

Uncertainty in the Family Business facing the process of internationalization: Literature review and future research agenda

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Abstract

Purpose: This article analyses the Family Business (FB) within the process of globalization that has been taking place in recent decades.

Design/methodology/approach: To achieve this we undertake a description of the importance of FB in the global economy and contrast this with a systematic review of the academic literature, which demonstrates the growing academic interest in the internationalization of the FB.

Findings: The literature review highlights the importance of agency and stewardship theories when analyzing the aspects that affect the process of internationalization. These theoretical frameworks require a variety of assumptions and explain how ownership and control of an FB may explain different attitudes towards some short term risks, which could be due to FB politics of internationalization.

Research limitations/implications: Finally, we mark out future research lines which will focus on the effect the ownership structure has on the type of internationalization that is undertaken by the FB.

Originality/value: This article outlines new lines of literature review in the FB internationalization field, suggesting to the future authors the outstanding journals and topics in this research field.

Keywords: Internationalization, Family business, Ownership structure, Risk, Systematic review

Jel Codes: M10, M16

1. Introduction

For quite some time, words like globalization and new technologies have become common in everyday and organizational language. These two phenomena that began in the late twentieth century, and are now vital aspects of the day to day business of companies, have expanded the market in many sectors, and have therefore increased the number of potential customers, competitors, suppliers, etc. In short, they have increased all agents that influence the development of business activity.

In the face of this changing business environment and the easier access to foreign markets, as well as easier access to the information needed to design a good strategy, many companies have seen an opportunity to expand their horizons, diversify their business and grow at an international level, i.e. internationalize. As put forward by Fernández and Nieto (2005), international expansion is initially based on exploiting the competitive advantages they have in the domestic market in other countries where similar opportunities exist. Similarly, many of the companies that failed to see the opportunity to internationalize, have been forced to do so to stop the competition gaining competitive advantages taking control of the market (Medina, 2005). We are therefore seeing the same phenomenon or process, caused by two different circumstances: an opportunity vs. necessity.

Within this process of internationalization of companies, Family Businesses (FB) play an important role, in particular due to their contribution to global output. Thus, according to the Instituto de Empresa Familiar (2010), about 60-85% of the companies in the world are family businesses (80% in USA, 60% EU) and therefore represent a very high percentage of the world's wealth (50% in USA and 65% EU). In Spain, the data exceeds the world average, representing 85% of all enterprises, 70% of GDP, and 13.9 million jobs. Moreover, at the level of international trade, family businesses account for almost 60% of Spanish exports (see Table 1).

	Weight in GDP	Number of firms
United States	50%	80%
European Union	65%	60%
Spain	70%	85%

Table 1. Weight of the family business in the global economy.
(Instituto de Empresa Familiar data, 2010)

Similarly, a study by IFERA (International Family Enterprise Research Academy) in 2003, which surveyed more than 60 researchers and practitioners closely linked to family businesses around the world confirmed that FBs are one of the real engines of the world economy in terms of production and employment.

In addition to the special importance of internationalization in the world economy, the internationalization of family businesses differs from other companies with different ownership structures (Bell, Crick & Young, 2004; Fernández & Nieto, 2006; George, Wiklund & Zahra, 2005; Graves & Thomas, 2008; Johanson & Vahlne, 2009), thus allowing the opportunity to investigate the FB as a distinct entity, and trying to understand their behaviour towards the process of internationalization.

Furthermore, despite the importance of these businesses, and their commitment to expand internationally, several authors mention that in this process of internationalization, the strategy of the FB itself has been a field of research that has been rarely analyzed (Gallo & García-Pont, 1996; Okoroafo, 1999; Davis & Harveston, 2000; Fernández & Nieto, 2005; Claver, Rienda & Quer, 2008).

