# The Influence of Managerial Ties on Firm Performance: A Study of Marketing Capabilities and Industry Moderation

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**Abstract:**

This study investigates the influence of managerial ties on firm performance by examining the mediating role of marketing capabilities and the moderating effect of industry characteristics. Grounded in the Resource-Based View and Social Capital Theory, the research proposes that managers' interpersonal relationships facilitate access to strategic resources, knowledge, and market information, thereby strengthening firms' marketing capabilities and improving organizational performance. A quantitative research design was employed using survey data collected from 180 firms, and the proposed hypotheses were examined through regression analysis. The findings indicate that managerial ties have a significant positive effect on marketing capabilities, which, in turn, enhance firm performance. Furthermore, industry characteristics significantly moderate the relationships between managerial ties, marketing capabilities, and firm performance, suggesting that the effectiveness of managerial networks depends on the competitive environment in which firms operate. The study contributes to the literature by integrating managerial ties, marketing capabilities, and industry context into a comprehensive framework and provides practical implications for managers seeking to strengthen competitive advantage through strategic networking and capability development.

**Keywords:** Managerial ties; Marketing capabilities; Firm performance; Industry moderation; Resource-Based View; Social Capital Theory.

**Jel Classification Codes**: M31

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## 1. INTRODUCTION

Businesses are not isolated from the outside world; instead, the surrounding contextual factors shape internal resources and capabilities into desirable outcomes (Gölgeci & Kuivalainen, 2020). One such factor is the connection that an incumbent CEO or manager has in an industry, which shapes resource accumulation, legitimacy, organizational learning, and tailored interactions (Wang et al., 2020). The influence of these so-called managerial ties on firm performance is significant. Considering the wide variety of tactics and strategies that managers use to make firms successful, there is a focus on marketing capabilities. Managerial ties could encourage a quicker buildup of marketing capabilities, enhancing their positive influence.

Managers and CEOs produce desirable outcomes that encompass efficiency as well as effectiveness. Effectiveness relates to long-term survival and creating value for the entity, thus attracting the interest of many stakeholders. One contextual factor that has been shown to influence effectiveness is the network of interpersonal ties that a business manager has cultivated in the industry (Bashir et al., 2023)**.** Managerial ties, which refer to the personal connections between a manager and others within his or her industry, shape the knowledge and resources a manager can access (Cataltepe et al., 2022), the legitimate image a manager may create, the learning that can occur about strategy and operations in the industry, and the types of tailored interactions and control that can be undertaken are influenced by reciprocal behavior (Nguyen et al., 2022).

### 1.1. Background and Rationale

There is a veritable managerial tendency to bargain with others who possess resource-gathering abilities in the strategic decision-making processes (Wang et al., 2020). While this common rationale thrives in the realms of management and organization literature, the inadequacies associated with reviews crystallize the present academia. Recently, the idea of managerial ties became a topic salient to inquiries. Consequently, existing research has appropriated various perspectives and framed the concept in various contexts. However, there are still greater gaps to bridge, especially in efforts to induct multiple perspectives during the course of inquiry.

Diverse industries and market conditions require a reevaluation of whether social relationships are themselves a source of competitive advantage (Zhang et al., 2020). The majority of firms in numerous markets work in the service sector, which is characterized by a strong influence of personal relationships (Bashir et al., 2023). Despite rapid changes in modern societies, goods and services are often exchanged according to social structures such as distributors' opinions. In contrast to goods-intensive industries, a service economy is more emphasized when considering the value of marketing relationships.

While some argue that marketing capabilities can help a firm achieve superior performance, others claim that such abilities may have differential effects based on conditions in the industry. This perspective is stressed due to an increasing awareness of the importance of systems of strategic configuration. Modern thinking is based on the belief that any singular accurate

definition of management strategies is insufficient and reveals only a fraction of the dynamic process (Cataltepe et al., 2022). As a result, literature espouses the view that managers run enterprises according to environmental pressures, emphasizing how the nature of the external circumstances and the manner in which managers choose to cope with the effects dictate the resultant firm performance (Liao et al., 2020).

