Family business internationalisation and networks: emerging pathways

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FAMILY BUSINESS INTERNATIONALISATION AND NETWORKS:

EMERGING PATHWAYS

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STRUCTURED ABSTRACT

**Purpose:** The aim of this study is twofold: 1) to provide a meta-synthesis of the current state of knowledge in FB internationalisation research, adopting a network perspective; 2) to highlight emerging themes that may set the stage for future work on FB internationalisation, for the benefit of researchers adopting a network perspective.

**Methodology:** In order to address the twofold purpose of the study, the current paper provides a state-of-the-art review of 25 peer-reviewed journal articles published from 1993 to 2014. It also presents a meta-synthesis of the theoretical approaches, key findings and concepts that were pinpointed in the review, and proposes emerging key themes that are likely set the stage for future work within this specific field.

**Findings:** The results indicated that since the mid-1990s, research in the field from a network perspective has mainly focused on three aspects, namely: 1) the role of networks and relationships in the internationalisation process, 2) the factors that influence network formation, and 3) strategic/managerial issues in the formation and building of network ties. The current paper pinpoints emerging themes within these three aspects, and proposes future pathways.

**Research limitations:** The review and meta-synthesis are restricted to 25 studies identified in this specific field.

**Originality:** The study comprises an initial attempt to encompass the interface of FB internationalisation and networks.

**Keywords:** Family Business internationalisation, networks, relationships, meta-synthesis

**Article Classification:** Literature review
1. INTRODUCTION

Since the first articles appeared in Family Business (FB) internationalisation research, a series of studies have explored developments in the field (e.g. Casillas et al., 2007; Kontinen and Ojala, 2010; Pukall and Calabrò, 2014). Nevertheless, although literature review articles have provided useful insights into specific aspects of FB internationalisation, they have given only a limited understanding of the key themes driving FB internationalisation research from a network perspective. Such a perspective lies at the core of internationalisation, defined as “a process of initiating, developing, and maintaining international business relationships” (Johanson and Mattsson, 1998, p. 288). It is consistent with the view that “internationalisation depends on a firm’s networks and relationships” (Johanson and Vahlne, 2009), a premise that holds true for FBs just as it does for other firms (e.g. Graves and Thomas, 2008). The lack of knowledge of networking in FB internationalisation may result from the fact that relatively few articles have been included in previous reviews adopting a network perspective. Thus, in the review by Kontinen and Ojala (2010), the network theory of internationalisation was utilised in only one of the studies included, while in Pukall and Calabrò’s (2014) review only five of the articles included, made use of network theory. Nevertheless, such a perspective is of particular importance for research on FB internationalisation networks, since it has the potential to provide a better understanding of the internationalisation processes of FBs overall (Fletcher, 2008). In particular, a network approach to FB internationalisation complements existing FB entry mode research (Plakoyiannaki et al., 2014). It seems that when FBs decide on their entry mode, they first consider how to establish relationships with other nodes (i.e. other businesses or business networks) in the local market in question, and then find suitable partners to develop committed relationships (Graves and Thomas, 2008; Kontinen and Ojala, 2011a). Failures in establishing and maintaining successful relationships with foreign partners
may endanger the survival of FBs in the international arena and adversely affect their entry mode choices.

Bearing these aspects in mind, and also recent calls for research in this specific field (Kontinen and Ojala, 2011a; Pukall and Calabrò, 2014), the present study had two main aims: 1) to provide a meta-synthesis of the current state of knowledge in FB internationalisation research, adopting a network perspective; 2) to highlight emerging themes that may set the stage for future work on FB internationalisation, for the benefit of researchers adopting a network perspective.

The call for a synthesis of knowledge accords with the assumption that the foundation of science is the accumulation of knowledge based on research evidence from multiple studies (Hunter et al., 1982). A systematic literature review is especially important when one is seeking to map an emerging field conceptually, and to assess the state of the art (Hoon, 2013). Hence, in addressing the aims of the current study, our first step was to look critically at the knowledge accumulated, seeking to provide a state-of-the-art review of the field in question.

For this purpose, we conducted a systematic review of 25 articles published in the leading international business journals (such as Journal of International Business Studies, Journal of World Business, International Marketing Review, and International Business Review). We also included articles from key journals in the areas of entrepreneurship, marketing and family business, notably the Journal of Business Venturing, Industrial Marketing Management, and Family Business Review. We initially conducted a qualitative content analysis and thereafter a meta-synthesis of the theoretical approaches, the key concepts, and the key findings identified in the articles.

Our results indicated that since the mid-1990s, research in the FB internationalisation field, from a network perspective has mainly focused on three main research aspects, namely: 1) the role of networks and relationships in the internationalisation process, 2) the factors that
influence network formation, and 3) strategic/managerial issues in the formation and building of network ties. The present paper provides a detailed discussion of these themes and proposes future research pathways.

Our paper makes several contributions to FB internationalisation research. First of all, to the best of our knowledge, this is the first state-of-the-art review and meta-synthesis that seeks to interpret and compare findings from studies in which a network perspective has been adopted. Our review does not merely systematically examine an existing body of research; it also consolidates academic research from various related streams and suggests future research pathways (cf. Hoon, 2013). The current article considers FB international networks more broadly than previous literature reviews, and it includes ideas taken from international business, international marketing, and international entrepreneurship. The integration of studies from various literature streams may have several implications for future researchers in the FB internationalisation field. First of all, by bringing together empirical and conceptual insights from various related streams, this study adopts a wide perspective, giving access to the spectrum of research interests and findings – both allied and disparate – identified in the literature examined. Hence, it can enhance an understanding of the knowledge base pertaining to the development of FB international networks and illuminate emerging themes and future research pathways. We hope that it will allow future researchers from different disciplines to produce complementary work and to contribute to the FB internationalisation field. It should further be noted that family firms frequently work with small foreign firms or agents when they operate abroad, and not directly with end customers. Hence, this study also provides the reader with ideas on how family firms market their products to international firms, and how this phenomenon could be studied in the future.

