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The Evolving Roles Political Connections in Firm Performance: Insights from a Two-Decades Review

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Abstract. *This study examined the impact of political connections on firms' performance. Using bibliometric data, we analysed key research areas, top journals, important studies, leading scholars, and prominent institutions and countries in this field of research. Our review of 709 articles demonstrates a significant increase in publications on this topic, highlighting the valuable role of political ties for firms across both emerging and developed economies. Greater attention is paid to not only business and economic areas, such as market and financial performance, corporate governance, and mergers and acquisitions, but also the economic consequences of green and sustainable practices on the performance of politically connected firms. Due to the interdisciplinary nature of research on political connections, this study provides valuable insights for decision-makers in using political connections as a non-market strategy by mapping knowledge development in the research field over the last two decades, as well as facilitating future research to more easily identify relevant references and presenting emerging themes in the research domain.*

Keywords: *Firms' performance, political connections, bibliometric analysis, knowledge mapping, web of science*

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Introduction

Fisman's (2001) seminal study has confirmed the market participants' view that "the right connections are crucial for business success". Given their regulatory and policy-setting powers, governments have long been recognized as crucial determinants of firm dependencies. Extensive research has found that the presence of a political person on the boards provides firms with various economic benefits, such as lower tax rates (Wu et al., 2012; Zhang et al., 2020), accessing external funding (Claessens & Yurtoglu, 2013; Deng et al., 2024; Shiraishi & Yano, 2022), preferential treatment for government contracts (Arifin et al., 2022), relaxed regulatory oversight of the company in question (Li et al., 2022; Xiao & Anderson, 2022), government rescue in times of distress (Fan et al., 2013; Tao et al., 2017) and better insight into the regulatory processes to reduce business risk (Agrawal & Knoeber, 2001). These advantages of political connections have led to a dramatic increase in public companies inviting former government officials on the boards in recent decades (Lester et al., 2008).

While political connections may offer certain benefits, ample of literature also suggests that the costs of such ties outweigh the advantages. Government involvement in firm performance often encourages rent-seeking behavior, such as seeking government subsidies or exclusive licenses to provide goods and services (Cheng et al., 2017), which frequently results in the emergence of corruption that can be detrimental to firms' value creation and operational efficiency by hindering competition and the company's ability to earn profits through superior performance (Shleifer & Vishny, 1994). The connected firms are also expected to repay any benefits gained from the politician, and this reciprocity may lead to higher operational costs (Bertrand et al., 2018). Fan et al. (2007) suggest that in most state-owned enterprises, the CEOs with political connections are often former government officials lacking the necessary skills to effectively operate and manage these companies. Politically affiliated firms also potentially reduce the effectiveness of corporate governance (Xing et al., 2019), increase risk-taking behavior (Riahi & Loukil, 2022), and executives may also take advantage of these connections to pursue government agendas and managers' political ambition that are unprofitable from the shareholders' perspective (Gama et al., 2019).

To date, limited literature studies have analysed research on Political Connections and Firm Performance. Earlier literature review research examined the relationship between corporate governance and corporate finance, such as Fan et al. (2011) followed by Oehmichen (2018), where both studies incorporate state ownership and political connections as key variables shaping the corporate governance landscape. Meanwhile, more recent research has conducted more focused literature reviews on the impact of political connections on firm performance. For example, 'Prasetyo and Nasution (2022) conducted a meta-analysis using Scopus database on the impact of political connections on firm performance using cross country analysis to compare the effect of political connections in both authoritarian and democratic countries. Katic and Hillman (2023) carried out a meta-analysis on how US corporations attempt to influence political actors through various corporate political activities such as lobbying and campaign contributions. Huang et al. (2024) studied the literature on how the political connections of emerging multinational companies affect their overseas investments. Ahmed and Hussainey (2023) conducted meta-analysis of political connection literature, covering 138 research papers from 2000 to 2020 from the Science Direct website, and Widaryanti and Wan Abdullah (2024) conducted bibliometric studies on political connections using 294 articles from the Scopus database, utilizing the R package.

Given the interdisciplinary nature of research on political connections, this study uses a wider range of peer-reviewed articles to understand how the relationship between political connections and companies' performance emerges and develops over time, both in terms of content and geography. In this study, we analyze the quantity and quality of 709 articles on the impact of political connections on firm performance from the Web of Science database. We employ bibliometric analysis to better understand the intellectual structure of the literature, by identifying core research areas, influential authors, and visualizing different aspects of the literature in quantified form, such as citation and keyword counts.

This study aims to synthesize and illustrate the research progress in this area over the past two decades, offering valuable insights for decision-makers on the strategic utilization of political connections, as well as facilitating future research by presenting thematic findings, enabling researchers to more easily identify relevant references in this domain.

Particularly this study defines the research question as follows:

1. How is research on political connections and firms' performance distributed over time and across their geographic sources?
2. Which authors and documents have received the most citations in the literature on political connections and firm performance?
3. What themes emerge from within the research area of political connections and firm performance?
4. What are possible research agenda within the area of political connections and firms performance?

The article is structured as follows: the next section outlines the research method detailing all the steps undertaken in the bibliometric analysis. The third presents a discussion of the results based on the analysis undertaken. Finally, the article concludes by identifying gaps and opportunities in the literature that can be considered for future research.

