



ADAPTATION STRATEGIES OF MULTINATIONAL CORPORATIONS IN FACING REGULATORY CHANGES IN THE GLOBAL BUSINESS ENVIRONMENT: A CASE STUDY IN THE RENEWABLE ENERGY SECTOR

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ABSTRACT

Regulatory changes in global business, particularly in the renewable energy sector, require multinational companies (MNCs) to adopt rapid and effective adaptation strategies. This study aims to analyze how MNCs in the solar and wind energy sectors respond to increasingly complex and frequently changing cross-border regulatory dynamics. Using the Institutional Theory framework, specifically coercive, mimetic, and normative pressures, this research explores the institutional factors shaping corporate adaptation strategies. The research employs a multiple qualitative case study approach involving six MNCs operating in different jurisdictions. Data was collected through semi-structured interviews with senior managers, as well as analysis of company strategic documents and government regulations related to renewable energy. The results indicate that coercive pressures from governments and international institutions are the primary drivers of strategy change, while mimetic pressures emerge due to policy uncertainty, prompting companies to imitate competitors' practices. On the other hand, normative pressures from industry associations and stakeholder expectations reinforce the importance of social legitimacy and sustainability. The findings also indicate that adaptation is contextual and influenced by the specificity of national regulations and organizational capacity to manage change. This study contributes theoretically to understanding the strategic responses of MNCs through an institutional lens and provides practical implications for policymakers and industry actors in designing regulatory frameworks that promote an inclusive and adaptive global energy transition.

1. INTRODUCTION

The global transition towards sustainable energy sources places multinational corporations (MNCs) in the renewable energy sector at the forefront of significant operational and strategic challenges. These firms navigate a complex and rapidly evolving global regulatory landscape, characterized by diverse national policies, subsidies, and environmental standards. Effective adaptation to these regulatory shifts is crucial for corporate survival, market access, and long-term success. However, the specific mechanisms through which these adaptations occur remain intricate. This study investigates the adaptation strategies employed by renewable energy MNCs in response to dynamic global regulatory environments, utilizing specific case studies to provide empirical depth and contextual understanding.

To analyze these adaptation strategies comprehensively, this research employs Institutional Theory as its guiding theoretical framework. This perspective posits that organizations operate within institutional fields and strive for legitimacy by conforming to prevailing rules, norms, and cognitive frameworks. Adaptation is thus understood not solely as rational economic calculation but also as a response to institutional pressures compelling conformity, often leading to isomorphism. The theory identifies coercive pressures from regulations, mimetic pressures arising from uncertainty, and normative pressures from professional standards as key drivers shaping organizational behavior, offering a nuanced lens to examine MNC responses within the global renewable energy sector.

Employing a [qualitative multiple-case study design](#) (Liu et al., 2010), this research delves into the experiences of selected MNCs operating within the solar and wind energy segments across varied international regulatory jurisdictions. Primary data were gathered through [semi-structured interviews](#)

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(Nasta & Cundari, 2024) with key corporate informants and supplemented by extensive analysis of relevant corporate and regulatory documents. This methodological approach facilitates an in-depth exploration of the decision-making processes and strategic adjustments undertaken by MNCs. The study aims to illuminate the complex interplay between specific regulatory changes and the institutional pressures influencing corporate adaptation, contributing nuanced insights into strategic responses within this critical global industry.

3. Theoretical Framework

This research utilizes Institutional Theory as its primary theoretical lens to understand how multinational corporations (MNCs) in the renewable energy sector adapt to regulatory changes. Institutional Theory posits that organizations operate within a field characterized by institutions – rules, norms, and beliefs – that shape their behavior. Firms strive for legitimacy by conforming to these institutional expectations. This conformity often leads to isomorphism, where organizations within a field tend to become more similar over time as they respond to common environmental pressures, including evolving regulations governing global business operations.