The paper is organised as follows. In Section 2, we discuss the network perspective in IB and FB internationalisation research, while in Section 3 we present the methodology followed
in this study. Section 4 presents and discusses the findings. The paper ends with a Discussion and Conclusion section; here we present the limitations and implications of our study, and suggest directions for future research.

2. STUDY BACKGROUND: THE NETWORK PERSPECTIVE IN IB LITERATURE AND IN FB INTERNATIONALISATION RESEARCH

A network is generally conceptualised as “a specific type of relation linking a defined set of persons, objects or events” (Donckels and Lambrecht, 1995, p. 273). A business network can be defined as “the long-term business relationships that a business has with its customers, suppliers, distributors, competitors and government” (Johanson and Mattsson, 1988, p. 288).

Network relationships with international partners are important for all types of firms for several reasons. First of all, network relationships with partner firms may offer connections that facilitate the internationalisation of a firm’s operations (see also Elango and Pattnaik, 2007). Secondly, network relationships are important for building capabilities and acquiring experiential knowledge (Hohenthal et al., 2014), i.e. learning by doing (Sandberg, 2014). Without such knowledge companies are likely to make mistakes that incur significant costs and losses due to liabilities of foreignness. Thirdly, networks facilitate partner firms in international opportunity identification (Johanson and Vahlne, 2006) and they provide access to scarce resources (e.g. financial capital, reputation) (Elango and Pattnaik, 2007). This latter aspect seems to be extremely important for FBs with limited resources (financial or managerial) to enter the international arena (Graves and Thomas, 2008). There is evidence that such firms tend to lag in the identification of international opportunities (Kontinen and Ojala, 2011b).

Up to the present, the literature on networking in internationalisation has been extremely heterogeneous. Since no single theory can fully explain internationalisation strategies or
processes (Crick and Spence, 2005), IB studies have tended to combine network approaches with other theories, mainly traditional internationalisation theories. These include theories based on the Uppsala school, while reference may also be made to the born global school (Hohenthal et al., 2014). Previous authors applying networking theories have often used the revised Uppsala model (Johanson and Valhne, 2009), the relationship approach (Dwyer et al., 1987), the network-based internationalisation approach (Johanson and Mattsson, 1988), the network embeddedness model (Halinen and Törnroos, 1998) and the social network approach (Aldrich, 2006). These theories have helped IB researchers to understand certain aspects of internationalisation, including relationship building (e.g. Sandberg, 2013) and other internationalisation phenomena.

In addition, research on firms’ networking activities has mainly focused on the importance of building the initial relationship in the foreign market; it is recognised that such relationships are critical for the start of the process, since they can provide knowledge and opportunity for the domestic firm (e.g. Ciravegna et al., 2014). Thus, terms such as “bridgehead” and “entry node” have been used in illustrating the importance of the initial relationship. Although relatively few internationalisation studies have aimed to conceptualise the later networking processes in detail, those pursuing this aspect have used terms such as “structural holes”, “network closure”, and “social capital” (e.g. Burt, 2000). Other concepts such as “direct”, “indirect”, “dyads”, or “triad” relationships have also been used in referring to the configuration of network nodes, in other words “how the relationship with the foreign customer is set up” (Sandberg, 2014, p. 21). It is not surprising that such concepts are at the forefront of IB research, given the importance of international network relationships for internationalisation.

Previous studies have looked at the networking activities of multinationals, SMEs and small firms, sometimes referring also to the ownership characteristics of the firms in question.
They have highlighted various factors that influence such activities (Coviello and McAuley, 1999), yet have made no specific mention of the family dimension, i.e. the aspect which distinguishes FBs from other kinds of firms (Swinth and Vinton, 1993). The fact that FBs differ from other kinds of firms in their ownership structures, and in their behaviour when they internationalise (Arregle et al., 2012), can lead to confusion, since it may not be clear to the reader whether the results of a given study relate to FBs or not.

It is interesting that although networks and relationships constitute a well-developed area of research within IB, research on FB networking has only recently started to gain momentum (Pukall and Calabrò, 2014). This is may be due to the fact that researchers have only recently recognised the distinctive behaviour of FBs in their strategic decision-making (Liang et al., 2014). For instance, certain attributes of FBs (including the control or altruism of the owner, and emotional dimensions) could impose specific constraints on the ability of a FB to engage in certain strategic moves (Delgado-Garcia and de la Fuente-Sabate, 2010; Morgan and Gomez-Mejia, 2014), including also their relationship-building activities (Hewapathirana, 2014). Conversely, non-family managers tend to be more rational decision-makers, in the sense that they are not burdened by emotional connections to the firm, family values, or altruistic behaviour (Gomez-Mejia et al., 2011; Banalieva and Eddleston, 2011). For example, in the case of a non-beneficial network relationship, a non-FB manager will probably terminate the relationship for the sake of the financial security of the company. On the other hand, the relationships between FBs and their network ties may well be more lasting and extend over a wider compass (Arregle et al., 2007), in so far as they are less motivated by purely economic motives (Miller et al., 2009).