Research Methodology

This study utilized Clarivate Analytics' Web of Science databases as the digital data source for a bibliometric analysis, while also employing the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) framework as a screening tool to identify the most relevant studies. The steps for determining the search range include the following: First, we apply the same search query to the Web of Science Core Collection database with the time range set from 2003 to 2024. The document types were restricted to articles and review articles, and the languages were restricted to English.

In defining the terms "political connections" Ovtchinnikov and Pantaleoni (2012) in Carboni (2017) include both explicit connections that arise when a politician joins business ventures or business people take a seat in parliament, as well as implicit connections, that consists of affiliations from documented friendships/ family networks between firms and politics/ political backgrounds of businesspeople/ corporate contributions to politics/ proximity to government/ associations between politician ownership and campaign donations/ and lobbying activities. Moreover, since government and business leaders creating a reciprocal influence on one another when pursuing either government policy or corporate agendas, we include both political connections and state ownership as keywords for research to better understand the dynamic of the effects of political connections to firm performance.

We retrieved all relevant documents from WOS to September 19, 2024, and the initial year of the time span was not limited. Our dataset originally contained 745 articles. By using "remove duplicates" function in CiteSpace, we then eliminate duplicate articles and then retrieved their titles, abstracts, and other bibliographic information, such as details, authors' names and affiliations, journal names, and year of publication and exported all the information to an MS Excel spreadsheet.

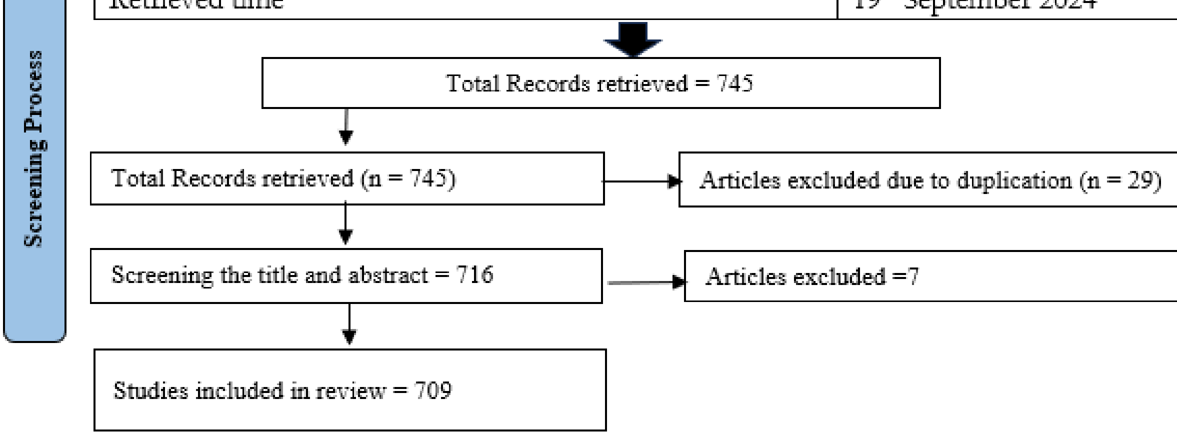
We then read the papers' Abstract, Introduction, and Conclusion parts. We removed the ones that were not related to our topic. Ultimately, at the end of filtering process a total of 709 articles over the period of 2003 to 2024 were inspected in this study, of which 7 papers were review articles. Table 1 summarizes the selection of literatures using PRISMA and the number of articles involved in the process.

To address the research questions, this study employs bibliometric analysis to synthesize existing knowledge and explore research gaps regarding the impact of political connections on firm performance. Bibliometric analysis is a popular and robust method for uncovering emerging trends in article and journal performance, collaboration patterns, and research constituents within large volumes of scientific data (Donthu et al., 2021).

This study utilizes the Java-based co-citation network application CiteSpace 6.4.R1 and VOSViewer 1.6.20, which have been used to conduct hundreds of bibliometric studies. These tools possess both the properties and features of a "graph" and a "spectrum," revealing numerous implicit and complex interrelationships between knowledge units such as network, structure, interaction, intersection, evolution, and derivation (Li & Chen, 2016). The findings of the Bibliometric analysis provide a systematic analysis of a rapidly evolving and complex field to enable analysts who lack domain expertise to identify and analyze emerging trends and transitional patterns (Chen, 2016)

Table 1.
Identification Of Studies Via Databases and Registers

Search String	Number of Articles Retrieved
"Political Connections" AND "Firm Performance"; "Political Connections" AND "Firm Value,"; "State Ownership" AND "Political Connections" AND "Firm Performance"	745
Selection Criteria	
Documents type:	"Article" or "Review Article"
Document language:	"English"
Retrieved time	19th September 2024



Results and Discussion

Current Status of Research in Political Connections and Firms Performance

Figure 1 displays the number of publications on the topic of Political Connections annually, which shows the developmental trend. The number of publications about political connections has increased substantially since 2003, indicating that political connections as a source of firms' competitive advantage has gradually attracted widespread attention. From 2010 to 2024, the number of published articles generally showed a steady increase over time with some fluctuations and peaked in 2023. As the bibliometric data collection was ended on the 19th September 2024, the number of studies included in the analysis for the year of 2024 is relatively less.