The theory identifies three mechanisms through which institutional isomorphism occurs: coercive, mimetic, and normative pressures. Coercive pressures stem from formal or informal power dynamics, such as government mandates, new laws, or international agreements impacting the renewable energy sector. Mimetic pressures arise from uncertainty, leading organizations to imitate the structures and practices of perceived successful peers. Normative pressures originate from professionalization and shared cognitive frameworks, encouraging adherence to industry standards and best practices advocated by professional bodies and experts within the global renewable energy field. Coercive isomorphism is particularly relevant when analyzing MNC responses to regulatory shifts in the renewable energy domain. Governments worldwide are implementing diverse policies, subsidies, tariffs, and environmental standards to promote or manage renewable energy development. MNCs face direct pressure to comply with these often complex and sometimes conflicting regulations across different national jurisdictions. Failure to adapt can result in legal sanctions, loss of market access, or reputational damage, compelling firms to alter their strategies, operational procedures, and investment decisions to align with mandated requirements.

Mimetic isomorphism becomes prominent when regulatory landscapes are ambiguous or rapidly changing, creating significant uncertainty for renewable energy MNCs. In such situations, firms often look to competitors or industry leaders who appear to be navigating the regulatory environment successfully. They may copy strategies related to market entry, technology adoption, supply chain management, or stakeholder engagement observed in successful peers. This imitation serves as a heuristic, reducing the complexity of decision-making under uncertainty, even if the adopted strategies are not objectively optimal for the imitating firm. Normative pressures also significantly influence MNC adaptation strategies within the renewable energy sector. These pressures derive from shared professional values, education, and networks. Industry associations, certification bodies, and influential experts shape expectations regarding corporate social responsibility, sustainability practices, and technological standards. Renewable energy MNCs adapt their strategies not only due to regulations but also to conform to these widely accepted professional norms and ethical standards, enhancing their legitimacy and reputation among key stakeholders, including investors, customers, and policymakers globally.

2. METHODS

This study adopts a qualitative case study research design to provide an in-depth exploration of how multinational corporations (MNCs) in the renewable energy sector adapt their strategies in response to evolving global regulatory landscapes. This approach is particularly well-suited for investigating complex, context-dependent phenomena, allowing for a rich, holistic understanding of the adaptation processes within real-world settings. The qualitative methodology facilitates the detailed examination of the specific mechanisms and decision-making processes employed by MNCs as they navigate regulatory changes, aligning well with the exploratory nature of the research questions regarding strategic responses and the influence of institutional pressures. The research employs a multiple-case study design, focusing on selected MNCs operating within the renewable energy sector across different regulatory jurisdictions. This comparative approach enables the identification of both common patterns and divergent adaptation strategies influenced by varying national or regional institutional environments. By examining multiple cases, the study aims to enhance the external validity and generalizability of the findings, albeit within the qualitative paradigm. The primary unit of analysis is the multinational corporation, specifically focusing on its strategic decisions and operational adjustments related to regulatory compliance and market positioning within the dynamic global renewable energy market.

The strength of the case study approach lies in its capacity to capture the intricate interplay between MNC strategies and the institutional context, as framed by Institutional Theory. It allows for the detailed investigation of how coercive pressures (e.g., specific regulations, mandates), mimetic processes (e.g., imitating competitors), and normative influences (e.g., industry standards, professional norms) shape adaptation pathways. This method facilitates a nuanced understanding of how these distinct pressures manifest and interact within specific organizational and regulatory settings, providing deep insights into the complexities of MNC adaptation in the face of global regulatory shifts within the renewable energy industry.

The selection of multinational corporations for this study followed specific criteria to ensure relevance and analytical depth. Participating MNCs were required to have substantial operations within the renewable energy sector, specifically solar or wind energy, spanning at least three distinct national regulatory environments. Emphasis was placed on including firms with varying origins, sizes, and market strategies to capture diverse adaptation approaches. A key criterion was documented experience in responding to significant regulatory shifts within the last decade, such as changes in subsidy schemes or environmental permitting processes. Furthermore, practical considerations regarding access to key informants and relevant internal documentation influenced the final selection of case study firms. Regulatory contexts were selected based on their dynamic nature concerning renewable energy policies and their representation of diverse institutional environments. The chosen jurisdictions included countries implementing contrasting regulatory mechanisms, such as competitive auction systems versus fixed feed-in tariffs, and varying levels of state intervention. Contexts were selected to represent both established and emerging renewable energy markets, encompassing different legal systems and levels of economic development. Crucially, each selected regulatory context needed to host significant operations of at least one of the chosen MNCs, enabling a direct examination of corporate adaptation within specific institutional settings and facilitating cross-contextual comparisons.