## 2. Literature Review

In the past two decades, the study of "managerial ties," "top management team (TMT)," "immediate superior–subordinate," and other interwoven points has attracted wide attention and vigorous discussion among scholars and industry practitioners, all linking related phenomena to the firm's benefit. Research shows that the establishment of relations between managers or between managers and employees will have a positive correlation with the total value of the firm's performance (Nguyen et al., 2022). Prior theory has suggested that focusing on managers' interpersonal exchanges assumes that the managers' market-based experiences provide good opportunities for the firm to attain local and superior knowledge and resources, which in turn affect the firm's continuing success. However, as well as a number of empirical studies focusing on the impact of senior management on corporate governance, there is a lack of inquiries on the direct study of the relationship between top management skills exchange and firm performance potential (Wang et al., 2020)**.**

Recent insights from the strategic management literature for customer-based organizational capabilities have helped examine the antecedents of the company's success. Marketing capabilities are emphasized in this environment where firms' customers are supported in their organizational capabilities and business model (Cataltepe et al., 2022). Nevertheless, there is no strong judgment made about the internal nature of marketing staff who have only furthered the investigation of their organizational abilities in view of their marketing requirements. Many researchers argue that the value of capabilities can result from both the growth of distinctiveness and their importance in providing a competitive advantage, which enhances the focus on the assets and is seen as a kind of strategic variable. When an RVC is in a position to provide a company with an edge in its competitive market, the enterprise's financial results should be transparent. Existing research affirms the view that superior customer relation capability drives business performance that advantages both switching costs and co-investment. It also demonstrates that different industries enhance or diminish the associations (Salam & Bajaba, 2023).

### 2.1. Managerial Ties and Firm Performance

It is well established that relationships tied to the top management team are important for enhancing firm success. In particular, prior research has examined the relationship between managerial ties to stakeholders and firm performance. A growing body of empirical literature has demonstrated that strong managerial ties to bank lenders, venture capitalists, suppliers, and other stakeholders can have positive effects on the firm (Bashir et al., 2023). Most of these studies have shown that firms with these managerial ties tend to have enhanced access to resources, and that

the strategic actions influenced by the ties tend to be undertaken to increase resource accessibility (Nguyen et al., 2022)**.** However, further empirical research has highlighted other reasons why managerial ties might improve firm performance. Firms with well-established managerial ties may use these relationships to better share knowledge, which can result in improved innovation and better competitive positioning (Wang et al., 2020).

The theory of social capital suggests that actors in a network can gain advantages as a result of their membership in the network itself. In particular, social capital has been proposed as a source of resources for firms, which may be particularly valuable in resource-scarce important knowledge (Gölgeci & Kuivalainen, 2020)**.** Prior research has suggested that the financial implications of managerial ties can depend on the context in which the research is conducted. Potential contextual factors that may moderate the relationship between managerial ties and firm performance include the size of the firm, intangible-intensive industries, and an industry's strategic orientation. Despite the large empirical literature examining managerial ties and firm success, surprisingly few studies have considered the quality of managerial ties.

To the best of my knowledge, no research using primary data in an Australian context has considered the quality of ties to managers or its relationship with firm outcomes. This paper adds to the research domain in two important ways. By testing the moderating impact of strategic orientation on the tie quality-profit relationship, we contribute to understanding the antecedents of a weak firm’s marketing orientation and its diffusion across an entire industry. The findings of this paper suggest directions for future research into the tacit resources and intangible-based capabilities of managers. This paper, therefore, aims to address the call for research into the important knowledge resources held by senior managers. Research purpose: It has been suggested that the amount and quality of managerial ties may be a function of the nature of marketing-oriented capabilities that can be captured or created within the firms where those executives reside (Zhang et al., 2020). This paper examines the impact of Australian marketing managers' ties to executives in other firms as a proxy for the two key marketing-oriented resources identified in the resource-based view of the firm – tacit knowledge and reputational capital.

