The current issue and full text archive of this journal is available on Emerald Insight at:
https://www.emerald.com/insight/2059-6014.htm

Decomposing socioemotional wealth: the effect of restricted and extended socioemotional priorities on family firms' internationalization

Review of International Business and Strategy

Michele Pinelli
Venice School of Management, Ca' Foscari University of Venice, Venice, Italy

Marcel Hülsbeck
Faculty of Business Administration, Hochschule München University of Applied Sciences, Munchen, Germany, and

Sascha Kraus
Faculty of Economics and Management, Free University of Bozen-Bolzano, Bolzano, Italy and Department of Business Management, University of Johannesburg, Johannesburg, South Africa

Received 24 August 2023
Revised 22 December 2023
3 August 2024
Accepted 4 August 2024

Abstract

Purpose – Past research has advanced a plethora of theoretical arguments on the effect of family ownership on firms' international expansion and produced mixed empirical results. It is argued that the oversimplified way in which researchers have examined theoretically and tested empirically business families' socioemotional priorities may explain the state of fragmentation in the literature. This study aims to investigate the differential effects of restricted (short-term and family-centric) versus extended (long-term and business-centric) socioemotional priorities on the extent of family firms' internationalization to capture more nuanced aspects of the socioemotional wealth concept.

Design/methodology/approach – The authors test the hypotheses through OLS regressions on a sample of 287 family firms.

Findings – The authors find that restricted family-centric socioemotional priorities and extended socioemotional priorities related to the establishment of long-term relationships with business partners are negatively associated with the extent of family firms' internalization. They also find that extended socioemotional priorities related to long-term orientation and transgenerational control intentions are positively associated with international expansion and that this effect is stronger for younger family firms.

Originality/value – This study disentangles the differential effects of two kinds of socioemotional priorities on family firms' internationalization, thus developing more fine-grained theoretical arguments about the socioemotional drivers of family firms' behavior. In addition, the authors directly measure socioemotional priorities instead of relying on indirect governance measures.

Keywords Family firms, Internationalization, Socioemotional priorities, Firm age

Paper type Research paper

Review of International Business and Strategy
Emerald Publishing Limited
2059-6014
DOI 10.1108/RIBS-08-2023-0095

Introduction

While internationalization is crucial to compete successfully in today's globalized economy and to increase the odds of long-term survival and prosperity (Narula and Verbeke, 2015), family business researchers have shown that family firms (FFs) are reluctant to expand internationally (Scholes *et al.*, 2016). Such reluctance is generally attributed to business families' desire to preserve their socioemotional wealth (SEW), i.e. the endowment of socioemotional and noneconomic utilities that they receive from owning and managing the business (Gomez-Mejia *et al.*, 2007). International expansion, in fact, may erode SEW because the necessary injections of external finance may reduce the family's independence from banks and investors and because external managers with international business knowledge and expertise may gain centrality within the FF at the expense of family members (Debellis *et al.*, 2021a).

At the same time, however, successful internationalization may also increase business families' SEW by improving the FF's economic results, long-term prospects and chance of survival (Narula and Verbeke, 2015), which would increase the FF's capacity to support the socio-economic needs of both current and future family members (Fairclough and Micelotta, 2013). Whether SEW considerations foster or restrain FFs' propensity to internationalize is thus still unclear. This paper aims to fill this knowledge gap by examining and disentangling the effects of different types of socioemotional priorities (SEPs) on FFs' internationalization.

We contend, in fact, that while the SEW perspective is an especially powerful framework to explain why and how FFs behave in particular ways, its application in family business research has rarely been impeccable. In particular, family business scholars have, for the most part, neglected to consider how the broad variety of business families' socioemotional utilities can translate into different priorities (Miller and Le Breton–Miller, 2014), which are likely to influence FFs' preferences, behaviors and strategies in different ways. Instead, the broad set of SEPs has most often been aggregated into a single SEW construct that can be used to develop opposite arguments and predictions. As such, the latitude and flexibility of SEW both make it a powerful tool for explaining FFs' behavior, but they may also get in the way of theoretical clarity if different kinds of SEPs are not considered in isolation.

To overcome this widespread limitation in family business research, we build on the typology proposed by Miller and Le Breton–Miller (2014) to examine the effects of restricted and extended SEPs on FFs' internationalization. In a nutshell, restricted SEPs prominently focus on the immediate economic and noneconomic needs of current family members even at the expense of the FF's long-term prospects; conversely, extended SEPs relate to the long-term wellbeing and interests of current and future family members, of the FF and of its stakeholders. We contend that restricted and extended SEPs have opposite effect on FFs' internationalization. In particular, we argue that restricted SEPs amplify business families' risk perceptions and reduce their openness to seek external finance and the advice of competent nonfamily managers and directors, which hinders FFs' ability to expand internationally. Conversely, extended SEPs foster both the attractiveness and the feasibility of internationalization. In addition, since the relevance of SEPs tends to fade as FFs mature, we also argue that these effects are stronger for younger FFs.

We empirically test our arguments on a sample of 287 FFs that we built based on information retrieved from a survey conducted through the Family Business Network. While we found full support for our hypothesis that restricted and extended SEPs differentially affect the extent of FFs' internationalization, we found that firm age only moderates the effect of extended SEPs that reflect business families' long-term orientation, preservation of the family's legacy and transmission of corporate control to future generations.

This study makes three main academic contributions. First, we contribute to research on FFs' internationalization (e.g. Arregle *et al.*, 2017; Debellis *et al.*, 2021a) by theoretically disentangling the effects of two different kinds of SEPs on the extent of FFs' internationalization. Second, and relatedly, we contribute to family business research in general through a more fine-grained conceptualization of SEW and by directly measuring two different types of SEPs instead of relying on indirect governance measures (Miller and Le Breton–Miller, 2014). Finally, we also contribute to research on FFs' chrono-context (De Massis *et al.*, 2018) by showing that long-term considerations such as the preservation of the family's legacy and the transmission of corporate control to future generations matter more for younger FFs.

Theoretical background and hypothesis development

Family ownership and the socioemotional wealth perspective

Grounded on behavioral agency theory (Wiseman and Gomez-Mejia, 1998), the SEW perspective maintains that the members of a business family receive noneconomic utilities from business ownership (Gomez-Mejia *et al.*, 2007) and that they aim to preserve and increase their endowments of noneconomic wealth (Gomez-Mejia *et al.*, 2011), potentially even at the expense of financial or economic outcomes. As per the source of such noneconomic utilities, they derive from the psychological and sociopsychological needs and duties of family owners, such as altruism and benevolence toward specific individuals (often family members but also long-time nonfamily employees and friends of the family), perceived obligations and the sense of responsibility of family leaders (patriarchal duties), the need to control and protect the family's financial wealth and the desire to keep the family united, to accumulate political power and to enhance the family's social status (Miller and Le Breton–Miller, 2014). In turn, these needs and duties manifest themselves into a variety of socioemotional priorities (SEPs): ensuring the financial well-being of family members, providing them with employment opportunities, protecting and retaining corporate control, establishing and cultivating good relationships with business partners, politicians, institutions and the local community.

The pursuit of SEPs profoundly affects FFs' behaviors, strategies and outcomes. SEPs can enhance risk aversion, leading to the adoption of conservative investment strategies (Geppert *et al.*, 2013) and to a balanced approach to corporate restructuring (King *et al.*, 2022; Pinelli *et al.*, 2024a). SEPs can also create exceptionally strong and resilient relationships with various groups of stakeholders (e.g. the local community) and business partners (e.g. long-time suppliers and clients), thereby enhancing the family's and the FF's reputations. In addition, to ensure that SEPs are pursued, family members are often placed at the apex of FFs' hierarchy and governance (Miller *et al.*, 2018, 2013), which may create tensions with professional managers and conflicts with nonfamily shareholders but increase goal alignment and the adoption of pro-organizational behaviors (Hoffmann *et al.*, 2016).