This purposive sampling strategy directly supports the research objectives and aligns with the Institutional Theory framework. Selecting diverse MNCs operating across varied regulatory landscapes allows for a robust examination of how coercive, mimetic, and normative pressures shape adaptation strategies differently depending on the firm's characteristics and the specific institutional context. The criteria ensure the selected cases offer rich empirical data on the mechanisms through which MNCs perceive regulatory changes and formulate strategic responses. This comparative approach is essential for identifying common patterns versus context-specific adaptation pathways, thereby enhancing the analytical purchase of the institutional lens applied in this study.

Primary data collection relied heavily on semi-structured interviews conducted with key informants within the selected multinational corporations. Participants typically included senior executives, strategic planners, regulatory affairs managers, and country managers who possessed direct knowledge of adaptation responses to regulatory changes in the renewable energy sector. An interview protocol, guided by the tenets of Institutional Theory, was developed to explore perceptions of regulatory shifts, decision-making processes, specific strategic adjustments, and the perceived impact of coercive, mimetic, and normative pressures. Interviews allowed for flexibility, enabling probing questions to delve deeper into specific contexts and experiences related to navigating diverse regulatory environments globally.

Complementing the interview data, extensive [documentary analysis](#) (Ahmed et al., 2023) was undertaken to provide contextual depth and triangulate findings. A wide array of relevant documents was systematically collected and analyzed for each case study MNC and regulatory context. This included corporate annual reports, sustainability disclosures, press releases, investor briefings, internal policy documents (where accessible), government publications detailing renewable energy regulations and policy changes, industry association reports, and relevant news media coverage. This archival data offered valuable insights into the formal strategies, public positioning, and the specific regulatory pressures faced by the corporations over time, corroborating or challenging interview accounts.

The dual approach of combining semi-structured interviews with documentary analysis aimed to construct a rich, multi-faceted understanding of MNC adaptation strategies. Interviews captured the subjective experiences, rationales, and interpretations of key actors within the firms, while documentary evidence

provided objective context, historical perspective, and official corporate stances regarding regulatory compliance and strategic positioning. This methodological triangulation strengthened the study's validity by cross-verifying information from different sources. All data collection procedures adhered strictly to ethical research guidelines, including obtaining informed consent from participants and ensuring the confidentiality and anonymity of individuals and sensitive corporate information gathered.

The analytical framework for this study is fundamentally guided by Institutional Theory, specifically focusing on its core concepts of coercive, mimetic, and normative pressures to interpret the adaptation strategies of renewable energy MNCs. The analysis systematically examines the collected interview transcripts and documentary evidence through this theoretical lens. The objective is to identify how these distinct institutional pressures, individually and collectively, shape MNCs' strategic responses to regulatory changes. This involves interpreting managerial accounts and corporate actions not merely as rational economic choices but as efforts to gain, maintain, or repair legitimacy within their complex institutional environments, thereby explaining observed patterns of strategic isomorphism or divergence across cases.

The operationalization of Institutional Theory involves scrutinizing the data for specific manifestations of each isomorphic pressure. Coercive pressures are identified by analyzing references to direct government mandates, new legislation impacting renewable energy projects, changes in subsidy or tariff structures, environmental compliance requirements, and threats of sanctions or market access restrictions. Evidence is sought in both interview narratives detailing compliance efforts and official documents outlining regulatory constraints or incentives. The analysis focuses on how MNCs explicitly articulate their responses to these power-dependent constraints imposed by governmental and regulatory bodies across different national contexts within the renewable energy sector. Mimetic and normative pressures are identified through distinct analytical procedures. Mimetic adaptation is explored by examining instances where MNCs explicitly reference imitating competitors' strategies, adopting industry trends, or benchmarking against perceived successful peers, particularly in situations of high regulatory uncertainty or ambiguity. Normative influences are identified by analyzing references to industry standards, professional codes of conduct, sustainability reporting norms, engagement with industry associations, and the adoption of practices advocated by professional networks or epistemic communities within the global renewable energy field. The analysis seeks to understand how these less formalized pressures contribute to strategic alignment beyond direct regulatory compulsion.