Thus, given the growing importance of the FB in the world economy, this article aims to achieve three key objectives. First, it will analyze the extent to which the academic literature is interested in this subject and if the number of studies and research in the literature on the internationalization of FB reflects the importance of this strategy to FBs in practice. Second, this literature review will identify and classify the most important research topics which form the bulk of the work on the internationalization of these companies, and identify major gaps. Finally, the article will determine future research on the methodology of those FBs that look to internationalize their business.

To meet these objectives, this study conducted a systematic review of the literature to determine if the growth in the importance of the internationalization of the FB in the real economy is reflected in the academic literature. Additionally, the paper will develop a more specific investigation of the relevant issues that affect the process of internationalization of FBs, with emphasis on the ownership structure as a factor that gives a specific casuistry to FB compared to alternative ownership structures.

The article, therefore, consists of this first introductory section which has contextualized the research topic and work goals; a second section analyzes the evolution of the amount of literature which refers to the internationalization of family businesses; a third part, which includes the theoretical framework, describes the different theories that affect the internationalization of the family business and identify the most important contributions to the literature on internationalization in these businesses; and the fourth part which identifies future research lines and summarizes the conclusions of this study.

2. The importance of the internationalization of the family business in the academic context: Systematic review of the literature

In the introductory part of this paper we discussed the importance of the family business in the global economy (Family Business Institute, 2010). However, according to previous research, this importance is not reflected in the number of scientific studies on the internationalization of the family business (Gallo & García-Pont, 1996; Okoroafo, 1999, Davis & Harveston, 2000; Fernández & Nieto, 2005; Claver et al., 2008).

In order to corroborate or refute this discrepancy, we have carried out a systematic literature review that analyzes the evolution of the work on the internationalization of the family business in recent years, identifying the research issues and the number of articles published.

The process of systematic literature review has its roots in the 90s and was initially used in the medical field, but more recently has also been adopted in the social sciences, specifically in areas such as marketing, tourism and strategic innovation (Ginieis, Sánchez-Rebull & Campa-Planas, 2011). This process involves documenting all procedures carried out to perform the search. In this sense, Denyer and Neely (2004) argue that the systematic review report should contain a separate section on methodology that describes how the study has been carried out. In this work, for example, three steps were followed to identify relevant papers on the internationalization of the FB.

First, the databases in which to search for information were chosen. In this case we chose "ISI Web of Knowledge", "Emerald Management Reviews" and "Scopus from Elsevier" for their relevance, prestige and functionality when setting criteria.

Second, we identified the keywords related to the internationalization process. These words were: "internationalization", "international expansion", "international operations" and "globalization". All of them combined with "family business" or "family firm". This resulted in 24 combinations across the three databases. It was also established that the keywords must either appear either in the title, in the area of work or keywords. In addition, the systematic review analyzes the past two decades, a period that coincides with the process of globalization of the world economy, so it will take into account the articles published between 1990 and 2012 inclusive.

Finally, the articles are briefly analyzed by reading the abstracts to exclude those who which were not related to the internationalization of the family business and eliminate possible duplicates. Thus, of the 203 articles retrieved in the search, 111 were discarded, resulting in 92 articles on which to base the systematic review. Thus, the 92 articles were classified by year of publication in order to analyze the evolution of the work in the field of internationalization of the family business.

Items	'91	'92	'93	'94	'95	'96	'97	'98	'99	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12	Total
Total	1	0	1	1	1	1	0	1	4	2	2	3	3	3	12	7	7	6	5	11	11	10	92

Table 2. Evolution of the number of studies in the field of internationalization of the family business