The internationalization of family firms

Family business scholars recognize that FFs have an idiosyncratic approach to international expansion (Arregle *et al.*, 2017), which is due to the effects that internationalization has on the family's endowments of SEW (Lohe *et al.*, 2021; Scholes *et al.*, 2016). Earlier research efforts aimed at shedding light on how FFs' internationalization differed from that of nonfamily firms and prominently focused on whether they internationalized more or less (Debellis *et al.*, 2021a). These studies suggested that FFs were less inclined to enter foreign markets (Fernandez and Nieto, 2005, 2006; Okoroafo, 1999) and – when they did – they preferred adopting a careful and sequential approach (Scholes *et al.*, 2021). Family members' more limited managerial expertise (Graves and Thomas, 2006), the aversion to external advisors (Gallo and Sveen, 1991), financial constraints (Graves and Thomas, 2008) and a prominent focus on the home market (Gallo and Pont, 1996) were considered as the main barriers that held back FFs' internationalization. Later research, however, departed from the view that FFs were a homogenous organizational form that could be monolithically compared to nonfamily firms and began to investigate more nuanced aspects of their approach to international expansion (Debellis *et al.*, 2021a). These studies investigated the effect of family ownership separately from that of family management (Banalieva and Eddleston, 2011), examined various dimensions of internationalization (e.g. international sales versus scope; Zahra, 2003) and explored a more heterogenous set of institutional contexts and geographic markets (Bassetti, Dal Maso, and Lattanzi, 2015; Liang, Wang, and Cui, 2014). Empirical evidence showed *how* the involvement of the family could hinder internationalization, for instance by showing that nonfamily leaders helped FFs compete successfully in foreign markets (Banalieva and Eddleston, 2011), internationalize at a larger scale and with greater focus on fewer selected markets (Arregle *et al.*, 2012) and increase the profitability of exports (D'Angelo *et al.*, 2016). Also, family influence was found to be associated with greater sensitivity to threats, which made FFs' focus on international expansion more volatile and flexible (Sirmon *et al.*, 2008). Other studies found nonlinear associations between family variables and various dimensions of internationalization, such as family ownership and international sales (Sciascia *et al.*, 2012) or family management and the propensity to make foreign direct investments (Liang *et al.*, 2014). In sum, the body of research on FFs' internationalization indicates that, while significant progress has been made over the years, empirical findings are fragmented and the theoretical clarity on the drivers of FFs' internationalization is still limited (Debellis *et al.*, 2021a).

Socioemotional priorities and internationalization

As strategic decisions in FFs are ultimately determined by their effects on SEW, an examination of business families' SEPs is likely to improve our understanding of the heterogeneous effects of family ownership and management found by past research. In fact, SEPs can substantially affect the stance of business families on the desirability of internationalization – and thus the extent to which FFs internationalize. In this regard, we assume SEPs to be both heterogenous and unevenly distributed across business families, meaning that the relative importance of different kinds of SEPs varies from business family to business family (Miller and Le Breton–Miller, 2014). In turn, such variance is likely to reflect in differential effects on FFs' international expansion. To theoretically address this possibility, we rely on the distinction between two kinds of SEPS, namely restricted and extended SEPs (Miller and Le Breton–Miller, 2014), and develop arguments on their differential effect on the extent of FFs' internationalization.

Restricted SEPs are prominently family-centric and, because of that, lead to tensions with nonfamily stakeholders (e.g. managers, minority shareholders). This set of SEPs focuses on the short-term financial and socioemotional needs of immediate (i.e. current) family members, which are prioritized over those of nonfamily stakeholders and possibly even at the expense of the FF itself (Miller and Le Breton–Miller, 2014). The pursuit of restricted SEPs leads to assign family members – regardless of merit and competence – prestigious roles within the FF (e.g. manager, director) (Miller *et al.*, 2018, 2013), to reward family members with above-market compensation (Hoffmann *et al.*, 2016), to avoid external finance and advisors that may dilute the family's control and reduce its independence (Jaskiewicz *et al.*, 2021), to approach human resource management with paternalistic practices (Gedajlovic and Carney, 2010) and to tunnel resources out of the FF (Le Breton-Miller and Miller, 2009).

Restricted SEPs imply concentrated family ownership and an intense involvement of family members in firm management and governance. When the majority of the family's wealth is invested in the FF to ensure corporate control, family decision makers tend to avoid risks to protect their wealth (Lude and Prügl, 2019). As internationalization implies risk, especially in the case of equity entry modes (e.g. greenfield, acquisitions), family ownership may hinder international expansion (Arregle *et al.*, 2021; Catanzaro and Teyssier, 2021). In addition, reluctance to fund the FF with external finance for avoiding dilution limits the amount of financial resources available to pursue international expansion (Molly *et al.*, 2019; Wai *et al.*, 2020).

Restricted SEPs can also lead to placing family members in key corporate positions regardless of their managerial expertise. This may be due to the desire to reward them financially, to gratify them with the social status that comes with high-profile corporate roles or to ensure that the FF's strategic control is retained by the family. Yet, the involvement of family members in the board of directors may constrain international expansion. Directors' human (e.g. experience, expertise) and social capital (e.g. network of contacts, reputation) significantly affect the firm's ability to internationalize successfully (Barroso *et al.*, 2011; Debellis *et al.*, 2022). Relative to independent or external directors, however, family directors often lack general international business knowledge (Bammens *et al.*, 2011; Zattoni *et al.*, 2015) and have fewer personal connections outside the family's social network (Liang *et al.*, 2014). As a result, boards controlled or predominantly populated by family members may hinder a FF's ability to internationalize. In addition, if management positions are assigned to family members with little managerial capabilities, also the profitability potential – and thus the attractiveness – of internationalization may shrink (Fang *et al.*, 2021; Hennart *et al.*, 2019). In fact, past research has shown that both the profitability of exports is higher (D'Angelo *et al.*, 2016) and the scale at which FFs enter foreign markets is larger (Arregle *et al.*, 2012) in the presence of nonfamily leaders.

In sum, a business family's emphasis on restricted SEPs may negatively affect the extent to which the FF is willing to internationalize and capable of doing it successfully. We thus predict that:

H1. Restricted socioemotional priorities are negatively associated with FFs' internationalization.

Differently from restricted SEPs, extended SEPs are long-term oriented and focus on the well-being of the extended family (including family members from next generations), the survival and long-term prospects of the FF as well as the interests of nonfamily stakeholders (Miller and Le Breton–Miller, 2014). Hence, this set of SEPs leads business families to invest more heavily in the FF to strengthen its resilience, to cultivate positive relationships with local stakeholders (e.g. employees, institutions, NGOs) to build and protect the family's and the FF's reputation and to maintain long-term relationships with business partners (e.g. suppliers, clients) to provide the FF with greater stability and increase its chance to survive in the long-term (Cennamo *et al.*, 2012). In so doing, extended SEPs also foster a stewardship culture among family members, which promotes the prioritization of the FF's needs over the immediate financial and socioemotional necessities of current family members and an orientation to create and nurture relationships with outside stakeholders (Miller *et al.*, 2008). The behaviors and attitudes triggered by extended SEPs can foster the internationalization of FFs.

First, extended SEPs may increase the attractiveness of internationalization as a strategy that fosters the long-term prospects of the FF. In fact, international expansion is not just crucial but necessary for surviving in the modern and globalized economy (Narula and Verbeke, 2015). Family members may thus discount the risks that come from committing resources to expand in foreign markets when extended SEPs increase the salience of the benefits of internationalization to the FF's long-term survival and prosperity. Second, and relatedly, extended SEPs may increase FFs' ability to internationalize successfully. The propensity to establish, maintain and cultivate social relationships translates into richer social capital and broader networks of contacts. These relationships can help FFs identify valuable foreign business partners as well as advisors, managers and directors with general international business knowledge and experience as well as country-specific knowledge and experience. Both trusted foreign partners and greater knowledge of target foreign countries and international markets are valuable assets when it comes to international expansion (Debellis *et al.*, 2021a), especially as foreign direct investments in the form of joint-ventures or acquisitions are especially prone to failure due to opportunistic behaviors by foreign local partners (Perkins *et al.*, 2014; Pinelli *et al.*, 2022). In addition, extended SEPs that led business families to invest heavily in relationships with various groups of stakeholders are likely to develop greater legitimacy and reputation, which may be especially valuable resources to offset the disadvantages from liability of foreignness (Zaheer, 1995) and outsidership (Johanson and Vahlne, 2009).

In sum, differently from restricted SEPs, extended SEPs are likely to positively influence the extent to which business families consider internationalization as a promising strategic option and FFs' ability to appropriate long-term gains from international expansion. Hence, we predict that:

H2. Extended socioemotional priorities are positively associated with FFs' internationalization.

