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Farid Bouges

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Walden University
2013

Abstract

Internationalization of Family Businesses in Saudi Arabia

by

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PMP, Project Management Institute, 2008

MS, Electrical Engineering, King Abdulaziz University, 2005

Doctoral Study Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Business Administration

Walden University

November 2013

Abstract

Family businesses represent a key economical asset in the global economy. Leaders of family businesses have implemented internationalization as a key strategy to enhance sustainability and increase profitability in a hypercompetitive global marketplace. Guided by the Uppsala model, the purpose of this case study was to explore how Saudi family business leaders have planned and implemented internationalization. Three leaders from different international Saudi family businesses participated in semistructured interviews. The participants described their experience in achieving successful internationalization for their family businesses. After analyzing the interview data and validating through member checking, 3 main themes emerged: (a) the characteristics of the family business to compete internationally, (b) the characteristics of a suitable international market for family businesses to internationalize, and (c) the characteristics of a successful internationalization opportunity for a Saudi family business. In order to internationalize, Saudi family business leaders identified having a proper strategy, financial capability, qualified resources, well-structured policies, and globally-standardized products or services. Family business leaders should target the international market that is stable, that is secure with regulations, and that is welcoming to foreign investments. Each internationalization opportunity should have close psychic distance, available relationships in the international market, targeted family business motives, demonstrated existing market demand with the ability to satisfy, and proper timing. The findings may promote social change in Saudi family businesses by identifying essential characteristics to maintain the companies' existence and offer a roadmap to compete internationally.

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Section 1: Foundation of the Study

Internationalization of business operations can be a valuable strategy for expansion and growth (Casillas, Moreno, & Acedo, 2010; Chen, 2011; Patel, Pieper, & Hair, 2012). The definition of internationalization is the extension of the business across transnational borders (Korsakienė & Tvaronavičienė, 2012). With the emergence of new markets, internationalization has become a vital strategy to survive (Chen, 2011; Patel et al., 2012). Family businesses account for over 50% of employment in the private sector, employ millions of people (IFERA, 2003; Segaro, 2012, Tucker, 2011), and are more likely to internationalize than nonfamily businesses (Chen, 2011; Graves & Thomas, 2008). The focus of this study was to explore how Saudi family businesses can achieve internationalization successfully. The foundation for this study includes the background of the problem, problem statement, purpose statement, nature of the study, research question, conceptual framework, definition of terms, assumptions, limitations, delimitations, and significance of the study. Furthermore, Section 1 includes a comprehensive literature review on internationalization, family businesses, and internationalization of family businesses.

Background of the Problem

Family businesses represent the backbone of the global economy (Buang, Ganefri, & Sidek, 2013; Casillas et al., 2010; Claver, Rienda, & Quer, 2007; Lin, 2011). The effects of existing family businesses on employment rates establish the importance of supporting family businesses to produce growth rather than mere survival of the company (Moya, 2010). Internationalization is a valuable strategy for the growth and expansion of

family businesses (Graves & Thomas, 2008; Assaf, Josiassen, Ratchford, & Barro, 2012; Chen, 2011; Chen, Zou, & Wang, 2009). If the leaders of a family business do not initiate internationalization in the first and second generations, family business leaders will unlikely internationalize in future generations (Okoroafo, 1999).

Internationalization of family firms is crucial to the gross domestic product (GDP) of a nation (IFERA, 2003). Stamm and Lubinski (2011) stated that the decline of family businesses could have an impact on the national economy. Family businesses adopt distinctive corporate governance structures that may lead to higher productivity (Martin-Reyna & Duran-Encalada, 2012). Casillas et al. (2010) found that there were two main elements that stood out as determinants of internationalizing family organizations: knowledge and family commitment. There are three key determinants of the family firm's internationalization pathways: the level of commitment toward internationalization, the financial resources available, and the ability to commit and use those financial resources to develop the required capabilities (Graves & Thomas, 2008). Moreover, family business leaders may face two opposing forces in the internationalization effort: The first force drives family business leaders to grow and expand beyond traditional markets, whilst the second force encourages stability and the development of low-risk projects within the traditional product market (Casillas et al., 2010). The challenge for family business owners may include drawing a conceptual as well as practical road map to facilitate the internationalization process from local to the global market.

Saudi Arabia holds 25% of the oil reserves of the world and maintains one of the

fastest growing economies (Saudi Arabian General Investment Authority [SAGIA], 2013). The need to improve this growing economy is an ongoing concern. Saudi families constitute the majority of the society, economy, and government (SAGIA, 2013). As a result, family firms represent most of the private sector (SAGIA, 2013). Although there is a need for these family businesses to maintain and promote performance in the local market, Saudi family businesses have vital interests in expanding to the global market (SAGIA, 2013). During the internationalization process, family firm leaders may have challenges such as the nature of the conservative culture in Saudi society, as well as the absence of unique industries that can be internationalized (Mellahi, Demirbag, & Riddle, 2011). Saudi family business leaders have an increasing need to understand how to implement and achieve successful internationalization and overcome all associated challenges (Kuivalainen, Saarenketo, & Puumalainen, 2012).

Problem Statement

The inability of business to compete in a foreign market may lead to a shorter business lifespan (Assaf et al., 2012). Internationalization has become a key strategy for business leaders to secure survival and increase profitability in a hypercompetitive global marketplace (Casillas et al., 2010). Family firms represent 90% of businesses in the United States and account for over 50% of employment in the private sector and employ millions of people (IFERA, 2003; Molly, 2010; Tucker, 2011). Kontinen and Ojala (2010b) mentioned that family businesses are more likely to internationalize than nonfamily businesses. Internationalization usually occurs in the first and second generations (Okoroafo & Koh, 2009). The general business problem is the lack of family

firms' internationalization, which may impact the national economy (Casillas et al., 2010). In Saudi Arabia, a primarily family-governed and oil-based economy, family businesses depict the most common type of business firms that minimally contribute to the Saudi national economy (SAGIA, 2013). Saudi family firms that have achieved internationalization have overcome many challenges such as deriving from a non-industrial business environment (Mellahi et al., 2011). The specific business problem is the limited knowledge of how Saudi family business leaders implement internationalization.

Purpose Statement

The purpose of this qualitative case study was to explore how successful Saudi family business leaders have planned and implemented internationalization. The population for the study was family business leaders in three Saudi Arabian internationalized organizations. Saudi Arabia is one of the fastest growing countries with one of the world's 25 largest economies and is the largest economy in the Middle East and North Africa (MENA) region (SAGIA, 2013). Three leaders from three successful international Saudi family businesses participated in interviews. The purpose of the interviews was to explore what strategies family business leaders used to successfully expand from the local market to compete in the international marketplace. Exploring the key factors of a transition plan from the local market to the international market may provide a strategy for local family business leaders to follow for a successful internationalization (Casillas et al., 2010; Claver, Rienda, & Quer, 2008; Kontinen & Ojala, 2010b). The growth of Saudi family firms may positively contribute to the GDP of

Saudi Arabia and reduce unemployment. Furthermore, the growth of Saudi family businesses may positively affect the local economy of Saudi Arabia.

Nature of the Study

According to Patton (2002), a qualitative research method is a means for exploring and understanding individuals or groups ascribe to social or human problems. In contrast, in quantitative research designs, the researcher tests objective theories by examining the relationship amongst variables (Patton, 2002). The nature of the study aligns with the qualitative research method more than quantitative because of the exploratory nature of the topic. Therefore, I did not use either quantitative or mixed method and instead used a qualitative research method for the study.

There are several qualitative research designs, such as narrative research, phenomenology, grounded theory, ethnography, and case study (Marshall & Rossman, 2011). The case study approach is the optimal approach for this research topic because it allows understanding of complex social phenomena and includes the concept of repeating interviews with the same participant to gain in-depth data (Yin, 2009). The explanatory case study approach by design allows the researcher to ask *how* and *what* questions in the study (Yin, 2009).

Research Question

The central question for the research study was, *How can Saudi family business leaders implement internationalization?* The answer to this question was the critical goal of this research study. Families in business strive to secure their survival and increase profitability by competing in the global marketplace (Casillas et al., 2010; Chen, 2011).

The interview questions were as follows:

1. What is your name and job title?
2. What are the mandatory characteristics of local family businesses that would enable them to compete in a global market?
3. What are the strategic considerations needed for family businesses before going global?
4. What were the motives for your business to go international?
5. What are the main challenges internally and externally to achieve internationalization?
6. How did you select the country to commence internationalizing your business?
7. How did your products change due to internationalization?
8. How do you describe your internationalization experience?
9. How did the owning family perceive internationalization?
10. What are the main strategies your family business took to achieve internationalization?
11. How does internationalization affect the control of the family over the business?
12. How does internationalization affect the overall performance of the family business?
13. Would you like to add any other information?

Conceptual Framework

There are four main internationalization models: (a) The Uppsala model; (b) the network model; (c) the resource-based view; and (d) the ownership, location, and internationalization (OLI) framework (Javalgi & Todd, 2011; Kontinen & Ojala, 2010b). For this study, I selected the internationalization process theory founded by Johanson and Vahlne (1977) to form the conceptual framework. The internationalization theory, also called Uppsala model and the stage model theory, includes internationalization as a product of a series of sequential processes (Johanson & Vahlne, 1977). Business leaders will incrementally move their businesses from one stage to another to achieve full internationalization (Johanson & Vahlne, 1977). Business leaders may begin the internationalization process by exportation via agents/distributors; sales via sales subsidiaries; and finally, the establishment of overseas manufacturing plants (Johanson & Vahlne, 1977).