The analysis of collected data employed a systematic [thematic analysis approach](#) (Hossain & As-Saber, 2024), consistent with qualitative case study methodology. Interview transcripts and relevant sections of documents were meticulously read and re-read to gain familiarity and identify initial patterns related to MNC adaptation strategies and regulatory contexts. This iterative process involved moving between the empirical data and the theoretical framework of Institutional Theory. The primary goal was to identify, analyze, and report themes within the data that specifically addressed how renewable energy MNCs perceive and respond to regulatory changes, linking observed actions and stated rationales to underlying institutional pressures within their operating environments globally.

The coding procedure involved several stages, beginning with open coding where initial concepts and categories emerged directly from the interview transcripts and documentary evidence. Subsequently, axial coding was employed to refine these initial codes and establish connections between categories, focusing specifically on identifying instances reflecting coercive, mimetic, and normative institutional pressures as defined by the theoretical framework. Codes were systematically applied to segments of text, capturing specific adaptation tactics, managerial perceptions of regulatory demands, competitor influences, and adherence to industry norms. This structured coding facilitated the organization and categorization of the rich qualitative data for deeper interpretation and comparison across cases. Following the coding process, within-case and cross-case analyses were conducted to synthesize findings and build theoretical explanations. Within-case analysis focused on developing detailed narratives for each MNC, illustrating how institutional pressures shaped its specific adaptation trajectory in response to regulatory shifts. Cross-case analysis then compared these narratives to identify common patterns, variations, and context-specific factors influencing adaptation strategies across different firms and regulatory environments. Triangulation between interview data and documentary evidence was crucial at this stage to validate interpretations and

enhance the robustness of conclusions drawn regarding the influence of institutional forces on MNC behavior.

3. RESULTS AND DISCUSSIONS

Results

Coercive Pressures in Action: MNC Responses to Direct Regulatory Mandates and Policy Shifts in Renewable Energy

Analysis of interview data and corporate documents consistently revealed that coercive pressures, stemming directly from government regulations and policy shifts, were primary drivers of strategic adaptation among the studied renewable energy MNCs. Firms frequently cited [changes in feed-in tariffs, auction mechanisms, local content requirements, and environmental permitting processes](#) (Portia Oduro et al., 2024) as critical factors necessitating adjustments. These findings underscore the significant power wielded by state actors in shaping the operational landscape for MNCs within this sector, compelling specific responses to maintain legal standing and operational viability across diverse national contexts. Specific adaptation strategies directly attributable to coercive pressures included significant shifts in investment allocation, modifications to project development timelines, and alterations in supply chain configurations to meet local content rules. For instance, several MNCs described halting investments in markets where subsidies were abruptly withdrawn or significantly reduced, redirecting capital towards more stable regulatory environments. Others detailed the complex procedural adjustments required to comply with evolving grid connection standards or environmental impact assessment mandates, demonstrating direct behavioral changes forced by regulatory authorities.

The heterogeneity of regulatory frameworks across different national jurisdictions emerged as a major challenge, forcing MNCs to adopt highly localized compliance strategies. Case study data illustrated how firms navigated conflicting requirements, such as differing carbon pricing mechanisms or renewable portfolio standards. This necessitated decentralized decision-making structures in some firms, allowing country-level management greater autonomy to respond swiftly to specific national mandates. The complexity arising from this regulatory fragmentation significantly influenced operational planning and risk assessment for MNCs operating globally. Interviews with senior managers consistently highlighted the perceived high costs associated with non-compliance, reinforcing the potency of coercive pressures. Beyond direct financial penalties or legal sanctions, informants emphasized the critical importance of maintaining legitimacy with host governments and regulatory bodies. Failure to adapt to mandatory requirements was viewed as risking market access, damaging crucial government relationships, and incurring significant reputational harm, thereby jeopardizing long-term strategic goals within key renewable energy markets worldwide, compelling proactive compliance efforts.