The relevance of socioemotional priorities over family firms' life-cycle

Organizational research recognizes that the age of a firm is especially influential on organizational processes (Fang *et al.*, 2018; Naldi and Davidsson, 2014). Similarly, family business scholars recognize that the family and the business systems change significantly over time in terms of priorities, needs and characteristics (De Massis *et al.*, 2018). Most importantly, the relative importance of SEW over economic wealth is argued to decrease in subsequent generations (Gomez-Mejia *et al.*, 2011) because firm ownership is fragmented across many family members and the relevance of the family as a monolithic entity that binds family members together tends to fade (Gomez-Mejia *et al.*, 2007). This decreasing relevance of SEW and related SEPs significantly affects FFs behaviors. For instance, more mature FFs have been found to be more professionalized (McConaughy and Phillips, 1999), more prone to sanction underperforming family managers (Gomez-Mejia *et al.*, 2001) and more open to have directors that are not family members on the board (Bammens, Voordeckers, and Van Gils, 2008). More mature FFs are also more likely to adopt formalized human resource management practices (Reid and Adams, 2001) and control systems (Brun de Pontet and Wrosch, 2002). Importantly, the age of a FF is deemed to exert an influence on its international expansion (D'Angelo and Buck, 2019; Santoro *et al.*, 2021). Debellis *et al.* (2023), for instance, found that in older FFs family directors positively affect internationalization. Consistently with this finding and with arguments suggesting that the importance of SEW tends to decrease as FFs mature (Gomez-Mejia *et al.*, 2007; 2011), we expect that the effects of restricted and extended SEPs on FFs' internationalization will be stronger in younger FFs. We thus more formally hypothesize that:

H3a. the negative effect of restricted socioemotional priorities on FFs' internationalization is stronger (weaker) in younger (older) FFs.

H3b. the positive effect of extended socioemotional priorities on FFs' internationalization is stronger (weaker) in younger (older) FFs.

Methodology

Data collection

We conduct our empirical analysis on a multi-country cross-sectional sample of 287 FFs. Our data was collected through a web-based survey conducted in 2017 over a four-month period. As per previous family business studies (e.g. Mustakallio, Autio and Zahra, 2002), we relied on the Family Business Network (FBN), which encompasses 4,000 business families in 65 countries, to select our respondents. As reported on the FBN website (www.fbn-i.org/about-us), only FF owners are eligible for FBN membership based on criteria that vary across the national or regional divisions of the FBN but that usually encompass both "hard" (e.g. an equity ownership threshold, a minimum number of family members working at the firm, a minimum turnover threshold) and "soft" elements (e.g. self-identification as FF, reputation of the family within the community, reputation of the firm and its products in the industry).

We directly reached out to family members of all the 4,000 firms to increase both the response rate and the quality of the responses (Heerwegh *et al.*, 2005; Pielsticker and Hiebl, 2020). We selected only family members who served in either an advisory or operational committee. In addition, to avoid multiple responses for an individual FF, we made sure that only one person per firm was contacted and sent a personalized link to the questionnaire that could only be completed once. Instead, to avoid that privacy-related issue may discourage potential respondents to take the survey, we sent a cover letter assuring confidentiality (Minichilli *et al.*, 2014). We received complete answers for 287 questionnaires, corresponding to a response rate of 7.18%, which we considered acceptable because in line with other comparable family business studies (e.g. De Massis *et al.*, 2020; Pongelli *et al.*, 2023).

To describe the FFs in our sample, we report summary statistics in Table 1. Family owners hold on average 93.75% of the FF's equity, which is in line with other studies (e.g. Sciascia *et al.* (2012)). As per the age of the firms, the companies in our sample range from 5 to 200 years, with an average of 74.66 years. As per their size, the FFs in our sample count on average 1,976 employees with a median of 500, so that half of our sample encompasses small and medium enterprises, whereas the other half larger FFs.

Variables

Dependent variable. As dependent variable, we use international revenues, measured through the natural logarithm of foreign sales. This is a commonly used measure of internationalization in family business research (Debellis *et al.*, 2021a).

Independent variables. To measure restricted and extended socioemotional priorities, we relied on the answers to questions that relate to different aspects of business families' SEW. As per Miller and Le Breton–Miller (2014), we interpret restricted SEPs as short-termed and family-centric, whereas extended SEPs relate to the pursuit of long-term benefits for the family (including future generations), the FF and its stakeholders. To measure restricted

Table 1. Descriptive statistics and correlation matrix

No.	Variable	Obs	Mean	SD	Min	Max	1	2	3	4	5	6	7	8	9	10	11	12	13
1	Foreign sales (ln)	287	14.43	6.32	0.00	22.80	1.00												
2	Restricted SEPs Comp1	287	0.00	1.53	−7.70	2.25	−0.15	1.00											
3	Restricted SEPs Comp2	287	0.00	1.18	−4.10	2.01	0.19	−0.09	1.00										
4	Extended SEPs Comp1	287	0.00	2.05	−8.69	4.34	0.05	0.36	0.06	1.00									
5	Extended SEPs Comp2	287	0.00	1.53	−5.32	4.68	0.23	0.03	0.32	−0.02	1.00								
6	Extended SEPs Comp3	287	0.00	1.24	−4.68	3.40	0.02	−0.05	0.27	−0.01	0.00	1.00							
7	Family ownership stake	287	93.75	15.86	15.00	100.00	−0.02	0.25	0.05	0.03	0.05	−0.04	1.00						
8	Family involvement	287	1.85	1.76	0.00	20.00	−0.13	0.19	−0.22	0.17	−0.16	−0.05	0.05	1.00					
9	Importance of internationalization	287	4.87	1.42	1.00	6.00	0.47	0.10	0.21	0.33	−0.02	0.18	−0.03	0.00	1.00				
10	Risk propensity Comp1	287	0.00	1.35	−5.03	2.52	0.08	0.07	0.20	0.19	0.06	0.11	0.04	−0.12	0.18	1.00			
11	Risk propensity Comp2	287	0.00	1.16	−2.94	4.38	−0.05	−0.14	−0.07	0.01	−0.28	0.25	0.01	0.07	−0.07	0.02	1.00		
12	Firm age	287	74.66	45.84	5.00	200.00	0.21	−0.16	0.15	−0.06	0.24	0.01	0.02	−0.12	0.18	0.15	−0.04	1.00	
13	Firm size	287	6.23	1.65	1.39	10.99	0.55	−0.27	0.38	−0.07	0.23	0.05	−0.07	−0.14	0.22	0.07	0.01	0.24	1.00

Source: Table by authors

SEPs, we relied on the answers to questions that asked respondents to express the perceived importance (through a number from 1 to 6) of the following dimensions: "The family owns the majority of the shares"; "The family has strategic control"; "Executives are family members"; "Nonfamily managers are nominated by family members"; "The board of directors comprises mainly family members"; "Family control over the firm has to be preserved"; and "The family's welfare has to be protected". We then used the scores that respondents assigned to each of these dimensions in a principal component analysis to obtain an adequate number of variables that conveyed synthesized information about these SEPs (see Table 1). For these dimensions, two components had eigenvalues larger than one. We thus measured restricted SEPs through two variables. *Restricted SEPs Comp1* mostly captures the dimensions "The family has strategic control" and "Nonfamily managers are nominated by family members". Conversely, Restricted SEPs Comp2 mostly captures "The family owns the majority of the shares", "Executives are family members", "The board of directors comprises mainly family members" and "Family control over the firm has to be preserved". This latter variable thus reflects a more active participation of the family to firm governance and management whereas the former a more indirect involvement in the firm strategy through managers selected by the family.

To measure extended SEPs, we used a similar approach (see Table 1). We relied on the answers that aimed to capture the following dimensions: "Participation in social activities in the community"; "Establishment of ties with nonfamily employees"; "Relationships are based on trust"; "Establishment of institutional relationships"; "Preservation of long-term relationships with suppliers"; "Social relationships are psychologically rewarding"; "Preservation of the family's legacy"; "Long-term orientation"; "Retention of corporate control in the future"; "Transmission of corporate control to future generations"; "Importance of continuous personal improvement"; "Initiation or initiator of constructive change"; "Tendency to change what is not liked; and "Importance of realizing ideas" [1]. Three synthetic component variables with eigenvalues larger than one were then obtained through a principal component analysis.

Extended SEPs Comp1 mostly captures the dimensions "Preservation of long-term relationships with suppliers" and "Social relationships are psychologically rewarding". Extended SEPs Comp2 mostly captures "Preservation of the family's legacy"; "Long-term orientation"; "Retention of corporate control in the future"; and "Transmission of corporate control to future generations". Finally, the loadings of *Extended SEPs Comp3* indicate that this synthetic variable is positively associated with "Importance of continuous personal improvement", "Initiation of initiator of constructive change", "Importance of realizing ideas" and "Tendency to change what is not liked" and that it is negatively associated with "Participation in social activities in the community", "Establishment of ties with nonfamily employees", "Relationships are based on trust" and "Establishment of institutional relationships". Hence, this latter variable reflects a preference for change and improvement and a lower perceived importance of political connections and personal relationships based on socialization. *Extended SEPs Comp2* instead reflects the family's orientation to the future whereas *Extended SEPs Comp1* reflects the attitude to preserve relationships with established business partners and the inclination to cultivate personal relationships.