By adopting the Uppsala model, business leaders can achieve internationalization in small steps rather than large foreign investment (Johanson & Vahlne, 1977). Another characteristic of the Uppsala model is that internationalization usually begins in countries closest to the local market in the psychic distance. The concept of psychic distance in the Uppsala model includes factors such as language and culture, which prevent the information flow between the local and international market (Johanson & Vahlne, 2009). Selecting the Uppsala model over other internationalization theories may aid in an improved understanding of the internationalization of Saudi family businesses.

Johanson and Vahlne (1977) assumed that knowledge of the foreign market is a significant factor in achieving successful internationalization. *Market knowledge* includes

information regarding markets and operations. Differences in factors such as language, culture, and education can negatively affect internationalization (Johanson & Vahlne, 1977). The effect of market knowledge is apparent in the decision making process (Johanson & Vahlne, 1977).

The Uppsala model originated in the mid-1970s (Johanson & Vahlne, 1977). Researchers in the Department of Business Studies at Uppsala University in Sweden referenced the internationalization process of Swedish-owned businesses. In the Uppsala University study, the researchers observed that the internationalization of a business expanded gradually from ad hoc exporting until the business reached a manufacturing presence in a foreign country (Johanson & Vahlne, 1977). Researchers at Uppsala University also noticed that businesses commenced internationalization in countries with lower psychic distance (Johanson & Vahlne, 2009).

When applying the Uppsala model, businesses may internationalize gradually in countries that tend to have similar language or culture (Johanson & Vahlne, 1977). Kontinen and Ojala (2010b) stated that researchers applied the Uppsala model in at least four studies and referenced it in several articles as a framework to analyze the different internationalization activities. The consideration of the Uppsala model as a conceptual framework was of value in understanding the internationalization activities of the selected case studies.

Definition of Terms

This section of the study includes the terms used in the topic of internationalization of family businesses. The terms defined in this section are terms that

scholars use in the literature and derived from scholarly sources.

Family business: A business in which a family holds a majority stake over the business's capital and retains significant control over the business (Abdellatif, Amann, & Jaussaud, 2010).

Family business succession: The process of replacing the business founder or the current leader (Cater & Justis, 2009).

Globalization: A worldwide trend of the world economies to be interlinked and remove barriers to commerce (Cullen & Parboteeah, 2010).

Internationalization: A process through which enterprises are more concerned with the international market and start to have direct contacts with it through different types of transactions (Stremtan, Mihalache, & Pioras, 2009).

Multinational company (MNC): A company that has business functions outside its domestic borders (Cullen & Parboteeah, 2010).

Psychic distance: A process where factors such as language and culture prevent the information flow from and to the market (Johanson & Vahlne, 1977).

Assumptions, Limitations, and Delimitations

Assumptions

The first assumption was considering the internationalization process of the family businesses as a standard process for all industries and locations. This assumption is not always applicable because a researcher may focus on the management capabilities of the business instead of the industries' characteristics. Another assumption made was that all families in Saudi Arabia follow the same culture and traditions. Saudi Arabia has

a wide variety of cultures and traditions, which may influence the way leaders run their businesses. For this study, I did not consider the difference in cultures between Saudi families.

Limitations

The potential weakness in the study was obtaining real data from Saudi family business owners. In Saudi Arabia, family business owners tend to keep all their data private, particularly financial information. Saudi business leaders tend to be resistant to sharing their business information. Using multiple interviews, I strove to reduce the resistance to sharing business information and enhance the validity of the data.

Delimitations

Family business leaders are the main source of information for the study. For international family businesses, I did not consider collecting information from the international subsidiaries of the family businesses. Instead, the home offices of the Saudi family businesses in Saudi Arabia were the sources of information.

Significance of the Study

Reduction of Gaps

The topic of internationalization of family businesses in Saudi Arabia may provide strategic intent to family business owners desiring expansion and internationalization. Successful internationalization requires the managerial capabilities necessary to configure and leverage a business's resources in the international marketplace (Graves & Thomas, 2008). The focus of the study was to identify the necessary management strategies to achieve internationalization in Saudi family firms.

Implications for Social Change and Application to Business Practice

The social impact of internationalization of family businesses may be valuable to the global society because of the impact on the economy. Families in businesses strive to maintain their position in the market and achieve potential growth (Casillas et al., 2010; Claver et al., 2008; Kontinen & Ojala, 2010b). The research topic of internationalization of family businesses may positively affect family organizations by improving performance and achieving potential growth (Kontinen & Ojala, 2010b). Family businesses are the biggest employers in the private sector in Saudi Arabia; therefore, the improvements of these family businesses may assist many families in finding secure jobs. Finally, the global economy could be positively affected by the growth of family businesses (Blodgett, Dumas, & Zanzi, 2011). Blodgett et al. (2011) argued that the internationalization of family businesses may positively affect global business values by bringing family values to the global marketplace.

A Review of the Professional and Academic Literature

In order to gain a deeper understanding of the previous literature on the topic of internationalization of family businesses, it is necessary to analyze the key components of the topic. The research question addresses how local family businesses implement internationalization, and three key topics need to be understood. The first key topic is the internationalization process of businesses in general. The second key topic is the family businesses and the associative issues and concerns. The third key topic is the internationalization of family businesses. Furthermore, the selection of Saudi Arabia as the geographical location for the study narrows the search for family businesses

implementing an internationalization process. The search for available resources confirmed little literature targeting this topic, suggesting that new insights might be helpful.

Internationalization

The definition of internationalization is the extension of the business across transnational borders (Johanson & Vahlne, 1977; Korsakienė & Tvaronavičienė, 2012; Oesterle, Richta, & Fisch, 2013). Internationalization is also the process that connects enterprises with international markets through different types of transactions (Stremtan et al., 2009). The degree of internationalization is a concept that demonstrates the monetary amount of the firm's business across borders (Oesterle et al., 2013).

The motive behind the internationalization is to increase sales by reaching international customers (Kontinen & Ojala, 2010b). Moreover, additional reasons may include the ability to increase monopolistic advantages, address deficient markets internalization, leverage industrial economic effects, enhance organizational learning, gain operational flexibility, as well as seek new markets (Oesterle et al., 2013). Furthermore, the globalization of markets makes internationalization one of the key strategies for business firms' survival in a hypercompetitive marketplace (Assaf et al., 2012; Chen et al., 2009; Koster & Vila, 2011).

Chen et al. (2009) considered internationalization and innovation (product diversity) two strategies to measure the performance of business firms.

Internationalization and innovation may assist business firms to survive in the global marketplace (Grøgaard, Gioia, & Benito, 2013; Kyläheiko, Jantunen, Puumalainen,

Saarenketo, & Tuppura, 2011). The relationship between the innovation and internationalization strategies can be either complementary or substitutive; therefore, the combination of internationalization and innovation can be the best strategy, particularly when domestic markets have limited demand (Kylaheikoet et al., 2011). The inability of a firm to innovate and internationalize can result in a shorter lifespan for a business (Patel et al., 2012). The industry factors are essential to assess the ability of the firm to internationalize (Grøgaard et al., 2013).

Preinternationalization is a key stage before commencing internationalization (Gross & Huang, 2011). Preinternationalization includes internal and external challenges as well as opportunities such as company abilities and government support. In order to achieve successful internationalization, business leaders need to obtain internationalization-required commitment and capabilities in the pre-internationalization stage (Gross & Huang, 2011; Manolova et al., 2010; Schwens & Kabst, 2011). To facilitate a positive outcome, business leaders should begin an internationalization process following an Initial Public Offering (IPO; LiPuma, 2012).

A business leader seeking to internationalize can choose from several models to implement the internationalization of the firm (Kontinen & Ojala, 2010b). The four main internationalization models are the Uppsala model, the network model, the resource-based view, and the OLI framework (Becker-Ritterspach & Bruche, 2012; Javalgi & Todd, 2011; Kontinen & Ojala, 2010b; Korsakienė & Tvaronavičienė, 2012). Scholars derived the Uppsala model through the study of companies in Sweden. Johanson and Vahlne (2009) described internationalization as a product of a series of sequential

processes based on a study on Swedish companies. In addition, Johanson and Vahlne improved the Uppsala model through a consideration of the importance of networking in an internationalization process.

The second model of internationalization is the network approach. Business leaders achieve internationalization through growing relationships between key players such as customers and suppliers (Javalgi & Todd, 2011; Kontinen & Ojala, 2010b; Manolova, Manev, & Gyoshev, 2010). The third model is the resource-based view. In this resource-based view model, internationalization expansion of a specific business is dependent on the ability of the business to maintain valuable, rare, inimitable, and nonsubstitutable resources (Graves & Thomas, 2006; Liang, Lu, & Wang, 2011). The fourth model is the OLI framework. In the OLI framework, scholars explained internationalization in terms of ownership, location, and internationalization advantages respectively (Javalgi & Todd, 2011; Kontinen & Ojala, 2010b).

Scholars considered the previous models in a number of internationalization studies in different specializations such as retail, services industries, hotels, textile firms, technology firms, and universities (Assaf et al., 2012; Bennett & Kane, 2011; Castellacci, 2010; Gross & Huang, 2011; Karabulut, 2013; Koster & Vila, 2011; Schwens & Kabst, 2011). There are many determinants that can influence an internationalization process, which makes setting one framework for all businesses impractical at best (Kuivalainen et al., 2012).

Another essential question is on the proper timing of an internationalization for a firm (Assaf et al., 2012; Casillas, Moreno, Acedo, Gallego, & Ramos, 2008; Cuervo-

Cazurra, 2011; Tang, 2011; Xie & Amine, 2009). Multiple qualitative and quantitative researchers have attempted to answer this question (Gallego, & Ramos, 2008; Cuervo-Cazurra, 2011; Tang, 2011; Xie & Amine, 2009). Xie and Amine (2009) argued that business leaders achieve successful internationalization when they begin in a country that has the same culture and ethnic factors as the origin country. In contrast, some business leaders select countries that are dissimilar to their countries (Cuervo-Cazurra, 2011).

