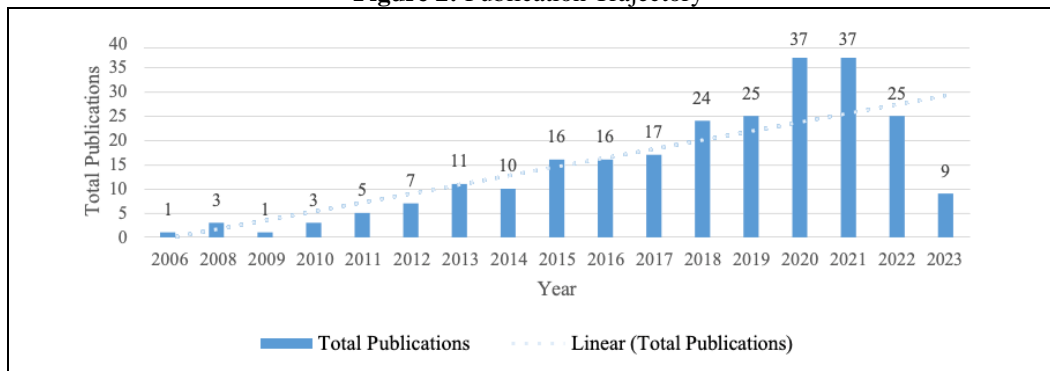
3.1. Bibliometric Analysis

Performance analysis is a descriptive analysis that presents the performance of research constituents in a given field (Donthu et al., 2021). Performance analysis is used to examine the following: (i) publication trajectory; (ii) leading countries; (iii) most influential journals; (iv) most influential articles.

3.1.1. Publication Trajectory

The publication trajectory shows that there has been a significant escalating trend in the publications of PCDCs research over the past years (See Figure 2).

Figure 2: Publication Trajectory



The earliest research papers identified in the selected sample literature dated as early as 2006. Since 2013, there has been a substantial increase in empirical publications on PCDCs research, reaching

a peak in 2021 and the majority of research was published after 2018. The significant growing body of political connection literature can be attributed to the rising number of publications emerging from developing and transitional economies (proven by the total publications discussed in 3.1.2.). The profound growth in emerging economies (Abiad et al., 2015), marked by weaker institutional frameworks, has positioned them as a central focus in studying the influence of political connections (Pang & Wang, 2021; Ullah et al., 2021), leading to a surge in literature publications over the years. Overall, the linear trend line indicates that the topic of PCDCs on CFP is becoming intriguing among scholars worldwide.

3.1.2. Leading Countries

The sample literature of 247 empirical articles were contributed by authors affiliated from 36 countries (see Figure 3). China ranked the top with 136 total publications, followed by Indonesia (16), Malaysia (15), United States (14), Vietnam (8), Pakistan (7), Turkey (4), Italy (4), South Korea (3) and Nigeria (3). With the threshold of a minimum of 2 publications and 30 citations, it yielded 11 of 36. Table 1 shows that China takes first place with 136 total publications and 6319 total citations. The United States ranked after with 14 total publications and 2043 total citations; however, the published articles have the most average citations of 145.93, compared to China at 46.46 average citations. Malaysia ranked third in the list with 15 total publications and 290 total citations. Interestingly, publications from developing countries have dominated the research field. The reasons behind stem from the prominent role of political connections in weak institutional frameworks where the government plays dominant involvement in the economy (Guo et al., 2014; Tawiah et al., 2022). Additionally, political turbulence in developing countries makes this context unique and appealing for researchers interested in studying the impact of political connections.

Table 1: Top 10 Leading Countries

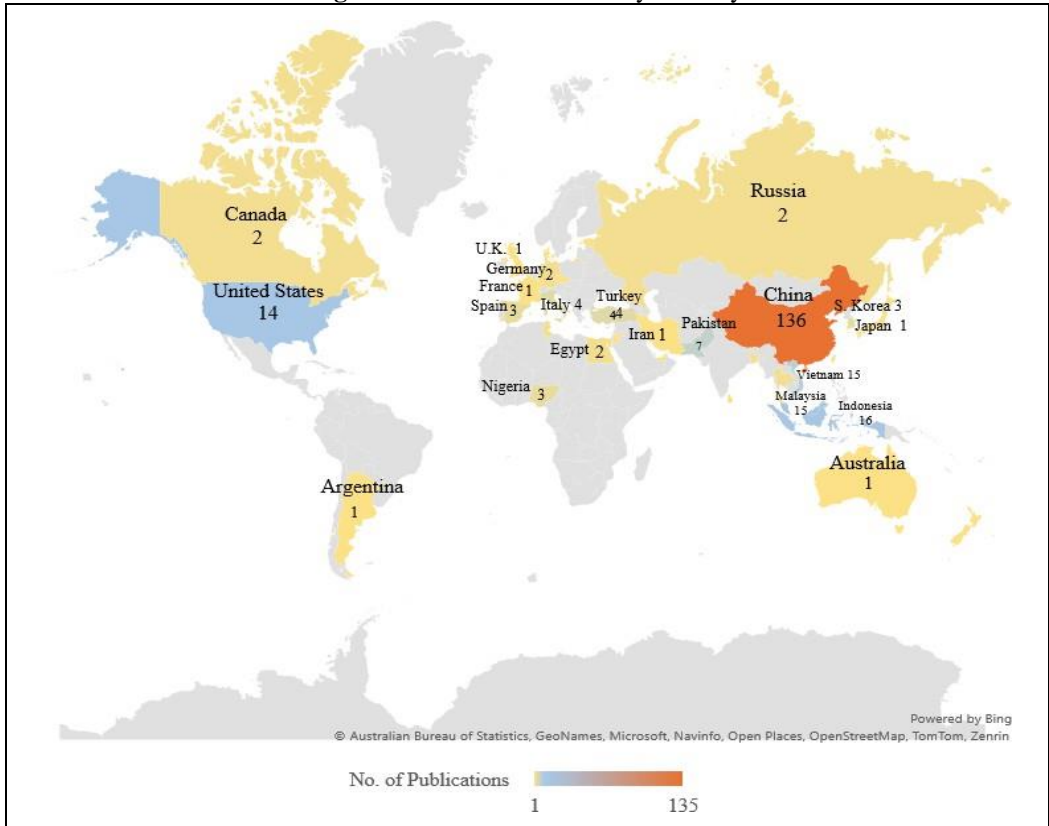
Countries	Total Publications	Total Citations	Average Citations
China	136	6319	46.46
United States	14	2043	145.93
Malaysia	15	290	19.33
Vietnam	8	92	11.50
Indonesia	16	88	5.50
Pakistan	7	76	10.86
Korea	3	48	16.00
Turkey	4	37	9.25
Nigeria	3	33	11.00
Spain	3	33	11.00

3.1.3. Most Influential Journals

All the literature samples of 247 articles are distributed across 150 journals. “Journal of Corporate Finance” led the total publications list with 13 articles, but it has fewer total citations than “Journal of Finance”, which has the most total citation of 1210 with only one publication. The sample, comprising 9,800 total citations and 247 research articles from 150 journals, shows that each journal publishes an average of 1.65 articles, with each article receiving approximately 39.68 citations. To enable a meaningful analysis, a minimum threshold of 2 publications and 50 citations was established, resulting in the top 10 most influential journals listed in Table 2. This cutoff point

is deemed reasonable as it ensures at least 2 publications per journal, and the 50-citation requirement reduces the likelihood of self-citations or negative citations, which are unlikely to occur 50 times in high-quality journals (Chan et al., 2012).

Figure 3: Total Publications by Country



“Journal of Corporate Finance” topped the list with a total of 13 publications and 670 total citations, followed by “Journal of Business Research” (10 total publications and 551 total citations) and “Journal of Financial Economics” (4 total publications and 483 total citations). In term of average citations, the top 3 most influential journals are “Journal of Financial Economics” (120.75), “Corporate Governance: An International Review” (58.67) and “Journal of Business Research” (55.10). Majority of journals in the list are from finance, economics, business and accounting fields. These top 10 journals had published numerous reputable research articles with high citation counts including several most influential articles (presented in Table 3), covering a wide range of political connection aspects based on both developed and developing countries. Hence, this provides the researchers a high-quality and reliable reference base for future political connection research.

Table 2: Top 10 Most Influential Journals

Journal Title	Total Publications	Total Citations	Average Citations
Journal of Corporate Finance	13	670	51.54
Journal of Business Research	10	551	55.10
Journal of Financial Economics	4	483	120.75
Asia Pacific Journal of Management	5	210	42.00
Corporate Governance: An International Review	3	176	58.67
Pacific Basin Finance Journal	6	163	27.17
Emerging Markets Finance and Trade	7	152	21.71
Industrial Marketing Management	4	118	29.50
Chinese Management Studies	5	107	21.40
Journal of Cleaner Production	3	99	33.00

Table 3: Top 10 Most Influential Articles

Authors	Article Title	Journal Title	Citations
Faccio et al. (2006)	Political connections and corporate bailouts	Journal of Finance	1210
H. Li et al. (2008)	Political connections, financing and firm performance: Evidence from Chinese private firms	Journal of Development Economics	940
Sheng et al. (2011)	The effects of business and political ties on firm performance: Evidence from China	Journal of Marketing	818
Goldman et al. (2009)	Do politically connected boards affect firm value	Review of Financial Studies	646
W. Wu et al. (2012)	Political connections, tax benefits and firm performance: Evidence from China	Journal of Accounting and Public Policy	308
Piotroski & Zhang (2014)	Politicians and the IPO decision: The impact of impending political promotions on IPO activity in China	Journal of Financial Economics	210
Amore & Bennedsen (2013)	The value of local political connections in a low-corruption environment	Journal of Financial Economics	186
Lin et al. (2015)	In the name of charity: Political connections and strategic corporate social responsibility in a transition economy	Journal of Corporate Finance	178
W. Wu et al. (2012)	Ownership and the Value of Political Connections: Evidence from China	European Financial Management	178
Shu et al. (2012)	Managerial ties and firm innovation: Is knowledge creation a missing link?	Journal of Product Innovation Management	176

3.1.4. Most Influential Articles

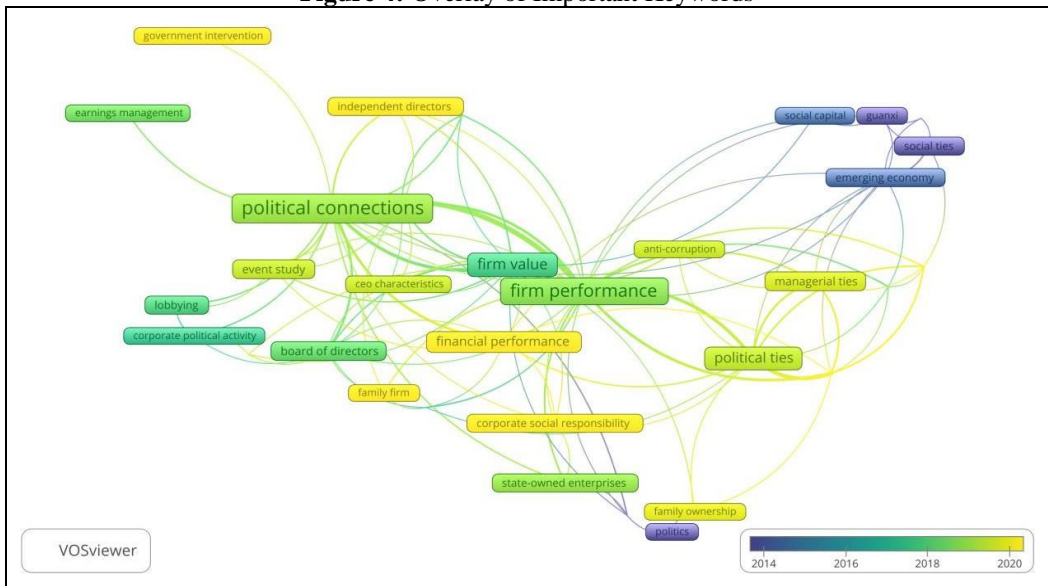
Table 3 presents the top 10 most influential articles by total number of citations in the research field. The impact of an article is reflected by the number of citations. The higher the citation counts, the higher impact and quality the article is considered (Chan et al., 2012; Donthu et al., 2021). Majority of the most influential articles were conducted in China context. In addition, all 10 most influential articles are published in highly reputable journals listed in first quartile, Q1.