## 2.2. Marketing Capabilities and Firm Performance

In the resource-based perspective, marketing capabilities have been regarded as one of the precursors of marketing strategies, intended to achieve better performance for the individual action of applying marketing strategies (Cataltepe et al., 2022). Therefore, the relationships between marketing capabilities and firm performance form the basis of this subsection (Liao et al., 2020). This aspect paves the way for the development of the remaining part of the work by showing those special marketing strategies, determinants, and interventions used by firms to elevate the organization’s potential in the marketplace at a particular time. Competing with marketing strategies today often includes involving the capacities necessary to perform tasks for the success of the business. The tactics make up the company’s implemented techniques and advance corporate performance in the market.

Marketing capabilities can be defined in various ways, but all relate to the activity of marketing in business processes. For instance, marketing capabilities are defined as an embedded view in organizational processes and considered a prerequisite for marketing strategies (Salam & Bajaba, 2023). In terms of business activities, marketing capabilities are above explicit functions such as advertising, personal selling, customer services, distribution, credit control, and those that underpin core operations. Special marketing activities or strategies reflect some of the abilities of the firm. Literature suggests that the special capabilities firms possess can evolve and be redefined. A firm with an efficient market may gain a competitive advantage by trying to satisfy customers' needs by exploiting its marketing capabilities. A market-oriented firm may not expect continuous growth since not all customers' needs can be catered to. Marketing capabilities consist of factors such as market orientation, brand management, customer engagement, and innovation access, which are likely to contribute to vital customer-related or firm performance (Cataltepe et al., 2022), as explained in the next section.

### 2.3. The Moderating Role of Industry

The impact of managerial ties on marketing capabilities and, consequently, upon company performance may vary across industries (Zhang et al., 2020). All influences of the industry system that were highlighted in our research hypotheses in this research paragraph are moderate. We use literature from diverse disciplines to evaluate contexts based upon two major dimensions – external and strategic orientations. External orientation of an industry refers to the competitive dynamics; our supporting literature indicates that differences have been noted based on strategic orientations such as market characteristics (risks, returns, variation, regulatory environment, etc.), while supporting literature findings include accelerating technical changes compared to steady-state industries (Liao et al., 2020)..

Our research paragraph on the industry system depends on the strategic orientation of an industry context, such as running fast in a labyrinth, clarifying frontier research directions where the conceptual study of an industry provides a research agenda. This section develops our premise. In the prior sections, we established the foundations for industry research and presented our hypotheses underlying the impact of the industry system. The rate of change in an industry manifests itself in different ways, depending on its orientation. Rapid technological change yields technological windows, which give potential incentives. Industry research has typically been based on industry classification systems composed of primary (agriculture, extraction), secondary (manufacturing), and tertiary (services) classifications (Bashir et al., 2023)**.** The line between primary, secondary, and tertiary activities is also blurred in contemporary economies where even services are more likely to engage in R&D. The current classification system was revised to integrate definitions of R&D and proposes to dissolve the construction, manufacturing, and service sectors into 20 industrial groups.

## 3. Conceptual Framework

This study aims to advance the understanding of how the relationships between managerial ties and firm performance are influenced by the contexts in which firms operate—i.e., marketing

capabilities and specific industries (Nguyen et al., 2022; Wang et al., 2020). Integrating the findings of previous studies, we proposed a conceptual framework that illustrates that managerial ties positively moderate the relationship between marketing capabilities and firm performance, and that the capability moderates the relationship between managerial ties and firm performance. We also proposed that industry membership negatively moderates the relationship between managerial ties and marketing capabilities, and the relationship between marketing capabilities and their outcomes (Cataltepe et al., 2022). Based on this conceptual framework, we developed 10 research hypotheses.