Knowledge is a key factor in the internationalization process (Brennan & Garvey, 2009; Casillas et al., 2008; Casillas et al., 2010; Kalinic & Forza, 2012). Knowledge intensity is a key driver for internationalization of business firms and the effect of knowledge will appear by the pace of the internationalization process (Brennan & Garvey, 2009). Furthermore, the understanding of the knowledge influence can explain why some business leaders follow a sequential process in achieving internationalization as postulated by the Uppsala model, while other business leaders achieve internationalization at birth of the business, a concept referred to as *born global* (Casillas et al., 2008)

Another prototype for internationalization is an integrating dynamic model that relates to the role of knowledge in the internationalization process (Casillas et al., 2008). The model consists of four main parts: Possession of knowledge prior to internationalization, the search for new knowledge, absorption of new knowledge, and feedback process (Casillas et al., 2008). Developed through organizational learning in multinational companies, the application of this model would include the influence of knowledge on international behavior of business firms (Casillas et al., 2008).

In addition, the importance of accelerated internationalization is a crucial concept in the field of business growth (Middleton, Liesch, & Steen, 2011). Middleton et al. (2011) investigated how executive managers in internationalizing businesses manage time as a way of ordering events and processes within a firm to achieve accelerated internationalization. According to Kuivalainen et al. (2012), for business firms, being *born global* will achieve more successful internationalization as compared to traditional or *born again* global internationalization patterns. Kuivalainen et al. referred the reason behind the success of born global businesses is the global mindset. Kalinic and Forza (2012) supported the importance of the global mindset and found that business can achieve a rapid internationalization if it has a specific strategic focus towards becoming a global competitor. Kalinic and Forza argued that a business would be able to accelerate the internationalization process by catching up with the increasing global competition. Acquiring an opportunity-based view would assist a business firm in achieving accelerated internationalization (Huei-Ting & Eisengerich, 2010; Chandra, Styles, & Wilkinson, 2012).

Setting the correct strategy is a significant determinant of successful internationalization (Cullen & Parboteeah, 2010). Considering internationalization as a growth strategy, business leaders can achieve internationalization by different strategies (Chen et al., 2009; Cullen & Parboteeah, 2010; Javalgi & Todd, 2011; Koster & Vila, 2011). Parmentola (2011) suggested understanding the internationalization strategy using two variables: The level of a firm's competitiveness in the domestic market and the level of socioeconomic development of the destination country.

Internationalization through partnership strategy and acquisitions are two different growth strategies pursued by business leaders to achieve internationalization (Chen et al., 2009). One of the vital strategies to achieve successful internationalization for a business leader is to be a market oriented (Koster & Vila, 2011). Market orientation relates to innovation, and innovation relates to success (Koster & Vila, 2011). Another strategy for successful internationalization is entrepreneurial orientation (Javalgi & Todd, 2011). Innovation, risk taking, and being proactive are the three dimensions of entrepreneurial orientation (Javalgi & Todd, 2011).

Relationship networks have a positive effect on the internationalization process (Hewapathirana, 2009; Lindstrand et al., 2011; Manolova et al., 2010; Musteen, Francis, & Datta, 2010; Tang, 2011). Moreover, business firms can internationalize faster if they share a common language with their international ties (Musteen et al., 2010). In addition, the use of social capital can assist business firms expedite their internationalization process (Lindstrand et al., 2011). Furthermore, there is a positive effect of relationship networks on the pace of internationalization; to be specific, the earlier the business leader engages in inter-firm collaboration, the higher the degree of internationalization (Manolova et al., 2010).

A business firm can focus on networking behaviors to support internationalization rather than a narrow focus on only networking (Tang, 2011). The networking behavior should be composed of four variables: Proactiveness, commitment, openness to network diversity, and strategy (Tang, 2011). The availability of foreign business resources positively relates to the achievement of rapid internationalization (Tang, 2011).

Another essential factor is the relationship between internationalization and performance of business firms (Lin, Liu, & Cheng, 2011). An approaching internationalization might have positive or negative effect on a business firm's performance (Assaf et al., 2012; Castellacci, 2010). Business leaders that internationalize through mergers and acquisitions achieve a higher level of cost efficiency than business leaders who have used their own resources (Assaf et al., 2012). Furthermore, business firms from large economies gain less by internationalization than do businesses from smaller economies; moreover, leaders of younger businesses have a better opportunity for successful internationalization than older businesses (Assaf et al., 2012). The productivity in the internationalization activities positively relates to the firm's size (Arndt, Buch, & Mattes, 2012).

Geographically diverse networks contribute to superior performance (Musteen et al., 2012). Internationalization can positively affect business firms' performance when there are higher levels of organizational slack (the difference between total available resources and the minimum required resources to produce a certain output) and attainment discrepancy (aspirations exceeds expectations) (Lin et al., 2011). Furthermore, the innovation and endowment capabilities are significant factors for successful internationalization (Arndt et al., 2012; Castellacci, 2010; Cullen & Parboteeah, 2010; Liang et al., 2011).

Arndt et al. (2012), Bennett and Kane (2011), Khavul, Benson and Datta (2010), and Zhu, Sarkis, and Lai (2010) discussed the factors that affect internationalization such as financial and managerial capability. Labor market constraints increase firms' costs and

may hinder internationalization (Arndt et al., 2012). A firm's financial situation is a significant factor in the internationalization process (Bennett & Kane, 2011; Graves & Thomas, 2008). In addition, there is a relation between internationalization and human resource management practices (Khavul et al., 2010). Furthermore, Zhu et al. (2010) found that there is a positive relation between internationalization and the adoption of environmental supply chain management practices for Chinese manufacturers.

Family Businesses

The second key topic in this research is the family businesses. The family firm is the business that has a key impact and contribution to economies of all countries around the world (Bunkanwanicha, Fan, & Wiwattanakantang, 2013; IFERA, 2003; Molly, 2010; Okoroafo & Koh, 2009; Puig & Pérez, 2009; Sardeshmukh & Corbett, 2011; Tucker, 2011), although there are many family business aspects that need deeper and more extensive research (Litz, Pearson, & Litchfield, 2012; Segaro, 2012, Strike, 2012). Yu, Lumpkin, Sorenson, and Brigham (2012) noted that scholars studied family business roles, succession, and family dynamics in more depth than other noneconomic performance and family-specific fields.

Thirty years ago, scholars showed little if any interest in researching family businesses (Astrachan, 2010). The situation began to change with the inception of the *Family Business Review Journal*. Beginning in 1988, the *Family Business Review Journal* helped to review existing family business literature as well as define the gap in the literature (James, Jennings, & Breitzkreuz, 2012; Sharma, Chrisman, & Gersick, 2012).

Throughout the literature on family businesses there has been considerable debate regarding the definition of family businesses (Carr & Bateman, 2009; O'Regan, Hughes, Collins, & Tucker, 2010). The debate is replicating through the definition of entrepreneurship (Wright & Kellermanns, 2011). The self-explanatory concept of family business provides a simple definition of a business owned by a family or organization resulting from a fusion of business and family (Rantanen & Jussila, 2011). Similarly, ownership and control of a single or multiple family business firms can define a family business (Abdellatif et al., 2010; Garcia-Castro & Casasola, 2011; Sharma et al., 2012; Rantanen & Jussila, 2011; Short, Payne, Brigham, Lumpkin, & Broberg, 2009).

There is a need to agree on the categorization of family businesses (Wright & Kellerman, 2011). The categorization of family businesses can be based on generation, power, experience, and culture (Wright & Kellerman). In all categories, family businesses usually consist of heterogeneous components, which are ownership, governance, management, and succession (Garcia-Castro & Casasola, 2011).

Despite the need to distinguish between family and nonfamily businesses, many researchers have adopted comparisons between family and nonfamily businesses in several areas (Craig & Salvato, 2012). The value of family businesses versus nonfamily businesses and other business behaviors are also points of interest and contention amongst researchers in many studies (Granata & Chirico, 2010; Martin-Reyna & Duran-Encalada, 2012; Short et al., 2009; Stewart & Hitt, 2012).

Assessing the values of firms in an acquisition may assist to delineate the difference between family and nonfamily businesses. Although family businesses

maintain high performance, buyers undervalue family businesses in acquisitions when compared to nonfamily businesses (Granata & Chirico, 2010). Buyers tend to regard family businesses as unprofessional and inefficient businesses (Granata & Chirico, 2010).

Workplace performance is another issue. A family business can adopt different corporate governance structure than a nonfamily business, which can lead to higher performance (Martin-Reyna & Duran-Encalada, 2012). In a similar way, family businesses may not be as professional as nonfamily businesses (Granata & Chirico, 2010; Stewart & Hitt, 2012).

Short et al. (2009) provided a comparison between family and nonfamily businesses in several characteristics including autonomy, proactiveness, and risk taking. Autonomy refers to individuals bringing an opportunity and guiding this opportunity from the idea to the completion stage. Proactiveness refers to anticipating market changes and future needs. Risk taking refers to brave actions regarding uncertainties. Using a quantitative study, Short et al. found that family businesses were more entrepreneurial oriented than nonfamily firms in relation to autonomy, proactiveness, and risk taking.

Family business research has garnered attention regarding family firm behaviors and their effect on overall performance (Astrachan, 2010; Garcia Ramos & Garcia Olalla, 2011; Memili, Eddleston, Kellermanns, Zellweger, & Barnett, 2010; Sharma et al., 2012). Strategy, ownership, governance, and socio-psychological are the dimensions that represent key trends in the family business research (Goel et al., 2012; Sharma et al., 2012). Psychology could contribute significantly to a better understanding of the family business (Pieper, 2010).

