Non-Financial Dimensions of Family Firm Ownership
How Socioemotional Wealth and Familiness Influence Internationalization

Sluhan, Anne

Publication date:
2018

Citation for published version (APA):
Sluhan, A. (2018). *Non-Financial Dimensions of Family Firm Ownership: How Socioemotional Wealth and Familiness Influence Internationalization*. Copenhagen Business School [Phd]. PhD series No. 17.2018

COPENHAGEN BUSINESS SCHOOL
SOLBJERG PLADS 3
DK-2000 FREDERIKSBERG
DANMARK

WWW.CBS.DK

ISSN 0906-6934

Print ISBN: 978-87-93579-80-4
Online ISBN: 978-87-93579-81-1

NON-FINANCIAL DIMENSIONS OF FAMILY FIRM OWNERSHIP: HOW SOCIOEMOTIONAL WEALTH AND FAMILINESS INFLUENCE INTERNATIONALIZATION

PhD Series 17-2018

Anne Sluhan

NON-FINANCIAL DIMENSIONS OF FAMILY FIRM OWNERSHIP

HOW SOCIOEMOTIONAL WEALTH AND FAMILINESS INFLUENCE INTERNATIONALIZATION

Doctoral School of Economics and Management

PhD Series 17.2018

CBS COPENHAGEN BUSINESS SCHOOL
HANDELSHØJSKOLEN

Non-Financial Dimensions of Family Firm Ownership:

How Socioemotional Wealth and Familiness Influence Internationalization

Anne Sluhan

Supervisors:

Bersant Hobdari, PhD
Copenhagen Business School

Frances Jørgensen, PhD
Royal Roads University

Department of International Economics and Management
PhD School in Economics and Management
Copenhagen Business School

Anne Sluhan
Non-Financial Dimensions of Family Firm
Ownership: How Socioemotional Wealth and
Familiness Influence Internationalization

1st edition 2018
PhD Series 17.2018

ISSN 0906-6934
Print ISBN: 978-87-93579-80-4
Online ISBN: 978-87-93579-81-1

The PhD School in Economics and Management is an active national and international research environment at CBS for research degree students who deal with economics and management at business, industry and country level in a theoretical and empirical manner.

Acknowledgements

Pursuing a PhD at Copenhagen Business School has been both a privilege and an enriching experience for which I am genuinely grateful. First, I would like to thank my supervisors: Associate Professor Bersant Hobdari and Professor Frances Jørgensen. Your meticulous guidance and invaluable support through this doctoral journey has been most educational. I hope to be able to represent you well on “the other side” of this PhD.

I thank the members of the Assessment Committee: Professor Casper Rose from Copenhagen Business School, Professor Lucia Naldi from the Centre for Family Enterprise and Ownership at Jönköping International Business School, and Associate Professor Rania Labaki, Head of the Family Business Centre at EDHEC Business School for their valuable and critical review. I am indebted for the time they have invested in assessing my dissertation, and hope to have the privilege to collaborate beyond the PhD.

The Department of International Economics and Management (INT) at Copenhagen Business School provided a rich research environment in which to grow. I am thankful for all the kind colleagues who guided me over the years, generously offering their time to nudge, to challenge, and to inspire me along the way. In particular, I am grateful to Jens Gammelgaard, our Head of Department for his consistent help in navigating the often-bumpy PhD process; Evis Sinani, Deputy Head of Department and PhD coordinator, for her sound advice and motivation when challenges arose; Professor Lars Håkanson, for his constructively critical commentary and unfailing support; and Professor Larissa Rabbiosi, for her many helpful comments. Much thanks goes to INT’s Administration, particularly Susanne Faurholdt and Pia Kjær Lyndgaard.

CBS’ PhD School for Economics and Management provided excellent guidance and relevant coursework for this study. Thanks to the Head of the PhD School H.C. Kongsted, to the former Head of the PhD School Dana Minbaeva, and to the always helpful Lone Petersen, Bente Ramovic, Blazenka Blazevac-Kvistbo, and Caroline Nordahl Kentill.

This doctoral project was a part-time endeavor, and I must thank my various supervisors at CBS for their support, flexibility and loyalty, without which this study could not have been possible. As my initial sponsor, I thank former University Director Peter Pietras for financing my PhD, showing that he supported academic entrepreneurship from within the organization. Robin Jensen, Niels-Henrik Larsen, Kirsten Winther Jørgensen, Camilla Schreiner, Patrick Gram, and most recently Louise Seest have offered steady support and enthusiasm for my academic development.

The generous funding from Gudrun og Thomas Nielsens Fond and Otto Mønsted Fond enabled me to work at the University of North Carolina at Charlotte in the spring of 2015. I am appreciative of my co-authors Victor Chen and Franz Kellermanns for hosting me in Charlotte for a most productive semester.

On a personal note, this project was made possible by the unfailing support of my loved ones scattered around the world. Godchildren, cousins, and honorary nieces and nephews reminded me to keep all things in perspective. Stephen and Daniel Baer, Molly and Anna Gausemel, Lena Peschel, Emma Andersen, Amy Hobdari, and Lily and Elizabeth Tierney continuously show me the beautiful world that exists beyond this PhD. I thank my friends and family who took me on adventures when a break from scholarly pursuits became necessary. Particular thanks go to Elaine Talley, Andrés Már Erlendsson, Sara Baer, Kristin Kramer, John Sluhan, Andy and Helene Gausemel, Iwona Sulinska, Jenny Sälgeback, Paula Anderson, Päivi Kousa, Amanda Peltier, Dana Minbaeva, Ásta Dis Óladottir, Silvia and Lydia Peschel, Joyce Kling, Sam Pedersen, Rajneesh Narula, Margaret Hunter, Mary Stewart Burgher, Koen and Carine Heimeriks, Greg Blase and Jared Fine, Regine Lueghausen, and Linda Jacobs, along with my wonderful CBS colleagues whose invaluable support and great humor kept me going on the darkest of Scandinavian winter days. Special thanks to Sanni Brandt, Henriette Louise Jakobsen, Katrine Rask Andersen, Marie Pade Andersen, Janie Huus Tange, Can Seng Ooi, Aleksandra Gregoric, Adriana Budeanu, Ana María Munar, Jinsun Bae, and not least, Niels Laursen. I keep memories of helpful conversations about scholarship with Volker Mahnke fondly in my heart. You are dearly missed, friend.

This dissertation is dedicated to my grandparents

Clyde and Marian Sluhan

Their indefatigable entrepreneurial spirit inspired so many people to work hard, to improve industry, and to follow the Golden Rule. Clyde and Marian exemplified generosity, integrity, family values, and empathy. Their legacy sparked my interest in the study of family firms, and for that I will always be grateful.

Abstract

This doctoral dissertation investigates idiosyncratic behaviors of family firms and contributes to an understanding of how family ownership affects the ways in which firms internationalize. While each chapter in the dissertation is a stand-alone work intended for publication, every study relates to an overarching research question about how non-financial dimensions of family firm ownership—exemplified by socioemotional wealth (SEW) and familiness—influence family firm internationalization. The dissertation contributes to varying literatures including family business, corporate governance, strategic management, and international business. Specifically, the review paper on family firm internationalization offers a novel presentation of entry modes along the FIBER dimensions of SEW. It proposes a framework to unbundle family firm-specific capabilities and motivations for internationalization for subsequent analysis utilizing the theoretical perspectives of SEW and familiness. The next chapter studies how family firm risk preferences affect behavior when engaging in cross-border acquisitions. While most studies on family firms implicitly assume businesses are run at the will of a controlling family, this paper abandons this assumption and examines whether (and how) non-family shareholders interact with family shareholders when deciding to internationalize. Results indicate international acquisitions will be of greater value when the level of family ownership is high or low, whereas the value of an acquisition is lower when family ownership is relatively balanced vis à vis non-family ownership. The final empirical chapter studies family firm behavior differently by exploring the notion of familiness within the context of an international acquisition. This study applies an action research methodology first to investigate how employees understand the notion of familiness and then to observe how this perception is actively mobilized to facilitate post acquisition integration. The paper emphasizes how aspects of familiness can be purposefully mobilized to facilitate integration, thus contributing to an understanding of familiness in general, and specifically familiness in a context of internationalization. From a methodological perspective, the paper contributes rich data showing how action research can be used in a business setting, presenting a process that facilitates integration between two distinct organizational and national cultures and between family and nonfamily firms as they face challenges in a post-merger or post-acquisition context.

Ph.d.-afhandlingen undersøger familievirksomheders særegne adfærd og bidrager til forståelsen af, hvordan familieejerskab påvirker den måde, hvorpå virksomheder internationaliseres. Hver artikel i afhandlingen er et selvstændigt værk, som vil kunne publiceres separat, men samtlige artikler forholder sig til den overordnede problemformulering omkring, hvordan de ikke-finansielle aspekter af ejerskab i familievirksomheder – eksemplificeret ved socioemotional wealth (SEW) og familiness-begrebet–påvirker internationaliseringen af familievirksomheder. Samlet set bidrager afhandlingen til litteraturen inden for flere forskellige felter, herunder familievirksomheder, corporate governance, strategic management, og international business. Den første artikel er en review om internationalisering af familievirksomheder som fremsætter en ny præsentation af entry modes i forhold til dimensioner af SEW. Den opstiller en ramme for adskillelsen af familievirksomhedsspecifik formåen og motivation for internationalisering med henblik på efterfølgende analyse, der anvender de teoretiske aspekter af SEW og familiness-begrebet. Den anden artikel undersøger måder, hvorpå familievirksomhedens præferencer påvirker dens adfærd i forbindelse med opkøb på tværs af grænser. Hvor de fleste undersøgelser af familievirksomheder implicit antager, at virksomhederne ledes ud fra den ejerfamilies vilje, søger artiklen bort fra denne antagelse og undersøger, hvorvidt (og hvordan) aktionærer uden for familien interagerer med familiemedlemmer i aktionærkredsen, når der er truffet beslutning om, at man vil påbegynde en internationaliseringsproces. Resultaterne tyder på, at internationale opkøb vil være af større værdi, når niveauet af familieejerskab er højt eller lavt, hvorimod værdien af et opkøb er lavere, når den familieejede andel af ejerskabet er relativt afbalanceret over for den ikke-familieejede andel. Denne artikel bidrager til de få empiriske undersøgelser af uoverensstemmelser (”principal-principal”-konflikter), der forbindes med sameksistensen af forskellige typer af storaktionærer. Den sidste artikel undersøger adfærdsmønstre i familievirksomheder ud fra en anden vinkel ved at se på familiness-begrebet i forbindelse med internationale opkøb. Denne undersøgelse anvender en aktionsforskningsmetodologi til først at undersøge, hvordan medarbejdere opfatter familiness-begrebet og derefter iagttage, hvordan denne opfattelse mobiliseres aktivt for at fremme integration efter opkøbet har fundet sted. Artiklen understreger, hvordan aspekter af familiness-begrebet bevidst kan mobiliseres for at fremme integration, og bidrager dermed til den generelle forståelse af familiness-begrebet og mere specifikt til forståelsen af familiness-begrebet i en internationaliseringskontekt. Fra et metodologisk perspektiv bidrager artiklen med data, der viser, hvordan aktionsforskning kan anvendes i en forretningssammenhæng, i det den præsenterer en proces, der fremmer integrationen mellem to særskilte organisatoriske og nationale kulturer og mellem familievirksomheder og andre virksomhedstyper, når disse står over for de udfordringer, der opstår efter en fusion eller et opkøb.

TABLE OF CONTENTS

Chapter 1
Introduction

Thanks to technology and capabilities that allow firms to coordinate activities more effectively, globalization has now impacted most industries around the world. Even the more traditional industries of manufacturing, utilities, banking, and insurance can migrate across borders relatively easily, which is a credit to recent changes in trade and investment regulations around the world (Cuervo-Cazurra & Narula, 2015). Despite open trade policies and technological capabilities, however, the process of internationalization at the firm level is not necessarily less complex. For a firm to make the decision to cross borders and internationalize their operations requires a degree of boldness, since new international ventures create uncertainty for any type of company, regardless of ownership type (Kraus, Mensching, Calabrò, Cheng, & Filser, 2016). In the current climate of global communities, in which traditional industries are consolidating in order to reap benefits from localization advantages, production efficiencies, internalization processes, and ownership advantages (Dunning, 1980, 2000), firms of all sizes and types are making the decision to invest internationally.

Internationalization is a broad phenomenon which can encompass many different types of activities and processes and refer to any kind of international activities or sales. Regardless of of the mode of internationalization studied, the term internationalization might include very differentiated concepts of cross-border activities. When considering internationalization on a spectrum of resource commitment and risk, on the low end of the spectrum, one finds non-equity modes of entry, including indirect and direct exports (i.e. export and foreign sales). On the high end of the risk/commitment spectrum are equity modes of entry including various forms of foreign direct investment (FDI) (e.g. establishment of foreign subsidiaries via Greenfield ventures, joint ventures, mergers, and acquisitions). According to stage models in the IB literature, FDI is a mode of market entry often attempted by firms following a period of export, during which firms gain experience about new markets (Johanson & Vahlne, 1977). When compared with exports, FDI increases the degree of control owners have over the business. It also poses challenges to operations and governance due to high levels of resource commitment, investment risk, and degree of complexity (Arregle, Duran, Hitt, & van Essen, 2017). Yet FDI is an important internationalization strategy helping firms to achieve strategic goals for financial growth which might otherwise not be met via export.

This dissertation considers FDI in a context of international acquisitions for a few reasons. First, acquisitions are important in our current climate of globalized networks. The number of announced M&A deals on a global level recovered following the global financial crisis of 2008 and has been steadily increasing (Kengelbach et al., 2017). Furthermore, despite political uncertainty in the USA and Europe, global M&A activity has maintained its momentum, with aggregated announced deal values totalling almost $1.3 trillion in the first half of 2017. This is higher than the historical average of $1.2 trillion (Kengelbach et al., 2017). Total M&A, measured by the number of deals announced annually, was above historical average with more than 22,000 deals announced in the first halves of 2014, 2015, and 2016 (Kengelbach et al., 2017). With deal volumes increasing globally, one might infer it was due to the successes of mergers and acquisitions. Yet empirical evidence does not seem to support this. Managers of acquiring firms report that only 56 percent of their acqusitions are perceived to be successful vis à vis the original strategic objectives designed for the deals (Cartwright & Schoenberg, 2006). Thus there seems to be an interesting M&A paradox. Although mergers and acqusitions are an admired growth strategy, the conditions under which acqusitions enhance or diminish firm value remain unclear (Weber, Tarba, & Reichel, 2011).

We know that M&A is a complex process of strategic assessement of risk versus potential returns for the acquiring and acquired firms (Haspeslagh & Jemison, 1991). When assessing the interplay between risk and return, equity modes of cross-border acquisitions are interesting to study for a number of reasons. First, it is important to examine what is actually happening in our globalized world. Since cross-border acquisitions are taking place, it follows that scholars should endeavor to study real life situations to help us make sense of the current international business climate. Second, equity modes of internationalization represent a potentially high risk and high reward mode of market entry. Cross-border acquisitions imply a high degree of investment and therefore creates a degree of risk which will impact firms in potentially significant ways. This leads me consider how such investments might impact family firms. Family firms are relevant to this study both because they are a predominant organizational form around the world and because their ownership attributes lead to a particularly interesting way in which they consider risk. Therefore, the purpose of this dissertation is to investigate family firm internationalization processes.

As mentioned, we know family firms to be relevant in most economies, as they are the predominant form of business organization around the world (e.g. Miller and Le-Breton-Miller, 2005) and therefore act as a significant engine of growth in economies around the world (Astrachan, 2003). Families are involved in establishing, organizing, and operating approximately 70-85% of firms in the United States (Chirico, Sirmon, Sciascia, & Mazzola, 2011; Neubauer & Lank, 1998) and Southern European countries (Gómez-Mejía, 2012), respectively, and as many as 95% of all firms around the world (Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007; La Porta, Lopez-de-Silanes, Shleifer, & Vishny, 2002; Lumpkin, Steier, & Wright, 2011). The significance of family firms to national economies is also evident when looking at different regions. For example, in Asia, over twothirds of the firms are controlled by founding families or individuals (Claessens, Djankov, Fan, & Lang, 2002). In Western Europe, approximately 44% percent of publicly-listed firms are family controlled (Faccio & Lang, 2002); in the United States alone, family businesses account for more than half of the GDP—including at least one third of the Fortune 500 firms (e.g. Cargill, Motorola, Ford, Microsoft) and employ over 80% of the total US workforce (Chirico et al., 2011). Founding families are present in one-third of the S&P 500 (Anderson & Reeb, 2003) and the Fortune 500 companies (Shleifer & Vishny, 1986). Indeed, family firms represent a broad spectrum of business types: small and large ventures, old and young firms, and they are situated in developed, transition, and emerging economies (Chua 2004, La Porta et al 1999). With such a dominant position in the global economy, it comes with little surprise that scholarly investigation of family firms has grown significantly in recent years and has captured the interest of scholars from various disciplinary backgrounds (Melin et al 2014).

The literature has shown that family businesses are distinct from other types of organizations due to the influence a family has on the firm, yet the attributes distinguishing family from nonfamily firms have little to do with the size of the business or whether they are privately or publicly held. Indeed, the family firm is qualified by the degree to which and the ways in which a family exerts control over its company. From a theoretical perspective, family firms have been defined as organization forms "governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families" (Chua et al., 1999: 25). The dominant coalition exerts power over the firm and its strategic direction by leveraging control via ownership, management, or board involvement (Pieper, Klein, & Jaskiewicz, 2008). Thus, family involvement in the firm is the essential factor differentiating family firms from non-family firms.

Scholars further elaborate on the family factor and attribute this distinctive factor to an inimitable bundle of resources, capabilities, and preferences arising from overlapping systems of family, the business entity, and the ownership (Habbershon, Williams, & MacMillan, 2003; Hoy & Verser, 1994; Labaki, 2007; Tagiuri & Davis, 1996). From the systems perspective, each system encompasses stakeholders with specific skills, resources, capabilities, and motivations for involvement with the firm. In turn, stakeholder characteristics create an idiosyncratic and firm-specific bundle of resources and capabilities that influence behavior that is distinctive from non-family firms known as familiness (Arregle, Hitt, Sirmon, & Very, 2007; Carney, 2005; Verbeke & Kano, 2012). The firm-specific resources and capabilities within familiness are varied and include both tangible and intangible assets. Some examples include physical and financial assets (Aldrich and Cliff, 2003), a high degree of family control and reduced agency costs allowing for good governance structures (Sirmon & Hitt 2003) which facilitate flexible and swift decisionmaking (Habbershon & Williams, 1999), reputation and human capital, experience and strong social capital creates strong networks (Irava & Moores 2010), and shared culture, vision, and purpose (Pearson, Carr / Shaw 2008) which can result in higher levels of cohesiveness and commitment of the workforce. Other firm-specific resources can support a long-term perspective on returns resulting in patient capital and survivability capital (Sirmon & Hitt 2003; James, 1999; Anderson & Reeb, 2003).

The literature acknowledges that distinctive features of family firms result in a spectrum of goals, many of which are family-centric and non-financial in nature (Chrisman, Chua, & Pearson, 2012). As family firms pursue non-financial goals including a sense of control over the firm, identification with the firm, binding social connections derived from firm involvement, emotional ties with the firm, and the potiential to renew family bonds with the firm a longer period of time, family owners accumulate endowments known as socioemotional wealth (SEW) which are direct benefits from various non-financial dimensions of ownership (Berrone, Cruz, & Gómez-Mejía, 2012; Gómez-Mejía, Cruz, Berrone, & De Castro, 2011; Gómez-Mejía et al., 2007). While the theoretical frameworks encompassing non-financial dimensions of family firm ownership have been further developed to include more sophisticated dimensions in recent years (e.g. familiness and socioemotional wealth), few empirical studies have looked at family firm internationalization viewed under the lens of non-financial dimensions of family business ownership (Arregle et al., 2017; Arregle, Naldi, Nordqvist, & Hitt, 2012).

Arguably, the theoretical constructs of SEW and familiness lack clarity (Plate, 2012). This means that how the dimensions of these constructs may serve in understanding firm strategy development also remain unclear. For example, in the core international business topic of firm internationalization, it is unclear how notions of socioemotional wealth and familiness might influence the way in which family firms make the decision to enter foreign markets. Such a decision-making process exists within a black box of family firm motivations and capabilities. This points to a gap vis à vis the decision-making process of family firms to internationalize. Scholars argue that family firm behaviour is determed by motivation emerging from SEW and familiness, but little empirical support for this supposition has yet been brought forth (Evert, 2016). Thus, there is an empirical gap in the family firm internationalization literature about non-financial elements of family firms. This gap presumably exists since familiness and socioemotional wealth are concepts inherently difficult to measure (Frank, Kessler, Rusch, Suess-Reyes, & Weismeier-Sammer, 2017). To further elaborate on the constructs of SEW and familiness, it could be helpful to unpack the dimensions to see whether and how they influence family firm approaches to decision-making (Lambrecht & Koiranen, 2009; Moores, 2009), lest they remain overarching concepts lacking clarity for future theory building. This dissertation works forward from the empirical gaps in the literature with an overall purpose to investigate idiosyncratic behaviors of family firms through the theoretical lenses of SEW and familiness. The intention is to better understand how non-financial dimensions of SEW and familiness influence family firm behavior. Specifically, the studies in this dissertation investigate how the dimensions of non-financial family firm attributes influence family firm internationalization.

The overarching research question for this doctoral work is:

How do non-financial dimensions of family firm ownership—exemplified by socioemotional wealth (SEW) and familiness—influence family firm internationalization?

STRUCTURE

The dissertation is a collection of three independent research articles. Consideration of non-financial family firm endowments is the unifying concept for the 3 articles presented herein. Although they differ greatly from one another in terms of theme, scope, and methodology, each study considers non-financial family firm dimensions and how they influence internationalization.

The first chapter, entitled "Socioemotional wealth, familiness, and internationalization of family firms: A review of capabilities and motivations in different modes of internationalization," reviews a selection of conceptual and empirical scholarly articles that study the ways in which family firms internationalize. It discusses how non-financial dimensions of ownership illustrated in the theoretical frames of socioemotional wealth (SEW) and familiness impact family firm internationalization. The chapter pays specific attention to the FIBER dimensions of SEW and the capabilities and motivations within familiness in order to integrate the family firm internationalization literature in a novel way. Specifically, this chapter extends previous review work done on family firm internationalization by applying the lenses of non-financial dimensions of ownership to the literature. It then synthesizes the literature according to various modes of internationalization, according to the FIBER dimensions of SEW, and with consideration for the owner-specific motivation for internationalization. By employing the lenses of non-financial dimensions of family firm ownership to the internationalization literature, this chapter intends to benefit scholars by offering a novel way in which to frame family firm internationalization literature according to non-financial ownership dimensions and motivations for internationalization. The chapter identifies some interesting gaps in the literature and incorporates them into a blueprint for future research streams in the areas of family firm internationalization and international business. Finally, the review chapter forms a foundation for the second chapter in this dissertation.

The second chapter builds upon the previous review of literature on family firm internationalization. The purpose of this chapter is to investigate how ownership capabilities and preferences affect firm behavior when deciding to internationalize. In particular, the study begins by utilizing previous empirical work on family firm internationalization behavior from the corporate governance, international business, and family firm literature to look at the motivations and capabilities of the controlling family(-ies) which result in specific risk preferences for investments. During the review of empirical work, two gaps in the literature emerged. First, much of the work on family firm internationalization behavior focuses exclusively on the motivations and capabilities of the controlling family, since the existing empirical evidence on family firms implicitly assume these businesses are run exclusively at the will of the controlling family owners. Little attention, if any, had been paid to other types of blockholders (e.g. non-family, financial investors, etc.). Second, work on family firm internationalization shows little empirical evidence of family-controlled firm behavior in cross-border acquisitions. This chapter attempts to reconcile these gaps. By utilizing a large international sample of 8,964 cross-border acquisitions from 40 home markets into 132 host countries from 2004-2013, the study investigates how blockholder risk propensities affect behavior when engaging in cross-border acquisitions. The chapter steps beyond the assumption that family firms are run exclusively at the will of the controlling family owners and investigates how non-family shareholders interact with family shareholders in strategic decisions about internationalization. The study focuses on the structure of nonfamily owners and their potential conflicts with family owners and finds that family blockholding of voting rights has a U-shaped relationship to the acquisition deal size due to high levels of conflict between family and non-family owners. Specifically focusing on a group of owners (e.g. financial blockholders) whose objectives and risk-taking preferences conflict with a family's socioemotional wealth, we find their increased presence moderates differently the turning point and the curvature of the U shape, depending upon what kind of relationship they have with the firm. Ultimately, the paper outlines what might happen if multiple large shareholders with diverse investment interests are present and makes an empirical contribution by focusing on family-vs-nonfamily blockholders in the context of international acquisitions. The study also contributes to family firm governance literature. We suggest that the "dominant shareholder interest" assumption of family firms, usually based on the controlling family's SEW, should be questioned. We argue for family business research embracing both the notion of variations between family firms (Chua, Chrisman, Steier, & Rau, 2012) and also the heterogeneous composition of the powerful conflicting (or aligned) non-family shareholders. Using family-financial blockholder conflicts as the scenario, this study suggests that blockholder principal-principal (PP) conflicts depend on the who the conflicting blockholders are, and investigates how differences among nonfamily blockholders relationships with family owners might impact strategic decisions. This approach steps beyond current agency literature that tends to focus on the controlling family owner versus small shareholders as a single group. Indeed, we suggest that the classic and behavioral agency theories should be further extended from a PA relationship (or controlling-minority PP relationship) to a complex relationship among different groups of principals to more fully explain family firm behavior.

The findings suggest that the risk-taking behaviors of a family owner regarding loss aversion of SEW depend not only on the percentage of ownership (and thus the potential threat of family control), but also depend on the risk-taking preferences of the nonfamily owners. Sensitive financial institutions, as nonfamily owners with diversified revenues beyond firm equity, tend to be more likely than resistant financial institutions to stay silent or to collaborate with the manager in pursuing large foreign acquisitions, even if such acquisitions are under a controlling family's pursuit of SEW. Therefore, considering other ownership groups can provide important insights to the growing interest in family firm heterogeneity (e.g., Chua et al., 2012; Stanley, Kellermanns, & Zellweger, 2017; Westhead, Howorth, & Cowling, 2002). Finally, the chapter extends the focus in the international business literature from risk-taking as an exclusively firm-based preference to a more diverse conceptualization of interests between decision makers of the firm, family owners, and other influential blockholders.

Like the previous studies, chapter 4 investigates the complex process of family firm internationalization and pays particular attention to non-financial dimensions of ownership within the context of an increasingly prevalent equity-based mode of entry: acquisition (Shimizua, Hitt, Vaidyanathc, & Pisano, 2004). By utilizing an action research methodology to address post acquisition integration challenges in the case firm, this study differs from the previous two chapters in terms of time frame, research methodology, and scope of investigation.

The case investigates how family business values influence post-acquisition integration, which is an important issue within the context of international mergers and acqusitions (Viegas-Pires, 2013). Although many cultural elements of post-acquisition integration have been studied, many remain unexamined: including family business values (Sarala, Vaara, & Junni, 2017). This paper attempts to reconcile this gap. This study also answers Habbershon and Williams' (1999) original call for further examination, extension, and empirical contextualization for familiness. In the 18 years since that call, clear measurements/classifications of familiness dimensions are still lacking (Frank, Kessler, Rusch, Suess-Reyes, Weismeier-Sammer, 2016). Therefore, this study unpacks the complex bundle of familiness attributes in an empirical setting, focuses on one specific cultural dimension of familiness—family business values—and investigates what impact (if any) this dimension might have on the integreation of disparate organizational and international cultures following an acquisition. From a methodological perspective, this chapter answers a call in the literature for application of the qualitative action research (AR) methodology to be utilized in empirical cases in order to address current relevant business problems and to create processual views of business case settings (Bradbury-Huang, 2010).

The chapter contributes to theory and practice in several ways. First, this case considers non-financial family firm dimensions of ownership and explores how they impact firm-level behaviors. By specifically focusing on family business values this case furthers an understanding of how they function as a part of the cultural dimension of familiness. Specifically, family business values are studied to investigate how they impact firm internationalization by promoting or encouraging post-acquisition integration processes. It contributes to our understanding of familiness dimensions and also contributes a new perspective on familiness as a mechanism to support post-acquisition integration. Since few (if any) family firm case studies on cross-border acquisitions utilizing action research exist in the literature, this paper presents a novel approach to studying family firm internationalization and it contributes a processual view of cross-border integration challenges. This chapter also addresses a practical problem in a firm and contributes a rich case study on how organizational values can facilitate challenges that firms face when they internationalize. Finally, it presents a methodological contribution by offering a processual view of action research in an empirical setting. This shows that action research can extend beyond methodology in order to create a new format of collaboration and reflection that can impact both theory and practice.

In summary, this doctoral work considers notions of familiness, socioemotional wealth, and the inevitable challenges faced by firms in the internationalization process. Particular emphasis is placed on the acquisition mode of internationalization in two empirical studies by applying different methodological approaches that intend to delve deeper in the issue of family firm internationalization.

REFERENCES

Anderson, R. C., & Reeb, D. M. (2003). Founding-Family Ownership and Firm Performance: Evidence from the S & P 500. *Journal of Finance*, *58*(3), 1301–1328.

Arregle, J.-L., Duran, P., Hitt, M. A., & van Essen, M. (2017). Why Is Family Firms' Internationalization Unique? A Meta-Analysis. *Entrepreneurship: Theory and Practice*, *41*(5), 801–831.

Arregle, J.-L., Hitt, M. A., Sirmon, D. G., & Very, P. (2007). The Development of Organizational Social Capital : Attributes of Family Firms. *Journal of Management Studies*, *44*(January).

Arregle, J.-L., Naldi, L., Nordqvist, M., & Hitt, M. A. (2012). Internationalization of Family-Controlled Firms: A Study of the Effects of External Involvement in Governance. *Entrepreneurship Theory and Practice*, *36*(6), 1115–1143.

Berrone, P., Cruz, C., & Gómez-Mejía, L. R. (2012). Socioemotional Wealth in Family Firms: Theoretical Dimensions, Assessment Approaches, and Agenda for Future Research. *Family Business Review*, *25*(3), 258–279.

Bradbury-Huang, H. (2010). What is good action research?: Why the resurgent interest? *Action Research*, *8*(1), 93–109. h

Carney, M. (2005). Corporate Governance and Competitive Advantage in Family-Controlled Firms. *Entrepreneurship Theory and Practice*, *29*(3), 249–265.

Cartwright, S., & Schoenberg, R. (2006). Thirty years of mergers and acquisitions research: Recent advances and future opportunities. *British Journal of Management*, *17*(SUPPL. 1).

Chirico, F., Sirmon, D. G., Sciascia, S., & Mazzola, P. (2011). Resource orchestration in family firms: Investigating how entrepreneurial orientation, generational involvement, and participative strategy affect performance. *Strategic Entrepreneurship Journal*, *5*, 307–326.

Chrisman, J. J., Chua, J. H., & Pearson, A. W. (2012). Family Involvement, Family influence, and Family-centered non-economic goals in small firms. *Entrepreneurship, Theory, and Practice …*, 267–293.

Claessens, S., Djankov, S., Fan, J. P. H., & Lang, L. H. P. (2002). Disentangling the Incentive and Entrenchment Effects of Large Shareholdings. *The Journal of Finance*, *57*(6), 2741–2771.

Cuervo-Cazurra, A., & Narula, R. (2015). A set of motives to unite them all? *Multinational Business Review*, *23*(1), 2–14.

Dunning, J. H. (1980). Toward an Eclectic Theory of International Production : Some Empirical Tests. *Journal of International Business Studies*, *11*(1), 9–31.

Dunning, J. H. (2000). The eclectic paradigm as an envelope for economic and business theories of MNE activity. *International Business Review*, *9*(2), 163–190.

Evert, R. E. (2016). *Family business and entry timing: Effects of family control on internationalization*. Texas Tech University.

Faccio, M., & Lang, L. H. P. (2002). The ultimate ownership of Western European corporations. *Journal of Financial Economics*, *65*(3), 365–395.

Frank, H., Kessler, A., Rusch, T., Suess-Reyes, J., & Weismeier-Sammer, D. (2017). Capturing the Familiness of Family Businesses: Development of the Family Influence Familiness Scale (FIFS). *Entrepreneurship: Theory and Practice*, *41*(5), 709–742.

Gómez-Mejía, L. R. (2012). Socioemotional wealth in the family business. In *FERC*. Montreal.

Gómez-Mejía, L. R., Cruz, C., Berrone, P., & De Castro, J. (2011). The Bind that Ties: Socioemotional Wealth Preservation in Family Firms. *The Academy of Management Annals*, *5*(1), 653–707.

Gómez-Mejía, L. R., Haynes, K. T., Núñez-Nickel, M., Jacobson, K. J. L., & Moyano-Fuentes, J. (2007). Socioemotional Wealth and Business Risks in Family-controlled Firms: Evidence from Spanish Olive Oil Mills. *Administrative Science Quarterly*, *52*(1), 106–137.

Habbershon, T. G., Williams, M., & MacMillan, I. C. (2003). A unified systems perspective of family firm performance. *Journal of Business Venturing*, *18*(4), 451–465.

Haspeslagh, P. C., & Jemison, D. B. (1991). The challenge of renewal through acquisitions. *Planning Review*, *19*(2), 27–30.

Hoy, F., & Verser, T. G. (1994). Emerging business, emerging field: Entrepreneurship and the family firm. *Entrepreneurship, Theory, and Practice*, *19*(1), 9–23.

Johanson, J., & Vahlne, J.-E. (1977). The Internationalization Process of the Firm-A Model of Knowledge Development and Increasing Foreign Market Commitments *Journal of International Business Studies*, *8*(1), 23–32.

Kengelbach, J., Keienburg, G., Schmid, T., Sievers, S., Gjerstad, K., Nielsen, J., & Walker, D. (2017). *The 2017 M&A Report: The technology takeover*. Retrieved from http://image-src.bcg.com/Images/BCG-The-Technology-Takeover-Sep-2017_tcm9-172639.pdf

Kraus, S., Mensching, H., Calabrò, A., Cheng, C. F., & Filser, M. (2016). Family firm internationalization: A configurational approach. *Journal of Business Research*, *69*, 5473–5478.

La Porta, R., Lopez-de-Silanes, F., Shleifer, A., & Vishny, R. (2002). Investor Protection and Corporate Valuation. *Journal of Finance*, *LVII*(3), 1147–1170.

Labaki, R. (2007). Toward a conceptual model of commitment in family business. *Dimensions on Family Business Research*, (April), 120–140.

Lambrecht, F., & Koiranen, M. (2009). Co-creating psychological ownership for the changing family firm: applying a relational practice perspective. In *9th IFERA World Family Business Research Conference, Limasol Cyprus*.

Lumpkin, G. T., Steier, L. P., & Wright, M. (2011). Strategic Entrepreneurship in Family Business, *306*, 285–306.

Moores, K. (2009). Paradigms and Theory Building in the Domain of Business Families. *Family Business Review*, *22*(2), 167–180.

Neubauer, F., & Lank, A. G. (1998). *The family business*. London: MacMillan Business.

Pieper, T. M., Klein, S. B., & Jaskiewicz, P. (2008). The impact of goal alignment on board composition and board size in family businesses. *Journal of Small Business Management*, *46*(3), 372–394.

Plate, M. (2012). Familiness – unravelling the structure and functions of a fuzzy concept. In *12th Annual IFERA World Family Business Research Conference, Bordeaux, France*.

Sarala, R. M., Vaara, E., & Junni, P. (2017). Beyond merger syndrome and cultural differences: New avenues for research on the “human side” of global mergers and acquisitions (M&As). *Journal of World Business*, (October).

Shleifer, A., & Vishny, R. W. (1986). Large Shareholders and Corporate Control. *Journal of Political Economy*, *94*(3), 461.

Tagiuri, R., & Davis, J. A. (1996). Bivalent Attributes of the Family Firm. *Family Business Review*, *9*(2), 199–208.

Verbeke, A., & Kano, L. (2012). The Transaction Cost Economics Theory of the Family Firm: Family-Based Human Asset Specificity and the Bifurcation Bias. *Entrepreneurship: Theory and Practice*, *36*(6), 1183–1205.

Viegas-Pires, M. (2013). Multiple levels of culture and post M&A integration: A suggested theoretical framework. *Thunderbird International Business Review*, *55*(4), 357–370.

Weber, Y., Tarba, S. Y., & Reichel, A. (2011). A Model of the Influence of Culture on Integration Approaches and International Mergers and Acquisitions Performance. *International Studies of Management and Organization*, *41*(3), 9–24.

Chapter 2

Socioemotional Wealth, Familiness, and Family Firm Internationalization:

A Review of Capabilities and Motivation in Different Modes of Internationalization

INTRODUCTION

As more family firms join the global business trend of expanding operations across national and regional borders, the scholarly study of family firm internationalization becomes more relevant. Many family firms consider internationalization to be a viable strategy to achieve their desired goals, and mergers and acquisitions are becoming a more commonly used strategic option for family firm growth and survival (Steen & Welch, 2006).

Various arguments are made about why family firms internationalize. For example, internationalization can be a way to revitalize the family firm, to positively contribute to firm performance (Claver, Rienda, & Quer, 2009), and to expand its social capital. If successful, internationalization can create positive long-term sustainable growth for subsequent generations (Zahra, 2003). Growing interest in family firm internationalization is evidenced by the emergence of several reviews, which have been published for various purposes. For example, Kontinen and Ojala (2010) outline the state of knowledge on family firm internationalization and classify which theories and methodological approaches are used in the literature they review. Pukall and Calabro (2014) review the family firm literature in order to identify core issues and gaps before contributing a conceptual framework to better understand when and how family firms internationalize. Fernández and Nieto's (2014) review contributes an overview of entry mode, pace of internationalization, and type of internationalization strategy from the extant literature. They also argue for the importance of family firm heterogeneity and choice of entry mode and encourage future scholars to study firm-specific resources, motivations, and capabilities as determinants to family firm internationalization. Finally, in the most recent review, Arregle, Duran, Hitt, and van Essen (2017) conduct a meta-analysis of family firm literature investigating whether family firms internationalize more or less than non-family firms.

The variety of extant reviews offer a range of contributions to the literature and also notably draws attention to increasing interest in the topic of family firm internationalization. In particular, the growing body of literature shows emergent explicit interest in how family ownership characteristics affect firm behavior, especially within the context of crossing borders. Indeed, family firm literature has for some time shown evidence that family firm owners and managers have distinct and diverse sets of personal motivations—both financial and nonfinancial (Gedaljovic et al 2012)—implying that specific characteristics of family ownership impact financial and nonfinancial motivations in decision making. However, there seems yet to be a clear understanding about how such particular ownership motivations might impact strategic choices of family firms. In particular, there seems to be a lack of explicit investigation of non-financial family firm specific resources and capabilities within the context of family firm internationalization.

Therefore, this review discusses how non-financial dimensions of ownership illustrated in the theoretical frames of Socioemotional Wealth (SEW) and familiness play a role in the family firm internationalization literature. Specifically, the family firm internationalization literature is reviewed in a novel way: applying the lenses of SEW and familiness, paying particular attention to the underlying FIBER dimensions of SEW and the bundle of resources, capabilities, and motivations within the familiness construct are integrated into a review of family firm internationalization.

This chapter endeavors to accomplish several objectives. First, this review extends previous review work on family firm internationalization by analyzing the literature through the lens of non-financial dimensions of family ownership. This is intended to create a foundation from which to conduct empirical studies which are presented in chapters 3 and 4 of this dissertation. To this end, this chapter consolidates and synthesizes a selection of empirical and conceptual papers on the topic of family firm internationalization, presenting the literature according to chosen modes of internationalization, FIBER dimensions of SEW, and motivations for internationalization. The intention is to benefit scholars by classifying the extant literature according to FIBER dimensions and ownership motivations for internationalization, thus creating a novel perspective of the family firm internationalization literature structured according to the non-financial dimensions of SEW. Lastly, this review aims to contribute to theory and to further scholarship on family firm internationalization by sketching a blueprint for future research avenues.

The following section will introduce the theoretical background of concepts guiding the review beginning with family firm literature, followed by a brief look into international entrepreneurship, international business, and family firm internationalization literatures. Then firm-level resources, capabilities, characteristics, and motivations for resource deployment across borders are reviewed. Thereafter, implications for theory will be discussed, followed by some suggested directions for future research.

THEORETICAL BACKGROUND

The literature has put forth various conceptual frameworks incorporating family ownership characteristics to support the study of family firm behavior. Both behavioral agency theory and the resource-based view (RBV) have prompted the development of theoretical constructs that incorporate non-financial dimensions of family business ownership and which now play a prominent role in the family business literature.

Conceptually, behavioral agency theory portrays family firms to be driven by loss aversion with respect to "non-financial aspects of the firm that meet [the] affective needs of the family, such as identity, the ability to exercise family influence, and the perpetuation of the family dynasty (Gómez-Mejía, Haynes, Núñez-Nickel, & Jacobson, 2007, p. 106)." This loss aversion due to non-financial aspects of firm ownership is labelled socioemotional wealth (SEW) and has to do with the way in which family firms prioritize retaining family control over multiple generations. The resource based view of the firm, on the other hand, has produced the theoretical construct of familiness, a concept encompassing family firm specific resources, capabilities, and motivations for resource deployment (Habbershon, Williams, & MacMillan, 2003).

Both constructs—SEW and familiness—have been applied in a variety of conceptual and empirical studies to investigate the influence that non-financial ownership dimensions have on firm behavior. For example, in studying firm strategy, scholars have explored how firms fulfil non-financial preferences of the owning family, leading to family control over key management positions, control over voting rights, support of long term stable stakeholder relationships in the family firm to ensure trans-generational succession of the business, or the development of long-term strategies for business continuity through internationalization (Gómez-Mejía, Makri, & Kintana, 2010; Miller, Le Breton-Miller, & Lester, 2010).

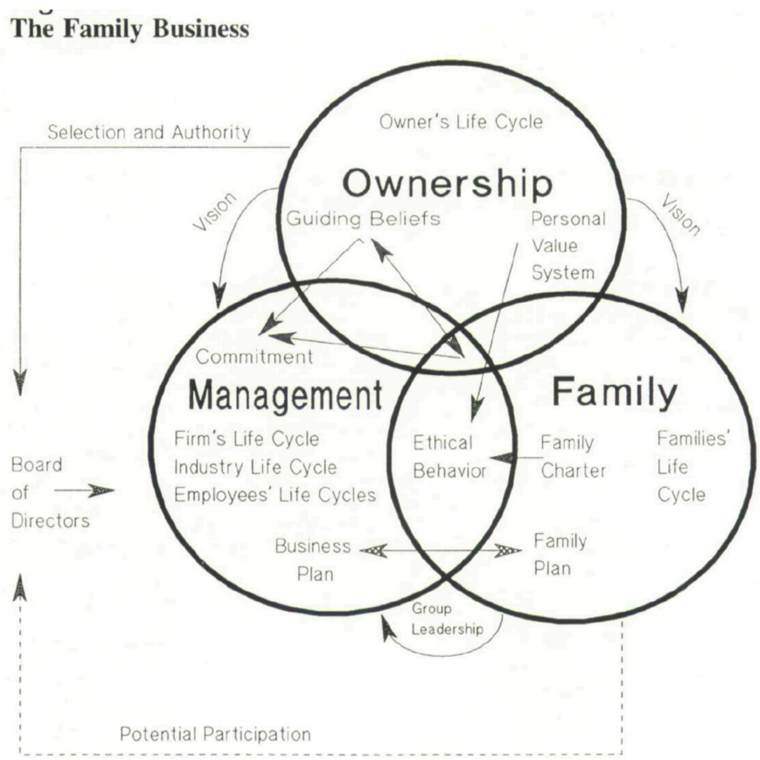
While the literature has begun to investigate how family ownership dimensions impact strategic decisions, studies about the influence of non-financial ownership dimensions on strategic choices are scarce. Calls have been made for studies of owner and decision maker motivations, as their attitudes toward growth can influence international activities of their firms (Zahra & George, 2002), some of which can be found in the international entrepreneurship literature. Relatedly, motivation and resource endowment factors can be directly influenced by ownership type, which is one reason that studying the influence of different ownership preferences on internationalization strategies can be particularly interesting. Yet notably few studies examine how non-financial family ownership dimensions might influence the decision to internationalize: a strategic choice offering family firms a potentially viable strategy to positively contribute to performance, to revitalize the firm for long term survival, and to achieve specific strategic goals thus creating positive long-term sustainable growth for subsequent generations of family owners (Claver et al., 2009; Zahra, 2003).

Family Firms as a Differentiated Organizational Form

Family involvement in the firm is the essential factor differentiating family from non-family firms. The distinction between these two types of firms has been attributed to an inimitable bundle of resources, capabilities, and preferences arising from overlapping systems of the family (including individual family members situated within this system), the business entity itself including management and employees, and the ownership structure (Habbershon et al., 2003). Each system is populated with stakeholders with specific skills, resources, capabilities, and motivations to mobilize those capabilities. In turn, these stakeholder characteristics comprise a bundle of resources and capabilities that influence the firm and scholars argue these bundles motivate behavior distinguishable from non-family firms (Arregle, Hitt, Sirmon, & Very, 2007; Carney, 2005; Verbeke & Kano, 2012).

Figure 1 illustrates three systems governing the firm that contribute to family firms' distinct behaviors, depicting the overlap of stakeholder groups. In the case of a family firm, these stakeholder groups include family, owners, directors, managers, and employees (Hoy and Verser, 1994). Figure 1 not only outlines areas of potential family stakeholder influence (Berrone, Cruz, Gómez-Mejía, & Larraza-Kintana, 2010), but it also presents the potential multitude of overlapping roles stakeholders potentially maintain. Indeed, the overlap of family, ownership, and business management/employee systems creates interesting combinations of varied stakeholder groups. These combinations create both opportunities but also potential conflicts as they complicate business relationships and personal relationships (Hoy & Verser, 1994; Tagiuri & Davis, 1996). Overlaps also create potentially conflicting strategic motivations amongst stakeholder groups with influence.