Control variables. Extant literature on the internationalization of family firms points out that the family's intention to expand internationally and the salience of related risks exert an important influence on the extent of family firms' internationalization (Pinelli *et al.*, 2023). We thus control for *Importance of Internationalization,* a discrete variable that reflects the respondents' perceived importance of international expansion (values range from 1 to 6, where 6 indicates the highest importance). In addition, we control for risk propensity through two variables (*Risk propensity Comp1* and *Risk propensity Comp2*) that we obtained from a principal component analysis and that reflect the following dimensions; "Attitude toward uncertainty"; "Attitude toward unexpected events"; "Attitude toward challenges in uncertain situations"; and "Attitude to work in uncertain environments".

Second, we control for the degree of the family's involvement in the business, as attitudes and perceptions of the family toward internationalization may not reflect into actual action if not implemented in the business (Debellis *et al.*, 2023). We thus control for the size of the family's equity stake. In addition, we also control for the total number of family members serving either as directors or as executives (*Family Involvement*) because equity ownership *per se* not necessarily reflects the extent to which families participate in business operations and decision-making (Arzubiaga *et al.*, 2018; Debellis *et al.*, 2023).

Third, as the behavior and strategy of FFs are affected by the stage of their life-cycle (Gomez-Mejia *et al.*, 2007; Pinelli *et al.*, 2024b), we control for *Firm Age*, which we also use as moderator. Fourth, since international expansion may absorb significant resources (Molly *et al.*, 2019; Wai *et al.*, 2020), which may not be available to smaller firms, we control for *Firm Size* (natural log of employees). Finally, we control for industry-level and country-level effects through dummy variables. Descriptive statistics of and correlations between the variables in our sample are reported in Table 2.

Results

To ensure that our results were not dependent on unusual and influential data, before testing our hypotheses we computed the Cook's D to derive the influence score on the dependent variable (Debellis and Pinelli, 2020; Dikova, Sahib, and Van Witteloostuijn, 2010; Gong, Louis, and Sun, 2008). More specifically, Cooks' D captures information on leverage (observations that strongly deviate from the mean) and outliers (observations with high residual). Based on the predicted Cook's D values, excessively influential observations were excluded from the analysis (i.e. those that scored higher than 4/n, where *n* is the number of observations is our sample). We then tested our hypotheses through OLS regressions with robust standard errors.

Table 3 shows the results of our empirical analysis. In Model 1 we report the results of an OLS regression of the control variables on *Foreign sales*, which shows that *Importance of Internationalization* and *Firm Size* have a positive and significant effect on our dependent variable. Model 2 and Model 4 report the results of the analysis that we performed to test our prediction that restricted SEPs negatively affect the extent of FFs' internationalization (*H1*). In both models, the coefficients of the two component variables are negative and statistically significant, which provides evidence in support of *H1* and is in line with the predictions of previous studies that hypothesized a negative relationship between business families' emphasis on control and FFs' exports (e.g. Basly and Saunier, 2020, Jin, Wu and Hu, 2021). In addition, since our theoretical arguments suggest that the effect of restricted SEPs may be due to amplified risk perceptions, we tested a mediation model. The results of this test, which we do not report here, do not show any evidence of such a mediated effect. We cannot therefore confirm the results of other studies that showed a mediation effect of risk perceptions on FFs' internationalization (e.g. Pinelli *et al.*, 2023).

As per *H2*, which predicted that extended SEPs positively affected FFs' internationalization, Model 3 and Model 4 show that the coefficients of all the component variables are statistically significant. The coefficient of *Extended SEPs Comp2* is positive and statistically significant. As this measure reflects dimensions that are associated to the family's orientation to the future, this result is consistent with our arguments and with previous studies that hypothesized a positive relationship between FFs' renewal and their level of exports (Basly and Saunier, 2020). The

Table 2. Principal component analysis of socioemotional priorities

SEPs	Component	Eigenvalue	Difference	Proportion	Cumulative	Item	Comp1	Comp2	Comp3	Unexplained
Restricted SEPs	Comp1	2.356	0.961	0.393	0.393	*The family owns the majority of the shares*	0.383	0.419		0.411
	Comp2	1.395	0.553	0.232	0.625	*The family has strategic control*	0.459	0.283		0.393
	Comp3	0.841	0.196	0.140	0.765	*Executives are family members*	0.415	−0.540		0.187
	Comp4	0.645	0.198	0.108	0.873	*Nonfamily managers are nominated by family members*	0.444	0.114		0.518
	Comp5	0.447	0.131	0.075	0.947	*The board of directors comprises mainly family members*	0.387	−0.585		0.170
	Comp6	0.316	.	0.053	1.000	*Family control over the firm has to be preserved*	0.353	0.312		0.571
Extended SEPs	Comp1	4.191	1.854	0.299	0.299	*Participation in social activities in the community*	0.202	0.204	−0.371	0.522
	Comp2	2.336	0.805	0.167	0.466	*Establishment of ties with nonfamily employees*	0.273	−0.236	−0.359	0.361
	Comp3	1.532	0.672	0.109	0.576	*Relationships are based on trust*	0.292	−0.206	−0.312	0.396
	Comp4	0.860	0.098	0.061	0.637	*Establishment of institutional relationships*	0.297	−0.129	−0.276	0.474
	Comp5	0.762	0.034	0.054	0.691	*Preservation of long-term relationships with suppliers*	0.364	−0.094	−0.063	0.417
	Comp6	0.728	0.102	0.052	0.743	*Social relationships are psychologically rewarding*	0.297	0.006	−0.153	0.594
	Comp7	0.626	0.029	0.045	0.788	*Preservation of the family's legacy*	0.285	0.363	−0.024	0.351
	Comp8	0.597	0.054	0.043	0.831	"Long-term orientation	0.215	0.359	0.199	0.445
	Comp9	0.543	0.066	0.039	0.870	*Retention of corporate control in the future*	0.192	0.467	0.108	0.319
	Comp10	0.477	0.019	0.034	0.904	*Transmission of corporate control to future generations*	0.222	0.426	0.065	0.362
	Comp11	0.459	0.130	0.033	0.936	*Importance of continuous personal improvement*	0.271	−0.294	0.224	0.413
	Comp12	0.328	0.027	0.024	0.960	Initiation or initiator of constructive change	0.299	−0.197	0.307	0.390
	Comp13	0.301	0.041	0.022	0.981	Importance of realizing ideas	0.208	−0.181	0.436	0.450
	Comp14	0.261	.	0.019	1.000	Tendency to change what is not liked	0.265	−0.130	0.377	0.448

Source: Table by authors

Table 3. Results of the OLS regressions on foreign sales (ln)