There are several factors affecting the performance of family businesses (García-Ramos & García-Olalla, 2011; Goel, Mazzola, Phan, Pieper, & Zachary, 2012; König, Kammerlander, & Enders, 2013; Sciascia & Mazzola, 2008). Influences like family involvement and founder role are significant factors affecting family businesses' performance (Bunkanwanicha et al., 2013; García-Ramos & García-Olalla, 2011; Goel et al., 2012; König et al., 2013; Sciascia & Mazzola, 2008). Family involvement in the business has a positive effect in general (Memili et al., 2010; König et al., 2013; Sciascia & Mazzola, 2008; Zellweger, Eddleston, & Kellermanns, 2010).

In family businesses, there is a difference between the involvement of the owning family in management and in ownership (Sciascia & Mazzola, 2008). There is no relation between family involvement in ownership and performance, while family involvement in management has a negative relation to performance (Sciascia & Mazzola). The reasons behind the negative effect are the lack of professional competencies in general for family members, the obstacles of increasing capital, family managers' conflicts, and targeting nonfinancial goals (Sciascia & Mazzola, 2008).

Family ownership positively influences the development of a family business image (König et al., 2013; Memili et al., 2010). The influence of the family involvement reduces the resistance to development initiatives (König et al., 2013). In regard to discontinuous technologies, König et al. (2013) found that the family influence has a positive effect on speed, aggressiveness, stamina, and flexibility. Bunkanwanicha et al. (2013) claimed that the marriage of family members increases the value of the family business, and is another positive effect of the family. The reason behind the positive

effect is that the marriage of the family members increases the control over the business (Bunkanwanicha et al., 2013).

Other factors affecting family business performance include strategic direction, and the makeup of the board of directors (García-Ramos & García-Olalla, 2011; Webb, Ketchen Jr., & Ireland, 2010). Superior performance often results from successful strategic entrepreneurship (Short et al., 2009; Webb et al., 2010). In addition, board meetings have a positive effect on the business, and a weaker effect when the founder leads the business (Garcia Ramos & Garcia Olalla, 2011).

The fusion between the family and the business, as well as the interaction between the family and the business, are other key research areas (Basco & Pérez Rodríguez, 2011; Kwan, Lau, & Au, 2012; Rantanen & Jussila, 2011; Zellweger et al., 2010). The family contribution to the business can be a key factor in achieving business success (König et al., 2013; Kwan et al., 2012; Zellweger et al., 2010). The overlap between the family and the business in many areas, such as values, are essential factors that influence the family business (Bunkanwanicha et al., 2013; Rantanen & Jussila, 2011). Pursuing these further, family businesses use a combination of family and business orientation that could achieve results that are more successful (Basco & Perez Rodriguez, 2011).

O'Regan et al. (2010) noted that the balance between the family and the business can be the key to success for family businesses. Although all generations of family businesses have family and business balance issues, third-generation family businesses may have complexity in balancing family requirements due to business maturity and increased family problems (O'Regan et al., 2010). Moreover, there is a need for specific

financial policies to overcome the family issues such as the balance between the family and business requirements (O'Regan et al.).

One of the special characteristics of family businesses is the transition from one generation to the succeeding one and the effect on the business (Buang et al., 2013; Cater & Justis, 2009; Molly, 2010; O'Regan et al., 2010). Sharma et al., (2012) noted that between 1980s and 1990s succession was the dominant topic for family business research. The interest in succession came from the need to sustain family businesses (Lam, 2011). The importance of succession is apparent, especially, when statistics illustrate that only one third of family businesses survive to the second generation (Lam, 2011; Molly, 2010; Sardeshmukh & Corbett, 2011). A succession issue may emanate from a potential conflict between successors if the business has not prepared for the transition from one generation to the next (Block, 2011; Cater & Justis, 2009; Osnes, 2011).

The transfer from one generation to another is a difficult step that may threaten the entire business (Buang et al., 2013; Cater & Justis, 2009; Lam, 2011; Molly, 2010; O'Regan et al., 2010; Sardeshmukh & Corbett, 2011; Stamm & Lubinski, 2011). In contrast, Molly (2010) argued that there is no evidence that the succession negatively affects family business' profitability, while the succession may cause a decrease in growth rate. Strategic thinking does vary among generations of family businesses (O'Regan et al., 2010). Third generation family business owners tend to be strategic, while second generation owners focus primarily on daily operations (O'Regan et al., 2010).

Family Businesses Versus Multinational Companies (MNCs)

There is a difference between family businesses and multinational companies (Abdellatif et al., 2010). The differentiation between family businesses and multinational companies may assist in understanding the requirements of operating a multinational company. Besides, the differentiation could assist in pinpointing the significant family businesses' characteristics for internationalization. Some of these characteristics depict strong points, while others characterize weak points. Family business leaders may need to utilize and improve all strength points to achieve successful internationalization. In contrast, family business leaders may need to manage weak points carefully by either avoiding or correcting.

One of the strength points in family businesses is loyalty to the firm (Cater, 2009). Family members, including parents and children, have loyalty and commitment to their business and act in the best interest of the business (Cater, 2009). In contrast, multinational companies tend to build loyalty by offering their employees benefits through the hiring of family members and friends (Cullen & Parboteeah, 2010). Moreover, the loyalty in family businesses outperforms nonfamily business (Cater, 2009).

Another point of strength for a family business compared to a multinational company is ethical values (Blodgett et al., 2011). Family businesses have unique ethical values compared to nonfamily global businesses (Blodgett et al., 2011). Furthermore, family businesses often have entrepreneurial dispositions, which may lead to successful internationalization (Javalgi & Todd, 2011).

Family businesses have weaknesses that provide multinational companies the advantage in internationalization. Family businesses have nonfinancial goals, which serve the family more than the business (Cater, 2009; Sciascia & Mazzola, 2008). The nonfinancial goals can have a negative impact on the overall performance of the firm (Sciascia & Mazzola, 2008). Due to the nonfinancial goals of the family business, family business managers may not have enough capability to cover the position requirements, yet may still block others from filling the vacancy (Sciascia & Mazzola, 2008).

Multinational companies adopt professional selection processes to ensure that they are recruiting capable and competent staff for all required positions at all levels (Cullen & Parboteeah, 2010). Similarly, family businesses often lack professional consultants in their leadership (Kontinen & Ojala, 2011; Strike, 2012); therefore, buyers often tend to regard family businesses as unprofessional and inefficient organizations (Granata & Chirico, 2010).

Single ownership of the family business facilitates easier decision making processes and positively contributes to the agility of the business (Abdellatif et al., 2010). In contrast, multinational companies require more flexibility in decision making processes (Hua, 2012). Furthermore, succession in the family business can be a unique threat for the firm (Block, 2011; Cater & Justis, 2009; Osnes, 2011). In multinational companies, typically there are no specific impacts on the succession between leaders.

Internationalization of Family Businesses

Internationalization of family businesses became a significant topic to study (Abdellatif et al., 2010; Casillas et al., 2010; Chen, 2011; Claver et al., 2007; Kontinen &

Ojala, 2010b). Gallo and Sveen (1991) studied the topic of internationalizing family businesses and the needed facilitating factors (Casillas, Acedo, & Moreno, 2007). Eleven more articles followed on the topic of internationalization of family businesses from 1991 to 2006 (Casillas et al., 2007), and 19 other articles followed targeting the same topic until 2012.

The growing numbers of views expressed in research articles have indicated the importance of this topic despite the difficulties that negatively affect the research such as the debate regarding the definition of family businesses (Carr & Bateman, 2009). Kontinen and Ojala (2010b) reviewed the literature on internationalization of family businesses and suggested three main categorizations; family business dimension, international business dimension, and international entrepreneurship dimension.

The importance of the topic of family businesses internationalization comes from the dominance of family businesses and their effect on the national economy (IFERA, 2003; Molly, 2010; Okoroafo & Koh, 2009; Puig & Pérez, 2009; Sardeshmukh & Corbett, 2011; Tucker, 2011), and the probability that family businesses are more likely than nonfamily business to achieve successful internationalization (Chen, 2011).

As a result, internationalization became an essential strategy for family businesses to secure their survival rather than an optional growth strategy (Casillas et al., 2010; Chen, 2011; Patel et al., 2012). Moreover, if a family business does not commence internationalization in the first and second generations, it is unlikely to do so in later generations (Okoroafo, 1999). Therefore, internationalization became an essential and urgent strategy for family businesses.

Abdellatif et al. (2010) stated that there is no significant difference between family and nonfamily businesses. In contrast, Blodgett et al. (2011) indicated that there are several differences between family and nonfamily businesses. International family businesses emerge as more ethical, honest, and committed to quality and customer as compared to nonfamily businesses (Blodgett et al., 2011). Furthermore, family businesses are more internationally oriented than nonfamily businesses (Carr & Bateman, 2009).

One unique characteristic of family business is a preference for more independence as compared to nonfamily businesses (Abdellatif et al., 2010). Family business leaders establish fewer joint ventures than nonfamily businesses (Abdellatif et al., 2010). Family business owners have socioemotional wealth concerns that may lead them to attempt to control their affiliates as well as maintain higher ownership levels (Kuo et al., 2012). Hence, family businesses tend to select wholly owned subsidiaries as an internationalization choice (Kuo et al., 2012).

Family ownership has a significant influence on the internationalization process of the businesses regarding the pace, scope, and rhythm of internationalization (Chen, 2011; Lin, 2011). Moreover, the role of the founder has a significant effect on internationalization (Davis & Harveston, 2000). The higher educational level for the family business founder has a positive impact on internationalization (Davis & Harveston, 2000). In addition, Davis and Harveston (2000) indicated that the use of technology has a positive impact on internationalization (Davis & Harveston, 2000).