Figure 1: 3 circle model of family business



Source: Hoy and Verser (1994)

Influence is affected by two characteristics driving family stakeholder behavior: family goals and values (Dyer, 1986; Fukuyama, 1995; Tagiuri & Davis, 1992). Family goals include the development, support, and nurturing of family members and relationships (Sorenson, 2014). Pursuit of such non-financial goals has been labeled 'particularism' (Carney, 2005) and sometimes conflicts with and sometimes complements profit-oriented goals. Of particular importance to family goals is retention of control over family assets: in this case the family firm (Berrone et al., 2010). On the other hand, family values influence, amongst other things, where a firm is situated on a spectrum between family orientation versus business orientation (Astrachan, Klein, & Smyrnios, 2002). Family values also play a role in how family firms make decisions, govern, develop strategies, and conduct daily operations (Dyer, 2003). Together, family values and family goals provide a complex behavioral basis from which organizational strategies, procedures, and policies are designed. Indeed, family businesses combine distinguishing organizational characteristics including but not limited to family ownership/control, family influence in day-to-day management, the intention/possibility for trans-generational continuity, and a concern for family relationships (Astrachan, 2010). These characteristics all co-determine outcomes, especially of strategically and financially important decisions, such as those related to modes of internationalization. Family firm characteristics and the notion of the family component have gained scholarly attention from various theoretical backgrounds. Scholars have contributed conceptual work intended to unpack and to classify family firm specific resource bundles. In particular, two concepts have emerged in the literature and have become prominent theoretical concepts: socioemotional wealth and familiness.

Socioemotional Wealth

Emerging from the behavioral agency model (Wiseman & Gómez-Mejía, 1998), the theoretical framework of socioemotional wealth (SEW) helps illuminate affect-related behavioral complexities in family firms. SEW, an overarching construct capturing family firm idiosyncrasy and heterogeneity, brings intangible and non-financial factors into the theory of family firms (Gómez-Mejía, Haynes, Núñez-Nickel, & Jacobson, 2007). The behavioral agency model (Wiseman & Gómez-Mejía, 1998), upon which SEW is based, assumes that firms make decisions depending upon the perspective of the firm's dominant principal. Since dominant principals in family firms are concerned with the potential loss of their asset(s), they tend to frame strategic issues in terms of how a threat might impact not only their financial investment but also their non-financial investment in the firm (Gómez-Mejía, Patel, & Zellweger, 2015). A non-financial investment in the firm is considered to be an emotion-based psychological sense of ownership and identification with the firm derived from an ownership stake (Zellweger & Astrachan, 2008). The notion of non-financial investment is an important part of the theory of socioemotional wealth since it accounts for non-economic aspects of involvement (ownership, employment) and also considers both positive and negative consequences of non-economic aspects of doing business. SEW reconciles previous approaches to understanding distinct family firm behaviors in that it allows for differential risk preferences. The main point of SEW is that when family involvement is high, firms are more likely to be driven by a belief that risks are counterbalanced by nonfinancial benefits rather than exclusively by potential financial gains (Berrone, Cruz, & Gómez-Mejía, 2012). Preserving the family's SEW represents a key goal for a controlling family (Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007) and it is this attribute that helps to explain why family firms behave in distinctly different strategic ways from non-family firms (Berrone et al., 2012). Ultimately, SEW helps to explain how stakeholders' goals of preserving their non-financial investments in the firm influence business decisions and processes.

Preservation goals have gradually gained attention from scholars. For example, to further clarify the preservation goal-oriented concept of SEW, scholars developed a framework integrating five non-financial elements of SEW. Referred to as FIBER, the framework addressed family specific preferences including: *F*amily control and influence, *I*dentification of family members with the firm, *B*inding social ties, *E*motional attachment of family members, and *R*enewal of family bonds to the firm through dynastic succession (Berrone et al., 2012). According to this conceptual framework, if one or more of these individual non-financial elements is/are threatened, family principals will first consider these elements and how they might expose their overall socioemotional endowment at risk before making a decision for the business. Thus, Berrone, Cruz, and Gomez-Mejia (2012) maintain that perceived threats to SEW may lead the family to make decisions propelled by a non-economic logic. Indeed, family principals may even be willing to put the firm at risk to preserve their non-financial endowment. Pukall and Calabrò (2013) suggest family principals tend not to be risk averse or risk prone, but indicate they tend to be generally loss averse. Depending upon the situation, principals would ultimately be willing to take risks with the main reference point of SEW since SEW is characterized by emotional needs for identity and family influence and for the preservation of the family dynasty (Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, et al., 2007). This implies that in an extreme situation—for example if the firm is under threat of bankruptcy or when the firm has a opportunity to internationalize—family owners could be more willing to take a risk than their nonfamily business peers due to their commitment to the firm (Chrisman & Patel, 2011; Fernández & Nieto, 2014). Fernández and Nieto (2014) explain that vis à vis internationalization, family firms are loss averse when the SEW is threatened due to the potential risk for reduction of family control, and they therefore exhibit a preference for lower levels of internationalization that will ensure family control over the firm. A number of studies which are reviewed in this chapter have demonstrated that family principals often view internationalization/diversification as a potential threat to SEW (Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, et al., 2007).

Familiness

While similar to SEW in its consideration of nonfinancial family ownership dimensions, the concept of familiness emerges from a different stream of theory: the resource-based view (RBV). The RBV (Barney, 1991; Wernerfelt, 1984) offers an established theoretical model that allows for the analysis of relationships among firm-level capabilities, assets, processes, strategy, performance, and sustainable competitive advantage for the family firm (Habbershon & Williams, 1999). Capabilities within the context of RBV are defined as the abilities of firms to use their resources to generate competitive advantages (Barney, 2001). Some scholars working with RBV measure attributes of firm-specific resources and capabilities and focus on which attributes and resources are valuable, rare, and costly to imitate. Generally this literature shows "that firms that build their strategies on path dependent, causally ambiguous, socially complex, and intangible assets outperform firms that build their strategies only on tangible assets (Barney, 2001). Other scholars look at capabilities from an evolutionary perspective in order to assess how firm capabilities change over time, and how these changes impact firm competitiveness over time (e.g. Karim & Mitchell, 2000). Indeed, the RBV presents a framework for evaluating performance and competitive advantages and incorporates firm-specific capabilities and resources, along with the motivations for mobilization of these variables, into the analysis. The RBV (Barney, 1991; Wernerfelt, 1984) and systems theory (Von Bertalanffy, 1951) made the theoretical construct of familiness possible.

The concept of familiness refers to the unique bundle of resources resulting from the interaction of the family and business systems. According to Zellweger, Eddleston, and Kellermanns, familiness is a multi-dimensional construct that describes a "rare and inimitable family-based resource" central to family firm identity (2010, p. 61). Dimensions of familiness include human resources (reputation and experience), organizational resources (decision making and learning), and process resources (relationships and networks) (Irava & Moores, 2010). Familiness also encompasses structural dimensions (social interactions and networks), cognitive dimensions (shared vision and purpose, as well as unique language, stories, and culture), and relational dimensions (trust, norms, obligations, and identity) (Pearson, Carr, & Shaw, 2008). Finally, familiness includes a dimension of family involvement, essence, and organizational identity (Zellweger et al., 2010). Although familiness dimensions are outlined in the literature, the concept has been critiqued as remaining fuzzy. Scholars have done empirical work attempting to unpack outcomes of familiness, including nonfinancial performance results, such as the preservation of family ties or transgenerational value creation (Chrisman, Steier, & Chua, 2003); a strong sense of commitment to the business (Carmon, Miller, Raile, & Roers, 2010); organizational identity (Carmon et al., 2010); social capital (Ensley & Pearson, 2005); strategic flexibility (Zahra, Hayton, Neubaum, Dibrell, & Craig, 2008); market orientation (Cabrera-Suárez, de la Cruz Déniz-Déniz, & Martín-Santana, 2011); shared understanding and shared values in top management teams which lead to increased leadership team cohesion (Ensley & Pearson, 2005); revenue, capital structure, growth, and perceived performance (Rutherford & Holt, 2008); and superior levels of financial performance and competitive advantage over time (Zahra et al., 2008; Zellweger & Nason, 2008). This means the bundle of resources related to familiness help support competitive advantages for family firms (Tokarczyk, Hansen, Green, & Down, 2007). Thus, familiness encompasses nonfinancial elements of family control to make sense of differentiated family firm behavior, thus helping to illuminate behavioral complexities in family firms (Habbershon & Williams, 1999). Within a context of internationalization, the competitive advantages of family firms outlined above are shown to support specific capabilities and motivations as they consider building international strategies.

International Entrepreneurship

In its study of "the discovery, enactment, evaluation, and exploitation of opportunities—across national borders—to create future goods and services (McDougall & Oviatt, 2003:7)," the international entrepreneurship literature contributes a cognitive perspective on motivation. The concept of motivation is a mindset that influences how entrepreneur/owners recognize an opportunity for internationalization, assign meaning to it, and then explain their logic for choosing to internationalize the firm (Zahra, Korri, & Yu, 2005). Motivation reflects the dynamic between the entrepreneur/owner's needs and ambitions with the challenges confronted in the external business environment. Zahra, Korri, and Yu (2005) argue that given the complex association between entrepreneur/owners' personal characteristics (e.g. needs, preferences, and objectives) and their goals for the firms they create and manage, researchers should strive to understand their motivations to internationalize. If the motivation to internationalize can be identified, it might be possible to reveal how entrepreneur/owners prioritize and design their strategic goals and subsequently choose to allocate firm-specific resources to meet their financial and non-financial goals. To study the concept of motivation, therefore, can establish a connection between entrepreneur/owners and the strategic choices they make to internationalize their firms. This, in turn, could help scholars to better understand how both financial and non-financial ownership motivations influence the choice of entry mode when deciding to internationalize.

Internationalization

The decision to internationalize is a critical, complex, and risk-creating strategic decision for any firm. To compete across national borders demands more firm resources than operating in a domestic market (Hitt, Hoskisson, & Kim, 1997; Sanders & Carpenter, 1998). Since internationalization can refer broadly to any kind of international activities or sales, regardless of the mode of internationalization studied, this means the term internationalization might include very differentiated concepts of cross-border activities. Looking at internationalization on a spectrum of resource commitment and risk, on the low end of the spectrum, one finds non-equity modes of entry, including indirect and direct exports (i.e. export and foreign sales). On the high end of the risk/commitment spectrum are equity modes of entry including various forms of foreign direct investment (FDI) (e.g. establishment of foreign subsidiaries via Greenfield ventures, joint ventures, mergers, and acquisitions). FDI is a mode of market entry often attempted by firms following a stage of export (Johanson & Vahlne, 1977). When compared with exporting, for example, FDI increases the degree of control a firm can exercise, but it also challenges firms due to the inherent high levels of resource commitment, investment risk, and degree of complexity (Arregle et al., 2017), yet FDI is an important internationalization strategy that can help meet company demands for growth which might otherwise not be met via export.

The question of how to measure a firm's degree of internationalization has been an important issue in the strategy literature. Scholars seem to agree that the ratio of foreign sales to total sales does not serve as an optimal way to measure firm internationalization for various reasons (Asmussen, 2009; Hennart, 2007; Hitt et al., 1997; Sanders & Carpenter, 1998; Sullivan, 1994). One reason has to do with the fact foreign sales indicates neither internal nor external costs of internationalization. In addition, it does not consider the scale and scope of internationalization. Ultimately the ratio of foreign sales to overall sales mixes FDI and exports, which complicates analysis (Arregle et al., 2017). Regardless how internationalization is to be measured, it is important to understand what behaviors and motivations might drive the decision to migrate across borders.

The behavioral paradigm from the Carnegie School (Cyert & March, 1963; March & Simon, 1958; Simon, 1947) helped to lay a foundation for the Uppsala model (Johanson & Vahlne, 1977), a seminal work in the international business (IB) literature and the theoretical outcome of significant empirical work conducted on foreign sales and manufacturing activities of Swedish industry (Håkanson & Kappen, 2017; Hörnell, Vahlne, & Wiedersheim-Paul, 1973). Early IB literature seems to make implicit assumptions about the motivations for internationalization. The IB literature seems to imply that the decision to go abroad primarily has to do with profit. The corporate governance literature discusses a tradeoff of growth as a managerial motive which may conflict with the shareholders' wish to maximize profits. Yet in the absence of perfect competition, firms are not obliged to pursue maximum profit to survive (Håkanson, 2017). Thus, there must be more to the story.

Family Firm Internationalization

Scholars argue that family firm internationalization is relevant for study since family firms face challenges accessing resources compared with non-family firms due to their stronger inherent family business resource restrictions (Arregle, Naldi, Nordqvist, & Hitt, 2012; Sirmon, Arregle, Hitt, & Webb, 2008). The literature has asserted that family-owned firms have unique advantages for internationalization including reduced agency costs for speedy and flexible decision-making, patient and survivability capital for long-term investment, social capital for easier and lower cost access to external finance, and resources including, but not limited to, formal and informal networks (Carney, 2005; Chrisman, Chua, & Litz, 2004). Yet despite these advantages, scholars suggest family firms are undermined by family owners' conservative attitudes toward investment diversification, a lack of professional experience on international markets, less willingness to hire outside professional managers and to utilize professional training, and a reluctance to secure external financial resources for fear of losing family control of the firm (Banalieva & Eddleston, 2011; Graves & Thomas, 2006; Sciascia, Mazzola, Astrachan, & Pieper, 2012). It remains unclear whether family-controlled firms utilize their intrinsic firm-level advantages to internationalize or suffer from the family-related attributes that keeps them from relinquishing control necessary to cross borders.

The empirical literature on family ownership influence on internationalization patterns has recently grown, but it is characterized by conflicting results. For instance, some empirical work finds family ownership to be negatively related to the degree of internationalization (Fernández & Nieto, 2005). Other work indicates family ownership supports degrees of internationalization (Zahra, 2003). These differing results do offer some useful insights on family ownership and their propensity towards internationalization, however much work has yet to be done to unpack the determinants of internationalization. Specifically, when seeking to understand how nonfinancial dimensions of family ownership influence the internationalization process, it is helpful to consider theoretical constructs from the international business literature. Specifically, two elements from international business literature are helpful in this pursuit: motivations and capabilities for firm internationalization. Motivations for internationalization were originally presented in the IB literature by McDougall, Shane, and Oviatt (1994). Described as 'key issues,' they outlined various motivations for new international ventures to cross borders and include both financial and non-financial characteristics. For example, resource needs, desire for international networks, internationally-oriented founders, global vision, industry redefinition, etc. Thereafter, Zahra (2003) employed these "key issues" to study internationalizing family firms by utilizing a four-item index in order to capture a firm's nonfinancial motivation to internationalize its business. Zahra's index included variables like creating jobs for family members, firm reputation in the industry, mobilization of business network to carry it cross-border and increase of family member participation in the firm. The index variables align with FIBER elements of SEW, which will be discussed in more detail in the following section.

In addition to motivations to mobilize resources across borders, the literature also considers influence of firm-level capabilities on internationalization processes. Explicitly outlined in management literature, capabilities are configurations of routines and resources which support an organization in achieving its goals (Nelson & Winter, 1982). As mentioned in the introduction, the resource-based view (RBV) establishes that firms must develop distinctive capabilities in order to gain long-term sustainable competitive advantage over competitors

(Barney, 1991). According to the RBV, entrepreneurial capabilities are arguably determining factors in a firm's competitive advantage (Alvarez & Barney, 2000; Hsu & Pereira, 2008). RBV theory also depends upon the notion of resource heterogeneity (resources and capabilities possessed by firms may differ) and of resource immobility (i.e. these differences in resources and capabilities may survive over long periods of time). Much like family firm heterogeneity, resource and capability heterogeneity underpin much of the family firm literature, and therefore the concepts help facilitate the study of firm internationalization processes, which require firms to engage in a risk-heavy and uncertainty-rich strategic decision-making process.

Within the family firm literature, earlier studies considered family controlled firms and their internationalization strategies primarily in terms of export behavior (Fernández & Nieto, 2006). Exporting traditionally has been considered the most common foreign market entry mode for SMEs due to minimal business risk and low levels of investment required (Leonidou & Katsikeas, 1996). However, export is only one of several potential types and stages of internationalization. More recent empirical literature has begun to investigate other types of internationalization including outward FDI, although these studies are few in number (e.g. Bhaumik, Driffield, & Pal, 2010; Liang, Wang, & Cui, 2014; Rabbiosi & Stucchi, 2012).

Current research on the impact of family ownership on internationalization has inconsistent results. Empirical studies have presented both positive (C. Carr & Bateman, 2009; Zahra, 2003) and negative effects (Fernández & Nieto, 2006; Graves & Thomas, 2006; Hautz, Mayer, & Stadler, 2013) of family ownership on firm internationalization, while others have reported no significant impact (Cerrato & Piva, 2012; Pinho, 2007). In their recent meta-analysis, Arregle, Duran, Hitt, and van Essen (2014) report family firms seem to not be statistically significantly different from non-family firms in their international activities.

Since some scholarly work up to this point has suggested family firm internationalization is undermined by a tendency to act conservatively (Fernández & Nieto, 2005), this chapter investigates whether the extant literature offers insights about ways in which firm-level dimensions of SEW influence decision making and behavior of internationalizing family-owned firms. The intention this review is to develop a better understanding of family firm internationalization based on extant empirical and conceptual literature, to structure an overview of the literature on family firm internationalization, to synthesize the literature and present it according to the FIBER dimensions of SEW, outlining what resources, capabilities, characteristics, and motivations for resource deployment underlie family firm strategy making, and finally to sketch a blueprint for future research.

FAMILY FIRM CAPABILITIES AND MOTIVATIONS IN INTERNATIONALIZATION: FIBER

It has been argued that a key differentiator in family firms affecting ways in which they make decisions is socioemotional wealth and its related non-financial dimensions of FIBER (Berrone et al., 2012). FIBER dimensions have been included in some literature, if only implicitly. This section both describes the individual dimensions of FIBER in more depth and presents empirical work explicitly according to FIBER dimensions. To present the literature in this way is intended to create an overview of which SEW dimensions might be of greater interest or greater impact within current scholarly work. Additionally, organizing the literature according to non-financial attributes of SEW may offer a structure within which to untangle family firm-specific capabilities or motivations for internationalization which have been mentioned, but not necessarily analyzed, from a theoretical perspective of familiness and SEW.

Family control and influence

The F dimension—family control and influence—implies a concern about loss of control and influence when firms internationalize. The process of internationalization, regardless of stage or entry mode, implies a change to firm strategy and organizational structure which may result in changes to organizational control. As a firm crosses borders, the internationalization activities imply putting firm assets at risk as well as potentially losing control (Thilo J. Pukall & Calabrò, 2014). While firms cannot be run without some degree of risk, the intricate process of internationalization often increases levels of risk for various reasons having to do with market knowledge liability of foreignness and outsidership, and access to capital, amongst others (Johanson & Vahlne, 1977).

For example, in the case of non-equity modes of market entry, firms decide to either directly or indirectly export their goods via license, franchise, or contracts. In principle, the firm maintains control over production and distributes in another region, thus only relinquishing low levels of control over the sales channel portion of the value chain. This means non-equity modes of internationalization might imply different motivations and capabilities vis à vis family control and influence than in equity-based modes of market entry. As previously mentioned, internationalization via non-equity modes requires lower levels of capital investment and offers firms an initial stage of international expansion with lower levels of investment risk, as the firms maintain control over their production. Yet, according to the empirical literature, it seems family factors negatively influence the decision to export (Calabrò, Torchia, Pukall, & Mussolino, 2013; Cerrato & Piva, 2012).

However, in equity modes of market entry, more risk is inherent as movement of firm-specific skills and knowledge usually follows, thus putting a firm's tangible and intangible assets at risk. As well, when establishing new entities in foreign countries, the firm might need to hire non-family resources with local knowledge. With an outside appointment, the degree of family control and utility is potentially threatened (Berrone et al., 2012). Indeed, family owners have shown suspicion of such organizational redesign as they fear changes in management might negatively influence their decision-making power (Mitter, Duller, Feldbauer-Durstmüller, & Kraus, 2014). Consequently, fear of losing control accompanying firm growth requiring decentralization of management motivates family firms to forgo international activities in order to maintain their decision-making power (Bhaumik et al., 2010; Gallo & Sveen, 1991) and thus discourages sizable global expansions (Chen, Hsu, & Chang, 2014; Sanchez-Bueno & Usero, 2014).

In the case of family-controlled firms, studies have shown them to be capable of mobilizing family-centric social capital to improve firm access to debt financing for new ventures (Chua, Chrisman, Kellermanns, & Wu, 2011). Social capital represents the trust, obligations, and commitments resulting from personal relationships developed both inside and outside the firm (J. C. Carr, Cole, Ring, & Blettner, 2011). While the power of social capital on the one hand can be seen as a capability offering the firm access to funding based on the family's strong reputation, on the other hand a decision to finance investments externally implies family owners relinquish some degree of control over their asset, thus putting SEW at risk. From the perspective of control, family owners might not be motivated to seek external financing for the purpose of internationalization.

Social capital is one notion impacting decisions of the family firm which ultimately can impact levels of family control. Another concept of control influencing decisions in family firms has to do with relatively low levels of agency problems. Since the systems of ownership, board, and management overlap in family firms, alignment amongst these stakeholder groups are more likely, thus avoiding agency issues. Low levels of agency problems within family firms impact decision making in that they are considered to be capable of speedy and flexible decisions, allowing the firm to move swiftly with a decision to internationalize once they are ready to commit to a strategy (Gallo & Pont, 1996). This capability differentiates family firms from non-family firms, which often have more agency issues. Thus, family control can positively impact speed of decisions within the firm. However, family control does not guarantee any decision to commit to a strategy of internationalization. On the contrary, from a perspective of family control and influence, theory suggests fewer international activities are expected so as to maximize the family's own utilities of ownership. The theory indicates family control will likely influence family firm decisions to maintain control of the entity and not put

SEW at risk. However empirically we know many family firms do internationalize. To make sense of this, empirical articles will now be reviewed, specifically looking at non-equity modes of market entry through the frame of the F-dimension—or family control—of SEW.

The F-dimension is central to Fernández and Nieto's (2005) study of 10,579 family-owned Spanish manufacturing firms from 1991-96. They found a negative relationship between family ownership and export orientation and show that family firms are less likely to internationalize than non-family firms due to their motivation to maintain control of the firm. According to this study, the arrival of new generations in the family firm positively influence export orientation, as does corporate ownership. In terms of export orientation, Fernández and Nieto (2005) find that as time progresses and generations changeover, SMEs gain resources necessary to further internationalize as the family firms maintain stable relationships with other firms through shareholding or agreements aimed to promote international expansion. Okoroafo and Perryy (2010) support this result: in a study of 196 manufacturing firms in Ohio, USA, they found the likelihood of a firm to participate in export activities increases as subsequent generations to the founder/owner arrive on the scene. On the capabilities side, Fernández and Nieto (2006) claim family-owned SMEs often face difficulties developing a portfolio of strategic capabilities and resources due to a focus on internal control, thus making international success through the mode of export more challenging. They also show the presence of corporate blockholders in family firms are a positive indicator for the scale of family SME internationalization. These studies indicate that the SEW dimension of family control plays a role in non-equity modes of entry: specifically exporting.

Further empirical work on exporting addresses the F-dimension. According to Calabrò & Mussolino (2013), family firms face two opposing forces: the possibility to exploit opportunities across borders drives them to grow and seek expansion beyond their traditional markets. Simultaneously, the wish to maintain family control encourages stability and more risk-averse behavior by developing lower-risk projects by engaging in low-level investments as they internationalize. This inherent conflict between opposing forces has implications for how the firm chooses to go abroad, in particular from a frame of maintaining family control. With an international expansion that carries a lower risk implies a greater likelihood of maintaining control of the firm. Despite risk aversion amongst firm owners, this study analyzes family SME export intensity by showing how the board of directors—direct agents of family owners—can mobilize their resources (e.g. knowledge, experience, social capital) in both formal (the board) and informal (relational norms and trust) governance frames to support family owners/managers in selecting and implementing an international strategy. This means that in cases where independent (i.e. non-family) agents are situated in the governance structure, the family SME can be more prepared to design a cross-border strategy. Thus, the study outlines how both formal and informal governance mechanisms may positively influence SME export intensity.

The F-dimension also plays a role in Gallo and Pont's (1996) study of 450 Spanish manufacturing firms conducting export activities. The facilitating factors of internationalization in this study have to do with issues of family control. Specifically, the possibility and motivation to create work opportunities for other family members in various countries drives the decision to go abroad, thus ensuring they maintain family control of the business. This study offers a relevant example of the F-dimension at work in non-equity modes of internationalization in that the focus on family control enables the firm to internationalize with the possibility to create jobs for family members abroad.

Graves and Thomas (2006) argue there is a positive association between a firm's managerial capabilities and the extent of internationalization. In their study of 890 Australian exporters they demonstrated that managerial capabilities of family SMEs lag behind those of their non-family counterparts, centers around the notion of family control and influence. The authors suggest that capability lags exist because, unlike non-family firms, family firms are significantly less likely to employ an outside manager or to utilize professional training both at the domestic level and at moderate levels of internationalization. This contribution implies that when the F-dimension plays a role in family SMEs via an aversion to relinquishing control to non-family managers or to accept outside help via professional education, their capabilities not only put them at a disadvantage compared with non-family firms, but also make them less likely to internationalize.

Family control and influence also factor significantly in a study of 902 Chinese privately-held SMEs in which Liang, Wang, and Cui (2014) distinguish between two forms of family control: family ownership and family management. They predicted family involvement in management will have a negative relationship with export propensity because owners fear potential financial and SEW losses. Yet contrary to their prediction, their study found when family members are more actively involved in management, export propensity increases. The positive relationship between export propensity and family management involvement in this study suggests that exports – especially if carried out through distributors/agents—might require fewer managerial capabilities than the skill set required to directly export. As Graves and Thomas (2006) provide evidence family firms tend to have lower managerial capabilities due to the focus on hiring internally, this study of family firms maintaining control over the firm but delegating management of distribution to external agents with specific market knowledge not present in the family firms fits within the framework of family control.

Literature on family firm internationalization via equity modes of entry—specifically mergers, acquisitions, joint ventures, and greenfield investments—contain similar themes to those found in non-equity modes of entry. As mentioned, the few empirical studies on family firm motivations and capabilities in equity modes have produced inconsistent results (Pinho, 2007).

With regard to the F-element of SEW, Bhaumik, Driffield, and Pal (2010) find while family control and concentrated ownership in the Indian pharmaceutical and automotive industries could be optimal in their home institutional environments, family ownership and management has a detrimental impact on outward investments. In their study of listed Japanese firms in Japan, Abdellatif, Amman, and Jaussaud (2010) find family firms establish fewer joint ventures than nonfamily firms and confirm their result implies family firms prefer to remain independent and in control of their venture when compared to non-family firms. As discussed earlier vis à vis non-equity modes of internationalization, Liang et.al (2014) find in a study of privately-held Chinese SMEs that family involvement in management has an inverted-U-shaped relationship with the likelihood of outward foreign direct investment. Thus, on the motivation side, this empirical study seems to indicate that family-managed firms are more reticent to invest heavily internationally and they prefer to minimize risk by committing fewer firm resources via a non-equity mode (i.e. export). Less risk implies a lower likelihood of loss of SEW. Thus, this study indicates how family firm strategies are designed and executed to fulfill the management/ownership motivation to preserve and enhance SEW. Since SEW serves as a primary driver in owner prioritizations as shown in this study, it can be argued the importance of SEW in forming firm strategies varies with the degree of family involvement in management and the degree of family ownership. Family control need not hinder a family firm's internationalization, however. As mentioned previously, Chen et al. (2014) and Fernández & Nieto's (2006) studies on outward FDI show how focus on family control may promote flexibility and speedy decision-making vis à vis internationalization. This capability can enable firms to respond to rapid changes in the international marketplace, which consequently increases potential for success in internationalization. Tsang's (2002) case study of ethnic Chinese firms based in Singapore clearly outlines focus on family control at all stages of deal making; the founder is heavily involved in establishing international operations and maintains tight—if not total—control of every decision, and does not allow other non-family managers into the decision-making process, even going so far as to exclude non-family members from all meetings about overseas investments. In a different focus on family control, Chua, Chrisman, Kellermanns, & Wu (2011) show in an empirical study of outward FDI that lower borrower-lender agency costs result in lower probability of managerial opportunism. Another empirical study, however, shows excessive family control can impede changes in management styles, staffing policies, and other operational decisions, which ultimately impede firm productivity and absorptive capacity from FDI (Sánchez-Sellero, Rosell-Martínez, & García-Vázquez, 2014).

Identification with the firm

The *I* dimension—identification with the firm—addresses the notion that family owners derive a sense of meaning from their connection with the firm. The dimension implies the socioemotional connection perceived by family owners creates a sense of belonging to and identification with the firm which can generate a strong emotional sense of belonging to the firm, in particular when the firm carries the family's name (Berrone, Cruz, & Gomez-Mejia, 2012). The I dimension also addresses how family owners tend to impose family-derived common values, goals, and organizational culture on the company, which may cause conflicts with foreign values and practices in the context of post-merger integration and subsidiary management (Muñoz-Bullón & Sánchez-Bueno, 2012). Empirical work has drawn attention to the I dimension, primarily from the perspective of core versus peripheral family businesses. In their longitudinal case study, for example, Michael-Tsabiri, Laki, and Zachary (2014) explicitly address the identification dimension of SEW within the context of firm diversification, arguing that multiple family owners likely perceive differentiated degrees of the I-dimension, depending upon the nature of the relationship and perceived connection those owners have vis a vis the core family business and the peripheral business. The authors also point out differentiated degrees of identification can also depend upon which generation the owners are situated, implying that owners in later generations might experience greater or lesser degrees of identification with the core business (Michael-Tsabari et al., 2014) This particular study makes explicit mention of the I-dimension within the context of an acquisition, however it remains unclear whether the purchase was domestic or international. Regardless, the study offers a relevant example of the I-dimension in an empirical setting of an acquisition.

Binding social ties

The *B* dimension—binding social ties—implies family firms value kinship and reciprocal social connections in foreign operations (Sciascia et al., 2012), which may result in decisions to restrict location choices abroad. This can create various results. For example, firms could prioritize expatriation of family employees to locations abroad so as to maintain a family affiliation with management abroad and thus also maintain operational control of the firm. Alternatively, ethnic entrepreneurship research (Chang, Memili, Chrisman, Kellermanns, & Chua, 2009; Light & Gold, 2000) shows ethnic entrepreneurs are likely to target non-financial goals when going abroad. An example could be ethnic entrepreneurs who emigrated from their countries of origin decide to internationalize their firms by re-entering their countries of origin in order to maintain relationships with kin.

With regards to the B-dimension of SEW in non-equity modes of internationalization, two empirical studies are reviewed. Zahra (2003) studied 2379 US manufacturing firms based in southern states in the USA[1] and shows the percentage share of family ownership in the business is positively related to its level of internationalization when measuring international sales. It is also argued the positive effect of family ownership is reinforced when family also participate in management. Ultimately the study concludes if family members actively participate in management, they tend to be more cautious about motivations to internationalize, since overseas investment usually involves a long return on investment, thereby implying a reduction in family wealth in the short run. This study is one of few in the literature presenting a positive relationship between family ownership and internationalization. It can be argued this research also involves both SEW's F-dimension for its focus on family control and the E-dimension as the risk of loss in family wealth triggers potentially emotional concerns about SEW loss. On the capabilities side of family firms in non-equity modes of internationalization, Zahra notes that the firms engaged in international sales studied had a strong capability characterized by intense communication among their members. Intense communication indicates a degree of binding social network ties. It is concluded here that a strong social network capability can lower risks associated with strategic moves requiring a longer return on investment in that the ability of family owners to communicate effectively increases the likelihood of alignment amongst stakeholders (principles, directors, and employees) within the firm, but also increases the likelihood of trustful sales relationships binding the firm to its international customers. Strong social network skills not only affect the firm's relationships with external stakeholders, but can also lead to increased levels of altruism amongst shareholders. Altruism, a trait positively linking the welfare of an individual to the welfare of others, is defined as a moral value motivating individuals to undertake actions to benefit others without any expectation of external reward (Schulze, Lubatkin, & Dino, 2002). In the context of the binding ties of family ownership, altruism means family owners will place the firm's goals ahead of their own and devote resources necessary to protect their filial investments (e.g. SEW) (Zahra, 2003).

Another example of the B-dimension is shown in Merino, Monreal-Pérez, and Sánchez-Marín's (2014) study of 500 exporting Spanish manufacturing firms. They consider whether family firms are able to overcome lacks in financial, human, managerial resources necessary for internationalization through focused family-specific resources including trust, altruism, social capital, and network ties. In the vein of managerial and operational capabilities for

[1] Georgia, Tennessee, South Carolina, North Carolina, and Virginia

internationalization, this study provides evidence that expertise and capabilities of different generations of family owners and employees, combined with the family business culture, positively affect export activities of family SMEs. Conversely, factors related to family ownership and management show no significant influence on internationalization, experience, or culture.

In equity investments, the notion of binding social ties—SEW's B-dimension—plays a role to some extent in two empirical studies. Kuo, Kau, Chang, & Chiu (2012) find family firms are likely to choose joint ventures more often than non-family firms both due to a need for local partners and to help with management of the firm. Furthermore, once network ties in target markets are established and developed, thereby creating higher levels of international experience, family firms will subsequently pursue investment in a wholly-owned subsidiary more aggressively than non-family firms. Evidence has also been found that joint ventures between two family firms are more likely to succeed than those between a family firm and a non-family firm (Swinth & Vinton, 1993). This can be explained by the fact that family firms – even across disparate cultural contexts—share similar values by which they conduct business. Specifically, values of trust, loyalty, and commitment to transgenerational continuation of the firm within the family are mentioned as values that contribute to the family firm capability pool.

Emotional attachment

The *E* dimension—emotional attachment—suggests family owners attach emotional benefits to the firm, which may result in general aversion to external financing due to discomfort with debt financing (Graves & Thomas, 2008). The E-dimension has proven difficult to measure empirically, however in Claver, Rienda, and Quer's (2009) study of family-owned firms involved in export, they discover a high degree of emotional attachment to the firm by family managers. This affective attachment is shown to negatively influence levels of commitment to internationalization when compared with non-family management counterparts.

Renewal of family bonds to the firm

Lastly, the *R* dimension—renewal of family bonds to the firm through dynastic succession—outlines an intention to ensure continuity and firm survival over the long run. This suggests that family owners value long-term projects for trans-generational succession (Chua et al., 2011), which can lead to fear of the higher inherent risk associated with foreign assets and ventures (Dyer, 2006; Gómez-Mejía et al., 2010). According to Claver, Rienda, & Quer (2009), the family-related factor of long-term vision (Daily & Dollinger, 1992; Gersick, Davis, Hampton, & Lansberg, 1997; Harris, Martinez, & Ward, 1994; Tagiuri & Davis, 1992) is a necessary motivation/capability of a family firm when considering international expansion. In particular, if family owners understand that long term firm survival depends upon growth into new (and potentially foreign) markets, and if they intend to grow over the long run, then it follows that family owner-managers could consider a strategy of internationalization to be essential for long-term business development, despite risks and potential damage to short-term returns (Zahra, 2003). Indeed, in this case, the long-term orientation of family firms supports internationalization, since it leads to a capability to commit over a longer-term perspective. Such commitment can, in turn, offset family owner perceptions of potential downsides to an internationalization strategy (e.g. lower short-term financial returns). The R dimension of SEW, combined with the presence of outside management and directors, may lead these companies to choose entry modes that involve greater resource commitment over the long-term (Claver et al., 2009).

The R-dimension is also addressed in Gallo and Pont's (1996) study of strategic alliances in family firms. In this study, the motivation to ensure patient capital (i.e. a long-term perspective on financial return on investment) confirms long-term orientation in their sample. Zahra's aforementioned study (2003) highlights a capability of intense communication can lower risks associated with strategic moves that require a longer return on financial investment and altruism, which means owners are expected to devote resources necessary to protect their investments over the long run. Finally, in their study of export and contractual agreements, Claver, Rienda, and Quer (2009) assert long-term vision is a key element of the international expansion of family firms, demanding patient capital and a commitment to succession within the family. They also suggest the presence of external managers in the family firm may ultimately lead these companies to choose entry modes involving greater resource commitment.

Finally, with regard to the R-dimension in equity modes of internationalization, several studies are worth mentioning for various reasons. In a study of outward FDI, Liang et al (Liang et al., 2014) find higher family ownership stakes decrease the likelihood of exporting because owners fear potential financial and SEW losses. This negative relationship reaches a threshold, however, after which owners are more likely to take more significant risks due to their desire to preserve long-term SEW in the form of transgenerational succession. The focus on long-term orientation is also featured in four studies addressing the notion of patient capital as a capability enabling long-term commitment to investments in internationalization, particularly in outward FDI (Abdellatif et al., 2010; C. Carr & Bateman, 2009; Claver et al., 2009; Gallo & Pont, 1996).

Finally, the 146 Spanish firms surveyed by Puig and Perez (2009) had undergone at least one generational succession process, were international (meaning they either had production or commercial subsidiaries abroad), and were family-controlled through management or ownership. The study showed in this pool of firms that renewal of family bonds to the firm through transgenerational succession had been a priority. The long-term orientation of this sample of firms showed family managers/owners were committed to accumulating internal intangible assets over a long period of time. These intangible assets created key family firm capabilities in areas of marketing, branding, and negotiation skills that facilitated execution of international projects and supported survival of the firm in an internationalized landscape.

Ultimately, the literature studying modes of internationalization show the desire to preserve SEW reduces incentives towards internationalization in particular if investing abroad might threaten SEW. With the exception of Zahra's 2003 study, most studies imply family firms are relatively less motivated to invest abroad.

SUMMARY

In summary, similar themes in both non-equity and equity modes of entry reiterate the influence of non-financial SEW dimensions in family firm internationalization. For example, the literature shows family control and the motivation for independence to be a primary concern. On the capabilities side, for example, family involvement in management mostly affects the managerial capabilities and resources related to international expansion. In contrast, family ownership influences the motivation side towards internationalization strategy via owner risk preference and long-term orientation. Ultimately, a higher family ownership stake decreases the likelihood of exporting because owners fear potential financial and SEW losses, but that negative relationship reaches a threshold, after which owners are more likely to take more significant risks due to their desire to preserve long-term SEW in the form of transgenerational succession. This review indicates how family control has been shown affect internationalization decisions in SMEs in some studies, and presents evidence of SME internationalization through export behavior.

When looking at equity modes of internationalization, family owners have been shown to exhibit a few distinctive characteristics creating advantages in relation to outward FDI. First, family control may promote flexibility and speedy decision-making vis à vis internationalization (Chen et al., 2014; Fernández & Nieto, 2006). This capability enables firms to respond to rapid changes in the international marketplace, consequently increasing potential for success in internationalization. Second, family-controlled firms are characterized as long-term oriented. Thus, their patient capital can be considered to be a capability enabling long-term commitment to investments in internationalization (Abdellatif et al., 2010; C. Carr & Bateman, 2009; Claver et al., 2009; Gallo & Pont, 1996). For instance, internationalization was found to be positively associated with speed (Gallo & Pont, 1996), flexibility, and intuition (Tsang, 2002) in family firm decision-making. Third, owners possess family-specific capabilities such as trust, family social capital, dynastic stability, and network ties (Casillas, Moreno, & Acedo, 2010; Chua et al., 2011; Segaro, 2012). For example, in their study of international joint ventures, Swinth and Vinton (1993) show JVs between family firms are more likely to succeed than those between family firms and non-family firms. They find that this can be explained by the fact that family firms – even across different cultural contexts— share similar values by which they conduct business. Specifically, trust, loyalty, and commitment to transgenerational continuation of the firm within the family are mentioned as the values that contribute to the family firm capability pool.

Family firms also exhibit lower borrower-lender agency costs which result in a lower probability of managerial opportunism (Chua et al., 2011). These advantages provide the firm a capability to leverage external financial capital with preferential borrowing terms (Anderson, Mansi, & Reeb, 2003), which can be helpful for large-scaled investments abroad. The empirical literature also outlines disadvantages when it comes to family firm motivations and capabilities affecting equity-based outward FDI. In Sanchez-Sellero, Rosell-Martinez, & García-Vazquez's study of 1288 Spanish manufacturing firms (2014) they find that excessive family control can impede changes in management styles, staffing policies, and other operational decisions, which ultimately impede firm productivity and absorptive capacity from FDI (Gulbrandsen, 2005). Additionally, they find family management has a significant negative influence on absorptive capacity through FDI, thus asserting that firms who are run by people who are not members of the same family—those who are sourced from a broader pool of professional managers—are more skilled at absorbing spillover effects from FDI.

In the following section, a summary of the literature reviewed is presented in an informative table, followed by a discussion of the findings and a presentation of three major groups of further studies to be suggested as a blueprint for future research.