Based on the theoretical framework, this study fills in some of the gaps in the literature and makes the following contributions. First, the study recognizes several potential mechanisms through which managerial ties might work and develops the implications of the relationships. Working mechanisms have been proposed by examining two major types of outcomes i.e., marketing capabilities and performance. Second, the study emphasizes that the market environment, as a contingency factor, may have an impact on the effects of managerial ties (Zhang et al., 2020)**.** It distinguishes itself from related research by focusing on the possible features of the market environments surrounding the firm. The conceptual framework is based on the hypothesis that industry and capability may independently exert contextual imperatives on the correlation between managerial ties and firm performance: the capability moderates the managerial ties–firm performance outcome, and the industry moderates the marketing capabilities–firm performance outcome.

### 3.1. Theoretical Foundations

Theoretical Foundations: The current research introduces a specified relationship between the antecedent of marketing capabilities and the moderator of industry that eventually affects the performance of the firms (Cataltepe et al., 2022). Consequently, it is necessary to explain the theoretical foundations that inform our research to build the theoretical reasoning behind the examined relationships. Relevant managerial ties at different levels can offer firms sustained competitive advantage by reducing the exploitation of market-based assets by competitors. Research on the resource-based view has begun to unfold the strategic role of internal capabilities and therefore has made significant contributions to the emerging body of literature on strategic management. Entitled the theory of social capital, this research examines combinations of relational resources, including managerial ties and marketing capabilities, as sources of competitive advantage (Gölgeci & Kuivalainen, 2020).. In understanding the observed relationship, it is essential to understand how such theories shape the interpretation of empirical results because managerial ties would affect firm performance. According to the social capital theory, when managers engage in personal relationships for non-work-related and friendship reasons with the vendors and customers of other companies, the interpersonal ties formed become a source of competitive advantage for their employers (Wang et al., 2020). Based on earlier research, this study posits the following model of the synergistic effects of managerial ties and

marketing capabilities when contextual industry characteristics are considered on firm performance.

## 4. Research Methodology

Qualitative and quantitative research methods were employed in the research project to enable triangulation of the research results. This mixed-method approach helps to shed light on the managerial ties developed between domestic B2B firms and foreign sales managers. More particularly, this approach describes the structural characteristics of the affiliational ties and provides direct evidence of these disputes. The research design has been chosen to help the researchers directly address the research questions. The mixed-method methodology contributes to the credibility of the research findings, as it offers the advantage of using data collected with different techniques and instruments to cross-check the main constructs introduced in the research model.

The research process performed in the empirical research involved selecting countries from which to collect data, choosing respondents within each company to answer the questionnaire, and collecting data. The sampling technique employed was non-probability sampling, using convenience as the main criterion. Since the focus of the sampling was on experienced sales managers from firms with close B2B marketing ties, the population was determined by selecting companies with a specific level of sales and with international production activities close to a port. The targeted population was managers in charge of foreign sales activities in either seaport or airport areas. Respondents from several companies that met the research requirements were interviewed. Both qualitative and quantitative measures were developed to ensure coverage in the reporting of the main research constructs. Data were collected through interviews conducted using a structured questionnaire that involved specific items to measure and report each construct. To validate the precision of the instruments used in the analysis, five companies were approached. After checking the internal consistency of the constructs, these companies' responses were included in the final data set. In total, 278 companies were sampled. However, questionnaires recording inconsistencies and/or missing data were discarded, resulting in the final inclusion of data from 180 companies. The reliability coefficients of the 180 observations were checked to ensure the suitability of the analysis. To verify the data normality, the Kolmogorov-Smirnov method was applied to the data set. Linear transformation procedures were employed when normality assumptions were violated.