What does seem to be clear is that networks and relationships matter more to FBs than to other firms, and that the ability of FBs to grow internationally depends on the network relationships they build abroad (Graves and Thomas, 2008). It appears that a failure to build
or maintain a successful relationship with an international partner can jeopardise the survival of a FB in the international arena. It is true that this can also happen to other types of firms (e.g. non-FB SMEs). Nevertheless, the fear of losing control over the firm, plus the strong internal ties that exist within FB companies (Arregle et al., 2007) – attributes that do not exist in non-FBs – can mean that FBs are relatively unlikely (Graves and Thomas, 2004) to develop networks, even if such relationships are important for entering foreign markets (Fernández and Nieto, 2005; Graves and Thomas, 2008; Kontinen and Ojala, 2011a; Pukall and Calabrò, 2014). Such a reluctance may lead FBs to stagnate, bearing in mind that external networks can help to prevent FBs from becoming too rigid in adapting to environmental changes (Miller et al., 2008), and overall, it can slow down their internationalisation (Pukall and Calabrò, 2014).

The arguments above highlight the utility of examining the extant literature on FB internationalisation, and in particular the literature in which a network perspective is adopted. This could enhance our understanding on what has been done so far in this specific field, and what will merit further investigation.

3. METHODOLOGY

To fulfil the twofold aim of the current study (see Introduction), we followed Short’s (2009) suggestions for conducting a good literature review, and Hoon’s (2013) insights for conducting a meta-synthesis. Thus, our research design followed three steps, as described below.

**Step 1: Locating the relevant research**

We sought to identify the body of research that could be deemed relevant to our questions. In locating studies from scientific journals, we used a keyword search within ten databases, as
follows: ABI/INFORM Complete (ProQuest)/ Business Source Elite (EBSCO)/ Web of Science/ Scopus/ JSTOR/ Springerlink/ Science Direct (Elsevier)/ Emerald/ Informaworld/ Inderscience Global Databases. In this initial search we were looking for a combination of the following keywords in the title, the abstract, or the body of the paper: “family business internationalisation” AND “networks” AND “relationships”. In fact, this initial search yielded only limited results (for example only four articles were identified in the Scopus database), and we realised that this search string was too narrow. Consequently, we began to search more broadly within these ten databases, using keywords derived also from definitions that researchers had used to define family businesses, business networks, and partnerships.

One definition of a FB is “a firm where the family owns the majority of the stock and exercise full managerial control” (Gallo and Sveen, 1991, p. 181). We consider a business network to be “a set of exchange relationships between business firms that are conceptualised as collective actors” (Anderson et al., 1994, p. 2). Partnerships, for their part, can be defined as “relationships that are initiated in the international arena and strive for mutual benefit” (Mohr and Spekman, 1994, p. 135). Thus, in our final search we were looking for a combination of the following keywords in the title, keyword, or the abstract of the paper: (((family business) or (family firm) or (family enterprise) or (family owned)) and (((internationalisation) or (global)) and ((network) or (relationships) or (partners))). We did not choose a starting point since we wished to examine the field right from its beginning. To avoid a never-ending search through articles, September 2014 was selected as the cut-off date. This systematic process rendered a sample of 85 articles published in journals, book chapters, and conference proceedings.

Inclusion/Exclusion Criteria
In the first place, our search strategy focused on published peer-reviewed journal articles. For this reason we decided to exclude articles published in conference proceedings, or in book chapters, or in unpublished research studies.


Having settled on a data set of 54 articles, we conducted a preliminary screening of the titles, the keywords, the abstracts, and the research purposes of each paper. From this process we identified 29 studies that did not match the aims of our study. For instance, a few studies discussed ownership but gave no clear indication of whether the firms in question were in fact FBs. An example of this would be the study by Coviello and Munro (1995), which adopts the network perspective in the empirical context of small firms, but in which various characteristics of FBs, such as the family sub-system, are absent. It is worth noting that on the
basis of a systems approach FBs include three subsystems (family, ownership, and management), whereas other kinds of business include only two (ownership and management). From this perspective, one can truly say that what distinguishes FBs from other kinds of business is, precisely, the family dimension, as delineated by its three subsystems. On this basis we excluded certain studies in which we could not be sure whether the results referred to FBs. Conversely, we included studies which highlighted the unique characteristics of FBs, such as the family ownership dimension, even if the authors did not state clearly that they were focusing on FBs. Moreover, since previous researchers have highlighted the need for more studies on FB internationalisation, networks, and relationships, we decided to include studies that adopted a network perspective without stating this explicitly (for example, Swinth and Vinton, 1993). This line of thinking generated 25 articles (22 empirical and 3 conceptual). These were further subjected to a qualitative content analysis.

**Step 2: Qualitative Content Analysis**

Having settled on a final dataset of 25 articles, we analysed the contents qualitatively. A key strength of qualitative content analysis is that it allows for fresh conceptual understanding, grounded on empirical data (Krippendorff, 2004). All the articles underwent an independent qualitative content analysis. The coding scheme we followed was inspired by previous reviews, namely Kontinen and Ojala (2010), Pukall and Calabrô (2014), and Hoon (2013), but also by the uniqueness of our dataset. Indeed, we introduced certain new codes (covering e.g. the authors’ proposals for future research or the unique characteristics of family firms) in order to capture the emerging themes and idiosyncrasies of our dataset. The codes headed the columns of a coding spreadsheet, with a row for each article. We also kept notes and created comprehensive memos; these included our reflections on the content of the article and its association with network theory (cf. Saldana, 2009).
Step 3: A Meta-Synthesis approach

A meta-synthesis is defined as an exploratory approach that synthesises and integrates themes, i.e. key concepts generated by a qualitative content analysis of studies for the purpose of making contributions beyond those achieved in the original studies (Hoon, 2013). In particular, by exploring the links between the different codes associated with each article, we were able 1) to recognise the associations and connections between the key themes and key concepts highlighted in the different articles, and to group these together, and 2) to identify gaps in the literature that could serve as areas for future investigation.