	Model 1			Model 2			Model 3			Model 4			Model 5			Model 6			Model 7		
Observations	287			254			254			254			254			254			254		
F	16.740			17.380			15.870			16.910			16.180			16.160			13.020		
Prob > F	0.000			0.000			0.000			0.000			0.000			0.000			0.000		
R^2	0.524			0.738			0.720			0.758			0.761			0.732			0.746		
	Coeff.	SE	*p*> |t|	Coeff.	SE	*p* > |t|	Coeff.	SE	*p* > |t|	Coeff.	SE	*p* > |t|	Coeff.	SE	*p* > |t|	Coeff.	SE	*p* > |t|	Coeff.	SE	*p* > |t|
Restricted SEPs Comp1				−0.421	0.134	0.002***				−0.525	0.131	0.000***	−0.341	0.315	0.281				−0.347	0.302	0.252
Restricted SEPs Comp2				−0.547	0.163	0.001***				−0.373	0.178	0.037**	−0.353	0.339	0.298				−1.075	0.440	0.015**
Extended SEPs Comp1							−0.329	0.106	0.002***	−0.216	0.101	0.033**				−0.336	0.233	0.151	−0.390	0.203	0.056*
Extended SEPs Comp2							0.287	0.137	0.037**	0.458	0.122	0.000***				0.916	0.255	0.000***	0.988	0.254	0.000***
Extended SEPs Comp3							−0.596	0.141	0.000***	−0.652	0.135	0.000***				−0.731	0.349	0.037**	−0.673	0.298	0.025**
Restricted SEPs Comp1 * Firm Age													0.000	0.002	0.960				−0.001	0.002	0.830
Restricted SEPs Comp2 * Firm Age													−0.002	0.003	0.556				0.007	0.004	0.054*
Extended SEPs Comp1 * Firm Age																0.000	0.002	0.866	0.001	0.002	0.469
Extended SEPs Comp2 * Firm Age																−0.008	0.002	0.002***	−0.006	0.002	0.011**
Extended SEPs Comp3 * Firm Age																0.002	0.003	0.476	0.001	0.002	0.718
Family ownership stake	0.002	0.014	0.904	0.015	0.008	0.068*	0.001	0.008	0.951	0.010	0.009	0.273	0.019	0.009	0.031**	−0.002	0.008	0.807	0.013	0.009	0.164
Family involvement	−0.044	0.048	0.365	−0.091	0.061	0.141	−0.059	0.070	0.403	−0.090	0.062	0.146	−0.150	0.074	0.045**	−0.064	0.070	0.362	−0.076	0.075	0.309
Importance of internationalization	1.454	0.284	0.000***	1.722	0.236	0.000***	1.905	0.242	0.000***	2.076	0.221	0.000***	1.727	0.245	0.000***	2.007	0.247	0.000***	2.053	0.229	0.000***
Risk propensity Comp1	−0.278	0.220	0.208	−0.021	0.144	0.881	−0.018	0.151	0.908	0.130	0.146	0.374	−0.007	0.150	0.962	0.107	0.159	0.503	0.115	0.151	0.447
Risk propensity Comp2	0.070	0.267	0.794	0.160	0.121	0.189	0.480	0.144	0.001***	0.432	0.144	0.003***	0.163	0.127	0.198	0.368	0.145	0.012**	0.478	0.151	0.002***
Firm age	0.002	0.007	0.751	−0.002	0.003	0.582	0.000	0.004	0.982	−0.005	0.003	0.189	−0.001	0.004	0.847	0.004	0.004	0.369	−0.002	0.004	0.617
Firm size	1.872	0.182	0.000***	1.677	0.169	0.000***	1.608	0.152	0.000***	1.529	0.168	0.000***	1.696	0.180	0.000***	1.505	0.151	0.000***	1.608	0.182	0.000***
Constant	−3.319	2.365	0.162	−3.566	2.019	0.079*	−3.325	1.830	0.071*	−4.217	2.006	0.037**	−3.847	2.067	0.064*	−3.236	1.779	0.070*	−5.335	2.110	0.012**
Industry dummies		YES			YES			YES			YES			YES			YES			YES	
Country dummies		YES			YES			YES			YES			YES			YES			YES	
Cooks' D		NO			YES			YES			YES			YES			YES			YES	

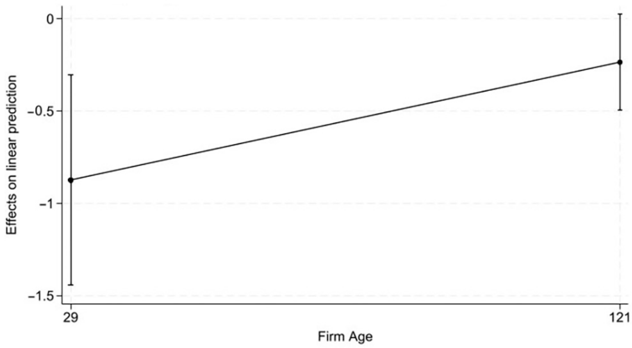
Source: Table by authors

coefficient of *Extended SEPs Comp3* is negative and strongly statistically significant. This result is partly consistent with our arguments. This variable, in fact, is associated with dimensions that reflect business families' orientation to strengthen the FF and also with dimensions that reflect a lower perceived importance of political connections and trust-based social relationships. The loadings of *Extended SEPs Comp3*, are thus negatively related to some extended SEPs. Consequently, one interpretation of this result is that, the more FFs prioritize the development of trusty relationships with institutions and the community (lower values of *Extended SEPs Comp3)*, the more they internationalize. While this is in line with our arguments, *Extended SEPs Comp3* also indicates that business families that focus on improving the FF are less internationalized. A possible explanation is that they aim to pursue this goal through options other than internationalization (e.g. innovation, diversification).

Finally, as per the coefficient of *Extended SEPs Comp1*, which reflects the prioritization of long-time relationships with business partners, the coefficient is negative and statistically significant. This result, which we did not expect, may indicate that the preservation of established business relationship with domestic partners may hinder FFs' internationalization, as some capital-intensive entry modes such as acquisitions often require establishing new relationship with local suppliers and clients to the detriment of previous relationships (Gomez-Mejia *et al.*, 2018). Hence, the overall support for *H2* is only partial.

We then tested our prediction that for younger FFs the influence of restricted and extended SEPs on internationalization is stronger. Model 5 shows that the coefficients of the interaction terms *Restricted SEPs Comp1* Firm Age* and *Restricted SEPs Comp2 * Firm Age* are not statistically significant. However, the coefficient of the interaction term *Restricted SEPs Comp2 * Firm Age* is significant in the full model (Model 7). From the analysis of the marginal effects (see Figure 1), it appears that *Restricted SEPs Comp2* has a negative and statistically significant effect at low levels of *Firm Age*, which however fades away at higher levels of *Firm Age.* As such, this result provides some evidence in support of *H3a*.

As per the moderated effect of extended SEPs, the coefficient of the interaction term *Extended SEPs Comp2 * Firm Age* in Models 6 and 7 is statistically significant, which indicates that the relationship between extended SEPs and internationalization is moderated by *Firm Age*. To understand how the effect changes depending on the values of the moderator, we analyzed the marginal effects. As Figure 2 shows, the effect of *Extended SEPs*



Source: Figure by authors

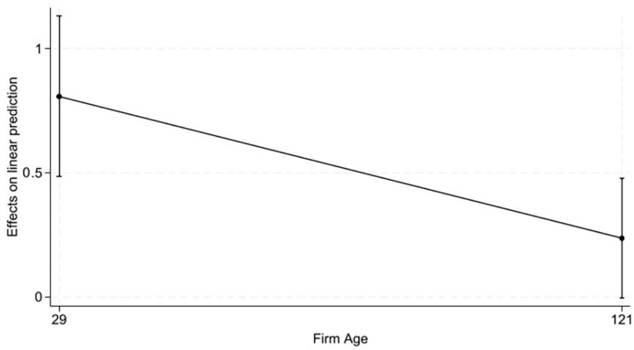
Figure 1. Marginal effects of RestrictedSEPsComp2 at different values of firm age

Comp2 is positive and statistically significant at lower levels of *Firm Age* (−1 SD) but not at higher levels (+1 SD). This result indicates that extended SEPs positively affect the internationalization of younger FFs but not that of older FFs, which is consistent with *H3b*. Overall, these findings are in line with previous research that contended that SEW considerations lose prominence over the FF's life-cycle (e.g. Gomez-Mejia *et al.*, 2007).

Discussion and conclusions

The literature on FFs' internationalization has grown exponentially over the past decade, showing that FFs' approach to internationalization is distinctive (Arregle *et al.*, 2017). Yet, multiple theoretical perspectives and fragmented empirical findings prevent researcher from establishing conclusively *how* FFs' internationalization differs from that of nonfamily firms and why different FFs approach international expansion in different ways (Debellis *et al.*, 2021a). This study has argued that part of the answer may relate to the oversimplification with which family business scholars have theorized about the socioemotional drivers that affect FFs' internationalization. In fact, while many family business studies rely on the SEW perspective to explain FFs' behaviors, rarely researchers take into account that SEPs are heterogeneous, that they can affect business families' decisions in different ways and that not all SEPs are equally important for all business families. Hence, we argued – and shown – that different types of SEPs, namely restricted and extended SEPs (Miller and Le Breton–Miller, 2014), differentially affect the extent of FFs' internationalization.

In particular, we showed that restricted SEPs, which emphasize the importance of retaining the family's control over the business through equity ownership, family directors and carefully selected nonfamily managers, are negatively associated with the extent to which FFs are internationalized. We argued that such emphasis on corporate control constrains the managerial and social capital of FFs, which hinders internationalization, and poses limitations to the financial resources available for investments in foreign markets. In addition, we also posited that restricted SEPs may hinder FFs' internationalization due to an amplified perception of the risks associated to international expansion. Our empirical tests, however, do not show evidence of a mediating mechanism whereby the negative effect of restricted SEPs on FFs' internationalization is due to risk perceptions. We were thus unable to support the mediating role of risk propensity on FFs' internationalization that was found in other studies (e.g. Pinelli *et al.*, 2023).



Source: Figure by authors

Figure 2. Marginal effects of ExtendedSEPsComp2 at different values of firm age

We found evidence, instead, that extended SEPs, which emphasize the importance of the FF's long-term survival and prosperity, foster internationalization. We found that extended SEPs that emphasize the nurturing of long-term relationships with business partners are negatively associated with internationalization. In so doing, these results contribute to research on the internationalization of FFs (Arregle *et al.*, 2017; Debellis *et al.*, 2021a; 2021b) by showing that different SEPs can have opposite effects on internationalization. On the one hand, this insight helps explain why the body of literature that relied on a single SEW construct produced mixed findings. On the other hand, it also suggests that variance in FFs' approach to international expansion may be due differences in the relative importance of various kinds of SEPs across FFs.