The oldest article recorded on the WOS database regarding political connections and firm performance is China Share Issue Privatization: The Extent of Its Success (Sun & Tong, 2003) published in the Journal of Financial Economics with a citation count of 544. The article examines the performance changes in state-owned enterprises following share-issuing privatization, a key government initiative to revitalize and enhance their performance. Their findings suggest that government ownership has a negative impact on firm performance, as state ownership hinders effective corporate governance.

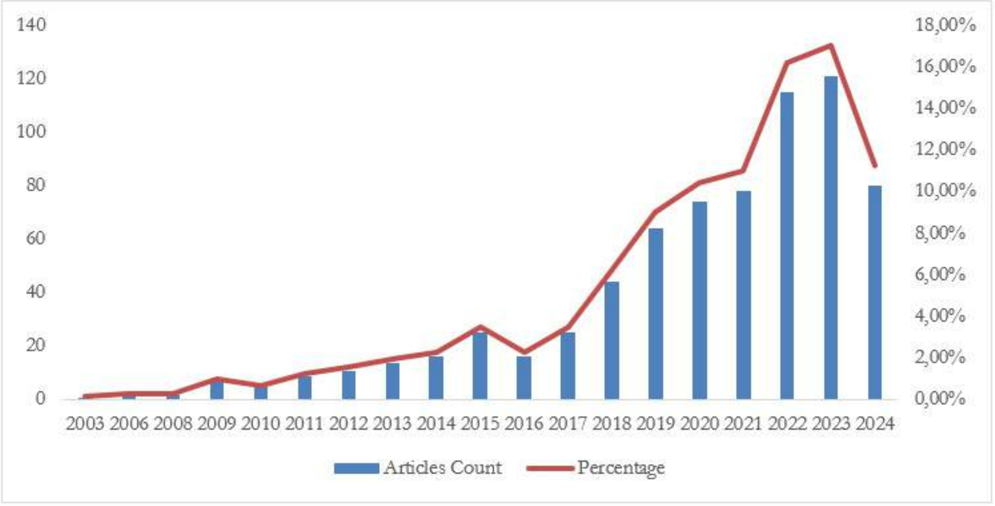


Figure 1.
The Number of Published Articles Per Year

Subject Category

Table 2 shows the indexation by subject area in the WOS database. The Business, Finance category leads the published documents with more than 23% of the publications, which was to be expected since the topic is focused on the economic impact of being affiliated to governments. In second place is the Economics category with 19.55%, followed by the field of Business and Management.

The next three highest categories of articles are within Environmental Science, Environmental Studies, and Green & Sustainable Science & Technology, indicating an increasingly important trend of sustainability concerns in measuring the performance of politically connected firms

Table 2
Top 10 Subject Categories

Rank	WOS Category	Count	Percentage
1	Business, Finance	263	23.80%
2	Economics	216	19.55%
3	Business	181	16.38%
4	Management	168	15.20%
5	Environmental Sciences	49	4.43%
6	Environmental Studies	48	4.34%
7	Green & Sustainable Science & Technology	38	3.44%
8	International Relations	18	1.63%
9	Public Administration	12	1.09%
10	Ethics	12	1.09%

Table 3.
Most Productive Source in publications

Rank	Source	Documents Counts	Citations Count	H Index
1	Sustainability	29	380	169
2	Journal of Corporate Finance	28	1625	131
3	Emerging Markets Finance and Trade	17	231	58
4	Pacific-Basin Finance Journal	15	288	75
5	Finance Research Letters	12	157	101
6	Journal of Banking & Finance	12	725	197
7	Journal of Business Research	12	553	265
8	Accounting And Finance	11	161	64
9	Corporate Governance - An International Review	11	403	108
10	Emerging Markets Review	11	654	69
11	International Review of Economics & Finance	10	163	78
12	Asia Pacific Journal of Management	9	391	95
13	Chinese Management Studies	9	160	35
14	Cogent Business & Management	9	36	44
15	Management and Organization Review	9	145	74

Source of Publications

Hundreds of journals have published research results on the relationship between political connections and firm performance. Table 3 highlights ten journals that have published the most articles on this topic (as of September 2024). As can be seen from Table 3 the top three journals are Sustainability (29 publications), Journal of Corporate Finance (28 publications), and Emerging Markets Finance and Trade (17 publications). Moreover, most journals are related to the topic of finance, accounting, and business management, and most of them are influential journals.

The H-index is generally used to measure a journal's or an individual researcher's performance. Examining the H-index of each journal in Table 3 reveals that a higher publication count does not necessarily equate to a higher index. The top 5 H index journals in this research field are the Journal of Business Research (H Index 265), followed by the Journal of Banking & Finance (H Index 197), Sustainability (H Index 169), Journal of Corporate Finance (H Index 131), and Corporate Governance-An International Review (H Index 108).

Figure 2.
Country Collaboration Network

Table 4.
Top 10 countries/regions ranked by the number of published papers

Rank	Country	Document	Citations	Link Strength
1	Peoples R China	383	13,088	234
2	USA	112	7,573	130
3	Australia	76	1,967	81
4	England	70	1,778	83
5	Canada	31	1,345	35
6	Malaysia	31	235	23
7	Indonesia	30	211	20
8	Vietnam	28	263	29
9	Taiwan	27	374	26
10	Pakistan	20	392	19

The research on political connections and firm performance has raised different degrees of concern in different countries. Figure 2 shows countries that published articles on political connections and firm performance from 2003 to 2024. The network of collaborating countries consists of 72 countries, and the node size indicates the number of articles published by a particular country, and the line between the nodes indicates the strength of cooperation between different countries.