DISCUSSION AND FUTURE RESEARCH

The studies reviewed herein are consolidated in the following Table 1, which contributes a synthesis of the literature in three novel ways. It integrates the literature according to SEW dimension, it features firm-specific capability and potential motivation for strategic choice mode of internationalization (e.g. nonspecific, non-equity, equity), and it categorizes which entry mode is analyzed. To structure the findings within the selected literature, this chapter presents three general research areas that were identified in the sample to offer potential avenues for further investigation. These three areas will be presented in the discussion of findings and summarized in Table 1:

Table 1

REVIEW: FAMILY FIRM CAPABILITIES & MOTIVATIONS FOR INTERNATIONALIZATION BASED ON ENTRY MODE, CLASSIFIED BY SOCIOEMOTIONAL WEALTH DIMENSIONS (FIBER)

NON-SPECIFIED ENTRY MODE

	CAPABILITY/MOTIVATION & EFFECT	REFERENCE(s)
(F)AMILY CONTROL	Fear of losing control makes FF forgo international activities in order to maintain decision-making power. MOTIVATION: Family prioritization of owner control discourages cross-border venture.	Gallo & Sveen 1991; Bhaumik et al. 2010; Chen, Hsu, & Chang, 2014; Sanchez-Bueno & Usero, 2014
	Due to family involvement in the firm, FFs have the capability to mobilize their social capital to improve the firm's access to debt financing of new ventures. MOTIVATION: Family social capital to facilitate internationalization.	Chua, Chrisman, Kellermanns, & Wu, 2011
	Fewer agency problems due to FC, firms are capable of making speedy & flexible decisions, allowing firm to decide swiftly to internationalize once ready to commit. MOTIVATION: with aligned agents (owners), firm is motivated to mobilize decision-making resource quickly.	Gallo & Carcia Pont, 1996

NON-EQUITY ENTRY MODES: e.g. export, international sales, contractual agreements, & franchising

	CAPABILITY/MOTIVATION & EFFECT	REFERENCE(S)	ENTRY MODE
(F)AMILY CONTROL	FFs less likely to internationalize than NFFs due to motivation to maintain control. New generations in FF positively influence export orientation, as does corporate ownership. MOTIVATION: later generation owners motivated to internationalize in alignment with stage model of internationalization. Motivated to retain control.	Fernández & Nieto (2005)	export
	The likelihood of a firm to participate in export activities increases as subsequent generations to the founder/owner arrive on the scene. MOTIVATION: family control primary motivation, however, subsequent generations more motivated to mobilize resources across borders	Okoroafo & Perryy, 2010	export
	The possibility to exploit intl opportunities drives growth & search for expansion. Wish to maintain FC encourages stability & more risk-averse behavior: develop lower-risk projects through low-equity investments. MOTIVATION: primary motivation is control-focus but with potential to make initial cross-border steps in non-equity mode	Calabrò & Mussolino, 2011	export
	Facilitating factors for internationalization are issues of family control (e.g. possibility to create work opportunities for other family members in various countries thus ensuring they maintain family control of the business). Also, agent alignment facilitates speedy decision-making & possibility of alliances w/other family firms abroad. MOTIVATION: retain family control through the means of collaborating with other family-owned firms abroad. Social capital inexpatriation of family employees. Mobilizing family-centric resources allows for higher degree of control	Gallo & Pont, 1996	alliances
	FC focus results in significant relationship between family ownership and internationalziation strategy adopted by sme: observation of a negative relationship between family ownership and export. MOTIVATION: Primary focus on FC results in significant negative relationship between family ownership and internationalization (i.e. export intensity). Motivations of family owners in this case negatively impact ability of FF to develop successful portfolio of international investments.	Fernandez & Nieto, 2006	export

EQUITY ENTRY MODES: e.g. Greenfield, mergers, acquisitions, joint ventures

	CAPABILITY/MOTIVATION & EFFECT	REFERENCE(S)	ENTRY MODE
(F)AMILY CONTROL	FC & concentrated ownership in Indian pharma & auto can be optimal in home institutional environment (i.e. an emerging economy), family ownership & MGT has a detrimental impact on outward equity investments. MOTIVATION: Focus on FC in MGT & ownership a primary motivation in Indian pharma & automotive - home institutional environment to remain independent when compared to NFFs.	Bhaumik, Driffield, & Pal, 2010	outward FDI
	MOTIVATION: in this sample of Japanese firms, the FFs' need for independence & control seem important motive for estbl fewer JVs than NFFs. Although JVs may ease challenges in host country, they also require the firm to address local partner's preferences in any major decision, which may challenge the firm's independence.	Abdellatif, Amman, & Jaussaud, 2010	JVs
	Evidence of how FC can affect FDI decisions in SMEs, which extends extant evidence of SME internationalization through (primarily) export behavior. MOTIVATION: Focus on FC impacts intlzn strategies: although the initial increase in ownership stake decreases likelihood of FDI/exporting b/c owners fear loss of control & SEW losses, such a negative relationship reaches a threshold, after which owners are more likely to take risks b/c they desire to preserve long-term SEW.	Liang, Wang, & Cui, 2014	outward FDI
	everything. The role of founder intuition in decisionmaking is crucial. MOTIVATION: centralization of family authority & control results in the concentration of strategic knowledge gained from intlzn in family: Motivation for control results in **advantages**: fast decision making & avoiding leakage of strategic information to competitors and **disadvantages**: overreliance on fragile organizational memory, which is at immediate risk in case of family loss: impact on the knowledge base of a FF. The tendency to appoint family members to hold top mgt positions in overseas operations constrains FF internationalization. FC focus result in appointments w/o necessary expertise or cultural adaptability to manage subordinates w/different culture.	Tsang, 2002	outward FDI
	excessive FC can impede changes in mgt styles, staffing policies, & other operational decisions, which ultimately impede firm productivity & absorptive capacity from FDI. MOTIVATION: Motivation to retain FC is shown here to result in a negative relationship between family mgt and absorptive capacity. Thus, motivation might lead firms managed by family members to have lower levels of absorptive capacity from FDI.	Sanchez-Sellero, Rosell-Martinez, & García-Vazquez, 2014	outward FDI

					that family involvement in management will have a negative relationship with export propensity because owners fear potential financial and SEW losses. Yet contrary to their prediction, their study finds that when family members are more actively involved in management, export propensity increases. The positive relationship between export propensity and family management involvement in this study suggests that exports – especially if carried out through distributors/agents—might require fewer managerial capabilities than the skill set required to do direct exports. MOTIVATION: SEW focus on control is met when in a non-equity mode of internationlization. Risk is minimized by retaining managerial control in home market, allowing exports to facilitate internationalization with lower risk. Acc. to Graves' study of 890 Australian exporters (2006), managerial capabilities of family SMEs lag behind NFF counterparts, FFs less likely to hire outside mgt/utilize professional training, and FFs less likely to develop strategic plans or utilize QA when compared to NFF counterparts. MOTIVATION: in context of focus on FC, FFs more likely to retain managerial positions rather than hiring/acquiring professional skills from outside. More likely to engage in exports as non-equity mode of entry rather than increasing international commitment which could imply loss of managerial control in unfamiliar market. FC may promote flexibility & speedy decision-making vis a vis internationalization, which in turn enables firms to respond to rapid changes in the international marketplace, thus increasing potential for int'l success, measured by % foreign sales to total sales. MOTIVATION: Positive relationship is found between family ownership & SME internationalization based on a motivation to retain control of operations. Authors suggest that family ownership may enhance rather than detract from internationalization, & that family ownership contains the requisite agency benefits and unique resources & capabilities to foster internationalization w/o some normal costs associated w/this activity.	Liang, Wang, & Cui, 2014 Graves 2006 Chen, Hsu, & Chang, 2014; Fernandez & Nieto, 2006	export export int'l sales				
(I) DENTIFICATION	Family owners tend to impose family-derived common values, goals, and organizational culture, which may cause conflicts with foreign values and practices. MOTIVATION: Family owners extend identity through firm diversification	Munoz-Bullón & Sanchez-Bueno, 2012		(I) DENTIFICATION				(I) DENTIFICATION	Among its dimensions, the family members' identification with the firm is particularly relevant in this case. I-dimension establishes emotional underpinnings of ownership. Suggests the family business may be meaningful to family members, creating a sense of belonging to the business. MOTIVATION - to extend family/owner identity when diversifying firm	Michael-Tsabari, Labaki, & Zachary, 2014	
IAL TIES	B dimension implies FFs value kinship & reciprocal social connections in foreign operations which may restrict their location choices abroad. MOTIVATION focus on estbl. Kin and social	Sciascia, Mazzola, Astrachan, & Pieper, 2012		IAL TIES	In the FFs engaged in int'l sales studied, their capability characterized by intense communication among their member owners. MOTIVATION engage in business with opportunity to collaborate with other family owners	Zahra, 2003	Int'l sales	IAL TIES	Finds that FFs are likely to choose JVs more often than NFFs due to their need for local partners & to help with management of the firm. MOTIVATION engage in JVs in order to establish local business connections	Kuo, Kau, Chang, & Chu (2012)	JVs

Dimension	Findings	Authors	Dimension	Findings	Authors	Mode	Dimension	Findings	Authors	Mode
(B)INDING SOC			(B)INDING SOC	Re. managerial & operational capabilities for intlzn, this study of 500 Spanish mfg firms export considers whether family SMEs are able to overcome lack in resources nec. for intlzn (e.g. financial, human, marketing) thru focused family-specific resources (e.g. trust/altruism/social capital/network ties). Provides evidence that the expertise and capabilities of different generations of family owners/employees, combined w/FF culture, positively affect export activities of FFs. MOTIVATION TBD	Merino, Monreal-Pérez, & Sánchez-Marín, 2014	export	(B)INDING SOC	JVs between FFs are more likely to succeed than those between FFs and NFFs. This can be explained by the fact that family firms – even across different cultural contexts—share similar values by which they conduct business: specifically, trust, loyalty, and commitment to transgenerational continuation of the firm. MOTIVATION estbl. trustful network connections in FDI	Swinth and Vinton (1993)	JVs
(E)MOTIONAL ATTACHMENT	Family owners attach emotional benefits to the firm, which may result in weak management of investment funds	Graves & Thomas, 2004	(E)MOTIONAL ATTACHMENT	Family managers emotionally attached to firm, which negatively influences levels of commitment to internationalization when compared with NF management. This study opens up for future research into the relative importance of both types of managers as far as international commitment is concerned. MOTIVATION - FO emotional motivation to retain asset and avoid loss - focus on low risk mode of entry	Claver, E.; Rienda, L.; Quer, D., 2009	export, contractual agreements	(E)MOTIONAL ATTACHMENT			
(R) ENEWAL OF FAMILY BONDS	Intention to ensure continuity & firm survival over the long run. This suggests family owners value long-term projects to ensure transgenerational succession, which leads to both fear of the higher inherent risk associated with foreign assets and ventures. The family-related factor of long-term vision is a necessary motivation of a family firm when considering international expansion. If family owner-managers consider internationalization to be essential for long-term business development, the family would want to pursue the strategy despite risks and damage to short-term returns. A long-term perspective, combined with the presence of outside management and directors, may lead these companies to choose entry modes that involve greater resource lower probability of managerial opportunism. This study new ventures, but new ventures emerging from entrepreneurs which have measurable levels of family social capital and w/intention to transfer venture to next generation. MOTIVATION: Found transgenerational succession intention improves relationships btw entrepreneurs &lenders (H4a) in financing new	Gibb Dyer, 2006; Gomez-Mejia et al., 2010, Claver, Rienda, & Quer, 2009 Daily & Dollinger, 1992; Gersick, Davis, Hampton McCollom, & Lansberg, 1997; Harris, Martínez, & Ward, 1994; Tagiuri & Davis, 1992; Zahra, Chua, Chrisman, Kellermanns, & Wu, 2011	(R) ENEWAL OF FAMILY BONDS	Motivation to ensure patient returns confirms a long-term orientation in their sample. The capability of intense communication can lower the risks associated with strategic moves that require a longer return on investment and altruism, which means owners are expected to devote resources necessary to protect their investments. MOTIVATION continuous renewal of comms with other FO leads to focus in aligned agency Long-term vision is a key element of the international expansion of family firms & presence of external managers in the family firm may lead these companies to choose entry modes involving greater ressource commitment. MOTIVATION - retain firm transgenerationally focus leads to non-equity modes of entry = lower risk of loss	Gallo & Pont, 1996 Zahra, 2003 Claver, E.; Rienda, L.; Quer, D., 2009	strategic alliances Int'l sales export, contractual agreements	(R) ENEWAL OF FAMILY BONDS	High FO decreases likelihood of exporting b/c owners fear potential financial & SEW losses. However, authors show negative relationship reaches a threshold, after which owners are more likely to take more significant risks due to their desire to preserve long-term SEW in the form of transgenerational succession. MOTIVATION: Negative relationship between ownership stake & internationalization reaches a threshold, after which owners are more likely to take significant risks b/c they are motivated to preserve long-term SEW: specifically by passing business to the next generation of family owners. FFs are characterized as long-term oriented. Their patient capital is a capability enabling long-term commitment to investments in internationalization. MOTIVATION - focus to retain asset over multiple generations impacts decisions to invest in equity mode (e.g. Greenfield) shows firms had accumulated internal intangible assets over a long period of time. These accumulated intangible assets create key family firm capabilities that facilitate execution of international projects which become of primary importance for firms following Spain's accession to the EU. MOTIVATION - family-centric firm-specific attributes leads to motivation to focus on I - from Dunning's OLI - internalization, leading to equity mode of FDI	Liang, Wang, & Cui (2014) Abdellatif, Amann, & Jaussaud, 2010; Carr & Bateman, 2009; Claver et al, 2009; Gallo & Pont, Puig and Perez (2009)	outward FDI outward FDI FDI

The literature on family firm internationalization reviewed in this chapter cover a variety of measurements with a great degree of variance that generally yield inconclusive results about firm-specific capabilities and motivations of family firms to internationalize. Notably most of the empirical studies reviewed focus on non-equity modes of internationalization. Non-equity modes of entry reflect relatively smaller scale commitments to overseas markets. Traditionally, empirical studies of family firm internationalization have measured non-equity modes of entry for relevant reasons, including, for example, the need for access to publicly available sales data and the less problematic means of export as an initial stage of internationalization due to risk aversion characteristics. Few studies reviewed in this chapter explicitly consider ownership influences on equity modes of entry like foreign direct investment (FDI). FDI tends to represent larger commitments that are more difficult to reverse. FDI has been shown empirically to be a riskier mode of internationalization due to its costly method of entering a market from a capital standpoint and its high level of risk due to the firm bearing the full cost and risk of setting up overseas operations. However, FDI offers a mode of entry into a foreign market that can fulfil important strategic needs not otherwise able to be met by non-equity modes of entry (e.g. export). For example, FDI can assist firms in overcoming trade barriers, can provide access to low-cost production in host countries, and can offer higher levels of control when transferring intangible assets (e.g. brand names, and production know-how). FDI also can reduce the risk of losing control over firm-specific core competencies, can expedite the return of high percentages of financial profits generated in foreign markets, all the while facilitating high levels of operational control in different countries which is necessary for global strategic coordination.

The scarcity of studies on how and why family firms choose a specific mode of entry leaves much potential for further scholarly work at a time when FDI is becoming an increasingly important internationalization strategy for SMEs (Liang et al., 2014). While the complexities of the bundled resources within familiness and socioemotional wealth have yet to be measured within the context of outward FDI, further empirical investigation of the potential influence of family ownership is recommended. In particular, much potential lies in studying the influence non-financial dimensions of ownership have on the strategic decision-making processes about FDI in family firms. For example, study of how the complex bundle of resources within familiness and SEW impact owner decisions to engage in risk intensive FDI decisions offers a potential avenue for further investigation. Specifically, scholars might further the work on SEW dimensions and familiness resources by proposing ways in which to measure these dimensions explicitly.

This chapter shows evidence that most empirical studies have focused on the SEW dimension of family control (F). While further explicit study of various motivations and capabilities of family ownership control in differing equity modes of internationalization should be considered (i.e. joint ventures, acquisitions, greenfield investments), scholars could begin to compare differing types of decisions about modes of entry. To that end, it could be fruitful to migrate away from the assumption that family control implies one dominant ownership voice. Indeed, much empirical literature assumes that family firms are directed exclusively according to the wishes of the owning family. We understand theoretically that SEW and familiness influence risk propensities of family owners, however, it might be rewarding to study how the presence of non-family owners impact decisions to invest abroad.

Specifically, how might non-family blockholders assess investments according to their own specific risk propensities, and how might that conflict with family blockholders? For example, how might financial investors who share control with family owners perceive the risk involved in outward FDI? This research stream could guide scholars to study the impact that owner heterogeneity has on family firm FDI. Scholars might consider the nature of and intensity of principal-principal (PP) conflicts, classifying principals into a variety of categories (e.g. family/non-family; 1st, 2nd, and subsequent generation family owners; sensitive/resistant financial investors; etc.). Such investigations could pave the way for scholars to understand how strategic decisions might be made when different types of owners—with each their own specific investment preferences and risk propensities—mobilize their control rights over the family firm. Drawing inspiration from Michael-Tsabari, Labaki, and Zachary's (2014) longitudinal case study and from Berrone, Cruz, and Gómez-Mejá's (2012) theoretical review, as family firms progress past first generation ownership, scholars might consider how might later generation family owners and managers perceive new potential entrepreneurial ventures at different stages of the business and draw a comprehensive picture of how a later-stage family controlled firm chooses to diversify its business, investigate why the firm progresses in such a direction according to the existing composition of ownership/management, and follow how such investment deals perform over time as ownership composition develops over a subsequent stage of business life. For example, a longitudinal study could be conducted on a selection of cross-border acquisitions, following the deals at all stages (i.e. before, during, post-acquisition integration, and post-integration operations) with explicit consideration and study of ownership composition with their respective SEW preferences.

The second group of suggested research centers around the notion of identification with the family firm. This review has shown only one empirical study to have integrated the I dimension of family ownership. From the perspective of SEW, we know family owners tend to impose family-derived common values, goals, and organizational culture on the firm. This may conflict with foreign values and practices, in particular within the context of FDI. Therefore, the question remains: might notions of family identification hinder or facilitate FDI? If family-derived values, goals, and organizational culture conflict with foreign cultures, how might these I-centric characteristics play a role in outward FDI? Specifically, how might I-centric variables impact internationalization processes? In particular, since cross-border acquisitions demand integration of different cultures, how might these characteristics affect the integration processes amongst employees, who presumably do not share SEW and familiness characteristics with family owners?

The third area of suggested research concerns the emotional dimension of family ownership. As this review has shown, few empirical studies have been conducted measuring the impact of emotion-centric attachments to firm ownership and management. No empirical studies were identified about emotion-centric attachments to the firm found within the context of equity modes of internationalization. As the reviewed literature shows, if family managers are emotionally attached to firm and this negatively influences levels of commitment to internationalization when compared with non-family management, it might be fruitful to investigate levels of affective commitment in both types of managers as far as international commitment is concerned. In particular, within the context of FDI, one could assume that levels of affective commitment to the international venture would be high, especially considering the high level of risk that accompanies the potential high level of return in this mode of entry. Family business scholars could draw inspiration from the international human resource literature and commitment literature to adopt measurements of affective commitment within the context of internationalization processes.

Suggested avenues for further study are outlined in Table 2:

Table 2: Directions for future research

Tema	Entry mode	FIBER dimension(s	Focus	RQ
1	Non-equity v. Equity	F	owner risk propensity	Do F-centric dimensions of family ownership influence whether family firms will choose equity vs. non-equity modes of entry?
1	Equity - FDI	F	owner risk propensity	How does the F-centric dimension impact decisions to engage in outward FDI?
1	Equity - FDI	F	owner heterogeneity	Assuming control migrates away from one dominant family ownership voice, what is the impact of owner heterogeneity within the context of cross-border FDI?
1	Equity - FDI	F	owner heterogeneity	Risk propensities of family vs non-family owners and the role of non-financial dimensions on the decision to invest abroad.
1	Equity - FDI	F	owner heterogeneity	How might non-family investors assess investments according to their own specific risk propensities?
1	Equity - FDI	F	owner heterogeneity	How might financial investors who share control with family owners perceive the risk involved in outward FDI?
1	Equity - FDI	F	owner heterogeneity	investors, etc.)
1	Non-equity v. Equity	F	owner heterogeneity	How are strategic decisions made when different types of owners, w/each their own specific invstment preferences & risk propensities, mobilize their control rights over the family firm?
2	Non-equity v. Equity	F & R	transgenerational + ownership composition	As family firms progress past first generation ownership, how might later generation owners perceive new potential entrepreneurial ventures at variable stages of the business?
2	Non-equity v. Equity	F & R	transgenerational + ownership composition	Later stage family firm diversification: measuring progression of firm ventures (scope of entrepreneurial activity), ownership composition. and investment deals in later stages of business life.
2	Equity - FDI	I & R	transgenerational + ownership composition	How might notions of family identification hinder or facilitate FDI?
3	Equity - FDI	I	FF values & M&A	If family-derived values, goals, and organizational culture conflict with foreign cultures, how might these I-centric characteristics play a role in outward FDI?
3	Equity - FDI	I	FF values & M&A	How might I-centric variables impact internationalization processes?
3	Equity - FDI	I	FF values & M&A	How might I-centric characteristics affect the integration processes amongst employees who presumably do not share SEW and familiness characteristics with family owners?
3	Non-equity v. Equity	E	FF values & M&A	Study influences of emotional attachment of family managers vs. non-family managers: how do affective attachments impact FF internationalization processes?
3	Non-equity v. Equity	E	affective commitment	Measuring levels of affective commitment in family vs. non-family managers in the context of international commitment.

CONCLUSION

Despite assertions that unique family firm advantages for internationalization (e.g. reduced agency costs for swift and flexible decision-making, patient capital for long-term investment, and social capital for lower cost access to venture financing), are undermined by conservative attitudes towards diversification, lack of international professional experience, and a closed attitude towards hiring outside professional managers, the literature reviewed herein shows family firms are, in fact, internationalizing in many different ways and affected by a number of varied motivations and capabilities.

Although the literature reviewed herein fails to provide conclusive results about the way in which family firms are motivated to choose specific modes of internationalization, the chapter describes how the notions of familiness and socioemotional wealth differentiates family firms from non-family firms, and frames how the literature has begun to assess the ways in which SEW and familiness affects family firm behavior with particular focus on the process of internationalization. Finally, the paper contributes by consolidating and classifying a selection of literature on family firm internationalization according to the non-financial attributes outlined under the umbrella of SEW. This means firm-specific capabilities and motivations for mobilizing firm resources in family firm strategy making are presented and synthesized according to various modes of internationalization. Finally, the chapter sketches a blueprint for future research avenues.

REFERENCES

Abdellatif, M., Amann, B., & Jaussaud, J. (2010). Family versus nonfamily business: A comparison of international strategies. *Journal of Family Business Strategy*, *1*(2), 108–116.

Alvarez, S., & Barney, J. B. (2000). Entrepreneurial capabilities: A resource-based view. In G. D. Meyer & K. Heppard (Eds.), *Entrepreneurship as Strategy: Competing on the Entrepreneurial Edge* (pp. 63–81). Sage.

Anderson, R. C., Mansi, S. A., & Reeb, D. M. (2003). Founding family ownership and the agency cost of debt. *Journal of Financial Economics*, *68*(2), 263–285.

Arregle, J.-L., Duran, P., Hitt, M. A., & van Essen, M. (2014). Is Family Firms' Internationalization Special? A Meta-Analysis. *Journal of International Business Studies*, 1–46.

Arregle, J.-L., Duran, P., Hitt, M. A., & van Essen, M. (2017). Why Is Family Firms' Internationalization Unique? A Meta-Analysis. *Entrepreneurship: Theory and Practice*, *41*(5), 801–831.

Arregle, J.-L., Hitt, M. A., Sirmon, D. G., & Very, P. (2007). The Development of Organizational Social Capital : Attributes of Family Firms. *Journal of Management Studies*, *44*(January).

Arregle, J.-L., Naldi, L., Nordqvist, M., & Hitt, M. A. (2012). Internationalization of Family-Controlled Firms: A Study of the Effects of External Involvement in Governance. *Entrepreneurship Theory and Practice*, *36*(6), 1115–1143.

Asmussen, C. G. (2009). Local, regional, or global? Quantifying MNE geographic scope. *Journal of International Business Studies*, *40*(7), 1192–1205.

Astrachan, J. H. (2010). Strategy in family business: Toward a multidimensional research agenda. *Journal of Family Business Strategy*, *1*(1), 6–14.

Astrachan, J. H., Klein, S. B., & Smyrnios, K. X. (2002). The F-PEC Scale of Family Influence: A Proposal for Solving the Family Business Definition Problem. *Family Business Review*, *15*(1), 45–58.

Banalieva, E. R., & 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*, *42*(8), 1060–1072.

Barney, J. B. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, *17*(1), 99–120.

Barney, J. B. (2001). Resource-based theories of competitive advantage: A ten-year retrospective on the resource-based view. *Journal of Management*, *27*, 643–650.

Berrone, P., Cruz, C., & Gómez-Mejía, L. R. (2012). Socioemotional Wealth in Family Firms: Theoretical Dimensions, Assessment Approaches, and Agenda for Future Research. *Family Business Review*, *25*(3), 258–279.

Berrone, P., Cruz, C., Gómez-Mejía, L. R., & Larraza-Kintana, M. (2010). Socioemotional Wealth and Corporate Responses to Institutional Pressures: Do Family-controlled Firms Pollute Less? *Administrative Science Quarterly*, *55*, 82–113.

Bhaumik, S. K., Driffield, N., & Pal, S. (2010). Does Ownership Structure of Emerging Market Firms Affect their Outward FDI? The Case of Indian Automotive and Pharmaceutical Sectors. *Journal of International Business Studies*, *41*(3), 437–450.

Cabrera-Suárez, M. K., de la Cruz Déniz-Déniz, M., & Martín-Santana, J. D. (2011). Familiness and market orientation: A stakeholder approach. *Journal of Family Business Strategy*, *2*(1), 34–42.

Calabrò, A., & Mussolino, D. (2013). How do boards of directors contribute to family SME export intensity? The role of formal and informal governance mechanisms. *Journal of Management and Governance*, *17*(2), 363–403.

Calabrò, A., Torchia, M., Pukall, T., & Mussolino, D. (2013). The influence of ownership structure and board strategic involvement on international sales: The moderating effect of family involvement. *International Business Review*, *22*, 509–523.

Carmon, A. F., Miller, A. N., Raile, A. N. W., & Roers, M. M. (2010). Fusing family and firm: Employee perceptions of perceived homophily, organizational justice, organizational identification, and organizational commitment in family businesses. *Journal of Family Business Strategy*, *1*(4), 210–223.

Carney, M. (2005). Corporate Governance and Competitive Advantage in Family-Controlled Firms. *Entrepreneurship Theory and Practice*.

Carr, C., & Bateman, S. (2009). International Strategy Configurations of the World's Top Family Firms. *Management International Review*, *49*(6), 733–758.

Carr, J. C., Cole, M. S., Ring, J. K., & Blettner, D. P. (2011). A Measure of Variations in Internal Social Capital Among Family Firms. *Entrepreneurship Theory and Practice*, *35*(6), 1207–1227.

Casillas, J. C., Moreno, A. M., & Acedo, F. J. (2010). Internationalization of Family Businesses: A Theoretical Model Based on International Entrepreneurship Perspective. *Global Management Journal*, *3*(2).

Cerrato, D., & Piva, M. (2012). The internationalization of small and medium-sized enterprises: the effect of family management, human capital and foreign ownership. *Journal of Management & Governance*, *16*, 617–644.

Chang, E. P. C., Memili, E., Chrisman, J. J., Kellermanns, F. W., & Chua, J. H. (2009). Family Social Capital, Venture Preparedness, and Start-Up Decisions. *Family Business Review*, *22*(3), 279–292.

Chen, H.-L., Hsu, W.-T., & Chang, C.-Y. (2014). Family Ownership, Institutional Ownership, and Internationalization of SMEs. *Journal of Small Business Management*, *52*(2), 771–789.

Chrisman, J. J., Chua, J. H., & Litz, R. A. (2004). Comparing the Agency Costs of Family and Non-Family Firms: Conceptual Issues and Exploratory Evidence. *Entrepreneurship Theory and Practice*, *28*(4), 335–354.

Chrisman, J. J., & Patel, P. C. (2011). Variations in R&D Investments of Family and Nonfamily Firms: Behavioral Agency and Myopic Loss Aversion Perspectives. *Academy of Management Journal*, *55*(4), 976–997.

Chrisman, J. J., Steier, L. P., & Chua, J. H. (2003). Creating Wealth in Family Firms through Managing Resources: Comments and Extensions. *Entrepreneurship, Theory, and Practice*, *27*(4), 359–366.

Chua, J. H., Chrisman, J. J., Kellermanns, F. W., & Wu, Z. (2011). Family involvement and new venture debt financing. *Journal of Business Venturing*, *26*(4), 472–488.

Claver, E., Rienda, L., & Quer, D. (2009). Family Firms' International Commitment: The Influence of Family-Related Factors. *Family Business Review*, *22*(2), 125–135.

Cyert, R., & March, J. G. (1963). *A behavioral theory of the firm*. Englewood Cliffs, New Jersey: Prentice-Hall.

Daily, C. M., & Dollinger, M. J. (1992). An Empirical Examination of Ownership Structure in Family and Professionally Managed Firms. *Family Business Review*, *5*(2), 117–136.

Dyer, W. G. (1986). *Cultural Change in Family Firms: Anticipating and Managing Business and Family Transitions*. San Francisco: Jossey-Bass.

Dyer, W. G. (2003). The Family: The Missing Variable in Organizational Research. *Entrepreneurship Theory and Practice*, 401–416.

Dyer, W. G. (2006). Examining the "Family Effect" on Firm Performance. *Family Business Review*, *19*(4), 253–273.

Ensley, M. D., & Pearson, A. W. (2005). An exploratory comparison of the behavioral dynamics of top management teams in family and nonfamily new ventures: Cohesion, conflict, potency, and consensus. *Entrepreneurship Theory and Practice*, *29*(3), 267–284.

Fernández, Z., & Nieto, M. J. (2005). Internationalization Strategy of Small and Medium Sized Family Businesses: Some Influential Factors. *Family Business Review*, *18*(1), 77–89.

Fernández, Z., & Nieto, M. J. (2006). Impact of ownership on the international involvement of SMEs. *Journal of International Business Studies*, *37*(3), 340–351.

Fernández, Z., & Nieto, M. J. (2014). Internationalization of Family Firms. In L. Melin, M. Nordqvist, & P. Sharma (Eds.), *The SAGE Handbook of Family Business* (pp. 403–423).

Fukuyama, F. (1995). *Trust: The social virtues and the creation of prosperity*. New York: Free Press.

Gallo, M. A., & Pont, C. G. (1996). Important Factors in Family Business Internationalization, *9*(1), 45–59.

Gallo, M. A., & Sveen, J. (1991). Internationalizing the Family Business: Facilitating and Restraining Factors. *Family Business Review*, *4*, 181–190.

Gersick, K. E., Davis, J. A., Hampton, M. M., & Lansberg, I. S. (1997). *Generation to generation: Life cycles of the family business*. Harvard Business School Press.

Gómez-Mejía, L. R., Haynes, K. T., Núñez-Nickel, M., & Jacobson, K. J. L. (2007). Socioemotional Wealth Evidence from Spanish. *Administrative Science Quarterly*, *52*, 106–137.

Gómez-Mejía, L. R., Haynes, K. T., Núñez-Nickel, M., Jacobson, K. J. L., & Moyano-Fuentes, J. (2007). Socioemotional Wealth and Business Risks in Family-controlled Firms: Evidence from Spanish Olive Oil Mills. *Administrative Science Quarterly*, *52*(1), 106–137.

Gómez-Mejía, L. R., Makri, M., & Kintana, M. L. (2010). Diversification Decisions in Family-Controlled Firms. *Journal of Management Studies*, *47*(2), 223–252.

Gómez-Mejía, L. R., Patel, P. C., & Zellweger, T. M. (2015). In the Horns of the Dilemma: Socioemotional Wealth, Financial Wealth, and Acquisitions in Family Firms. *Journal of Management*, 1–29.

Graves, C., & Thomas, J. (2006). Internationalization of Australian Family Businesses : A Managerial Capabilities Perspective. *Family Business Review*, *XIX*(3).

Graves, C., & Thomas, J. (2008). Determinants of the internationalization pathways of family firms: An examination of family influence. *Family Business Review*, *21*(2), 151–167.

Gulbrandsen, T. (2005). Flexibility in Norwegian family-owned enterprises. *Family Business Review*, *18*(1), 57–76.

Habbershon, T. G., & Williams, M. L. (1999). A Resource-Based Framework for Assessing the Strategic Advantages of Family Firms. *Family Business Review*, *12*(1), 1–25.

Habbershon, T. G., Williams, M., & MacMillan, I. C. (2003). A unified systems perspective of family firm performance. *Journal of Business Venturing*, *18*(4), 451–465.

Håkanson, L., & Kappen, P. (2017). The "Casino Model" of internationalization: An alternative Uppsala paradigm. *Journal of International Business Studies*.

Harris, D., Martinez, J. I., & Ward, J. L. (1994). Is Strategy Different for the Family-Owned Business? *Family Business Review*, *7*(2), 159–174.

Hautz, J., Mayer, M. C. J., & Stadler, C. (2013). Ownership Identity and Concentration: A Study of their Joint Impact on Corporate Diversification. *British Journal of Management*, *24*, 102–126.

Hennart, J. F. (2007). The theoretical rationale for a multinationality-performance relationship. *Management International Review*, *47*(3), 423–452.

Hitt, M. A., Hoskisson, R. E., & Kim, H. (1997). International diversification: Effects on innovation and firm performance in product-diversified firms. *Academy of Management Journal, 40*(4), 767–798.

Hörnell, E., Vahlne, J.-E., & Wiedersheim-Paul, F. (1973). *Export och utlandsetableringar*.

Hoy, F., & Verser, T. G. (1994). Emerging business, emerging field: Entrepreneurship and the family firm. *Entrepreneurship, Theory, and Practice*, *19*(1), 9–23.

Hsu, C.-C., & Pereira, A. (2008). Internationalization and performance: The moderating effects of organizational learning. *Omega The International Journal of Management Science*, *36*, 188–205.

Irava, W. J., & Moores, K. (2010). Clarifying the strategic advantage of familiness: Unbundling its dimensions and highlighting its paradoxes. *Journal of Family Business Strategy*, *1*(3), 131–144.

Johanson, J., & Vahlne, J.-E. (1977). The Internationalization Process of the Firm-A Model of Knowledge Development and Increasing Foreign Market Commitments. *Journal of International Business Studies*, *8*(1), 23–32.

Karim, S., & Mitchell, W. (2000). Path-dependent and path-breaking change: Reconfiguring business resources following acquisitions in the U.S. medical sector. *Strategic Management Journal*, *21*(10/11, Special Issue: The Evolution of Firm Capabilities), 1061–1081.

Kontinen, T., & Ojala, A. (2010). The internationalization of family businesses: A review of extant research. *Journal of Family Business Strategy*, *1*(2), 97–107. h

Kuo, A., Kao, M. S., Chang, Y. C., & Chiu, C. F. (2012). The influence of international experience on entry mode choice: Difference between family and non-family firms. *European Management Journal*, *30*(3), 248–263.

Leonidou, L. C., & Katsikeas, C. S. (1996). The Export Development Process : An Integrative Review of Empirical Models. *Journal of International Business Studies*, *27*(3), 517–551.

Liang, X., Wang, L., & Cui, Z. (2014). Chinese Private Firms and Internationalization: Effects of Family Involvement in Management and Family Ownership. *Family Business Review*, *27*, 126–141.

Light, I., & Gold, S. J. (2000). *Ethnic economies*. San Diego, CA: Academic Press.

March, J. G., & Simon, H. A. (1958). *Organizations*. New York: Wiley.

McDougall, P. P., Shane, S., & Oviatt, B. M. (1994). Explaining the formation of international new ventures: The limits of theories from international business research. *Journal of Business Venturing*, *9*, 469–487.

Merino, F., Monreal-Pérez, J., & Sánchez-Marín, G. (2014). Family SMEs' internationalization: Disentangling the influence of familiness on spanish firms' export activity. *Journal of Small Business Management*, 1–21.

Michael-Tsabari, N., Labaki, R., & Zachary, R. K. (2014). Toward the Cluster Model: The Family Firm's Entrepreneurial Behavior Over Generations. *Family Business Review*, *27*(2), 161–185.

Miller, D., Le Breton-Miller, I., & Lester, R. H. (2010). Family Ownership and Acquisition Behavior in Publicly-Traded Companies. *Strategic Management Journal*, *31*(May 2008), 201–223.

Mitter, C., Duller, C., Feldbauer-Durstmüller, B., & Kraus, S. (2014). Internationalization of family firms: The effect of ownership and governance. *Review of Managerial Science*, *8*, 1–28.

Muñoz-Bullón, F., & Sánchez-Bueno, M. J. (2012). Do family ties shape the performance consequences of diversification? Evidence from the European Union. *Journal of World Business*, *47*, 469–477.

Nelson, B. R. R., & Winter, S. G. (1982). The Schumpeterian tradeoff revisited. *The American Economic Review*, *72*(1), 114–132.

Okoroafo, S. C., & Perryy, M. (2010). Generational Perspectives of the Export Behavior of Family Businesses. *International Journal of Economics and Finance*, *19*(3), 15–24.

Pearson, A. W., Carr, J. C., & Shaw, J. C. (2008). Toward a Theory of Familiness: A Social Capital Perspective. *Entrepreneurship Theory and Practice*, *32*(6), 949–969.

Pinho, J. C. (2007). The impact of ownership: Location-specific advantages and managerial characteristics on SME foreign entry mode choices. *International Marketing Review*, *24*(6), 715–734.

Puig, N., & Pérez, P. F. (2009). A silent revolution: The internationalisation of large Spanish family firms. *Business History*, *51*(3), 462–483.

Pukall, T. J., & Calabrò, A. (2013). The Internationalization of Family Firms: A Critical Review and Integrative Model. *Family Business Review*, (June 2013).

Pukall, T. J., & Calabrò, A. (2014). The Internationalization of Family Firms: A Critical Review and Integrative Model. *Family Business Review*, *27*(2), 103–125.

Rabbiosi, L., & Stucchi, T. (2012). The Magic of Diasporas : The Role of Overseas National Ownership in Outward FDI of Emerging Market Firms. In *Copenhagen conference on "Emerging multinationals: Outward investment from emerging economies* (pp. 1–38).

Rutherford, M. W., & Holt, D. T. (2008). Examining the Link and Performance : Can the F-PEC Untangle the Family Business Theory Jungle ? *Entrepreneurship Theory and Practice*, (804), 1089–1110.

Sanchez-Bueno, M. J., & Usero, B. (2014). How may the nature of family fi rms explain the decisions concerning international diversi fi cation ? *Journal of Business Research*, *67*, 1311–1320.

Sánchez-Sellero, P., Rosell-Martínez, J., & García-Vázquez, J. M. (2014). Absorptive capacity from foreign direct investment in Spanish manufacturing firms. *International Business Review*, *23*, 429–439.

Sanders, W. G., & Carpenter, M. A. (1998). Internationalization and firm governance: The roles of CEO compensation, top team composition, and board structure. *Academy of Management Journal*, *41*(2), 158–178.

Schulze, W. S., Lubatkin, M. H., & Dino, R. N. (2002). Altruism , Agency , and the Competitiveness of Family Firms. *Managerial and Decision Economics*, *259*, 247–259.

Sciascia, S., Mazzola, P., Astrachan, J. H., & Pieper, T. M. (2012). The role of family ownership in international entrepreneurship: Exploring nonlinear effects. *Small Business Economics*, *38*, 15–31.

Segaro, E. (2012). Internationalization of family SMEs: The impact of ownership, governance, and top management team. *Journal of Management and Governance*, *16*, 147–169.

Simon, H. A. (1947). *Administrative behavior*. New York: Macmillan.

Sirmon, D. G., Arregle, J.-L., Hitt, M. A., & Webb, J. W. (2008). The role of family influence in firms' strategic responses to threat of imitation. *Entrepreneurship: Theory and Practice*, *32*(979), 979–998.

Sorenson, R. L. (2014). Values in Family Business. In L. Melin, M. Nordqvist, & Sharma Pramodita (Eds.), *The SAGE Handbook of Family Business* (pp. 463–480).

Steen, A., & Welch, L. S. (2006). Dancing With Giants : Acquisition and Survival of the Family Firm. *Family Business Review*, *19*(4), 289–300.

Sullivan, D. (1994). Measuring the degree of internationalization of a firm. *Journal of International Business Studies*, *25*(2), 325–342.

Swinth, R. L., & Vinton, K. L. (1993). Do Family-Owned Businesses Have a Strategic Advantage in International Joint Ventures? *Family Business Review*, *6*(1), 19–30.

Tagiuri, R., & Davis, J. A. (1992). On the goals of successful family companies. *Family Business Review*, *5*(1), 43–62.
Tagiuri, R., & Davis, J. A. (1996). Bivalent Attributes of the Family Firm. *Family Business Review*, *9*(2), 199–208.
Tokarczyk, J., Hansen, E., Green, M., & Down, J. (2007). A Resource-Based View and Market Orientation Theory Examination of the Role of " Familiness " in Family Business Success. *Family Business Review*, *XX*(1), 17–31.
Tsang, E. W. K. (2002). Internationalizing the family firm: A case study of a Chinese family business. *Journal of Small Business Management*, *200139*(1), 88–94.
Verbeke, A., & Kano, L. (2012). The Transaction Cost Economics Theory of the Family Firm: Family-Based Human Asset Specificity and the Bifurcation Bias. *Entrepreneurship: Theory and Practice*, *36*(6), 1183–1205.
Von Bertalanffy, L. (1951). General system theory: A new approach to unity of science. *Human Biology*, *23*(December), 303–361.
Wernerfelt, B. (1984). A Resource-Based View of the Firm. *Strategic Management Journal*, *5*(2), 171–180.
Wiseman, R. M., & Gómez-Mejía, L. R. (1998). A behavioral agency model of management risk taking. *Academy of Management Review*, *23*(1), 133–153.
Zahra, S. A. (2003). International expansion of U.S. manufacturing family businesses: the effect of ownership and involvement. *Journal of Business Venturing*, *18*(4), 495–512.
Zahra, S. A., & George, G. (2002). Absorptive capacity: A review, reconceptualization, and extension. *Academy of Management Review*, *27*(2), 185–203.
Zahra, S. A., Hayton, J. C., Neubaum, D. O., Dibrell, C., & Craig, J. B. (2008). Culture of Family Commitment and Strategic Flexibility: The Moderating Effect of Stewardship. *Entrepreneurship: Theory & Practice*, *32*(6), 1035–1054.
Zahra, S. A., Korri, J. S., & Yu, J. F. (2005). Cognition and international entrepreneurship: Implications for research on international opportunity recognition and exploitation. *International Business Review*, *14*(2), 129–146.
Zellweger, T. M., & Astrachan, J. H. (2008). On the Emotional Value of Owning a Firm. *Family Business Review*, *XXI*(3), 347–364.
Zellweger, T. M., Eddleston, K. A., & Kellermanns, F. W. (2010). Exploring the concept of familiness : Introducing family firm identity. *Journal of Family Business Strategy*, *1*, 54–63.
Zellweger, T. M., & Nason, R. S. (2008). A Stakeholder Perspective on Family Firm Performance. *Family Business Review*, *21*(3), 203–216.

Chapter 3

Family versus Non-Family Blockholders in International Acquisitions:

The Influence of Owner Risk Preferences[2]

[2] This paper is co-authored with Victor Zitian Chen, Franz Kellermanns (University of North Carolina, Charlotte, USA) and Bersant Hobdari (Copenhagen Business School).

INTRODUCTION

Family firms are believed to be driven by loss aversion with respect to socioemotional wealth (SEW) (Gómez-Mejía, Cruz, Berrone, & De Castro, 2011) and thus tend to forego risky opportunities to maintain family control. When it comes to risk-taking behaviors such as foreign acquisitions, this literature suggests that family firms tend to be more conservative than nonfamily firms. For instance, because foreign acquisitions often require raising capital, incurring debt, or acquiring new human capital in the form of professional managers who could threaten the family control, family firms would prefer domestic acquisitions or acquisitions into culturally close host countries (Banalieva & Eddleston, 2011; Gómez-Mejía, Makri, & Kintana, 2010). Yet scholars also suggest that family firms should confer unique competitive advantages to the firm due to risk-taking preferences based on their "long-term orientation, flexibility and family culture" (Fernández & Nieto, 2006, p. 242). For instance, focusing on reduced agency costs in family firms, Zahra (2005) finds that family blockholding in US firms is positively related to a firm's corporate venturing orientation such as entering foreign markets.

We argue that these studies have overlooked the effects of the coexisting nonfamily owners in a family-owned firm on the family's willingness to initiate its advantages in risk-taking behaviors. When the nonfamily owners are aligned with family owners, the firm is more likely to reap the benefits from the risk-taking behavior. Lower levels of risk-taking behaviors due to loss aversion of SEW may be less necessary if a firm is already predominantly controlled by its family owner, who, in turn, is uncontested by nonfamily owners and is thus less worried about the dilution of control in risk-taking activities (Caprio, Croci, & Del Giudice, 2011).

Drawing upon the family business and agency theory literatures, we compare the risk-taking preferences underlying different types of blockholders. We focus on foreign acquisitions as the context for risk-taking behavior, since a cross border acquisition is a risk-heavy mode of firm expansion strategy (Seth, Song, & Pettit, 2002) which typically requires significant initial capital and implies augmented risks due to international complexity and uncertainty across financial and legal systems, political environments, and cultures (Conn, Cosh, Guest, & Hughes, 2005; Moeller, Schlingemann, & Stulz, 2005). Consequently, international acquisitions increase the degree of uncertainty about a firm's future returns and other strategic benefits (Matta & Beamish, 2008). This, in turn, could trigger conflicting perspectives among blockholders prior to the acquisition decision, thus making it an ideal context in which to study potential family-nonfamily blockholder conflicts.

We focus on conflict (or alignment) between family and nonfamily blockholders and pay special attention to financial blockholders as the coexisting nonfamily owners. Conflicts in risk-taking propensities are likely to be particularly salient between large family blockholders and financial institutional investors (Maury & Pajuste, 2005; Morck, Wolfenzon, & Yeung, 2005; Shleifer & Vishny, 1997) because family blockholders may favor either conservative or risk-seeking behaviors driven by their preference to preserve nonfinancial benefits (Kontinen & Ojala, 2010; Pukall & Calabrò, 2014) underlying SEW (Berrone, Cruz, Gómez-Mejía, & Larraza-Kintana, 2010, p. 82). Financial institutional investors, however, may be more willing to encourage financial value-enhancing risk-taking projects and they may consider a family's SEW to be in conflict with their own investment preference for financial returns (Choi, Park, & Yoo, 2007; Hautz, Mayer, & Stadler, 2013).

Therefore, due to the differences in risk preferences between financial blockholders and family blockholders, we suggest that family and non-family blockholder groups may vie for control over management to serve their own preferences for risk and return. A high level of conflict underlying a relatively balanced voting position between the two blockholder groups may induce skepticism about whom the management represents, leading to distrust and less likelihood of consensus for approving an acquisition. Such conflicts also depend on the composition of financial blockholders as the nonfamily owners. We differentiate financial blockholders from one another based on the degree of regular business relations with the firm (Brickley, Lease, & Smith, 1988; Brossard, Lavigne, & Sakinç, 2013; Thomsen & Pedersen, 2000; Tihanyi, Johnson, Hoskisson, & Hitt, 2003) and suggest that the group of financial blockholders without regular business relations with the firm's management is more likely to experience conflicts with the family blockholders.

Focusing on family-vs-nonfamily blockholders in foreign acquisitions, our study contributes to the literature on family firm governance in multiple ways. Firstly, we suggest that the "dominant shareholder interest" assumption of family firms, usually based on the controlling family's SEW (for reviews, see Arregle, Duran, Hitt, and Essen (2017); Kontinen and Ojala (2010); Pukall and Calabrò (2014)), should be questioned. For instance, family firm research needs to embrace not only the notion of variations between family firms (Chua, Chrisman, Steier, & Rau, 2012), but also the heterogeneous composition of the powerful conflicting (or aligned) non-family shareholders. The influence of non-family blockholders ought not be ignored because they may not only move the overall preferences of the firm away from the controlling family's preferences, but they may also reduce the willingness of family shareholders to exercise their unique advantages such as reduced agency costs or their ability to engage in particularistic behavior (Carney, 2005; Chrisman, Chua, & Litz, 2004).

Second, using family-financial blockholder conflicts as the scenario, our study suggests that blockholder principal-principal (PP) conflicts depend on the composition of the conflicting blockholders, especially their clientele relations with the firm. The current agency literature on PP conflicts tends to focus on the controlling family owner against the small shareholders as a single group and has overlooked the differences among nonfamily blockholders in their clientele relations and how such differences affect strategy. By incorporating the classification of sensitive and non-sensitive financial blockholders (Brickley et al., 1988; Brossard et al., 2013; Thomsen & Pedersen, 2000; Tihanyi et al., 2003) into the realm of family firm governance research, and by investigating the resulting PP conflicts as evidenced in acquisition behaviors, we provide a more theoretically nuanced perspective of the complexity of corporate governance.

Lastly, we extend the predominant logic of linear effects of family blockholding in the current family firm literature (André, Ben-Amar, & Saadi, 2014; Caprio et al., 2011; Miller, Le Breton-Miller, & Lester, 2010) by investigating curvilinear relationships of family blockholding as a result of family-nonfamily blockholder PP conflicts. This reconciles some of the seemingly contradicting empirical findings in the existing literature. For instance, while Gómez-Mejía (2010) and Miller et al. (2010) find a negative relationship between family ownership and acquisition scale, Caprio et al. (2011) find family majority ownership (>50% ownership) leads to greater acquisition scale than family minority ownership (<50%). We offer two potential reasons for the mixed findings in the literature. First, family-nonfamily blockholder PP conflicts may lead to a U-shaped relationship between family voting rights and foreign acquisition scale. Second, the composition of the nonfamily blockholders (in our case, e.g., resistant vs. sensitive financial institutions) may moderate the U-shaped relationship because of their different degrees of blockholder PP conflicts with the family owner.

LITERATURE REVIEW AND HYPOTHESES

Family Businesses

Drawing on the behavioral agency model (Wiseman & Gómez-Mejía, 1998), often attributed to the perspective of socioemotional wealth (SEW) (Berrone, Cruz, & Gómez-Mejía, 2012; Berrone et al., 2010), family firms are portrayed to be driven by the loss aversion with respect to "non-financial aspects of the firm that meet [the] affective needs of the family, such as identity, the ability to exercise family influence, and the perpetuation of the family dynasty" – collectively termed SEW (Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007, p. 106). To retain family control of the firm and preserve it as a legacy for later generations, family firms prioritize control over voting rights and key employment positions, long-term and focused strategies for business continuity, and stable stakeholder relationships for longevity of the business (Gómez-Mejía et al., 2010; Miller et al., 2010). Large-scale foreign acquisitions and post-merger integration usually require additional financing through equity (a control dilution risk) or debt (a default risk), and might disrupt the family identity and long-term stakeholder partnerships by introducing new human capital and stakeholders. Therefore, family firms tend to be more conservative in both acquisitions and international activities. This argument, however, has received mixed evidence from meta-analytical reviews. For instance, in a meta-analysis of 48 studies from nine countries, Carney, van Essen, Gedajlovic, and Heugens (2015) find a negative relationship between family ownership in privately-held family firms and international diversification. In a recent meta-analysis of 76 studies combining both privately-held and publicly-listed firms from 41 countries, however, Arregle, Duran, Hitt, and van Essen (2017) find this relationship to be statistically insignificant.