The most cited paper was by Faccio et al. (2006) with 1,210 citations which is also the earliest research paper selected since 2000. This research studied the likelihood of government bailouts of a sample of 450 publicly listed and politically connected companies across 35 countries, providing significant evidence that politically connected firms have a greater advantage in obtaining government financial assistance during economic crisis and how this dynamic affects the financial performance of politically connected versus non-connected firms subsequently. Following next, Li et al. (2008) and Sheng et al. (2011) gained the second and third highest number of citations at 940 and 818 respectively, contributing to the field by shedding light on political connections in transition economy. Li et al. (2008) have found the positive effect of political connections on financial performance and the key role in securing financial resources by using a sample of Chinese private firms. Sheng et al. (2011) further differentiated between business and political ties, highlighting that political tie enhance performance when government support is weak and technological turbulence is low. Overall, the articles in Table 3 are considered highly influential not only due to their citation counts but also because of their significant findings on the interplay between political connections and financial performance, particularly in emerging economies.

3.2. Science Mapping

3.2.1. Most Frequent Research Keywords

Figure 4: Overlay of Important Keywords



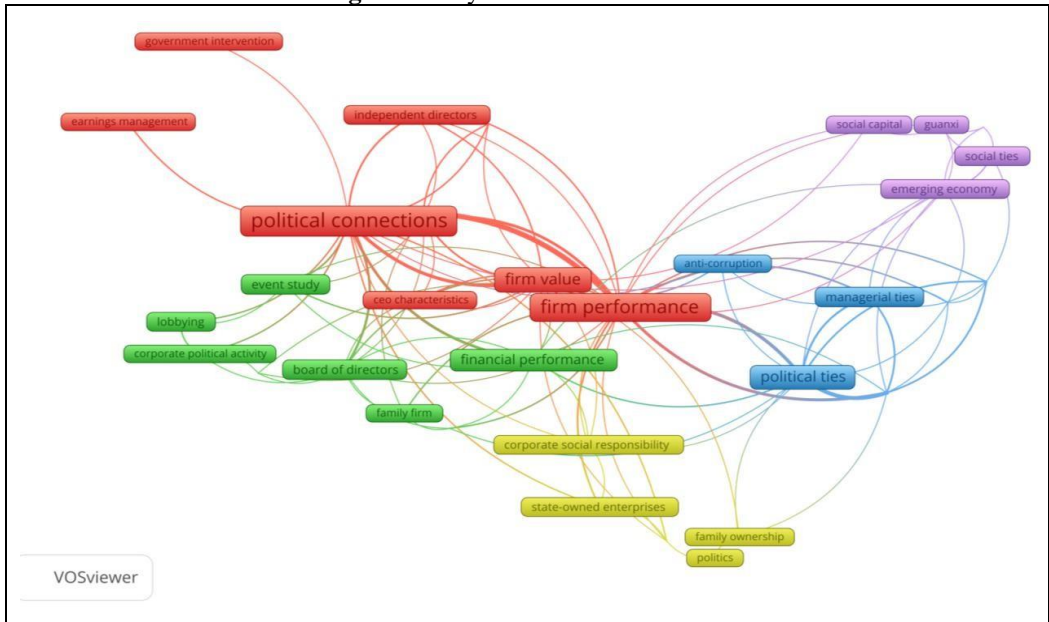
Co-word analysis was performed to identify the trend of study development in the field of PCDCs and CFP. According to Donthu et al. (2021), “Author keywords” were used in this paper as they help to reflect the thematic clusters as well as forecast future topics in a specific research field. A minimum threshold of 3 times keyword occurrence was set, resulting in 44 keywords, out of 623 total keywords. The threshold is reasonably chosen based on the average keyword occurrence of

2.52 times in the sample literature. Certain redundant and repeating words, including country names, were filtered manually to achieve meaningful analysis, yielding 33 keywords. Figure 4 highlights the most frequent research keywords in the field across the trend from 2014 (Dark blue cluster) to 2020 (yellow cluster). A detailed discussion on keyword cluster is presented in *Section 3.3. Thematic Analysis*. The topics of “political connections” and “firm performance” have become the focus of the research since 2018. Recently, the research trend focused on “government intervention”, “financial performance”, “corporate social responsibility”, “business ties”, “entrepreneurial orientation” and “family firm”. The interaction of these components in research would reveal new meaningful insights into the relationship between political connections and firm performance from more perspectives. Hence, future research topics in the field of PCDCs and CFP could be derived from these keywords.

3.3. Thematic Analysis

As shown in Figure 5, the keywords are divided into 5 major clusters.

Figure 5: Keywords Cluster Network



3.3.1. Red Cluster: The Influence of PCDCs on CFP

The main keywords in this cluster are “political connections”, “firm performance” and “firm value”. It appears that PCDCs function as a double-edged sword, showing both positive and negative effects on CFP, as indicated by extant studies. In studies focused on emerging economies — the most common research setting — there are inconsistent findings regarding the impact of PCDCs on CFP. On one hand, a stream of literature revealed the PCDCs’ positive effect on CFP (Carney et al., 2020; Qiao et al., 2013; Rahman & Chen, 2023; Saeed et al., 2019; Saleh et al., 2020; W. Y. Wong & Hooy, 2018; Wu et al., 2012). On the other hand, several studies have

reported the negative influence of PCDCs on CFP (Ha & Frömmel, 2020; Jaffar & Abdul-Shukor, 2016; Ling et al., 2016; Saeed et al., 2016; Trifonov, 2021). One of the reasons for this inconsistency can be explained by the varying political and economic situations in emerging and developing economies. For instance, PCDCs tend to negatively affect CFP during times of political stability and steady economic growth (Ashyrov & Lukason, 2022; Jaffar & Abdul-Shukor, 2016), whereas they positively influence CFP during periods of political turbulence, such as elections (Ben Cheikh & Loukil, 2023; Tawiah et al., 2022; Ullah & Kamal, 2022). Hence, PCDCs may only be important to CFP when the environment suffers high uncertainties. This leaves room for future research to clarify the relationship especially looking into the effects of PCDCs on CFP in various political events and economic backgrounds.

In contrast, while a majority of the empirical studies from developed countries have shown that the presence of PCDCs is positively associated with CFP (Amore & Bennedsen, 2013; Brown, 2016; Giosi & Caiffa, 2020; Guerra Pérez et al., 2015; Niessen & Ruenzi, 2010; Palanský, 2021; Shin et al., 2018), Ang et al. (2013) indicated that PCDCs in general does not affect firm value in a non-corrupt regime. This might be resulted from less need for favouritism in obtaining resources due to stronger legal frameworks and transparency in the system, thereby reduces the influence of PCDCs on CFP. Similar to emerging economy, firms in developed countries are also benefited from the PCDCs. For example, PCDCs tend to influence strategic decision-making in firm internalization (Yarbrough Jr et al., 2017). PCDCs also positively contribute to CFP during elections period (S. H.-W. Wong, 2010). Firms that connected to the wining party in elections have demonstrated superior performance as compared to those do not (Coulomb & Sangnier, 2014; Goldman et al., 2009), to a deeper extent, firms that supported to the wining party from the start (Leonardi et al., 2021). For instance, Child et al. (2021) found that the firms connected to Trump have gained preferential access to more government contracts and were less subject to unfavourable regulatory actions since Trump's inauguration in 2016. Notably, the number of empirical articles focusing on developed economy is relatively less as compared to those focusing on emerging economy. The scarcity of timely findings regarding the effect of PCDC-CFP calls for opportunity to explore the relationship in developed regime. Several studies have explored political connections in cross-country contexts, offering new insights from a global perspective. An earlier study by Faccio et al. (2006) highlighted that politically connected firms that receive bailouts perform significantly worse financially than non-connected firms, both at the time of the bailout and in the subsequent two years. Rocca et al. (2022) also identified a negative relationship between PCDC and CFP in a sample of 31 European countries in 2016. Similarly, Pang and Wang (2021) reported an adverse effect of PCDCs on CFP, based on a sample covering 49 countries from 2000 to 2013. Carney et al. (2020) further noted that PCDCs negatively impacted CFP during the 2008 global financial crisis, using a sample of East Asian firms. The overall negative findings could be attributed to the costs of rent-seeking behaviours by PCDCs outweighing the value they add (Pang & Wang, 2021).

3.3.2. Green Cluster: The Value of PCDCs in Political Regime, Family Firms and Corporate Political Activities

Keywords such as “financial performance”, “event study”, “corporate political activity”, “board of directors” and “family firm” are grouped into this cluster. Firstly, the value of PCDCS to a firm may depend on changes in the political regime. PCDCs are valuable to a firm when their patron party is in power (Tawiah et al., 2022). For example, Dang et al. (2018) found that political

connection to President Mubarak in Egypt contributed to better firm value. Furthermore, PCDCs are valuable assets in view of corporate political activity (CPA). CPA generally refers to a lobbying action where corporations attempt to influence government policies in ways favourable to the firms (Hillman et al., 2004). PCDCs provide firms with various political and regulatory information which is insightful for deciding corporate strategy (Yarbrough Jr et al., 2017).