The most productive countries in the political connections and firm performance research are reported in Table 3. China holds a central position with the highest number of publications (383) and the strongest link strength, followed by the USA (112), Australia (76) and the UK (70). The prominent role of government policy in shaping businesses, the prevalence of state-owned enterprises, and the importance of social networking "guanxi" have attracted academic interest in studying the impact of political connections on firm performance in China. However, contrary to the perception that political connections are more prominent in developing or transitioning economies, where they can reduce uncertainty and transaction costs due to underdeveloped markets and institutions, the mapping of publishing countries on this research topic suggests that the notion of essential connections for business success has become a global topic with both emerging and developing countries showing equal interest in this area.

Institution Collaboration Network

Institutional collaboration networks can illustrate the spatial distribution of research in this field, reflecting the collaboration between institutions, and provide a reference for the scientific evaluation of the influence of institutions in the academic sphere. Each node represents an institution, and the size of the node reflects the number of articles sent by the institution. The relatively loose structure and fewer close relationships show that there is less cooperation among different institutions in the research area. In addition, regarding the line's lightness of color and some nodes without any links around, we know that research and cooperation in these institutions have only started in recent years. From 2003 to 2024 (September), the institution collaboration network is shown in Figure 3.

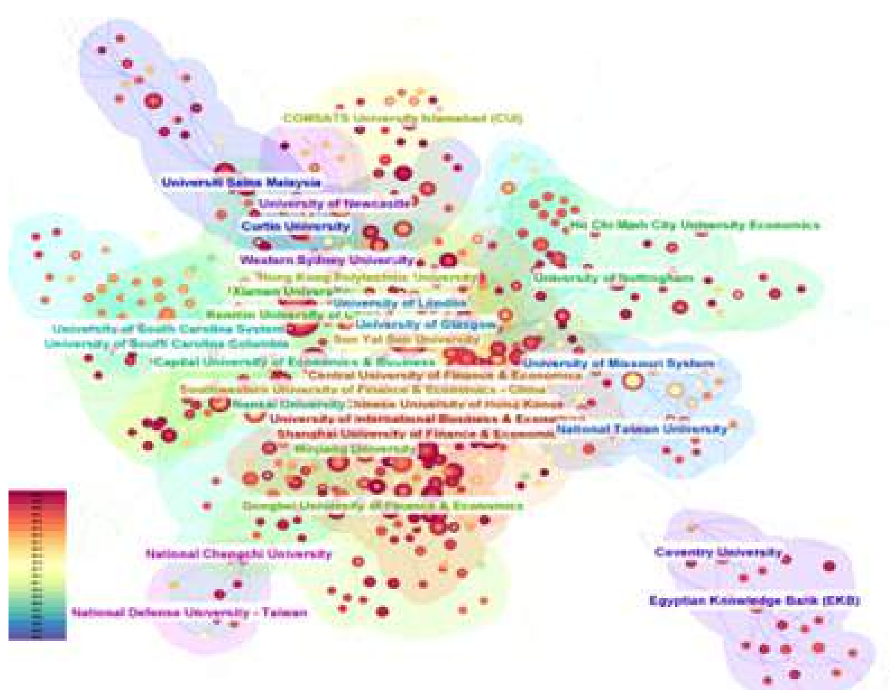


Figure 3.
Institutional Cooperation Network

Table 5 presents the ten most productive institutions that have publications in the scientific field from the WOS database. The Renmin University of China is the most productive institution, with 23 publications, and a 781-citation count. This is followed by Xiamen University with 20 publications and 565 citations count, Southwestern University of Finance & Economics – China, and Sun Yat-Sen University with 18 publications, each with respective citation counts of 589 and 832.

It is important to note that all of the top 10 most active institutions are located in China, which is in line with the country analysis, that most empirical studies on the political connection and firm performance have paid greater attention to China, due to the prominent role of government policy in shaping businesses, the importance of state-owned enterprises in the economy, and the significant of social ties, all of which have led substantial academic attention to investigate the diverse impacts of political ties on firm performance in China.

Table 5.
Top 15 Most Active Institutions for Publications

Rank	Institutions	No. of Articles	Citations Count
1	Renmin University of China	23	781
2	Xiamen University	20	565
3	Southwestern University of Finance & Economics	18	589
4	Sun Yat Sen University	18	832
5	Xi'an Jiaotong University	17	248
6	Central University of Finance & Economics	15	315
7	Chinese University of Hong Kong	15	2,016
8	Zhejiang University	14	1,320
9	University of International Business & Economics	13	354
10	City University of Hong Kong	12	1,514

Table 6.
Top 10 Most Productive Authors

Rank	Authors	No. of Articles	No. of Citations	Link Strength
1	Harymawan, Iman	6	72	16
2	Liu, Qigui	5	293	8
3	Pan, Xiaofei	5	157	9
4	Saeed, Abubakr	5	202	7
5	Song, Zengji	5	46	7
6	Chan, Kam C	4	165	12
7	Fung, Hung-Gay	4	166	8
8	He, Lerong	4	107	4
9	Mcguinness, Paul B	4	177	4
10	Nasih, Mohammad	2	29	6
11	Li, Mingsheng	2	25	13

Authors Analysis

Approximately 1,817 authors wrote 709 articles in political connections and firms performance research. The top 10 authors with the most significant numbers of reported studies are listed in Table 6. The five authors with the highest number of studies are Harymawan, Iman (6 publications); Liu, Qigui; Pan, Xiaofei; Saeed, Abubakr; and Song, Zengji, each of whom has published 5 articles in the area.