These findings strongly support the coercive isomorphism mechanism within Institutional Theory. The observed strategic adaptations, often involving significant resource commitments and operational changes, were frequently framed by participants as necessary responses to explicit legal and regulatory demands rather than purely market-driven choices. The pressure to conform to governmental mandates led to discernible patterns of convergence in compliance-related activities among MNCs operating within the same regulatory jurisdiction, showcasing how direct state power shapes corporate behavior in the global renewable energy sector.

Mirroring Success: Evidence of Mimetic Adaptation Strategies Amidst Regulatory Uncertainty

Beyond direct compliance, significant evidence emerged supporting the role of mimetic pressures in shaping MNC adaptation strategies, particularly in [navigating regulatory ambiguity](#) (Mihailova & Svystunova, 2025). Interviews revealed that when faced with novel or rapidly changing policy environments, such as the introduction of untested auction designs or unclear grid integration rules, firms frequently monitored and replicated the actions of perceived industry leaders or successful early movers. This tendency to imitate was often framed by participants as a rational response to reduce uncertainty and complexity inherent in dynamic regulatory landscapes. Specific examples of mimetic behavior included adopting similar market entry timing, replicating specific technology configurations favored by

competitors, or mirroring partnership models that appeared successful in navigating complex local stakeholder environments. Several informants described deliberately benchmarking their firm's approach to regulatory engagement or project financing against specific competitors known for effectively managing similar regulatory hurdles in other jurisdictions. This imitation extended to operational practices perceived as best-in-class for dealing with specific types of regulatory requirements, showcasing practical mimicry.

Managers often articulated the rationale for imitation as a risk mitigation strategy. In situations where the optimal response to a new regulation was unclear, copying the strategies of firms perceived as successful offered a heuristic approach, simplifying complex decision-making processes. Following the lead of established players was also seen as a way to gain vicarious legitimacy, signaling alignment with accepted practices within the field, even if the underlying effectiveness of the copied strategy was not fully validated for their specific context. However, the reliance on mimetic strategies was not without potential drawbacks, as acknowledged by some participants. There were instances where imitating competitors led firms down paths that were not optimally aligned with their own unique resources or strategic positioning. This herd behavior sometimes resulted in crowding into specific market segments or technological niches based on competitor actions rather than independent analysis, potentially leading to suboptimal resource allocation or overlooking more innovative adaptation pathways tailored to the firm's specific circumstances. These findings clearly illustrate the operation of mimetic isomorphism within the renewable energy sector, complementing the influence of coercive pressures. When formal regulations were ambiguous or evolving, MNCs demonstrably turned to observing and imitating peers as a key adaptation mechanism. This search for legitimacy and reduction of uncertainty through mimicry confirms its significance as theorized by Institutional Theory, highlighting how firms navigate institutional complexity by looking sideways at competitors, especially when direct regulatory guidance is insufficient or unclear.

The Role of Normative Expectations: Adherence to Industry Standards and Professional Norms in Shaping MNC Strategies

Normative pressures, originating from professional standards and shared industry values, were identified as significant drivers shaping MNC adaptation strategies within the renewable energy sector. Beyond mere regulatory compliance or imitation, firms demonstrated a commitment to aligning with widely accepted norms regarding sustainability, ethical conduct, and technological best practices. Interviews revealed that adherence to standards promoted by industry associations and professional bodies was often pursued proactively to enhance legitimacy and demonstrate responsible corporate citizenship within the global renewable energy community, influencing strategic choices. Specific manifestations of normative influence included the widespread adoption of voluntary sustainability reporting frameworks, adherence to internationally recognized technical standards for renewable energy projects, and investment in community engagement practices exceeding minimal legal requirements. Managers frequently cited the importance of aligning with expectations set by professional networks, certification bodies, and influential non-governmental organizations. This conformity often involved adopting practices related to environmental stewardship and social responsibility considered standard within the progressive renewable energy industry globally.