Review	Papers	Review	Papers
Family Business Review	9	Intangible Capital	1
Journal of Small Business and Enterprise Development	6	International Journal of Entrepreneurial Behavior & Research	1
International Journal of globalization and small business	5	International Journal of Entrepreneurship and Small Business	1
Journal of Management and Governance	5	International Journal of Management Practice	1
Business History	3	International Journal of Human Resource Management	1
Human Resource Management International Digest	3	International Journal of Retail & Distribution Management	1
Journal of International Entrepreneurship	3	International Journal of Operations and Production Management	1
Entrepreneurship: Theory and Practice	3	International Journal of Physical Distribution & Logistics Management	1
Journal of Business Strategy	2	Journal of Family Business Strategy	1
Journal of Business Venturing	2	Marketing Intelligence & Planning	1
Journal of European Industrial Training	2	International Studies of Management & Organization	1
Journal of International Business Studies	2	Journal of Business and Entrepreneurship	1
Revista Galega de Economía	2	Journal of Business Ethics	1
European Business Review	2	Journal of General Management	1
European Management Journal	2	Pipeline and Gas Journal	1
International Marketing Review	2	Small Business Economics	1
Management International Review	2	Journal of Management	1
Academy of Entrepreneurship Journal	1	Journal of Small Business Management	1
Asia Pacific Business Review	1	Journal of World Business	1
Asia Pacific Journal of Management	1	Land Reform, Land Settlement and Cooperatives	1
Baltic Journal of Management	1	Malaysian Journal of Tropical Geography	1
Bogazici Journal	1	Management and Organization Review	1
Corporate Governance - An International Review	1	Scandinavian Economic History Review	1
Economic Geography	1	Small Enterprise Development	1
European Journal of Marketing	1	Sociologia Ruralis	1
Human Resource Management	1	Sociologie du Travail	1
Industrial and Commercial Training	1	Thunderbird International Business Review	1

Table 3. Distribution by journals in the field of internationalization of the family business

As can be seen, and has been suggested by some authors, we would expect to see a higher number of publications related to the internationalization process and Family Business (Gallo &

García-Pont, 1996; Okoroafo, 1999; Davis & Harveston, 2000; Fernández & Nieto, 2005; Claver et al., 2008). However, there has been a considerable increase in the number of works dedicated to the topic, as it rises from 12 articles in the period 1991-2000 to 80 in the period 2001-2012. Thus, one can conclude that the internationalization of the family business is an issue that is gaining increasing relevance and interest in the literature.

Alternatively, by classifying the articles by the journals they are published in, as done by Kontinen and Ojala (2010), it can be seen that there is a great diversity of journals in different fields that deal with the internationalization of the family business, whether looking at the entire sector or a specific aspect of the process.

The diversity of journals shown in Table 3, is typical of the period 2000-2012. During the decade of the 1991-2000, of the 12 papers found, 6 were from the Family Business Review, which shows how little diversity there was during this period. The increase in diversity in the first decade of the XXI century is mostly due to the increase in interest, from many different angles, in the internationalization process, and can be focused on a very different theme dependent on the specific case or sector. For example, within the internationalization process it is possible to consider different aspects such as ownership structure, human resources policy or the type of entry into international markets.

In this regard, a line of future research would be to expand the systematic literature review to identify the specific areas that received the most attention from the research.

3. Review of the literature on the internationalization of the family business

After conducting a systematic review of the literature and determining the importance of the internationalization of the FB from an academic point of view, this study aims to determine the state of the art: what is the theoretical framework used in this research, what are the main contributions made by the literature, the most important findings and what are the gaps that require additional research?

3.1. Definition of family business

Before analyzing what the different aspects of the studies on the internationalization of FB are, it is important that we should first define what counts as a FB. This is not so simple, as the literature has not yet reached a consensus on the definition of such organizations (Litz, 1995; Miller et al., 2007). Thus, several approaches can be identified when defining a family business, as generational (Ward, 1987), business culture (Litz, 1995) and so on. However, the most prominent are those that relate to the ownership and control of the company (Barnes & Hershon, 1976), and it is this definition which we will use in this work.

Considering these approaches, definitions of FB range from those that consider a company as a FB if the family has some kind of ownership and has some kind of influence on the management (Lansberg, Perrow & Rogolsky, 1988), to those that define a family business only if the family owns more than 50% ownership and also at least two family members are involved in managing the company. The former was considered too vague, while the latter too restrictive (Lansberg et al., 1988).

