Abstract

Although recognized as a defining feature of the current political era, populism and its implications for nonmarket strategy remain undertheorized. This study develops a framework that (a) conceptualizes populism and its progression over time; (b) outlines the risks and opportunities populism generates for firms; and (c) theorizes the dynamic effects of populism on firms’ nonmarket strategies. The framework is based on our conceptualization of “the populist syndrome” composed of three interdependent elements: anti-establishment ideology, de-institutionalization, and short-term policy bias. These elements combine to shape the policymaking dynamics and institutional risks that firms encounter under populism. Our framework theorizes how the effectiveness of two key strategies – political ties and corporate social responsibility – varies across populist vs. non-populist regimes. We further theorize how, within populism, the effectiveness of specific attributes of these strategies – namely their relative covertness (more vs. less concealed) and their relative focus (narrow vs. broad targeting) – varies as a function of firm types and the durability of the populist regime.