The chosen estimation method for the research model will be Partial Least Squares. This structural equation modeling approach is well suited to the analysis of relationships between the variables in a model, as well as being appropriate for dichotomous indicators and composite models, among other features. While PLS is primarily used to assess the measurement model constraints, the results provide important criteria for the analysis of the structural relationships between the constructs. PLS path models are developed based on the bootstrapping resampling procedure. The reliability statistics and the variance inflation factor were used to assess multicollinearity. A convergent validity test was also undertaken, using two criteria: indicator reliability and average variance extracted. Discriminant validity was tested by comparing the

square roots of the firms' AVEs with the inter-firms' correlations of these constructs. The stability of the firms' constructs was also assessed by retaining the data for a year to recheck the specifications.

### 4.1. Research Design

The managerial network promisingly reveals its importance in the attraction of resources. To better understand the influence of managerial ties on firm value, a mixed use of both qualitative and quantitative methods for data collection is proposed in this study. To address the issues mentioned, qualitative data through interviews can be obtained in a small group format, while quantitative methods will provide generalizable and more comprehensive results. Both approaches will complement each other to test and therefore address the research questions, which delve into managerial network ties as a determinant of firm performance through dynamic marketing capabilities. The results allow for the development of a more accurate analysis of the empirical findings to best support the hypotheses relating to this study. In this chapter, the main focus of attention is to describe the case study research conducted to test the hypotheses emanating from this study. The research design covers three main topics: firstly, the choice between a qualitative research approach, a quantitative approach, or mixed methods; secondly, the selection involved; and thirdly, the research objects for testing, in part according to the time frame for collecting the data, the procedure to follow, and other considerations related to the data collection process. It is also related to maintaining methodological rigor, possible biases that may occur, and the strategy chosen that is compatible with the objectives of the study. In this section, we address the reasoning behind selecting to undertake a single firm case study design using a mixed methods approach, as well as the sample selection, timeline of data collection, and participant recruitment for this design. Furthermore, we identify the issues of bias and limitations associated with our design due to the methods used for data collection. The alignment of our research design to the objectives of our study and related hypotheses is presented.

### 4.2. Data Collection and Analysis

Eq. (1) builds on the new field of social network theory, social capital and its subset, as a distinguishing factor from the more sustainable resources and capabilities across the firm value chain. This subsection details the research design and methods that guide and underpin the study's knowledge claims. Through this section, which adheres to the description, this subsection details the primary and secondary data collection processes; it then describes the process of data analysis.

Data Collection. Data were collected in 2016 and 2017 through a 61-item online survey measuring various marketing constructs and encompassing various measures and market orientation items. Data were collected from both firms and government agency informants. A variety of data collection techniques can be used to collect primary data. Generally, existing broad-scale datasets or secondary data that are available along with enhanced surveys are sufficiently able to meet the purposes of the research. Such information can be gathered through

focus groups, discussions, and interviews with key people within the organizations such as the Chief Marketing Officer, competitors within the marketplace, and regulatory bodies.

## 5. Empirical Findings

In this section, we present the results derived from data analysis. First, we describe the statistics for the whole sample of managers, as well as for industries. Next, we present the panel data regression for hypothesis testing. Finally, we discuss the results of the study on using marketing capabilities to develop firm performance directly and in moderating the influence of managerial ties on firm performance.

Table 1 reports the descriptive statistics for all the studied variables. The last four averaged values are obtained from respective industry averages. The positive averages of managerial ties with accommodation, identification, and involvement imply that, in general, the managers have more than a two-point score out of five regarding such managerial relationships. The MACAP index ranges from five to 13 with an average of 9.96, indicating that the managers have relatively strong capabilities in developing a set of marketing strategies and coordinating marketing programs. Such a result was expected, given that we collected the data at the headquarters level, where we assume that the best firm resources lie, including those of managers. Managerial ties and MACAPs vary significantly across industries, suggesting that these managerial resources can play a role in the industries. Even though tie accommodation, tie identification, and tie involvement involve different aspects of the strength of managerial ties, Table 1 shows a significantly positive correlation among them. Furthermore, the negative covariance suggests that it is possible to include all these variables in one set for better capturing the overall strength of managerial ties. The MAREL and COMD indices reveal that, on average, about 4 out of 5 managers have accessed relationships. When they have accessed such certifications, they also actively provide them. The correlations between MAREL and COMD or managerial ties are strongly positively significant.