The same logic of the loss aversion of SEW would also suggest that family firms may take risks, but they do so only if their control is not threatened or if such risks are driven by the preservation of SEW such as family control. This view is supported by some empirical findings. For instance, Caprio et al. (2011, p. 1644) find that continental European firms with more than 50% blockholding by the controlling family showed no statistically significantly different behaviors in both acquisition propensity and scale of deal from nonfamily firms. As another example, Gómez-Mejía et al. (2007) find that family-owned olive oil mills in southern Spain are willing to take risks which would likely negatively impact their performance in order to preserve the family's control. The above discussions suggest the possibility of a nonlinear relationship between family ownership and risk-taking behaviors of a firm.

Family Blockholding and International Acquisitions

The *classic* agency theory suggests that managers pursue their own self-interests, which may reduce firm value and thus conflict with shareholder interests (Fama & Jensen, 1983; Jensen & Meckling, 1976). It creates the classic agency problem that managers favor corporate and geographic diversification to derive private benefits such as status, privilege, and reduced employment risks, whereas shareholders, who already hold a diversified investment portfolio beyond the firm, may prefer a more focused strategy on the firm's core competences and want the firm to pursue risk-seeking behaviors for wealth maximization (Denis, Denis, & Sarin, 1999). It also proposes that concentrated blockholding by a homogeneous group of blockholders can reduce this agency cost because they are motivated to monitor and discipline the manager from value-reducing activities that conflict with the shareholder interest (Denis et al., 1999).

The presence of both family and non-family blockholders as a result of a family's partial ownership in a firm, however, would complicate this classic agency problem due to a complex and diverse composition of shareholders vis à vis their risk-taking propensities. First, it would drive the family owner to adopt a conservative risk-taking strategy such as forgoing foreign acquisitions or choosing smaller investments. The inherent preference for loss aversion in SEW would discourage the family owners to take on projects that might increase the risk that the firm could be taken over by nonfamily or new shareholders (including unrelated families and other shareholders). As mentioned, large-scale investments such as foreign acquisitions may require additional financing through equity, which might dilute control by the family owner, or through debt, which could increase the default risk and thus put the firm at risk of being taken over.

Second, even if a controlling family does pursue an international acquisition, it might be driven by private benefits of control underlying their unique SEW that are exclusive to family members only, and thus are unavailable to or are even in conflict with other shareholders in several ways worthwhile discussing (Berrone et al., 2012). Family owners might prioritize control and influence, family identity, a relational approach to firm ownership, emotional attachment with the firm, and the potential for family bond renewal with the firm over the long term in its international operations. The salience of family-based motivations anchored in SEW dimensions are found in a range of empirical studies which offer various contexts and conditions for SEW-specific behaviors. First, in order to avoid costly and risky local adaptation and retain control, family firms tend to focus either on domestic or geographically and culturally proximate operations (Banalieva & Eddleston, 2011; Gómez-Mejía et al., 2010). Preservation of high degrees of family control in international ventures is featured in Tsang's (2002) sample of Chinese family firms that prioritized family ownership and managerial control of international ventures by assigning family members to key managerial positions abroad through expatriation. This, in turn, sustains high degrees of control and retains organizational learning from strategic decision making amongst family blockholders. In terms of retaining the SEW dimension of identification with the firm, family blockholders may engage in organizational practices across geographical contexts that are consistent with their own family identity, including family business culture and values (Muñoz-Bullón & Sánchez-Bueno, 2012). Since family blockholders are emotionally attached to the firm, they value stable stakeholder partnerships in business development (Sciascia, Mazzola, Astrachan, & Pieper, 2013), and seek to renew family bonds as a goal of their investments over longer periods of time (Claver, Rienda, & Quer, 2009; Michael-Tsabari, Labaki, & Zachary, 2014). For instance, family owners may favor an investment time horizon that aligns with their own trans-generational succession plans but this may conflict with the timeframe of other non-family investors. Claver, Rienda, and Quer's (2009) empirical study features the long term investment perspective evidenced by later generation owner involvement in international ventures. The authors argue that a focus on family control need not reduce the likelihood of engaging in risky and resource-intensive international commitments due to an inherent sense of risk aversion. Rather, they reason from theory that the presence of later generation family owners can reduce levels of risk aversion traditionally ascribed to family firms, since later-stage family blockholders focus on the long-term SEW dimension of regeneration of family ties with the firm as a possible outcome of acquisitions. Michael-Tsabari, Labaki, and Zachary (2014) also offer an empirical case of long term investment perspective evidenced by the SEW dimension of family bond renewal with the firm, arguing that owner risk propensities and strength of SEW dimensions change along with family generations and through stages of business diversification. The longitudinal case study captures entrepreneurial behavior and family firm dynamics over several generations by chronicling family events along with changes in the ownership, governance, organization, and the business environment, thus contextualizing transgenerational entrepreneurship and showcasing empirical examples of several SEW dimensions, including the renewal of family bonds through transgenerational entrepreneurship, identification with the firm, emotional attachment, and focus on family control.

Lastly, to maintain control over the firm to achieve the above-mentioned private benefits of control, a family owner may seek to exclude nonfamily shareholders (including unrelated families and other shareholders) from controlling managerial decisions in these foreign operations, thus inducing family and nonfamily blockholders to act as conflicting groups. As a consequence, partial ownership by family members may lead family owners and other shareholders to act as conflicting groups as they seek greater influence over the firm and pressure the manager to serve their own preferences. They can do so formally through blockholding (in the form of voting rights) and proportional board representation. Owners can also exert influence informally by providing (or refusing to provide) valuable expertise and resources (Harford, Jenter, & Li, 2007; Kang & Sørensen, 1999; Miller et al., 2010).

While it is possible that family blockholders may sometimes seek financial benefits and other blockholders may sometimes pursue a nonfinancial strategic agenda, it is the exclusiveness of a family's SEW and the potential distrust between the family and other shareholders (including unrelated families) that could cause potential conflicts, thus making it more difficult for management to pursue a large-scale foreign acquisition. First, a distrusting relationship among blockholders makes it more difficult to reach a voting consensus when it comes to a shareholder approval for foreign acquisition decisions. Second, it is not uncommon for management to ask blockholders for their unique non-equity resources (e.g., reputation and network connections abroad) and expertise (e.g., financial and market services) to support an acquisition (Arregle et al, 2017; Harford et al., 2007). In a distrusting relationship, however, blockholders might be unwilling to share their resources and expertise because they fear their contributions are exposed to the manager's misuse to serve others' preferences. Lastly, by distrusting one another, both blockholder groups may increase their monitoring efforts over the manager to ensure their own interests are served. Alternatively, they may threaten to exit through informed trading. Ultimately, increased shareholder monitoring of management hinders hubristic behavior and self-serving foreign acquisitions (Bodolica & Spraggon, 2011; Denis et al., 1999; Haynes, Hitt, & Campbell, 2015). As a result of close monitoring behavior, the management may find it hard to pursue a large acquisition project, suggesting that only smaller projects could survive such conflicts.

However, when the family is in a dominant control of voting rights, conservative risk-taking behavior becomes less necessary since the controlling family is less concerned about the loss of control (Caprio et al., 2011). Meanwhile, when holding a very minor ownership stake, the conflicting nonfamily shareholders may be less motivated to monitor the management, granting the controlling family more influence in a foreign acquisition to pursue private benefits of control underlying its SEW. Therefore, when family blockholding of voting rights increases from zero to partial ownership, we would expect more conservative risk-taking behavior and thus a smaller scale of international acquisitions; whereas, a further increase of family blockholding to a dominant control position would lead to an increase in the scale of international acquisitions.

Therefore, we propose formally:

Hypothesis 1: There is a U-shaped relationship between family blockholding of voting rights and the size of an international acquisition.

Financial Institutions as the Nonfamily Blockholders

Existing studies of family businesses have predominantly employed a dichotomy-based approach in which blockholders are classified as either family or nonfamily (for reviews on international expansion of family firms, see Kontinen and Ojala (2010) and Pukall and Calabró (2014). We suggest that it is worthwhile examining financial blockholders separately from other nonfamily blockholders for three reasons. First, by definition, financial institutions share one common goal: financial returns from their investments. In alignment with this goal, financial institutions do not maintain the kind of long-term commitment to holding a firm's equity as family blockholders would. Second, because an exclusive focus on financial returns clashes with the noneconomic nature of SEW pursued by family blockholders, it is most likely to create incompatible interests amongst blockholders. Lastly, when compared to nonfinancial institutions (mostly individuals, families, and industrial enterprises), financial institutions hold a relatively more diversified portfolio of assets, enabling them to engage in higher risk-taking behaviors in their individual portfolio firms. Such a risk tolerant attitude likely conflicts with a family owner's more conservative risk preferences.

Financial investors have unique comparative advantages to monitor managers and to intervene in acquisition decisions. First, they possess advanced professional expertise in financial and risk analysis (Cornett, Marcus, Saunders, & Tehranian, 2007; Parrino, Sias, & Starks, 2003) and they are relatively more skilled in understanding the firm's financial situations and in calculating the financial outcome of an acquisition project (Cornett et al., 2007; Parrino et al., 2003). Second, through their globally diversified portfolios, many financial investors also maintain networks that bridge acquirers with target firms and thus reduce transaction costs by providing, for example, international market information. Such networks may provide an important substitute for the family's social capital (Ferreira, Massa, & Matos, 2009). Overall, these unique comparative advantages can weaken the informal control of the family over managerial decisions in such acquisitions.

The willingness of financial investors to monitor managers and to intervene in decision-making is, however, dependent on their business relations with the firm. This is well argued in the literature that distinguishes "resistant" from "sensitive" financial institutions (Brickley et al., 1988; Brossard et al., 2013; Daily, Dalton, & Rajagopalan, 2003; Dalton, Daily, Certo, & Roengpitya, 2003). Brickley et al. (1988) and Brossard et al. (2013) suggest that financial investors are more motivated to challenge both a firm's managers and their decisions if they have no other important business relations with the firm in which they invest. Such investors are known as pressure-resistant financial blockholders (i.e. resistant). They typically include mutual and hedge funds, foundations, research endowments, and other investors with no business relationship beyond equity shareholding in a firm (Brickley et al., 1988; Brossard et al., 2013; Thomsen & Pedersen, 2000). Pressure-resistant financial blockholders have been found to actively monitor and discipline the management (Hoskisson, Hitt, Johnson, & Grossman, 2002). In contrast, financial institutions such as banks and insurance companies that actively seek to create and maintain regular business service relationships with their investment targets (e.g., banking services and insurance policies) are thus considered to be pressure-sensitive investors. They feel pressured by the potential retribution of managers through, for example, termination of regular banking service business or discontinuation of insurance policies. Thus pressure-sensitive financial investors tend to be more cooperative with the manager when making strategic decisions such as large-scaled international acquisitions, since such deals may create new revenues from banking and advisory services as well as new insurance policies (Brickley et al., 1988; Brossard et al., 2013; Daily et al., 2003; Dalton et al., 2003; Thomsen & Pedersen, 2000).

Although both types of financial blockholders may disagree with the family owners' conservative risk-taking preferences and the pursuit of nonfinancial benefits underlying their SEW, the financial blockholders' independence from management decisions (e.g. due to clientele relations) leads to different degrees of investment sensitivity vis à vis an acquisition. Because their returns are derived exclusively from portfolio firms' profits, resistant financial investors are likely to intervene in their portfolio firms and to pressure management to activate risk-seeking behaviors in the presence of growth opportunities (Zahra, Neubaum, & Huse, 2000). Given that resistant financial institutions already hold their own diversified portfolios, assuming a conservative risk profile for each portfolio firm is unnecessary. As the empirical literature shows, ownership by resistant financial institutions is found to be positively related to risk-taking behaviors such as corporate entrepreneurship (Zahra et al., 2000), internationalization (Tihanyi et al., 2003), and innovation (Kochhar & David, 1996).

Without "fear of retribution from corporate managers", resistant financial institutions are likely to confront managers about inefficient corporate decisions determined by family blockholders to pursue their SEW (David, Kochhar, & Levitas, 1998, p. 202). Such a distinction suggests that resistant financial blockholders may more closely monitor the manager to support risk-taking for growth opportunities and to reject large foreign acquisitions that are meant to satisfy private benefits of control underlying a family's SEW. For instance, Zhang, Piesse, and Filatotchev (2015) find that increased blockholding by resistant financial blockholders relative to family blockholders is negatively associated with informed trading in the Hong Kong stock market: a form of private benefits of control. Therefore, an increase in resistant financial blockholders strengthens shareholder activism of nonfamily blockholders over management in the presence of conflicts with family blockholders.

Conflicts between family blockholders and resistant financial blockholders tend to target more economic and quantifiable logics, such as the size of an acquisition as an input measure in a cost-benefit analysis (Kochhar & David, 1996). Under closer scrutiny during conflicts over acquisition size, managers may consequently avoid large-scaled acquisitions, thus causing a decrease in acquisition scale when family-resistant financial blockholder conflicts increase towards their maximum levels.

Sensitive financial blockholders, on the other hand, have more diversified sources of returns from each portfolio firm and thus they tend to be less sensitive to any single source, such as shareholder value creation through corporate risk-taking. In fear of losing clientele relations with the firm, sensitive financial blockholders tend to be silent or to vote with the management in any strategic decisions. For instance, ownership by sensitive financial institutions is positively related to a firm's unrelated product diversification, which is believed to reduce portfolio risks and, in turn, growth opportunities (Ramaswamy, Li, & Veliyath, 2002).

When it comes to international acquisitions, sensitive financial blockholders either simply stay silent on managerial decisions or they may find it beneficial to collaborate with the manager when engaging in large deals in order to create new or expand already-existing client relationships and sell more business services (e.g., banking services, risk insurance, etc.) in support of these acquisitions. For this reason, they may be willing to agree with the manager about large acquisition investments, even if such acquisitions are driven by the family owner's SEW rather than by financial returns. In summary, increased ownership by sensitive financial institutions would reduce the degree of conflicts between nonfamily blockholders and family blockholders, leading to less acquisition size sensitivity when such conflicts are at peak levels.

There are two elements that jointly determine the U-shaped relationship between family blockholding and acquisition size: namely the turning point and the curvature. We focus on the curvature (the second order derivative), since it more directly implies the sensitivity of family-nonfamily blockholder conflicts to the change in acquisition size (Haans, Pieters, & He, 2016), and thus is a more direct indicator of the degree of family-nonfamily blockholder conflicts. A steepened (flattened) curvature suggests that the managers have to let go of more (less) scale of acquisition projects under conflicting pressures from both the family- and the nonfamily shareholders. Such a distinction helps to separate the two different mechanisms leading to a U-shaped relationship (Haans et al., 2016).

Formally, we propose:

Hypothesis 2a: The curvature of the U-shaped relationship (H1) steepens with an increased presence of pressure-resistant financial blockholders.

Hypothesis 2b: The curvature of the U-shaped relationship (H1) flattens with an increased presence of pressure-sensitive financial blockholders.

METHODS

Data and Sample

Our data on transaction-, firm-, and shareholder-level variables came primarily from three major sources: Thomson Reuters SDC Platinum (SDC), Bureau van Dijk (BvD) Zephyr, and BvD Orbis, all of which are widely recognized in business studies (Abdi & Aulakh, 2012; Arora, Belenzon, & Rios, 2014). After merging BvD Zephyr and BvD Orbis data using firm identities (BvD ID Numbers), we then merged the sample with SDC data using firm ticker numbers, CUSIP, SEDOL codes, and firm names. We kept both public and private firms to avoid sample selection bias, but we have run robustness checks in both subsamples to ensure our theory holds in both.

We use other secondary sources (e.g., COMPUSTAT, Mergent Online, Mergent Reports, LexisNexis Company Profiles, LexisNexis News, and local stock exchanges) to fill in missing observations. After filling firm-level missing values, we also filled missing acquisition deal values as the product of entry ownership and the target firm's pre-deal net assets. Following Miller et al. (2010), we omitted any transactions equal to or less than US$1 million and held less than five percent of target ownership, since we do not expect blockholders will interfere with acquisition decisions at such investment levels. In order to keep as many observations as possible after merging the sample with country-level variables, we employed inter- and extrapolations as a function of year to impute the remaining missing values.

After removing all the remaining missing observations, we arrived at an international sample of 8,687 non-financial acquisitions that were conducted by 4,630 acquirer firms from 40 home markets into 66 host countries from 2004-2013.[3] We distributed the sample by home and host

[3] To ensure the quality of our sample selection, following Anderson, Duru, and Reeb (2009) and Maury (2006), we only included nonfinancial companies at both acquirer and target levels, defined at one-digit SIC codes of 1-5 and 7-8. Financial firms typically follow different financial reporting systems and have unique investment policies, which make some of their variables (e.g., profitability and deal values) incomparable with nonfinancial firms (Maury, 2006). Second, multistage investments of the same acquirer in the same target within the same year should be considered as one acquisition. Because these transactions are likely related, they are not comparable with other relatively independent transactions. We converted these deals into one observation by using the yearly aggregated values for any flow variables (e.g., deal value) and yearly averages for any stock variables (e.g., target assets). Third, we removed any acquirer and target firms based in zero or low tax systems (i.e., effective corporate tax < 10%), such as the British Virgin Islands and the Cayman Islands. These regions are usually used by international investors as offshore financial hubs for further transshipment to another country or round tripping back to the country of origin, and, thus, not the actual destination or source (Hanlon, Maydew, & Thornock, 2015). Fourth, recent studies suggest principal-agent problems are unique when blockholders hold equity in both the acquirer and the target, since they tend to maximize the overall value rather than only the acquirer (Goranova, Dharwadkar, & Brandes, 2008). To remove this complication, we have excluded transactions where any shareholders are on both sides (about 1% of the sample). Next, using firm identities and names of the acquirers and the targets, we ensured that overlapping deals in SDC and BvD Zephyr were not double counted. Lastly, to avoid potential outliers and misrepresentation, we removed both home and host countries where only fewer than 10 deals were conducted.

countries, firm size, and industry, and found consistent patterns with the total samples of international acquisitions (over US$1 Mil.) from both SDC and Zephyr. Therefore, our sample is representative of the global patterns in international acquisitions. By controlling for a wider range of national contexts and for host country effects, we improve the quality of generalization of our results (Bettis, Ethiraj, Gambardella, Helfat, & Mitchell, 2016; Fernández & Nieto, 2006). Last, existing studies on family firms' foreign direct investment mostly focus on firm-level aggregates on a yearly basis (Arregle et al., 2017). Our unit of analysis, which is at the project level (i.e., acquisitions), presents a more nuanced scenario of the effects of PP conflicts. This is more consistent with reality because blockholders respond quickly to acquisition decisions rather than waiting until the year-end; their decisions are based not only on acquirer- and home market factors, but are also based on factors specific to host market, bilateral relations, and target industries.

In terms of industry at the target level, our observations are concentrated in the sectors of manufacturing (38.20%), nonfinancial services (30.36%), and mining (10.38%) (See Appendix I for industry distribution). In terms of geography, our observations cover both developed (26 home and 36 host) and emerging (24 home and 30 host) markets based on IMF classifications, albeit with a considerable concentration of deals (about 62%) between two developed markets, confirming that developed markets are considerably more active in large-scaled international acquisitions (See Appendix II for a geographic distribution of home markets). Both geographic and industry distributions of our sample are similar to the global pattern when compared with the total sample of large global acquisitions from SDC and Zephyr.

Among all 8,687 complete acquisitions, 16.86 percent involved an acquirer firm with at least one family blockholder, 22.06 percent involved at least one resistant financial blockholder (i.e., hedge funds, foundations, research endowments, and other financial companies), and 35.21 percent involved at least one sensitive financial blockholder (i.e., banks or insurance companies). In terms of types of blockholding by country, family blockholding is present in all but three home countries (Belgium, Iceland, and Turkey), resistant financial blockholding is in all but four nations (Egypt, Mexico, Saudi Arabia, and Turkey), and sensitive financial blockholding is in all but two countries (Saudi Arabia and Thailand) (See detailed distribution by home- and host markets in Supplementary materials S1).

Variables and Measures

Dependent Variable

Size of acquisition: Shareholders are sensitive to the relative size of an acquisition as a portion of total shareholder value of the acquirer: that is, what percentage of the firm's shareholder value has been utilized for the acquisition project (Hayward, 2002; Moeller et al., 2005). In alignment with this literature, we use the acquisition size relative to the total market capitalization of the acquirer measured as the pre-deal total market value of net assets (Moeller et al., 2005). We then scale the measure using the unit of percentage points (e.g., 1.5% is translated into 150 percentage points). This variable is available from the sample after merging BvD and Orbis Zephyr.

Independent Variable

Family blockholding: This variable is measured as the total voting shares (combining direct and indirect) of the largest individual or family blockholder (through the ownership of other blockholders of the acquirer firm in an ownership pyramid).[4] This information is available from both archival and current data of BvD Orbis, a recognized source for family ownership (Deephouse & Jaskiewicz, 2013). BvD Orbis denotes the family shareholder as "One or more named individuals or families." We have contacted BvD Orbis directly for their clarification. It was confirmed that this classification grouped all related individuals and families together, who were voting uniformly. Following recent studies (Berrone et al., 2010; Miller, Le Breton-Miller, Lester, & Cannella, 2007; Villalonga & Amit, 2006), we defined blockholding as five percent or more total voting shares. Blockholders with less than five percent total voting shares (converted to zero) are considered to be too small and, therefore, less significant since at such low levels of ownership, these investors are less likely to be motivated to monitor and intervene in firm strategies such as international acquisitions. We also included the squared term of *Family blockholding* to test for the U-shaped relationship.

[4] For all blockholding measures, conducting a blockholding conversion (i.e., converting less than 5% voting shares to zero), we carefully examined the ownership data. We found some voting shares were double counted because we included not only direct voting shares but also indirect voting shares through the ownership of another blockholder. According to BvD Orbis, if blockholder A holds 60 percent direct voting shares of firm B and 25 percent direct voting shares of firm C, which holds 40 percent direct voting shares of firm B, the voting shares held by blockholder A would be counted as 60 percent direct and 10 percent (i.e., 25% times 40%) indirect, making its total voting shares of B 70 percent (i.e., 60% and 10%). In this case, the total voting shares by all blockholders in B seem to be 110 percent (i.e., 70% by A and 40% by C), because C's 40 percent voting shares have been double counted by 10 percent. Obviously, total voting shares should equal 100 percent. To keep all blockholders in place, we discounted the total voting shares of both blockholders A and C by 110 percent to revert the total voting shares to 100 percent. That is, total voting shares of blockholders A and C in B were adjusted to 63.64 percent and 36.36 percent, respectively.

Moderators

Resistant financial blockholding: This variable is measured as the total voting shares (combining direct and indirect) held collectively by mutual and hedge funds, foundations, research endowments, and other financial companies that have no non-equity business ties with the firm or the management (excluding banks, insurance companies, trusts, mutual and pension funds, private equity firms, and venture capital firms), following Brickley et al. (1988) and Brossard et al. (2013). We again used five percent as the cutoff point to define blockholding (Li, Moshirian, Pham, & Zein, 2006). Although some studies have included public pension funds in this category (Brickley et al., 1988), the BvD Orbis does not separate them from other financial institutions such as corporate pension funds, which are pressure-indeterminate depending on their relations with the firm.

Sensitive financial blockholding: This variable is measured as the total voting shares (combining direct and indirect) held collectively by banks (both commercial- and investment) and insurance companies, following Brickley et al (1988); Brossard et al (2013); Thomsen and Pedersen (2000). These financial institutions have regular business relations (e.g., loans, bonds, and equity services, M&A advisory service, insurance, etc.) with a focal firm in addition to their equity ownership relations. We again used five percent as the cutoff point to define blockholding (Li et al., 2006).

Control Variables

To control for traditional PA and PP conflicts, we included the *Acquirer ownership Herfindahl 10*, measured as the Herfindahl index of the largest ten voting shareholders of the acquirer and its squared term. This index captures both the number of blockholders and the distribution of their voting shares (Lu, Xu, & Liu, 2009). Following the traditional PP perspective, we control for a U-shaped impact on acquisition size by entering the squared term as well (Oesterle, Richta, & Fisch, 2013). We also controlled for *Manager/director blockholding* as a proxy for the alignment between the agencies of the firm and shareholder value. Following Arregle et al. (2017), we also controlled for *Government blockholding* and *Acquirer business group affiliation dummy*. In addition, we control for *CEO gender* (1 for female, 0 else) and *CEO total compensation* (natural logarithm of total compensation in US$ thousand).

Next, to control for the effects of country-specific differences in the legal means of curbing PP conflicts, we included *Minority shareholder protection*, a newly-developed index based on "powers of the general meeting for de facto changes; agenda-setting power; anticipation of shareholder decision facilitated; prohibition of multiple voting rights; independent board members; feasibility of director's dismissal; private enforcement of directors' duties (derivative suit); shareholder action against resolutions of the general meeting; mandatory bid;

and disclosure of majority shareholder ownership" (Guillén & Capron, 2016, p. 12). Compared to other indices on minority shareholder protection, the Guillén and Capron (2016) index has a broader coverage of composites, considers subnational laws, and importantly, is the only data that covers our sample's entire time span.

To control for the impact of entry ownership on deal size, we included the *Shares in target after deal* by the acquirer firm. We also controlled for three dummies of transaction payment methods, including *Cash payment dummy*, *Debt payment dummy*, and *Stock payment dummy*, which in part suggest the acquirer's motivations and projections of an acquisition (Martin, 1996). We controlled for size and profitability of both the acquirer and the target firms measured, respectively, as the natural logarithm of total assets (in US$ Mil.) and ratio of earnings before interest, tax, dividend, and amortization (EBITDA) to total assets. Compared to net income, which is used more often in single-country studies, EBITDA is measured prior to any adjustment for country-specific taxation and accounting rules (e.g., amortization), making it more comparable across nations. All measures are based on pre-deal financial reports. We denoted these variables, respectively, as *Acquirer firm size*, *Acquirer firm profitability*, *Target firm size*, and *Target firm profitability*. Following Patel and King (2015), we controlled for *Industry relatedness* as a measure of the degree of relatedness between the acquirer and the target firms: 1 if two firms share the same four-digit SIC codes, 0.75 if the same three-digit but not four-digit SIC codes, 0.5 if the same two-digit but not three-digit SIC codes, 0.25 if the same one-digit but not two-digit SIC codes, and 0 if different one-digit SIC codes.

We controlled for a few country and bilateral economic and cultural variables that might impact international acquisitions (Ahern, Daminelli, & Fracassi, 2012; Bris & Cabolis, 2008; Bruno & Shin, 2013). First, to control for the effects of economic size of the home and host markets, we included *Home market size* and *Host market size*, measured as the natural logarithm of each market's GDP (in US$ Bil.). Data for these measures came from the World Bank's World Databank. Second, to control for potential cost of communication between two countries for foreign direct investment (FDI), we included *Geographic distance*, measured (in kilometers) as the natural logarithm of distance between two markets' major cities, weighted by city populations. This data came from Centre d'Etudes Prospectives et d'Informations Internationales (CEPII) Database. We also controlled for *Cultural distance*, measured as the Mahalanobis distance based on Hofstede's cultural dimensions (Berry, Guillén, & Zhou, 2010). Last, we included a series of context-specific dummy variables, including *Home country dummies*, *Host country dummies*, *Industry dummies* (based on two-digit SIC codes at the target level), and *Year dummies*.

Estimation Model

The first concern is the distribution of our dependent variable. Upon examining the distribution characteristics of *Size of acquisition,* we found a positive and highly skewed outcome with a very high kurtosis. A skewness of 16.12 and kurtosis of 397.05, compared to 0 skewness and (-3 to 3) kurtosis respectively for a normal distribution, indicate that Generalized Linear Model (GLM) is an appropriate technique (Hardin & Hilbe, 2007), which has several advantages. First, compared to ordinary linear regressions (OLR), GLM does not require a normal distribution of the original values of the dependent variable (Hardin & Hilbe, 2007). Because our dependent variable is positive and highly skewed to the left (i.e., smaller deal values) rather than normally distributed around zero, accordingly Gamma family is appropriate (Hardin & Hilbe, 2007). Second, compared to the Tobit model, which is typically used for nonnegative dependent variables, GLM does not require a corner solution such as zeros at the lower bound and can accommodate positive-only values (Hardin & Hilbe, 2007). Our dependent variable, which is always positive, does not present any corner solution problem because all deals in our sample were completed. Third, GLM offers greater flexibility in choosing link functions between the dependent and independent/control variables. Given that our dependent variable is always positive and highly skewed to the left, we used Logarithm-Linear function. After natural logarithm, our dependent variable is much closer to the normal distribution range, with a skewness of 0.09 and a kurtosis of 3.61. Lastly, our sample presents potential clusters by acquirers. That means the standard errors of the estimation may be independent across different acquirers but not within the same acquirers. We report cluster estimators based on acquirer identity.

The second concern of our sample is potential endogeneity of the blockholder structures. The size of acquisition, once disclosed to all the shareholders, may cause changes in shareholder structures, especially institutional financial blockholders. We examined whether family blockholding, resistant financial blockholding, and sensitive financial blockholding change during the window between the year before announcement (assuming the leak of information by insiders before the official announcement) and the year of completion of an international acquisition. We have found no statistically significant correlation between such changes and the acquisition size. In fact, most of our observations did not have major blockholder changes during this window. The relatively unchanging blockholder structure prior to international acquisitions also suggests that it is unlikely that an unobserved factor that caused international acquisitions may also cause a corresponding change in the blockholder structure. In addition, our control of home and industry dummies helps to control for potential endogenous fixed effects that are specific to a firm’s home market and business sector.

Another technique we have adopted to address this potential reverse causality is that all the independent variables (e.g., blockholding) are all based on the information a year prior to the announcement of an acquisition. It is less likely that resistant financial blockholders would have exited before the announcement of an acquisition.

The third concern is selection hazard. Our sample only includes transactions that have been successfully completed, which are a truncated sample. We adopted a Heckman two-stage selection model to control for potential selection bias because of exclusion of failed transactions (Heckman, 1977). Since our analysis is at the transaction level, we identified a matching sample of withdrawn transactions during the same period (based on dates of withdrawal) which meet the threshold of US$1 million deal value and at least five percent ownership in the target. We kept only the withdrawn deals that fell into the same cells of our main sample by home markets, host markets, acquirer SIC2, target SIC2, and year. In the first stage of selection model, we adopted a Probit model to regress dependent and control variables on the propensity of completion, where the propensity takes 1 if successfully completed and 0 if cancelled. We added a variable of number of withdrawn deals between a home- and host market pair in the year in order to control for country pair-specific heterogeneity in factors that affect withdrawal. After removing missing observations, we arrived at 790 withdrawn transactions, or 8.1 percent of all announced deals in our total sample. This percentage is consistent with some recent studies (e.g., 8% in Jacobsen, 2014). We calculated the inverse Mills ratio from the first stage and included it in the second stage to control for selection hazard (Heckman, 1977).

Results

Sample descriptive statistics, correlation matrix, and variation inflation factors (VIFs) of all variables appear in Table 1, which suggests that there is no severe correlation among independent, moderating, and control variables. All correlations by absolute value are below 0.6; VIFs are consistently below 5. Therefore, our sample does not suffer from any severe multi-collinearity problems for linear regressions such as GLM. The mean *Size of acquisition* of the sample is 17.54 percentage points. In all the estimations below, we reported cluster estimators (by acquirer identity).

Table 1. Descriptive statistics and correlations

	1	2	3	4	5	6	7	8	9	10	11	12	13	VIF
1 Acquisition size	1.00													
2 Family blockholding	-0.03	1.00												1.12
3 Resistant financial blockholding	-0.01	-0.07	1.00											1.09
4 Sensitive financial blockholding	0.04	-0.10	-0.04	1.00										1.26
5 Manager/director blockholding	0.01	-0.01	-0.01	0.01	1.00									1.01
6 Government blockholding	-0.04	0.18	0.08	-0.14	0.00	1.00								1.18
7 Acquirer ownership Herfindahl 10	-0.02	-0.10	-0.18	-0.36	-0.05	0.19	1.00							1.65
8 CEO total compensation	0.00	-0.09	-0.09	-0.14	-0.02	-0.13	0.29	1.00						1.28
9 CEO gender	-0.01	-0.03	-0.03	-0.04	-0.01	-0.04	0.09	0.23	1.00					1.06
10 Acquirer business group affiliation dummy	0.00	0.05	-0.01	0.02	-0.01	0.00	-0.05	-0.05	-0.02	1.00				1.11
11 Acquirer public status dummy	-0.01	0.01	0.11	0.21	0.03	-0.05	-0.44	-0.28	-0.09	0.02	1.00			1.39
12 Acquirer firm size	0.06	-0.08	0.11	0.18	0.05	-0.09	-0.27	-0.19	-0.06	-0.01	0.29	1.00		1.28
13 Acquirer firm profitability	0.00	-0.03	0.01	0.01	0.00	-0.02	-0.02	0.00	0.00	0.00	0.02	0.03	1.00	1.00
14 Home market size	0.02	0.04	-0.12	0.12	0.00	-0.10	0.07	-0.04	-0.01	0.08	-0.12	-0.24	-0.02	1.81
15 Minority shareholder protection	0.00	0.01	-0.06	0.02	0.02	-0.02	0.08	-0.02	0.01	-0.20	-0.10	-0.18	-0.02	1.55
16 Target firm size	0.12	0.00	-0.04	0.07	0.01	-0.02	0.04	-0.02	-0.01	0.08	-0.06	0.00	0.00	1.29
17 Target firm profitability	0.02	0.01	0.00	0.04	0.01	-0.01	-0.03	-0.03	0.00	0.01	0.00	0.00	0.00	1.04
18 Host market size	0.01	-0.01	0.03	0.09	0.00	0.00	-0.09	-0.06	-0.02	0.03	0.12	0.11	0.01	1.21
19 Shares in the target after deal	0.03	-0.05	0.08	0.01	-0.02	-0.02	-0.18	-0.08	-0.03	-0.03	0.17	0.06	0.00	1.37
20 Industry relatedness	0.02	0.01	0.06	-0.02	-0.01	0.03	-0.08	-0.10	-0.02	0.01	0.11	0.02	0.00	1.09
21 Geographic distance	-0.02	0.03	-0.04	0.01	0.01	-0.06	0.02	0.02	0.01	0.03	-0.04	-0.13	0.00	1.21
22 Cultural distance	-0.01	0.03	-0.03	0.08	-0.03	-0.01	-0.02	-0.02	-0.02	0.06	0.03	0.03	0.00	1.22
23 Cash payment dummy	-0.02	0.02	-0.01	0.01	0.00	0.00	0.02	0.09	0.03	0.07	-0.08	-0.06	-0.01	1.05
24 Debt payment dummy	0.12	-0.04	0.01	0.01	0.01	-0.01	-0.01	-0.05	-0.01	-0.04	0.05	0.02	0.00	1.03
25 Stock payment dummy	-0.01	0.01	-0.01	-0.06	-0.02	0.08	0.06	-0.07	-0.02	-0.04	0.09	-0.09	0.00	1.07
Mean	17.54	0.06	0.08	0.13	0.00	0.05	0.41	4.80	0.06	0.04	0.56	3.30	-0.16	1.22
SD	76.10	0.18	0.20	0.23	0.01	0.11	0.46	0.77	0.76	0.19	0.50	3.84	8.48	
N	8,687	8,687	8,687	8,687	8,687	8,687	8,687	8,687	8,687	8,687	8,687	8,687	8,687	

Table 1. Descriptive statistics and correlations (Cont'd)

	14	15	16	17	18	19	20	21	22	23	24	25
14 Home market size	1.00											
15 Minority shareholder protection	0.52	1.00										
16 Target firm size	0.12	-0.01	1.00									
17 Target firm profitability	0.02	0.01	0.18	1.00								
18 Host market size	-0.03	-0.10	-0.03	-0.04	1.00							
19 Shares in the target after deal	-0.12	-0.02	-0.40	-0.04	0.08	1.00						
20 Industry relatedness	-0.09	-0.04	-0.12	-0.02	0.00	0.25	1.00					
21 Geographic distance	0.29	0.15	-0.04	-0.04	0.22	-0.10	-0.05	1.00				
22 Cultural distance	0.26	0.10	0.12	0.01	0.26	-0.16	-0.10	0.10	1.00			
23 Cash payment dummy	0.08	-0.04	-0.04	-0.02	0.03	-0.03	-0.01	0.11	0.04	1.00		
24 Debt payment dummy	-0.01	0.03	0.06	0.02	0.00	0.07	0.03	-0.05	-0.03	-0.09	1.00	
25 Stock payment dummy	-0.04	0.05	-0.06	-0.04	0.00	0.10	0.04	-0.06	-0.04	0.03	0.08	1.00
Mean	7.83	0.74	1.40	0.01	7.29	0.85	0.41	8.81	5.64	0.88	0.03	0.06
SD	1.56	1.60	2.21	0.12	1.68	0.30	0.43	0.73	0.74	0.33	0.18	0.25
N	8,687	8,687	8,687	8,687	8,687	8,687	8,687	8,687	8,687	8,687	8,687	8,687

Correlations above |0.02| are statistically significant at $p<0.05$.

Table 2 presents the GLM regression results in steps. In the selection model, the additional variable, *Number of withdrawn deals by home-host-year (in natural logarithm)*, is negatively related to the propensity of completion. This variable was only included in the selection model and showed a statistically significant result ($p<0.001$), suggesting that the exclusion restrictions of the Heckman model were met (Heckman, 1977). The overall model is effective, yielding a 0.64 Pseudo R-square.

Table 2. GLM regression results

	Selection	1	2	3	4	5	6
Family blockholding	0.15 [0.18]		-0.63*** [0.17]	-1.90*** [0.50]	-1.57** [0.54]	-2.62*** [0.59]	-2.33*** [0.62]
(Family blockholding)2				1.65** [0.64]	1.25+ [0.66]	2.56*** [0.73]	2.20** [0.76]
Resistant financial blockholding					-0.20 [0.16]		-0.19 [0.16]
Family blockholding x Resistant financial blockholding					-12.13* [4.96]		-12.86** [4.96]
(Family blockholding)2 x Resistant financial blockholding					19.38+ [10.57]		21.75* [10.71]
Sensitive financial blockholding						0.02 [0.15]	-0.01 [0.15]
Family blockholding x Sensitive financial blockholding						9.08* [3.70]	9.49** [3.69]
(Family blockholding)2 x Sensitive financial blockholding						-13.66* [6.68]	-14.56* [6.58]
Manager/director blockholding	0.56** [0.19]	-0.26 [4.14]	-0.71 [4.15]	-0.92 [4.14]	-0.93 [4.11]	-1.29 [4.10]	-1.30 [4.07]
Government blockholding	0.23 [0.37]	0.03 [0.29]	-0.04 [0.29]	-0.01 [0.29]	-0.03 [0.29]	0.01 [0.29]	-0.01 [0.29]
Acquirer ownership Herfindahl 10	-3.00*** [0.36]	-1.25** [0.42]	-1.15** [0.42]	-1.16** [0.42]	-1.23** [0.42]	-1.06* [0.43]	-1.14** [0.42]
(Acquirer ownership Herfindahl 10)2	3.73*** [0.36]	0.99* [0.40]	0.87* [0.41]	0.84* [0.41]	0.88* [0.40]	0.73+ [0.41]	0.79+ [0.41]
CEO total compensation	0.01* [0.01]	0.03 [0.05]	0.03 [0.05]	0.03 [0.05]	0.02 [0.05]	0.03 [0.05]	0.02 [0.05]
CEO gender	-1.86*** [0.53]	-0.44 [0.39]	-0.45 [0.39]	-0.46 [0.39]	-0.45 [0.39]	-0.46 [0.38]	-0.45 [0.38]
Acquirer business group affiliation dummy	0.00 [0.22]	-0.16 [0.21]	-0.15 [0.21]	-0.15 [0.21]	-0.14 [0.21]	-0.14 [0.21]	-0.14 [0.21]
Acquirer public status dummy	0.72*** [0.07]	-0.17* [0.08]	-0.16* [0.08]	-0.16* [0.08]	-0.16* [0.08]	-0.17* [0.08]	-0.17* [0.08]
Acquirer firm size	-0.01 [0.01]	0.05*** [0.01]	0.05*** [0.01]	0.05*** [0.01]	0.05*** [0.01]	0.05*** [0.01]	0.05*** [0.01]
Acquirer firm profitability	0.00 [0.01]	0.01 [0.00]	0.00 [0.00]	0.00 [0.00]	0.00 [0.00]	0.00 [0.00]	0.00 [0.00]
Home market size	0.25*** [0.03]	-0.34 [0.30]	-0.31 [0.30]	-0.27 [0.30]	-0.28 [0.30]	-0.30 [0.30]	-0.30 [0.30]
Minority shareholder protection	-0.06* [0.03]	0.05 [0.04]	0.04 [0.04]	0.04 [0.04]	0.04 [0.03]	0.05 [0.03]	0.05 [0.03]
Target firm size	-0.12*** [0.01]	0.16*** [0.01]	0.16*** [0.01]	0.16*** [0.01]	0.16*** [0.01]	0.16*** [0.01]	0.16*** [0.01]
Target firm profitability	-0.01 [0.01]	-0.09 [0.26]	-0.08 [0.26]	-0.09 [0.26]	-0.09 [0.26]	-0.09 [0.25]	-0.09 [0.25]
Host market size	0.12*** [0.02]	0.17 [0.21]	0.15 [0.21]	0.19 [0.21]	0.19 [0.21]	0.17 [0.21]	0.18 [0.21]
Shares in the target after deal	-0.55*** [0.11]	0.88*** [0.13]	0.85*** [0.13]	0.87*** [0.13]	0.87*** [0.13]	0.85*** [0.13]	0.85*** [0.13]
Industry relatedness	-0.26*** [0.08]	-0.15* [0.08]	-0.14+ [0.08]	-0.14+ [0.08]	-0.13+ [0.08]	-0.14+ [0.08]	-0.13+ [0.08]
Geographic distance	0.32*** [0.03]	-0.01 [0.07]	-0.02 [0.07]	-0.01 [0.07]	-0.01 [0.07]	-0.02 [0.07]	-0.02 [0.07]
Cultural distance	-1.20*** [0.07]	0.07 [0.11]	0.07 [0.11]	0.08 [0.11]	0.07 [0.11]	0.07 [0.11]	0.07 [0.11]
Cash payment dummy	0.95*** [0.07]	0.04 [0.10]	0.05 [0.10]	0.04 [0.10]	0.05 [0.10]	0.03 [0.10]	0.03 [0.10]

	Selection	1	2	3	4	5	6
Debt payment dummy	0.28+ [0.15]	1.05*** [0.17]	1.02*** [0.17]	1.01*** [0.17]	1.00*** [0.17]	1.02*** [0.17]	1.01*** [0.17]
Stock payment dummy	-0.31* [0.12]	-0.02 [0.13]	-0.02 [0.13]	-0.01 [0.13]	-0.02 [0.13]	0.00 [0.13]	-0.00 [0.13]
Number of withdrawn deals by home-host-year (Log)	-1.50*** [0.06]						
Inverse Mills ratio		0.27* [0.11]	0.29* [0.12]	0.28* [0.11]	0.28* [0.11]	0.27* [0.12]	0.27* [0.12]
Constant	0.80 [0.79]	3.26 [2.27]	3.29 [2.27]	2.86 [2.27]	2.87 [2.25]	3.13 [2.25]	3.15 [2.23]
Year fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry fixed effects (SIC2)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Home country fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Host country fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Number of observations	9,403	8,687	8,687	8,687	8,687	8,687	8,687
Chi-square	3,479.33***	1,237.84***	1,259.77***	1,270.50***	1,297.08***	1,308.99***	1,334.91***
∆Chi-square			21.93***	10.73***	26.58***	38.49***	25.92***
Pseudo R-square	0.64						

Standard errors in parentheses
+ p<0.1, * p<0.05, ** p<0.01, *** p<0.001

In the second stage regressions, Model 1 includes only control variables. Collectively, these variables and the constant term contribute to a Chi-squared of 1,237.84 ($p<0.001$), where Chi-squared is based on deviance residuals and suggests how well the results are explained by the variables and, therefore, are an appropriate measure of the model's goodness of fit (Hardin & Hilbe, 2007). Starting in Model 2, we include our independent variable, its squared term, and moderating variables step by step.

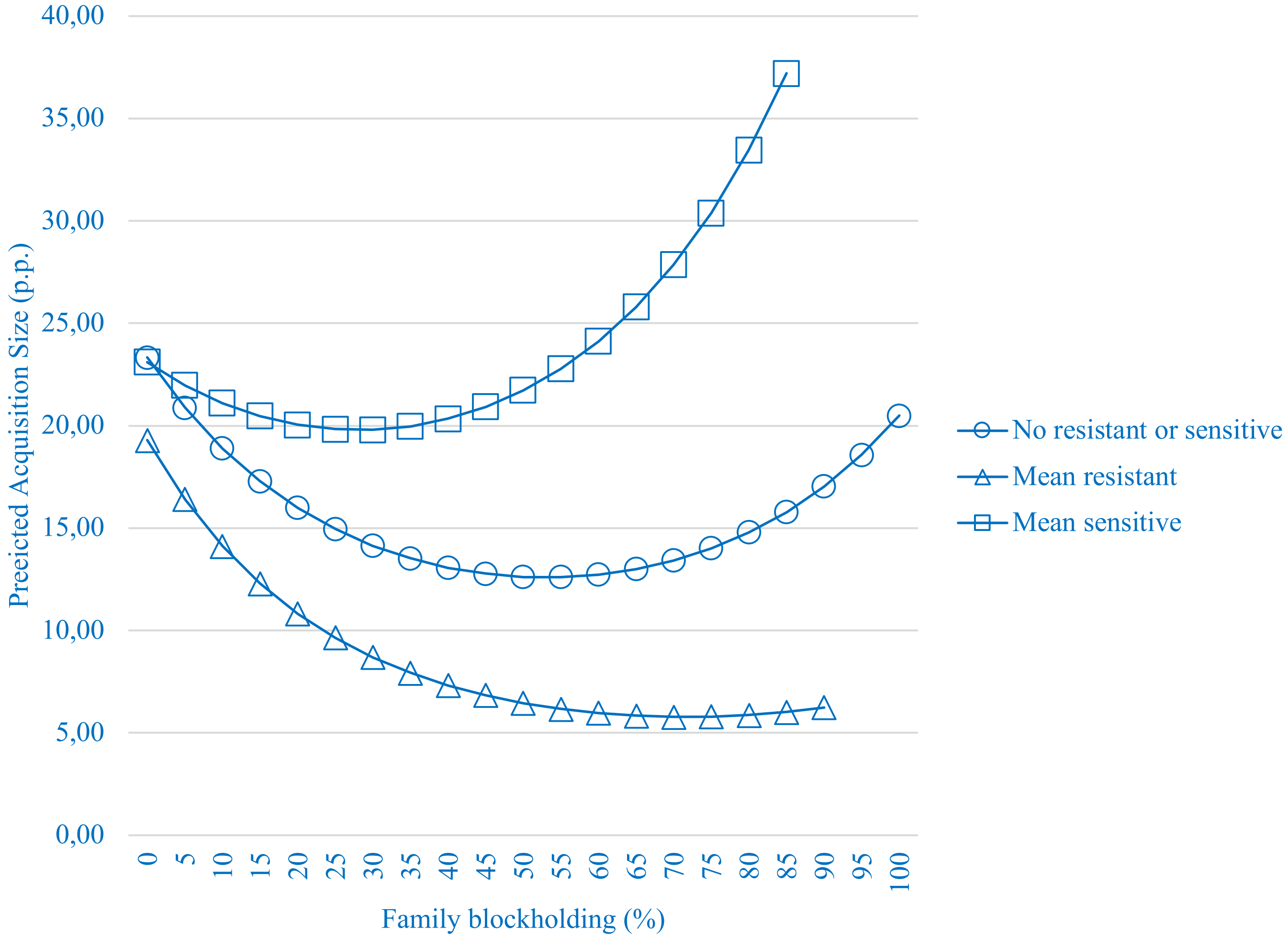
In Model 2, we include *Family blockholding* (without its squared term to assume a linear linkage function, as does the current literature), which yielded a negative and statistically significant coefficient ($\beta=-0.63$; $p<0.001$). This suggests that, overall, family blockholders tend to be conservative in terms of deal size. This finding is consistent with some prior studies, which (under a linearity assumption) suggests a negative relationship between family ownership/control and a firm's scale of internationalization or acquisitions (André et al., 2014; Caprio et al., 2011; Miller et al., 2010). Overall goodness of fit increased with a Chi-squared increase of 21.93 ($p<0.001$). In Model 3, we include the squared term of *Family blockholding*. Results lend significant support to H1, which argues for a U-shaped effect on deal value. Coefficients for *Family blockholding* and its squared term are -1.90 ($p<0.001$) and 1.65 ($p<0.05$), respectively. The turning point is about 57.6%, suggesting a higher than 50% family ownership to control an acquisition. Overall, compared to Model 2 (linearity), Chi-squared increased further by 10.73 in Model 3 ($p<0.001$), when the squared term was included. These results support a stronger goodness of fit of the curvilinear model compared to the linearity relationship.