In order to form a synthesis, we considered the topic, key theories, key FBs definitions, key concepts, and key findings identified from the articles, grouping them together as we deemed appropriate. For example by carefully examining the topic of each article, we discovered that 15 studies from our data pool examined the same topic, i.e. “factors that influence network formation” (for example Carney, 2005; de Farias et al., 2009). Having done this we linked together the findings presented in these articles, and also the concepts that were most prominent. In this way, new ideas emerged from the selection and synthesis across the studies. The following section presents the main findings from our literature sample.

4. FINDINGS

The articles (n=25) were published in 20 different academic journals, published between 1993–2014, with a peak between 2011 and 2014. It should be noted that the majority of the articles were published in the Family Business Review Journal (3 articles) plus the Journal of International Business Studies (2 articles). The majority of the studies were empirical (n=22), while we found three conceptual papers. The articles were written by 52 different authors. The authors with the largest number of publications were Kontinen and Ojala (in
collaboration), who wrote three empirical research articles. It should also be noted that as with IB literature, the theoretical approaches to networking in FB internationalisation literature, and the concepts used, are highly heterogeneous. The vast majority of the studies used a combination of theories from the fields of Family Business (FB), International Business (IB), and International Entrepreneurship (IE). In a few cases the FB researchers borrowed theories from other fields as well (e.g. from social psychology); these enabled them to explain the actions of both partners in a network (e.g. de Farias et al., 2009).

4.1 A META-SYNTHESIS OF THE CURRENT STATE OF KNOWLEDGE IN FB INTERNATIONALISATION RESEARCH

To structure our findings, we focused on the three research foci that we identified in the sample, namely: 1) the role of networks and relationships in the internationalisation process (8 articles), 2) the factors that influence network formation (15 articles), and 3) strategic/managerial issues in the formation and building of network ties (9 articles). Some of the articles fell into two categories, for example (i) factors that influence network formation, and (ii) strategic/managerial issues in the formation and building of network ties (e.g. Kontinen and Ojala, 2011a; Arregle et al., 2012) (see also Table 1).
Table 1: Research Foci, Authors, Key Theories, FB definition, Networking Concepts & Key Findings

<table>
<thead>
<tr>
<th>Research Foci</th>
<th>Authors</th>
<th>Key theories</th>
<th>FB definition</th>
<th>Networking Concepts</th>
<th>Key Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>The role of networks and relationships in the internationalisation process</td>
<td>Donckels and Lambrech (1995)</td>
<td>Network model</td>
<td>Yes</td>
<td>Network structure, social networks, social ties, communication network, exchange network, networking</td>
<td>Networks positively influence the growth of small FBs.</td>
</tr>
<tr>
<td></td>
<td>Chen (2003)</td>
<td>Network model</td>
<td>N/A</td>
<td>Network distance, network structure, supplier network, networking</td>
<td>FBs slowly internationalise by choosing a location close to the home base before gradually moving to more distant locations.</td>
</tr>
<tr>
<td></td>
<td>Steen and Welch (2006)</td>
<td>Not specified</td>
<td>Yes</td>
<td>Networking, personal networks, supplier networks</td>
<td>Acceding to acquisition, rather than being an exit strategy, can be a powerful survival strategy for FBs.</td>
</tr>
<tr>
<td></td>
<td>Fernandez Moya (2010)</td>
<td>Uppsala Model &amp; Evolutionary Theory of the International Corporation &amp; social network theory</td>
<td>N/A</td>
<td>Social networks, networking</td>
<td>FBs are embedded in valuable social networks of relationships which determine their internationalisation process.</td>
</tr>
<tr>
<td></td>
<td>Senik et al., (2011)</td>
<td>Network model</td>
<td>N/A</td>
<td>Quanxi, networking</td>
<td>Government institutions, business associates, and personal relations, assist FB international networking.</td>
</tr>
<tr>
<td></td>
<td>Eberhard and Craig (2013)</td>
<td>Network model &amp; social network theory</td>
<td>N/A</td>
<td>Social networks, social ties, network types, inter-personal networks, inter-organisational networks, network ties, internal ties, strong ties, networking</td>
<td>Inter-personal networking and inter-organisational networking positively influence FB internationalisation, but with a time lag effect.</td>
</tr>
<tr>
<td></td>
<td>Hewapathirana (2014)</td>
<td>Social network theory &amp; social capital theory</td>
<td>N/A</td>
<td>Formal networks, informal networks, social networks, network ties, networking</td>
<td>Business relationships are “like a family”; money is not the prime concern for FBs.</td>
</tr>
<tr>
<td></td>
<td>Swinth and Vinton (1993)</td>
<td>Systems theory</td>
<td>Yes</td>
<td>International joint ventures</td>
<td>International joint ventures are more likely to succeed when both partners are FBs than those between FBs and non-FBs; this is explained by similar values (even across cultures), including trust, loyalty, and continuation of the family.</td>
</tr>
</tbody>
</table>