Moreover, family firms (FFs) are an integral part of global economies, especially in emerging markets (Sitthipongpanich & Polsiri, 2015). Studies have shown that PCDCs play a vital role in family firms in emerging countries where politically connected FFs outperform those not connected (Dinh et al., 2022; Harymawan et al., 2019; Muttakin et al., 2015; Sitthipongpanich & Polsiri, 2015). It argued that politicians may use their power to give advantage to their families and friends, for example, securing more business with local government (Amore & Bennedsen, 2013; Ullah et al., 2021). On the contrary, Joni et al. (2020) found that political connections in FFs have a detrimental impact on firm performance as compared to politically connected non-FFs due to the higher cost of obtaining such connections. Additionally, FFs with PCDCs directly involved in management tend to engage in holding cash for tunnelling, which harms firm value (Liu et al., 2015). Hence, the inconsistent findings show that the presence of PCDCs in FFs is not always beneficial for CFP.

3.3.3. Yellow Cluster: The Interplay Between Corporate Social Responsibility (CSR), PCDCs, and CFP

A strand of sample literature has proven that PCDCs positively affect CSR. Z. Wang et al. (2018) contended that firms with PCDCs are more like to disclose CSR reports in emerging economies. In the context of developed countries, Dicko et al. (2020) showed that PCDCs lead to broader total voluntary disclosures with positively influencing voluntary governance disclosures, while politically connected top management enhances voluntary environmental and social disclosures. Additionally, PCDCs serve as moderators in the relationship between analyst coverage and CSR engagement, encouraging politically connected firms to adopt more CSR practices to appease the government (Hu et al., 2021). The interplay between CSR and political connections results in a positive complementarity effect on CFP, especially when government involvement in the economy is significant (Du et al., 2019). However, Z. Wang et al. (2018) reported conflicting findings, indicating that CSR performance is negatively associated with CFP in political connected firms. Thus, the inconsistencies in the findings suggest a need for further exploration by future researchers.

Interestingly, a small portion of the sample literature has examined the role of CSR on PCDCs, which differs from the focus of existing studies (i.e. the role of PCDCs on CSR). CSR engagement could serve as an effective mechanism for securing political connections. Lin et al. (2015) found that replacement of city-level government official often lead to an increase in CSR activities by listed firms, as a way to create bonding. This is because engaging in more CSR activities delivers a clear signal of reciprocity, enabling firms to build broader political networks (S. Wang et al., 2020). Establishing such connections offers a competitive advantage, such as securing future government subsidies, ultimately enhancing CFP. Given the limited number of studies in the sample addressing this issue, there is ample opportunity for future research to explore the reversal of roles between PCDCs and CSR.

3.3.4. Blue Cluster: Anti-Corruption Campaign in China

A group of authors' research focused on the keywords "anti-corruption", "political ties" and "managerial ties". Looking back at the sample literature, it was found that these keywords predominantly emerged from Chinese studies. This body of research examined the effects of regulatory changes in China prompted by anticorruption initiatives. Back in 2013, the implementation of an anti-corruption campaign in China required the departure of PCDCs from listed firms (Xu, 2018). This event had captured the interest of Chinese scholars in examining the consequences of losing PCDCs to Chinese-listed companies. Generally, studies reported that the resignation of PCDCs decreased the firm value (Y. Chen et al., 2020; F. Wang et al., 2018; Xu, 2018). This might be due to the absence of PCDCs' resource role in favouring access to bank credit and government subsidies (J. Liu & Ying, 2019).

3.3.5. Purple Cluster: The Importance of Social Ties in Emerging Economy

Chinese studies have dominated the research on social ties in emerging economy with the keyword "guanxi" as a focus of attention. "Guanxi" refers to personal or organizational linkages which is an influential factor in doing business in China (Y. Shi & Cheng, 2016). In emerging economy like China, the corporate environment is rapidly changing and institutionally unstable (S.T. Chen et al., 2016). Social ties, particularly political ties provide the firms with an advantageous competitive edge in obtaining crucial resources and information for survival in uncertainty (H. Liu et al., 2018). Studies have shown that the optimal level of political ties can enhance firm performance (Jiang et al., 2018; Y. Zhu, 2020a) while the positive effect increases when the political ties to the government of a higher administrative level (Arnoldi & Villadsen, 2015; Y. Shi & Cheng, 2016).

3.4. Content Analysis

Content analysis conducted based on the theory, context, characteristics, and methodology (TCCM) framework.

3.4.1. Theories (T)

There are 15 different theories related to this research topic spread across 52 articles (see Table 4 Panel A). The majority of the studies examined the relationship between PCDCs and CFP using Resource Dependency Theory (RDT), followed by Agency Theory (AT) and Resource-based Theory (RBT). It was discovered that 22 articles did not specify any theory in the study, 15 articles used a single theory, and 15 articles used multiple theories (see Table 4 Panel B).

RDT, AT, and RBT are the most widely used underpinning theories. This finding is consistent with a previous study by Prasetyo and Nasution (2022) with the only difference being the popularity of RBT in this study, but theirs is social exchange theory. The majority of influential articles did not mention the underlying theories, instead basing the studies on previous studies' inferences. While RDT and RBT are the most prevalent theories that explain the positive relationship between PCDC and CFP, AT is often employed to account for the negative impact of PCDCs on CFP.

RDT emphasizes that a company's long-term growth and survival are dependent on the external environment (Pfeffer & Salancik, 1978). Politicians are thought to wield power over external

resources that benefit businesses (Tawiah et al., 2022). According to this theory, companies may seek political connections to reduce the risks associated with their reliance on the external environment. In alignment with RBT, companies with political ties have easier access to external resources, such as long-term bank loans (Su & Fung, 2013), government subsidies (W. Wu et al., 2012), and profit-making projects (Qiao et al., 2013). PCDCs are viewed as a more stable political connection that could offer a stronger resource base (Wong & Hooy, 2018). As a result, numerous studies have shed light on the positive aspects of political collaboration in support of RDT (Ben Cheikh & Loukil, 2023; S. Li et al., 2022; Saleh et al., 2020; Tawiah et al., 2022).

Table 4: Theories in PCDCs and CFP research

Panel A: Type of Theory		
Theories	No. of Articles	References
Resource Dependence Theory	10	Arnoldi & Villadsen (2015); Ben Cheikh & Loukil (2023); Brahma et al. (2023); S. Li et al. (2022); F. Liu et al. (2018); Ren et al. (2020); Saleh et al. (2020); Shin et al. (2018); Tawiah et al. (2022); Wong & Hooy (2018)
Agency Theory	9	Ben Cheikh & Loukil (2023), Brahma et al. (2023), Ha & Frömmel (2020), Lee (2019), S. Li et al. (2022), Saleh et al. (2020), Ullah et al. (2021), Wong & Hooy (2018), W. Wu et al. (2012)
Resource-based Theory	6	Latupeirissa & Adhariani (2020), Lee (2019), Saeed et al. (2016), Su & Fung (2013), Tawiah et al. (2022), W. Wu et al. (2012)
Grabbing Hand Theory	4	Brahma et al. (2023), Chen et al. (2017), Jaffar & Abdul-Shukor (2016), H. Liu & Zhao (2023)
Helping Hand Theory	4	Brahma et al. (2023), Chen et al. (2017), Jaffar & Abdul-Shukor (2016), H. Liu & Zhao (2023)
Social Capital Theory	4	Arnoldi & Villadsen (2015); Cao et al. (2016); Ren et al. (2020); Zhu (2020)
Rent Seeking Theory	2	Brown (2016), Pang & Wang (2021)
Institutional Theory	2	Deng et al. (2012), Shen et al. (2021)
Networking Theory	1	Brahma et al. (2023)
Electoral Competition Theory	1	Tawiah et al. (2022)
Human Capital Theory	1	Li et al. (2008)
Signaling Theory	1	Giosi & Caiffa (2020)
Social Networking Theory	1	Shen et al. (2021)
Stakeholder Theory	1	Trifonov (2021)
Triple Helix Theory	1	Dai & Xu (2021)
Panel B. Number of Theory Utilized per Article		
Single theory		15
Multiple theories		15
No stated		22

AT is another theory that is widely used in this research topic. It focuses on the contractual relationship between the principal and agent, who have competing interests, resulting in agency

issues (Jensen & Meckling, 1976). According to this theory, politicians' interests may differ from those of other stakeholders, and PCDCs may manipulate business operations in pursuit of personal political goals (Ben Cheikh & Loukil, 2023; S. Li et al., 2022). This is because PCDCs may be under pressure of policy burden to achieve political and social goals due to government intervention (W. Wu et al., 2012). However, Wong and Hooy (2018) explained the positive impacts of PCDCs based on AT by highlighting the monitoring role of PCDCs in accordance with the Malaysian Code of Corporate Governance's ongoing revisions, resulting in improved company performance.

RBT was used in several previous studies to investigate the relationship between PCDCs and financial performance. Unlike RDT, which focuses on a company's reliance on the external environment, RBT explains that a company's competitive advantage stems from internal tangible and intangible resources that rivals are unlikely to acquire (Barney, 1991; Saeed et al., 2016). PCDCs are a valuable intangible resource to a company because they are knowledgeable and experienced in dealing with government procedures and policies in exchange for critical resources that increase firm value (Tawiah et al., 2022; W. Wu et al., 2012). Some studies have discovered that PCDCs have a positive impact on company performance, lending support to RBT (Latupeirissa & Adhariani, 2020; Lee, 2019; Tawiah et al., 2022). Yet, Saeed et al. (2016) failed to demonstrate such results under RBT in the Pakistani context, possibly due to crony capitalism in which PCDCs are likely to channel resources into private earnings.

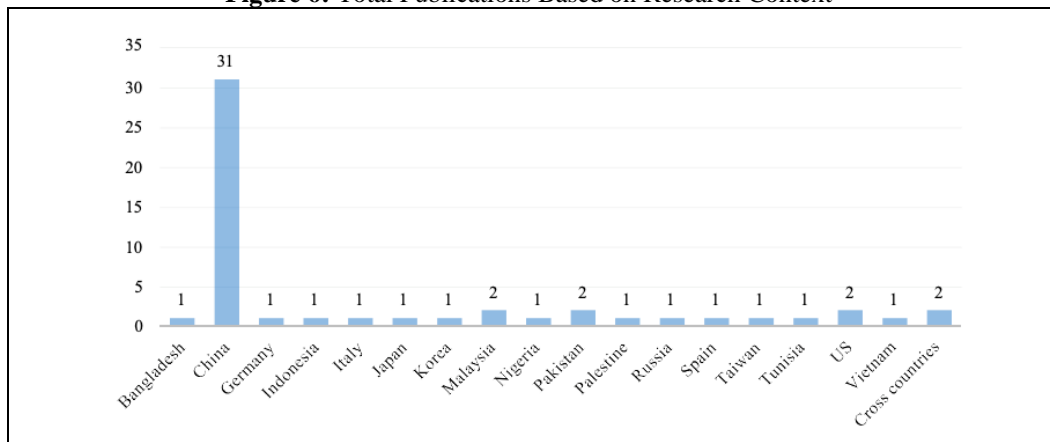
Other theories, such as Grabbing Hand Theory (GHT), Helping Hand Theory (HHT), and Social Capital Theory (SCT), have been used in previous studies, but not as extensively in this sample. GHT emphasizes PCDCs' grabbing role in extracting resources for political goals rather than efficiently allocating resources, resulting in poor company performance (Jaffar & Abdul-Shukor, 2016; H. Liu & Zhao, 2023; Shleifer & Vishny, 1998). HHT, on the other hand, indicates that better company performance is possible when the government intervenes in business operations through preferential access to essential resources (Brahma et al., 2023; Chang & Wong, 2004). Furthermore, SCT claims that social networks provide opportunities for valuable social capital transactions, which could aid in obtaining necessary resources and improving company performance (Adler & Kwon, 2002; Cao et al., 2016). Other theories in this research topic are relatively rare, such as Electoral Competition Theory (ECT), which is related to PCDCs' vote seeking-behaviour (Downs, 1957; Tawiah et al., 2022), and Signaling Theory (SigT), which is concerned with the signalling effect of PCDCs' news on company performance (Fang & Peress, 2009; Giosi & Caiffa, 2020). In addition to the resource role, these theories provide new insights into the other roles of PCDCs on company performance. The few studies that have used these theories leave plenty of room for future research into the effect of PCDCs on CFP in a broader sense. Based on the findings of 52 selected articles, a majority of the studies have demonstrated the positive influence of PCDCs on CFP. Therefore, RDT is regarded as a relevant theory for explaining the positive impact of PCDCs. Indeed, PCDCs often leverage their political connections to help firms navigate political uncertainty by forging alliances and securing favourable treatment, which can reduce the risks associated with political instability.