Within these limits, there are different structures of ownership and control that affect how companies are managed and led, and conflicts can arise between family goals and corporate objectives, financial or strategic (Eisenhardt, 1989; Jensen & Mecking, 1976). Family objectives follow a management blueprint to safeguard the private family heritage (Yang, 2010), while the corporate objectives try to ensure the health of the company, regardless of who the shareholders are.

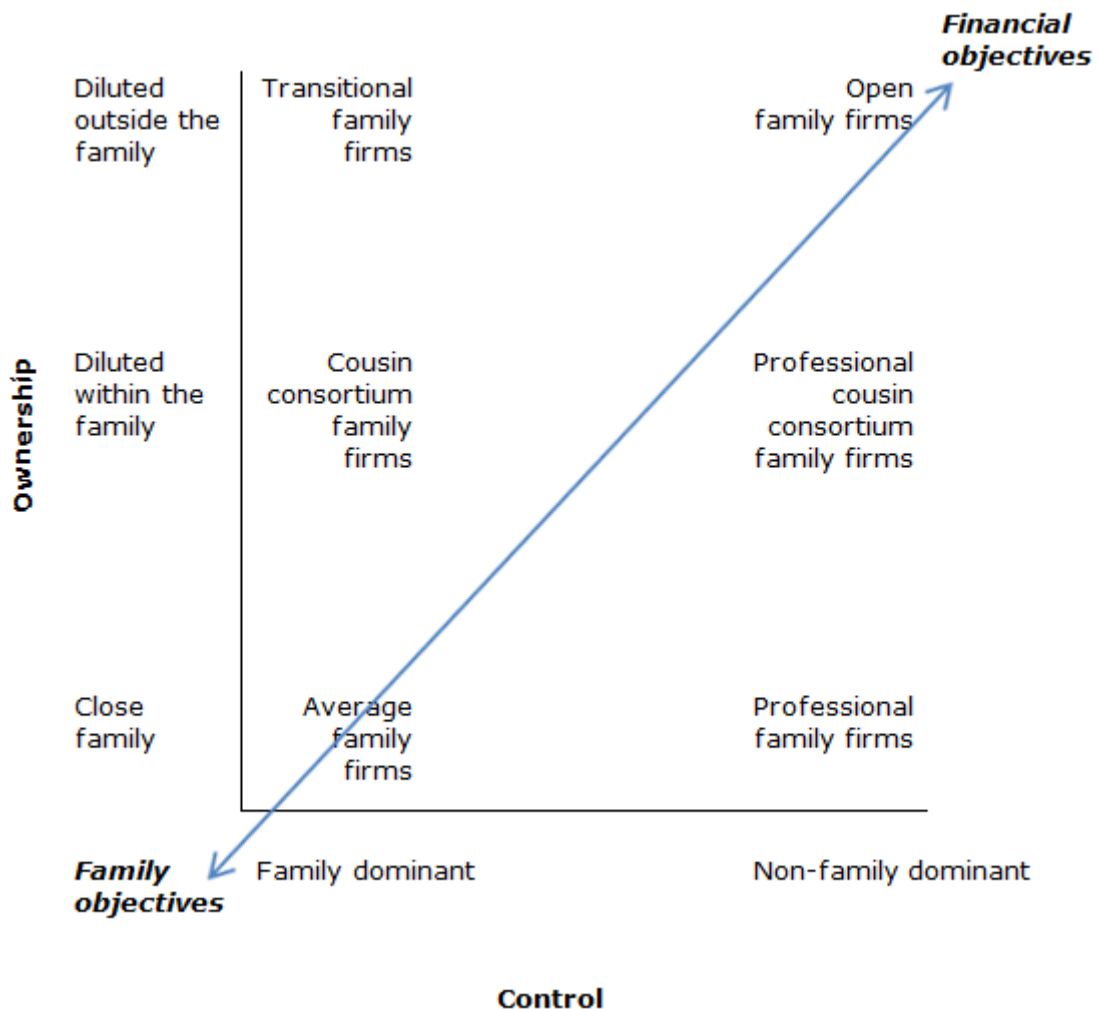


Figure 1. Objectives of the FB in terms of their ownership and control structure. (“Types” of private family firms: an exploratory conceptual and empirical analysis (Westhead & Howorth, 2007))