Meanwhile, to reveal the intensity and degree of collaboration among different authors, we also map the author collaboration network. As shown in Figure 4 each node represents an author, and the size of the node reflects the author's number of posts. The three most highly cited articles with the most collaborating authors over the past five years are Cui et al. (2018) , Ma et al. (2023) and Li et al. (2018) that demonstrate how firms leverage their political connections to expand and succeed in their global business strategy.

Co – Citation Analysis

One of the key features of bibliometric reviews for identifying influential scholars and documents is the citation analysis, which reveals the most frequently cited authors and documents to understand the intellectual structure of the literature. (Yang et al., 2019). In the co-citation analysis, representative cited papers, authors, and journals were selected by frequency and centrality, representing the intellectual base in the field. When an article cites two references simultaneously, there is a co-citation relationship between the two references, which reflects more accurately the value of the references. Therefore, references with high co-citation frequency often lay a solid foundation for the long-term exploration of the field.

Table 7 lists the most prominent authors in order of citations from the WOS database. The five the most prominent authors according to the citation for each document are Li et al. (2008) that examine the impact of political connections in accessing resources and its impact to firm performance, Marquis and Qian (2014) that analyze how different features of firms' political embeddedness may influence firms' CSR differently, Goldman et al. (2009) which provides evidence on the impact of political connections to firm value in the developed economy, Sun and Tong (2003) which evaluates performance of State Owned Enterprise that undergo privatization, and Claessens and Yurtoglu (2013) that conducted surveys on the impact of corporate governance on firm performance and behavior in the emerging market.

Figure 5 shows the map of co-cited references in the political connections and firm performance topics created by CiteSpace that identifies the major entities within which individual publications were grouped in the network. The clusters were numbered based on their size, starting from the largest to the smallest, with a total of 16 major clusters identified automatically. The names of the most influential authors appear within each of these clusters. appear within each of these clusters.

Figure 4.
The Author Collaboration Network

Table 7.
Articles With Highest Citations

Rank	Title	Authors	Year	Journals	Citation Count
1	Political connections, financing and firm performance: Evidence from Chinese private firms	Li, H., Meng, L., Wang, Q., & Zhou, L. A	2008	Journal of Development Economics	1059
2	Corporate social responsibility reporting in China: Symbol or substance	Marquis, C., & Qian, C	2014	Organization Science	991
3	Do politically connected boards affect firm value?	Goldman, E., Rocholl, J., & So, J.	2009	The Review of Financial Studies	702
4	China share issue privatization: the extent of its success	Sun, Q., & Tong, W. H.	2003	Journal of Financial Economics	555
5	Corporate governance in emerging markets: A survey.	Claessens, S., & Yurtoglu, B. B.	2013	Emerging Markets Review	507
6	Political relationships, global financing, and corporate transparency: Evidence from Indonesia	Leuz, C., & Oberholzer-Gee, F	2006	Journal of Financial Economics	486
7	Political connections, tax benefits and firm performance: Evidence from China	Wu, W., Wu, C., Zhou, C., & Wu, J.	2012	Journal of Accounting and Public Policy	365
8	In the name of charity: Political connections and strategic corporate social responsibility in a transition economy.	Lin, K. J., Tan, J., Zhao, L., & Karim, K.	2015	Journal of Corporate Finance	251
9	Performance implications of ties to the government and SOEs: A political embeddedness perspective	Okhmatovskiy, I	2010	Journal of Management Studies	250
10	Ownership, institutions, and capital structure: Evidence from China.	Li, K., Yue, H., & Zhao, L	2009	Journal of Comparative Economics	237