Factors that influence network formation

16
<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Theory/Model</th>
<th>Connection</th>
<th>Networking</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hutchings and Murray (2002)</td>
<td>Not specified</td>
<td>N/A</td>
<td>Guanxi, family network, informal networks, networking</td>
<td>For larger organisations, family and extended guanxi is not as significant as in smaller, localised FBs.</td>
</tr>
<tr>
<td>Fernández and Nieto (2005)</td>
<td>Not specified</td>
<td>Yes</td>
<td>Cooperative arrangements, corporate networks, distribution networks</td>
<td>International involvement is encouraged when the family SME has alliances with other families.</td>
</tr>
<tr>
<td>Steen and Welch (2006)</td>
<td>Not specified</td>
<td>Yes</td>
<td>Networking, personal networks, supplier networks</td>
<td>The emotional importance of the FB to the family, especially to its founder, drives family responses to the prospect of a merger.</td>
</tr>
<tr>
<td>de Farias et al., (2009)</td>
<td>Alliance theory &amp; balance theory</td>
<td>N/A</td>
<td>Networking, business partnering</td>
<td>Partner selection is critical to FB success; FBs search for partners who could offer it both financial support and target market knowledge.</td>
</tr>
<tr>
<td>Miller et al., (2009)</td>
<td>Theory of institutional voids</td>
<td>Yes</td>
<td>Connection ties, community ties, strong ties, social capital-building associations - ties</td>
<td>Relationships with outside partners contribute to the performance of FBs as compared to non-FBs in emerging markets.</td>
</tr>
<tr>
<td>Edwards et al., (2010)</td>
<td>Resource-based view</td>
<td>N/A</td>
<td>Network ties, strong ties, formal networks, networking</td>
<td>Formality and a lack of specific expertise, as perceived by firms, mitigated against the FBs’ engagement with external bodies.</td>
</tr>
<tr>
<td>Kontinen and Ojala (2011a)</td>
<td>Network model</td>
<td>Yes</td>
<td>Network ties, strong ties, weak ties, formal ties, informal ties, internal ties, external ties, reactive networking, proactive networking, bridging networks</td>
<td>Strong internal ties do not enhance internationalisation; formal ties are essential in the international opportunity recognition of family SMEs.</td>
</tr>
<tr>
<td>Banalieve and Eddleston (2011)</td>
<td>Agency theory &amp; stewardship theory</td>
<td>Yes</td>
<td>Personal business networks, network ties, social networks</td>
<td>Network ties and personal connections to FBs outside their local market are believed to facilitate the internationalisation of FBs.</td>
</tr>
<tr>
<td>Kontinen and Ojala (2012a)</td>
<td>Social capital theory &amp; structural hole theory</td>
<td>Yes</td>
<td>Network closure, network structure, structural holes, social capital ties, network ties, social networks</td>
<td>FBs invest time and spent a lot of resources on finding and maintaining relationships with suitable and trustworthy network ties, and on developing good network closure with the selected social capital ties.</td>
</tr>
<tr>
<td>Eberhard and Craig (2013)</td>
<td>Network model &amp; social network theory</td>
<td>N/A</td>
<td>Social networks, social ties, network types, inter-personal networks, interorganisational networks, networking, network ties, internal ties, strong ties</td>
<td>Family ownership negatively moderates the effect of inter-organisational international networking among FBs.</td>
</tr>
<tr>
<td>Arregle et al., (2012)</td>
<td>Resource-dependence perspective</td>
<td>Yes</td>
<td>Social networks, professional networks</td>
<td>External owners bring broader social networks that can help to establish relationships with important stakeholders in multiple countries; these facilitate both entry into and penetration of these markets.</td>
</tr>
<tr>
<td>Bucuni and Mola (2014)</td>
<td>Network model &amp; international</td>
<td>N/A</td>
<td>Cross-border alliances, non-hierarchical systems (networks), production network</td>
<td>The lack of managerial resources and significant global expertise on both sides can hinder the establishment of cross-border</td>
</tr>
<tr>
<td>Study</td>
<td>Strategic/managerial issues in the formation and building of network ties</td>
<td>Model</td>
<td>Choice of network ties</td>
<td>Description</td>
</tr>
<tr>
<td>-------</td>
<td>-------------------------------------------------</td>
<td>-------</td>
<td>----------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Child and Hsieh (2014)</td>
<td>entrepreneurship theory &amp; global value chain (GVC) model</td>
<td>Resource-based view</td>
<td>N/A</td>
<td>Network attachment, network links, networking, network ties, closed network</td>
</tr>
<tr>
<td>Minguzzi and Passaro (2000)</td>
<td>Not specified</td>
<td>N/A</td>
<td>Network of relationships</td>
<td>Network relationships influence the characteristics of the FB culture and the processes of entrepreneurial learning, determining the development of the FB’s competitive capacity.</td>
</tr>
<tr>
<td>Chen (2003)</td>
<td>Network model</td>
<td>N/A</td>
<td>Network distance, networking</td>
<td>In the process of internationalisation, the FB makes maximum use of the network resources that it can access.</td>
</tr>
<tr>
<td>Edwards et al., (2010)</td>
<td>Resource-based view</td>
<td>N/A</td>
<td>Network ties, formal networks, networking</td>
<td>Knowledge about customers’ requirements, price, delivery time but also product reliability, can be gained only through intense communication and close working relationships.</td>
</tr>
<tr>
<td>Kontinen and Ojala (2011a)</td>
<td>Network model</td>
<td>Yes</td>
<td>Network ties, strong ties, weak ties, formal ties, informal ties, internal ties, external ties, reactive networking, proactive networking, bridging networks</td>
<td>In FBs, intermediary network ties are a more important source of international opportunity recognition than they are in other types of firm.</td>
</tr>
<tr>
<td>Kontinen and Ojala (2011b)</td>
<td>Not specified</td>
<td>Yes</td>
<td>Dense network, strong ties, internal ties, network ties, formal ties, informal ties</td>
<td>FBs mainly recognise international opportunities by establishing new formal ties rather than using existing informal or family ties; family ties do not facilitate the opportunity recognition process.</td>
</tr>
<tr>
<td>Arregle et al., (2012)</td>
<td>Resource-dependence perspective</td>
<td>Yes</td>
<td>Social networks, professional networks</td>
<td>The type of external resources non-family board members bring through their social networks may not always be useful for expanding into markets in multiple countries; the formal role of board members in the firm’s governance makes them responsible for the firm’s performance and accountable to its owners.</td>
</tr>
<tr>
<td>D’Angelo et al., (2013)</td>
<td>Resource-based view</td>
<td>N/A</td>
<td>External network, networking</td>
<td>Knowledge shared within industrial districts (networking) serves regional but not global exporting.</td>
</tr>
<tr>
<td>Colli et al., (2013)</td>
<td>Not specified</td>
<td>Yes</td>
<td>Network ties, networking</td>
<td>Family ownership in FBs generates opportunities for international entrepreneurship related to the exploitation of its networks.</td>
</tr>
<tr>
<td>Child and Hsieh (2014)</td>
<td>Resource-based view</td>
<td>N/A</td>
<td>Network attachment, network links, networking, network ties, closed network</td>
<td>Experiential knowledge and learning arise through new network ties with network partners that provide new information in respect of new foreign markets. Leaders may play an important role in learning.</td>
</tr>
</tbody>
</table>
In each of these research categories, we examined the network theories used by the authors, and the theories used to explain specific influences on FB internationalisation. We also identified definitions of FBs, or the diverse concepts highlighted by the authors to refer to the unique characteristics of FBs. As regards definitions of FBs, our results indicated that no single definition of FBs was employed. A definition appeared in only 12 articles out of the 25 articles included in our study. In the remaining 13 articles in our sample, the authors did not use a specific definition, even if certain unique characteristics of FBs were highlighted. Those characteristics mainly concerned family governance issues (e.g. control) (D’Angelo et al., 2013), emotional factors that influence FB networking decisions (Hewapathirana, 2014), and the inter-organisational networks of FBs (Eberhard and Craig, 2013).