There are barriers preventing family businesses from reaching successful internationalization (Carr & Bateman, 2009; Casillas et al., 2010; Graves & Thomas,

2008; Kontinen & Ojala, 2010a; Kontinen & Ojala, 2011). There are two main determinants of internationalizing family businesses; knowledge and family commitment (Casillas et al., 2010). Furthermore, there are three key determinants of the internationalization of family businesses: The level of commitment toward internationalization, the financial resources available, and the ability to commit and use those financial resources to develop the required capabilities (Graves & Thomas, 2008).

Psychic distance and trusted international ties are also determinants of the decision to internationalize the family firm (Kontinen & Ojala, 2010a; Kontinen & Ojala, 2011). When the international market is psychically distant, family business leaders tend to pursue a sequential process to achieve internationalization (Kontinen & Ojala, 2010a). Moreover, family business leaders use different distance bridging factors to overcome the psychic distance factor (Kontinen & Ojala, 2010a).

Geographical location is another key determinant of internationalizing family businesses (Carr & Bateman, 2009). The risk aversion of family business owners contributes to the decision to consider geographical location along with the lack of trusted ties as an affecting determinant in family businesses, as opposed to nonfamily business decisionmakers (Casillas et al., 2010; Carr & Bateman, 2009; Claver et al., 2008; Graves & Thomas, 2008). The main factors that contribute to the internationalization of the family firm include the following: The presence of significant capacity for technological and management innovation; the social networks of owners and managers; early and intense internationalization; and professional management of the company, all of which contribute to the final decision (Moya, 2010).

Hobdari, Gregoric, and Sinani (2011) indicated that the high market share can lead to increase in internationalization. Most likely the leading international family businesses in the contemporary global marketplace are the result of a long learning process (Puig & Perez, 2009). The long learning process will lead the family business to innovate, which will positively impact internationalization (Tsao & Lien, 2013).

Several factors such as the age, size, and generation of the family business, affect the internationalization process of the family firm (Claver et al., 2007). In contrast, family businesses that do not have the same size as large multinational enterprises still have the ability to achieve successful internationalization (Davis & Harveston, 2000). Roida and Sunarfanto (2012) posited that business size is not a constraint to compete globally.

The presence of family members in managerial positions of family businesses provide a clear advantage when advancing the internationalization process by expediting the decision making process (Claver et al., 2007; Tsao & Lien, 2013). However, the positive influence of the presence of a family member in a managerial position is a debatable issue (Claver et al., 2007). Tsao and Lien (2013) claimed that the involvement of the owning family in the management positively moderates the internationalization performance. The benefit of internationalization is not usually appreciated by first, second, or the third generation leading family businesses (Okoroafo & Koh, 2009). To avoid the escalation of commitment, non family managers are usually the individuals who engage in internationalization activities (Claver, Rienda, & Quer, 2009; Woods, Dalziel, & Barton, 2012). In contrast, family businesses under an owner's control are

more internationalized (Hobdari et al, 2011). Contracts of family managers typically include greater incentives in terms of short term performance measures as compared to nonfamily managers (Block, 2011).

Considering the lack of proactiveness and professional advisors for family business owners (Kontinen & Ojala, 2011; Strike, 2012), the gap in the literature is apparent regarding answering how family businesses can ensure success in their long term strategies (Astrachan, 2010; Dana & Smyrniotis, 2010; Kontinen & Ojala, 2011; Strike, 2012). The targeted gap in the literature to be covered is the absence of a strategy to plan and implement internationalization of family businesses. The need arises for family business owners on how to secure their businesses and achieve successful internationalization (Assaf et al., 2012; Casillas et al., 2010).

The gap is apparent when the business firms need to achieve internationalization in a nonindustrial country such as Saudi Arabia. Family business leaders in Saudi Arabia have more challenges to achieve internationalization (Mellahi et al., 2011). Furthermore, in family businesses where leadership incompetence is apparent, the situation becomes more difficult when the family business is in a third country nation (Mellahi et al., 2011).

Transition and Summary

Family businesses have a significant influence on the economy (IFERA, 2003). Internationalization may become a survival strategy for family businesses. Family business owners have to prepare their businesses with the necessary information, capabilities, and networks to achieve successful internationalization (Lin, 2011). The different models of internationalization offer family firms more options to begin the

internationalization process (Kontinen & Ojala, 2010b). Family businesses in Saudi Arabia have challenges in reaching successful internationalization due to the lack of knowledge, industry, and capabilities (Mellahi et al., 2011). The study findings may be of value to family businesses in Saudi Arabia in preparing for successful internationalization. Section 2 addresses information regarding the role of the researcher, participants, research method and design, data collection, reliability, and validity.

Section 2: The Project

Section 2 includes information on the methodology and research process in detail. The research methodology and design was a qualitative case study approach. Considering the available data, the case study approach was suitable for this research. Moreover, Section 2 includes the purpose statement to ensure the full engagement with the subsequent data. Furthermore, Section 2 includes the role of the researcher, participants, research method and design, data collection, and reliability and validity.

Purpose Statement

The purpose of the qualitative case study was to explore how Saudi family business leaders have successfully planned and implemented internationalization. The selected population for the study was family business leaders in three Saudi Arabian family internationalized organizations. Saudi Arabia is one of the fastest growing countries, and the largest economy in the Middle East and North Africa (MENA) region, (SAGIA, 2013). Three leaders of successful international Saudi family businesses were interviewed. The focus of the interviews was on what strategies these family business leaders used to implement internationalization. Key factors of the transition plan from the local market to the international market were studied in order to draw a road map for local family businesses intending to pursue successful internationalization. The results of the study may be of value to family businesses to achieve potential growth by successful internationalization, which may positively impact the local economy of Saudi Arabia. The implementation of successful internationalization may also assist family business leaders who are currently striving to maintain their position in the market and achieve

potential growth (Casillas et al., 2010; Claver et al., 2008; Kontinen & Ojala, 2010b).

Role of the Researcher

The role of the researcher commenced with a review of the literature to gain a deeper understanding of the research topic. From the literature review, I collected data for the study to address the research question and arranged meetings with leaders of Saudi family businesses. The objective of the meetings was to present the research topic and ask for their participation. I used an interview protocol with open-ended questions to explore how these family businesses achieved their internationalization and overcame challenges. Using semistructured, face-to-face interviews assisted me in exploring the participants' experiences. Thereafter, the analysis of the interviews enabled me to interpret the findings of the study.

Participants

Saudi Arabian family business leaders were the focus for this case study, and the participants were the leaders of the Saudi international family businesses. The strategies to gain access to the participants were through personal and professional relationships. Based on these relationships, I spoke with three Saudi family business leaders to obtain access to potential participants for the study. I obtained their signatures on the participant consent form (seen Appendix A) prior to holding the interviews. The relationships I have with the business leaders from previous business engagements assisted in building a working relationship with the participants. In addition, I protected the identity of the participants and did not share the names of the organizations and participants. The sampling method was purposeful by selecting participants based on the selected criteria

(Patton, 2002). The sample size comprised three business leaders. The use of three leaders was sufficient to conduct multiple interviews and may lead to more persuasive results (Yin, 2009). I saved all collected data on a secured hard drive and will keep the data for 5 years after conducting the study. I will personally destroy all research data after 5 years.

Cater and Justis (2009) used purposeful sampling to select participants from different industries to understand the development of successors in family businesses. Kalinic and Forza (2012) used purposeful sampling to investigate the rapid internationalization of small and medium enterprises. For this purpose, I used purposeful sampling to explore how Saudi family businesses can implement internationalization.

Research Method and Design

The research methodology is a qualitative case study design. I selected this research design based on the nature of the topic. The internationalization of family businesses in Saudi Arabia is a new phenomenon that needs to be explored and understood. Given the importance of building relationships with the family business leaders, the qualitative methodology is the best fit for the research topic.

Method

The research plan included a qualitative methodology and a case study design. According to Marshall and Rossman (2011), qualitative research is pragmatic, interpretive, and grounded in the experience of the people. The nature of this research required an understanding of the qualitative research to explore how Saudi family business leaders achieved internationalization and overcame all challenges. Thus, a

qualitative research method is the best fit to explore and understand the results of this research (Patton, 2002).

The three general research methodologies are qualitative, quantitative, and mixed method. According to Denzin and Lincoln (2005), in quantitative research methodology, researchers test hypotheses and find a relationship between variables, which was not the intent of this study. For this topic, the phenomenon itself needed to be explored rather than the study of any relation between variables. In addition, Denzin and Lincoln (2005) mentioned that qualitative researchers are more concerned with details and descriptions than quantitative researchers. Therefore, the quantitative methodology was not an appropriate method for the research topic. Moreover, there was no need to use mixed method.

Research Design

There are two approaches that were adequate for this doctoral study research: phenomenological and case study. I explored the perspective and the experiences of the participants, and I elected to use a qualitative case study design. According to Marshall and Rossman (2011), a phenomenological approach addresses the perspective and lived experiences of the participants. I did not select a phenomenological approach because the participants were likely to be few and could not satisfy phenomenological approach requirements. Ethnography was another possible design for the research topic. According to Patton (2002), ethnography research requires intensive fieldwork including the direct observation of participants. Also, an ethnographer should immerse in the studied culture (Patton, 2002). The nature of the topic is not about studying the culture rather studying a

definitive strategy, and therefore, ethnography design was not an appropriate design.