In this sense, Westhead and Howorth (2007) make a description of different definitions used in the literature and the different forms of each type of FB in terms of the composition and behaviour of the FBs ownership and control. In this way, assuming that the FB is a heterogeneous entity, they conceptualized 6 types of family businesses. The authors validated this using a "cluster" analysis based on surveys of 905 private companies in the UK, discovering four types of family businesses of the 6 types initially conceptualized. In this study, they also detected an additional type of FB type to those which they first identified.

In the above figure, Westhead and Howorth (2007) identify 6 types of companies in terms of the relationship between ownership and control. Thus, the more dispersed the ownership and less the family control, managers choose to meet financial objectives of the company, whereas when ownership and control are in the hands of the family, some choose goals which are outside the normal financial objectives of the company. Between these two extremes, other types of FB are identified. However, the "transitional FF" and "professional cousin consortium FF" were not validated by the data, while a new type of company appeared during the analysis, the "multi-generational FF" where family members have ownership and control, and ensure generational and family objectives. This definition of family business group is included within the previously conceptualized "Average FF".

Other studies emphasize control more than ownership and only consider the company as a family business if there are more than one generation in senior positions in the company (Litz, 1995; Sharma, Chrisman and Chua, 1996; Zahra, 2003; Anderson & Reeb, 2003). However, although there are specific studies that give more importance to issues of ownership or control, most researchers consider both aspects, and identify and define the company as one where the majority of family ownership and management is in the hands of the family, that is, have more than half of the company's shares and have some control of the governing body of the company (Gallo & Sveen, 1991; Donckels & Aerts, 1995; Chua, Chrisman & Sharma, 1999; Fernández & Nieto, 2005; Claver et al, 2008).

This reflects the main conclusions of a study commissioned by the European Commission (2009) and developed by a group of experts, which concluded that a company is defined as a family business, regardless of size and generation, if it meets the following four conditions:

- The majority of voting rights are held by the individual who founded the company or the person who has acquired these rights directly or indirectly.
- The majority of voting rights are direct or indirect, that is, coming from a family member or a company controlled by the family.
- At least one representative of the family is formally involved in the management of the company.

- The person who established or acquired the firm or their relatives or descendants owns 25% of the voting rights conferred by the equity.

The following table is a summary of the different definitions of FB identified in the literature review, classified into four groups based on family influence in the control of the company and the share of property that resides directly or indirectly in family hands. As seen in Table 4, all authors agree that for a company to be considered as a family company, the family has to influence the direction of the company, although there is disagreement on whether it is necessary that the family holds a majority stake or not.

		Ownership (in % of voting rights)	
		less than 50%	over 50%
Control	No influence	0	0
	Influence	9	16

Table 4. Classification of the number of FB definitions found in the literature

3.2. Theoretical framework for the internationalization of the Family Business

The following section will detail each of the most relevant aspects identified in the literature that have an impact on the manner and intensity of the internationalization of FB. These aspects can be placed, largely as stated in the literature, in the ownership structure of the FB and the behaviour of the staff towards the internationalization process.

It is important to note that the emphasis is not on comparisons between family and non-family firms, since the literature provides fewer and fewer studies based on the differences between family and non-family business, and there is consensus that the differences reside in other management factors such as professionalization, ownership structure, family involvement, etc. rather than on whether the company is a family company or not. As already indicated, the internationalization of FBs may differ from the internationalization of enterprises with other ownership structures (Bell et al., 2004; Fernández & Nieto, 2006; George et al., 2005; Graves & Thomas, 2008, Johanson & Vahlne, 2009), so it is important to investigate the FBs as a distinct entity, and try to identify specific issues that affect their internationalization process.