*The role of networks and relationships in the internationalisation process (8 articles)*

The main theory applied was the Network model of internationalisation as proposed by Johanson and Mattsson (1988) (4 articles). The Network model of internationalisation was combined with other networking theories, such as the social network theory (i.e. Eberhard and Craig, 2013). The social network theory was also combined with social capital theory (i.e. Hewapathirana, 2014). Interestingly enough, the Uppsala stage model appeared in only one study (i.e. Fernandez Moya, 2010). Only 2 studies defined FBs in terms of family influence dimensions such as power (e.g. Steen & Welch, 2006). What does seem to be clear is that a definition of FBs remains elusive, since the majority of the articles did not set out such a definition.

With reference to this research focus (i.e. the role of networks), the key concepts applied within these 8 articles were: *networking* (7 articles), *social networks* (5 articles), *network structure* (2 articles), *social ties* (2 articles), *supplier networks* (2 articles) and *network ties* (2 articles). The concepts were also referred to via the following nouns and adjectives: *network*
distance, network embeddedness, , strong ties, communication network, exchange network, regional networks, technological networks, institutional networks, infrastructural networks, market networks, network mapping, quanxi, network types, personal networks, inter-personal networks, inter-organisational networks, internal ties, formal networks, informal network.

These terms were used to illustrate the importance of networking before and during the initial stages of internationalisation; however, none of these terms appeared in more than one study.

FBs were seen as internationalising gradually, by building inter-personal or inter-organisational network relationships in geographically close countries. The locations chosen were in areas where the network resources were abundant and the FBs could make maximum use of available network resources (Chen, 2003). An emphasis was placed on the importance of relationships with government institutions, business associates, and personal relations in the initial stages of internationalisation; however one factor that emerged was a lack of knowledge of the role of networks and relationships in the later stages of internationalisation, suggesting a need for more research into the role of inter-personal and inter-organisational networks in these later stages.

Factors that influence network formation (15 articles)

The network model of internationalisation (Johanson and Mattsson, 1988) and the resource-based view (RBV) of Barney (1991) was mainly applied to capture the influence of the family on the FB, for example on FB export performance (e.g. Edwards et al., 2010). Stewardship theory, in combination with agency theory (Corbetta and Salvato, 2004; Donaldson and Davis, 1991), was used to explain the influence of family leadership on the business, and ultimately on internationalisation.

With the aim of going beyond the narrow lens of agency theory, constructs such structural holes and social capital are becoming more popular in attempts to explain the impact of
family involvement on internationalisation (e.g. Kontinen and Ojala, 2012a; Hewapathirana, 2014). The FB researchers in our sample used terms such as *strong tie* and *weak tie* to illustrate the importance of the initial relationship, and terms such as *structural holes*, *network closure*, and *social capital* when they focused on the later stages of internationalisation.

Contrary to the previous research focus (i.e. the role of networks and relationships in the internationalisation process) the majority (9 articles) of the articles within this group defined FBs in terms of ownership, management, control, family, continuity, and decision-making. The most common way of defining a FB (4 articles) was through a combination of ownership, management, and family, with the family dimension highlighted (e.g. Swinth and Vinton, 1993). Other researchers defined FBs by highlighting the unique role of family owners/managers in terms of control; this was seen as an important differentiator, given that the owner-manager usually acts in a different way from external persons in key management positions (Banalieva and Eddleston, 2011), and has a distinct manner of decision making.

Within our sample, the more recent researchers had tried to improve the definitions by distinguishing between several FB types. The aim in so doing is that in future, FB studies should become more comparable. For example:

"*Family-Controlled firms are defined as firms in which a family unilaterally controls the firm through a majority ownership (i.e., at least 50% of the shares) and has managerial and board presence… whereas Family-Influenced firms constitute firms in which the family influences the business without having unilateral control of the firm*" (Arregle et al., 2012, p. 1116).

As observed in the research focus mentioned here (see the italicised headings above), a striking aspect was the heterogeneity of the concepts applied, and the terms used to refer to them. The key concepts applied within these 15 articles were: *network ties* (6 articles), *networking* (6 articles), *social networks* (4 articles), *strong ties* (4 articles), *formal networks* or
ties (2 articles), informal networks or ties (2 articles), internal ties (2 articles), network structure (2 articles), personal networks (3 articles), network types (2 articles), social capital ties (2 articles). Other concepts or terms that appeared in no more than one study were referred to in the following manner: networking mode, family network, global commodity chains, personal networks, supplier networks, quanxi, dense network, structural holes, inter-organisational, non-hierarchical systems (networks), professional networks, cross-border alliance, production network, cooperative arrangements, connection ties, community ties, network attachment, network links, closed network, international joint ventures. These terms were used to illustrate the importance of the family owner in the strategic networking decisions made by the FB within the internationalisation process. Here one can see once again that there could be many terms or concepts referring to the same phenomenon.