Adherence to these normative expectations was strongly linked to efforts to build and maintain legitimacy and reputation among diverse stakeholders, including investors, customers, and environmental groups. Conforming to industry best practices and ethical standards served as a signal of quality, reliability, and long-term commitment, differentiating firms in competitive markets. This pursuit of normative legitimacy often led MNCs to adopt similar high standards in areas like environmental impact mitigation and labor practices, contributing to normative isomorphism across the sector. The influence of professional communities and networks was particularly evident in shaping managerial perceptions and decisions. Participation in industry conferences, adherence to codes of conduct promoted by professional engineering or environmental associations, and the circulation of best-practice knowledge through these networks fostered shared understandings of appropriate corporate behavior. This socialization process subtly guided strategic adaptations, encouraging firms to adopt technologies or operational procedures endorsed by respected peers and experts within the renewable energy field worldwide.

Collectively, these findings underscore the crucial role of normative pressures in complementing coercive and mimetic forces. While regulations mandate certain actions and uncertainty encourages

imitation, shared professional values and industry standards provide a powerful, albeit less formalized, impetus for strategic adaptation. MNCs in the renewable energy sector actively respond to these normative expectations to secure social acceptance and enhance their standing, demonstrating that legitimacy-seeking behavior extends beyond legal compliance to encompass broader ethical and professional considerations.

Cross-Case Variations: Comparing MNC Adaptation Pathways Across Different National Regulatory Contexts

Comparative analysis across the selected cases revealed significant variations in MNC adaptation pathways, strongly correlated with the specific characteristics of national regulatory contexts. For instance, in jurisdictions employing stable, long-term feed-in tariffs, MNCs tended towards long-term investment commitments and standardized project development models. Conversely, in markets characterized by competitive auction systems with fluctuating price ceilings and uncertain award volumes, firms adopted more flexible, opportunistic strategies, often involving joint ventures or rapid market entry/exit decisions based on auction outcomes. The perceived stability and predictability of the regulatory environment emerged as a critical differentiating factor. In countries with consistent policy frameworks and transparent implementation, MNCs demonstrated proactive engagement and strategic alignment with long-term national renewable energy goals. However, in contexts marked by frequent, unpredictable policy reversals or administrative ambiguity, firms exhibited more reactive and cautious adaptation strategies. This often involved minimizing capital exposure, delaying investments, and prioritizing operational flexibility over deep integration into the local market.

Furthermore, the relative salience of different institutional pressures varied across national contexts, shaping the dominant adaptation logic. In highly regulated European markets with stringent environmental standards, coercive pressures often dictated adaptation, focusing on compliance and technical optimization. In contrast, within some rapidly developing Asian markets characterized by regulatory uncertainty but high growth potential, mimetic pressures appeared more influential, with firms closely observing and imitating the market entry and technology choices of perceived successful competitors. The institutional background of the MNC itself also mediated responses to host country regulations. Firms originating from countries with strong state interventionist traditions sometimes navigated highly regulated host environments more adeptly, possessing established internal processes for managing government relations and compliance. Conversely, MNCs from more liberal market economies occasionally struggled initially with prescriptive regulatory demands but excelled in adapting to competitive auction mechanisms, leveraging prior experience with market-based policy instruments in their home or other operating regions.

Ultimately, the cross-case comparison underscores that MNC adaptation is not a monolithic process but is highly contingent upon the specific institutional configuration of each national context. The interplay between the nature of regulatory instruments (coercive), the level of environmental uncertainty (influencing mimetic behavior), prevailing industry norms (normative), and the firm's own institutional heritage collectively shapes diverse and context-specific adaptation pathways within the global renewable energy sector, highlighting the limitations of a one-size-fits-all strategic approach.