3.4.2. Context (C)

This topic has sparked widespread interest around the world, with 52 publications covering approximately 17 countries and 2 articles performed in a cross-country setting (Figure 2).

Surprisingly, Asian countries have dominated this research domain with 41 articles, while Western countries have 6 articles and African countries have three. Additionally, 7 out of 52 articles are from developed countries. It is worth noting that China has emerged as the primary focus of this research topic, accounting for 60% of the sample. This could be due to China's state capitalism's rapid development (Johansson & Feng, 2016), the Chinese cultural phenomenon regarding Guanxi (personal or organizational connections) (Y. Shi & Cheng, 2016) and the common practice to establish linkages with the government for obtaining external resources (X. Li & Jin, 2021) as well as the change of regulation in 2013 to ban the appointment of politicians as board members (Fan, 2021; Hu et al., 2019; F. Liu et al., 2018; Tang et al., 2016). The other countries contributed one to two publications on this research topic. Table 1 shows the total number of publications organized by research context.

Figure 6: Total Publications Based on Research Context



3.4.3. Characteristics (C)

The extant literature has evidenced both benefits and drawbacks of having PCDCs over CFP. On one hand, PCDCs aid in reducing financing costs and receiving preferential tax treatment (Su & Fung, 2013; W. Wu et al., 2012). PCDCs are advantageous for obtaining external resources such as government subsidies (W. Wu et al., 2012) and profit-making projects (Qiao et al., 2013). On the other hand, the costs of having PCDCs outweighed the benefits due to the exacerbation of agency conflicts and opportunism. PCDCs may put management under pressure to engage in self-serving activities that prioritise the politician's interests (Saeed et al., 2016). Meanwhile, because of their ties to the government, PCDCs are obligated to serve political and social goals at the expense of business resources (Jaffar & Abdul-Shukor, 2016). Overall, the review revealed that the mainstream literature has examined the relationship between PCDCs and CFP in different angles, namely the types of PCDCs, the types of business operation settings and the change of country regulations. Previous research has shown that different types of PCDCs have varying relationships with financial performance. Arnoldi and Villadsen (2015) argued that in China, PCDCs' ties to the central government are more valuable than those to local governments in terms of creating strategic advantages. Furthermore, companies perform better with political connections through the board of directors than with political connections through family members and businessmen because this type of connection provides a stronger resource base, including better

network ties to the government and external contingency following RDT (Wong & Hooy, 2018). On the other hand, a study by Ha and Frömmel (2020), companies with acquired connections have lower firm value due to the informal cost of maintaining connections, which they divided political ties into ascribed connections (political ties due to state ownership) and acquired connection (political ties that require payment to maintain). Due to their active role in making day-to-day managerial decisions, Trifonov (2021) argued that politically connected executive directors have a greater impact on firm value than politically connected non- executive directors.

In the case of family businesses, the relationship between PCDCs and CFP yields mixed results, i.e., positive (Ullah et al., 2021); negative (Muttakin et al., 2015); insignificant (Lee, 2019). Although the studies were conducted in emerging economies, namely Pakistan, Bangladesh, and Taiwan, the inconsistent results could be attributed to, first, a variety of other factors such as PCDCs' management competency; second, differences in data source for PCDCs, where the formers use archived data while the latter uses questionnaire survey data. Similarly, SOEs have a mixed relationship between PCDCs and CFP. For example, some studies found a positive relationship between PCDCs in SOEs and CFP as a result of favorable government treatment (Ding et al., 2014; Su & Fung, 2013) while others discovered otherwise because they bear more policy burden and that interactions with government may be detrimental (C. R. Chen et al., 2017; W. Wu et al., 2012).

As previously stated, the majority of studies concentrated on the Chinese context. One of the reasons is the abrupt policy shift brought about by the implementation of Regulation No. 18, which prohibits the appointment of government officials as board members in China (Fan, 2021). The studies used rigorous measurements to assess the loss of PCDCs, such as a binary variable, ratio, political hierarchy index, and number of resignations (Fan, 2021; Hu et al., 2019; F. Liu et al., 2018; Tang et al., 2016). These studies shed light on the impact of PCDC resignation on firm value and contended that companies suffer more when PCDCs resign. As a result, RDT confirms that PCs play a critical resource role in a company, with the loss of such ties reducing preferential tax treatment and government subsidies. Non-SOEs suffer more than SOEs in this case due to the departure of PCDCs (F. Liu et al., 2018). Additionally, this regulation had a greater negative impact on regulated industries than on non-regulated industries (Tang et al., 2016).

3.4.4. Methodology (M)

Three focused area in methodology from prior research: (i) measures for politically connected directors/CEOs, (ii) measures for corporate financial performance, and (iii) the research design.

3.4.4.1. Measures for PCDCs

It was discovered that 38 of the 52 studies included a dummy variable relating to PCDCs measures. Another popular method, used by 5 articles, is calculating the percentage of politically connected directors/CEOs in the firms. 4 articles use the Political Connections Index, which is a composite of political officials' hierarchy. Several studies have used multiples measures (Hu et al., 2019; S. Li et al., 2022; F. Liu et al., 2018; Pang & Wang, 2021; Sun et al., 2015). Table 5 shows the measures used for PCDCs.

3.4.4.2. Measures for CFP

Financial performance was mostly measured by accounting-based indicators and marketing-based indicators. As shown in Table 6, the most used financial indicators are Return on Assets (ROA) and Tobin's Q (TQ), which represent accounting-based and marketing-based indicators, respectively. Apart from that, cumulative abnormal return (CAR), representing stock price indicator, is used mostly after ROA and TQ, particularly in event study research to reflect the value of political connections regarding to specific timeframe or incidents (Fan, 2021; Giosi & Caiffa, 2020; Trifonov, 2021).

Table 5: Measures for PCDCs

PCDCs Measures	No. of Articles	References
Dummy	39	Arnoldi & Villadsen (2015), Ben Cheikh & Loukil (2023), Brahma et al. (2023), Cao et al. (2016), Dai & Xu (2021), Deng et al. (2012), Ding et al. (2014), Fan (2021), Giosi & Caiffa (2020), Goldman et al. (2009), Guerra Pérez et al. (2015), Ha & Frömmel (2020), Hu et al. (2019), Johansson & Feng (2016), Latupeirissa & Adhariani (2020), H. Li et al. (2008), S. Li et al. (2022), X. Li & Jin (2021), C. Liu & Jiang (2020), F. Liu et al. (2018), H. Liu & Zhao (2023), Muttakin et al. (2015), Niessen & Ruenzi (2010), Okazaki & Sawada (2016), Pang & Wang (2021), Qiao et al. (2013), Rahman & Chen (2023), Saeed et al. (2016), Saleh et al. (2020), Shen et al. (2021), Shi & Cheng (2016), Su & Fung (2013), Sun et al. (2015), Trifonov (2021), Ullah et al. (2021), Wong & Hooy (2018), W. Wu et al. (2012), W. Wu et al. (2012)
Percentage	5	X. He & Chen (2022), Pang & Wang (2021), Rocca et al. (2022), Tang et al. (2016), Tawiah et al. (2022)
PolCon (Political connections) Index	4	Chen et al. (2017), Hu et al. (2019), S. Li et al. (2022), Sun et al. (2015)
Number	3	Brown (2016), Hu et al. (2019), Shin et al. (2018)
Categorical	2	Fan (2021), B. Wu et al. (2022)
Ratio	2	Hu et al. (2019), Jaffar & Abdul-Shukor (2016)
Scaling	2	Lee (2019), Y. Zhu (2020)
Change in PolCon	1	L. He et al. (2014)
PolCon scores	1	Ling et al. (2016)
PolCon seniority score	1	F. Liu et al. (2018)

3.4.4.3. Research Design

The vast majority of studies were conducted quantitatively using archived data, with only three studies obtaining data through surveys (Lee, 2019; H. Li et al., 2008; Y. Zhu, 2020b). The sample studies used a variety of regression methods, including two-stage least squares, generalized least squares, and the generalized method of moments (GMM), with the majority using ordinary least squares (OLS). It was revealed that previous studies focused primarily on non-financial companies of publicly traded companies, with less emphasis on the financial industry (Tawiah et al., 2022).