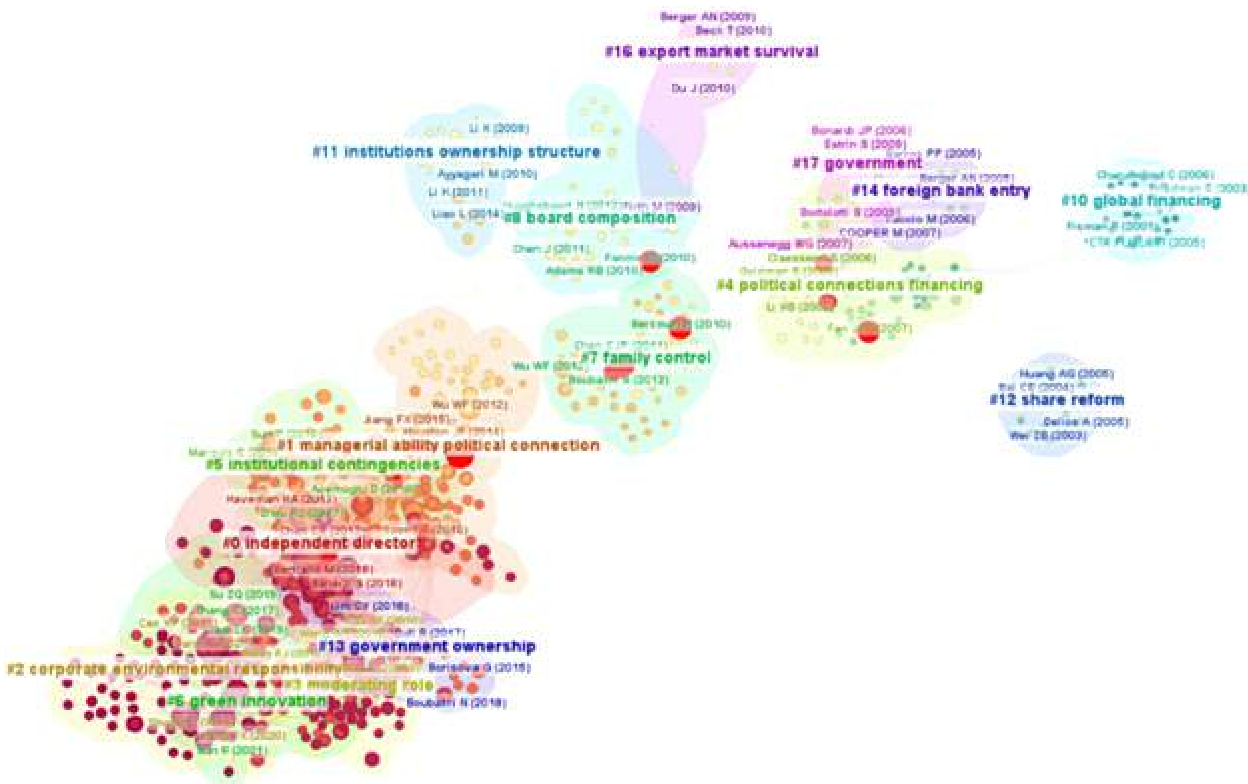


Figure 5.
Reference Cluster

The nodes with the dark red outer rings indicate high betweenness centrality, which is a measure of the strategic positions and connectivity between different nodes in the publication network (Chen, 2016). The size of the circles reflects the number of cited references inside the clusters. The colored shades indicate the passage of the time, from past (purplish) to the present time (reddish)–that is, from cold colors to warm colors. For instance, the purple shades of Cluster #13 (government ownership) which provides references on the performance of government-owned firms, #14 (foreign banks entry) which group references on the impact of foreign bank lending politically connected and non-politically connected firms are relatively the oldest among all clusters. Conversely, the red shades of Cluster #0 indicate that the topics related to independent directors and the performance of affiliated firms are considered relatively new.

Keywords Analysis
Keywords are one of the most important elements of information regarding the research trends and topics within articles. Keywords reveal the core information reflecting the main content of the articles. The keywords' analysis helps us know the research field and the most recurrent occurrence topics within political connections and firm performance.

From 709 articles, 453 keywords were identified. The keywords' timeline analysis focuses on revealing relationships between clusters and historical spans of keyword sets. As shown in Figure 6 the number at the top represents the time, and the words under the time are the keywords that appeared in this period; these could be used to analyze the time and relationships between the keyword clusters. The higher frequency of keywords indicates that these keywords are the research hotspots within this period.

The words with "# number" on the right represent the order/importance and the name of the keyword cluster. For example, to date, the timeline of clusters #0 Green Innovation, #1 firm value, #2 Mergers and Acquisitions, #6 Property Rights and #8 Banking Industry are used, implying that research related to these clusters is still developing.

Additionally, we also use temporal overlay on a keyword co-occurrence map from Vosviewer to investigate the repetition of topics appearing within the political connections and firm performance literature.

Figure 7 shows the temporal keywords analysis. The size of the circle and label represents the level of importance of a keyword, and different colours are used to distinguish the various clusters, that indicates the research front or topics of the most recent attention within the field of study, with the topics having the lightest nodes are the keywords used in the last 5 years such as sustainability, dynamic capability, board characteristics, gender diversity, corporate innovation, corporate philanthropy, green innovation, risk taking, market value, auditor choice, analyst coverage, and pollution.