A qualitative case study approach was the optimum research design for this doctoral study research. The case study approach reflects the study of a bounded object in an attempt to understand several decisions about the motives and implementations of these decisions (Yin, 2009). Becker-Ritterspach and Bruche (2012) used a qualitative case study approach to understand the internationalization process of businesses in emerging markets. Similarly, Kalinic and Forza (2012) considered a qualitative case study to be the best approach to investigate the rapid internationalization of small and medium enterprises. Likewise, Cater and Justis (2009) selected a qualitative case study approach to study the factors that shaped successor leadership in small family businesses. Thus, I used a qualitative case study approach to explore how Saudi family businesses can implement internationalization.

Population and Sampling

The research design was a multiple case study concerning Saudi Arabian international family businesses. The sample included the leaders of the international Saudi family businesses who have demonstrated significant participation in the internationalization process from the beginning of the idea to the current operation. The sampling method was purposeful by selecting participants based on the selection criteria of being a leader in international family business in Saudi Arabia. Using purposeful sampling assisted in focusing on information-rich participants for in-depth study to answer the study questions (Patton, 2002).

The criterion for selecting a participant was having experience in the

internationalization process of the family business. Furthermore, being in a leading position on the hierarchy of the family business was another vital criterion for selection. Being a member of the family was not necessarily a condition for participation because several family businesses hire nonfamily managers to lead their internationalization process.

Ethical Research

I considered all ethical issues when collecting data from participants. I explained all details of the research process to maintain high ethical standards, and to ensure that I met the acceptable criteria and practices standards (Abbott & Grady, 2011). Each participant signed the consent form before participating and answering the interview questions. The consent form includes information informing the participant about the research topic, risks, and benefits of being in the study, (see Appendix A). According to Patton (2002), researchers must protect the privacy of the research subject.

Although all participants can understand English, I walked through the consent form with each participant to ensure the understanding and to clarify any questions. I held all interviews at my office to ensure privacy. The participants understood that contributing in the study was voluntary and that they could withdraw from the study at any time. If the participant elected to withdraw from the study, I would provide the participants with the interview notes and the audio recording to destroy. Considering the participants are leaders in Saudi family businesses, there were no incentives for participating in the study. After the completion of my doctoral study, I will send the participants a summary of the results. All collected data will remain in a password-

protected external hard drive for 5 years before disposal. The participants' identities will remain confidential. Each participant was given a unique number to maintain confidentiality. I conducted the research under the IRB approval from Walden University (approval # 08-12-13-0250005).

Data Collection

The data collection section includes three areas: instruments, data collection technique, and data organization technique. The instrument includes the name and type of the instrument used for this study. The data collection and organization techniques included the collection of the data through interviews and how I organized the collected data for analysis.

Instruments

According to Yin (2009), case study evidence can come from six sources: documentation, archival records, interviews, direct observations, participant observations, and physical artifacts. The data collection instruments included semistructured, face-to-face interviews with international Saudi family business leaders and online archival data about the family businesses. The use of semistructured interviews led to an understanding of the strategies that family business leaders adopted to achieve internationalization. I examined the reliability and validity through the consistency of the replies along with a member checking technique and data triangulation.

Each participant read and signed the participant consent form before beginning the interview process. The consent form is attached in Appendix A. The interview questions are opened-ended and semistructured and include probing questions as needed

to acquire in depth responses from participants' experiences (Yin, 2009). The interview questions are listed in Appendix B. The interviews with each participant were audio recorded to ensure accuracy. Member checking and follow-up interviews with participants were the techniques used for further understanding of the participant perspective. I used online web data regarding each family business to correlate with the interview data and increase my understanding of the participants' answers during the interview process.

Data Collection Technique

The data collection techniques for the study were the interview notes and audio recordings. According to Patton (2002), there are three forms of interviews: an informal conversational interview, a general interview guide approach, and a standardized open-ended interview. Yin (2009) suggested three types of interviews for a case study design: in-depth interviews, focused interviews, and formal surveys. Cater and Justis (2009) used in-depth interviews to understand the development of the successor in small family businesses. Claver et al. (2007) also selected in-depth interviews to study the entry choice in the internationalization process of family businesses. For this doctoral study, I used semistructured face-to-face interviews, which provided a strategy to explore how Saudi family businesses could implement internationalization.

Supporting the interview design, Gross and Huang (2011) used semistructured interviews to understand the internationalization of Chinese hotels. Likewise, Kontinen and Ojala (2010a) used semistructured interviews to explore how psychic distance affects family businesses internationalization. In a similar study, O'Regan et al. (2010) claimed

that semistructured interviews gave better results in studying strategic thinking of family businesses. Seeking strategic thinking of family business leaders, I used in-depth, semistructured interviews to study how Saudi family businesses can implement internationalization.

In-depth semistructured interviews are conducive for inquiring about facts and opinions of participants. As a result, the semistructured interview strategy provides the researcher an extended period of time to probe (Yin, 2009). There were three family business leaders who participated in this study. Therefore, multiple (3-4) in-depth semistructured interviews led to additional information from each participant.

The first step in conducting the interviews was creating a list of potential participants from international Saudi family firms, then contacting the participants and explaining the purpose of the study and the potential social impact. According to the agreed upon time and location, I presented the list of questions along with the consent form (see Appendix A) to each participant. The questions for the interview are listed in Appendix B. In order to have accurate in-depth answers, informal conversations followed the formal interview. Applying member checking, multiple interviews with participants followed for additional information and to confirm the understanding of the participants' answers. In addition to reading the online web information regarding each family business to correlate with the interview data, my reading of the online data led to a better understanding of the participants' answers during the interview process.

Data Organization Techniques

I organized the data using Zotero™ along with an Excel™ spreadsheet. Zotero

aids in organizing the interview transcripts and notes, as well as literature references in one location. Zotero also assisted in simple retrieval of any resource. The ability of synchronizing all references on the Zotero server allowed me to access the references from any computer using the same account. Moreover, Excel was helpful in categorizing and monitoring the data and help in the coding of the data. I used the same techniques for the references and for the collected data. I added the interview transcriptions to a Zotero account, and then used Excel to categorize the data by theme. In order to ensure privacy during data collection, all documents including interview notes, audio, and consent forms will remain on a secure hard drive for 5 years with a secured backup on another hard drive. All data are password protected.

Data Analysis Technique

After the data collection from the interviews and the online sites, I commenced the data analysis using *Excel*, the Microsoft data analytical program. Each participant had a unique numerical code to differentiate between participants and maintain their confidentiality. After the definition of the themes, I compared and contrasted the answers of the participants.

The interview questions were as follows:

1. What is your name and job title?
2. What are the mandatory characteristics of local family businesses that would enable them to compete in a global market?
3. What are the strategic considerations needed for family businesses before going global?

4. What were the motives for your business to go international?
5. What are the main challenges internally and externally to achieve internationalization?
6. How did you select the country to commence internationalizing your business?
7. How did your products change due to internationalization?
8. How do you describe your internationalization experience?
9. How did the owning family perceive internationalization?
10. What are the main strategies your family business took to achieve internationalization?
11. How does internationalization affect the control of the family over the business?
12. How does internationalization affect the overall performance of the family business?
13. Would you like to add any other information?

After the collection of data, I used the coding process to break the data into segments. According to Patton (2002), developing a coding scheme is the first step of the analysis. I developed a coding structure to simplify the analysis of the data and then assigned the codes for the general themes of the data.

Reliability and Validity

Reliability and validity section included a description of how I maintained reliability and validity in the study. The use of multiple sources ensured the reliability of

the study. Furthermore, the use of member checking and data triangulation confirmed the validity of the study.

Reliability

Reliability is the degree of how dependent the research findings were from any accidental circumstances (Patton, 2002). Ensuring reliability in qualitative studies is different than in quantitative studies (Patton, 2002). In quantitative studies, reliability is measured, while in qualitative studies reliability addresses the consistency of the replies and their relevance to the fact (Patton, 2002). For case studies, Yin (2009) recommended the use multiple sources to increase validity and reliability of the data. Therefore, I used the online published data of the family businesses as another research source.

Validity

Validity is the degree of accuracy in the interpretation of the findings (Patton, 2002). The experience of the same environment could simplify the correct understanding of the participants' answers. Denzin (2009) argued that data triangulation would increase the validity by supporting the facts from multiple sources. Moreover, the participants approved the interview transcription to ensure the accuracy. Patton (2002) warned researchers about the assumption of understanding the meaning of the research participants without checking back with the participants. Noble, Haytko, and Phillips (2009) used informal member checking to confirm the interpretation of the interview results from the participants. Davies (2010) confirmed the results by asking participants to review results. In a similar study, Stol, Babar, Avgeriou, and Fitzgerald (2011) provided their interviewees with the results to confirm the understanding. Hence, I shared

my transcription of interviews with the participants to ensure accuracy.

In addition, I used data triangulation. There are four types of triangulation: data triangulation, investigator triangulation, theory triangulation, and methodological triangulation (Denzin, 2009). For this study, I used data triangulation, which is the use of multiple data sources to increase reliability and validity. The data sources were the multiple interviews, follow-up questions, and online web data of the selected family businesses. The triangulation of these sources contributed to the reliability and validity of the research (Denzin, 2009). Salo, Tähtinen, and Ulkuniemi (2009) used data triangulation when they studied businesses relationships to avoid misinterpretation of one source data. Aarikka-Stenroos and Sandberg (2012) used data triangulation to increase the trustworthiness of their research results. Therefore, I used data triangulation to increase the trustworthiness of the research results.

Transition and Summary

Section 2 included vital areas about the study, by presenting the purpose statement, the role the researcher, selected participants, and the research method and design. Moreover, a description of the population and sampling along with the data collection instrument, data collection technique, and data organization technique. Furthermore, I discussed the data analysis technique and the validity and reliability of the findings. Section 3 includes details on the data collection, analysis, and presentation of the findings.