In Models 4 and 5, two types of financial blockholding are introduced as moderators to interact both the original and the squared term of *Family blockholding*, which helps us later to calculate the moderating effects on the curvature of the U-shaped relationship (Haans et al., 2016). We finally include all moderators simultaneously in Model 6. Results remain highly consistent. As the results in Model 6 show, first, *Family blockholding* has a statistically significant and negative effect ($\beta=-2.33$; $p<0.001$), whereas its squared term has a statistically significant and positive effect ($\beta=2.20$, $p<0.01$), a finding consistent with H1. These results suggest a relatively balanced U shape, where the lowest point occurs when *Family blockholding* is slightly higher than 50 percent (53%).

Second, following Haans et al. (2016) (calculations are reported in detail in Appendix III), consistent with H2a, an increase in *Resistant financial blockholding* strengthens the curvature of the U shape. Specifically, everything else being equal, a one percent increase in *Resistant financial blockholding* at the turning point, where family-nonfamily blockholder conflicts approach the peak, leads to 43.5 times more decline in the acquisition size. Also, consistent with H2b, an increase in *Sensitive financial blockholding* flattens the curvature of the U shape. Specifically, everything else being equal, a one percent increase in *Sensitive financial blockholding* at the turning point leads to 29.12 times less of a decline in the acquisition size at the turning point.

We simulated the main U-shaped relationship and moderating effects of financial blockholders in Figure 1. As the simulations suggest, the mean value of resistant financial investors moves the entire U curve downward, which means a smaller acquisition. In contrast, the mean value of sensitive financial investors moves the entire U curve upward, which means a larger acquisition. It supports the view that sensitive financial investors collaborate with both the firm and the family blockholder(s) to increase the size of acquisitions (for the purpose of selling more financial services).

Figure 1: Simulations



Notes: Simulations are based on results in Model 6. Since the total percentage of voting rights by both financial investors and family blockholders cannot exceed 100%, the curves are censored where the total voting rights exceed 100%.

Among other noteworthy findings is that *Acquirer ownership Herfindahl 10* generally has a U-shaped effect on acquisition size ($p<0.01$ and 0.1 respectively), which is consistent with the prior finding that concentrated ownership and control may alleviate the PA problem and thus the CEO's risk taking in large cross-border acquisitions, but it may lead to large acquisitions for the controlling shareholder's private benefits (e.g. Oesterle et al., 2013). Finally, in all our models, the inverse Mills ratio from the selection model presents a statistically significant ($p<0.05$) effect, suggesting that the use of the Heckman selection model was justified as expected (Heckman, 1977).

Robustness Tests

We conducted several robustness checks and received consistent results. First, we divided the sample into the Anglo-Saxon (AS) (Australia, Canada, UK, and US) and non-AS subsamples. We report key statistics by subsample in the Supplementary materials S2. Counterintuitively, the statistics show opposite patterns to those suggested by prior finance literature. While family blockholding is similar (mean: 0.07 for AS countries, and 0.06 for non-AS countries; $p>0.1$ for mean equality t-test), resistant financial blockholding is on average smaller in AS acquirers (0.06) than in non-AS acquirers (0.11) ($p<0.001$ for mean equality t-test). On the other hand, sensitive financial blockholding is on average higher in AS acquirers (0.15) than in non-AS acquirers (0.11) ($p<0.001$ for mean equality t-test). We reason this is because global acquirers may not represent the ownership structure of their home contexts. It is likely that due to relatively more restricted financial markets at home, non-AS acquirers tend to be more mature and larger investors, which implies they have higher resistant institutional investors. On the other hand, AS acquirers, due to their relatively more liberal financial markets, include both smaller and larger players which may be owned by resistant institutional investors. This hypothesis is partially supported by the differences in acquisition size statistics. The mean value of acquisition size of AS acquirers is 15.15 p.p., smaller than non-AS acquirers' 21.21 p.p. ($p<0.001$ for mean equality t-test). We want to ensure our results remain robust in both subsamples. To this end, we replicated the GLM tests in both subsamples and report the results in Appendix IV(a) and IV(b). The results suggest high consistency between the two subsamples. In particular, the main effects (U-shape) are relatively more salient in the AS subsample. This is not surprising given that non-controlling shareholders are typically more active in these countries, thus causing higher degrees of tension between family and other shareholders.

Second, it is reasonable to assume that financial institutional investors, due to their diversified portfolio, may only be active in intervening in managerial decisions in relatively larger acquisitions. We therefore divided the sample into two subsamples by the median acquisition size (2.44 p.p.), with selected results for both subsamples reported in Appendix V(a) and V(b), respectively. Overall, the results support the hypothesis. Specifically, first, the main effects (U-shape) remain statistically significant in both samples. Also, the moderating effects by financial institutional investors are only statistically significant in the larger deals sample. It shows that while family-nonfamily conflicts exist in both smaller- and larger deals, resistant financial investors are more active in countering the family owners in larger deals, and sensitive financial investors are more active in supporting larger acquisitions.

Third, one may question the presence of other (unrelated) family blockholders and government blockholders, which might also be driven by nonfinancial purposes. Such conflicts between different nonfinancial goals may differ from nonfinancial-financial conflicts, leading to questions about the robustness of our results. We provide statistics of these blockholders in Appendix VI(a), which shows that the mean percentage of other (unrelated) family blockholding is 1.3%, and the mean percentage of government blockholding is 5.5%. We then replicate GLM tests using a subsample of acquirers containing at least one of these two blockholder types. The results are reported in the Appendix VI(b), suggesting a statistically significant U-shape (-1.803, $p<0.05$; 2.178, $p<0.1$).

Finally, we have also tried different measures and other subsampling approaches to check the consistency of our results. First, we changed the cutoff point from 5% to 10%, with the results staying robust. Second, we added trusts and pension funds into the group of resistant financial blockholders, and received similar results. Lastly, we conducted subsample tests of public- and private firms and received consistent results. These results are omitted due to space limitations, but are available upon request.

DISCUSSION AND CONCLUSIONS

The family business literature tends to focus on the will of the family in a firm's strategic behaviors (Miller et al., 2010), broadly following the theory of loss aversion emanating from SEW (Berrone et al., 2012, 2010; Gómez-Mejía et al., 2011). This view, however, does not reach consistent conclusions regarding how family ownership would lead to foreign acquisition behaviors. We argue that this literature has overlooked the importance of the roles played by the coexisting nonfamily owners and their potential conflicts (or alignment) with the family owner. In this study, we focus on the coexistence of multiple types of blockholders, often driven by different risk-taking preferences and motivations, and whether and how this coexistence might affect strategic decision-making related to international acquisitions. After controlling for traditional PA conflicts and PP conflicts between large and small shareholders (using a measure of ownership concentration), results indicate that an international acquisition is greater in scale if the level of family blockholding is extremely high or extremely low, whereas acquisition size is smaller if voting rights of family blockholders are relatively balanced against nonfamily blockholders. These results lend support to evidence of conflicts between family and nonfamily blockholding shareholders. The turning point where family- and nonfamily blockholder conflicts are most intensified is about 57.6 percent voting rights, where family and nonfamily blockholders hold relatively balanced formal voting power.

While the current family firm governance literature does not typically distinguish among different types of nonfamily shareholders, we examine two types of financial blockholders in more detail. We find that both of these types of financial blockholders have significant—both statistically and economically—but completely opposing moderating effects. Resistant financial blockholders (e.g., mutual and hedge funds, foundations, research endowments, and other financial companies) are more motivated and prone to challenge management in acquisition decisions, whereas sensitive financial blockholders (e.g., banks and insurance companies) are more likely to collaborate with the firm by leveraging their financial services.

Our theory and supportive findings have important implications for agency theory and for family firm and international business research. First, in terms of classic and behavioral agency theories, our theory differs from their conceptualizations. The classic agency theory often focuses on PA conflicts (Fama & Jensen, 1983; Jensen & Meckling, 1976), while the behavioral agency model (more explicitly SEW in family firms) (Gómez-Mejía et al., 2011) focuses on family as the sole ownership (group) in the governance model. We suggest that the risk-taking behaviors in family-controlled firms are a function of the interactions between the family owner (group) and the coexisting nonfamily owners, as different risk-taking propensities, motivations, and business relationships of diverse nonfamily owners have the potential to be in conflict (or alignment) with the family owner(s). We suggest that the classic and behavioral agency theories should be further extended from a PA relationship (or controlling-minority PP relationship) to a complex relationship among different groups of principals to more fully explain family firm behavior.

Second, we suggest that family owner behaviors should be discussed in the context of different nonfamily owners as a reference group. For example, additional insights can be gained about family owner risk preferences when comparing them with other types of owners by focusing on a reference shareholder group within the same firm, thus allowing family owner risk preferences to be compared with those of non-family shareholders. Our theory and findings suggest that the risk-taking behaviors of a family owner regarding loss aversion of SEW depend not only on the percentage of ownership (and thus the potential threat of family control), but also depend on the risk-taking preferences of the nonfamily owners. Sensitive financial institutions, as nonfamily owners with diversified revenues beyond firm equity, tend to be more likely than resistant financial institutions to stay silent or to collaborate with the manager in pursuing large foreign acquisitions, even if such acquisitions are under a controlling family's pursuit of SEW. Indeed, taking into account other ownership groups can provide important insights to the growing interest in family firm heterogeneity (e.g. Chua et al., 2012; Stanley, Kellermanns, & Zellweger, 2017; Westhead, Cowling, Storey, & Howorth, 2002).

Third, our paper extends the focus in the international business literature from risk-taking as a preference that is solely firm-based to a diverse conceptualization of interests between decision makers of the firm, family owners, and other influential blockholders. For instance, Buckley and Strange (2011, p. 466) suggest the MNEs' risk preference should reflect "the various stakeholders' risk preferences". Filatotchev and Wright (2011, p. 743) also call for an agency perspective to understand the "conflicts between principals" of MNEs. Similar to the SEW literature, the international business literature tends to argue that family firms are more conservative in international activities (notably predominantly measured as foreign sales or exports) (Banalieva & Eddleston, 2011; Gómez-Mejía et al., 2010), whereas the empirical evidence based on meta-analysis has been inconclusive on the linear relationship between family ownership and firm internationalization such as Carney et al.'s (2015) finding of a negative relationship and Arregle et al.'s (2017) statistically insignificant findings. Our theory and findings suggest a deeper examination of a nonlinear relationship between family ownership (or involvement in general) and international acquisitions, based on the involvement of the nonfamily owners.

Limitations and Future Research

Limitations of our study should be addressed for future work. First, although voting shares are an appropriate legal means of shareholder control in a firm's global strategy, our study has not controlled for other governance channels, such as top management and the board of directors, through which family and nonfamily shareholders can exercise influence and resolve conflicts (Anderson & Reeb, 2004; Banalieva & Eddleston, 2011). Our data, given its geographic scope (in many cultures, family members do not share the same last name), does not allow for clear identification of the family identities in the governance bodies such as the board of directors. Although prior studies have found a high correlation between family ownership and family governance (Jiang & Peng, 2011), it is also important to understand the roles played by top management and the board of directors in an international acquisition, since they offer a more immediate setting in which final decisions are made.

Second, scholars have begun to investigate the complexity of owner types within family shareholder groups. In particular, recent scholarship has emerged outlining how different generations of owners (1^{st}, 2^{nd}, subsequent…) develop dissimilar perspectives about the business both in terms of focus on SEW dimensions and in terms of interest in the primary business activities of the firm (Michael-Tsabari et al., 2014). For example, Zellweger and Kammerlander (2015) suggest that many later-generation family firms are controlled by multiple family owners whose interests may naturally drift from family traditions. As an example, later generation members who may prefer to cash out their equity in the family firm and invest in other businesses that might differ from family traditions may behave more like financial investors. Due to data limitations, our sample unfortunately does not capture the necessary information about the identity, age, and generation of each family/individual shareholder to be able to conduct a more comprehensive analysis of how family firms are diversifying over the long term. We therefore encourage scholars to collect longitudinal ownership data in order to be able to consider stage of business entity (i.e. generation), ownership composition, risk propensities vis à vis SEW dimensions, and firm performance over subsequent stage of business life: in particular following post-acquisition integration. We propose scholars utilize the cluster model as a helpful framework to guide analysis of firm-specific developments over a long period of time. We also encourage scholars to conduct more nuanced studies that test whether and how such family shareholder conflicts play out in international acquisitions and to investigate the extent of their effects compared to family-nonfamily shareholder conflicts.

From a theoretical perspective, this study has focused on the classic agency theory in the investigation of PP conflicts. We must acknowledge, however, that this chapter's focus on agency theory implied an exclusion of other relevant theoretical frameworks that have increasingly been used within family business literature, and which could have offered a more nuanced way in which to support of our study of owner characteristics and preferences: namely, stewardship theory (Davis, Schoorman, & Donaldson, 1997) and the resource based view of the firm (Barney, 1991; Wernerfelt, 1984). We encourage future work to incorporate these helpful theoretical frameworks in addressing salient family characteristics within ownership groups that inevitably impact owner preferences in the context of internationalization.

Practical implications

Our study has implications for managerial practice and for public policies relating to family firm governance. First, investors should understand that agency problem and the firm risk-taking behaviors of a family firm must not be restricted to family ownership and governance alone. Rather, investors should look at how the family interacts with other influential decision makers in the firm such as the top management and the board of directors who also represent nonfamily owners. If the family and nonfamily owners consider themselves to be in a distrustful and conflicting relationship, the agency cost due to PP conflicts could be aggravated, thus leading to less risk-taking behaviors of a firm. On the other hand, a collaborative relationship between family and nonfamily owners (e.g., sensitive financial institutions) may not always lead to more optimistic performance based on their underlying risk-taking behaviors, in particular if the conflicting nonfamily owners are not motivated by the financial returns from such behaviors. Second, directors should be aware that the agency problem of a family firm lies not only in the risk preferences and goal conflicts between the family owner(s) and the manager, but the agency problem also arises from a potential (im)balance between family and nonfamily shareholders whose inherent preferences may further diverge due to dissimilar group compositions and distinct client relationships with the firm. Indeed, managing the agency problem of a family firm requires a reconciliation of multiple groups of conflicting shareholders. Third, corporate governance policy makers focused on protecting minority shareholders (or financial performance) should design investor protection to control PA costs, PP costs, as well as the collusion among principal groups for nonfinancial objectives. This would require an ex ante knowledge through corporate disclosure and transparency for the purposes of risk-taking of different blockholders.

REFERENCES

Abdi, M., & Aulakh, P. S. (2012). Do country-level institutional frameworks and interfirm governance arrangements substitute or complement in international business relationships? *Journal of International Business Studies*, *43*(5), 477–497.

Ahern, K. R., Daminelli, D., & Fracassi, C. (2012). Lost in translation? The effect of cultural values on mergers around the world. *Journal of Financial Economics*, *117*(1), 165–189.

Anderson, R. C., Duru, A., & Reeb, D. M. (2009). Founders, heirs, and corporate opacity in the United States. *Journal of Financial Economics*, *92*(2), 205–222.

Anderson, R. C., & Reeb, D. M. (2004). Board composition: balancing family influence in S&P 500 firms. *Administrative Science Quarterly*, *49*(2), 209–237.

André, P., Ben-Amar, W., & Saadi, S. (2014). Family firms and high technology Mergers & Acquisitions. *Journal of Management & Governance*, *18*(1), 129–158.

Arora, A., Belenzon, S., & Rios, L. A. (2014). Make, buy, organize: The interplay between research, external knowledge, and firm structure. *Strategic Management Journal*, *35*, 317–337.

Arregle, J.-L., Duran, P., Hitt, M. A., & van Essen, M. (2017). Why Is Family Firms' Internationalization Unique? A Meta-Analysis. *Entrepreneurship: Theory and Practice*, *41*(5), 801–831.

Banalieva, E. R., & 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*, *42*(8), 1060–1072.

Barney, J. B. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, *17*(1), 99–120.

Berrone, P., Cruz, C., & Gómez-Mejía, L. R. (2012). Socioemotional Wealth in Family Firms: Theoretical Dimensions, Assessment Approaches, and Agenda for Future Research. *Family Business Review*, *25*(3), 258–279.

Berrone, P., Cruz, C., Gómez-Mejía, L. R., & Larraza-Kintana, M. (2010). Socioemotional Wealth and Corporate Responses to Institutional Pressures: Do Family-controlled Firms Pollute Less? *Administrative Science Quarterly*, *55*, 82–113.

Berry, H., Guillén, M. F., & Zhou, N. (2010). An institutional approach to cross-national distance. *Journal of International Business Studies*, *41*(9), 1460–1480.

Bettis, R. A., Ethiraj, S., Gambardella, A., Helfat, C., & Mitchell, W. (2016). Creating repeatable cumulative knowledge in strategic management: A call for a broad and deep conversation among authors, referees, and editors. *Strategic Management Journal*, *37*, 257–261.

Bodolica, V., & Spraggon, M. (2011). Behavioral Governance and Self-Conscious Emotions: Unveiling Governance Implications of Authentic and Hubristic Pride. *Journal of Business Ethics*, *100*(3), 535–550.

Brickley, J. A., Lease, R. C., & Smith, C. W. (1988). Ownership structure and voting on antitakeover amendments. *Journal of Financial Economics*, *20*(C), 267–291.

Bris, A., & Cabolis, C. (2008). The value of investor protection: Firm evidence from cross-border mergers. *Review of Financial Studies*, *21*(2), 605–648.

Brossard, O., Lavigne, S., & Sakinç, M. E. (2013). Ownership structures and R&D in Europe: The good institutional investors, the bad and ugly impatient shareholders. *Industrial and Corporate Change*, *22*(4), 1031–1068.

Bruno, V., & Shin, H. S. (2013). Cross-border banking and global liquidity. *Review of Economic Studies*, *82*(2), 535–564.

Buckley, P. J., & Strange, R. (2011). The Governance of the Multinational Enterprise: Insights from Internalization Theory. *Journal of Management Studies*, *48*(2), 460–470.

Caprio, L., Croci, E., & Del Giudice, A. (2011). Ownership structure, family control, and acquisition decisions. *Journal of Corporate Finance*, *17*(5), 1636–1657.

Carney, M. (2005). Corporate Governance and Competitive Advantage in Family-Controlled Firms. *Entrepreneurship Theory and Practice*. *29*(3), 249-265.

Carney, M., Van Essen, M., Gedajlovic, E. R., & Heugens, P. P. M. A. R. (2015). What do we know about private family firms? A meta-analytical review. *Entrepreneurship: Theory and Practice*, *39*(3), 513–544.

Choi, J. J., Park, S. W., & Yoo, S. S. (2007). The Value of Outside Directors: Evidence from Corporate Governance Reform in Korea. *Journal of Financial and Quantitative Analysis*, *42*(4), 941.

Chrisman, J. J., Chua, J. H., & Litz, R. A. (2004). Comparing the Agency Costs of Family and Non-Family Firms: Conceptual Issues and Exploratory Evidence. *Entrepreneurship Theory and Practice*, *28*(4), 335–354.

Chua, J. H., Chrisman, J. J., Steier, L. P., & Rau, S. B. (2012). Sources of Heterogeneity in Family Firms: An Introduction. *Entrepreneurship: Theory and Practice*, *36*(6), 1103–1113.

Claver, E., Rienda, L., & Quer, D. (2009). Family Firms' International Commitment: The Influence of Family-Related Factors. *Family Business Review*, *22*(2), 125–135.

Conn, R. L., Cosh, A., Guest, P., & Hughes, A. (2005). The impact on UK acquirers of domestic, cross border, public and private acquisitions. *Journal of Business Finance and Accounting*, *32*(5–6), 815–870.

Cornett, M. M., Marcus, A. J., Saunders, A., & Tehranian, H. (2007). The impact of institutional ownership on corporate operating performance. *Journal of Banking and Finance*, *31*(6), 1771–1794.

Daily, C. M., Dalton, D. R., & Rajagopalan, N. (2003). Governance through ownership: Centuries of practice, decades of research. *Academy of Management Journal*, *46*(2), 151–158.

Dalton, D. R., Daily, C. M., Certo, S. T., & Roengpitya, R. (2003). Meta-analyses of financial performance and equity: Fusion or confusion? *Academy of Management Journal*, *46*(1), 13–26.

David, P., Kochhar, R., & Levitas, E. (1998). The Effect of Institutional Investors on the Level and Mix of CEO. *Academy of Management Journal*, *41*(2), 200–208.

Davis, J. H., Schoorman, F. D., & Donaldson, L. (1997). Toward a Stewardship Theory of Management. *The Academy of Management Review*, *22*(1), 20–47.

Deephouse, D. L., & Jaskiewicz, P. (2013). Do Family Firms Have Better Reputations Than Non-Family Firms? An Integration of Socioemotional Wealth and Social Identity Theories. *Journal of Management Studies*, *50*(3), 337–360.

Denis, D. J., Denis, D. K., & Sarin, A. (1999). Agency Theory and the Influence of Equity Ownership Structure on Corporate Diversification Strategies. *Strategic Management Journal*, *20*(11), 1071–1076.

Fama, E. F., & Jensen, M. C. (1983). Separation of Ownership and Control. *Journal of Law and Economics*, *26*.

Fernández, Z., & Nieto, M. J. (2006). Impact of ownership on the international involvement of SMEs. *Journal of International Business Studies*, *37*(3), 340–351.

Filatotchev, I., & Wright, M. (2011). Agency Perspectives on Corporate Governance of Multinational Enterprises. *Journal of Management Studies*, *48*(2), 471–486.

Gómez-Mejía, L. R., Cruz, C., Berrone, P., & De Castro, J. (2011). The Bind that Ties: Socioemotional Wealth Preservation in Family Firms. *The Academy of Management Annals*, *5*(1), 653–707.

Gómez-Mejía, L. R., Haynes, K. T., Núñez-Nickel, M., Jacobson, K. J. L., & Moyano-Fuentes, J. (2007). Socioemotional Wealth and Business Risks in Family-controlled Firms: Evidence from Spanish Olive Oil Mills. *Administrative Science Quarterlycience Quarterly*, *52*(1), 106–137.

Gómez-Mejía, L. R., Makri, M., & Kintana, M. L. (2010). Diversification Decisions in Family-Controlled Firms. *Journal of Management Studies*, *47*(2), 223–252.

Goranova, M., Dharwadkar, R., & Brandes, P. (2008). Owners on both sides of the deal: Mergers and acquisitions and overlapping institutional ownership. *Academy of Management Journal*, *51*(2), 315–334.

Guillén, M. F., & Capron, L. (2016). State Capacity, Minority Shareholder Protections, and Stock Market Development. *Administrative Science Quarterly*, *61*(1), 125–160.

Haans, R. F. J., Pieters, C., & He, Z.-L. (2016). Thinking about U: Theorizing and testing U- and inverted u-shaped relationships in strategy research. *Strategic Management Journal*, *37*, 1177–1195.

Hanlon, M., Maydew, E. L., & Thornock, J. R. (2015). Taking the long way home: U.S. tax evasion and offshore investments in U.S. equity and debt markets. *Journal of Finance*, *70*(1), 257–287.

Hardin, J., & Hilbe, J. (2007). *Generalized linear models and extensions* (Vol. 2nd). College Station, Texas: STATA Press.

Harford, J., Jenter, D., & Li, K. (2007). Conflicts of Interests Among Shareholders: The Case of Corporate Acquisitions. *National Bureau of Economic Research Working Paper Series*, *No. 13274*.

Hautz, J., Mayer, M. C. J., & Stadler, C. (2013). Ownership Identity and Concentration: A Study of their Joint Impact on Corporate Diversification. *British Journal of Management*, *24*, 102–126.

Haynes, K. T., Hitt, M. A., & Campbell, J. T. (2015). The dark side of leadership: Towards a mid-range theory of hubris and greed in entrepreneurial contexts. *Journal of Management Studies*, *52*(4), 479–505.

Hayward, M. L. A. (2002). When do firms learn from their acquisition experience? Evidence from 1990-1995. *Strategic Management Journal*, *23*(1), 21–39.

Heckman, J. J. (1977). Sample Specification Bias as a Selection Error. *Econometrica*, *47*(1), 153–162.

Hoskisson, R. E., Hitt, M. A., Johnson, R. A., & Grossman, W. (2002). Conflicting voices: The effects of institutional ownership heterogeneity and internal governance on corporate innovation strategies. *Academy of Management Journal*, *45*, 697–717.

Jacobsen, S. (2014). The death of the deal: Are withdrawn acquisition deals informative of CEO quality? *Journal of Financial Economics*, *114*(1), 54–83.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, *3*(4), 305–360.

Jiang, Y., & Peng, M. W. (2011). Are family ownership and control in large firms good, bad, or irrelevant? *Asia Pacific Journal of Management*, *28*(1), 15–39.

Kang, D. L., & Sørensen, A. B. (1999). Ownership Organization and Firm Performance. *Annual Review of Sociology*, *25*(1999), 121–144.

Kochhar, R., & David, P. (1996). Institutional Investors and Firm Innovation: A Test of Competing Hypotheses. *Strategic Management Journal*, *17*(1), 73–84.

Kontinen, T., & Ojala, A. (2010). The internationalization of family businesses: A review of extant research. *Journal of Family Business Strategy*, *1*(2), 97–107.

Li, D., Moshirian, F., Pham, P. K., & Zein, J. (2006). When Financial Institutions are Large Shareholders : The Role of Macro Corporate Governance Environments. *Journal of Finance*, *LXI*(6), 2975–3007.

Lu, J., Xu, B., & Liu, X. (2009). The effects of corporate governance and institutional environments on export behaviour in emerging economies: Evidence from China. *Management International Review*, *49*(4), 455–478.

Martin, K. J. (1996). The Method of Payment in Corporate Acquisitions, Investment Opportunities, and Management Ownership. *The Journal of Finance*, *51*(4), 1227–1246.

Matta, E., & Beamish, P. W. (2008). The accentuated CEO career horizon problem: Evidence from international acquisitions. *Strategic Management Journal*, *51*(2), 315–334.

Maury, B. (2006). Family ownership and firm performance: Empirical evidence from Western European corporations. *Journal of Corporate Finance*, *12*(2), 321–341.

Maury, B., & Pajuste, A. (2005). Multiple large shareholders and firm value. *Journal of Banking and Finance*, *29*(7), 1813–1834. https://doi.org/10.1016/j.jbankfin.2004.07.002

Michael-Tsabari, N., Labaki, R., & Zachary, R. K. (2014). Toward the Cluster Model: The Family Firm's Entrepreneurial Behavior Over Generations. *Family Business Review*, *27*(2), 161–185.

Miller, D., Le Breton-Miller, I., & Lester, R. H. (2010). Family Ownership and Acquisition Behavior in Publicly-Traded Companies. *Strategic Management Journal*, *31*(May 2008), 201–223.

Miller, D., Le Breton-Miller, I., Lester, R. H., & Cannella, A. A. (2007). Are family firms really superior performers? *Journal of Corporate Finance*, *13*(5), 829–858.

Moeller, S. B., Schlingemann, F. P., & Stulz, R. M. (2005). American Finance Association Wealth Destruction on a Massive Scale ? A Study of Acquiring-Firm Returns in the Recent Merger Wave. *The Journal of Finance*, *60*(2), 757–782.

Morck, R., Wolfenzon, D., & Yeung, B. (2005). Corporate Governance, Economic Entrenchment, and Growth. *Journal of Economic Literature*, *43*(3), 655–720.

Muñoz-Bullón, F., & Sánchez-Bueno, M. J. (2012). Do family ties shape the performance consequences of diversification? Evidence from the European Union. *Journal of World Business*, *47*, 469–477.

Oesterle, M.-J., Richta, H. N., & Fisch, J. H. (2013). The influence of ownership structure on internationalization. *International Business Review*, *22*(1), 187–201.

Parrino, R., Sias, R. W., & Starks, L. T. (2003). Voting with their feet: Institutional ownership changes around forced CEO turnover. *Journal of Financial Economics*, *68*(1), 3–46.

Patel, P. C., & King, D. R. (2015). Acquire or get acquired: Defensive acquisitions in medium-sized family firms. In A. Risberg, D. R. King, & O. Meglio (Eds.), *Routledge Companion to Mergers and Acquisitions* (pp. 57–73).

Pukall, T. J., & Calabrò, A. (2014). The Internationalization of Family Firms: A Critical Review and Integrative Model. *Family Business Review*, *27*(2), 103–125.

Ramaswamy, K., Li, M., & Veliyath, R. (2002). Variations in ownership behavior and propensity to diversify: A study of the Indian corporate context. *Strategic Management Journal*, *23*(4), 345–358.

Sciascia, S., Mazzola, P., Astrachan, J. H., & Pieper, T. M. (2013). Family Involvement in the Board of Directors: Effects on Sales Internationalization. *Journal of Small Business Management*, *51*(1), 83–99.

Seth, A., Song, K. P., & Pettit, R. (2002). Value creation and destruction in cross-border acquisitions: An empirical analysis of foreign acquisitions of U.S. firms. *Strategic Management Journal*, *23*(10), 921–940.

Shleifer, A., & Vishny, R. W. (1997). A Survey of Corporate Governance. *The Journal of Finance*, *52*(2), 737–783.

Stanley, L., Kellermanns, F. W., & Zellweger, T. M. (2017). Latent Profile Analysis: Understanding Family Firm Profiles. *Family Business Review*, *30*(1), 84–102.

Thomsen, S., & Pedersen, T. (2000). Ownership Structure and Economic Performance in the

Largest European. *Strategic Managemeni Journal*, *21*(January), 689–705.
Tihanyi, L., Johnson, R. A., Hoskisson, R. E., & Hitt, M. A. (2003). Institutional ownership differences and international diversification: The effects of boards of directors and technological opportunity. *Academy of Management Journal*, *46*(2), 195–211.
Tsang, E. W. K. (2002). Learning from overseas venturing experience: The case of Chinese family businesses. *Journal of Business Venturing*, *17*, 21–40.
Villalonga, B., & Amit, R. (2006). How do family ownership, control and management affect firm value? *Journal of Financial Economics*, *80*(2), 385–417.
Wernerfelt, B. (1984). A Resource-Based View of the Firm. *Strategic Management Journal*, *5*(2), 171–180.
Westhead, P., Cowling, M., Storey, D. J., & Howorth, C. (2002). The scale and nature of family business. In D. E. Fletcher (Ed.), *Understanding the small family business* (pp. 19–21). Routledge.
Wiseman, R. M., & Gómez-Mejía, L. R. (1998). A behavioral agency model of management risk taking. *Academy of Management Review*, *23*(1), 133–153.
Zahra, S. A. (2005). Entrepreneurial Risk Taking in Family Firms. *Family Business Review*, *18*(1), 23–40.
Zahra, S. A., Neubaum, D. O., & Huse, M. (2000). Entrepreneurship in medium-sized firms: exploring the effects of ownership and governance system. *Journal of Management*, *26*(5), 947–976.
Zellweger, T. M., & Kammerlander, N. (2015). Family, Wealth, and Governance : An Agency Account. *Entrepreneurship, Theory, and Practice …*, 1–23.
Zhang, X., Piesse, J., & Filatotchev, I. (2015). Family control, multiple institutional block-holders, and informed trading. *European Journal of Finance*, *21*(10–11), 826–847.

Appendix I: Sample statistics by target industry

	Number of deals	Percent
Agriculture, Forestry, And Fishing	392	4.51
Mining	902	10.38
Construction	101	1.16
Manufacturing	3,318	38.2
Transportation, Communications, Electric, Gas, and Sanitary Services	644	7.41
Wholesale Trade	441	5.08
Retail Trade	252	2.9
Services	2,637	30.36
Total	8,687	100

Appendix II: Selected sample statistics by home market

Home market	Number of deals	Number of deals with a family blockholder	Mean family blockholding	Number of deals with a resistant financial blockholder	Mean resistant financial blockholding	Number of deals with a sensitive financial blockholder	Mean sensitive financial blockholding
Australia	472	91	4.9%	129	7.4%	151	6.7%
Austria	31	3	4.2%	10	8.9%	8	12.4%
Belgium	41	0	0.0%	18	28.0%	11	9.9%
Brazil	36	3	0.8%	17	10.9%	16	10.9%
Canada	643	133	10.1%	115	6.9%	90	5.7%
Chile	16	1	3.0%	5	13.7%	4	4.6%
China	102	14	6.3%	17	8.1%	5	1.2%
Denmark	66	11	4.3%	11	5.5%	14	7.1%
Egypt	11	4	16.7%	0	0.0%	1	0.7%
Finland	157	26	4.4%	62	15.6%	63	8.6%
France	270	43	4.6%	62	8.0%	94	13.6%
Germany	177	39	6.5%	26	4.3%	56	6.6%
Greece	34	11	13.7%	6	12.0%	7	14.2%
Hong Kong SAR	55	8	3.5%	12	4.7%	9	5.8%
Iceland	42	0	0.0%	3	4.1%	11	13.3%
India	270	69	11.8%	91	17.3%	82	8.0%
Israel	170	31	8.0%	49	9.9%	72	15.0%
Italy	101	17	4.5%	35	18.7%	9	2.4%
Japan	317	18	2.0%	34	4.2%	201	31.3%
Luxembourg	52	11	10.0%	7	2.8%	11	4.4%
Malaysia	24	4	8.8%	4	14.3%	1	0.8%
Mexico	32	8	23.9%	0	0.0%	8	2.5%
Netherlands	206	14	2.2%	60	19.9%	47	11.7%
New Zealand	39	5	3.7%	10	10.8%	12	5.2%
Norway	123	9	2.3%	35	11.5%	33	7.6%
Poland	29	8	9.3%	3	4.8%	15	9.8%
Russia	70	14	12.3%	22	17.8%	18	6.1%
Saudi Arabia	14	2	3.4%	0	0.0%	0	0.0%
Singapore	97	12	5.2%	31	9.1%	12	4.4%
South Africa	65	7	1.6%	29	10.8%	15	5.5%
South Korea	69	17	7.2%	9	2.6%	17	8.0%
Spain	107	27	3.7%	39	12.3%	25	6.7%
Sweden	346	79	6.2%	75	14.4%	156	11.0%
Switzerland	157	38	6.6%	36	12.9%	48	10.2%
Taiwan	36	10	8.1%	7	10.7%	3	1.5%
Thailand	14	1	0.9%	1	7.1%	0	0.0%
Turkey	11	0	0.0%	0	0.0%	3	27.3%
UAE	36	1	0.5%	2	1.9%	1	1.3%
UK	1,280	188	3.6%	381	8.5%	636	23.0%
USA	2,869	488	8.0%	463	4.4%	1,094	14.6%
Total	8,687	1,465	6.4%	1,916	7.9%	3,059	13.2%

Note: China only refers to mainland China, excluding Hong Kong SAR and Taiwan, which are listed separately.

Appendix III. Calculations of moderating effects on the U shape

Following Haans et al. (2015), our testing specification:

$$S = \beta_0 + \beta_1 F + \beta_2 F^2 + \beta_3 FM + \beta_4 F^2 M + \beta_5 M$$

(A1)

S denotes *Size of acquisition*, *F Family blockholding,* and *M* the moderator (i.e., *Resistant* or *Sensitive financial blockholding*)

Taking second order conditions of A1, the curvature of *S*:

$$C = \frac{\delta^2 S}{\delta F^2} = 2\beta_2 + 2\beta_4 M$$

(A2)

Taking the derivate of A2 with respect to *M*, the marginal effect of *M* on the curvature of U shape:

$$\frac{\delta C}{\delta M} = 2\beta_4$$

(A3)

Substituting coefficients from Model 6 into A3, the marginal effects of *Resistant financial blockholding* and *Sensitive financial blockholding* on the curvature are respectively 43.50 (strengthening) and -29.12 (flattening).

Appendix IV(a) Select GLM regression results for Anglo-American subsample

	1		2		3		4		5	
Family blockholding	-0.45*	[0.20]	-2.05**	[0.63]	-1.67*	[0.68]	-3.08***	[0.75]	-2.78***	[0.78]
(Family blockholding)2			2.02**	[0.78]	1.58+	[0.81]	3.36***	[0.93]	3.00**	[0.94]
Resistant financial blockholding					-0.48+	[0.23]			-0.44+	[0.23]
Family blockholding x Resistant financial blockholding					-15.77*	[6.68]			-18.71**	[6.69]
(Family blockholding)2 x Resistant financial blockholding					23.15+	[12.18]			28.90*	[12.46]
Sensitive financial blockholding							-0.03	[0.20]	-0.08	[0.20]
Family blockholding x Sensitive financial blockholding							11.59**	[4.30]	12.95**	[4.28]
(Family blockholding)2 x Sensitive financial blockholding							-18.41*	[7.52]	-20.66**	[7.40]
Number of observations	5,264		5,264		5,264		5,264		5,264	
Chi-square	755.03***		766.32***		800.19***		796.81***		836.89***	

Clustered standard errors in parentheses
+ p<0.1, * p<0.05, ** p<0.01, *** p<0.001

Appendix IV(b) Select GLM regression results for non-Anglo-American subsample

	1		2		3		4		5	
Family blockholding	-0.11	[0.23]	-1.73*	[0.83]	-1.16	[0.89]	-3.20**	[1.02]	-2.67*	[1.06]
(Family blockholding)2			1.96*	[0.98]	1.32	[1.03]	3.89**	[1.20]	3.33**	[1.22]
Resistant financial blockholding					-0.18	[0.36]			-0.13	[0.35]
Family blockholding x Resistant financial blockholding					-20.63*	[9.09]			-27.05**	[9.14]
(Family blockholding)2 x Resistant financial blockholding					27.34+	[15.79]			37.82*	[16.12]
Sensitive financial blockholding							0.08	[0.27]	0.06	[0.27]
Family blockholding x Sensitive financial blockholding							16.26**	[5.26]	18.38***	[5.34]
(Family blockholding)2 x Sensitive financial blockholding							-26.18**	[8.52]	-29.70***	[8.58]
Number of observations	3,423		3,423		3,423		3,423		3,423	
Chi-square	1204.17***		1221.97***		1235.84***		1297.64***		1302.73***	

Clustered standard errors in parentheses
+ p<0.1, * p<0.05, ** p<0.01, *** p<0.001

Appendix V(a) Select GLM regression results for deals smaller than the sample median (2.44 p.p.)

Family blockholding	-0.07**	[0.03]	-0.25**	[0.08]	-0.26**	[0.08]	-0.23**	[0.09]	-0.24*	[0.09]
(Family blockholding)2			0.24*	[0.09]	0.24*	[0.10]	0.23*	[0.11]	0.23*	[0.11]
Resistant financial blockholding					0.02	[0.03]			0.02	[0.03]
Family blockholding x Resistant financial blockholding					-0.43	[0.70]			-0.45	[0.71]
(Family blockholding)2 x Resistant financial blockholding					1.65	[1.41]			1.63	[1.41]
Sensitive financial blockholding							0.02	[0.03]	0.03	[0.03]
Family blockholding x Sensitive financial blockholding							0.04	[0.59]	0.08	[0.59]
Number of observations	4,344		4,344		4,344		4,344		4,344	
Chi-square	414.41	***	421.53	***	425.17	***	422.75	***	426.38	***

Clustered standard errors in parentheses
+ p<0.1, * p<0.05, ** p<0.01, *** p<0.001

Appendix V(b) Select GLM regression results for deals equal to or greater than the sample median (2.44 p.p.)

Family blockholding	-0.37+	[0.19]	-1.04+	[0.56]	-0.55	[0.59]	-1.92**	[0.66]	-1.44*	[0.70]
(Family blockholding)2			0.88	[0.70]	0.33	[0.73]	1.96*	[0.82]	1.41+	[0.85]
Resistant financial blockholding					-0.10	[0.16]			-0.11	[0.16]
Family blockholding x Resistant financial blockholding					-13.52*	[5.42]			-14.17**	[5.44]
(Family blockholding)2 x Resistant financial blockholding					18.99	[11.82]			21.59+	[11.99]
Sensitive financial blockholding							-0.01	[0.15]	-0.04	[0.15]
Family blockholding x Sensitive financial blockholding							9.52*	[3.95]	9.70*	[3.94]
(Family blockholding)2 x Sensitive financial blockholding							-14.35+	[7.35]	-15.35*	[7.24]
Number of observations	4,343		4,343		4,343		4,343		4,343	
Chi-square	740.91	***	741.16	***	761.54	***	765.98	***	783.55	***

Clustered standard errors in parentheses
+ p<0.1, * p<0.05, ** p<0.01, *** p<0.001

Appendix VI(a) Select statistics of likely non-financially driven blockholders

Variable	N	Mean	SD	Min	Max
Family blockholding	8,687	0.06	0.18	0.00	1.00
Other (unrelated) family blockholding	8,687	0.01	0.07	0.00	0.80
Government blockholding	8,687	0.06	0.11	0.00	0.33

Appendix VI(b) GLM regression results for acquirers with other (unrelated) family blockholders and/or government blockholders

	1		2		3	
Family blockholding			-0.98***	[0.27]	-1.80*	[0.71]
(Family blockholding)2					2.18+	[1.25]
Manager/director blockholding	1.37	[5.51]	0.28	[5.43]	0.22	[5.44]
Government blockholding	0.51	[0.41]	0.00	[0.42]	-0.04	[0.42]
Acquirer ownership Herfindahl 10	-2.18***	[0.54]	-1.86***	[0.54]	-1.88***	[0.54]
(Acquirer ownership Herfindahl 10)2	2.10***	[0.52]	1.72***	[0.52]	1.72***	[0.52]
CEO total compensation	0.10	[0.34]	0.06	[0.33]	0.07	[0.33]
CEO gender	0.00	[0.82]	0.00	[0.97]	0.00	[0.82]
Acquirer business group affiliation dummy	-0.14	[0.31]	-0.10	[0.30]	-0.11	[0.31]
Acquirer public status dummy	-0.31**	[0.10]	-0.30**	[0.10]	-0.29**	[0.10]
Acquirer firm size	0.11***	[0.02]	0.10***	[0.02]	0.10***	[0.02]
Acquirer firm profitability	0.00	[0.00]	0.00	[0.00]	0.00	[0.03]
Home market size	0.27	[0.41]	0.32	[0.40]	0.33	[0.40]
Minority shareholder protection	0.09+	[0.05]	0.09+	[0.05]	0.09+	[0.05]
Target firm size	0.20***	[0.02]	0.20***	[0.02]	0.20***	[0.02]
Target firm profitability	0.10	[0.37]	0.20	[0.35]	0.19	[0.35]
Host market size	0.273	[0.25]	0.23	[0.25]	0.25	[0.25]
Shares in the target after deal	0.65**	[0.22]	0.68**	[0.22]	0.69**	[0.22]
Industry relatedness	0.08	[0.11]	0.07	[0.11]	0.07	[0.11]
Geographic distance	0.02	[0.09]	0.02	[0.09]	0.02	[0.09]
Cultural distance	0.06	[0.16]	0.067	[0.16]	0.07	[0.16]
Cash payment dummy	0.06	[0.14]	0.04	[0.14]	0.04	[0.14]
Debt payment dummy	0.77**	[0.28]	0.70*	[0.27]	0.68*	[0.27]
Stock payment dummy	-0.03	[0.16]	-0.01	[0.16]	-0.01	[0.16]
Inverse Mills ratio	0.39*	[0.20]	0.39*	[0.19]	0.39*	[0.20]
Constant	-2.27	[3.37]	-1.95	[3.31]	-2.11	[3.32]
Year fixed effects	Yes		Yes		Yes	
Industry fixed effects (SIC2)	Yes		Yes		Yes	
Home country fixed effects	Yes		Yes		Yes	
Host country fixed effects	Yes		Yes		Yes	
Number of observations	3,130		3,130		3,130	
Chi-square	906.33***		928.25***		945.45***	

Clustered standard errors in parentheses
+ p<0.1, * p<0.05, ** p<0.01, *** p<0.001

Chapter 4

Family Business Values at Work:

An Empirical Study on how Familiness Encourages Post Cross-Border Acquisition Employee Integration[5]

[5] This paper is co-authored with Frances Jørgensen (Royal Roads University, Victoria, Canada)

INTRODUCTION

Familiness, the bundle of idiosyncratic resources and capabilities (Habbershon, Williams, & MacMillan, 2003) related to family involvement and interactions with a firm, has been shown to affect the way family firms create strategies. Dimensions of familiness include power, experience, and culture (Astrachan, Klein, & Smyrnios, 2002; Klein, Astrachan, & Smyrnios, 2005). Within the culture dimension of familiness, a key element is the presence of family business values, a group of social principles, goals, and standards that define what members of an organization care about (Hatch 1997). Family business values highlighted in the literature include honesty, commitment, fairness, responsibility, integrity, quality, industriousness, and ethical conduct (Koiranen, 2002) . These are thought to strongly influence the ways a family firm governs, operates, develops strategies, and makes decisions (Koiranen, 2002).