This study also contributes to family business research more in general by breaking down the SEW concept into its constitutive components and by measuring them directly. In so doing, we were able to theorize about different SEW dimensions, instead of relying on a single aggregate SEW concept, and to empirically capture them directly, instead of inferring their presence based on family governance measures. This approach allows us to respond to the call for a more fine-grained understanding of the socioemotional drivers of FFs' behaviors (Miller and Le Breton–Miller, 2014) by showing not only that restricted and extended SEPs have opposite effects on internationalization but also that, within the set of extended SEPs, some dimensions positively affect internationalization (e.g. long-term orientation, transgenerational control intensions) while others affect it negatively (e.g. importance of long-term relationships with business partners).

Finally, this study also contributes to research on the evolutionary changes that FFs go through over their life-cycle (De Massis *et al.*, 2018). As argued in previous seminal studies (e.g. Gomez-Mejia *et al.*, 2007), the importance of SEW and SEPs tends to decline over time, essentially because of the dilution of ownership over an increasingly large number of family members and because of the dilution of the emotional significance of belonging to the generation that founded the company. Consistently with these arguments, we found evidence that both restricted and extended SEPs have significant effects on FFs' internationalization that fade away as FFs mature.

As per the implications of this study for practice, this study's result can be useful to the members of business families to reflect on how their socioemotional attachment to the firm can translate in corporate behaviors that may not be intended. For instance, our study shows that the emphasis on keeping control within the family may eventually result in a lower openness to international expansion. In turn, however, this may jeopardize the long-term prospects of the FF, with negative repercussion on the capacity of the business enterprise to attend the needs of the family. It may thus be in the best interest of business family members to evaluate whether and how long- and short-term socioemotional concern may unfold in terms of their repercussions on the business-family system.

Limitations and directions for future research

Our study has several limitations, which also open avenues for future research. First, we use a measure FFs' internationalization through foreign revenues, which only captures the extent of internationalization but not other dimensions, such as the number of foreign countries in which firms operate. In addition, this measure does not separate foreign revenues from exports from those realized by foreign subsidiaries. Future research may overcome these limitations by examining the effects of different SEPs on multiple internationalization dimensions, such as the number of foreign subsidiaries and foreign markets of operation as well as the fraction of foreign sales that comes from exports.

Second, we grouped SEPs in two sets following the typology by Miller and Le Breton–Miller (2014). Yet, the SEW concept encompasses several dimensions, which can be aggregated according to different typologies [e.g. the FIBER scale (Berrone *et al.*, 2012)]. Future studies may thus examine how various SEPs typologies affect a plethora of FFs' behaviors and outcomes, which encompass but are not limited to internationalization. Also, as our results indicated that even different dimensions of extended SEPs have opposite effects on FFs' internationalization, future research may further breakdown the restricted and extended SEPs categories and assess the influence of their various components separately.

Third, our empirical tests showed that not all the components of our variables have significant effects, which constitutes a potential avenue for future research to further examine the relationships that we investigated. Relatedly, although recent research showed that risk perceptions can mediate the link between family members' willingness to internationalize and actual internationalization (Pinelli *et al.*, 2023), we did not find evidence that the effect of SEPs is due to risk propensity. Hence, future research might fruitfully examine the boundary conditions of the effect of risk propensity and perception on FFs' internationalization.

Fourth our empirical analysis was conducted on a sample of FFs that are members of the FBN and that comprises about 250 observations. Future research may run similar analysis or even attempt to replicate our results using different samples, which is especially needed in family business research (Debellis *et al.*, 2023).

Finally, future research may also adopt more nuanced and complex empirical models (e.g. mediation models, structural equations models) to explore, for instance, how SEPs affect family members' attitudes (e.g. risk propensity, international orientation) and how these in turn affect firm-level characteristics (e.g. family involvement in management and governance) and behaviors (e.g. internationalization, innovation outcomes and strategies, investment preferences).

Note

1. The dimensions "Importance of continuous personal improvement"; "Initiation or initiator of constructive change"; "Tendency to change what is not liked" and "Importance of realizing ideas" aim to capture family members' independence from and willingness to change received tradition and nostalgia from the family. As family members are often subordinate to structures that are protected by family members of earlier generations (Gómez-Mejía *et al.*, 2007; Pinelli *et al.*, 2023b; Sharma and Manikutty, 2005; Zellweger and Astrachan, 2008: Zellweger *et al.*, 2011), the willingness to change established practices that may be detrimental for the business' survival and prosperity is an important aspect of the future-oriented Extended SEPs.

References

Arregle, J.L., Duran, P., Hitt, M.A. and van Essen, M. (2017), "Why is family firms' internationalization unique? A meta-analysis", *Entrepreneurship Theory and Practice*, Vol. 41 No. 5, pp. 801-831, doi: 10.1111/etap.12246.

Arregle, J.L., Naldi, L., Nordqvist, M. and Hitt, M.A. (2012), "Internationalization of family-controlled firms: a study of the effects of external involvement in governance", *Entrepreneurship Theory and Practice*, Vol. 36 No. 6, pp. 1115-1143.

Arregle, J.-L., Chirico, F., Kano, L., Kundu, S.K., Majocchi, A. and Schulze, W.S. (2021), "Family firm internationalization: past research and an agenda for the future", *Journal of International Business Studies*, Vol. 52 No. 6, pp. 1159-1198, doi: 10.1057/s41267-021-00425-2.

Arzubiaga, U., Kotlar, J., De Massis, A., Maseda, A. and Iturralde, T. (2018), "Entrepreneurial orientation and innovation in family SMEs: unveiling the (actual) impact of the board of directors", *Journal of Business Venturing*, Vol. 33 No. 4, pp. 455-469, doi: 10.1016/j.jbusvent.2018.03.002.

Bammens, Y., Voordeckers, W. and Van Gils, A. (2008), "Boards of directors in family firms: a generational perspective", *Small Business Economics*, Vol. 31 No. 2, pp. 163-180, doi: 10.1007/s11187-007-9087-5.

Bammens, Y., Voordeckers, W. and Van Gils, A. (2011), "Boards of directors in family businesses: a literature review and research agenda", *International Journal of Management Reviews*, Vol. 13 No. 2, pp. 134-152, doi: 10.1111/j.1468-2370.2010.00289.x.

Banalieva, E.R. and Eddleston, K.A. (2011), "Home-region focus and performance of family firms: the role of family vs non-family leaders", *Journal of International Business Studies*, Vol. 42 No. 8, pp. 1060-1072, doi: 10.1057/jibs.2011.28.

Barroso, C., Villegas, M.M. and Pérez-Calero, L. (2011), "Board influence on a firm's internationalization", *Corporate Governance: An International Review*, Vol. 19 No. 4, pp. 351-367, doi: 10.1111/j.1467-8683.2011.00859.x.

Basly, S. and Saunier, P.L. (2020), "Familiness, socio-emotional goals and the internationalization of French family SMEs", *Journal of International Entrepreneurship*, Vol. 18 No. 3, pp. 270-311.

Bassetti, T., Dal Maso, L. and Lattanzi, N. (2015), "Family businesses in Eastern european countries: how informal payments affect exports", *Journal of Family Business Strategy*, Vol. 6 No. 4, pp. 219-233.

Berrone, P., Cruz, C. and Gomez-Mejia, L.R. (2012), "Socioemotional wealth in family firms: Theoretical dimensions, assessment approaches, and agenda for future research", *Family Business Review*, Vol. 25 No. 3, pp. 258-279, doi: 10.1177/0894486511435355.

Brun de Pontet, S. and Wrosch, C.G. (2002), "An exploration of the generational differences in levels of control held among family businesses approaching succession", *Family Business Review*, Vol. 20 No. 4, pp. 337-355.

Catanzaro, A. and Teyssier, C. (2021), "Export promotion programs, export capabilities, and risk management practices of internationalized SMEs", *Small Business Economics*, Vol. 57 No. 3, pp. 1479-1503, doi: 10.1007/s11187-020-00358-4.

Cennamo, C., Berrone, P., Cruz, C. and Gomez-Mejia, L.R. (2012), "Socioemotional wealth and proactive stakeholder engagement: Why family-controlled firms care more about their stakeholders", *Entrepreneurship Theory and Practice*, Vol. 36 No. 6, pp. 1153-1173.