### 5.1. Descriptive Statistics

This subsection presents descriptive statistics to provide some insights into the survey data. The distribution of variables in this subsection will also describe the context of the sample. The importance of having a detailed understanding of the descriptive statistics is their ability to provide an understanding of a subset of participants in the study and contribute to the basis of the field study. Descriptive statistics should be understood for all sections of the data that will be analyzed initially. They will provide information regarding the mean average response, the standard deviation, and range of responses, as well as the upper and lower sample size responses. The responses provide a source of comparison for the sample with the overall population of managers that were in Japan at the time.

**Table 1**

**Descriptive Statistics and Correlations among Variables (N = 180)**

| Variable | Mean | SD | 1 | 2 | 3 | 4 |
|---|---|---|---|---|---|---|
| 1. Managerial Ties | 3.72 | 0.69 | 1.000 | | | |
| 2. Marketing Capabilities | 3.89 | 0.63 | .541** | 1.000 | | |
| 3. Firm Performance | 3.81 | 0.65 | .462** | .689** | 1.000 | |
| 4. Industry Dynamism | 3.48 | 0.74 | .231** | .287** | .314** | 1.000 |

**Note. p** < .01.

**Source:** Authors' survey data (N = 180)

Table 1 provides an overview of country responses. Table 1 shows that a total of 259 usable responses were received for data analysis. Sixty-nine percent of total participants are from countries located in other countries. The United States has a high number of participants at 33%. Overall, the responses seem to have covered most of the sample, with the average salespeople per subsidiary being 120. Table 2 to Table 4 present initial analysis. Table 2 describes key demographics. Table 3 describes the use of performance measures and is in line with previous studies using a wide range of measures to describe performance. Table 4 describes the overall marketing capabilities scores.

**Table 2**

**Respondent Demographic Characteristics (N = 180)**

| Variable | Frequency | Percentage (%) |
|---|---|---|
| **Gender** | | |
| Male | 118 | 65.6 |
| Female | 62 | 34.4 |
| **Age** | | |
| Below 30 | 38 | 21.1 |
| 31–40 | 69 | 38.3 |
| 41–50 | 49 | 27.2 |
| Above 50 | 24 | 13.4 |
| **Experience** | | |
| <5 years | 29 | 16.1 |
| 5–10 years | 66 | 36.7 |
| >10 years | 85 | 47.2 |

**Source:** Authors' survey data.

**Table 3**

**Regression Analysis Predicting Marketing Capabilities**

Dependent Variable: Marketing Capabilities

| Predictor | β | SE | t | p |
|---|---|---|---|---|
| Constant | 1.184 | .221 | 5.36 | <.001 |
| Managerial Ties | .573 | .061 | 9.42 | <.001 |
| Industry | .149 | .054 | 2.76 | .006 |

Model Statistics

| $R^2$ | Adjusted $R^2$ | F | p |
|---|---|---|---|
| .417 | .410 | 63.37 | <.001 |

**Source:** Authors' survey data.

**Table 4**

**Hierarchical Regression Predicting Firm Performance**

Dependent Variable: Firm Performance

| Predictor | β | SE | t | p |
|---|---|---|---|---|
| Constant | .942 | .247 | 3.81 | <.001 |
| Managerial Ties | .211 | .063 | 3.35 | .001 |
| Marketing Capabilities | .531 | .058 | 9.17 | <.001 |
| Industry | .128 | .051 | 2.51 | .013 |
| Managerial Ties × Industry | .167 | .047 | 3.55 | <.001 |
| Marketing Capabilities × Industry | -.139 | .044 | -3.18 | .002 |

Model Statistics

| $R^2$ | Adjusted $R^2$ | F | p |
|---|---|---|---|
| .612 | .601 | 54.88 | <.001 |

**Source:** Authors' regression results.

The last three tables show some basic descriptive statistics that are in line with other studies but do not tell us anything fundamental about the capabilities or the firm performance measures in this study. This can be read in the three layers in the results of the inferential analyses.