A literature review allows the identification of various theoretical frameworks used to explain the strategic decision making and operation of the FB. These theories mostly consider the behaviour and attitude of different agents with decision-making power in the companies, such as owners and managers (Chen, 2011). In this work, using a multi-theoretical framework of the FB, different aspects of the ownership structure that affect the internationalization strategy have been identified. At the centre of this framework is the agency theory.

3.2.1. Agency theory

The agency theory developed by Jensen and Mecking (1976), proposed as a starting point that all agents involved in the decision making process of a company are not the same, nor are the interests that they seek to meet. Also, this theory assumes opportunistic behaviour by these different actors. This can be seen as a serious problem in modern corporations where there is a strong separation between ownership and control. The main reason is that those who lead and control, through their decisions, the operations of the company, may seek to meet their targets primarily, before those of the owners or shareholders, which can eventually undermine the value of the company. Therefore, today the owners often articulate a number of mechanisms to try to protect their interests (Fama, 1980).

The differences between agents who share the organizational power lies not only in their divergent goals, but also in their characteristics, such as their relationship with the company, the influence they have on it, and the information about how the organization works, all of which lies much more in the hands of those who manage the company than those who own it. Agency theory argues that the cost of reducing information asymmetries between ownership and control is less when the owners of the company are actively involved in the management of it. So under this approach, an FB will have more conflicts of interest when the family involvement in management is less, as more managers will ensure financial targets while ownership is primarily concerned with the welfare of the family. This can be important when there is the decision to internationalize. Indeed, the literature makes great efforts to analyze the effects that ownership structure can have on the process of internationalization, and what these effects would be in the case of the FB.

Traditionally, the internationalization process has been considered as a risky strategy that can create conflicts within a family business. This claim rests on two basic ideas that are interrelated and need to be analyzed: the idea of risk and conflict.

Regarding to the risk, according to Miller, there is a lack of consensus when defining it. However, he describes it as an unexpected or negative variation in variables such as costs, profits or market, widely used in finance, economics or strategic direction. Another study by Köbberling and Wakker (2005) finds that risk aversion is caused, to a considerable extent, by loss aversion. In the case of FB, the risk taken by the company is the risk taken by the family, because the high concentration of ownership and low level of diversification explain that the company is considered, in every sense, as an extension of the family property.

With respect to conflict, Eisenhardt (1989) recognises that there are two main problems that relate to FBs that are caused by agency relationships. The first is related to the approach to risk that is taken by the owners and managers that can happen in any organization, including the family business. This is because the process of internationalization can involve taking

certain risks, and that international expansion can take years to return a profit, thus damaging, in the short term, family finances (Zahra, 2003). So, although the internationalization process is a way to diversify and can end up producing very positive results, there is a risk that the benefits of this process may take years to reach, and may damage the private finances of the family in the short term (Fernández & Nieto, 2005). On the other hand, risk arises from insecurity, and uncertainty will always be greater the more remote the foreign market is from the domestic market, in which the company operates, than if they just work in the domestic market. In this sense, the process of internationalization can be seen as a risk factor for the family, as it can reduce short-term benefits, and it can also often lead to conflict within the family and the company, between managers and owners, when deciding whether the company expands internationally or not. As an example, a study by George et al. (2005) shows that the owners involved in the management of the company tend to be more risk averse and have less tendency to increase the scale (defined as the number of processes internationalize, such as marketing, R & D, production, etc.) and scope (defined as the number of countries in which the company operates) of the process of internationalization, when compared with external investors (venture capital firms and institutional investors).

The other conflict identified by Eisenhardt is the divergence between the goals of family and managers, which is a characteristic specific to conflict within the FB. Many times family ownership can have more incentives to act in a way which is beneficial for them before the good of the company. A study by Yang (2010) shows that greater participation by the owner in the management of the company, causes a greater share of profits of the company to be transferred to the family. These findings are corroborated by other studies that have shown how directors and managers become more risk averse as the percentage they own increases (Beatty and Zajac, 1994; Sanders and Carpenter, 1998; Denis, Denis, and Sarin, 1999), which could adversely affect the internationalization strategies.