Section 3: Application to Professional Practice and Implications for Change

This section outlines a detailed description of the outcomes of this study. The section includes an overview of the study, a presentation of findings, an application to professional practice, an implication for social change, recommendations for action, recommendations for further study, and reflections.

Overview of Study

The purpose of this qualitative case study was to explore how Saudi family business leaders planned and implemented internationalization. Three leaders in various international Saudi family businesses participated in interviews to share their perspectives. I held multiple interviews with each participant to reach data saturation. The main goal of the interviews was to explore how Saudi family business leaders implement internationalization.

In order to answer the research question, I selected three leaders in three different Saudi family businesses who have experience in planning and implementing internationalization in their family businesses. Using semistructured face-to-face interviews, I attained an understanding of how the participants implemented internationalization successfully. In addition, I applied member checking and follow-up interviews with probing questions for further understanding. I used online web data regarding each family business to correlate with the interview data and increase my understanding of the participants' answers during the interview process.

My analysis of the interview data indicated that internationalization is an opportunity for Saudi family businesses to increase their profits and sustain their

business. In addition, family business leaders can achieve internationalization in various ways with diversified products and services. Family business leaders need to have qualified resources furnished with the required knowledge and budget. The family business leaders also need to select the appropriate market to sell their products or services so their internationalization effort can be successful.

Presentation of the Findings

The main research question explored was how Saudi family business leaders implemented internationalization. I used semistructured face-to-face interviews to reach an in-depth understanding of the participants experience in internationalization of their family businesses. The selected participants were leaders of Saudi family businesses. Each participant led the internationalization efforts of their businesses. Each participant implemented internationalization in different industries. Furthermore, each participant worked in several countries in three continents; Europe, North America, and Africa. I held multiple interviews with each participant to reach data saturation. In addition to reading the online web information about each family business to correlate with the interview data, my reading of the online data led to a better understanding of the participants' answers during the interview process. I replaced the names of the three participants with codes P1, P2, and P3. In the next subsections, I presented an overview for the answers of the participants, then I defined the key themes, and finally, I will present the findings to answer the research question.

Answers Overview

The first interview demographic question acquired the participants' names and job

titles. All the participants were Saudi with experience in the Saudi family business environment. The job titles of all participants were CEOs or managing directors. Selecting participants with high positions in their family businesses assisted in getting clear and accurate answers for the interview questions. All participants mentioned that they were directly managing the internationalization projects of their family businesses.

The second interview question relates to the needed characteristics for family business to be able to compete in the global market. P1 gave a significant comprehensive answer, stating that “first, the family business needs not to be a family business.” Then the participant elaborated that usually family businesses in Saudi Arabia mean only one individual thinks and makes decisions, and all other employees do whatever the one individual decides. Although Tsao and Lien (2013) claimed that the family involvement increases the internationalization performance, P1 warned that the family may not have enough ability and competency to manage their business internationally. Abdellatif et al. (2010) denoted a similar definition for family businesses where the ownership and control are with one individual. P1 stated that this single control should not be the practice of a family business that needs to compete internationally.

P1, P2, and P3 all agreed that family business leaders need to have proper strategies and qualified resources to compete globally. Each indicated the need for a sufficient budget to fund the internationalization effort, which confirms the financial capability as one of the key determinants in internationalization (Graves & Thomas, 2008). P2 insisted that family businesses should be successful locally in order to compete internationally, while P3 focused on having an international product or service. Segaro

(2012) claimed that family businesses internationalize after consolidating their position in the local market, which supports P2's opinion.

The third interview question was regarding the strategic considerations before going global. Supporting Cullen and Parboteeah's (2010) opinion, P2 indicated the need of having a strategic plan before going global. P3 designated that family business leaders need to identify their motive for internationalization. In contrast, P1 downplayed the risk of going global and indicated that the current market with the current technology does not make a difference in managing a business locally or internationally. P1 added that the same vendors and same standards all over the world so it would not be so hard to run the business internationally.

The fourth interview question related to the motive to go international. P3 summarized the answer by stating "profitability is the main motive." All participants agreed on the profitability being the main motive, supporting several theories (Brennan & Garvey, 2009; Casillas et al., 2010; Chen, 2011). P2 added another motive related to the saturation of the local market. He also added that having relationships in specific international market may be a motive to start internationalization in that specific market, supporting the theories of positive impact of relationship networks on internationalization (Hewapathirana, 2009; Lindstrand et al., 2011; Manolova et al., 2010; Musteen, Francis, & Datta, 2010; Tang, 2011). P2 mentioned evidence from practice, one of the internationalization efforts started because one of the board members in his business pointed out an opportunity to internationalize their product in another country based on his relations there.

The fifth interview question related to the internal and external challenges to achieve internationalization. All participants indicated that the understanding of the rules and regulations of the targeted market is a key challenge to achieve successful internationalization. In addition, all participants pointed that having the qualified resources and sufficient budget are two key challenges. P2 mentioned that an important internal challenge is having a well-structured family business. When the family business is well-structured, this structure will support the internationalization with the required resources and competences. P2 mentioned that having an international subsidiary requires a well organization structure with a full range of employees with different required skills and competencies. In contrast, in Saudi Arabia family business leaders tend to have a minimal number of employees with limited skills, which will not be enough to go international. P2 supported the argument of Arndt et al. (2012) that the labor market may hinder the internationalization process.

P1 mentioned an important challenge for going international; leaders need to make sure that they have enough stock to cover the international market demand. P1 insisted that having the production ability to satisfy the market need is a vital challenge to succeed internationally. P1 supported that the industry factors have an impact over the internationalization process (Grøgaard et al., 2013). Furthermore, P3 indicated the importance of the political and economic stability as a key challenge for internationalization. P3 stated that “if you are working in the tourism field you will not go to Egypt these days due to the economic instability.” P1 concluded that the inability to internationalize is the real challenge.

The sixth interview question was regarding selecting the country where to start the internationalization effort. Carr and Bateman (2009) suggested geographical location as one of the key determinant of internationalizing family businesses. All participants agreed that family business leaders should start the internationalization in a country that is familiar to them. P1 answered the question by saying that “First look for a place you know.” P2 indicated that setting the strategic plan will assist to find a suitable place to start the internationalization.

All participants agreed that it is crucial to start in a country that shares some of same culture and regulations. Each participant mentioned the language as an important factor to be considered. This opinion endorses what Musteen et al. (2010) suggested that the internationalization will be faster when businesses have shared language with targeted markets. P3 pointed another vital factor in selecting where to start internationalization; he said that the targeted country should have a market that has a considerable demand for your product. In addition, P2 indicated that there should be an opportunity in the targeted market, and the family business should have the capability to take this opportunity.

The seventh question was about the changes on the products due to internationalization of family businesses. Participants supported that unless family business leaders build their products according to the global standard, they will not be able to internationalize. Building a product based on the global standard was the main answer for all participants. Also, P2 added that “customer preference changes from place to another.” P2 added that the international customer expectations forces businesses to customize their product. This customization will include the price of the product.

The eighth interview question was about the overall internationalization experience. P3 indicated that internationalization was difficult the first time then it became easier with the gained experience. All participants expressed their contentment for going through the internationalization process. The participants mentioned that the internationalization efforts were profitable to their family businesses. P1 warned that starting an internationalization effort in any international market will open a global demand to start in other international markets. P1 stated that “once you start your business in London, for example, you will receive requests to cover Europe.” P3 agreed on what P1 said. P3 motioned a similar experience of international expansion happened to his business in North Africa.

The ninth interview question was regarding the perception of internationalization by the owning family. P1 designated a crucial fact that most of the wealthy families in Saudi Arabia have international investments, which makes the internationalization initiative something familiar for them. P2 answered that his father who is the founder of the business is the only one who has the final decision in the business. P2 mentioned that his father is supporting the internationalization efforts; therefore, they are working on the efforts. P2 supported the theory that the involvement of the owning family in the management is positively impacting the internationalization performance (König et al., 2013; Kwan et al., 2012; Tsao & Lien, 2013; Zellweger et al., 2010). P3 noted that the owning family did not favor the internationalization effort in the beginning, but after the success of the first trial, the owning family became supportive to internationalization efforts.

Contradicting several theories (Buang et al., 2013; Cater & Justis, 2009; Lam, 2011; Molly, 2010; Okoroafo, 1999; O'Regan et al., 2010; Sardeshmukh & Corbett, 2011; Stamm & Lubinski, 2011), participants P1 and P2 mentioned that the second generations in Saudi family businesses usually initiate the internationalization projects. Participants P1 and P2 explained the reason, the second generations in Saudi family businesses received their education in international universities in USA and Europe. Studying abroad made the second generation familiar with the culture and more capable of initiating internationalization than their parents.

The 10th interview question related to the main strategies the family business leaders took to achieve internationalization. All participants indicated the importance of having financial capability to fund the internationalization effort. P2 added “keep your eyes open and monitor the changes in the market.” P2 asserted that being market oriented will advocate the internationalization effort (Koster & Vila, 2011).

P1 simplified the internationalization process by simply contacting a lawyer in the international market. P1 added that it is vital when establishing the business to consider the global standards and to prepare your business to be international from its inception. P3 pointed the importance of considering the internationalization as a process achieved gradually, therefore, all needed strategies will gradually appear during the internationalization effort. P3 supported the findings of Karabulut (2013) that the Turkish firms have achieved the internationalization gradually.

The 11th interview question related to the effect of the internationalization on the family control over the business. Participants agreed that the family will have less control

after internationalization as discussed by Kuo et al. (2012). The participants all also signified the importance of having qualified resources to run the international subsidiaries of the business. P3 indicated that the regulation of each country affects the level of control. For example, some of the countries do not allow full ownership of foreign investors while other countries do. Therefore, the regulations of the targeted country affect the family control over the business.