**Table 5**

**Hypotheses Testing Summary**

| Hypothesis | Relationship | β | t | p | Decision |
|---|---|---|---|---|---|
| H1 | Managerial Ties → Marketing Capabilities | .573 | 9.42 | <.001 | Supported |
| H2 | Marketing Capabilities → Firm Performance | .531 | 9.17 | <.001 | Supported |
| H3 | Managerial Ties → Firm Performance | .211 | 3.35 | .001 | Supported |
| H4 | Industry moderates Managerial Ties → Firm Performance | .167 | 3.55 | <.001 | Supported |
| H5 | Industry moderates Marketing Capabilities → Firm Performance | -.139 | -3.18 | .002 | Supported |

**Source:** hypothesis testing.

**Table 6**

**Measurement Model Assessment**

| Construct | Cronbach's α | Composite Reliability | AVE |
|---|---|---|---|
| Managerial Ties | .893 | .918 | .693 |
| Marketing Capabilities | .914 | .931 | .706 |
| Firm Performance | .901 | .923 | .668 |
| Industry Dynamism | .854 | .891 | .621 |

**Acceptance criteria**

- Cronbach's Alpha > .70 ✓
- Composite Reliability > .70 ✓
- AVE > .50 ✓

**Source:** reliability analysis.

**Table 7**

**Variance Inflation Factor (Multicollinearity)**

| Variable | VIF |
|---|---|

| Variable | VIF |
|---|---|
| Managerial Ties | 1.68 |
| Marketing Capabilities | 2.14 |
| Industry | 1.52 |
| Interaction Terms | 2.39 |

**Note.** All VIF values are below 5, indicating no multicollinearity concerns.

**Source:** diagnostics.

## 6. Discussion and Implications

We developed the theoretical framework stating how managerial ties influence a firm's networking marketing capabilities and ultimately its performance. To empirically test our framework, we conducted a survey in the context of the Chinese business environment. We collected information from the top managers of mostly small- and medium-sized firms. First, the results reveal a positive and significant relationship between the following managerial ties: intra-board ties are positively related to networking capabilities. Director ties are positively linked to networking capabilities as well.

The final sections of this paper provide the discussion of the results and their implications for management and organizations, limitations of the study, and possible directions for future research. Advertising positively moderates the relationship between networking capabilities and firms' performance. This conclusion is drawn from the fact that the interaction effect of networking capabilities with advertising represents a poorer fit for the model. However, the effects of the non-significant interaction between advertising and the networking capabilities are negative. Firms have to invest time, resources, and efforts in building and managing these capabilities to leverage expected success, build a basis for differentiation, and thus achieve superior performance. Building an efficient communication system creates opportunities for firms, either by enabling them to pool information useful to other firms or by providing more effective opportunities for facilitating individual transactions among themselves. In sum, these findings confirm that in the Chinese context, promoting and enabling networking capabilities do guide firms in their learning and knowledge acquisition capabilities through effective and accessible informational and relational systems, which then link to positive firm in-market performance. The present study, overall, hopefully bridges some of the obvious gaps between theory and the managerial situation. Although these propositions remain to be tested in other international contexts, the conceptual contributions of this paper might rewrite international marketing theory.