While research on family firms is flourishing, particularly on topics such as definitional issues (Chrisman, Chua, & Sharma, 2005; Gedajlovic, Carney, Chrisman, & Kellermanns, 2012; Sharma, 2004), governance (Aguilera & Crespi-Cladera, 2012), competitive advantages (Carney, Gedajlovic, Heugens, Van Essen, & Van Oosterhout, 2011; Hitt & Sirmon, 2003; Miller, Le Breton-Miller, & Lester, 2011; Zellweger, Eddleston, & Kellermanns, 2010), and succession (De Massis, A., Chua, J. H., & Chrisman, J. J. 2008; McKee, Madden, Kellermanns, & Eddleston, 2014), scholars have yet to fully explore family business values. Although addressed in various conceptual papers (Distelberg & Sorenson, 2009; Fletcher, Melin, & Gimeno, 2012), there seems to be a paucity of empirical papers on family business values.

In this paper, we address the role of family business values in supporting post-acquisition integration, which is an important issue in the mergers and acquisition (M&A) literature (Viegas-Pires, 2013), and particularly within the context of cross border mergers and acqusitions. Although many cultural elements of post-acquisition integration have been studied, many remain unexamined (Riikka M. Sarala, Vaara, & Junni, 2017): specifically family business values (FBV) in cross-border acquisitions.

The role of family business values in international M&A becomes more relevant as family firms increasingly seek to grow and survive through mergers and acquisitions, including those made across borders (Steen & Welch, 2006). A risk-intensive equity mode of internationalization that challenges managers in a variety of ways (Seth, Song, & Pettit, 2002), cross-border M&A depends upon the acquiring and acquired firms successfully integrating their different organizational cultures (Vaara, Sarala, Stahl, & Björkman, 2012). Cultures can be viewed as multilevel constructions (Teerikangas & Very, 2006) that can be analyzed as formations of values, beliefs, and practices (Björkman, Stahl, & Vaara, 2007) within organizations. In particular, when integrating non-family and family organizational cultures, family business values can be a significant cultural differentiator likely to impact the post-acquisition process. Indeed, family business values are situated at a cultural intersection of family and non-family firms as they integrate post-acquisition. Some scholars imply that by examining the impact family business values have on firm decisions it is possible to expose core competitive advantages of family firms over non-family firms, since FBVs comprise the dimension of familiness most directly involved in a family firm's culture (Ceja & Tàpies, 2011). However, if assertions that FBVs are useful to understand family firm behaviors in cross-border contexts, or more specifically, if FBVs serve as a tool in M&A integration leading to a discovery of competitive advantages of internationalizing family firms, they have yet to be examined in an empirical setting.

In an attempt to address this issue in the literature, this paper aims to study how family business values affect internationalization within the context of cross-border acquisitions. Although the construct of familiness extends beyond culture to include elements of power (e.g. ownership, governance, management) and experience (e.g. multiple generations in control of the firm) (Klein et al., 2005), this study focuses on family business values in order to investigate what impact (if any) this dimension of familiness might have on the integration of disparate organizational and international cultures following an acquisition. Thus, the research question underpinning this study is:

How can family business values affect the integration of international employee groups in the context of a family firm acquisition?

The paper aims to contribute to theory and practice by furthering an understanding of family business values as they function as a part of the cultural dimension of familiness. Specifically, family business values are studied to investigate how they impact firm internationalization by promoting or encouraging post-acquisition integration processes.

The study also contributes a methodologically novel approach to addressing post-acquisition integration issues in family firms. Specifically, the study offers a processual view of how action research can be actively applied to address cross-border integration issues.

The structure of the paper is as follows. Following this introduction, the theoretical background for the study is presented. Then, the action research methodology is introduced followed by the empirical background of the case company. Next, the participants and data collection will be described followed by presentation of the data with analysis in the three cycles of the action research. Discussion of results and implications for industry and further research conclude the study.

THEORETICAL BACKGROUND

The resource-based view, family business values, and family business culture

Family business values are a key component of familiness, a construct involving family-firm–specific resources which is an extention from the resource-based view (RBV) tool of strategic management, an area that focuses on understanding firm performance in the pursuit of long-term competitive advantage (Ketchen, Thomas, and McDaniel, 1996). The RBV emphasizes internal practices and characteristics as a source of advantage, focusing on how a firm's idiosyncrasies and organizational culture can offer it a sustainable competitive advantage (Barney 1986). As a subset of behavioral economics (Anderson, 1982), the RBV draws upon agency theory (Eisenhardt 1989) and social-capital theory of the firm (Ross 1973; Mitnick 1974) to integrate potential distinctive resources that may give rise to sources of firm-specific competitive advantages, including monitoring mechanisms, social capital, and firm relationships (Jensen & Meckling, 1976). Agency theory outlines the costs associated with relationships between different agents. For example, it has been argued that the efficient/aligned agent-to-agent relationships of family firms reduce their agency costs, which may explain why family firms might have a competitive advantage over non-family firms (Daily & Dollinger, 1992, McConaughy et al., 1995). Meanwhile, social capital theory draws on economic theory and cultural capital theory in which social networks play a central role. Farr (2004) asserts that transactions are identified by varying degrees of trust, reciprocity, and cooperation between agents. These traits are used to help explain firm performance, entrepreneurial venture growth, managerial performance effectiveness, and amount of value derived from strategic alliances. Arenius (2002) asserts that a high degree of firm-level social capital in new ventures allow the firm owners and managers to more easily access resources for internationalization processes.

Guided by the RBV to better understand sustainable competitive advantage, family business scholars research firm-level resources, capabilities, and characteristics of family firms (Chua, Chrisman, Steier, & Rau, 2012; Holt, Pearson, Carr, & Barnett, 2016; Sharma & Nordkvist, 2007), including notions of varied goals (Chrisman, Chua, Pearson, & Barnett, 2012); governance (Carney, 2005); resources (Habbershon et al., 2003); degree of family ownership (Pukall & Calabrò, 2013); multifaceted roles of family owners, directors, and managers (Barros, Hernangómez, & Martin-Cruz, 2016); the degree of identification stakeholders have with the firm (Frank, Lueger, Nosé, & Suchy, 2010); and levels of normative and affective commitment maintained by family firm stakeholders (Jørgensen & Sluhan, 2013b). Ultimately, the RBV opens the possibility for scholars to analyze firm-specific attributes (FSA) more in depth as they search for drivers of competitive advantage. This focus on FSAs as drivers of performance creates a theoretical foundation for familiness.

Theorists divide familiness resources into three main dimensions: power, experience, and culture (Astrachan et al., 2002). Nag, Corley, and Gioia (2014) note that these dimensions affect the collective behavior and identity of the organization, providing it a sense of distinctiveness and creating a belief system composed of values that give meaning to the firm and its stakeholders. Gioia (1998) contends that these values and beliefs are continually expressed through stakeholder interactions.

Scholars generally agree that family business values form a core cultural familiness element which is transferred to the firm by the family owners. Ceja and Tàpies (2011) and Koiranen (2002) contend that core family business values such as commitment, ethical conduct, generosity, honesty, humility, industriousness, integrity, responsibility, service, and focus on quality emerge from the controlling family culture, and that the family's commitment and vision of itself are shaped by what the family holds as important. For example, if a family considers philanthropy to be a meaningful endeavor, it is likely that family will raise members of its subsequent generations through exemplification and storytelling about their commitment to philanthropy. In such a case, next-generation family members will be exposed to examples of philanthropic behaviors and will likely discuss both how these activities create meaning for the family and how further commitment to philanthropy is encouraged as an extension of the family vision. Ceja and Tàpies (2010) believe that a family's internal understanding of its own values strongly affects the kind of behavior that will be considered acceptable (or unacceptable) within its own tribe, working group, or business system. The authors argue that this behavior subsequently forms a guiding value system for the family firm.

For these reasons, Carlock and Ward (2001) argue that core family values are the basis for behaviors which will lead to commitment to the business. Likewise, Astrachan, Klein, and Smyrnios (2002) find that commitment is determined by the underlying family business values as a part of the family culture. The family culture, in turn, is based on personal belief and support of the organization's goals and vision, willingness to contribute to the organization, and a desire for a long-term relationship with the organization (Zahra, Hayton, & Salvato, 2004). If these cultural elements are present, then families with high levels of commitment to the firm are likely to have a substantial impact on the business. Relatedly, Koiranen (2002) maintains that family business values are explicit or implicit conceptions of what is desirable in both family and in business life. As shared beliefs, these desired end-states underlie the attitudinal and behavioral processes of those involved in business (Koiranen, 2002). For example, if a family business owner considers it important that her family be able to enter professional career paths in the family firm, then she will ensure that either an implicit family-friendly employment culture is established and nurtured or that an explicit human-resource policy is designed to facilitate family employment. Ultimately, both the implicit employment culture and the family employment policy will establish behavioral processes that will help achieve the desired end-state of having family members developing professionally in the firm.

Some examples of how family values overlap with business values can be found in Miller and Le-Breton-Miller's (2005) longitudinal study of large family-controlled firms that had achieved market leadership positions in which they found it difficult to separate corporate mission from family business values. The authors assert that it is typical for the mission of the firm to reflect the family values that are central to what the company does. For example, Hallmark incorporates values of family harmony in the firm, which is evidenced in the family-centric employee benefits offered and in the charitable work the firm does to aid families. Similarly, LL Bean values nature preservation, honesty, and quality, which it demonstrates in its business operations: it practices company-wide recycling, follows sustainable manufacturing principles, and trains employees to be active outdoorspeople. These empirical examples illuminate how defining family business values and subsequently integrating them into the corporate mission influences family firm behavior.

Based on the examples of Hallmark and LL Bean, Miller and Le-Breton-Miller assert that family business culture originates in core family values, and in turn influences family-firm behavior, affecting how employees behave and how they relate to the firm's underlying values. Astrachan and Zellweger (2008) identify family business culture as a construct that exists at the intersection of family and business. Sorensen (2014) presents a dichotomous version of family-firm culture in which families and businesses represent two different types of social institution, each with its respective values and culture to guide social behavior. He argues that families and businesses differ from one another significantly, since each entity's raison d'être opposes the other: families are systems intended to nurture and sustain relationships, and businesses exist to nurture and sustain economies. Within this conception, it follows that when these two systems overlap, their raisons d'être, as well as their cultures, will blend to some degree. Sorensen's distinction presents an extreme view about family firms in the literature: namely that families and firms tend to place themselves on opposing sides of a spectrum spanning family-first and business-first values, cultures, and behaviors. Klein, Astrachan, and Smyrnios (2005) offer a different version of family business culture that conceptualizes the cultural dimension of familiness, incorporating the underlying values and norms of the owning family. In combination, the theoretical foundations of family business culture and values supports how scholars might understand how family business values influence employee behaviors in family firms, in particular in firms that face international integration issues.

Internationalization, M&A, integration, and firm heterogeneity

As the trend towards globalization continues, many family firms consider internationalization to be a viable strategy to achieve their desired goals. In particular, international mergers and acquisitions (M&A) represent a more commonly used strategic option for family firm growth and survival (Steen & Welch, 2006). There are many arguments about why family firms cross borders. For example, internationalization can be a way to revitalize the family firm, to positively contribute to firm performance (Claver, Rienda, & Quer, 2009), and to expand its social capital. If successful, internationalization can create positive long-term sustainable growth for subsequent generations (Zahra, 2003).

M&A brings with it both high levels of equity risk and many managerial and organizational challenges. The literature notes that one prevailing M&A challenge lies in the complex process of integration, since managers must integrate previously separate firms (Haspeslagh & Jemison, 1991) with their respective organizational cultures, behaviors, and operations in order to achieve specific strategic goals (Bauer & Matzler, 2014; Birkinshaw, Bresman, & Håkanson, 2000). As Shimizu, Hitt, Vaidyanath, and Pisano (2004) emphasize, integration challenges can arise at all stages of an acquisition (i.e. pre, during, and post-acquisition), since each stage requires significant transformation extending beyond the boundaries of the acquiring firm. Yoko and Peterson (2009) point out that the profound organizational change necessary for post-acquisition integration is required of both the acquiring and the acquired firm. Indeed, both the acquiring and acquired firms must adjust their work processes and manage challenges ranging from financial issues to human and cultural issues at various acquisition stages. Yet Rees and Edwards (2009) maintain that management tends to underestimate the impact of the psychological, cultural, and human issues associated with acquisitions.

If a high level of operational integration is the ultimate goal in an acquisition, interactions amongst employees from two different organizational contexts will by necessity increase, and more interactions among employees from dissimilar organizational settings will increase potential for conflict (Stahl & Voigt, 2008). Larsson and Lubatkin (2001) and Yoko and Peterson

(2009) suggest that these integration challenges arise from cultural differences between the merging firms. Cheng and Seeger (2012) likewise find that dissimilar organizational cultures and values can prompt the development of a sense of "us versus them" thinking amongst stakeholders in both firms. Shifting stakeholder focus on the differences between cultures and creating socio-cultural linkages amongst employees from two or more firms has been cited as one of the most challenging aspects of an acquisition. Once established, these linkages can facilitate operational integration and, in turn, support acquisition success (Riikka Mirja Sarala, Junni, Cooper, & Tarba, 2014).

Yet achieving successful post-acquisition integration can be especially challenging. In order to develop socio-cultural links between acquiring and acquired firms, managers must tackle firm-specific cultural differences such as disparities in shared assumptions, values, and norms which ultimately can impede value creation (Stahl & Voigt, 2008). Furthermore, cultural differences may exacerbate negative employee reactions to acquisition such as feelings of anxiety, ambiguity, and diminished organizational commitment (Riikka Mirja Sarala, 2010). Research shows that culture clashes are not uncommon during integration, as two organizations—each with its established operational routine—attempt to adjust to one another (Cheng & Seeger, 2012), which can negatively affect integration.

To complicate integration issues further, scholars contend that as firms begin to cross national borders, challenges to integration can increase in number and in complexity when firms vary both in terms of country-specific attributes (i.e. national culture) and firm-specific attributes such as operations, organizational culture, and firm ownership (Lubatkin et al., 1998). Thus family business cultures and their underpinning values offer an emerging rich area of study, as more family firms join the global business trend of expanding operations across national and regional borders.

Ultimately, family business values and culture strongly influence whether and how family firms choose to internationalize. No two families are alike, however. The differences in owner families create heterogenous firm cultures, which are particularly interesting when studying the ways in which family firms internationalize. The RBV literature argues firm heterogeneity arises due to, amongst other factors, differences in ownership, varying firm specific competences, and distinct business cultures. Scholars argue that firm heterogeneity matters. Specifically, Barney (1991), Habbershon, and Williams (1999) assert that the idiosyncratic, inimitable, valuable, and often intangible bundle of resources allows firms to develop competitive advantages which can lead to long-term sustainable competitive performance. In the context of family business, attempts have been made to study how firms mobilize their resources to achieve strategic goals and whether these resources are mobilized differently from non-family firms when deciding to engage in mergers and acquisitions (Miller, Le Breton-Miller, & Lester, 2010) and to internationalize (Arregle, Naldi, Nordqvist, & Hitt, 2012; Calabrò, Torchia, Pukall, & Mussolino, 2013; Kontinen & Ojala, 2012; Pukall & Calabrò, 2014). Yet scholars have yet to fully understand how different firms mobilize their firm specific resource bundles (e.g. familiness) to achieve strategic goals. Therefore the literature is at an early stage of investigating firm heterogeneity in internationalization strategies in general as well as in the whether and how firm heterogeneity impacts cross border integration processes.

As this theoretical section outlines, the literature indicates that family business values are a differentiator between family and non-family firms. As family firm strategies become more internationalized, it is likely they will engage in more cross-border mergers and acquisitions, implying organizational challenges for both acquiring and acqured firms, since the integration of previously separate firms with their distinct cultures have been noted as a primary challenge to cultural integration following an acquisition. Yet what is not known is how family firms might mobilize their firm-specific resources—specifically their family business values—to manage the inevitable challenges accompanying their internationalization process. In this study, we investigate integration through the lens of family business values. Since cultural integration is likely impacted by family business values in a post-acquisition context, the opportunity arises for empirical investigation. In the next section, the methodological outline for this empirical study is presented, followed by an introduction to the case company.

METHODOLOGY

In this study we adopted an Action Research (AR) methodology with three distinct yet complementary goals. First, we had a practical goal in that we were interested in addressing a concrete organizational issue: namely to facilitate the post cross-border acquisition integration process within a Danish family-owned firm. Second, in an effort to contribute to the family firm literature, we sought to better understand the construct of familiness, which is simultaneously emphasized as a central feature of family firms and criticized for its lack of clarity (e.g. Moores, 2009). Lastly, we wished to provide further evidence of how AR can be applied in an organizational setting.

AR is an iterative, emergent, participative process involving cycles of planning, acting, observing, and reflection. More specifically, the researcher, together with key members of the organization, forms an AR team to meet regularly to analyze issues to be addressed, to plan and implement potential interventions, and to use data gathered during the process to modify further actions until the issue is resolved satisfactorily (Brannick & Coghlan, 2010). The researcher's role is to integrate theoretical insights into the empirical situation, to participate actively in planned interventions, and to document the process to build theory based on practice. Scholars acknowledge that AR is appropriate for research studies with dual goals of resolving organizational issues and building scholarly knowledge (e.g. Reason & Bradbury, 2008). Coughlan and Coghlan (2002) emphasize this form of research design provides opportunity for research-in-action rather than research-about-action, as it is participative and concurrent with action. Further, Reason and Bradbury (2008) suggest that the collaborative process within the AR team facilitates understanding of the underlying causes of the issues and subsequently establishes a foundation for sound decision-making aimed at change. The following sections will present methods for data collection, description of participants, the empirical case background, followed by findings and discussion.

DATA COLLECTION AND PARTICIPANTS

In each cycle of this case, data was gathered in various formats. Semi-structured interviews with AR team members and agents from Denmark and Germany were held and observation notes were taken during workshops and planning sessions. Transcriptions of the semi-structured interviews, audio recordings from the workshops, and observation notes were taken before, during, and after the workshops in order to document as many activities as possible (see Table 1 for an overview of the data). In addition to the first author and the HR Manager, the AR team members included two Danish and two German agents who volunteered to participate in the study on a first-come basis following an organization-wide email invitation from the HR Manager. The second author was not an active member of the AR team. Written consent was obtained from AR team members and workshop participants (204 Danish and 103 German agents) to record statements and observations of all the workshop stages.

Table 1 Sample overview

<table>
<tr><th>Data Source</th><th>Data Type</th></tr>
<tr><td><u>AR Team (6)</u>
HR Director
Danish agents (D1, D2)
German agents (G1, G2)
First author

Workshop participants (DX 1 – 26; GX 1 - 21)</td><td>Interviews
Observations
Notes</td></tr>
<tr><td align="right">Total:</td><td>47 Interviews; 116 pp notes and observations</td></tr>
</table>

All recorded interviews were transcribed for analysis. In this case setting, the AR team were tasked with analyzing the issues to be addressed in order to plan subsequent workshops. Once data was collected from each workshop, it was sorted and organized into a table according to the relevant cycle (i.e. 1-3) and phase of the AR implementation (i.e. plan, act, observe, reflect). After the observations were recorded and coded, the authors collaborated with the AR team to analyze the data on the spot in order to begin planning the next cycle of workshop. Then, weighing the results of initial data analysis, the AR team would design the next workshop cycle. After the next workshop cycle was planned, the authors returned to the data. They organized individual quotes from the workshop and from the face-to-face interviews chronologically. Next, the authors looked for patterns and irregularities in the coded data. Then quotes were clustered together by similar topics. Thereafter the authors analyzed the topic clusters and recorded the emergent first order themes. Finally, all quotes were sorted according to first order theme. The authors were sensitive to the literature on internationalization, family business, and integration while conducting the initial coding, but relied heavily on grounded theory (Glaser & Strauss, 1967) and focused primarily on employee descriptors for their jobs, for their values, and for the organization. The authors then discussed the data sort at each stage, assessing whether anything emergent would be relevant for final planning of the subsequent workshop. If yes, then the further analyzed data was prepared to present to the AR team for their use. If not, it was archived for future use in the case writing.

Subsequently a thematic analysis was conducted using key words and phrases directly or indirectly related to the family component of the firm, such as what it means to be part of a family firm, perspectives on business success (e.g. financial and measurable returns, efficient operations, meaningful work, socially responsible behavior), and identifying family business values. Three research assistants supported the subsequent analysis process by conducting a thematic analysis independently after receiving instruction together. This was meant to ensure trustworthiness of the analysis. After analysis was complete, the processed data from the three research assistants were compared for alignment and checked for trustworthiness vis a vis the authors' analysis. Thereafter, second order themes were sorted and organized, followed by linking themes with representative quotes. Excerpts and sample quotes from Cycles 1 and 2 are provided in Table 3; Figure 1 provides an overview of Cycle 3 of the AR implementation.

EMPIRICAL BACKGROUND

The featured case organization is a family-owned financial investment firm founded in Denmark in the 1890s. In the town where the headquarters are located, numerous plaques recognize financial contributions made by the family owners over the years. The firm had become successful and by 2010 expanded to five offices in Denmark, with 73 employees involved in primary business practices (i.e. sales and financial investment account management) and a governing board of five family members. In 2010, the HR Manager invited the author to help address rapidly-increasing turnover. A participatory AR project conducted from 2010-2012 investigated how both family and non-family employees perceived family business values by gathering daa about how the employees described values and how these values played a role in their organization (see Table 2). This AR project resulted in a realization that high voluntary turnover stemmed primarily from the employees feeling low commitment to the organization. This low commitment level, in turn, arose from a gap between what the employees expected from working in a family-owned business and their actual experiences working there. Employees expressed frustration and disappointment that family values central to the firm's reputation—for instance, generosity, credibility, social responsibility, commitment, and responsibility—were not evidenced in the workplace. The project thus involved efforts to align individual and organizational values. The case study on the organizational change process which increased values alignment and consequently increased employee commitment can be found elsewhere (see Jørgensen & Sluhan, 2013a, 2013b).

Table 2 Employee descriptions of values & how they play a role in the organization

Before the organizational change process	***Non-family employees*** "I don't think anyone really feels *good* about working here" (FM6); "People are having a really hard time now. You can't talk to anyone without hearing about a family losing their house or their retirement. And DI is getting richer off of it. …it seems worse to me when it's a family business that has been a part of this community for longer than anyone can remember. I guess I thought that with it being a family business, they'd be more likely to pull together and help people in times of need…there are higher standards for a family business" (NF22); …DI has distanced itself totally from where it started, and where society is now. That's why the employees don't feel attached or connected to DI anymore. It's nothing more than any company, any job" (NF4) "I think DI could do a lot to help people here and in other parts of the world and they don't. They even brag about how the business has done better this year than the preceding five years"(NF 4); "I had always heard good things about DI, about a lot of good things they did for the community. There are some plaques in town on buildings they've helped finance or donations. But I have never seen anything like that going on here. I checked the dates on one of the plaques in the center of town and saw that it was right after WWII. I think it was a different type of company then, and they've been able to keep that image up through the years without actually still doing much for the community. All of the profits go into their own pockets now" (NF3) "It's interesting to me that 'family' has become so central here, because I never thought much before about this being a family owned business. Sometimes there were family squabbles that created friction, and there was never any doubt that the family's interests were prioritized. But it never was a part of our everyday culture to think in terms of family before just recently. What started out at the workshop as an exercise in defining what would be meaningful to the employees ended up being a major discussion on values, and how doing good for others is a way to make not only reunite DI with the family values that Jens wanted to instill, but also a way to unite the employees with the company in a meaningful way"(HR Manager + NF) "Families pull together in hard times, they help each other and they do what they can for others. They don't profit off of others' misfortunes" (NF9) "Shouldn't it mean something more to be a family business?" (NF23) "There are higher expectations for an old family business. We should honor the history by continuing to run the business in much the same way as Jens ran it, with concern for the family, the employees, the community as well as the business" (NF12) "Doing good deeds, helping each other and helping others. That's something meaningful to all of us, and something we can all get behind" (NF20) ***Family employees*** "It shouldn't be impossible to live up to the expectations others have of us, and those we have for the company" (FM9)	***First order codes = Values/norms identified in project 1:*** ***Before the change:*** – Lack of concern for community – Egoism – Incongruence – Obligation – Dissatisfaction w/ the firm – No sense of family – Emotional detachment – Lack of family connection with the firm

After the organizational change process	***Non-family employees*** "So much has happened, and it's been good. One of the main things that came out of the last workshop was that all of the bonuses we would earn for our sales go to charity, and so of course the total were donating to different causes has soared. Were excited about that, because we know were making a difference" (NF14) "I am really proud of what we are doing. I love telling people about the different [philanthropic] projects we're involved in. Of course, a side effect of that is that we're getting more customers, because they can see that they can do something good for others just by bringing their business here. But DI isn't marketing it at all, and I think that's fantastic. I know a lot of us were worried at first that the board would make this all about drumming up more business like a lot of companies do with CSR. But I have to say I'm very impressed that they haven't tried to exploit what we're doing. It would be hard for me to consider leaving now. I wouldn't want to abandon what we're doing or everyone here that is putting so much into it. I guess I also feel like I owe it to DI to give my all, because they have been so generous to make this work" (NF17) ***Family employees*** "I feel a part of a family now. It's funny, because this is a family business that was started to support the family and the community but the only way it's supported the family during the past four-five decades is financially and it's not done anything for the community. It's like we've gone back to our roots, and we've become a real family in that process, an extended family though, because I know I feel like the other employees are part of our family, too, even the newest ones" (FM10) "The workshop last summer was a real turning point. We talked about what it means to be a family, the heart and soul of what makes a family mean something to each of us. We made a commitment to each other to build that up at DI and to do something each and every day to live the family values we defined. Working in the [philanthropic] project groups keeps us grounded in that" (FM11)	– individual gain sacrificed for larger purpose – Trust – Commitment – Family – Legacy – Community – Emotional attachment – Pride – Continuity – Reinforcement – Nurture – Solidarity – Compassion – Alignment – Stewardship – Support – Inclusion

According to the HR manager, values identified in the initial project had become an integral part of their organizational culture, and the initiative was considered highly successful based on several outcomes including lower turnover, improved employee satisfaction, and increased sales of products and services. These positive outcomes occurred during a rapid growth period as the firm acquired several small Danish firms and one German firm. The German acquisition was their debut internationally and increased the total number of employees to 344 (244 directly involved in key business processes: 235 in Denmark and 109 in Germany) by 2012.

Shortly after the acquisition, the HR director contacted the authors asking for support in facilitating employee integration at the Danish and German offices. As he described, differing employee views had begun to arise following the acquisition. These differences seemed to relate to different ways in which employees would work toward goals. Although no major operational issues had arisen during the acquisition process, the CEO and board feared that a less-than-full integration of German and Danish offices would obstruct the overall objective for the cross-border acquisition: to improve cross-border service with German clients in Denmark and Danish customers with investments in Germany. According to management, full integration would mean closer collaboration between the agents in Denmark and Germany to reach an overall strategic goal of better cross-border service, ultimately resulting in increased sales in both markets. This issue—the lack of full integration of the agents from the two countries—served as the starting point for the AR initiative described below.

ACTION RESEARCH FINDINGS

Cycle One Planning

Initial meetings with the AR team focused first on identifying issues of concern that had precipitated the HR director's contact with the first author. The team mentioned numerous symptoms of problems such as lack of communication and collaboration between agents in the Danish and German offices. The AR team appeared to agree with the HR manager that the Danish and German employees "don't really seem to understand where the others are coming from. They have very different perspectives on how to do their jobs and, really, what the firm is all about" (HR). Further, he explained:

> We want to carry forward on the work we did previously: on doing business based on the founder's value proposition. … It was interesting to me that 'family' has become so central here, because I never thought much before about this being a family owned business. It was never a part of our everyday culture to think in terms of family before

> just recently. What started out an earlier workshop as an exercise in defining what would be meaningful to employees ended up being a major discussion on values, and how doing good for others is a way to reunite DI with the family values that [the founder] Jens wanted to instill, but also a way to unite the employees with the company in a meaningful way" (HR).

The AR team revisited material outcomes from previous workshops held in Denmark and identified the family business values that had been defined by family and non-family employees. These included trust, commitment, family, legacy, solidarity, compassion, alignment, stewardship, support, and inclusion. As they reacquainted themselves with the previous work, which had successfully aligned family business values with family and non-family employee values, the Danish HR director remarked, "The issue as I see it is the German office is not family-owned, and they don't really understand what that means for us. It is central to who we are. So the question is, how do we bring everyone under the same roof, where we are all part of this family business?" (HR).

Following discussion within the AR team, a decision was made to schedule a three-day organization-wide workshop to work towards greater integration of the Danish and German offices.

Cycle One Acting (Workshop Day One)

Approximately three months later, the majority of the agents from the Danish and German offices gathered at a conference center outside of Berlin. The workshop began with an historical overview of the firm presented by the CEO, who is a fourth-generation family owner of the organization. The HR director then summarized the previous AR project that focused on identifying ways to "bring the founder's values to life…[and] make this a workplace everyone is proud of and can identify with." He continued by providing examples of philanthropic initiatives undertaken by the Danish agents to promote the family firm's values in the community, explaining that the employees perceived these values as being central to their business. Finally, two members of the AR team (D2 and G1) provided an overview of the AR project, which they explained was ultimately aimed at "bringing the Danish and German offices together to promote effective collaboration to better serve clients on both sides of the border" (PowerPoint slides, October 2012).

Agents were then organized in five- to seven-member groups with representation from both countries. After brief introductions, groups were asked to discuss what working in a family firm meant, or could potentially mean, for each of them. During this time many of the Danish agents related projects that they had been involved in previously and shared stories about the founder and family owners as well as some of the good deeds they had done for their communities. For example, the founder owner family had been concerned for the family, the employees, and the community, which led to investments in other businesses when the community struggled. “Families pull together in hard times, they help each other and they do what they can for others. They do not profit off of others’ misfortunes (NF9).” In that spirit, Danish agents recounted social causes they had supported through donating their sales bonuses, and they described their volunteering time after work/on weekends to hold skills seminars (e.g. resume writing, loan refinancing strategies, budgeting in a financial crisis, etc.) and speak at job centers for the unemployed in their community. After a few hours, each group provided a summary of their discussions to the remainder of the participants.

Cycle One Observation

The common theme arising from the group discussions was that the Danish and German agents viewed working in a family firm quite differently:

> We tried to explain to our German colleagues that being part of a family-owned business means something in Denmark. It’s like a part of history, something solid and stable. It makes me feel good to tell people that I work for the family. I haven’t felt that other places. And it makes me feel even better to be a part of the [philanthropic] projects that are done in the name of the family. I feel a part of something much bigger than myself. The German colleagues at our table do not seem to understand that, and they argue that we should be talking about business processes instead. (DX14)
>
> It is correct that in Germany we have a different perspective. We focus quite a lot on our sales numbers and on efficiencies. That is what we are measured on, not if we … feel good about what we do. It is of course a good job and we are happy for our jobs, but we feel good when we meet our goals. This is not a family business, but of course we value these things like trust and security and integrity, respect, and good service. It is correct that we do not understand why precious work hours are used to plan projects for the community. It is nice, but it is not part of the business that we do (GX11)

Whereas the Danish agents maintained that working in a family firm provided a sense of belonging to them and a way to integrate their own values into their work activities, the German agents appeared to focus primarily on how working in a family firm with a positive reputation might influence revenue.

Cycle One Reflection: Understanding different perspectives

Upon reflection about the first day of the workshop, the AR team discussed how to address the different perspectives about the raison d'être for doing business. The HR director reasoned that in their preference to respect the dissimilar employee perspectives created a dilemma for the team:

> In other situations, I would think it would be important to get each party to try to understand the other party's views. But it is important to the CEO and to the board that the German office becomes a part of the family firm. Had this been a merger, it might be more about meeting halfway, but in this case, [the German office] would be expected to accept the value proposition put forward in Denmark. I don't want resentment to occur; ideally, we want them to want to be a part of the family, and to see how that will benefit them. (HR)

Thus the AR team considered how to integrate the German employees' perspectives while simultaneously avoiding disruptions that could lead to antipathy. The AR team agreed that it was important to respect the different perspectives of the German and Danish agents going forward.

Cycle Two Planning

In an effort to integrate seemingly divergent goals while respecting the differing employee perspectives and by encouraging the German agents to adopt the family firm value proposition, one of the German members of the AR team suggested, "Perhaps we can ask the agents to discuss firm values—the ones identified previously in Denmark and ones they come up with together—and talk about how they can see a fit with their own values, whether those be more altruistic or financial" (G1). The AR team agreed that this would be a good starting point for the second day of the workshop, and plans were then made to facilitate group discussions with this aim.

Cycle Two Acting – Workshop Day Two

The workshop opened with a summary of the responses from the day before and the plan for a discussion of firm values, and how they could envision activities espousing the family firm values as rewarding. After a few hours, a spokesperson from each group summarized the day's discussions.

Cycle Two Observation

In the beginning of the discussions, the Danish agents were by far the most talkative as they shared sets of values they perceived to be important for the firm, often mentioning how the values corresponded with those they had identified in Denmark previously (e.g. generosity, social responsibility, and credibility) and how those values had been emphasized in projects that had been completed. As one Danish agent stated:

> It is rewarding when I do something that helps many people … when I help a group of unemployed individuals make connections that will land them jobs that will help them feed their families and keep a roof over their heads, that is meaningful. Of course, these people may become our clients in the future, and they may tell others who become our clients because they like that we do good service, and then there is a positive outcome for the company, too…. I like being associated with a company that does things that are not always linked to only economic returns (D21).

After some time, the German agents appeared to participate more in the discussions by asking about outcomes of the projects for the firm, and how mentioned values (e.g. continuing tradition, social responsibility, commitment) could translate to increased sales. On some occasions, the Danish and German agents were observed praising each other (e.g. pats on the shoulder, "high fives", and exaggerated thumbs up signals) when links between values like doing good, caring for others, and ethical behavior were identified as shared values. Specifically, they found commonalities in talking about how rewarding it could be to participate in philanthropic projects that would impact the local community, thereby helping their customers on both sides of the Danish/German border. By the end of the workshop, the majority of the groups had identified a number of potential philanthropic projects that would not only reflect family firm values, but also had the potential to increase the productivity of the offices in both countries. For example, they planned to make competitive matching donations to charities supported by the firm, designed job skills courses to could help unemployed customers (e.g. budgeting, investments, professional skills development), and planned a bike clinic for non-native youths (see Figure 1 for more examples).

Cycle Two Reflection – Familiness: Identifying & merging family firm values

In the reflection phase after the second day of workshops, the AR team noted that at least some movement had occurred as the groups began to see how family firm values could be both personally meaningful and could contribute to performance measures. For example, the project to help the elderly understand how to maintain a good lifestyle during retirement aligns with the working family business values of doing good and giving back to the community, while also discussed the very different styles of communicating and decision-making used by the German and Danish agents. For instance, it was noted that the Danes often identified numerous values and project ideas, while the Germans focused on one or two values or ideas at a time. Moreover, the Danes pushed for consensus even when if that meant that decisions were prolonged, whereas the Germans seemed to prefer that decisions were made rather quickly even they involved only one or two of the agents (see Table 3 for more details).

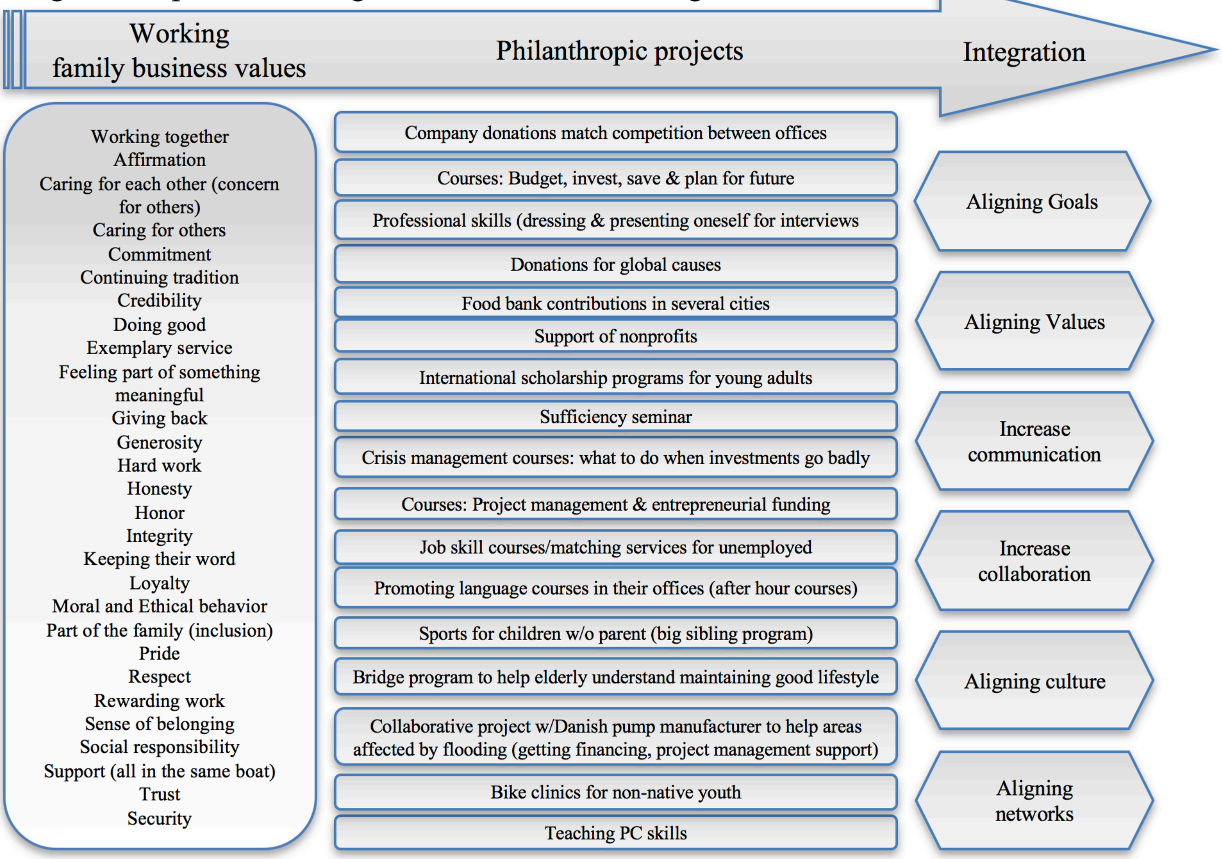
Table 3 AR cycles 1 & 2

Cycles	Sample quotes	Themes
1. Understanding different perspectives	"We tried to explain to our German colleagues that being part of a family-owned business means something in Denmark. It's like a part of history, something solid and stable. It makes me feel good to tell people that I work for the family. I haven't felt that other places. And it makes me feel even better to be a part of the [philanthropic] projects that are done in the name of the family. I feel a part of something much bigger than myself. The German colleagues at our table do not seem to understand that, and they argue that we should be talking about business processes instead" (DX14).	What it means to be part of a family firm
	"It is correct that in Germany we have a different perspective. We focus quite a lot on our sales numbers and on efficiencies. That is what we are measured on, not if we … feel good about what we do. It is of course a good job and we are happy for our jobs, but we feel good when we meet our goals. This is not a family business, but of course we value these things like trust and security and integrity, respect, and good service. It is correct that we do not understand why precious work hours are used to plan projects for the community. It is nice, but it is not part of the business that we do" (GX11).	Different perspectives on business: Financial, measurable, operational vs. meaningful and socially responsible
2. Familiness: Identifying & merging family firm values	G8: "Our Danish colleagues have many ideas to be sure. The rules of the game say we should not comment on them, but I must say that some seem a bit wild. But when it comes to choosing ideas, they want everyone to agree and would rather not take a decision than not reach consensus. For the Germans, decisions must be made regardless, even if all are not necessarily in agreement. I think some of us Germans can get a bit impatient with this way of taking decisions".	Identifying family firm values
	G15: Perspective on the philanthropic projects that were proposed in the group work, "I can see how it would be rewarding to participate in some of these kinds of projects. I am a human too, but I would need to see how I could use my skills in them, and I would need to see +how the projects could impact my sales"	Explaining how family firm values add meaning to work
	D8: described a feeling of pride about involvement in philanthropic projects, "You can't help but feel proud when you are a part of fundraising for those in need, and you feel proud that you work for a company that will back this kind of project. I tell everyone about the work we are doing for our community. It is much nicer than telling them about stock packages!"	Appreciation for potential benefit to using family firm values
	D21: perspective on the meaningfulness of her involvement in the project, "It is rewarding when I do something that helps many people… when I help a group of unemployed individuals make connections that will land them jobs…that will help them feed their families and keep the roof over their heads, that is meaningful.... Of course these people may become our clients in the future, and they may tell others who become our clients because they like that we do good service, and then there is a positive outcome for the company, too…. I like being associated with a company that does things that are not always linked to only economic returns".	Merging family firm values Putting family firm values to work
	G2: "I could definitely see the advantage to these projects if they promote a good reputation of the company. Many companies use CSR in their brand, and it can be very effective if it is genuine. So the projects and publicity they get show the community they are genuine, and we can get more clients"	

Cycle Three Planning

After some deliberation, the AR team agreed to use the last workshop day to develop plans for implementing a handful of the projects of their choosing in a way that 1) would be perceived as rewarding to everyone in the group, 2) could be associated in some way with one or more of the family firm values, and 3) could potentially increase communication and collaboration between the Danish and German agents. A summary of the final acting phase is presented in Figure 1. The AR team also arranged to follow up with the planned projects and to assess how the projects influenced communication and collaboration among the agents. At the end of this planning phase, the workshops concluded and agents returned to their respective home offices to operationalize the family business values and establish new working rituals.

Figure 1: Operationalizing familiness & establishing new rituals



Follow-up

Over the approximately 18 months following the workshop and until data collection was complete in 2014, the Danish and German agents continued to operationalize the projects they designed together, which were well received in their home markets. They developed additional philanthropic projects together, as well. For instance, they coordinated a program that provided transportation services to the elderly, disabled, and otherwise incapacitated citizens in several cities in both countries; they developed a mentor program for unemployed professionals, including support for CV-writing and job applications; and they co-hosted several fundraising activities for job training aimed at immigrants who had relocated to one or both of the local communities.

While groups created at the workshop continued to collaborate on the original projects, they also developed new ones. Further, many projects that were developed subsequent to the workshop were designed and implemented by groups of Danish and German agents who had not been in groups together at the workshop. One German agent commented,

> I can definitely see the advantage to these projects if they promote a good reputation of the company. Many companies use CSR in their brand, and it can be very effective if it is genuine. So the projects and publicity they get show the community they are genuine, and we can get more clients.

According to the HR director, there were a number of observable outcomes during this period, as he summarized,

> We couldn't be happier with what has happened since the workshop in Berlin. The Danish and German agents are working together on the projects they planned, and they have planned several other ones that have had a strong impact in both communities and even more broadly. What's really been amazing though is how they are calling each other when they have questions about how to put together a project portfolio, or when they think someone in the other office has expertise that would be valuable. I have to admit, I wasn't sure that the German office would ever totally be onboard with the family values we nearly forced on them, but they really have and we are seeing the benefits of the merger. If we were to do this again, we'll be far more prepared and know how to manage the transition.

ANALYSIS AND DISCUSSION

The AR methodology applied in this study provided the platform for agents from the two countries to work actively with values in general and family business values in particular.

Because of the AR cycles (see Figure 2) we could start with very different perspectives and move towards value alignment through the introduction of a series of activities that increasingly integrated family firm values. Ultimately, AR facilitated a shared understanding of family firm values, which provided the basis for merging the two corporate cultures. The results of the analysis are presented and discussed in the following.

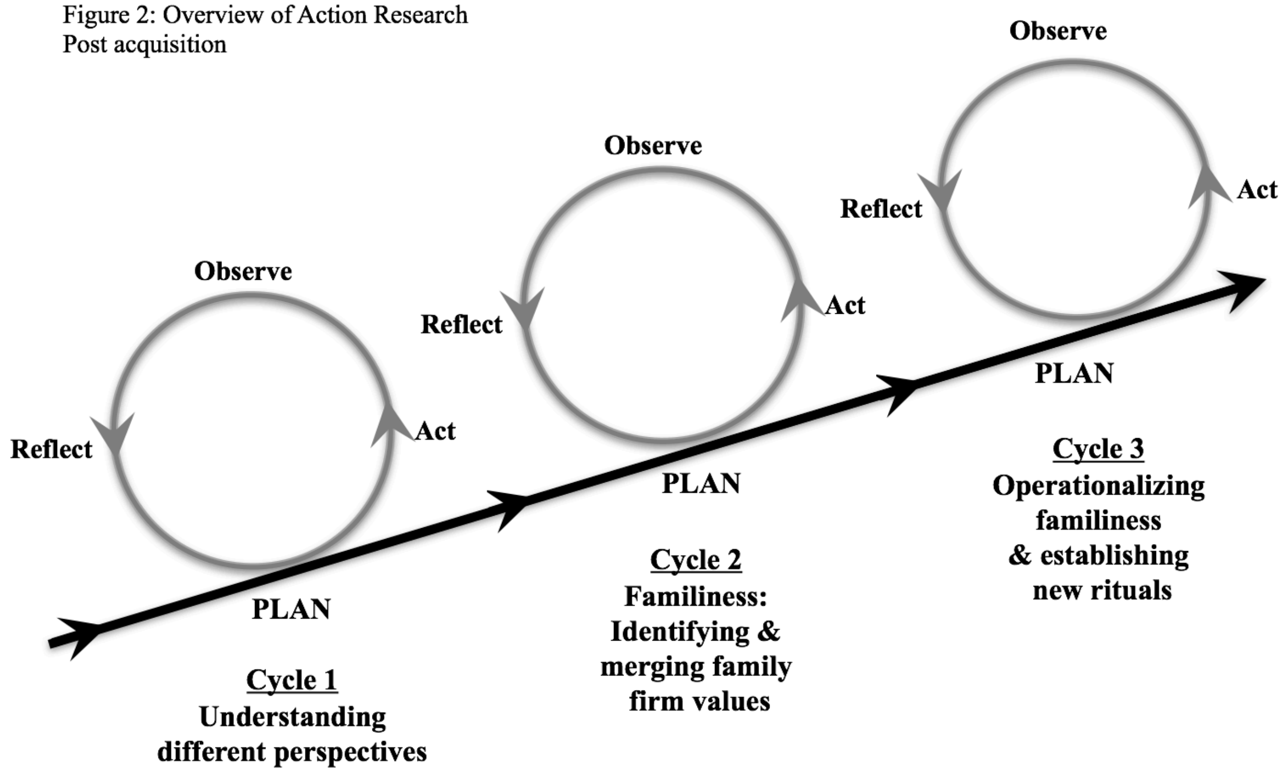


Figure 2: Overview of Action Research Post acquisition

Cycle 1 Understanding different perspectives

Unlike the post-merger and acquisition integration literature, our data initially did not reveal substantial negative employee reactions and conflict which are often associated with acquisitions. For example, the newly merged firm did not seem to suffer significant drops in productivity because employees feel uncertain about their job security, which in turn can distract employees from being able to focus on their work (Whittle, 2002). This lack of negative reaction could be attributed to the fact that at the time of the acquisition, the German firm had been facing bankruptcy. Indeed, the deal offered German agents continued employment, and they seemed to be less negative about the changes. There was, however, evidence of cross-cultural differences in perspectives, as would be expected in cross-border acquisitions (Shimizu et al., 2004). In particular, different perceptions concerning the business goals were discussed: Danish agents prioritized several organizational outcomes (e.g. employee well-being, contributions to society), and German agents primarily focused on financial outcomes. Consequently, the two groups of agents prioritized different values.