D'Angelo, A. and Buck, T. (2019), "The earliness of exporting and creeping sclerosis? The moderating effects of firm age, size and centralization", *International Business Review*, Vol. 28 No. 3, pp. 428-437, doi: 10.1016/j.ibusrev.2018.11.002.

D'Angelo, A., Majocchi, A. and Buck, T. (2016), "External managers, family ownership and the scope of SME internationalization", *Journal of World Business*, Vol. 51 No. 4, pp. 534-547.

De Massis, A., Eddleston, K.A. and Rovelli, P. (2020), "Entrepreneurial by design: How organizational design affects family and non-family firms' opportunity exploitation", *Journal of Management Studies*, Vol. 58 No. 1, pp. 27-62, doi: 10.1111/joms.12568.

De Massis, A., Frattini, F., Majocchi, A. and Piscitello, L. (2018), "Family firms in the global economy: toward a deeper understanding of internationalization determinants, processes, and outcomes", *Global Strategy Journal*, Vol. 8 No. 1, pp. 3-21, doi: 10.1002/gsj.1199.

Debellis, F. and Pinelli, M. (2020), "Board interlocks in SMEs and the formation of international joint ventures", *Piccola Impresa/Small Business*, No. 2,

Debellis, F., Pinelli, M., Hülsbeck, M. and Heider, A. (2023), "Ownership, governance, and internationalization in family firms: a replication and extension", *Small Business Economics*, Vol. 61 No. 4, pp. 1-23.

Debellis, F., Torchia, M., Quarato, F. and Calabrò, A. (2022), "Board openness and family firm internationalization: a social capital perspective", *Small Business Economics*, doi:10.1007/s11187-022-00670-1.

Debellis, F., Rondi, E., Plakoyiannaki, E. and De Massis, A. (2021a), “Riding the waves of family firm internationalization: a systematic literature review, integrative framework, and research agenda”, *Journal of World Business*, Vol. 56 No. 1, p. 101144, doi: 10.1016/j.jwb.2020.101144.

Debellis, F., De Massis, A., Messeni Petruzzelli, A., Frattini, F. and Del Giudice, M. (2021b), “Strategic agility and international joint ventures: the willingness-ability paradox of family firms”, *Journal of International Management*, Vol. 27 No. 1, p. 100739, doi: 10.1016/j.intman.2020.100739.

Dikova, D., Sahib, P.R. and Van Witteloostuijn, A. (2010), “Cross-border acquisition abandonment and completion: the effect of institutional differences and organizational learning in the international business service industry, 1981–2001”, *Journal of International Business Studies*, Vol. 41 No. 2, pp. 223-245.

Fairclough, S. and Micelotta, E. (2013), “Beyond the family firm: Reasserting the influence of the family institutional logic Across organizations”, *Research in the Sociology of Organizations*, Vol. 39, pp. 63-98.

Fang, H.C., Memili, E., Chrisman, J.J. and Tang, L. (2021), “Narrow-framing and risk preferences in family and non-family firms”, *Journal of Management Studies*, Vol. 58 No. 1, pp. 201-235, doi: 10.1111/joms.12671.

Fang, H.Q., Kotlar, J., Memili, E., Chrisman, J.J. and De Massis, A. (2018), “The pursuit of international opportunities in family firms: generational differences and the role of knowledge-based resources”, *Global Strategy Journal*, Vol. 8 No. 1, pp. 136-157, doi: 10.1002/gsj.1197.

Fernandez, Z. and Nieto, M.J. (2005), “Internationalization strategy of small and medium-sized family businesses: Some influential factors”, *Family Business Review*, Vol. 18 No. 1, pp. 77-89.

Fernandez, Z. and Nieto, M.J. (2006), “Impact of ownership on the international involvement of SMEs”, *Journal of International Business Studies*, Vol. 37 No. 3, pp. 340-351.

Gallo, M.A. and Pont, C.G. (1996), “Important factors in family business internationalization”, *Family Business Review*, Vol. 9 No. 1, pp. 45-59.

Gallo, M.A. and Sveen, J. (1991), “Internationalizing the family business: facilitating and restraining factors”, *Family Business Review*, Vol. 4 No. 2, pp. 181-190.

Gedajlovic, E. and Carney, M. (2010), “Markets, hierarchies, and families: toward a transaction cost theory of the family firm”, *Entrepreneurship Theory and Practice*, Vol. 34 No. 6, pp. 1145-1172.

Geppert, M., Dörrenbächer, C., Gammelgaard, J. and Taplin, I. (2013), “Managerial risk-taking in international acquisitions in the brewery industry: institutional and ownership influences compared”, *British Journal of Management*, Vol. 24 No. 3, pp. 316-332.

Gomez-Mejia, L.R., Patel, P.C. and Zellweger, T.M. (2018), “In the horns of the dilemma: Socioemotional wealth, financial wealth, and acquisitions in family firms”, *Journal of Management*, Vol. 44 No. 4, pp. 1369-1397.

Gomez-Mejia, L.R., Nunez-Nickel, M. and Gutierrez, I. (2001), “The role of family ties in agency contracts”, *Academy of Management Journal*, Vol. 44 No. 1, pp. 81-95.

Gomez-Mejia, L.R., Cruz, C., Berrone, P. and De Castro, J. (2011), “The bind that ties: Socioemotional wealth preservation in family firms”, *Academy of Management Annals*, Vol. 5 No. 1, pp. 653-707, doi: 10.5465/19416520.2011.593320.

Gomez-Mejia, L.R., Haynes, K.T., Núñez-Nickel, M., Jacobson, K.J. and Moyano-Fuentes, J. (2007), “Socioemotional wealth and business risks in family-controlled firms: evidence from Spanish olive oil mills”, *Administrative Science Quarterly*, Vol. 52 No. 1, pp. 106-137, doi: 10.2189/asqu.52.1.106.

Gong, G., Louis, H. and Sun, A.X. (2008), “Earnings management, lawsuits, and stock-for-stock acquirers’ market performance”, *Journal of Accounting and Economics*, Vol. 46 No. 1, pp. 62-77.

Graves, C. and Thomas, J. (2006), "Internationalization of Australian family businesses: a managerial capabilities perspective", *Family Business Review*, Vol. 19 No. 3, pp. 207-224.

Graves, C. and Thomas, J. (2008), "Determinants of the internationalization pathways of family firms: an examination of family influence", *Family Business Review*, Vol. 21 No. 2, pp. 151-167.

Heerwegh, D., Vanhove, T., Matthijs, K. and Loosveldt, G. (2005), "The effect of personalization on response rates and data quality in web surveys", *International Journal of Social Research Methodology*, Vol. 8 No. 2, pp. 85-99, doi: 10.1080/1364557042000203107.

Hennart, J.F., Majocchi, A. and Forlani, E. (2019), "The myth of the stay-at-home family firm: How family-managed SMEs can overcome their internationalization limitations", *Journal of International Business Studies*, Vol. 50 No. 5, pp. 758-782, doi: 10.1057/s41267-017-0091-y.

Hoffmann, C., Wulf, T. and Stubner, S. (2016), "Understanding the performance consequences of family involvement in the top management team: the role of long-term orientation", *International Small Business Journal: Researching Entrepreneurship*, Vol. 34 No. 3, pp. 345-368.

Jaskiewicz, P., Block, J., Wagner, D., Carney, M. and Hansen, C. (2021), "How do cross-country differences in institutional trust and trust in family explain the mixed performance effects of family management? A meta-analysis", *Journal of World Business*, Vol. 56 No. 5, p. 101196.

Jin, C., Wu, B. and Hu, Y. (2021), "Family business internationalization in paradox: effects of socioemotional wealth and entrepreneurial spirit", *Frontiers in Psychology*, Vol. 12, p. 667615.

Johanson, J. and Vahlne, J.-E. (2009), "The Uppsala internationalization process model revisited: from liability of foreignness to liability of outsidership", *Journal of International Business Studies*, Vol. 40 No. 9, pp. 1411-1431, doi: 10.1057/jibs.2009.24.

King, D.R., Meglio, O., Gomez-Mejia, L., Bauer, F. and De Massis, A. (2022), "Family business restructuring: a review and research agenda", *Journal of Management Studies*, Vol. 59 No. 1, pp. 197-235.

Le Breton-Miller, I. and Miller, D. (2009), "Agency vs. stewardship in public family firms: a social embeddedness reconciliation", *Entrepreneurship Theory and Practice*, Vol. 33 No. 6, pp. 1169-1191.

Liang, X.Y., Wang, L.H. and Cui, Z.Y. (2014), "Chinese private firms and internationalization effects of family involvement in management and family ownership", *Family Business Review*, Vol. 27 No. 2, pp. 126-141, doi: 10.1177/0894486513480885.