The articles with this research focus mainly suggested that the main factors influencing the international network formation of FBs included governance structures and the decision-making of the key actors. For example it appears that the family owner/manager may inhibit network formation. However, this applied only to the establishment of relationships in the initial stages of internationalisation. One is therefore led to wonder what happens when FBs develop relationships with foreign partners in the later stages of internationalisation, for example when a foreign subsidiary is set up. As compared to family owners/managers, external owner/managers may do more to enhance the initial internationalisation of the FB, since they appear to be more active in forming new relationships. Recent research has suggested that different kinds of decision-makers within different types of FB have distinct ways of influencing networking activities during FB internationalisation. The decision-making processes involved will require further research.

Strategic/ Managerial issues in the formation and building of network ties (9 articles)
The resource-based view (RBV) of Barney (1991) was mostly applied within this group of articles in seeking to capture the managerial capabilities of FBs, for example, their international opportunity recognition (e.g. Edwards et al., 2010). The Network model of internationalisation was applied in two studies in seeking to capture managerial capabilities of FBs as well, whereas it is interesting that three studies did not specify which theory was being applied. Four articles out of nine within this research focus, i.e. strategic/managerial issues in the formation and building of network ties, define FB in terms of ownership, management, and continuity (e.g. Kontinen and Ojala, 2011a).

The most common key concepts applied within this research focus were: networking (5 articles), network ties (5 articles), formal networks or ties (3 articles), informal ties (2 articles), strong ties (2 articles), and external networks or ties (2 articles). Other concepts referring to managerial capabilities appeared in no more than one study each, namely: social networks, internal ties, network of relationships, network distance, professional networks, weak ties, reactive networking, proactive networking, bridging networks, dense network, network attachment, network links, closed network.

Strategically speaking, network relationships were perceived as influencing FB culture and managerial capabilities, with reference, for example, to knowledge, learning, and international opportunity recognition. Previous research has examined how FBs recognise international opportunities through their networking relationships, with mixed results regarding the influence of family members on international opportunity recognition. For example, although it appears that family ties do not facilitate the opportunity recognition process (Kontinen and Ojala, 2011b), recent research has suggested that the family ownership of FBs generates opportunities for international entrepreneurship related to the exploitation of the FB’s networks (Colli et al., 2013). Here, differences in geographical locations may have an influence on the findings: for example Chinese FBs have many more family members around
the world to assist internationalisation in comparison to Finnish FBs (see Kontinen and Ojala, 2011a). Such contradictory results may also be bound up with the fact that previous researchers have not explicitly referred to the type of FB involved, suggesting that an abundance of detail and definition (involving, for example, distinctions between family-controlled firms and family-influenced firms) is needed.

4.2 EMERGING THEMES FOR FUTURE RESEARCH

The results helped us to structure past research, and to highlight emerging themes for research on networking in FB internationalisation. In this section we shall focus on what merits further investigation, in terms of 1) theoretical approaches, 2) the role of networks and relationships in the internationalisation process, 3) the factors that influence network formation, and 4) strategic/managerial issues in the formation and building of network ties (see also Table 2).

Table 2: Current knowledge & Future research

<table>
<thead>
<tr>
<th>Theoretical approaches</th>
<th>Current Knowledge</th>
<th>Future research should:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theoretical approaches</td>
<td>A combination of theories.</td>
<td>Make more extensive use of network model of internationalisation (Johanson and Mattsson, 1988). Combine with the SEW theory or the social capital theory.</td>
</tr>
<tr>
<td>The role of networks and relationships in the internationalisation process</td>
<td>Focus on the initial stages of internationalisation, by analysing the situation prior to and during the initial stages of internationalisation.</td>
<td>Focus on the entire processes of FB internationalisation.</td>
</tr>
<tr>
<td>Factors that influence network formation</td>
<td>Focus on factors influencing the decision making of the owner of the FB.</td>
<td>Focus on the entire decision making process of family owner/managers and/or external managers during the internationalisation process. Compare the decision making of key actors in different types of FB.</td>
</tr>
<tr>
<td>Strategic/managerial issues in the formation and building of network ties</td>
<td>Focus on how FB owners acquire learning or identify international opportunities.</td>
<td>Focus on how FBs accumulate experiential knowledge and learn throughout their internationalisation process.</td>
</tr>
</tbody>
</table>
Theoretical approaches

Although research on networking in FB internationalisation is gaining momentum, the limited number of articles identified in the literature suggested significant research gaps. We see the adoption of a network perspective as having the potential to provide a better understanding of FB internationalisation overall. In particular, the network theory of internationalisation (Johanson and Mattsson, 1988) could provide valuable insights on the establishment and evolution of FB networks during internationalisation. Since the formation of network relationships appears to be the most important step in FB internationalisation (Graves and Thomas, 2008), network theory should clarify how these networks are created and evolve over time (Graves and Thomas, 2008; Pukall and Calabrò, 2014). The relationship approach of Dwyer et al. (1987) could be used to study the entire relationship process among dyad relationships; alternatively, the social network approach (Aldrich, 2006) could shed light on the structural characteristics of international business networks among FBs. There is evidence that family entrepreneurs tend to wish to establish and maintain more personal relationships than entrepreneurs in general (see Kontinen and Ojala, 2011a, 2012a); hence, a focus on the social aspects of networks could offer new insights.