Table 6: Measures for CFP

CFP Measures	No. of Articles	References
ROA	24	Arnoldi & Villadsen (2015), Ben Cheikh & Loukil (2023), Dai & Xu (2021), Deng et al. (2012), Ding et al. (2014), Jaffar & Abdul-Shukor (2016), Latupeirissa & Adhariani (2020), Lee (2019), H. Li et al. (2008), X. Li & Jin (2021), Ling et al. (2016), Muttakin et al. (2015), Pang & Wang (2021), Rahman & Chen (2023), Rocca et al. (2022), Saeed et al. (2016), Saleh et al. (2020), Shin et al. (2018), Su & Fung (2013), Tawiah et al. (2022), Ullah et al. (2021), W. Wu et al. (2012), W. Wu et al. (2012)
TQ	22	Ben Cheikh & Loukil (2023), Chen et al. (2017), Deng et al. (2012), Ding et al. (2014), Guerra Pérez et al. (2015), Ha & Frömmel (2020), Hu et al. (2019), Jaffar & Abdul-Shukor (2016), S. Li et al. (2022), C. Liu & Jiang (2020), H. Liu & Zhao (2023), Muttakin et al. (2015), Niessen & Ruenzi (2010), Pang & Wang (2021), Qiao et al. (2013), Shin et al. (2018), Su & Fung (2013), Tawiah et al. (2022), Wong & Hooy (2018), W. Wu et al. (2012), W. Wu et al. (2012)
CAR	9	Brahma et al. (2023), Fan (2021), Giosi & Caiffa (2020), Goldman et al. (2009), L. He et al. (2014), F. Liu et al. (2018), Sun et al. (2015), Tang et al. (2016), Trifonov (2021)
ROE	6	H. Li et al. (2008), X. Li & Jin (2021), Niessen & Ruenzi (2010), Saeed et al. (2016), Shen et al. (2021)
BHR	3	Brahma et al. (2023), Johansson & Feng (2016), Okazaki & Sawada (2016)
MTB Ratio	2	Ha & Frömmel (2020), Rocca et al. (2022)
P/E Ratio	2	S. Li et al. (2022), Niessen & Ruenzi (2010)
Sharpe Ratio	1	Niessen & Ruenzi (2010)
Sales Growth	1	Y. Zhu (2020)
ROI	1	Niessen & Ruenzi (2010)
ROA Volatility	1	B. Wu et al. (2022)
Profit Growth	1	Y. Zhu (2020)
Percentage changes in the firm's net profit	1	Fan (2021)
Market Value	1	Shi & Cheng (2016)
Industry-adjusted TQ	1	Chen et al. (2017)
Industry-adjusted returns	1	Niessen & Ruenzi (2010)
EVA	1	X. He & Chen (2022)
EBIT	1	Brown (2016)
Compounded Annual Returns	1	Niessen & Ruenzi (2010)
Average ROA	1	Cao et al. (2016)

Several studies were conducted on a single industry such as the manufacturing industry (X. He & Chen, 2022; B. Wu et al., 2022; Y. Zhu, 2020b), the real estate industry (Ling et al., 2016), the energy industry (S. Li et al., 2022) and air transportation industry (Brown, 2016). One study included a sample of Chinese academic spin-offs, also known as three-way synergies between

academic institutions, industries, and the government (Dai & Xu, 2021) while another concentrated on the technology-intensive firms (Y. Shi & Cheng, 2016). Only two studies compared this issue between regulated industries and non-regulated industries (Okazaki & Sawada, 2016; Pang & Wang, 2021). These studies concluded that the impact of PCDCs on CFP varies by industry.

4. FUTURE DIRECTION

This section offers potential research opportunities in the PCDCs-CFP literature to be explored in future research. The new directions for future research are suggested following TCCM framework focusing on theory, context, characteristics, and methodology.

4.1. Theoretical Implications

Most studies concentrated on the networking and resource role of PCDCs in corporate performance following RDT, AT, and RBT. Several studies have shown that external contingencies can have a wide range of effects on corporate performance. Sun et al. (2015), for example, claimed that PCDCs have a significantly negative effect on corporate political networks in the face of adverse shocks, whereas L. He et al. (2014) claimed that the announcement of a politically connected CEO has a significantly positive effect on stock returns. Furthermore, political connections are related to political activities such as elections, which may cause PCDCs to behave differently, affecting corporate performance (Goldman et al., 2009; Tawiah et al., 2022). Aside from PCDCs' resource role, it would be interesting if future studies explain the effect of PCDCs' behaviors on corporate performance from various theoretical angles based on a combination of management theories and psychological theories.

4.2. Characteristics Implications

The major studies have focused on the type of political ties to government (Ben Cheikh & Loukil, 2023; Dai & Xu, 2021; Giosi & Caiffa, 2020; Latupeirissa & Adhariani, 2020; H. Liu & Zhao, 2023; Trifonov, 2021). Wong and Hooy (2018) has documented those types of political connections could influence firm performance differently. It is suggested that future research should consider other nexuses between political and business elites which derived from the linkage of family or corporate as well as informal non-commercial connections like friendship (Dai & Xu, 2021; Guerra Pérez et al., 2015; Latupeirissa & Adhariani, 2020; Sun et al., 2015).

Furthermore, future research could pay more attention to the impact of political connections on corporate performance in the face of exogenous shocks such as the COVID-19 pandemic, political crises, and policy regime changes (Cao et al., 2016; Rocca et al., 2022). Pang and Wang (2021), who conducted a cross-country study, suggested that future research could extend the topic on policy environment in the event of elections.

4.3. Research Context Suggestions

The findings indicated that there are few previous studies in developed countries, in contrast to numerous studies focusing on developing countries, particularly China. Covering this research in other countries with different cultures and institutions could enrich the literature (Ahmed &

Hussainey, 2023; Dai & Xu, 2021; S. Li et al., 2022). There is ample opportunity for future research to look into the relationship of PCDCs and CFP in developed countries. Given the limited studies of cross-country studies, future research could be conducted in a cross-country setting (Rocca et al., 2022; Ullah et al., 2021; Y. Zhu, 2020b). In this case, it could demonstrate the impact of PCDCs on corporate performance under various political regimes, as well as make insightful comparisons between the samples; for example, authoritarian countries should differ from democratic governments (Prasetyo & Nasution, 2022). As a result, future research could add valuable insights to the literature by broadening the sample to include countries from developed, emerging, and developing markets with varying political regimes.

4.4. Methodological Considerations

Several studies have suggested that measuring political connections should be more than just a binary variable. The simplicity of a binary variable can only reveal the impact of political connections on corporate performance while ignoring the magnitude of political connections. Future studies could consider other measurements, such as percentage, index, and scale, to capture more dimensions of political connections, such as political seniority and political hierarchy (Ben Cheikh & Loukil, 2023; Ullah et al., 2021). In terms of financial performance, future studies could focus on key financial indicators such as growth, liquidity, leverage, and activity rather than profitability. These financial indicators are equally important to various levels of stakeholders, indicating the overall effectiveness of a business operation. Besides, prior studies only focused on non-financial listed firms, with little discussion of specific industries. Financial firms are always excluded because the rules and regulations governing this sector differ, resulting in incompatibility with other sectors. Indeed, political connections could be a key player for firms in highly regulated industries, as PCDCs can have both positive and negative effects (Okazaki & Sawada, 2016; Pang & Wang, 2021); however, the results are inconclusive. As a result, future studies are encouraged to investigate the relationship between PCDCs and corporate performance in various industries and, more constructively, to conduct industry comparisons.

Except for H. Li et al. (2008), all the sample literature was conducted quantitatively using secondary data. This emphasizes the need for additional qualitative studies to add new insights to the literature (Brown, 2016). Furthermore, future studies are encouraged to investigate the political connection literature using primary data such as survey and interviews because the topic of political connection contains subjective and informal elements that secondary data such as financial information from annual reports cannot capture (Sun et al., 2015). Finally, it is found that there is lack of longitudinal study in the body of literature. Study covering a longer time window could strengthen the consistency, reliability, and validity of the results (X. He & Chen, 2022; Shen et al., 2021). Sun et al. (2015) posited that longitudinal analysis could generate more insights about the evolution of formation, utilization, or termination of various political ties during the stable periods and following shocks. Hence, longitudinal analysis is necessary and open for future research.

5. CONCLUSION

This paper provides a broad and detailed review of the PCDCs-CFP literature from 2006 to 2023 using rigorous bibliometric analysis and content analysis on sample articles from the Scopus database. With numerous empirical studies having enriched the literature over the previous two

decades, there is a need for a systematic literature review to synthesize the various findings of prior studies and map out for future studies to broaden horizons in the literature, for which this review paper is relevant and helpful.

The findings suggest that emerging economies studies have predominated in the PCDC-CFP field. Using thematic analysis by the article keywords, this paper identifies five keyword clusters in the research stream: the influence of PCDCs on CFP (red cluster), the value of PCDCs in political regime, family firms and corporate political activities (green cluster), the interplay between CSR, PCDCs, and CFP (yellow cluster), anti-corruption campaign in China (blue cluster) and the importance of social ties in emerging economy (purple cluster). The effect of PCDCs on CFP remains inconsistent based on the research context across the development of the literature. Under TCCM framework, the selected high-quality articles are reviewed and discussed thoroughly, and a list of future directions in the aspects of research context, methodological and theoretical arguments, are discussed.

This review reveals that researchers are gaining traction in their investigation of the political connection to CFP. Every coin has two sides when it comes to the impact of political ties on CFP. It depends on how the company utilizes the political connection in light of organizational goals and personal interests. Prior studies' inconsistent results indicate the need for future research that uses different theoretical perspectives and methodological approaches in terms of research methods, samples, and measurements to add new insights to the knowledge of PCDC-CFP. Even though there are numerous studies in this literature, there is still plenty of room for future research.

Finally, there are some limitations to this study. The sample articles were chosen solely from the Scopus database and based on specific criteria. Some relevant articles from other databases may have been omitted inadvertently. Furthermore, this study failed to identify the indirect relationship between political connections and CFP, leaving room for future research. While this study only looked at CFP, the impact of political connections could be more than just financial. As a result, future research could improve the study by searching multiple databases, such as Web of Science and Google Scholar. Furthermore, it is suggested that further research be conducted into the moderating and mediating effects of the political connection on CFP. It would be interesting and valuable if future research could look at topics other than financial performance in the political connection literature, such as management decisions, tax avoidance, sustainability performance, and innovation.

ACKNOWLEDGEMENT

Authors are pleased to acknowledge that the research project and the preparation of this publication is fully funded by the Universiti Malaysia Sarawak (UNIMAS) under the PILOT Research Grant (UNI/F01/PILOT/85189/2022).