Lohe, F.W., Calabrò, A. and Torchia, M. (2021), "Disentangling the drivers of family firms internationalization through the lens of socioemotional wealth", *Journal of International Entrepreneurship*, Vol. 19 No. 4, pp. 1-31.

Lude, M. and Prügl, R. (2019), "Risky decisions and the family firm bias: an experimental study based on prospect theory", *Entrepreneurship Theory and Practice*, Vol. 43 No. 2, pp. 386-408, doi: 10.1177/1042258718796078.

McConaughy, D. and Phillips, G. (1999), "Founders versus descendents: the profitability, efficiency, growth characteristics and financing in large, public, founding-family controlled firms", *Family Business Review*, Vol. 12 No. 2, pp. 123-131.

Miller, D. and Le Breton–Miller, I. (2014), "Deconstructing socioemotional wealth", *Entrepreneurship Theory and Practice*, Vol. 38 No. 4, pp. 713-720.

Miller, D., LeBreton-Miller, I. and Scholnick, B. (2008), "Stewardship vs. stagnation: an empirical comparison of small family and non-family businesses", *Journal of Management Studies*, Vol. 45 No. 1, pp. 51-78, doi: 10.1111/j.1467-6486.2007.00718.x.

Miller, D., LeBreton-Miller, I. and Lester, R.H. (2013), "Family firm governance, strategic conformity, and performance: Institutional vs. strategic perspectives", *Organization Science*, Vol. 24 No. 1, pp. 189-209, doi: 10.1287/orsc.1110.0728.

Miller, D., Amore, M.D., Le Breton-Miller, I., Minichilli, A. and Quarato, F. (2018), "Strategic distinctiveness in family firms: Firm institutional heterogeneity and configurational multidimensionality", *Journal of Family Business Strategy*, Vol. 9 No. 1, pp. 16-26.

Minichilli, A., Nordqvist, M., Corbetta, G. and Amore, M.D. (2014), "CEO succession mechanisms, organizational context, and performance: a socio-emotional wealth perspective on family-controlled firms", *Journal of Management Studies*, Vol. 51 No. 7, pp. 1153-1179, doi: 10.1111/joms.12095.

Molly, V., Uhlaner, L.M., De Massis, A. and Laveren, E. (2019), "Family-centered goals, family board representation, and debt financing", *Small Business Economics*, Vol. 53 No. 1, pp. 269-286, doi: 10.1007/s11187-018-0058-9.

Mustakallio, M., Autio, E. and Zahra, S.A. (2002), "Relational and contractual governance in family firms: Effects on strategic decision making", *Family Business Review*, Vol. 15 No. 3, pp. 205-222.

Naldi, L. and Davidsson, P. (2014), "Entrepreneurial growth: the role of international knowledge acquisition as moderated by firm age", *Journal of Business Venturing*, Vol. 29 No. 5, pp. 687-703, doi: 10.1016/j.jbusvent.2013.08.003.

Narula, R. and Verbeke, A. (2015), "Making internalization theory good for practice: the essence of Alan Rugman's contributions to international business", *Journal of World Business*, Vol. 50 No. 4, pp. 612-622.

Okoroafo, S.C. (1999), "Internationalization of family businesses: evidence from Northwest Ohio, USA", *Family Business Review*, Vol. 12 No. 2, pp. 147-158.

Perkins, S., Morck, R. and Yeung, B. (2014), "Innocents abroad: the hazards of international joint ventures with pyramidal group firms", *Global Strategy Journal*, Vol. 4 No. 4, pp. 310-330.

Pielsticker, D.I. and Hiebl, M.R. (2020), "Survey response rates in family business research", *European Management Review*, Vol. 17 No. 1, pp. 327-346, doi: 10.1111/emre.12375.

Pinelli, M., Debellis, F. and De Massis, A. (2024b), "Long-term orientation, family-intensive governance arrangements, and firm performance: an institutional economics perspective", *Small Business Economics*, Vol. 63 No. 2, doi: 10.1007/s11187-024-00877-4.

Pinelli, M., Cappa, F., Peruffo, E. and Oriani, R. (2022), "Acquisitions of non-controlling equity stakes: agency conflicts and profitability", *Strategic Organization*, Vol. 20 No. 2, pp. 341-367, doi: 10.1177/1476127020926672.

Pinelli, M., Chirico, F., De Massis, A. and Zattoni, A. (2024a), "Acquisition relatedness in family firms: Do the environment and the institutional context matter?", *Journal of Management Studies*, Vol. 61 No. 4.

Pinelli, M., Niemand, T., Picone, P.M., Kraus, S. and De Massis, A. (2023), "Family firm entrepreneurship: an experimental study", *Journal of Small Business Management*, pp. 1-34.

Pongelli, C., Majocchi, A., Bauweraerts, J., Sciascia, S., Caroli, M. and Verbeke, A. (2023), "The impact of board of directors' characteristics on the internationalization of family SMEs", *Journal of World Business*, Vol. 58 No. 2, p. 101412, doi: 10.1016/j.jwb.2022.101412.

Reid, R.S. and Adams, J.S. (2001), "Human resource management: a survey of practices within family and non-family firms", *Journal of European Industrial Training*, Vol. 25 No. 6, pp. 310-320.

Santoro, G., Mazzoleni, A., Quaglia, R. and Solima, L. (2021), "Does age matter? The impact of SMEs age on the relationship between knowledge sourcing strategy and internationalization", *Journal of Business Research*, Vol. 128, pp. 779-787, doi: 10.1016/j.jbusres.2019.05.021.

Scholes, L., Mustafa, M. and Chen, S. (2016), "Internationalization of small family firms: the influence of family from a socioemotional wealth perspective", *Thunderbird International Business Review*, Vol. 58 No. 2, pp. 131-146.

Sciascia, S., Mazzola, P., Astrachan, J.H. and Pieper, T.M. (2012), "The role of family ownership in international entrepreneurship: exploring nonlinear effects", *Small Business Economics*, Vol. 38 No. 1, pp. 15-31, doi: 10.1007/s11187-010-9264-9.

Sharma, P. and Manikutty, S. (2005), "Strategic divestments in family firms: role of family structure and community culture", *Entrepreneurship Theory and Practice*, Vol. 29 No. 3, pp. 293-311, doi: 10.1111/j.1540-6520.2005.00084.x.

Sirmon, D.G., Arregle, J.L., Hitt, M.A. and Webb, J.W. (2008), "The role of family influence in firms' strategic responses to threat of imitation", *Entrepreneurship Theory and Practice*, Vol. 32 No. 6, pp. 979-998.

Wai, K.W., Liston-Heyes, C., Liu, W., Liu, G. and Cowling, M. (2020), "Organizational capabilities and SME exports: the moderating role of external funding intentions and managerial capacity", *Small Business Economics*, Vol. 58 No. 1, pp. 247-261, doi: 10.1007/s11187-020-00408-x.

Wiseman, R. and Gomez-Mejia, L. (1998), "A behavioral agency model of managerial risk taking", *The Academy of Management Review*, Vol. 23 No. 1, pp. 133-153.

Zaheer, S. (1995), "Overcoming the liability of foreignness", *Academy of Management Journal*, Vol. 38 No. 2, pp. 341-363.

Zahra, S.A. (2003), "International expansion of US manufacturing family businesses: the effect of ownership and involvement", *Journal of Business Venturing*, Vol. 18 No. 4, pp. 495-512, doi: 10.1016/S0883-9026(03)00057-0.

Zattoni, A., Gnan, L. and Huse, M. (2015), "Does family involvement influence firm performance? Exploring the mediating effects of board processes and tasks", *Journal of Management*, Vol. 41 No. 4, pp. 1214-1243, doi: 10.1177/0149206312463936.

Zellweger, T. and Astrachan, J.H. (2008), "On the emotional value of owning a firm", *Family Business Review*, Vol. 21 No. 4, pp. 347-363, doi: 10.1177/08944865080210040106.

Zellweger, T., Sieger, P. and Halter, F. (2011), "Should I stay or should I go? Career choice intentions of students with family business background", *Journal of Business Venturing*, Vol. 26 No. 5, pp. 521-536, doi: 10.1016/j.jbusvent.2010.04.001.

Further reading

PWC (2017), "The missing Middle: Bridging the strategy gap in US family firms", available at: www.pwc.com/gx/en/family-business-services/global-family-business-survey-2016/pwc-global-family-business-survey-2016-the-missing-middle.pdf

Corresponding author
Michele Pinelli can be contacted at: michele.pinelli@unive.it