This would not be unexpected given the influence of national culture on organizational values (e.g. Hofstede, 1980; Hofstede, Hofstede, & Minkov, 2010). Indeed, the internationalization literature has recognized the impact national culture has on organizational values as one of the many challenges firms face as they go abroad (Brock, 2005). We learned that differences in potential returns were attributable to cultural differences. The dissimilarities in perspectives seemed to further amplified because in this case a family-owned firm acquired a nonfamily-owned firm, although at this stage of the project, the AR team did not explicitly draw participant attention to this potential cultural difference between family versus non-family firms. Thus, the values of the Danish and German agents were thought to represent their national cultures. There was discussion about the different national and organizational cultures and values, which has implications for other such cases of post M&A integration, and thus we propose:

Proposition 1: Employee perceptions of business values can be classified into varying frames of reference based on organizational culture, national culture, family culture, and culture of disparate employee groups.

Proposition 2: There are differences between family firms and non family firms in how they view the purposes of their businesses. Employees of family firms and non family firms may differ in their understanding of the business goals.

Cycle 2 Familiness: Identifying and merging family firm values

As outlined in the literature, family business values are a critical dimension of familiness (Pearson, Carr, & Shaw, 2008). We observed that these values appeared to represent the essence of the firm for the Danish agents. In the previous AR cycle, we learned that in the initial phases of post-acquisition integration, the Danish employees felt a sense of identification with the firm based on these family business values: specifically prioritizing both contributions community/society at large and employee welfare.

It has also been argued in the literature that familiness—much like a brand which is intended to communicate a firm's value proposition—can capture a sense of identity for employees within a family firm (Zellweger et al., 2010). In this case study, for the 'old' employees in the firm (i.e. the Danish agents), identification with family business values also served as an internal branding mechanism vis à vis the new employees on the German side of the border. Danish agents worked to introduce and translate the family firm values for their new colleagues in Germany by recalling the process by which they previously had undergone their own organizational change (Jørgensen & Sluhan, 2013b).

This stage of the project revealed a sharp difference of perceptions of values regarding the basic benefit of working for a family-owned business. As communicated in workshop discussions, the Danes considered it to be a strength to do good works and express their personal values at work, whereas the Germans mostly saw it as a chance to leverage the firm's reputation for more profit. Ultimately, this means the Danes understood that doing good was a way to 'live' the family business values. This perspective made little sense to the Germans, who valued efficiency and productivity as a means to drive profit.

As the workshop progressed, through the discussion about differing views on the work that related to values, Danes and Germans migrated closer to one another in their perceptions of how values could be employed in their work. The Germans' work with the Danish agents to understand the family business values provided a new foundation for their consideration of how family business values could support the economic goals the Germans prioritized. This means that family business values, a core part of the cultural dimension of familiness, served as a facilitating mechanism for the integration process evidenced by German agents adopting family business values in a way that was meaningful to them (i.e. how they could also have a positive impact on sales).

It was during that process that key family business values were identified and subsequently integrated into work flows for both groups of agents. This, in turn, enabled values-driven philanthropic initiatives to be designed, leading ultimately to greater senses of meaning for both family and non-family employees. The process of presenting these initiatives resulted in the German colleagues in the acquired firm to begin understanding how such values-driven initiatives could translate into new workflows in their firm while also supporting financial outcomes for which they all aimed. At this stage of the integration process, both firms were beginning to appreciate one another's goal systems, and were beginning to negotiate a cultural merger of different approaches to achieving those goals facilitated by a common understanding of the notion of family business values (see Table 3).

This learning implies that in this case context, family business values offer a means for the new employee group (here, the Germans) to begin to identify with the core values determining/driving the new post-acquisition organizational context. This means that family business values offered employees a way in which to new employees identify with the firm.

Proposition 3: Family business values can facilitate increased employee identification with the firm, and in this way, facilitate the post-acquisition integration process.

Cycle 3 Operationalizing familiness and establishing new rituals

Indeed, the Germans' work with the Danish agents to understand the family firm values in turn provided a foundation for considering how family firm values could also support the economic goals they prioritized. As the German agents began to understand some philanthropic initiatives could have both financial and non-financial outcomes, they became more amenable to adopting these values. This observation aligns with the family business literature, which includes non-financial performance results as a potential outcome of familiness. Evidence of even just one non-financial outcome can lead to increased team cohesion (Ensley & Pearson, 2005). This learning point means that a higher degree of understanding and shared values amongst employees occurred as the German agents began to operationalize philanthropic initiatives as ways to achieve relevant outcomes for the business.

By actively working with the philanthropic projects and initiating a discussion of the values, agents from both sides of the border began to engage with each other in a meaningful way about their differing cultures and values. This observation aligns with the family business culture literature, in which Sorensen (2014) asserts that establishment of culture or the merging of cultures in any social institution requires communication and rituals. Sufficient communication is required to develop and maintain common beliefs, norms, values, and expections. In turn, culture and cultural values are reinforced as members of the social institution engage in shared rituals and storytelling, making references to commonly-appreciated symbols and heroes (Kotter, 2008). We argue that the workshop provided the context for initiating rituals with the planning, design, and development of philanthropic activities symbolic of the family values embedded in this Danish family firm. In this setting, both the German and the Danish agents began to actively communicate with each other in order to develop new norms, to negotiate common beliefs, and to outline expectations. Ultimately, the familiness construct—embodied by family business values—served as a facilitating mechanism for the integration process, as evidenced by German agents adopting family-firm values in a way that was meaningful to them (i.e. how the values could also have a positive impact on sales). This implies that in the context of cross-cultural integration processes, family business values can serve as a mechanism to integrate disparate employee groups.

Proposition 4: Employment of family business values to develop new organizational norms and rituals among previously disparate employee group cultures can help facilitate post-acquisition integration.

Proposition 5: Actively using family business values can be a way of integrating the two, three, more circles of family business systems (Hoy & Verser, 1994; Michael-Tsabari, Labaki, & Zachary, 2014; Tagiuri & Davis, 1996) *in a non-family business within the context of a post-merger or acquisition integration.*

LIMITATIONS, IMPLICATIONS, CONTRIBUTION, AND CONCLUSION

Limitations to this study should be mentioned. First, the data were collected from a single case study and there are certainly characteristics of this firm that may have influenced the process and outcomes described. Multi-case studies of post-acquisition integration could therefore be of value in determining whether the reported issues and outcomes are exclusive to this firm, this type of firm, or if there are commonalities with other organizational settings. In addition, the one workshop presented in this paper represents only a snapshot of the longer post-acquisition integration process that took place at the case firm. A longitudinal study that includes pre-, during, and post-acquisition stages could provide a more nuanced view of how value alignment supports firm internationalization.

The findings from this study have implications for research and practice. Notably, this study contributes by providing empirical data on how Action Research can be used in a business setting. Such accounts are relatively rare. In addition, we provide a novel and active way to apply the construct of familiness as a mechanism to support integration, whereas it has traditionally been used solely as a descriptor of family firms. Further, we contribute to the family firm literature by focusing on non-family stakeholders. To date, although scholars have emphasized how familiness incorporates the shared vision, purpose, values, and culture of the founder or family stakeholders (Pearson, Carr, and Shaw 2008), research has primarily been on family stakeholders. The realization nonfamily stakeholders can be influenced by the intangible assets referred to as familiness thus contributes to the scholarly discussion. Practically, this study provides an overview of a process that can be used to facilitate integration between two distinct organizational and national cultures and between family and nonfamily firms as they face post-acquisition challenges.

The main objective of this paper was to address the role of family business values in a process of family firm internationalization by applying an action research methodology to an empirical case. We studied how family business values affect internationalization within the context of cross-border acquisitions and specifically looked at how one specific dimension of familiness impacts the integration process of disparate organizational and international cultures following a cross-border acquisition. The study contributes more generally to a better understanding of the construct of familiness in that one specific dimension of familiness is utilized to facilitate post-acquisition integration. Although the construct of familiness was indeed shown to be intangible as previous research has concluded (Irava & Moores, 2010), this study supports the notion familiness reflects the essence of a family firm that encompasses the shared values, vision, purpose, and culture of the founder and/or family and which, in turn, influences the way in which business is conducted (Pearson, Carr, and Shaw, 2008). Further, the study demonstrates that familiness seems to represent something meaningful to not only family but also nonfamily stakeholders, providing a sense of cohesion and fostering a sense of belonging and identification with the firm. By focusing on employees' understanding of familiness, the paper thus contributes to the work on familiness by extending its reach to include nonfamily stakeholders. As such, familiness is shown to be a mechanism that can be actively used to align firm values and support integration in a post-acquisition setting. Finally, the study offers an example of how the Action Research methodology can be applied to an empirical setting of family firm internationalization.

REFERENCES

Aguilera, R. V., & Crespi-Cladera, R. (2012). Firm family firms: Current debates of corporate governance in family firms. *Journal of Family Business Strategy*, *3*(2), 66–69.

Arenius, P. M. (2002). *Creation of firm level social capital, its exploitation, and the process of early internationalisation. Department of Industrial Engineering and Management*.

Arregle, J.-L., Naldi, L., Nordqvist, M., & Hitt, M. A. (2012). Internationalization of Family-Controlled Firms: A Study of the Effects of External Involvement in Governance. *Entrepreneurship Theory and Practice*, *36*(6), 1115–1143.

Astrachan, J. H., Klein, S. B., & Smyrnios, K. X. (2002). The F-PEC Scale of Family Influence: A Proposal for Solving the Family Business Definition Problem. *Family Business Review*, *15*(1), 45–58.

Astrachan, J. H., & Zellweger, T. M. (2008). *Performance of family firms : A literature review and guidance for future research*.

Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of Management*.

Bauer, F., & Matzler, K. (2014). Antecedents of M&A Success: The role of strategic compelentarity, cultural fit, and degree and speed of integration. *Strategic Management Journal*, *35*(2), 269–291.

Birkinshaw, J., Bresman, H., & Håkanson, L. (2000). Managing the Post-acquisition Integration Process: How the Human Integration and Task Integration Processes Interact to Foster Value Creation. *Journal of Management Studies*, *37*(3), 395–425.

Björkman, I., Stahl, G. K., & Vaara, E. (2007). Cultural Differneces and Capibility Transfer in Cross-Border Acquisitions: The Mediating Roles of Capability Complementarity, Absoprtive Capacity, and Social Integration. *Journal of International Business Studies*, *38*(4), 658–672.

Brannick, T., & Coghlan, D. (2010). *Doing action research in your own organization*.

Brock, D. M. (2005). Multinational acquisition integration: The role of national culture in creating synergies. *International Business Review*, *14*(3), 269–288.

Calabrò, A., Torchia, M., Pukall, T., & Mussolino, D. (2013). The influence of ownership structure and board strategic involvement on international sales: The moderating effect of family involvement. *International Business Review*, *22*, 509–523.

Carney, M., Gedajlovic, E. R., Heugens, P. P. M. a R., Van Essen, M., & Van Oosterhout, J. (2011). Business group affiliation, performance, context, and strategy: A meta-analysis. *Academy of Management Journal*, *54*(3), 437–460.

Ceja, L., Agulles, R., & Tàpies, J. (2010). *The importance of values in family-owned firms*.

Ceja, L., & Tàpies, J. (2011). *Corporate values guiding the world's largest family-owned businesses: A comparison with non-family firms* (Vol. WP-916).

Chatterjee, S., Lubatkin, M. H., Schweiger, D. M., Weber, Y., & Jun, N. (1992). Cultural Differences and Shareholder Value in Related Mergers : Linking Equity and Human Capital. *Strategic Management Journal*, *13*(5), 319–334.

Cheng, S. S., & Seeger, M. W. (2012). Cultural Differences and Communication Issues in International Mergers and Acquisitions: A Case Study of BenQ Debacle. *International Journal of Business and Social Science*, *3*(3), 116–127.

Chrisman, J. J., Chua, J. H., & Sharma, P. (2005). Trends and directions in the development of a strategic management theory of the family firm. *Entrepreneurship Theory and Practice*, 555–576.

Claver, E., Rienda, L., & Quer, D. (2009). Family Firms' International Commitment: The

Influence of Family-Related Factors. *Family Business Review*, *22*(2), 125–135.
Coughlan, P., & Coghlan, D. (2002). Action research for operations management. *International Journal of Operations and Production Management*, *22*(2), 220–240.
Distelberg, B., & Sorenson, R. L. (2009). Updating Systems Concepts in Family Businesses. *Family Business Review*, *22*(1), 65–81.
Farr, J. (2004). Social Capital: A conceptual history. *Political Theory*, *32*(1), 6–33.
Fletcher, D., Melin, L., & Gimeno, A. (2012). Culture and values in family business-A review and suggestions for future research. *Journal of Family Business Strategy*, *3*(3), 127–131.
Gedajlovic, E. R., Carney, M., Chrisman, J. J., & Kellermanns, F. W. (2012). The Adolescence of Family Firm Research: Taking Stock and Planning for the Future. *Journal of Management*, *38*(4), 1010–1037.
Glaser, B., & Strauss, A. (1967). *The discovery of grounded theory: strategies for qualitative research*. Chicago: Aldine.
Habbershon, T. G., & Williams, M. L. (1999). A Resource-Based Framework for Assessing the Strategic Advantages of Family Firms. *Family Business Review*, *12*(1), 1–25.
Habbershon, T. G., Williams, M., & MacMillan, I. C. (2003). A unified systems perspective of family firm performance. *Journal of Business Venturing*, *18*(4), 451–465.
Haspeslagh, P. C., & Jemison, D. B. (1991). The challenge of renewal through acquisitions. *Planning Review*, *19*(2), 27–30.
Hitt, M. A., & Sirmon, D. G. (2003). Managing Resources: Linking Unique Resources, Management, and Wealth Creation in Family Firms. *Entrepreneurship Theory and Practice*, *27*(4), 339–358.
Hofstede, G. (1980). *Culture's consequences: International differences in work-related values*. Sage Publications, Inc.
Hofstede, G., Hofstede, G. J., & Minkov, M. (2010). *Cultures and organizations: software of the mind* (3rd ed.). McGraw-Hill Professional.
Hoy, F., & Verser, T. G. (1994). Emerging business, emerging field: Entrepreneurship and the family firm. *Entrepreneurship, Theory, and Practice*, *19*(1), 9–23.
Irava, W. J., & Moores, K. (2010). Clarifying the strategic advantage of familiness: Unbundling its dimensions and highlighting its paradoxes. *Journal of Family Business Strategy*, *1*(3), 131–144.
Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, *3*(4), 305–360.
Jørgensen, F., & Sluhan, A. (2013a). Engendering organizational commitment through "non-financial" rewards and incentives. In *International Strategic Human Resource Management Workshop*.
Jørgensen, F., & Sluhan, A. (2013b). Exploiting family business values to create non-family employee commitment. In *International Family Enterprise Research Academy Annual Conference*.
Klein, S. B., Astrachan, J. H., & Smyrnios, K. X. (2005). The F-PEC Scale of Family Influence: Construction, Validation, and Further Implication for Theory. *Entrepreneurship, Theory, and Practice …*, *29*(3), 321–339.
Koiranen, M. (2002). Over 100 Years of Age But Still Entrepreneurially Active in Business : Exploring the Values and Family Characteristics of Old Finnish Family Firms. *Family Business Review*, *XV*(3).
Kontinen, T., & Ojala, A. (2012). Internationalization pathways among family-owned SMEs. *International Marketing Review*, *29*(5), 496–518.
Kotter, J. P. (2008). *Corporate culture and performance*. Free Press.

Larsson, R., & Lubatkin, M. H. (2001). Achieving Acculturation in Mergers and Acquisitions: An International Case Survey. *Human Relations*, *54*(12), 1573–1607.

Lubatkin, M., Calori, R., Very, P., Veiga, J. F., Lubatkin, M., Calori, R., … Cedex, E. (1998). Managing Mergers Across Borders : A Two-Nation Exploration of a Nationally Bound Administrative Heritage. *Organization Science*, *9*(6), 670–684.

Mckay, J., & Marshall, P. (2001). The dual imperatives of action research. *Information Technology & People*, *14*(1), 46–59.

McKee, D., Madden, T. M., Kellermanns, F. W., & Eddleston, K. A. (2014). Conflicts in Family Firms: The Good and the Bad. In L. Melin, M. Nordqvist, & S. Pramodita (Eds.), *The SAGE Handbook of Family Business* (pp. 514–529).

Michael-Tsabari, N., Labaki, R., & Zachary, R. K. (2014). Toward the Cluster Model: The Family Firm's Entrepreneurial Behavior Over Generations. *Family Business Review*, *27*(2), 161–185.

Miller, D., & Le Breton-Miller, I. (2005). *Managing for the long run: Lessons in competitive advantage from great family businesses*. Cambridge, MA: Harvard Business Press.

Miller, D., Le Breton-Miller, I., & Lester, R. H. (2010). Family Ownership and Acquisition Behavior in Publicly-Traded Companies. *Strategic Management Journal*, *31*(May 2008), 201–223.

Miller, D., Le Breton-Miller, I., & Lester, R. H. (2011). Family and Lone Founder Ownership and Strategic Behaviour: Social Context, Identity, and Institutional Logics. *Journal of Management Studies*, *48*(1), 1–25.

Moores, K. (2009). Paradigms and Theory Building in the Domain of Business Families. *Family Business Review*, *22*(2), 167–180.

Pearson, A. W., Carr, J. C., & Shaw, J. C. (2008). Toward a Theory of Familiness: A Social Capital Perspective. *Entrepreneurship Theory and Practice*, *32*(6), 949–969.

Pukall, T. J., & Calabrò, A. (2014). The Internationalization of Family Firms: A Critical Review and Integrative Model. *Family Business Review*, *27*(2), 103–125.

Reason, P. H., & Bradbury, H. (2008). Concluding reflections: whither action research. In *Handbook of Action Research* (pp. 695–707).

Sarala, R. M. (2010). The impact of cultural differences and acculturation factors on post-acquisition conflict. *Scandinavian Journal of Management*, *26*(1), 38–56.

Sarala, R. M., Junni, P., Cooper, C. L., & Tarba, S. Y. (2014). A sociocultural perspective on knowledge transfer in mergers and acquisitions. *Journal of Management*, *42*(5), 1230–1249.

Sarala, R. M., Vaara, E., & Junni, P. (2017). Beyond merger syndrome and cultural differences: New avenues for research on the "human side" of global mergers and acquisitions (M&As). *Journal of World Business*, (October).

Seth, A., Song, K. P., & Pettit, R. (2002). Value creation and destruction in cross-border acquisitions: An empirical analysis of foreign acquisitions of U.S. firms. *Strategic Management Journal*, *23*(10), 921–940.

Sharma, P. (2004). An Overview of the Field of Family Business Studies: Current Status and Directions for the Future. *Family Business Review*, *17*(1), 1–36.

Shimizu, K., Hitt, M. A., Vaidyanath, D., & Pisano, V. (2004). Theoretical foundations of cross-border mergers and acquisitions: A review of current research and recommendations for the future. *Journal of International Management*, *10*(3), 307–353.

Stahl, G. K., & Voigt, A. (2008). Do Cultural Differences Matter in Mergers and Acquisitions? A Tentative Model and Examination. *Organization Science*, *19*(1), 160–176.

Steen, A., & Welch, L. S. (2006). Dancing With Giants : Acquisition and Survival of the Family

Firm. *Family Business Review*, *19*(4), 289–300.
Tagiuri, R., & Davis, J. A. (1996). Bivalent Attributes of the Family Firm. *Family Business Review*, *9*(2), 199–208.
Teerikangas, S., & Very, P. (2006). The culture-performance relationship in M&A: From yes/no to how. *British Journal of Management*, *17*(SUPPL. 1).
Vaara, E., Sarala, R., Stahl, G. K., & Björkman, I. (2012). The impact of organizational and national cultural differences on social conflict and knowledge transfer in international acquisitions. *Journal of Management Studies*, *49*(1), 1–27.
Viegas-Pires, M. (2013). Multiple levels of culture and post M&A integration: A suggested theoretical framework. *Thunderbird International Business Review*, *55*(4), 357–370. https://doi.org/10.1002/tie
Whittle, D. D. (2002). *Mergers and acquisitions: The employee perspective*. *Retrospective Theses and Dissertations*. Iowa State University.
Yoko, M., & Peterson, M. F. (2009). Merging without alienating: Interventions promoting cross-cultural organizational integration and their limitations. *Journal of International Business Studies*, *40*(3), 468–489.
Zahra, S. A. (2003). International expansion of U.S. manufacturing family businesses: the effect of ownership and involvement. *Journal of Business Venturing*, *18*(4), 495–512.
Zahra, S. A., Hayton, J. C., & Salvato, C. (2004). Entrepreneurship in family vs. non-family firms: A resource-based analysis of the effect of organizational culture. *Entrepreneurship Theory and Practice*, *28*(4), 363–382.
Zellweger, T. M., Eddleston, K. A., & Kellermanns, F. W. (2010). Exploring the concept of familiness : Introducing family firm identity. *Journal of Family Business Strategy*, *1*, 54–63.

Chapter 5
Conclusion

To conclude this dissertation, it is important to offer a personal reflection on the overall research process and the methodologies used in this dissertation to both briefly discuss my learning and to offer suggestions for future avenues of research. This doctoral journey has given me the privilege to study an interesting topic in the field of family business studies: namely internationalization viewed under the lens of (to-date) scarcely-researched non-financial dimensions of family business ownership. The dissertation addresses some existing gaps in knowledge by suggesting the relevance of focusing on theoretical constructs that have been developed by family business scholars to help make sense of family firm behaviors. These constructs can be applied in the study of distinctive characteristics to family firms: namely socioemotional wealth and familiness.

As with most journeys, this doctoral expedition faced many new opportunities and challenges along the way. New possibilities consistently presented themselves, offering prospective new directions of investigation. For example, I had the pleasure of meeting new colleagues from the University of North Carolina at Charlotte while attending the Academy of International Business Annual Meeting in Vancouver, British Columbia in summer 2014. That casual discussion about common interests in international business, family firms, and corporate governance launched a project that resulted in the study on family versus non-family blockholders in cross-border acquisitions that makes up Chapter 3 in this dissertation. This project gave me a remarkable opportunity to collaborate with experienced scholars both in the USA and in Denmark on a quantitative study based on data we sourced from a selection of databases. The learning curve was steep, and the scholarly support was invaluable. To prepare for that study, a great deal of time was spent reading a broad spectrum of literature in various fields for three reasons: to acclimatize to a new environment, to become familiar with the current scholarly conversation, and to begin contextualization and positioning of the quantitative study. During this period of time, theory was absorbed from a variety of fields including, but not limited to international business, corporate governance, family business, organizational behavior, strategic management, psychology, human resource management, economics, and intercultural management. Thereafter more focused challenge presented itself: further focused review followed by multiple iterations of greater and lesser literature culls. The studies which survived those iterations comprise Chapter 2.

This dissertation also offered the opportunity to move from a large quantitative study with publicly-available data over to the qualitative end of the methodological spectrum. Following an excellent doctoral course on qualitative research methodology taught at Aarhus University, I was invited to collaborate with the professor on a post-acquisition integration case in a family-owned professional service firm in western Denmark. This presented immediate and privileged access to a relevant case study which could both teach an interesting and sparsely utilized qualitative method (i.e. action research) and also produced an empirical setting in which to study how the particular characteristics of family firms—from the perspective of non-financial dimensions—impact a firm in the process of internationalization. Changing methodological gears created some understandable challenges, but ultimately taught me a completely different way in which to engage empiricism. The study yielded several outputs which make up Chapter 4 in this dissertation. First, the case presents an example of how action research can be used in a business setting. It offers a novel and active technique to apply the theoretical construct of familiness as mechanism to support integration. Finally, it offers an overview of a process that can be used to facilitate integration between two distinct organizational and natural cultures: between family and non-family firms as they face post-acquisition challenges.

On a more critical note, when reflecting upon the outcomes emerging throughout this dissertation, I acknowledge that the original endeavor to better understand notions of socioemotional wealth and familiness within the context of family firm internationalization has been a murky and often nonlinear process. For the sake of brevity, I focus on key issues that have been discussed in review and will make recommendations for improvement in future research.

The first key issue has to do with definitions and data availability. As the studies progressed, data limitations impacted the course of research. The first example to arise had to do with how to define family firms in order to design the scope of the empirical studies and guide the research process. The most comprehensive definition for the family firm—a family business is a business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families—caused difficulty in particular for the data collection process for Chapter 3. For example, family blockholding is measured as the total voting share of the largest individual or family blockholder. This causes a mismatch to the above definition in at least two ways. First, the ORBIS data used for Chapter 3 does not make it possible to distinguish between family and individual ownership. This means that which is owned outright by one individual (which might imply it is an entrepreneurial startup) is considered to be a family firm just as much as a firm which is owned by a group of members from the same family. On another note, archival data on the firm available unfortunately provides no information about the vision pursued by the dominant coalition for the firm. Although we were aware of the ORBIS data issue, it was not possible to come closer to the theoretical definition that we would have preferred to use due to the quality of data to which there was access. This is a weakness that could be remedied in future research by delving into a more comprehensive search for family- and firm-specific information. Family business researchers have noted, however, that gaining access to the family owners is challenging for various reasons (Michael-Tsabari, Labaki, & Zachary, 2014). Most importantly, closely-held firms tend to remain private about their activities within the ownership group and within the firm, and since most of their documents are not available in public records this will present a challenge to future research. To work around this data access issue, a recommendation would be to follow Yin's (2009) case study recommendation. For example, some of the firms included in the sample of deals could be analyzed further following triangulation of different sources of data. Scholars could collect data from various publicly-available sources, including but not limited to company websites, press releases, media reports, company documents (both external and internal), and, if access is granted, via personal interviews. Content analysis of these data sources could offer access to more rich data about the history of the firm.

The next key data issue in this dissertation has to do with a lack of insight about which generation of family owners is in control of the firm. It has been suggested that the nature of family-centric preferences grounded in SEW will vary over different stages of the business and over different generations of family owners (e.g. founder/owner/entrepreneur versus later generation owners) and will therefore lead to different risk preferences impact decision making about internationalization. In Chapter 3, data limitations kept us from being able to include firm age, which could serve as a proxy for generation/stage of firm. In general, the generations data would be helpful in several ways. If risk preferences vary over generations, it would be relevant to consistently map which generation is in control of the firm at which point in time that a decision to invest in an acquisition takes place.

IMPLICATIONS FOR MANAGERIAL PRACTICE, POLICY, AND RESEARCH

This dissertation has implications for managerial practice and for policies relating to family firms. As Chapter 3 shows, investors should understand and acknowledge that the risk-taking behaviors of a family firm should not be limited to family ownership and governance alone. Rather, investors should consider how the family owners interact with other decision makers in the company. For example. How do family owners relate with the top management team and the directors who serve all firm owners: family and nonfamily, alike? If it seems as though both family and nonfamily owners consider themselves to be in a tentative and potentially distrustful relationship, the agency cost due to principal-principal conflicts might be aggravated, leading to lower degrees of risk-taking behaviors within the firm. On the other hand, if the relationship between family and nonfamily owners is collaborative, it should be understood that this may not always lead to more optimistic performance based on their underlying risk-taking behaviors, in particular if the nonfamily owners who are in conflict are not motivated by financial returns. Second, directors should understand that the agency problem of a family firm is multifaceted: it lies both with risk preferences and goal conflicts between family owner(s) and management, and also arises from a potential (im)balance between family and nonfamily shareholders whose inherent preferences might further diverge due to group composition dissimilarity, and due to distinct client relationships with the firm. Directors should also understand that managing the agency problem of a family firm requires reconciliation amongst multiple groups of conflicting shareholders. Finally, policymakers interested in corporate governance who are focused on protecting minority shareholders (or financial performance) should plan and design investor protection policies to address PA costs, PP costs, and to control for potential collusion among principal groups for nonfinancial objectives. Such policy design implies the need for ex ante knowledge through required corporate disclosure and transparency for the purposes of risk-taking of different blockholders.

As far as the case study presented in Chapter 4, the findings have implications for both research and practice. The case study contributes to the family firm literature by focusing on non-family stakeholders and offers an example how nonfamily stakeholders can be influenced by the intangible firm-specific resources within the construct of familiness. It also presents empirical data on how Action Research can be used in a business setting and offers a novel way in which to apply the construct of familiness as a mechanism to support integration. Finally, for managers and other practitioners, this study provides a processual overview that can be used to facilitate integration between two distinct organizational and national cultures and between family and nonfamily firms as they face post-acquisition challenges.

TITLER I PH.D.SERIEN:

2004

1. Martin Grieger
Internet-based Electronic Marketplaces and Supply Chain Management

2. Thomas Basbøll
LIKENESS
A Philosophical Investigation

3. Morten Knudsen
Beslutningens vaklen
En systemteoretisk analyse of moderniseringen af et amtskommunalt sundhedsvæsen 1980-2000

4. Lars Bo Jeppesen
Organizing Consumer Innovation
A product development strategy that is based on online communities and allows some firms to benefit from a distributed process of innovation by consumers

5. Barbara Dragsted
SEGMENTATION IN TRANSLATION AND TRANSLATION MEMORY SYSTEMS
An empirical investigation of cognitive segmentation and effects of integrating a TM system into the translation process

6. Jeanet Hardis
Sociale partnerskaber
Et socialkonstruktivistisk casestudie af partnerskabsaktørers virkelighedsopfattelse mellem identitet og legitimitet

7. Henriette Hallberg Thygesen
System Dynamics in Action

8. Carsten Mejer Plath
Strategisk Økonomistyring

9. Annemette Kjærgaard
Knowledge Management as Internal Corporate Venturing
– a Field Study of the Rise and Fall of a Bottom-Up Process

10. Knut Arne Hovdal
De profesjonelle i endring
Norsk ph.d., ej til salg gennem Samfundslitteratur

11. Søren Jeppesen
Environmental Practices and Greening Strategies in Small Manufacturing Enterprises in South Africa
– A Critical Realist Approach

12. Lars Frode Frederiksen
Industriel forskningsledelse
– på sporet af mønstre og samarbejde i danske forskningsintensive virksomheder

13. Martin Jes Iversen
The Governance of GN Great Nordic
– in an age of strategic and structural transitions 1939-1988

14. Lars Pynt Andersen
The Rhetorical Strategies of Danish TV Advertising
A study of the first fifteen years with special emphasis on genre and irony

15. Jakob Rasmussen
Business Perspectives on E-learning

16. Sof Thrane
The Social and Economic Dynamics of Networks
– a Weberian Analysis of Three Formalised Horizontal Networks

17. Lene Nielsen
Engaging Personas and Narrative Scenarios – a study on how a user-centered approach influenced the perception of the design process in the e-business group at AstraZeneca

18. S.J Valstad
Organisationsidentitet
Norsk ph.d., ej til salg gennem Samfundslitteratur

19. Thomas Lyse Hansen
Six Essays on Pricing and Weather risk in Energy Markets

20. Sabine Madsen
Emerging Methods – An Interpretive Study of ISD Methods in Practice

21. Evis Sinani
The Impact of Foreign Direct Investment on Efficiency, Productivity Growth and Trade: An Empirical Investigation

22. Bent Meier Sørensen
Making Events Work Or,
How to Multiply Your Crisis

23. Pernille Schnoor
Brand Ethos
Om troværdige brand- og virksomhedsidentiteter i et retorisk og diskursteoretisk perspektiv

24. Sidsel Fabech
Von welchem Österreich ist hier die Rede?
Diskursive forhandlinger og magtkampe mellem rivaliserende nationale identitetskonstruktioner i østrigske pressediskurser

25. Klavs Odgaard Christensen
Sprogpolitik og identitetsdannelse i flersprogede forbundsstater
Et komparativt studie af Schweiz og Canada

26. Dana B. Minbaeva
Human Resource Practices and Knowledge Transfer in Multinational Corporations

27. Holger Højlund
Markedets politiske fornuft
Et studie af velfærdens organisering i perioden 1990-2003

28. Christine Mølgaard Frandsen
A.s erfaring
Om mellemværendets praktik i en transformation af mennesket og subjektiviteten

29. Sine Nørholm Just
The Constitution of Meaning
– A Meaningful Constitution?
Legitimacy, identity, and public opinion in the debate on the future of Europe

2005

1. Claus J. Varnes
Managing product innovation through rules – The role of formal and structured methods in product development

2. Helle Hedegaard Hein
Mellem konflikt og konsensus
– Dialogudvikling på hospitalsklinikker

3. Axel Rosenø
Customer Value Driven Product Innovation – A Study of Market Learning in New Product Development

4. Søren Buhl Pedersen
Making space
An outline of place branding

5. Camilla Funck Ellehave
Differences that Matter
An analysis of practices of gender and organizing in contemporary workplaces

6. Rigmor Madeleine Lond
Styring af kommunale forvaltninger

7. Mette Aagaard Andreassen
Supply Chain versus Supply Chain
Benchmarking as a Means to Managing Supply Chains

8. Caroline Aggestam-Pontoppidan
From an idea to a standard
The UN and the global governance of accountants' competence

9. Norsk ph.d.

10. Vivienne Heng Ker-ni
An Experimental Field Study on the

Effectiveness of Grocer Media Advertising
Measuring Ad Recall and Recognition, Purchase Intentions and Short-Term Sales

11. Allan Mortensen
Essays on the Pricing of Corporate Bonds and Credit Derivatives

12. Remo Stefano Chiari
Figure che fanno conoscere
Itinerario sull'idea del valore cognitivo e espressivo della metafora e di altri tropi da Aristotele e da Vico fino al cognitivismo contemporaneo

13. Anders McIlquham-Schmidt
Strategic Planning and Corporate Performance
An integrative research review and a meta-analysis of the strategic planning and corporate performance literature from 1956 to 2003

14. Jens Geersbro
The TDF – PMI Case
Making Sense of the Dynamics of Business Relationships and Networks

15 Mette Andersen
Corporate Social Responsibility in Global Supply Chains
Understanding the uniqueness of firm behaviour

16. Eva Boxenbaum
Institutional Genesis: Micro – Dynamic Foundations of Institutional Change

17. Peter Lund-Thomsen
Capacity Development, Environmental Justice NGOs, and Governance: The Case of South Africa

18. Signe Jarlov
Konstruktioner af offentlig ledelse

19. Lars Stæhr Jensen
Vocabulary Knowledge and Listening Comprehension in English as a Foreign Language
An empirical study employing data elicited from Danish EFL learners

20. Christian Nielsen
Essays on Business Reporting
Production and consumption of strategic information in the market for information

21. Marianne Thejls Fischer
Egos and Ethics of Management Consultants

22. Annie Bekke Kjær
Performance management i Proces-innovation
– belyst i et social-konstruktivistisk perspektiv

23. Suzanne Dee Pedersen
GENTAGELSENS METAMORFOSE
Om organisering af den kreative gøren i den kunstneriske arbejdspraksis

24. Benedikte Dorte Rosenbrink
Revenue Management
Økonomiske, konkurrencemæssige & organisatoriske konsekvenser

25. Thomas Riise Johansen
Written Accounts and Verbal Accounts
The Danish Case of Accounting and Accountability to Employees

26. Ann Fogelgren-Pedersen
The Mobile Internet: Pioneering Users' Adoption Decisions

27. Birgitte Rasmussen
Ledelse i fællesskab – de tillidsvalgtes fornyende rolle

28. Gitte Thit Nielsen
Remerger
– skabende ledelseskræfter i fusion og opkøb

29. Carmine Gioia
A MICROECONOMETRIC ANALYSIS OF MERGERS AND ACQUISITIONS

30. Ole Hinz
Den effektive forandringsleder: pilot, pædagog eller politiker?
Et studie i arbejdslederes meningstilskrivninger i forbindelse med vellykket gennemførelse af ledelsesinitierede forandringsprojekter

31. Kjell-Åge Gotvassli
Et praksisbasert perspektiv på dynamiske
læringsnettverk i toppidretten
Norsk ph.d., ej til salg gennem Samfundslitteratur

32. Henriette Langstrup Nielsen
Linking Healthcare
An inquiry into the changing performances of web-based technology for asthma monitoring

33. Karin Tweddell Levinsen
Virtuel Uddannelsespraksis
Master i IKT og Læring – et casestudie i hvordan proaktiv proceshåndtering kan forbedre praksis i virtuelle læringsmiljøer

34. Anika Liversage
Finding a Path
Labour Market Life Stories of Immigrant Professionals

35. Kasper Elmquist Jørgensen
Studier i samspillet mellem stat og erhvervsliv i Danmark under
1. verdenskrig

36. Finn Janning
A DIFFERENT STORY
Seduction, Conquest and Discovery

37. Patricia Ann Plackett
Strategic Management of the Radical Innovation Process
Leveraging Social Capital for Market Uncertainty Management

2006

1. Christian Vintergaard
Early Phases of Corporate Venturing

2. Niels Rom-Poulsen
Essays in Computational Finance

3. Tina Brandt Husman
Organisational Capabilities, Competitive Advantage & Project-Based Organisations
The Case of Advertising and Creative Good Production

4. Mette Rosenkrands Johansen
Practice at the top
– how top managers mobilise and use non-financial performance measures

5. Eva Parum
Corporate governance som strategisk kommunikations- og ledelsesværktøj

6. Susan Aagaard Petersen
Culture's Influence on Performance Management: The Case of a Danish Company in China

7. Thomas Nicolai Pedersen
The Discursive Constitution of Organizational Governance – Between unity and differentiation
The Case of the governance of environmental risks by World Bank environmental staff

8. Cynthia Selin
Volatile Visions: Transactons in Anticipatory Knowledge

9. Jesper Banghøj
Financial Accounting Information and Compensation in Danish Companies

10. Mikkel Lucas Overby
Strategic Alliances in Emerging High-Tech Markets: What's the Difference and does it Matter?

11. Tine Aage
External Information Acquisition of Industrial Districts and the Impact of Different Knowledge Creation Dimensions

A case study of the Fashion and Design Branch of the Industrial District of Montebelluna, NE Italy

12. Mikkel Flyverbom
Making the Global Information Society Governable
On the Governmentality of Multi-Stakeholder Networks

13. Anette Grønning
Personen bag
Tilstedevær i e-mail som interaktionsform mellem kunde og medarbejder i dansk forsikringskontekst

14. Jørn Helder
One Company – One Language?
The NN-case

15. Lars Bjerregaard Mikkelsen
Differing perceptions of customer value
Development and application of a tool for mapping perceptions of customer value at both ends of customer-supplier dyads in industrial markets

16. Lise Granerud
Exploring Learning
Technological learning within small manufacturers in South Africa

17. Esben Rahbek Pedersen
Between Hopes and Realities: Reflections on the Promises and Practices of Corporate Social Responsibility (CSR)

18. Ramona Samson
The Cultural Integration Model and European Transformation.
The Case of Romania

2007

1. Jakob Vestergaard
Discipline in The Global Economy
Panopticism and the Post-Washington Consensus

2. Heidi Lund Hansen
Spaces for learning and working
A qualitative study of change of work, management, vehicles of power and social practices in open offices

3. Sudhanshu Rai
Exploring the internal dynamics of software development teams during user analysis
A tension enabled Institutionalization Model; "Where process becomes the objective"

4. Norsk ph.d.
Ej til salg gennem Samfundslitteratur

5. Serden Ozcan
EXPLORING HETEROGENEITY IN ORGANIZATIONAL ACTIONS AND OUTCOMES
A Behavioural Perspective

6. Kim Sundtoft Hald
Inter-organizational Performance Measurement and Management in Action
– An Ethnography on the Construction of Management, Identity and Relationships

7. Tobias Lindeberg
Evaluative Technologies
Quality and the Multiplicity of Performance

8. Merete Wedell-Wedellsborg
Den globale soldat
Identitetsdannelse og identitetsledelse i multinationale militære organisationer

9. Lars Frederiksen
Open Innovation Business Models
Innovation in firm-hosted online user communities and inter-firm project ventures in the music industry
– A collection of essays

10. Jonas Gabrielsen
Retorisk toposlære – fra statisk 'sted' til persuasiv aktivitet

11. Christian Moldt-Jørgensen
Fra meningsløs til meningsfuld evaluering.
Anvendelsen af studentertilfredshedsmålinger på de korte og mellemlange videregående uddannelser set fra et psykodynamisk systemperspektiv

12. Ping Gao
Extending the application of actor-network theory
Cases of innovation in the telecommunications industry

13. Peter Mejlby
Frihed og fængsel, en del af den samme drøm?
Et phronetisk baseret casestudie af frigørelsens og kontrollens sameksistens i værdibaseret ledelse!

14. Kristina Birch
Statistical Modelling in Marketing

15. Signe Poulsen
Sense and sensibility:
The language of emotional appeals in insurance marketing

16. Anders Bjerre Trolle
Essays on derivatives pricing and dynamic asset allocation

17. Peter Feldhütter
Empirical Studies of Bond and Credit Markets

18. Jens Henrik Eggert Christensen
Default and Recovery Risk Modeling and Estimation

19. Maria Theresa Larsen
Academic Enterprise: A New Mission for Universities or a Contradiction in Terms?
Four papers on the long-term implications of increasing industry involvement and commercialization in academia

20. Morten Wellendorf
Postimplementering af teknologi i den offentlige forvaltning
Analyser af en organisations kontinuerlige arbejde med informationsteknologi

21. Ekaterina Mhaanna
Concept Relations for Terminological Process Analysis

22. Stefan Ring Thorbjørnsen
Forsvaret i forandring
Et studie i officerers kapabiliteter under påvirkning af omverdenens forandringspres mod øget styring og læring

23. Christa Breum Amhøj
Det selvskabte medlemskab om managementstaten, dens styringsteknologier og indbyggere

24. Karoline Bromose
Between Technological Turbulence and Operational Stability
– An empirical case study of corporate venturing in TDC

25. Susanne Justesen
Navigating the Paradoxes of Diversity in Innovation Practice
– A Longitudinal study of six very different innovation processes – in practice

26. Luise Noring Henler
Conceptualising successful supply chain partnerships
– Viewing supply chain partnerships from an organisational culture perspective

27. Mark Mau
Kampen om telefonen
Det danske telefonvæsen under den tyske besættelse 1940-45

28. Jakob Halskov
The semiautomatic expansion of existing terminological ontologies using knowledge patterns discovered

on the WWW – an implementation and evaluation

29. Gergana Koleva
European Policy Instruments Beyond Networks and Structure: The Innovative Medicines Initiative

30. Christian Geisler Asmussen
Global Strategy and International Diversity: A Double-Edged Sword?

31. Christina Holm-Petersen
Stolthed og fordom
Kultur- og identitetsarbejde ved skabelsen af en ny sengeafdeling gennem fusion

32. Hans Peter Olsen
Hybrid Governance of Standardized States
Causes and Contours of the Global Regulation of Government Auditing

33. Lars Bøge Sørensen
Risk Management in the Supply Chain

34. Peter Aagaard
Det unikkes dynamikker
De institutionelle mulighedsbetingelser bag den individuelle udforskning i professionelt og frivilligt arbejde

35. Yun Mi Antorini
Brand Community Innovation
An Intrinsic Case Study of the Adult Fans of LEGO Community

36. Joachim Lynggaard Boll
Labor Related Corporate Social Performance in Denmark
Organizational and Institutional Perspectives

2008

1. Frederik Christian Vinten
Essays on Private Equity

2. Jesper Clement
Visual Influence of Packaging Design on In-Store Buying Decisions

3. Marius Brostrøm Kousgaard
Tid til kvalitetsmåling?
– Studier af indrulleringsprocesser i forbindelse med introduktionen af kliniske kvalitetsdatabaser i speciallægepraksissektoren

4. Irene Skovgaard Smith
Management Consulting in Action Value creation and ambiguity in client-consultant relations

5. Anders Rom
Management accounting and integrated information systems
How to exploit the potential for management accounting of information technology

6. Marina Candi
Aesthetic Design as an Element of Service Innovation in New Technology-based Firms

7. Morten Schnack
Teknologi og tværfaglighed
– en analyse af diskussionen omkring indførelse af EPJ på en hospitalsafdeling

8. Helene Balslev Clausen
Juntos pero no revueltos – un estudio sobre emigrantes norteamericanos en un pueblo mexicano

9. Lise Justesen
Kunsten at skrive revisionsrapporter.
En beretning om forvaltningsrevisionens beretninger

10. Michael E. Hansen
The politics of corporate responsibility: CSR and the governance of child labor and core labor rights in the 1990s

11. Anne Roepstorff
Holdning for handling – en etnologisk undersøgelse af Virksomheders Sociale Ansvar/CSR

12. Claus Bajlum
Essays on Credit Risk and Credit Derivatives

13. Anders Bojesen
The Performative Power of Competence – an Inquiry into Subjectivity and Social Technologies at Work

14. Satu Reijonen
Green and Fragile
A Study on Markets and the Natural Environment

15. Ilduara Busta
Corporate Governance in Banking
A European Study

16. Kristian Anders Hvass
A Boolean Analysis Predicting Industry Change: Innovation, Imitation & Business Models
The Winning Hybrid: A case study of isomorphism in the airline industry

17. Trine Paludan
De uvidende og de udviklingsparate
Identitet som mulighed og restriktion blandt fabriksarbejdere på det aftayloriserede fabriksgulv

18. Kristian Jakobsen
Foreign market entry in transition economies: Entry timing and mode choice

19. Jakob Elming
Syntactic reordering in statistical machine translation

20. Lars Brømsøe Termansen
Regional Computable General Equilibrium Models for Denmark
Three papers laying the foundation for regional CGE models with agglomeration characteristics

21. Mia Reinholt
The Motivational Foundations of Knowledge Sharing

22. Frederikke Krogh-Meibom
The Co-Evolution of Institutions and Technology
– A Neo-Institutional Understanding of Change Processes within the Business Press – the Case Study of Financial Times

23. Peter D. Ørberg Jensen
OFFSHORING OF ADVANCED AND HIGH-VALUE TECHNICAL SERVICES: ANTECEDENTS, PROCESS DYNAMICS AND FIRMLEVEL IMPACTS

24. Pham Thi Song Hanh
Functional Upgrading, Relational Capability and Export Performance of Vietnamese Wood Furniture Producers

25. Mads Vangkilde
Why wait?
An Exploration of first-mover advantages among Danish e-grocers through a resource perspective

26. Hubert Buch-Hansen
Rethinking the History of European Level Merger Control
A Critical Political Economy Perspective

2009

1. Vivian Lindhardsen
From Independent Ratings to Communal Ratings: A Study of CWA Raters' Decision-Making Behaviours

2. Guðrið Weihe
Public-Private Partnerships: Meaning and Practice

3. Chris Nøkkentved
Enabling Supply Networks with Collaborative Information Infrastructures
An Empirical Investigation of Business Model Innovation in Supplier Relationship Management

4. Sara Louise Muhr
Wound, Interrupted – On the Vulnerability of Diversity Management

5. Christine Sestoft
Forbrugeradfærd i et Stats- og Livsformsteoretisk perspektiv

6. Michael Pedersen
Tune in, Breakdown, and Reboot: On the production of the stress-fit self-managing employee

7. Salla Lutz
Position and Reposition in Networks – Exemplified by the Transformation of the Danish Pine Furniture Manufacturers

8. Jens Forssbæck
Essays on market discipline in commercial and central banking

9. Tine Murphy
Sense from Silence – A Basis for Organised Action
How do Sensemaking Processes with Minimal Sharing Relate to the Reproduction of Organised Action?