REFERENCE

Abiad, A., Bluedorn, J., Guajardo, J., & Topalova, P. (2015). The rising resilience of emerging market and developing economies. *World Development*, 72, 1–26.
<https://doi.org/10.1016/j.worlddev.2015.02.005>

- Adler, P. S., & Kwon, S.-W. (2002). Social capital: Prospects for a new concept. *The Academy of Management Review*, 27(1), 17–40. <https://doi.org/10.2307/4134367>
- Agrawal, A., & Knoeber, C. R. (2001). Do some outside directors play a political role? *The Journal of Law and Economics*, 44(1), 179–198. <https://doi.org/10.1086/320271>
- Ahmed, F., & Hussainey, K. (2023). A bibliometric analysis of political connections literature. *Review of Accounting and Finance*, 22(2), 206–226. <https://doi.org/10.1108/RAF-11-2022-0306>
- Amore, M. D., & Bennesen, M. (2013). The value of local political connections in a low-corruption environment. *Journal of Financial Economics*, 110(2), 387–402. <https://doi.org/10.1016/j.jfineco.2013.06.002>
- Ang, J. S., Ding, D. K., & Thong, T. Y. (2013). Political connection and firm value. *Asian Development Review*, 30(2), 131–166. https://doi.org/10.1162/ADEV_a_00018
- Arnoldi, J., & Villadsen, A. R. (2015). Political ties of listed Chinese companies, performance effects, and moderating institutional factors. *Management and Organization Review*, 11(2), 217–236. <https://doi.org/10.1017/mor.2015.14>
- Ashyrov, G., & Lukason, O. (2022). Political connectedness and financial performance of SMEs. *Journal of Risk and Financial Management*, 15(12), 600. <https://doi.org/10.3390/jrfm15120600>
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99–120. <https://doi.org/10.1177/014920639101700108>
- Bellis, N. de. (2009). *Bibliometrics and Citation Analysis: From the Science Citation Index to Cybermetrics*. Scarecrow Press. <https://books.google.com.my/books?id=ma4YjaKyM9cC&lpg=PR5&ots=1xZ0wT68Ge&lr&pg=PA7#v=onepage&q&f=false>
- Ben Cheikh, S., & Loukil, N. (2023). Political connections, related party transactions and firm performance: evidence from Tunisian context. *Journal of Accounting in Emerging Economies*, 13(1), 22–42. <https://doi.org/10.1108/JAEE-10-2020-0287>
- Brahma, S., Zhang, J., Boateng, A., & Nwafor, C. (2023). Political connection and M&A performance: Evidence from China. *International Review of Economics & Finance*, 85, 372–389. <https://doi.org/10.1016/j.iref.2023.01.026>
- Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77–101. <https://doi.org/10.1191/1478088706qp063oa>
- Brown, R. S. (2016). Lobbying, Political connectedness and financial performance in the air transportation industry. *Journal of Air Transport Management*, 54, 61–69. <https://doi.org/10.1016/j.jairtraman.2016.03.009>
- Buitrago R., R. E., & Barbosa Camargo, M. I. (2021). Institutions, institutional quality, and international competitiveness: Review and examination of future research directions. *Journal of Business Research*, 128, 423–435. <https://doi.org/10.1016/j.jbusres.2021.02.024>
- Cao, J. X., Ding, Y., & Zhang, H. (2016). Social capital, informal governance, and Post-IPO firm performance: A study of Chinese entrepreneurial firms. *Journal of Business Ethics*, 134(4), 529–551. <https://doi.org/10.1007/s10551-014-2383-5>
- Carney, R. W., Child, T. B., & Li, X. (2020). Board connections and crisis performance: Family, state, and political networks. *Journal of Corporate Finance*, 64, 101630. <https://doi.org/10.1016/j.jcorpfin.2020.101630>

- Chan, K. C., Lai, P., & Liano, K. (2012). A threshold citation analysis in marketing research. *European Journal of Marketing*, 46(1/2), 134–156. <https://doi.org/10.1108/03090561211189211>
- Chancharat, S., Detthamrong, U., & Chancharat, N. (2019). Board structure, political connection and firm performance: Evidence from Thailand. *International Journal of Business and Society*, 20(3), 1096–1111. <http://www.ijbs.unimas.my/images/repository/pdf/Vol20-no3-paper15.pdf>
- Chang, E. C., & Wong, S. M. L. (2004). Political control and performance in China's listed firms. *Journal of Comparative Economics*, 32(4), 617–636. <https://doi.org/10.1016/j.jce.2004.08.001>
- Chen, C. R., Li, Y., Luo, D., & Zhang, T. (2017). Helping hands or grabbing hands? An analysis of political connections and firm value. *Journal of Banking and Finance*, 80, 71–89. <https://doi.org/10.1016/j.jbankfin.2017.03.015>
- Chen, S.-T., Haga, K. Y. A., & Fong, C. M. (2016). The effects of institutional legitimacy, social capital, and government relationship on clustered firms' performance in emerging economies. *Journal of Organizational Change Management*, 29(4), 529–550. <https://doi.org/10.1108/JOCM-11-2015-0211>
- Chen, Y., Zheng, W., & Huang, Y. (2020). Are independent directors' political connections valuable? *Nankai Business Review International*, 11(2), 299–315. <https://doi.org/10.1108/NBRI-05-2018-0034>
- Child, T. B., Massoud, N., Schabus, M., & Zhou, Y. (2021). Surprise election for Trump connections. *Journal of Financial Economics*, 140(2), 676–697. <https://doi.org/10.1016/j.jfineco.2020.12.004>
- Choi, D., Chung, C. Y., Hong, S.-I. S., & Young, J. (2020). The role of political collusion in corporate performance in the Korean market. *Sustainability*, 12(5), 2031. <https://doi.org/10.3390/su12052031>
- Coulomb, R., & Sangnier, M. (2014). The impact of political majorities on firm value: Do electoral promises or friendship connections matter? *Journal of Public Economics*, 115, 158–170. <https://doi.org/10.1016/j.jpubeco.2014.05.001>
- Dai, Y., & Xu, J. (2021). Impact of non-commercial networks on academic entrepreneurship in post-commercialisation. *Technology Analysis & Strategic Management*, 33(2), 202–216. <https://doi.org/10.1080/09537325.2020.1808609>
- Dang, V. Q. T., So, E. P. K., & Yan, I. K. M. (2018). The value of political connection: Evidence from the 2011 Egyptian revolution. *International Review of Economics & Finance*, 56, 238–257. <https://doi.org/10.1016/j.iref.2017.10.027>
- Deng, X., Tian, Z., Li, J., & Abrar, M. (2012). The diversification effects of a firm's political connection and its performance implications: Evidence from China. *Chinese Management Studies*, 6(3), 462–487. <https://doi.org/10.1108/17506141211259140>
- Dicko, S., Khemakhem, H., & Zogning, F. (2020). Political connections and voluntary disclosure: the case of Canadian listed companies. *Journal of Management and Governance*, 24(2), 481–506. <https://doi.org/10.1007/s10997-019-09471-3>
- Ding, S., Jia, C., Wu, Z., & Zhang, X. (2014). Executive political connections and firm performance: Comparative evidence from privately-controlled and state-owned enterprises. *International Review of Financial Analysis*, 36, 153–167. <https://doi.org/10.1016/j.irfa.2013.12.006>
- Dinh, T. Q., Calabrò, A., Campopiano, G., & Basco, R. (2022). The impact of politically connected CEOs and boards of directors on firm performance: A study of Vietnamese family and

- nonfamily firms. *Entrepreneurship Theory and Practice*, 46(5), 1284–1316. <https://doi.org/10.1177/1042258720985477>
- Donthu, N., Kumar, S., Mukherjee, D., Pandey, N., & Lim, W. M. (2021). How to conduct a bibliometric analysis: An overview and guidelines. *Journal of Business Research*, 133, 285–296. <https://doi.org/10.1016/j.jbusres.2021.04.070>
- Donthu, N., Kumar, S., & Pattnaik, D. (2020). Forty-five years of Journal of Business Research: A bibliometric analysis. *Journal of Business Research*, 109, 1–14. <https://doi.org/10.1016/j.jbusres.2019.10.039>
- Downs, A. (1957). An Economic Theory of political action in a democracy. *Journal of Political Economy*, 65(2), 135–150.
- Du, J., Bai, T., & Chen, S. (2019). Integrating corporate social and corporate political strategies: Performance implications and institutional contingencies in China. *Journal of Business Research*, 98, 299–316. <https://doi.org/10.1016/j.jbusres.2019.02.014>
- El-Charani, H., & Abraham, R. (2022). The impact of corporate governance and political connectedness on the financial performance of Lebanese banks during the financial crisis of 2019–2021. *Journal of Risk and Financial Management*, 15(5), 203. <https://doi.org/10.3390/jrfm15050203>
- Emich, K. J., Kumar, S., Lu, L., Norder, K., & Pandey, N. (2020). Mapping 50 Years of Small Group Research Through *Small Group Research*. *Small Group Research*, 51(6), 659–699. <https://doi.org/10.1177/1046496420934541>
- Faccio, M. (2006). Politically Connected Firms. *American Economic Review*, 96(1), 369–386. <https://doi.org/10.1257/000282806776157704>
- Faccio, M., Masulis, R. W., & McConnell, J. J. (2006). Political connections and corporate bailouts. *The Journal of Finance*, 61(6), 2597–2635. <https://doi.org/10.1111/j.1540-6261.2006.01000.x>
- Faizabad, A., Refakar, M., & Champagne, C. (2021). Corporate, social, political connections and corporate governance: A review. *Corporate Ownership and Control*, 18(4), 192–206. <https://doi.org/10.22495/cocv18i4art13>
- Fan, J. (2021). The effect of regulating political connections: Evidence from China’s board of directors ban. *Journal of Comparative Economics*, 49(2), 553–578. <https://doi.org/10.1016/j.jce.2020.10.003>
- Fang, L., & Peress, J. (2009). Media coverage and the cross-section of stock returns. *The Journal of Finance*, 64(5), 2023–2052. <https://doi.org/10.1111/j.1540-6261.2009.01493.x>
- Farinós Viñas, J. E., García Martín, C. J., Herrero Piqueras, B., & Ibáñez Escribano, A. M. (2016). Revolving doors: Are they valued in the Spanish stock market? *Academia Revista Latinoamericana de Administración*, 29(2), 147–164. <https://doi.org/10.1108/ARLA-07-2015-0172>
- Fu, F., Yao, S., Fang, J., Zheng, Y., & Wang, Z. T. (2022). CEOs’ hometown connections and stock price crash risk: Evidence from emerging market. *Borsa Istanbul Review*, 22(6), 1079–1097. <https://doi.org/10.1016/j.bir.2022.07.009>
- García-Gómez, C. D., Zaveriaeva, M. A., Kirpishchikov, D., & López-Iturriaga, F. J. (2023). Board social capital in an emerging market: Do directors’ connections affect corporate risk-taking? *Borsa Istanbul Review*, 23(5), 1173–1190. <https://doi.org/10.1016/j.bir.2023.07.005>
- Giosi, A., & Caiffa, M. (2020). Political connections, media impact and state-owned enterprises: an empirical analysis on corporate financial performance. *Journal of Public Budgeting*,