Synthesizing Institutional Influences: The Interplay of Coercive, Mimetic, and Normative Pressures on Strategic Adaptation

The findings demonstrate that multinational corporation adaptation strategies in the renewable energy sector rarely result from a single institutional pressure acting in isolation. Instead, coercive, mimetic, and normative forces interact dynamically, collectively shaping strategic responses. Regulatory mandates might trigger initial adjustments, but the specific form these adaptations take is often influenced by observing competitors or adhering to industry best practices. This interplay highlights the complexity MNCs face when navigating evolving global regulatory landscapes, requiring a multi-faceted understanding beyond simple compliance models. Coercive pressures frequently establish the fundamental parameters for adaptation, acting as the primary catalyst for change. Government mandates, subsidy adjustments, or new environmental regulations create non-negotiable requirements that compel MNCs to alter their operations or investment plans. These externally imposed rules define the immediate problem space, forcing firms to react to maintain legal standing and market access. The direct power of the state thus sets the initial conditions under which mimetic and normative influences subsequently operate within the renewable energy field.

In situations marked by regulatory ambiguity or rapid change, mimetic pressures often gain prominence, filling the void left by unclear coercive directives. When new policies are introduced without clear implementation guidelines, or when outcomes of mechanisms like auctions are uncertain, firms tend to observe and replicate the strategies of perceived successful peers. This imitation serves as a crucial mechanism for reducing uncertainty and complexity, leading to convergent behaviors even in the absence of explicit regulatory harmonization across different jurisdictions studied. Normative pressures frequently refine and legitimize adaptations initially driven by coercive or mimetic forces. Adherence to industry standards, professional ethics, and sustainability norms often encourages MNCs to adopt strategies that exceed minimum legal requirements or go beyond simply copying competitors. This pursuit of normative legitimacy enhances reputation and stakeholder trust, influencing choices related to technology adoption, environmental stewardship, and community engagement, thereby embedding adaptations within broader accepted social and professional frameworks within the global renewable energy sector.

The synthesis of findings underscores that the specific configuration and relative influence of these three institutional pressures vary significantly across different contexts. Factors such as the stability of the national regulatory environment, the maturity of the renewable energy market, and the MNC's own institutional heritage shape the dominant logic of adaptation. This contextual variation explains the diverse strategic pathways observed, confirming that MNC adaptation is a nuanced outcome of the unique [interplay between coercive, mimetic, and normative forces](#) (Latif et al., 2020) operating within specific institutional fields.

4. CONCLUSION

This study investigated how multinational corporations in the renewable energy sector adapt to evolving global regulations, using Institutional Theory as a lens. Findings confirm that adaptation strategies are shaped by a complex interplay of coercive, mimetic, and normative pressures. Coercive forces, primarily government mandates and policy shifts, act as fundamental drivers compelling initial strategic adjustments for compliance and market access. However, mimetic responses become crucial under regulatory uncertainty, leading firms to imitate successful peers. Normative pressures further refine strategies, guiding firms towards industry best practices and ethical standards to enhance legitimacy, demonstrating a multifaceted response mechanism. The research underscores that MNC adaptation is highly context-dependent, varying significantly across different national regulatory environments. The stability, predictability, and specific nature of regulations, such as feed-in tariffs versus auction systems, critically influence strategic choices, leading to diverse adaptation pathways. This regulatory heterogeneity necessitates localized compliance efforts and impacts the relative salience of coercive, mimetic, or normative drivers in specific markets. Furthermore, the MNC's own institutional origins can mediate its response patterns. Understanding these contextual nuances is therefore essential for explaining the observed variations in strategic adaptation within the global renewable energy sector. This study substantiates the utility of Institutional Theory for analyzing MNC adaptation in the renewable energy sector, particularly highlighting the dynamic interplay between coercive, mimetic, and normative forces. Rather than acting independently, these pressures interact: regulations compel action, imitation guides responses under uncertainty, and norms shape strategies towards broader legitimacy and ethical standards. This integrated perspective reveals a complex adaptation process where firms navigate multiple institutional demands simultaneously. The findings emphasize that MNCs must develop sophisticated, context-sensitive strategies to effectively manage regulatory changes and secure legitimacy within diverse global renewable energy markets.

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