Studies based on the agency theory (Morck, Wolfenzon & Yeung, 2005; Oswald, Muse & Rutherford, 2011) argue that a negative relationship exists between the decisive participation of the family in decision-making and the will to initiate a process of internationalization, based on the principles discussed, which they call entrenchment. This suggests that the active involvement of family members in management can cause opportunistic behaviour, transferring benefits to families regardless of financial targets (Yang, 2010).

Another argument that emphasizes this negative relationship is derived from the study of Fernández and Nieto (2005), that considers a lack of resources and international experience as limiting factors in the internationalization of small and medium-sized family businesses. In addition, several authors show that family businesses tend to go for very conservative finances and to reinvest profits in order to avoid debts (McConaughy, Matthews and Fialko, 2001),

following an order of preference for financing established by Pecking Order Theory (Blanco, Quevedo & Delgado, 2009). This theory orders sources of financing considering first profits reinvesting and using external financing only if necessary. Within this external financing, the first option is to take on debt and the second to issue shares to avoid losing control of the FB (Myers & Majluf, 1984). This financial conservatism shown in FBs, combined with the lack of resources shown by the study of Fernández and Nieto (2005) may adversely affect the process of internationalization.

In short, the approach to risk of family owners that take part in the company management, a lack of experience and resources and financial conservatism, can lead FBs to a conservative and sub optimal behaviour that can harm the internationalization of the firm.

3.2.2. Stewardship and long-term vision

Despite the importance of the arguments defending the agency theory, these are not the only ones supported by research. There is a stream of authors who defend the positive relationship between the decisive participation of family members in decision making and the will to initiate a process of internationalization. This stream considers that internationalization should be understood as a process of long-term vision that can secure the future of the company and therefore should be considered as a compulsory alternative. Thus, when internationalization is required as part of a long-term strategy to ensure the sustainability of the company, several authors (Gallo & García-Pont, 1996, Anderson & Reeb, 2003; Le Breton-Miller & Miller, 2006; Claver, Rienda & Quer, 2007) suggest that family members will support the international expansion in order to keep the good healthy of the FB.

These arguments are based on the theory of stewardship and commitment (Donaldson, 1990), complementing the agency theory, that suggest that the active participation of the family in the management of the firm align business and family goals and eliminate agency costs (Davis, Schoorman & Donaldson, 1997; Miller & Le Breton-Miller, 2006; Zahra, Hayton & Neubaum, Dibrell & Craig, 2008). This theory is based on the high concentration of ownership and the participation of owners in the management of FB generates advantages for the FB as they align business and family goals, ensuring benefits for both (Davis, et al. 1997). Thus, owners who are both managers of the FB, drive internationalization as a way to maximize the value of the company and family welfare, as long as they see this process positive for the company. This is not to do with to say that the economic agents with power within the company are not altruistic, but more that they all may benefit if the company achieves its objectives. This will mean that owners-managers aim to meet, in part, their own needs, while also considering the goals of others (family and business), thus uniting both sides and strengthen their interdependence (Schulze, Lubatkin, Dino & Buchholtz, 2001).

Stewardship theory indicates that the fact that a family member has presence in the management entities can positively affect the performance of the company, aligning goals between ownership, management and employees, ensuring that all go in the same direction, increasing the performance of the firm (Davis et al., 1997). Based in this theory of stewardship, several authors (Zahra, 2003; Miller & Le Breton-Miller, 2006; Zahra et al., 2008) argue that family owners and others want to boost the internationalization process, in which all employees will be involved due to the positive effects that this process is expected to have on the finances of the company, and consequently on the family finances. Thus, decisions will be made that meet the needs of the company and internationalization will be assessed whether it is beneficial or not without disparity between financial and family goals that Westhead and Howorth (2007) suggested.