- Accounting and Financial Management*, 33(3), 261–288.
<https://doi.org/10.1108/JPBAFM-12-2019-0188>
- Goh, L., Liu, X., & Tsang, A. (2020). Voluntary disclosure of corporate political spending. *Journal of Corporate Finance*, 61, 101403. <https://doi.org/10.1016/j.jcorpfin.2018.08.014>
- Goldman, E., Rocholl, J., & So, J. (2009). Do politically connected boards affect firm value. *Review of Financial Studies*, 22(6), 2331–2360. <https://doi.org/10.1093/rfs/hhn088>
- Groos, O. v., & Pritchard, A. (1969). Documentation notes. *Journal of Documentation*, 25(4), 344–349. <https://doi.org/10.1108/eb026482>
- Guerra Pérez, S., Bona Sánchez, C., & Santana Martín, D. J. (2015). Politically connected firms in Spain. *BRQ Business Research Quarterly*, 18(4), 230–245. <https://doi.org/10.1016/j.brq.2014.10.002>
- Gulati, K., Gupta, S., & Gupta, C. P. (2020). The transformation of governance system: A decade long experience of corporate governance using Meta-analysis. *Global Journal of Flexible Systems Management*, 21(3), 233–262. <https://doi.org/10.1007/s40171-020-00244-8>
- Guo, D., Jiang, K., Kim, B.-Y., & Xu, C. (2014). Political economy of private firms in China. *Journal of Comparative Economics*, 42(2), 286–303. <https://doi.org/10.1016/j.jce.2014.03.006>
- Ha, P. V., & Frömmel, M. (2020). Political connection heterogeneity and firm value in Vietnam. *Cogent Business and Management*, 7(1), 1–17. <https://doi.org/10.1080/23311975.2020.1738202>
- Harymawan, I., Nasih, M., Madyan, M., & Suchayati, D. (2019). The Role of Political Connections on Family Firms' Performance: Evidence from Indonesia. *International Journal of Financial Studies*, 7(4), 55. <https://doi.org/10.3390/ijfs7040055>
- He, L., Wan, H., & Zhou, X. (2014). How are political connections valued in China? Evidence from market reaction to CEO succession. *International Review of Financial Analysis*, 36, 141–152. <https://doi.org/10.1016/j.irfa.2014.01.011>
- He, X., & Chen, A. (2022). Impact of Chinese firms' political connections on EVA performance: The moderating roles of connection heterogeneity and product diversification. *Chinese Management Studies*, 16(1), 211–230. <https://doi.org/10.1108/CMS-09-2020-0377>
- He, Y., Xu, L., & McIver, R. P. (2019). How does political connection affect firm financial distress and resolution in China? *Applied Economics*, 51(26), 2770–2792. <https://doi.org/10.1080/00036846.2018.1558358>
- Hillman, A. J., Keim, G. D., & Schuler, D. (2004). Corporate political activity: A review and research agenda. *Journal of Management*, 30(6), 837–857. <https://doi.org/10.1016/j.jm.2004.06.003>
- Hu, M., Xiong, W., & Xu, C. (2021). Analyst coverage, corporate social responsibility, and firm value: Evidence from China. *Global Finance Journal*, 50, 100671. <https://doi.org/10.1016/j.gfj.2021.100671>
- Hu, Y., Wang, C., Xiao, G., & Zeng, J. (2019). The value of political connections in opaque firms: Evidence from China's file 18. *Pacific Basin Finance Journal*, 55, 329–351. <https://doi.org/10.1016/j.pacfin.2019.05.001>
- Idris, F., Buchdadi, A. D., Muttaqien, M. R., & Hariguna, T. (2020). The role of the board of director with political connection for increasing the firm value. *Accounting*, 6(7), 1285–1290. <https://doi.org/10.5267/j.ac.2020.8.023>
- Jaffar, R., & Abdul-Shukor, Z. (2016). The role of monitoring mechanisms towards company's performance Evidence from politically connected companies in Malaysia. *Journal of*

Accounting in Emerging Economies, 6(4), 408–428. <https://doi.org/10.1108/JAEE-05-2014-0021>

- Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3(4), 305–360. [https://doi.org/10.1016/0304-405X\(76\)90026-X](https://doi.org/10.1016/0304-405X(76)90026-X)
- Jiang, F., Guo, H., Wei, Z., & Wang, D. (2018). The fit between managerial ties and resource bundling capabilities: Implications for performance in manufacturing firms. *IEEE Transactions on Engineering Management*, 65(2), 216–226. <https://doi.org/10.1109/TEM.2017.2785387>
- Johansson, A. C., & Feng, X. (2016). The state advances, the private sector retreats? Firm effects of China's great stimulus programme. *Cambridge Journal of Economics*, 40(6), 1635–1668. <https://doi.org/10.1093/cje/bev075>
- Joni, J., Ahmed, K., & Hamilton, J. (2020). Politically connected boards, family business groups and firm performance. *Journal of Accounting & Organizational Change*, 16(1), 93–121. <https://doi.org/10.1108/JAOC-09-2019-0091>
- Junus, O., Nasih, M., Anshori, M., & Harymawan, I. (2022). Politically connected independent board and firm performance. *Cogent Economics & Finance*, 10(1). <https://doi.org/10.1080/23322039.2022.2069638>
- Khare, A., & Jain, R. (2022). Mapping the conceptual and intellectual structure of the consumer vulnerability field: A bibliometric analysis. *Journal of Business Research*, 150, 567–584. <https://doi.org/10.1016/j.jbusres.2022.06.039>
- Krippendorff, K. (2018). *Content analysis: An introduction to its methodology* (4th ed.). SAGE.
- Latupeirissa, G., & Adhariani, D. (2020). External and internal economic impacts of eco-innovation and the role of political connections: A sustainability narrative from an emerging market. *Journal of Cleaner Production*, 258, 120579. <https://doi.org/10.1016/j.jclepro.2020.120579>
- Lee, T. (2019). Management ties and firm performance: Influence of family governance. *Journal of Family Business Strategy*, 10(2), 105–118. <https://doi.org/10.1016/j.jfbs.2018.12.003>
- Leonardi, M., Mossucca, R., Schivardi, F., & Severgnini, B. (2021). Gains from early support of a new political party. *Journal of Economic Behavior & Organization*, 190, 878–890. <https://doi.org/10.1016/j.jebo.2021.08.004>
- Li, H., Meng, L., Wang, Q., & Zhou, L. A. (2008). Political connections, financing and firm performance: Evidence from Chinese private firms. *Journal of Development Economics*, 87(2), 283–299. <https://doi.org/10.1016/j.jdeveco.2007.03.001>
- Li, S., Shahzadi, A., Zheng, M., & Chang, C.-P. (2022). The impacts of executives' political connections on interactions between firm's mergers, acquisitions, and performance. *Economic Change and Restructuring*, 55(2), 653–679. <https://doi.org/10.1007/s10644-021-09327-7>
- Li, X., & Jin, Y. (2021). Do political connections improve corporate performance? Evidence from Chinese listed companies. *Finance Research Letters*, 41, 101871. <https://doi.org/10.1016/j.frl.2020.101871>
- Lin, K. J., Tan, J., Zhao, L., & Karim, K. (2015). In the name of charity: Political connections and strategic corporate social responsibility in a transition economy. *Journal of Corporate Finance*, 32, 327–346. <https://doi.org/10.1016/j.jcorpfin.2014.10.007>
- Ling, L., Zhou, X., Liang, Q., Song, P., & Zeng, H. (2016). Political connections, overinvestments and firm performance: Evidence from Chinese listed real estate firms. *Finance Research Letters*, 18, 328–333. <https://doi.org/10.1016/j.frl.2016.05.009>

- Liu, C., & Jiang, H. (2020). Impact of CEO characteristics on firm performance: evidence from China listed firms. *Applied Economics Letters*, 27(14), 1–5. <https://doi.org/10.1080/13504851.2019.1607965>
- Liu, F., Lin, H., & Wu, H. (2018). Political connections and firm value in China: An event study. *Journal of Business Ethics*, 152(2), 551–571. <https://doi.org/10.1007/s10551-016-3316-2>
- Liu, H., Yang, J. Y., & Augustine, D. (2018). Political ties and firm performance: The effects of proself and prosocial engagement and institutional development. *Global Strategy Journal*, 8(3), 471–502. <https://doi.org/10.1002/gsj.1194>
- Liu, H., & Zhao, W. (2023). The role of political connections in bad times: Evidence from the COVID-19 pandemic. *Economics Letters*, 224, 110999. <https://doi.org/10.1016/j.econlet.2023.110999>
- Liu, J., & Ying, Q. (2019). The decreasing value of non-SOEs' political connections during China's anti-corruption campaign: Evidence and mechanism. *Accounting & Finance*, 59(5), 3171–3221. <https://doi.org/10.1111/acfi.12582>
- Liu, Q., Luo, T., & Tian, G. G. (2015). Family control and corporate cash holdings: Evidence from China. *Journal of Corporate Finance*, 31, 220–245. <https://doi.org/10.1016/j.jcorpfin.2015.02.007>
- Liu, T., & Wang, L. (2021). Do competitors benefit from the resignation of politically connected independent directors? Evidence from China. *Applied Economics*, 53(60), 6999–7019. <https://doi.org/10.1080/00036846.2021.1956678>
- Muttakin, M. B., Monem, R. M., Khan, A., & Subramaniam, N. (2015). Family firms, firm performance and political connections: Evidence from Bangladesh. *Journal of Contemporary Accounting and Economics*, 11(3), 215–230. <https://doi.org/10.1016/j.jcae.2015.09.001>
- Nguyen, B., Do, H., & Le, C. (2022). How much state ownership do hybrid firms need for better performance? *Small Business Economics*, 59(3), 845–871. <https://doi.org/10.1007/s11187-021-00556-8>
- Niessen, A., & Ruenzi, S. (2010). Political connectedness and firm performance: Evidence from Germany. *German Economic Review*, 11(4), 441–464. <https://doi.org/10.1111/j.1468-0475.2009.00482.x>
- Nwachukwu, C. (2022). Systematic review of integrated reporting: recent trend and future research agenda. *Journal of Financial Reporting and Accounting*, 20(3/4), 580–598. <https://doi.org/10.1108/JFRA-10-2020-0308>
- Okazaki, T., & Sawada, M. (2016). *Measuring the extent and implications of corporate political connections in prewar Japan*. <http://www.cirje.e.u-tokyo.ac.jp/research/03research02dp.html>
- Page, M. J., McKenzie, J. E., Bossuyt, P. M., Boutron, I., Hoffmann, T. C., Mulrow, C. D., Shamseer, L., Tetzlaff, J. M., Akl, E. A., Brennan, S. E., Chou, R., Glanville, J., Grimshaw, J. M., Hróbjartsson, A., Lalu, M. M., Li, T., Loder, E. W., Mayo-Wilson, E., McDonald, S., ... Moher, D. (2021). The PRISMA 2020 statement: An updated guideline for reporting systematic reviews. *Systematic Reviews*, 10(1), 89. <https://doi.org/10.1186/s13643-021-01626-4>
- Palanský, M. (2021). The value of political connections in the post-transition period: evidence from Czechia. *Public Choice*, 188(1–2), 121–154. <https://doi.org/10.1007/s11127-020-00816-3>