10. Sara Malou Strandvad
Inspirations for a new sociology of art: A sociomaterial study of development processes in the Danish film industry

11. Nicolaas Mouton
On the evolution of social scientific metaphors:
A cognitive-historical enquiry into the divergent trajectories of the idea that collective entities – states and societies, cities and corporations – are biological organisms.

12. Lars Andreas Knutsen
Mobile Data Services:
Shaping of user engagements

13. Nikolaos Theodoros Korfiatis
Information Exchange and Behavior
A Multi-method Inquiry on Online Communities

14. Jens Albæk
Forestillinger om kvalitet og tværfaglighed på sygehuse
– skabelse af forestillinger i læge- og plejegrupperne angående relevans af nye idéer om kvalitetsudvikling gennem tolkningsprocesser

15. Maja Lotz
The Business of Co-Creation – and the Co-Creation of Business

16. Gitte P. Jakobsen
Narrative Construction of Leader Identity in a Leader Development Program Context

17. Dorte Hermansen
"Living the brand" som en brandorienteret dialogisk praxis:
Om udvikling af medarbejdernes brandorienterede dømmekraft

18. Aseem Kinra
Supply Chain (logistics) Environmental Complexity

19. Michael Nørager
How to manage SMEs through the transformation from non innovative to innovative?

20. Kristin Wallevik
Corporate Governance in Family Firms
The Norwegian Maritime Sector

21. Bo Hansen Hansen
Beyond the Process
Enriching Software Process Improvement with Knowledge Management

22. Annemette Skot-Hansen
Franske adjektivisk afledte adverbier, der tager præpositionssyntagmer indledt med præpositionen à som argumenter
En valensgrammatisk undersøgelse

23. Line Gry Knudsen
Collaborative R&D Capabilities
In Search of Micro-Foundations

24. Christian Scheuer
Employers meet employees
Essays on sorting and globalization

25. Rasmus Johnsen
The Great Health of Melancholy
A Study of the Pathologies of Performativity

26. Ha Thi Van Pham
Internationalization, Competitiveness Enhancement and Export Performance of Emerging Market Firms:
Evidence from Vietnam

27. Henriette Balieu
Kontrolbegrebets betydning for kausativalternationen i spansk
En kognitiv-typologisk analyse

2010

1. Yen Tran
Organizing Innovationin Turbulent Fashion Market
Four papers on how fashion firms create and appropriate innovation value

2. Anders Raastrup Kristensen
Metaphysical Labour
Flexibility, Performance and Commitment in Work-Life Management

3. Margrét Sigrún Sigurdardottir
Dependently independent
Co-existence of institutional logics in the recorded music industry

4. Ásta Dis Óladóttir
Internationalization from a small domestic base:
An empirical analysis of Economics and Management

5. Christine Secher
E-deltagelse i praksis – politikernes og forvaltningens medkonstruktion og konsekvenserne heraf

6. Marianne Stang Våland
What we talk about when we talk about space:
End User Participation between Processes of Organizational and Architectural Design

7. Rex Degnegaard
Strategic Change Management
Change Management Challenges in the Danish Police Reform

8. Ulrik Schultz Brix
Værdi i rekruttering – den sikre beslutning
En pragmatisk analyse af perception og synliggørelse af værdi i rekrutterings- og udvælgelsesarbejdet

9. Jan Ole Similä
Kontraktsledelse
Relasjonen mellom virksomhetsledelse og kontraktshåndtering, belyst via fire norske virksomheter

10. Susanne Boch Waldorff
Emerging Organizations: In between local translation, institutional logics and discourse

11. Brian Kane
Performance Talk
Next Generation Management of Organizational Performance

12. Lars Ohnemus
Brand Thrust: Strategic Branding and Shareholder Value
An Empirical Reconciliation of two Critical Concepts

13. Jesper Schlamovitz
Håndtering af usikkerhed i film- og byggeprojekter

14. Tommy Moesby-Jensen
Det faktiske livs forbindtlighed
Førsokratisk informeret, ny-aristotelisk ἦθος-tænkning hos Martin Heidegger

15. Christian Fich
Two Nations Divided by Common Values
French National Habitus and the Rejection of American Power

16. Peter Beyer
Processer, sammenhængskraft og fleksibilitet
Et empirisk casestudie af omstillingsforløb i fire virksomheder

17. Adam Buchhorn
Markets of Good Intentions
Constructing and Organizing Biogas Markets Amid Fragility and Controversy

18. Cecilie K. Moesby-Jensen
Social læring og fælles praksis
Et mixed method studie, der belyser læringskonsekvenser af et lederkursus for et praksisfællesskab af offentlige mellemledere

19. Heidi Boye
Fødevarer og sundhed i senmodernismen
– En indsigt i hyggefænomenet og de relaterede fødevarepraksisser

20. Kristine Munkgård Pedersen
Flygtige forbindelser og midlertidige mobiliseringer
Om kulturel produktion på Roskilde Festival

21. Oliver Jacob Weber
Causes of Intercompany Harmony in Business Markets – An Empirical Investigation from a Dyad Perspective

22. Susanne Ekman
Authority and Autonomy
Paradoxes of Modern Knowledge Work

23. Anette Frey Larsen
Kvalitetsledelse på danske hospitaler
– Ledelsernes indflydelse på introduktion og vedligeholdelse af kvalitetsstrategier i det danske sundhedsvæsen

24. Toyoko Sato
Performativity and Discourse: Japanese Advertisements on the Aesthetic Education of Desire

25. Kenneth Brinch Jensen
Identifying the Last Planner System
Lean management in the construction industry

26. Javier Busquets
Orchestrating Network Behavior for Innovation

27. Luke Patey
The Power of Resistance: India's National Oil Company and International Activism in Sudan

28. Mette Vedel
Value Creation in Triadic Business Relationships. Interaction, Interconnection and Position

29. Kristian Tørning
Knowledge Management Systems in Practice – A Work Place Study

30. Qingxin Shi
An Empirical Study of Thinking Aloud Usability Testing from a Cultural Perspective

31. Tanja Juul Christiansen
Corporate blogging: Medarbejderes kommunikative handlekraft

32. Malgorzata Ciesielska
Hybrid Organisations.
A study of the Open Source – business setting

33. Jens Dick-Nielsen
Three Essays on Corporate Bond Market Liquidity

34. Sabrina Speiermann
Modstandens Politik
Kampagnestyring i Velfærdsstaten.
En diskussion af trafikkampagners styringspotentiale

35. Julie Uldam
Fickle Commitment. Fostering political engagement in 'the flighty world of online activism'

36. Annegrete Juul Nielsen
Traveling technologies and transformations in health care

37. Athur Mühlen-Schulte
Organising Development
Power and Organisational Reform in the United Nations Development Programme

38. Louise Rygaard Jonas
Branding på butiksgulvet
Et case-studie af kultur- og identitets-arbejdet i Kvickly

2011

1. Stefan Fraenkel
Key Success Factors for Sales Force Readiness during New Product Launch
A Study of Product Launches in the Swedish Pharmaceutical Industry

2. Christian Plesner Rossing
International Transfer Pricing in Theory and Practice

3. Tobias Dam Hede
Samtalekunst og ledelsesdisciplin
– en analyse af coachingsdiskursens genealogi og governmentality

4. Kim Pettersson
Essays on Audit Quality, Auditor Choice, and Equity Valuation

5. Henrik Merkelsen
The expert-lay controversy in risk research and management. Effects of institutional distances. Studies of risk definitions, perceptions, management and communication

6. Simon S. Torp
Employee Stock Ownership:
Effect on Strategic Management and Performance

7. Mie Harder
Internal Antecedents of Management Innovation

8. Ole Helby Petersen
Public-Private Partnerships: Policy and Regulation – With Comparative and Multi-level Case Studies from Denmark and Ireland

9. Morten Krogh Petersen
'Good' Outcomes. Handling Multiplicity in Government Communication

10. Kristian Tangsgaard Hvelplund
Allocation of cognitive resources in translation - an eye-tracking and key-logging study

11. Moshe Yonatany
The Internationalization Process of Digital Service Providers

12. Anne Vestergaard
Distance and Suffering
Humanitarian Discourse in the age of Mediatization

13. Thorsten Mikkelsen
Personligsheds indflydelse på forretningsrelationer

14. Jane Thostrup Jagd
Hvorfor fortsætter fusionsbølgen udover "the tipping point"?
– en empirisk analyse af information og kognitioner om fusioner

15. Gregory Gimpel
Value-driven Adoption and Consumption of Technology: Understanding Technology Decision Making

16. Thomas Stengade Sønderskov
Den nye mulighed
Social innovation i en forretningsmæssig kontekst

17. Jeppe Christoffersen
Donor supported strategic alliances in developing countries

18. Vibeke Vad Baunsgaard
Dominant Ideological Modes of Rationality: Cross functional

integration in the process of product innovation

19. Throstur Olaf Sigurjonsson
Governance Failure and Icelands's Financial Collapse

20. Allan Sall Tang Andersen
Essays on the modeling of risks in interest-rate and inflation markets

21. Heidi Tscherning
Mobile Devices in Social Contexts

22. Birgitte Gorm Hansen
Adapting in the Knowledge Economy
Lateral Strategies for Scientists and Those Who Study Them

23. Kristina Vaarst Andersen
Optimal Levels of Embeddedness
The Contingent Value of Networked Collaboration

24. Justine Grønbæk Pors
Noisy Management
A History of Danish School Governing from 1970-2010

25. Stefan Linder
Micro-foundations of Strategic Entrepreneurship
Essays on Autonomous Strategic Action

26. Xin Li
Toward an Integrative Framework of National Competitiveness
An application to China

27. Rune Thorbjørn Clausen
Værdifuld arkitektur
Et eksplorativt studie af bygningers rolle i virksomheders værdiskabelse

28. Monica Viken
Markedsundersøkelser som bevis i varemerke- og markedsføringsrett

29. Christian Wymann
Tattooing
The Economic and Artistic Constitution of a Social Phenomenon

30. Sanne Frandsen
Productive Incoherence
A Case Study of Branding and Identity Struggles in a Low-Prestige Organization

31. Mads Stenbo Nielsen
Essays on Correlation Modelling

32. Ivan Häuser
Følelse og sprog
Etablering af en ekspressiv kategori, eksemplificeret på russisk

33. Sebastian Schwenen
Security of Supply in Electricity Markets

2012

1. Peter Holm Andreasen
The Dynamics of Procurement Management
- A Complexity Approach

2. Martin Haulrich
Data-Driven Bitext Dependency Parsing and Alignment

3. Line Kirkegaard
Konsulenten i den anden nat
En undersøgelse af det intense arbejdsliv

4. Tonny Stenheim
Decision usefulness of goodwill under IFRS

5. Morten Lind Larsen
Produktivitet, vækst og velfærd
Industrirådet og efterkrigstidens Danmark 1945 - 1958

6. Petter Berg
Cartel Damages and Cost Asymmetries

7. Lynn Kahle
Experiential Discourse in Marketing
A methodical inquiry into practice and theory

8. Anne Roelsgaard Obling
Management of Emotions in Accelerated Medical Relationships

9. Thomas Frandsen
Managing Modularity of Service Processes Architecture

10. Carina Christine Skovmøller
CSR som noget særligt
Et casestudie om styring og meningsskabelse i relation til CSR ud fra en intern optik

11. Michael Tell
Fradragsbeskæring af selskabers finansieringsudgifter
En skatteretlig analyse af SEL §§ 11, 11B og 11C

12. Morten Holm
Customer Profitability Measurement Models
Their Merits and Sophistication across Contexts

13. Katja Joo Dyppel
Beskatning af derivater
En analyse af dansk skatteret

14. Esben Anton Schultz
Essays in Labor Economics
Evidence from Danish Micro Data

15. Carina Risvig Hansen
"Contracts not covered, or not fully covered, by the Public Sector Directive"

16. Anja Svejgaard Pors
Iværksættelse af kommunikation
- patientfigurer i hospitalets strategiske kommunikation

17. Frans Bévort
Making sense of management with logics
An ethnographic study of accountants who become managers

18. René Kallestrup
The Dynamics of Bank and Sovereign Credit Risk

19. Brett Crawford
Revisiting the Phenomenon of Interests in Organizational Institutionalism
The Case of U.S. Chambers of Commerce

20. Mario Daniele Amore
Essays on Empirical Corporate Finance

21. Arne Stjernholm Madsen
The evolution of innovation strategy
Studied in the context of medical device activities at the pharmaceutical company Novo Nordisk A/S in the period 1980-2008

22. Jacob Holm Hansen
Is Social Integration Necessary for Corporate Branding?
A study of corporate branding strategies at Novo Nordisk

23. Stuart Webber
Corporate Profit Shifting and the Multinational Enterprise

24. Helene Ratner
Promises of Reflexivity
Managing and Researching Inclusive Schools

25. Therese Strand
The Owners and the Power: Insights from Annual General Meetings

26. Robert Gavin Strand
In Praise of Corporate Social Responsibility Bureaucracy

27. Nina Sormunen
Auditor's going-concern reporting
Reporting decision and content of the report

28. John Bang Mathiasen
Learning within a product development working practice:
- an understanding anchored in pragmatism

29. Philip Holst Riis
Understanding Role-Oriented Enterprise Systems: From Vendors to Customers

30. Marie Lisa Dacanay
Social Enterprises and the Poor
Enhancing Social Entrepreneurship and Stakeholder Theory

31. Fumiko Kano Glückstad
Bridging Remote Cultures: Cross-lingual concept mapping based on the information receiver's prior-knowledge

32. Henrik Barslund Fosse
Empirical Essays in International Trade

33. Peter Alexander Albrecht
Foundational hybridity and its reproduction
Security sector reform in Sierra Leone

34. Maja Rosenstock
CSR - hvor svært kan det være?
Kulturanalytisk casestudie om udfordringer og dilemmaer med at forankre Coops CSR-strategi

35. Jeanette Rasmussen
Tweens, medier og forbrug
Et studie af 10-12 årige danske børns brug af internettet, opfattelse og forståelse af markedsføring og forbrug

36. Ib Tunby Gulbrandsen
'This page is not intended for a US Audience'
A five-act spectacle on online communication, collaboration & organization.

37. Kasper Aalling Teilmann
Interactive Approaches to Rural Development

38. Mette Mogensen
The Organization(s) of Well-being and Productivity
(Re)assembling work in the Danish Post

39. Søren Friis Møller
From Disinterestedness to Engagement
Towards Relational Leadership In the Cultural Sector

40. Nico Peter Berhausen
Management Control, Innovation and Strategic Objectives – Interactions and Convergence in Product Development Networks

41. Balder Onarheim
Creativity under Constraints
Creativity as Balancing 'Constrainedness'

42. Haoyong Zhou
Essays on Family Firms

43. Elisabeth Naima Mikkelsen
Making sense of organisational conflict
An empirical study of enacted sensemaking in everyday conflict at work

2013

1. Jacob Lyngsie
Entrepreneurship in an Organizational Context

2. Signe Groth-Brodersen
Fra ledelse til selvet
En socialpsykologisk analyse af forholdet imellem selvledelse, ledelse og stress i det moderne arbejdsliv

3. Nis Høyrup Christensen
Shaping Markets: A Neoinstitutional Analysis of the Emerging Organizational Field of Renewable Energy in China

4. Christian Edelvold Berg
As a matter of size
THE IMPORTANCE OF CRITICAL MASS AND THE CONSEQUENCES OF SCARCITY FOR TELEVISION MARKETS

5. Christine D. Isakson
Coworker Influence and Labor Mobility
Essays on Turnover, Entrepreneurship and Location Choice in the Danish Maritime Industry

6. Niels Joseph Jerne Lennon
Accounting Qualities in Practice
Rhizomatic stories of representational faithfulness, decision making and control

7. Shannon O'Donnell
Making Ensemble Possible
How special groups organize for collaborative creativity in conditions of spatial variability and distance

8. Robert W. D. Veitch
Access Decisions in a Partly-Digital World Comparing Digital Piracy and Legal Modes for Film and Music

9. Marie Mathiesen
Making Strategy Work An Organizational Ethnography

10. Arisa Shollo
The role of business intelligence in organizational decision-making

11. Mia Kaspersen
The construction of social and environmental reporting

12. Marcus Møller Larsen
The organizational design of offshoring

13. Mette Ohm Rørdam
EU Law on Food Naming The prohibition against misleading names in an internal market context

14. Hans Peter Rasmussen
GIV EN GED! Kan giver-idealtyper forklare støtte til velgørenhed og understøtte relationsopbygning?

15. Ruben Schachtenhaufen
Fonetisk reduktion i dansk

16. Peter Koerver Schmidt
Dansk CFC-beskatning I et internationalt og komparativt perspektiv

17. Morten Froholdt
Strategi i den offentlige sektor En kortlægning af styringsmæssig kontekst, strategisk tilgang, samt anvendte redskaber og teknologier for udvalgte danske statslige styrelser

18. Annette Camilla Sjørup
Cognitive effort in metaphor translation An eye-tracking and key-logging study

19. Tamara Stucchi
The Internationalization of Emerging Market Firms: A Context-Specific Study

20. Thomas Lopdrup-Hjorth
"Let's Go Outside": The Value of Co-Creation

21. Ana Alačovska
Genre and Autonomy in Cultural Production The case of travel guidebook production

22. Marius Gudmand-Høyer
Stemningssindssygdommenes historie i det 19. århundrede Omtydningen af melankolien og manien som bipolære stemningslidelser i dansk sammenhæng under hensyn til dannelsen af det moderne følelseslivs relative autonomi. En problematiserings- og erfarings-analytisk undersøgelse

23. Lichen Alex Yu
Fabricating an S&OP Process Circulating References and Matters of Concern

24. Esben Alfort
The Expression of a Need Understanding search

25. Trine Pallesen
Assembling Markets for Wind Power An Inquiry into the Making of Market Devices

26. Anders Koed Madsen
Web-Visions Repurposing digital traces to organize social attention

27. Lærke Højgaard Christiansen
BREWING ORGANIZATIONAL RESPONSES TO INSTITUTIONAL LOGICS

28. Tommy Kjær Lassen
EGENTLIG SELVLEDELSE En ledelsesfilosofisk afhandling om selvledelsens paradoksale dynamik og eksistentielle engagement

29. Morten Rossing
Local Adaption and Meaning Creation in Performance Appraisal

30. Søren Obed Madsen
Lederen som oversætter
Et oversættelsesteoretisk perspektiv på strategisk arbejde

31. Thomas Høgenhaven
Open Government Communities
Does Design Affect Participation?

32. Kirstine Zinck Pedersen
Failsafe Organizing?
A Pragmatic Stance on Patient Safety

33. Anne Petersen
Hverdagslogikker i psykiatrisk arbejde
En institutionsetnografisk undersøgelse af hverdagen i psykiatriske organisationer

34. Didde Maria Humle
Fortællinger om arbejde

35. Mark Holst-Mikkelsen
Strategieksekvering i praksis – barrierer og muligheder!

36. Malek Maalouf
Sustaining lean
Strategies for dealing with organizational paradoxes

37. Nicolaj Tofte Brenneche
Systemic Innovation In The Making
The Social Productivity of Cartographic Crisis and Transitions in the Case of SEEIT

38. Morten Gylling
The Structure of Discourse
A Corpus-Based Cross-Linguistic Study

39. Binzhang YANG
Urban Green Spaces for Quality Life - Case Study: the landscape architecture for people in Copenhagen

40. Michael Friis Pedersen
Finance and Organization:
The Implications for Whole Farm Risk Management

41. Even Fallan
Issues on supply and demand for environmental accounting information

42. Ather Nawaz
Website user experience
A cross-cultural study of the relation between users´ cognitive style, context of use, and information architecture of local websites

43. Karin Beukel
The Determinants for Creating Valuable Inventions

44. Arjan Markus
External Knowledge Sourcing and Firm Innovation
Essays on the Micro-Foundations of Firms' Search for Innovation

2014

1. Solon Moreira
Four Essays on Technology Licensing and Firm Innovation

2. Karin Strzeletz Ivertsen
Partnership Drift in Innovation Processes
A study of the Think City electric car development

3. Kathrine Hoffmann Pii
Responsibility Flows in Patient-centred Prevention

4. Jane Bjørn Vedel
Managing Strategic Research
An empirical analysis of science-industry collaboration in a pharmaceutical company

5. Martin Gylling
Processuel strategi i organisationer
Monografi om dobbeltheden i tænkning af strategi, dels som vidensfelt i organisationsteori, dels som kunstnerisk tilgang til at skabe i erhvervsmæssig innovation

6. Linne Marie Lauesen
Corporate Social Responsibility in the Water Sector: How Material Practices and their Symbolic and Physical Meanings Form a Colonising Logic

7. Maggie Qiuzhu Mei
LEARNING TO INNOVATE: The role of ambidexterity, standard, and decision process

8. Inger Høedt-Rasmussen
Developing Identity for Lawyers Towards Sustainable Lawyering

9. Sebastian Fux
Essays on Return Predictability and Term Structure Modelling

10. Thorbjørn N. M. Lund-Poulsen
Essays on Value Based Management

11. Oana Brindusa Albu
Transparency in Organizing: A Performative Approach

12. Lena Olaison
Entrepreneurship at the limits

13. Hanne Sørum
DRESSED FOR WEB SUCCESS? An Empirical Study of Website Quality in the Public Sector

14. Lasse Folke Henriksen
Knowing networks How experts shape transnational governance

15. Maria Halbinger
Entrepreneurial Individuals Empirical Investigations into Entrepreneurial Activities of Hackers and Makers

16. Robert Spliid
Kapitalfondenes metoder og kompetencer

17. Christiane Stelling
Public-private partnerships & the need, development and management of trusting A processual and embedded exploration

18. Marta Gasparin
Management of design as a translation process

19. Kåre Moberg
Assessing the Impact of Entrepreneurship Education From ABC to PhD

20. Alexander Cole
Distant neighbors Collective learning beyond the cluster

21. Martin Møller Boje Rasmussen
Is Competitiveness a Question of Being Alike? How the United Kingdom, Germany and Denmark Came to Compete through their Knowledge Regimes from 1993 to 2007

22. Anders Ravn Sørensen
Studies in central bank legitimacy, currency and national identity Four cases from Danish monetary history

23. Nina Bellak
Can Language be Managed in International Business? Insights into Language Choice from a Case Study of Danish and Austrian Multinational Corporations (MNCs)

24. Rikke Kristine Nielsen
Global Mindset as Managerial Meta-competence and Organizational Capability: Boundary-crossing Leadership Cooperation in the MNC The Case of 'Group Mindset' in Solar A/S.

25. Rasmus Koss Hartmann
User Innovation inside government Towards a critically performative foundation for inquiry

26. Kristian Gylling Olesen
Flertydig og emergerende ledelse i folkeskolen
Et aktør-netværksteoretisk ledelses-studie af politiske evalueringsreformers betydning for ledelse i den danske folkeskole

27. Troels Riis Larsen
Kampen om Danmarks omdømme 1945-2010
Omdømmearbejde og omdømmepolitik

28. Klaus Majgaard
Jagten på autenticitet i offentlig styring

29. Ming Hua Li
Institutional Transition and Organizational Diversity:
Differentiated internationalization strategies of emerging market state-owned enterprises

30. Sofie Blinkenberg Federspiel
IT, organisation og digitalisering: Institutionelt arbejde i den kommunale digitaliseringsproces

31. Elvi Weinreich
Hvilke offentlige ledere er der brug for når velfærdstænkningen flytter sig – er Diplomuddannelsens lederprofil svaret?

32. Ellen Mølgaard Korsager
Self-conception and image of context in the growth of the firm
– A Penrosian History of Fiberline Composites

33. Else Skjold
The Daily Selection

34. Marie Louise Conradsen
The Cancer Centre That Never Was
The Organisation of Danish Cancer Research 1949-1992

35. Virgilio Failla
Three Essays on the Dynamics of Entrepreneurs in the Labor Market

36. Nicky Nedergaard
Brand-Based Innovation
Relational Perspectives on Brand Logics and Design Innovation Strategies and Implementation

37. Mads Gjedsted Nielsen
Essays in Real Estate Finance

38. Kristin Martina Brandl
Process Perspectives on Service Offshoring

39. Mia Rosa Koss Hartmann
In the gray zone
With police in making space for creativity

40. Karen Ingerslev
Healthcare Innovation under The Microscope
Framing Boundaries of Wicked Problems

41. Tim Neerup Themsen
Risk Management in large Danish public capital investment programmes

2015

1. Jakob Ion Wille
Film som design
Design af levende billeder i film og tv-serier

2. Christiane Mossin
Interzones of Law and Metaphysics
Hierarchies, Logics and Foundations of Social Order seen through the Prism of EU Social Rights

3. Thomas Tøth
TRUSTWORTHINESS: ENABLING GLOBAL COLLABORATION
An Ethnographic Study of Trust, Distance, Control, Culture and Boundary Spanning within Offshore Outsourcing of IT Services

4. Steven Højlund
Evaluation Use in Evaluation Systems – The Case of the European Commission

5. Julia Kirch Kirkegaard
AMBIGUOUS WINDS OF CHANGE – OR FIGHTING AGAINST WINDMILLS IN CHINESE WIND POWER A CONSTRUCTIVIST INQUIRY INTO CHINA'S PRAGMATICS OF GREEN MARKETISATION MAPPING CONTROVERSIES OVER A POTENTIAL TURN TO QUALITY IN CHINESE WIND POWER

6. Michelle Carol Antero
A Multi-case Analysis of the Development of Enterprise Resource Planning Systems (ERP) Business Practices

Morten Friis-Olivarius
The Associative Nature of Creativity

7. Mathew Abraham
New Cooperativism: A study of emerging producer organisations in India

8. Stine Hedegaard
Sustainability-Focused Identity: Identity work performed to manage, negotiate and resolve barriers and tensions that arise in the process of constructing or ganizational identity in a sustainability context

9. Cecilie Glerup
Organizing Science in Society – the conduct and justification of resposible research

10. Allan Salling Pedersen
Implementering af ITIL® IT-governance - når best practice konflikter med kulturen Løsning af implementerings-problemer gennem anvendelse af kendte CSF i et aktionsforskningsforløb.

11. Nihat Misir
A Real Options Approach to Determining Power Prices

12. Mamdouh Medhat
MEASURING AND PRICING THE RISK OF CORPORATE FAILURES

13. Rina Hansen
Toward a Digital Strategy for Omnichannel Retailing

14. Eva Pallesen
In the rhythm of welfare creation A relational processual investigation moving beyond the conceptual horizon of welfare management

15. Gouya Harirchi
In Search of Opportunities: Three Essays on Global Linkages for Innovation

16. Lotte Holck
Embedded Diversity: A critical ethnographic study of the structural tensions of organizing diversity

17. Jose Daniel Balarezo
Learning through Scenario Planning

18. Louise Pram Nielsen
Knowledge dissemination based on terminological ontologies. Using eye tracking to further user interface design.

19. Sofie Dam
PUBLIC-PRIVATE PARTNERSHIPS FOR INNOVATION AND SUSTAINABILITY TRANSFORMATION An embedded, comparative case study of municipal waste management in England and Denmark

20. Ulrik Hartmyer Christiansen
Follwoing the Content of Reported Risk Across the Organization

21. Guro Refsum Sanden
Language strategies in multinational corporations. A cross-sector study of financial service companies and manufacturing companies.

22. Linn Gevoll
Designing performance management for operational level - A closer look on the role of design choices in framing coordination and motivation

23. Frederik Larsen
Objects and Social Actions
– on Second-hand Valuation Practices

24. Thorhildur Hansdottir Jetzek
The Sustainable Value of Open Government Data
Uncovering the Generative Mechanisms of Open Data through a Mixed Methods Approach

25. Gustav Toppenberg
Innovation-based M&A
– Technological-Integration Challenges – The Case of Digital-Technology Companies

26. Mie Plotnikof
Challenges of Collaborative Governance
An Organizational Discourse Study of Public Managers' Struggles with Collaboration across the Daycare Area

27. Christian Garmann Johnsen
Who Are the Post-Bureaucrats?
A Philosophical Examination of the Creative Manager, the Authentic Leader and the Entrepreneur

28. Jacob Brogaard-Kay
Constituting Performance Management
A field study of a pharmaceutical company

29. Rasmus Ploug Jenle
Engineering Markets for Control: Integrating Wind Power into the Danish Electricity System

30. Morten Lindholst
Complex Business Negotiation: Understanding Preparation and Planning

31. Morten Grynings
TRUST AND TRANSPARENCY FROM AN ALIGNMENT PERSPECTIVE

32. Peter Andreas Norn
Byregimer og styringsevne: Politisk lederskab af store byudviklingsprojekter

33. Milan Miric
Essays on Competition, Innovation and Firm Strategy in Digital Markets

34. Sanne K. Hjordrup
The Value of Talent Management
Rethinking practice, problems and possibilities

35. Johanna Sax
Strategic Risk Management
– Analyzing Antecedents and Contingencies for Value Creation

36. Pernille Rydén
Strategic Cognition of Social Media

37. Mimmi Sjöklint
The Measurable Me
- The Influence of Self-tracking on the User Experience

38. Juan Ignacio Staricco
Towards a Fair Global Economic Regime? A critical assessment of Fair Trade through the examination of the Argentinean wine industry

39. Marie Henriette Madsen
Emerging and temporary connections in Quality work

40. Yangfeng CAO
Toward a Process Framework of Business Model Innovation in the Global Context
Entrepreneurship-Enabled Dynamic Capability of Medium-Sized Multinational Enterprises

41. Carsten Scheibye
Enactment of the Organizational Cost Structure in Value Chain Configuration
A Contribution to Strategic Cost Management

2016

1. Signe Sofie Dyrby
   Enterprise Social Media at Work

2. Dorte Boesby Dahl
   The making of the public parking attendant
   Dirt, aesthetics and inclusion in public service work

3. Verena Girschik
   Realizing Corporate Responsibility Positioning and Framing in Nascent Institutional Change

4. Anders Ørding Olsen
   IN SEARCH OF SOLUTIONS
   Inertia, Knowledge Sources and Diversity in Collaborative Problem-solving

5. Pernille Steen Pedersen
   Udkast til et nyt copingbegreb
   En kvalifikation af ledelsesmuligheder for at forebygge sygefravær ved psykiske problemer.

6. Kerli Kant Hvass
   Weaving a Path from Waste to Value: Exploring fashion industry business models and the circular economy

7. Kasper Lindskow
   Exploring Digital News Publishing Business Models – a production network approach

8. Mikkel Mouritz Marfelt
   The chameleon workforce: Assembling and negotiating the content of a workforce

9. Marianne Bertelsen
   Aesthetic encounters
   Rethinking autonomy, space & time in today's world of art

10. Louise Hauberg Wilhelmsen
    EU PERSPECTIVES ON INTERNATIONAL COMMERCIAL ARBITRATION

11. Abid Hussain
    On the Design, Development and Use of the Social Data Analytics Tool (SODATO): Design Propositions, Patterns, and Principles for Big Social Data Analytics

12. Mark Bruun
    Essays on Earnings Predictability

13. Tor Bøe-Lillegraven
    BUSINESS PARADOXES, BLACK BOXES, AND BIG DATA: BEYOND ORGANIZATIONAL AMBIDEXTERITY

14. Hadis Khonsary-Atighi
    ECONOMIC DETERMINANTS OF DOMESTIC INVESTMENT IN AN OIL-BASED ECONOMY: THE CASE OF IRAN (1965-2010)

15. Maj Lervad Grasten
    Rule of Law or Rule by Lawyers? On the Politics of Translation in Global Governance

16. Lene Granzau Juel-Jacobsen
    SUPERMARKEDETS MODUS OPERANDI – en hverdagssociologisk undersøgelse af forholdet mellem rum og handlen og understøtte relationsopbygning?

17. Christine Thalsgård Henriques
    In search of entrepreneurial learning – Towards a relational perspective on incubating practices?

18. Patrick Bennett
    Essays in Education, Crime, and Job Displacement

19. Søren Korsgaard
    Payments and Central Bank Policy

20. Marie Kruse Skibsted
    Empirical Essays in Economics of Education and Labor

21. Elizabeth Benedict Christensen
    The Constantly Contingent Sense of Belonging of the 1.5 Generation Undocumented Youth
    An Everyday Perspective

22. Lasse J. Jessen
Essays on Discounting Behavior and Gambling Behavior

23. Kalle Johannes Rose
Når stifterviljen dør…
Et retsøkonomisk bidrag til 200 års juridisk konflikt om ejendomsretten

24. Andreas Søeborg Kirkedal
Danish Stød and Automatic Speech Recognition

25. Ida Lunde Jørgensen
Institutions and Legitimations in Finance for the Arts

26. Olga Rykov Ibsen
An empirical cross-linguistic study of directives: A semiotic approach to the sentence forms chosen by British, Danish and Russian speakers in native and ELF contexts

27. Desi Volker
Understanding Interest Rate Volatility

28. Angeli Elizabeth Weller
Practice at the Boundaries of Business Ethics & Corporate Social Responsibility

29. Ida Danneskiold-Samsøe
Levende læring i kunstneriske organisationer
En undersøgelse af læringsprocesser mellem projekt og organisation på Aarhus Teater

30. Leif Christensen
Quality of information – The role of internal controls and materiality

31. Olga Zarzecka
Tie Content in Professional Networks

32. Henrik Mahncke
De store gaver
- Filantropiens gensidighedsrelationer i teori og praksis

33. Carsten Lund Pedersen
Using the Collective Wisdom of Frontline Employees in Strategic Issue Management

34. Yun Liu
Essays on Market Design

35. Denitsa Hazarbassanova Blagoeva
The Internationalisation of Service Firms

36. Manya Jaura Lind
Capability development in an off-shoring context: How, why and by whom

37. Luis R. Boscán F.
Essays on the Design of Contracts and Markets for Power System Flexibility

38. Andreas Philipp Distel
Capabilities for Strategic Adaptation: Micro-Foundations, Organizational Conditions, and Performance Implications

39. Lavinia Bleoca
The Usefulness of Innovation and Intellectual Capital in Business Performance: The Financial Effects of Knowledge Management vs. Disclosure

40. Henrik Jensen
Economic Organization and Imperfect Managerial Knowledge: A Study of the Role of Managerial Meta-Knowledge in the Management of Distributed Knowledge

41. Stine Mosekjær
The Understanding of English Emotion Words by Chinese and Japanese Speakers of English as a Lingua Franca An Empirical Study

42. Hallur Tor Sigurdarson
The Ministry of Desire - Anxiety and entrepreneurship in a bureaucracy

43. Kätlin Pulk
Making Time While Being in Time
A study of the temporality of organizational processes

44. Valeria Giacomin
Contextualizing the cluster Palm oil in Southeast Asia in global perspective (1880s–1970s)

45. Jeanette Willert
Managers' use of multiple Management Control Systems: The role and interplay of management control systems and company performance

46. Mads Vestergaard Jensen
Financial Frictions: Implications for Early Option Exercise and Realized Volatility

47. Mikael Reimer Jensen
Interbank Markets and Frictions

48. Benjamin Faigen
Essays on Employee Ownership

49. Adela Michea
Enacting Business Models An Ethnographic Study of an Emerging Business Model Innovation within the Frame of a Manufacturing Company.

50. Iben Sandal Stjerne
Transcending organization in temporary systems Aesthetics' organizing work and employment in Creative Industries

51. Simon Krogh
Anticipating Organizational Change

52. Sarah Netter
Exploring the Sharing Economy

53. Lene Tolstrup Christensen
State-owned enterprises as institutional market actors in the marketization of public service provision: A comparative case study of Danish and Swedish passenger rail 1990–2015

54. Kyoung(Kay) Sun Park
Three Essays on Financial Economics

2017

1. Mari Bjerck
Apparel at work. Work uniforms and women in male-dominated manual occupations.

2. Christoph H. Flöthmann
Who Manages Our Supply Chains? Backgrounds, Competencies and Contributions of Human Resources in Supply Chain Management

3. Aleksandra Anna Rzeźnik
Essays in Empirical Asset Pricing

4. Claes Bäckman
Essays on Housing Markets

5. Kirsti Reitan Andersen
Stabilizing Sustainability in the Textile and Fashion Industry

6. Kira Hoffmann
Cost Behavior: An Empirical Analysis of Determinants and Consequences of Asymmetries

7. Tobin Hanspal
Essays in Household Finance

8. Nina Lange
Correlation in Energy Markets

9. Anjum Fayyaz
Donor Interventions and SME Networking in Industrial Clusters in Punjab Province, Pakistan

10. Magnus Paulsen Hansen
Trying the unemployed. Justification and critique, emancipation and coercion towards the 'active society'. A study of contemporary reforms in France and Denmark

11. Sameer Azizi
Corporate Social Responsibility in Afghanistan – a critical case study of the mobile telecommunications industry

12. Malene Myhre
The internationalization of small and medium-sized enterprises: A qualitative study

13. Thomas Presskorn-Thygesen
The Significance of Normativity – Studies in Post-Kantian Philosophy and Social Theory

14. Federico Clementi
Essays on multinational production and international trade

15. Lara Anne Hale
Experimental Standards in Sustainability Transitions: Insights from the Building Sector

16. Richard Pucci
Accounting for Financial Instruments in an Uncertain World Controversies in IFRS in the Aftermath of the 2008 Financial Crisis

17. Sarah Maria Denta
Kommunale offentlige private partnerskaber Regulering I skyggen af Farumsagen

18. Christian Östlund
Design for e-training

19. Amalie Martinus Hauge
Organizing Valuations – a pragmatic inquiry

20. Tim Holst Celik
Tension-filled Governance? Exploring the Emergence, Consolidation and Reconfiguration of Legitimatory and Fiscal State-crafting

21. Christian Bason
Leading Public Design: How managers engage with design to transform public governance

22. Davide Tomio
Essays on Arbitrage and Market Liquidity

23. Simone Stæhr
Financial Analysts' Forecasts Behavioral Aspects and the Impact of Personal Characteristics

24. Mikkel Godt Gregersen
Management Control, Intrinsic Motivation and Creativity – How Can They Coexist

25. Kristjan Johannes Suse Jespersen
Advancing the Payments for Ecosystem Service Discourse Through Institutional Theory

26. Kristian Bondo Hansen
Crowds and Speculation: A study of crowd phenomena in the U.S. financial markets 1890 to 1940

27. Lars Balslev
Actors and practices – An institutional study on management accounting change in Air Greenland

28. Sven Klingler
Essays on Asset Pricing with Financial Frictions

29. Klement Ahrensbach Rasmussen
Business Model Innovation The Role of Organizational Design

30. Giulio Zichella
Entrepreneurial Cognition. Three essays on entrepreneurial behavior and cognition under risk and uncertainty

31. Richard Ledborg Hansen
En forkærlighed til det eksisterende – mellemlederens oplevelse af forandringsmodstand i organisatoriske forandringer

32. Vilhelm Stefan Holsting
Militært chefvirke: Kritik og retfærdiggørelse mellem politik og profession

33. Thomas Jensen
Shipping Information Pipeline: An information infrastructure to improve international containerized shipping

34. Dzmitry Bartalevich
Do economic theories inform policy? Analysis of the influence of the Chicago School on European Union competition policy

35. Kristian Roed Nielsen
Crowdfunding for Sustainability: A study on the potential of reward-based crowdfunding in supporting sustainable entrepreneurship

36. Emil Husted
There is always an alternative: A study of control and commitment in political organization

37. Anders Ludvig Sevelsted
Interpreting Bonds and Boundaries of Obligation. A genealogy of the emergence and development of Protestant voluntary social work in Denmark as shown through the cases of the Copenhagen Home Mission and the Blue Cross (1850 – 1950)

38. Niklas Kohl
Essays on Stock Issuance

39. Maya Christiane Flensborg Jensen
BOUNDARIES OF PROFESSIONALIZATION AT WORK An ethnography-inspired study of care workers' dilemmas at the margin

40. Andreas Kamstrup
Crowdsourcing and the Architectural Competition as Organisational Technologies

41. Louise Lyngfeldt Gorm Hansen
Triggering Earthquakes in Science, Politics and Chinese Hydropower - A Controversy Study

2018

1. Vishv Priya Kohli
Combatting Falsifi cation and Counterfeiting of Medicinal Products in the E uropean Union – A Legal Analysis

2. Helle Haurum
Customer Engagement Behavior in the context of Continuous Service Relationships

3. Nis Grünberg
The Party -state order: Essays on China's political organization and political economic institutions

4. Jesper Christensen
A Behavioral Theory of Human Capital Integration

5. Poula Marie Helth
Learning in practice

6. Rasmus Vendler Toft-Kehler
Entrepreneurship as a career? An investigation of the relationship between entrepreneurial experience and entrepreneurial outcome

7. Szymon Furtak
Sensing the Future: Designing sensor-based predictive information systems for forecasting spare part demand for diesel engines

8. Mette Brehm Johansen *Organizing patient involvement. An ethnographic study*

9. Iwona Sulinska
Complexities of Social Capital in Boards of Directors

10. Cecilie Fanøe Petersen
Award of public contracts as a means to conferring State aid: A legal analysis of the interface between public procurement law and State aid law

11. Ahmad Ahmad Barirani
Three Experimental Studies on Entrepreneurship

12. Carsten Allerslev Olsen *Financial Reporting Enforcement: Impact and Consequences*

13. Irene Christensen
New product fumbles – Organizing for the Ramp-up process

14. Jacob Taarup-Esbensen
Managing communities – Mining MNEs' community risk management practices

15. Lester Allan Lasrado
Set-Theoretic approach to maturity models

16. Mia B. Münster
Intention vs. Perception of Designed Atmospheres in Fashion Stores

17. Anne Sluhan
Non-Financial Dimensions of Family Firm Ownership: How Socioemotional Wealth and Familiness Influence Internationalization

TITLER I ATV PH.D.-SERIEN

1992

1. Niels Kornum
Servicesamkørsel – organisation, økonomi og planlægningsmetode

1995

2. Verner Worm
Nordiske virksomheder i Kina
Kulturspecifikke interaktionsrelationer ved nordiske virksomhedsetableringer i Kina

1999

3. Mogens Bjerre
Key Account Management of Complex Strategic Relationships
An Empirical Study of the Fast Moving Consumer Goods Industry

2000

4. Lotte Darsø
Innovation in the Making
Interaction Research with heterogeneous Groups of Knowledge Workers creating new Knowledge and new Leads

2001

5. Peter Hobolt Jensen
Managing Strategic Design Identities
The case of the Lego Developer Network

2002

6. Peter Lohmann
The Deleuzian Other of Organizational Change – Moving Perspectives of the Human

7. Anne Marie Jess Hansen
To lead from a distance: The dynamic interplay between strategy and strategizing – A case study of the strategic management process

2003

8. Lotte Henriksen
Videndeling
– om organisatoriske og ledelsesmæssige udfordringer ved videndeling i praksis

9. Niels Christian Nickelsen
Arrangements of Knowing: Coordinating Procedures Tools and Bodies in Industrial Production – a case study of the collective making of new products

2005

10. Carsten Ørts Hansen
Konstruktion af ledelsesteknologier og effektivitet

TITLER I DBA PH.D.-SERIEN

2007

1. Peter Kastrup-Misir
Endeavoring to Understand Market Orientation – and the concomitant co-mutation of the researched, the re searcher, the research itself and the truth

2009

1. Torkild Leo Thellefsen
Fundamental Signs and Significance effects
A Semeiotic outline of Fundamental Signs, Significance-effects, Knowledge Profiling and their use in Knowledge Organization and Branding

2. Daniel Ronzani
When Bits Learn to Walk Don't Make Them Trip. Technological Innovation and the Role of Regulation by Law in Information Systems Research: the Case of Radio Frequency Identification (RFID)

2010

1. Alexander Carnera
Magten over livet og livet som magt
Studier i den biopolitiske ambivalens