The possession of networks (representing social capital) is essentially dynamic, being dependent on network development: the capital can increase or decrease as firms deepen existing relationships, establish new ones, and end problematic ones (Jack et al., 2008; Larson and Starr, 1993; Rauch, 2001). In relation to social capital theory, FBs are highly suitable as objects of research; indeed, social capital has been proposed as a particular feature of family-owned businesses, on account of the close ties between family members (Salvato and Melin, 2008). There is a need to clarify, for example, how strong and weak ties are used among family firms to internationalise, and how network closure and structural holes explain the
developing international operations of internationalising FBs. According to Gargiulo and Benassi (2000), both mechanisms need to be maximised for a good performance. It may be that FBs tend to concentrate on network closure at the expense of having a wide network (Kontinen and Ojala, 2012a).

In conjunction with the theories mentioned above, it could also be fruitful to apply the Socio-Emotional Wealth (SEW) theory, and social capital theory. The SEW perspective suggests that depending on the situation they are facing, FBs make important strategic decisions and choices, always with SEW dimensions as the main reference point (Berrone et al., 2012, p. 259). SEW and social capital have been seen as crucial in network development (Kontinen and Ojala, 2012a; Pukall and Calabrò, 2014) and they appear to give powerful explanations of the role of owners and of decision-making processes in internationalisation (e.g. Liang et al., 2014). In so doing, they shed light on networking activities and their nature (including for example the ways in which interdependence operates). Emotions abound in FBs (Hewapathirana et al. 2014); they are linked to the preservation of a family legacy, something that seems to be extremely important to key family members when they take important strategic decisions such as selecting a partner in their internationalisation process. However, little research has been conducted on emotions or feelings in relation to the strategic decisions of FBs vis à vis foreign partners. Such research could enhance our understanding on networking phenomena during FB internationalisation, and could highlight factors applying not only to FBs versus non-FBs but also to different types of FBs.

The role of networks and relationships in the internationalisation process

As mentioned in the previous section, FBs internationalise by slowly expanding their network reach from the home base (Chen, 2003). Within this process, networking activities in
the initial stages of internationalisation have been examined (Kontinen and Ojala, 2011a). But what happens to those FBs that find themselves in the very preliminary stages of internationalisation? Or what happens to those FBs that are in the later stages? Kontinen and Ojala (2012a) have followed the formation and development of the international network ties of family firms over a longer period of time, but more studies are needed. There is a need for process studies that will investigate networking activities throughout the internationalisation process, in order to determine, for example, to what extent the first relationship with the foreign partner is maintained or modified. By studying FB internationalisation through networking activities in conjunction with their network nodes, it may be possible to explain how and why temporal patterns occur, without denying complex causality (Welch and Paavilainen-Mäntymäki, 2014).

Factors that influence network formation

We suggest that work within this research focus could do more to examine individual decision-making processes. The role of individual decision-makers is extremely important, since their personal characteristics and/or interpretations are highly likely to affect all strategic decisions, including those concerning international networking activities (Child and Hsieh, 2014). We would emphasise the need to better understand the role of the key decision-makers of FBs, i.e. the people who take strategic decisions on international networking, and to differentiate between the roles of external owners and external board members, since they appear to affect internationalisation in distinct ways (Arregle et al., 2012). Thus, future researchers might investigate how internationalisation is different for different types of FBs (e.g. Family-Controlled firms or Family-Influenced firms) according to whether they deliberately form networks with the intention to internationalise, or whether they internationalise on the basis of their existing networks.
Strategic/ Managerial issues in the formation and building of network ties

International opportunity recognition and learning constitute important managerial capabilities for FBs. Hence, we suggest that more research is needed on the factors that influence the international opportunity recognition of FBs, and the learning processes that occur during the networking activities conducted for internationalisation. Since experiential knowledge is one important aspect of learning (Sandberg, 2014), future researchers could focus on how FB owners accumulate experiential knowledge and learn from their foreign partners throughout their internationalisation process. The knowledge gained by the internationalising firm is critical, since it decreases the perceived risk and helps the firm to identify opportunities. Despite this, the ways in which FB owners accumulate experiential knowledge and learn is an area that has been left largely unexplored within FB literature.

5. DISCUSSION AND CONCLUSIONS

This study provided a review of FB internationalisation studies, adopting a network perspective. It also provided a meta-synthesis of theoretical approaches, key findings, and concepts. Most importantly, the study identified various areas of research that could spark development within this specific field. Overall, we would like to emphasise the extent to which current research on FB internationalisation has offered only limited knowledge on the processes and strategies of internationalisation, in terms of networking activities. Research on key actors’ decision-making with regard to networking phenomena may provide a more holistic understanding of different types of FBs, and of how they operate during internationalisation.

One implication for future researchers involves the need to make more explicit the sample used in the study when investigating the strategic choices of FBs related to networking
phenomena. FBs are heterogeneous and thus it is important to highlight the type of FB the results refer to if misleading conclusions are to be avoided. Bearing this in mind, we could expect considerable differences between FBs in relation to features such as size, ownership structures, number of family members involved, number of generations involved, level of stewardship orientation (see Kontinen and Ojala, 2012b), key decision-making actors (family members versus non-FB managers), and years of operation.

The main limitation of our study results from the restriction of the review and the meta-synthesis to just 25 studies, identified within this specific field. However, this is not unusual in literature review articles or in meta-synthesis studies, due to the emerging nature of the field (see also Kontinen and Ojala, 2010; c.f. Hoon, 2013). In order to compensate for an apparent lack of breadth, we incorporated studies that might not explicitly indicate in their introduction that they examined FBs, so long as their results did indeed clearly refer to FBs. This chimes with our belief that one way of achieving meta-syntheses encompassing FB internationalisation through networks would be to integrate ideas and concepts from a number of fields, including for example international management and strategic marketing management.

**REFERENCES**