In addition, the long-term vision of family businesses, dealing primarily to ensure their survival, is one of the most important characteristics of this type of organization and one of its biggest competitive advantages (Anderson & Reeb, 2003; Le Breton- Miller and Miller, 2006). Based on this long-term vision, FB decide to take a number of strategies to ensure the survival of the company in the future. Furthermore, a study by Zahra (2003), that supports the idea that families look to the future of the company in the long term, reveals positive and significant effects of family ownership and involvement in the management of the FB and its level of internationalization. This internationalization is seen as a way to diversify risks against future shocks (Gallo & García Pont, 1996).

Finally, the alignment between management and ownership generates intangible assets in terms of staff involvement and leadership that give a competitive advantage (Davis et al., 1997), because the internationalization process may require workers to go abroad or assume extra effort that some workers or managers would not be willing to take if their goals were not aligned with the objectives of the company and the family. This competitive advantage is generated through increased fluency in communication, closer relatives of the workers, and the greater sense of belonging to the company.

So, after analyzing the literature on the effect of the ownership structure on the process of internationalization, it is unclear whether agency theory or stewardship theory prevails in determining the internationalization behaviour of the FB. Thus there is a trade-off between the two arguments that have to be analyzed more in depth to determine which approach predominates or has more influence within the usual behaviour of the FB.

4. Conclusions and future research

This work aimed to achieve a number of objectives, among them to analyze how the academic literature is interested in the internationalization of the FB and to identify the most relevant

research topics concerning the internationalization of these companies. Thanks to the systematic literature review conducted, it appears that the evolution of studies dealing with the internationalization of the FB reflects the growing importance of these types of companies worldwide, although it is a line of research that is still growing.

Furthermore, the review of the literature allowed us to identify what are the main contributions to date regarding the effects of the ownership structure on the decision to undertake or not a process of internationalization. Having analyzed the theoretical framework of the internationalization of the FB, we can say that the most important aspects affecting the internalization process can be framed within the agency theory and stewardship theory.

The agency theory highlights the differences between owners and managers of FB during the process of internationalization, the different perceptions and approach to risk that these agents have, and the problems that this can cause to the FB in terms of experience and resources, which may end up causing conservative behaviour that harms the organizational commitment to expand to new markets. This theory emphasizes the “entrenchment” approach that involves an aversion to internationalization for fear of loss of family benefits in the short term.

On the other hand, the stewardship theory considers that the owners’ long-term vision of the company will drive managers to carry out the process of internationalization in order to secure the future of the company and diversify business risks.

Therefore, one can conclude that the literature has not conclusively resolved the argument about what effect ownership structure may have on internationalization, as arguments fall into both the positive and negative. Therefore, it could be required the consideration of the context and contingent factors to explain in which cases each argument, or a combination, is appropriate.

And, when analyzing the internationalization process, it is important to not only determine what factors related to the ownership structure are driving this process, but also how the process develops due to that specific structure.

While there are studies that examine the characteristics of family businesses that may influence how they enter foreign markets, they have focused mainly on exports (Zahra, 2003; Fernández & Nieto, 2005; George et al., 2005; Graves & Thomas, 2008), because of the ease in obtaining data on the level of sales and number of countries where it is sold. However, there is still a wide gap in the research which must address other forms of entry, and other elements of the internationalization process. For example, an entry form of great current relevance and importance, although much less discussed, is foreign direct investment (Claver et al, 2007, 2008), which although is a greater development of international expansion, is also taking on more risk for the company that may be particularly interesting to analyze in the case of FBs, or

the option of strategic alliances involving an intermediate level of risk in the process of internationalization, between export and direct investment (Gallo, Ariño, Máñez & Cappuyns, 2004).

Finally, regardless of the form of entry abroad, there are many other elements of the process that are worth analyzing. For example, which features of the ownership structure may explain the agility and speed with which the internationalization process is developed, or the options that some companies have chosen and are now known as “born global”.

All these arguments undoubtedly propose future research lines that could enrich our knowledge about the internationalization of the family business.

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