### 6.1. Theoretical Contributions

This study contributes to academic literature in several ways. First, it argues that existing studies on managerial ties focus on the effectiveness of corporate power and value, but few studies from the perspective of shareholders have explored commitment from top managers. This paper expands the research paradigm of the relationship between managerial ties and enterprise value, explores the impact of managerial ties on firm performance, and positions itself in a new perspective based on corporate strategy resource theory. Second, the findings in this study provide a new angle to extend and strengthen the relationship between marketing capability and firm performance in terms of the resource-based view. The focal relationship of the research, which integrates external networks of top managers and internal resource endowments, can determine the firm's performance gain. This study has deepened the internal principle that marketing capability can affect firm performance. The research results support that, through the resource-based view, top managers with different personal resources form different managerial ties, thus impacting a firm's ability to reduce transaction costs and improve marketing capabilities, ultimately affecting firm performance. Third, the research findings are important in their implications for guiding business management practices. The industry, as a background factor, has been more or less recognized in some studies. Yet the literature has not probed deeply into the direct influence of industry members' networks on firm performance. Overall, our findings provide a useful addition to the literature and rich prospects for future theories.

## 6.2. Practical Implications

The findings of the current study have some implications for managers. First, given the significance of executives specifically appointed by senior managers, who are able to help senior managers to advance a variety of marketing capabilities, measures can be taken to cultivate an interpersonal network that includes a senior manager. Also, it may expand to an executive network by extending it to a senior manager of an outside firm that shares the same border. However, the capability of a board director is not consistent with the aforementioned concepts, and the relationship between them is also slightly lower, so the strategy does not necessarily align. Therefore, it can be an implication that this study is limited to the senior manager.

As marketing capabilities lead to a competitive advantage, researchers and executives wonder whether they are portable to the larger industry for firm-level performance, so further research is needed to test the differences by industry. Because the industries considered in this study are ones in which to collaborate or to access resources such as capital, labor, and technology, executives often interact with each other, which suggests that different industries may require different marketing strategies, so the current study has proven to be valid and valuable in its findings. This research can also be used to improve the decision-making process. Generally, companies make a variety of strategic decisions, including M&A, BPR, market segmentation based on marketing capabilities, or performance based on existing marketing budgets. The CEO can invest in marketing after understanding that it can compete based on brand, or abandon marketing investment if it is difficult to compete. To enable such a strategy, strong evidence is needed to show that marketing capabilities can lead to firm performance. In other words, the managerial

team must have the insight that marketing capabilities can be a source of competitive advantage in order to achieve high firm performance. That is, CEOs must be interested in establishing relationships with senior managers of other firms to obtain information about their marketing capabilities and potential value.

## 7. CONCLUSION AND FUTURE RESEARCH DIRECTIONS

Our results make several important contributions that extend the literature about managerial ties, marketing capabilities, and firm performance. First, our study suggests that the influence of managerial ties on firm performance is indirect, and that marketing capabilities are a key intervening mechanism between managerial ties and performance. Furthermore, the relationship between managerial ties and marketing capabilities was found to be positive, while the link between marketing capabilities and firm performance was also confirmed. Additionally, by examining an integrative perspective that includes the moderating role of the industry environment in the ties-capabilities-performance linkage, this study offers a more comprehensive understanding of the complex dynamic relationships that elucidate under what conditions managerial ties benefit firms' competitive advantage. Moreover, by distinguishing the impacts of diverse types of ties among marketing practitioners, our study provides depth regarding the ties-capabilities-performance mediation sequence. In conclusion, by considering the distinct roles of managerial ties from the broader scope of ties, we have illustrated a more focused managerial view.

Our study makes several contributions to the existing literature. First, firms should not only cultivate and accumulate networks and resources, but also cultivate superior capabilities. Central ties are undoubtedly valuable, while at the same time firms should simplify unnecessary managerial ties to avoid the mediocrity of marketing capabilities. Future research should explore the two advantages of managerial ties and develop strategies for removing redundant ties. In addition, a central path for future research is assessing the types of managerial ties and providing explanations to better illustrate the differences in marketing capabilities and firm performance. The different behaviors and strategies of economic well-being of the marketing practitioners are used to verify the different ties of influence and role, and more insight is gained in this research. Moreover, we hope this paper can provide a path for future research in different fields, such as previous employment ties, home ties, or international joint venture executive ties. Furthermore, due to the network and dynamic capabilities theory, we also suggest future research on the scope of business groups in different contexts.

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