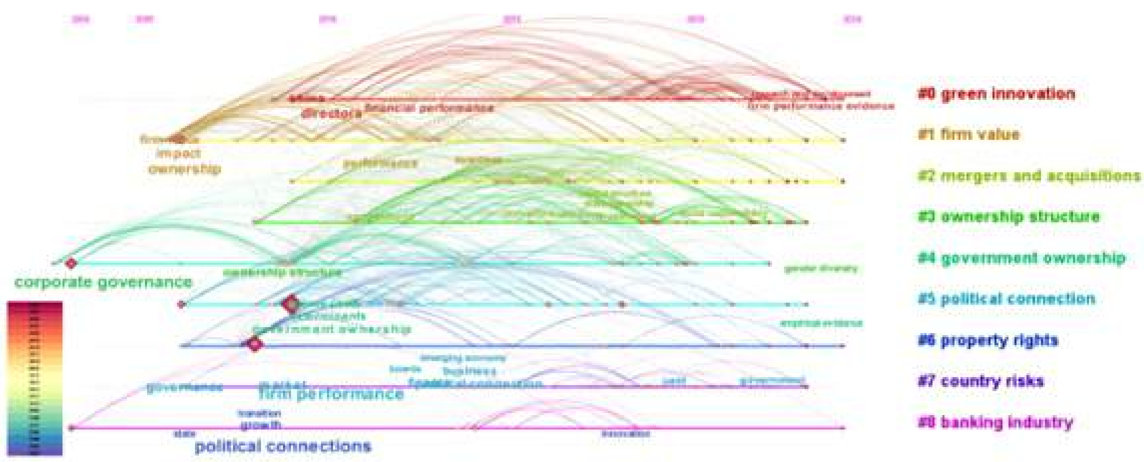


Figure 6.
Keywords Timeline

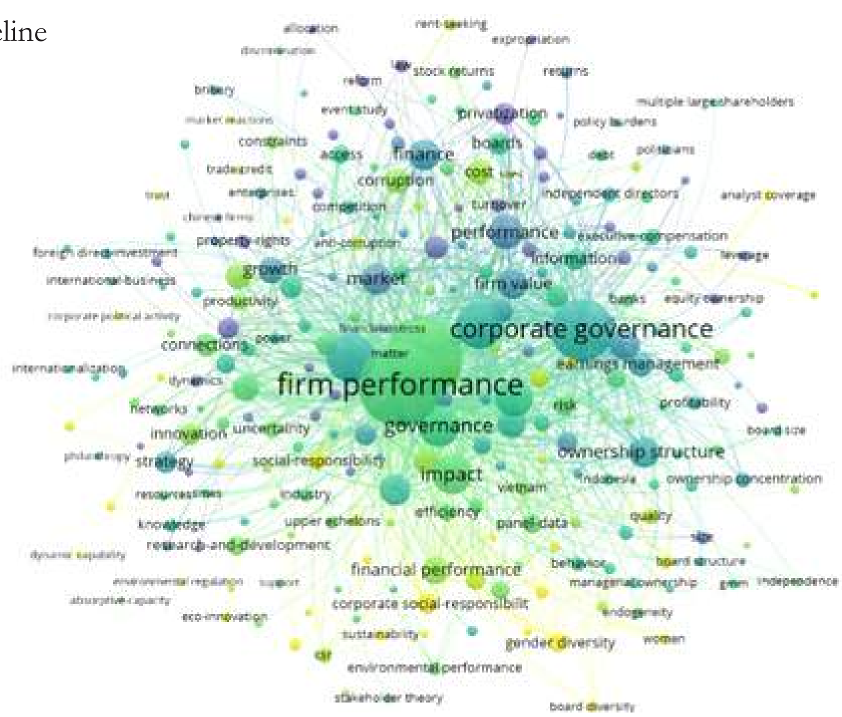


Figure 7.
Keyword Co-occurrence Network

Through the keywords analysis in Figure 6, we discovered that the emerging topics that can be used as further research agenda are related with:

1) Green Innovation - Environmental protection initiatives often require substantial investment and long-term resource commitment, which many firms cannot readily afford. However, as environmental problems have become increasingly severe, governments have been compelled to prioritize sustainable agendas and reduce pollution in economic development for the sake of public welfare. Politicians have also become incentivized to support environmental protection to gain votes and remain in power. Previous research has found that politically connected firms benefit from better access to resources, lower financing costs, improved regulatory information, less oversight, and reduced litigation risks. Nonetheless, these firms are also prone to agency problems, such as pursuing political capital, social reputation, and self-interest over shareholder value. Therefore, it is worth studying whether state-owned enterprises or politically affiliated firms can stimulate or weaken green innovation to improve their performance, as well as examining the economic consequences of green practices on the profitability of these politically affiliated firms.

2) Firm Value – Faccio (2006) findings indicates that politically connected firms tend to have higher valuations particularly in countries with high levels of corruption among officials, weak protection of property rights, and highly interventionist governments. However, the political connections of executives can also give rise to agency issues, as they may prioritize political objectives over maximizing firm value, and potentially engage in unsustainable business practices through Different types of political connections might also have different power across different countries or different sensitivity across various industries. For example, in the countries that adopt regional autonomy; connections with government officials can come from different administrative levels (province, city, and country). Therefore, future studies can examine the various economic consequences that might presents under various channels of political connections.

3) Political connections are often seen as part of corporate governance mechanisms, along with other characteristics of corporate boards of directors, such as the size of independent directors, gender diversity, and audit quality. These factors affect the effectiveness of corporate governance in holding the board of directors and managers accountable for their decisions and mistakes, thereby helping to prevent fraudulent practices and enhance firm value (Angelica et al., 2021). Although China held the most leading publications in examining political connections, more research on the impact of political connections to various aspects of firm performance is needed across country sample in order to provide the ability to test whether the associations identified would be sustained over a wider field.

4) Mergers and Acquisitions (M&A) – Despite the benefits of being affiliated with the government that is needed in a long and sizeable investment such as M&A, several scholars has pointed out that the reciprocity in political connections may lead to higher operational costs that could lead to higher probability of investments failing (Bertrand et al., 2018), the Agency problems where M&A is conducted to pursue government agenda or empire building that does not add the value to the shareholders (Arnoldi & Muratova, 2019; Tao et al., 2019). In the changing of geopolitical landscape, it would be interesting to study further of how political connections may impact the outcomes of strategic decisions such as M&A.