- Pang, C., & Wang, Y. (2021). Political connections, legal environments and firm performance around the world. *International Journal of Finance and Economics*, 26(3), 4393–4409. <https://doi.org/10.1002/ijfe.2021>
- Paul, J., & Rosado-Serrano, A. (2019). Gradual Internationalization vs Born-Global/International new venture models. *International Marketing Review*, 36(6), 830–858. <https://doi.org/10.1108/IMR-10-2018-0280>
- Pfeffer, J., & Salancik, G. (1978). *The External Control of Organizations: A Resource Dependence Perspective*. Harper and Row.
- Piotroski, J. D., & Zhang, T. (2014). Politicians and the IPO decision: The impact of impending political promotions on IPO activity in China. *Journal of Financial Economics*, 111(1), 111–136. <https://doi.org/10.1016/j.jfineco.2013.10.012>
- Prasetyo, K., & Nasution, D. (2022). Are political connections beneficial or harmful toward firms' performance? A meta-analysis approach. *Corporate Governance: The International Journal of Business in Society*, 22(5), 901–921. <https://doi.org/10.1108/CG-07-2021-0256>
- Qiao, P., Fung, H.-G., & Ju, X. (2013). Effects of Social Capital, Top Executive Attributes and R&D on Firm Value in Chinese Small and Medium-sized Enterprises. In *China & World Economy* (Vol. 21, Issue 4). <http://www.sme.gov.cn/>.
- Rahman, M. J., & Chen, X. (2023). CEO characteristics and firm performance: evidence from private listed firms in China. *Corporate Governance: The International Journal of Business in Society*, 23(3), 458–477. <https://doi.org/10.1108/CG-01-2022-0004>
- Ren, T., Xiao, Y., Yu, X., Yang, H., & Ge, J. (2020). Resignation of officials as independent directors and firm performance. *Frontiers of Business Research in China*, 14(1). <https://doi.org/10.1186/s11782-020-00092-4>
- Rocca, M. la, Fasano, F., Cappa, F., & Neha, N. (2022). The relationship between political connections and firm performance: An empirical analysis in Europe. *Finance Research Letters*, 49, 103157. <https://doi.org/10.1016/j.frl.2022.103157>
- Saeed, A., Belghitar, Y., & Clark, E. (2016). Do political connections affect firm performance? Evidence from a developing country. *Emerging Markets Finance and Trade*, 52(8), 1876–1891. <https://doi.org/10.1080/1540496X.2015.1041845>
- Saeed, A., Belghitar, Y., & Clark, E. (2019). Political connections and corporate performance: Evidence from Pakistan. *Economics of Transition and Institutional Change*, 27(4), 863–889. <https://doi.org/10.1111/ecot.12213>
- Saleh, M. W. A., Shurafa, R., Shukeri, S. N., Nour, A. I., & Maigosh, Z. S. (2020). The effect of board multiple directorships and CEO characteristics on firm performance: evidence from Palestine. *Journal of Accounting in Emerging Economies*, 10(4), 637–654. <https://doi.org/10.1108/JAEE-12-2019-0231>
- Shen, H., Xin, J., Dai, X., & Liu, C. (2021). The contingent value of managerial ties for new ventures during China's anti-corruption campaign. *Applied Economics*, 53(40), 4664–4679. <https://doi.org/10.1080/00036846.2021.1907283>
- Sheng, S., Zhou, K. Z., & Li, J. J. (2011). The effects of business and political ties on firm performance: Evidence from China. *Journal of Marketing*, 75(1), 1–15. <https://doi.org/10.1509/jm.75.1.1>
- Shi, H., Xu, H., & Zhang, X. (2018). Do politically connected independent directors create or destroy value? *Journal of Business Research*, 83, 82–96. <https://doi.org/10.1016/j.jbusres.2017.10.009>

- Shi, Y., & Cheng, M. (2016). Impact of political, guanxi ties on corporate value: Evidence from the technology-intensive firms in China. *Chinese Management Studies*, 10(2), 242–255. <https://doi.org/10.1108/CMS-07-2015-0153>
- Shin, J. Y., Hyun, J. H., Oh, S., & Yang, H. (2018). The effects of politically connected outside directors on firm performance: Evidence from Korean chaebol firms. *Corporate Governance: An International Review*, 26(1), 23–44. <https://doi.org/10.1111/corg.12203>
- Shleifer, A., & Vishny, R. W. (1998). *The Grabbing Hand: Government Pathologies and Their Cures*. Harvard University Press.
- Shu, C., Page, A. L., Gao, S., & Jiang, X. (2012). Managerial ties and firm innovation: Is knowledge creation a missing link? *Journal of Product Innovation Management*, 29(1), 125–143. <https://doi.org/10.1111/j.1540-5885.2011.00883.x>
- Singh, V. K., Singh, P., Karmakar, M., Leta, J., & Mayr, P. (2021). The journal coverage of Web of Science, Scopus and Dimensions: A comparative analysis. *Scientometrics*, 126(6), 5113–5142. <https://doi.org/10.1007/s11192-021-03948-5>
- Sitthipongpanich, T., & Polsiri, P. (2015). Do CEO and board characteristics matter? A study of Thai family firms. *Journal of Family Business Strategy*, 6(2), 119–129. <https://doi.org/10.1016/j.jfbs.2015.01.002>
- Snyder, H. (2019). Literature review as a research methodology: An overview and guidelines. *Journal of Business Research*, 104, 333–339. <https://doi.org/10.1016/j.jbusres.2019.07.039>
- Sofian, F. N. R. M., Mohd-Sabrun, I., & Muhamad, R. (2022). Past, present, and future of corporate social responsibility and earnings management research. *Australasian Business, Accounting and Finance Journal*, 16(2), 116–144. <https://doi.org/10.14453/aabfj.v16i2.9>
- Su, Z. qin, & Fung, H. G. (2013). Political connections and firm performance in Chinese companies. *Pacific Economic Review*, 18(3), 283–317. <https://doi.org/10.1111/1468-0106.12025>
- Sulaiman, N. A., Mohd-Sabrun, I., & Muhamad, R. (2022). Talent management disclosure as a mediator between corporate governance and financial performance. *Malaysian Management Journal*, 26, 87–122. <https://doi.org/10.32890/mmj2022.26.4>
- Sun, P., Mellahi, K., Wright, M., & Xu, H. (2015). Political Tie Heterogeneity and the Impact of Adverse Shocks on Firm Value. *Journal of Management Studies*, 52(8), 1036–1063. <https://doi.org/10.1111/joms.12165>
- Tang, X., Lin, Y., Peng, Q., Du, J., & Chan, K. C. (2016). Politically connected directors and firm value: Evidence from forced resignations in China. *North American Journal of Economics and Finance*, 37, 148–167. <https://doi.org/10.1016/j.najef.2016.04.001>
- Tawiah, V., Zakari, A., & Wang, Y. (2022). Partisan political connections, ethnic tribalism, and firm performance. *Review of Quantitative Finance and Accounting*, 58(4), 1331–1362. <https://doi.org/10.1007/s11156-021-01026-8>
- Tranfield, D., Denyer, D., & Smart, P. (2003). Towards a methodology for developing evidence-informed management knowledge by means of systematic review. *British Journal of Management*, 14(3), 207–222. <https://doi.org/10.1111/1467-8551.00375>
- Trifonov, D. (2021). Political connections of Russian corporations: Blessing or curse? *Journal of Behavioral and Experimental Finance*, 29, 100458. <https://doi.org/10.1016/j.jbef.2021.100458>
- Trinarningsih, W., Anugerah, A. R., & Muttaqin, P. S. (2021). Visualizing and mapping two decades of literature on board of directors research: a bibliometric analysis from 2000 to

2021. *Cogent Business & Management*, 8(1).
<https://doi.org/10.1080/23311975.2021.1994104>
- Ullah, S., & Kamal, Y. (2022). Corporate governance, political connections and firm performance: The Role of political regimes and size. *Global Business Review*, 23(4), 1031–1053.
<https://doi.org/10.1177/0972150919876520>
- Ullah, S., Khan, S., Hussain, S., Alam, M., & Haroon, M. (2021). political connections, family ownership, and firm performance: An emerging economy. *International Journal of the Economics of Business*, 28(3), 471–487. <https://doi.org/10.1080/13571516.2021.1941715>
- Wang, F., Xu, L., Zhang, J., & Shu, W. (2018). Political connections, internal control and firm value: Evidence from China’s anti-corruption campaign. *Journal of Business Research*, 86, 53–67. <https://doi.org/10.1016/j.jbusres.2018.01.045>
- Wang, S., Wei, Z., Song, X., Na, S., & Ye, J. (2020). When does environmental corporate social responsibility promote managerial ties in China? The moderating role of industrial power and market hierarchy. *Asia Pacific Business Review*, 26(5), 642–662.
<https://doi.org/10.1080/13602381.2020.1801812>
- Wang, Z., Reimsbach, D., & Braam, G. (2018). Political embeddedness and the diffusion of corporate social responsibility practices in China: A trade-off between financial and CSR performance? *Journal of Cleaner Production*, 198, 1185–1197.
<https://doi.org/10.1016/j.jclepro.2018.07.116>
- Wong, S. H.-W. (2010). Political connections and firm performance: The case of Hong Kong. *Journal of East Asian Studies*, 10(2), 275–314.
<https://doi.org/10.1017/S159824080003465>
- Wong, W. Y., & Hooy, C. W. (2018). Do types of political connection affect firm performance differently? *Pacific Basin Finance Journal*, 51, 297–317.
<https://doi.org/10.1016/j.pacfin.2018.08.009>
- World Bank Group. (2023, April 20). *The World Bank in China*.
<https://www.worldbank.org/en/country/china/overview>
- Wu, B., Liang, H., & Chan, S. (2022). Political connections, industry entry choice and performance volatility: Evidence from China. *Emerging Markets Finance and Trade*, 58(1), 290–299.
<https://doi.org/10.1080/1540496X.2021.1904878>
- Wu, W., Wu, C., & Rui, O. M. (2012). Ownership and the value of political connections: Evidence from China. *European Financial Management*, 18(4), 695–729.
<https://doi.org/10.1111/j.1468-036X.2010.00547.x>
- Wu, W., Wu, C., Zhou, C., & Wu, J. (2012). Political connections, tax benefits and firm performance: Evidence from China. *Journal of Accounting and Public Policy*, 31(3), 277–300. <https://doi.org/10.1016/j.jaccpubpol.2011.10.005>
- Xu, Y. (2018). Anticorruption regulation and firm value: Evidence from a shock of mandated resignation of directors in China. *Journal of Banking & Finance*, 92, 67–80.
<https://doi.org/10.1016/j.jbankfin.2018.05.008>
- Yarborough Jr, E., Abebe, M., & Dadanlar, H. (2017). Board political experience and firm internationalization strategy. *Journal of Strategy and Management*, 10(4), 401–416.
<https://doi.org/10.1108/JSMA-07-2016-0043>
- Zainudin, R., & Khaw, K. L.-H. (2021). Dividend payout policies of politically connected firms: Evidence from Malaysia. *Borsa Istanbul Review*, 21(4), 384–393.
<https://doi.org/10.1016/j.bir.2020.12.005>

- Zhu, J., & Liu, W. (2020). A tale of two databases: the use of Web of Science and Scopus in academic papers. *Scientometrics*, *123*(1), 321–335. <https://doi.org/10.1007/s11192-020-03387-8>
- Zhu, Y. (2020). An interactive perspective of managers' functional experience and managerial ties of new ventures in transition economies. *Technology Analysis and Strategic Management*, *32*(3), 292–305. <https://doi.org/10.1080/09537325.2019.1655536>

APPENDIX

The figure below illustrates the PRISMA framework that guided the process of this review paper.

Figure 1: PRISMA Flow Diagram