5) Government Ownership - State-owned enterprise (SOE) has a prominent role in the economic development, especially in emerging countries –(Chen & Wu, 2023). A bigger share of government ownership in the firm could provide firms with greater access to

government support and access to resources that are beneficial for firms' performance. However, government ownership also evidently shows the agency conflicts since the politically appointed executive often have a dual role, serving as both organizational leaders and political figures (Dao & Phan, 2023; Wang et al., 2023) . In the current increasingly protectionist environment, governments may implement greater measures to boost employment and tighter control over strategic sectors, aiming to build self-sufficiency. This could benefit politically affiliated companies, but also increase the vulnerability of such firms, particularly state-owned enterprises, as their executives may struggle to reconcile the competing priorities of shareholder value and political objectives.

6) Banking Industry - The relationship between political connections and the banking industry has garnered significant attention from academics, practitioners, and policymakers. This is because banks play a crucial role in allocating credit, which is essential for economic development, and as a result, banks often leverage their political ties to secure greater support from the government and enhance their performance (Blau et al., 2013; Hung et al., 2017). Meanwhile, extensive research also indicates that state ownership of banks may facilitate access to credit and is better suited to allocate capital towards less profitable activities, such as increasing employment, combating poverty, and reducing social tensions in society (Yeung, 2021). Additionally, state-owned banks may face political pressure to lend to political parties during elections (Dinç, 2005) that may lead to operational loss due to inefficient operations (Davydenko et al., 2023).

Conclusion

The study advances previous bibliometric research in political connections and firm performance using WOS collection database. The study identified various types of information, including the disciplines distribution in the past 20 years, top-ranked journals, the most cited and influencing articles, the outstanding and highly productive scholars, and the institutions, countries or regions contributing to the research topic and the evolving trends on the impact of political connections to firms' performance.

From the findings of the analysis, we present the main conclusions: (1) The number of publications and the number of citations on political connections and firm performance have been increasing, especially in the last decade, which indicates scholars' increasing interest in this discipline. (2) The discipline has been expanded into diverse categories. The bibliometric approach used in the present study of political connections and firm performance has provided evidence for the dynamicity between the field of Business, Finance, and Economics with other fields, such as Environmental Research, International Relations, Public Administration, Ethics, and Industrial Engineering. (3) The top three journals with publication numbers in political connections and firm performance research are Sustainability, Journal of Corporate Finance, and Emerging Markets Finance and Trade. While (4) the most the most influential articles with with highest number of citations in this field are Political connections, financing and firm performance: Evidence from Chinese private firms (Li et al., 2008), Corporate social responsibility reporting in China: Symbol or substance (Marquis & Qian, 2014), and Do politically connected boards affect firm value? (Goldman et al., 2009). (6) The most productive institutions are Renmin University of China, Xiamen University and Southwestern University of Finance & Economics – China. (7) The emerging topics, such as green innovation, firm value, political connections, M&A, government ownership, banking industry, along with several research questions, are summarized in Table 8, which can be further explored based on the topics that emerge from the keyword analysis

In summary, the study used visualization and co-citation techniques to map the knowledge frontiers, connections between publications, and prominent research trends. However, this study also has some limitations. The wide variation in definitions of political connections and firm performance may have caused us to overlook relevant terms during the literature search, and there could be some subjectivity involved. Future studies should ensure more comprehensive and objective coverage of the concepts and literature organization. Furthermore, this study focused on the Web of Science database, a widely acknowledged resource for high-quality scientometric research. However, it could not cover all the references on the impact of political connections on firm value. Future studies should include additional databases, such as Scopus or Google Scholar, to provide a more comprehensive understanding of this topic

Table 8.
Research Streams and Future Research Agenda

Green Innovation	How political connections affect a firm's propensity to implement environmental policies and address environmental externalities? How politically affiliated firms benefit economically by enhancing their engagement in environmental initiatives and development? How politically affiliated firms sustain their competitive advantage through greater involvement in ESG initiatives before and during Covid 19 period? Do directors with government affiliation create value for the firm? How does this value creation hold across autocratic and democratic systems? What are the various economic consequences of differing strength, duration, or portfolios of corporate political connections?
Firm Value	How does political connection affect firms' operational cost?
Government Ownership	How do political connections influence firms' risk -taking behaviours and risk profile? How does a shift in the government's political regime and geopolitical conditions affect the performance of politically connected firms? Do government enterprises have greater over performance enterprises due to the benefits of accessing more resources Do government owned enterprise promote greater innovation compared to private enterprises Do state ownership promotes higher social responsibility compared to private enterprise Do politically connected firms have better merger and acquisition outcomes compared to non -politically connected firms?
Mergers and Acquisitions	How privatization of SOE impacting firm performance Do differences in professional culture between unaffiliated firms and government-owned entities contribute to challenges in post - mergers and acquisitions? How political connections influence the outcomes of cross -border mergers and acquisitions? How does the implementation of corporate environmental responsibility affect the legitimacy of acquiring firms conducting cross -border M&A?

Table 8.
Continued

Mergers and Acquisitions	How does corporate environmental responsibility affect the valuation of target firms in mergers and acquisitions? How do property rights protections impact corporate innovations in politically connected firms compared to non-connected firms? How geopolitical risk impact the corporate investment of politically connected firms?
Banking Industry	How political connections affect banking sector performance in times of both financial and political crisis? How do political connections influence the performance of Sharia -compliant and non-Sharia-compliant banks?

Declarations

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The authors declare that they have no conflicts of interest to report regarding the present study

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