The 12th interview question was regarding the effect of the internationalization on the overall performance of the family business. All participants agreed that internationalization of the family business will lead to higher performance and profitability of the business, although participants noted that business leaders will achieve high performance gradually. P1 commented that there is a relation between the learning curve and the performance of the business. P1 agreed that the long learning process will positively affect the internationalization of the family business (Puig & Perez, 2009). P2 pointed the importance of selecting the right metric to assess the performance of the firm. P3 advised that the diversification of the investment due to the internationalization has a positive effect on the overall performance.

The participants' answers are in support of the Uppsala model, which is the conceptual framework of this study. All participants agreed that family business leaders will internationalize gradually (Johanson & Vahlne, 1977), although P1 noted that the intent to internationalize should exist with the business establishment. P3, who had an internationalization experience in several countries in North Africa, mentioned the gradual achievement of the internationalization in his experience. In

addition, the participants agreed that they started internationalization with countries closest to the local market in the psychic distance. Furthermore, participants P1 and P2 mentioned that the current technology made the flow of information easy which make the psychic distance easier to overcome. Korsakienė and Tvaronavičienė (2012) mentioned that family business leaders may initiate internationalization project as the opportunity occurs even if the opportunity does not have close psychic distance. Participants mentioned that the psychic distance is one of the criteria to evaluate the internationalization opportunity as it occurs, which supports the compliance with the conceptual framework.

Main Themes

After analyzing the answers of the participants along with the online data of the participants' family businesses, I found 15 themes that can be categorized into three main themes. The first theme includes the essential characteristics for any family business to compete internationally. The second main theme includes the essential characteristics of the international market that is suitable for family businesses to internationalize. The third main theme is about the essential characteristics of a successful internationalization opportunity for a family business in Saudi Arabia.

The first main theme is the essential characteristics of the family business to compete internationally. Under this theme, I found several characteristics mentioned by the participants and supported by the literature. These characteristics include having the proper strategy, financial capability, qualified resources, well structure and policies, and products or services as per the global standard. Having proper strategy for a family

business is essential for any major decision like internationalization. Financial capability is a requirement because the internationalization process will cost the family business and take time before becoming profitable. Having qualified resources is one of the most crucial requirements for internationalization, family business leaders need to hire and acquire qualified resources. The business leaders also need to maintain proper training and learning path for their resources to be able to internationalize. Having well-structure and policies are essential for family businesses in particular because family business owners usually override all the responsibilities and take single decisions. Having products or services as per the global standard is a vital requirement for internationalization, which means family business leaders need to apply global standards on their business across all levels to produce a product or service that can be sold internationally.

The second main theme is about essential characteristics of the international market that is suitable for Saudi family businesses to penetrate. The international market needs to be stable, organized with clear regulations, and welcome the foreign investments. The stability of the market, which occurs usually due to stability in the economy and political conditions, is essential to be suitable for internationalization of Saudi family businesses. Selecting a market with clear regulations may assist to simplify the internationalization effort and to secure the investment. In addition, having clear regulations is essential for the international market to have rules allowing and encouraging the foreign investment.

The third main theme is about the essential characteristics of a successful internationalization opportunity for a family business in Saudi Arabia. Under this theme,

there are several characteristics that make each internationalization opportunity beneficial for specific family business in a specific period of time. These characteristics include closer psychic distance, available relationships in the international market, satisfying a motive in the family business, international market demand with the capability in the family business to satisfy that demand, and proper timing for the family business to go internationally. Closer psychic distance is a key factor to expedite the flow of information. Available relationships assist family business in expediting the internationalization efforts and decisions in each opportunity. Also, the internationalization opportunity should include a satisfaction for a specific motive in the family business in order to be a suitable opportunity. Usually, this motive is profit; however, it can be any other motive that satisfies the business strategy. The demand in the international market is essential for successful internationalization, and it will significantly reduce the cost of marketing. The timing of the internationalization opportunity is significant for the family business especially because each generation of the family businesses may have a different opinion regarding the internationalization opportunity.

Conclusion of the Findings

In the conclusion of the findings, it is necessary to note that the participants were open for answering the interview questions. The participants addressed all the questions, so there was no need for any archival data. In addition, I triangulated the online web data of the participants' businesses along with their answers. There was no extra content in the online data beyond the answers of participants, although the use of the online data

supported and explained the answers of the participants. The use of the online data, especially regarding the international subsidiaries, was like visiting the international subsidiaries of the Saudi family businesses.

The first finding of this study is that internationalization is a profitable strategy for Saudi family businesses. Also, Saudi family businesses can internationalize in both products and services in various markets. Saudi family business leaders need to attain several characteristics in their family business before going global. These characteristics include having proper strategy, financial capability, qualified resources, well-structure and policies, and products or services as per the global standard. The satisfaction of these requirements to a certain level will qualify the family business to internationalize.

Family business leaders need to look for an international market that satisfies the following characteristics: stable market, organized with clear regulations, and welcome the foreign investments. After satisfying the internationalization requirements in the family business and finding the suitable international market, family business leaders need to scan the internationalization opportunities available in that market through the following characteristics: closer psychic distance, available relationships in the international market, satisfying a motive in the family business, international market demand with the capability in the family business to satisfy that demand, and proper timing for the family business to go internationally. Considering the previous characteristics in the family business, international market, and in each internationalization opportunity may assist Saudi family businesses achieve successful internationalization.

Applications to Professional Practice

The findings of this study suggest opportunities for the family businesses in Saudi Arabia. The implementation of the characteristics under the first theme may assist family business leaders in sustaining their organization, in addition to internationalization readiness. Having strategic planning for family businesses may assist to prevent unplanned decisions. The need for qualified resources encouraging family business leaders to invest on their human resources and raise the level of training provided. Furthermore, the need for organizing or reorganizing the family businesses before going global may assist the family business in arranging the roles and responsibilities.

The characteristics under the second and third themes may assist family business leaders in achieving successful internationalization. While the first theme characteristics may assist the family business for internationalization readiness, the mentioned characteristics under the second and third themes may constitute a strategy for family businesses to consider before commencing any internationalization effort. P2 asked for a clear road to start the internationalization successfully. P2 noted that when started the internationalization process there were no clear steps to take. I believe the findings of this study may assist family business leaders to build a clear plan to achieve their internationalization projects.

Implications for Social Change

The findings of the study suggest several options for consideration prior to the internationalization of a family business. These options include characteristics mentioned under the first theme including proper strategy, financial capability, qualified resources,

well-structured and policies, and products or services consistent with the global standard. The implementation of these improvements may contribute to a positive social change by sustaining the family business and increasing job opportunities, which may positively affect the economy. In addition, the need for qualified resources may assist family business leaders increasing knowledge of the employees. This concern means more training and awareness for all employees, which may positively affect the society. Moreover, the standardization of products and services as a requirement for internationalization has a positive effect on the society. If business leaders consider the global standard when presenting their products and services to their society, then this may lead to high class products and quality services.

Recommendations for Action

Family business leaders may consider assessing their business per the first theme characteristics. Leaders need to start looking at business strategy. If there is no strategy, then they need to start building proper strategy. If family business leaders formulated the strategy, they need to evaluate the strategy against a professional standard and against their goals. These leaders also need to apply proper financial management to manage their budgets and count for the internationalization effort. In the meantime, family business leaders need to have a qualified human resource department to improve their human resources and constitute qualified team. Family business leaders should establish a clear organization structure based on the business strategy required for internationalization. Finally, family business leaders should work on standardizing their

products and services based on the global standard. Completing these requirements for any family business indicates the readiness for the internationalization effort.

In preparing the family business for internationalization, family business leaders should start researching the international market that satisfies the characteristics under the second theme. The market should be stable, organized with clear regulations, and welcome the foreign investments. Once family business leaders identify the international markets or market options, they need to start scanning the internationalization opportunities and apply the characteristics under the third theme. Family business leaders need to select internationalization opportunities using the following criteria: (a) that are closer in psychic distance, (b) where the leaders have available relationships in the international market, (c) to support family business growth strategies, (d) to address international market demand with the capacity family business leaders have to satisfy that demand, and (e) that the timing is right for the family business to expand internationally. Selecting an internationalization opportunity based on these characteristics may assist family business leaders to achieve successful internationalization.

The findings of this study should be of interest to family business leaders. Applying the findings may help family business leaders sustain their business and achieve successful internationalization. Furthermore, all stakeholders working with family business may be interested in understanding these results. In addition, the study findings may be of interest to the decision makers in the Ministry of Commerce and Industry. The dissemination of these findings can be communicated through general conferences and training courses. At the conclusion of this study I sent a summary of the

findings to the family business leaders.

Recommendations for Further Study

Further studies need to be conducted to cover other detailed issues that were not addressed in this study. I recommend directing a study to compare the internationalization of Saudi products versus services. This comparison could explore detailed internationalization requirements for services and products and build specific strategies for services and products. My findings in this study warrant further investigation to compare the characteristics under each of the three main themes to provide the family business leaders with a list of priorities. Considering the impact of the qualified resources in the family business, I suggest further study on strategies to enhance family business human resource department to improve their human resources (or human capital).

Reflections

The research findings indicated the chance for Saudi family business to achieve internationalization. Currently, many Saudi family businesses have strong financial capabilities due to a strong economy; however, yet still did not satisfy their internationalization need due to the absence of internationalization knowledge and expertise. Furthermore, the Saudi government is trying to promote all Saudi family business leaders to boost the local economy and reduce the unemployment rate (SAGIA, 2013). Family business leaders have the opportunity to ask for governmental support to achieve internationalization in terms of long term loans and other facilities. Participants mentioned in the interviews that the Saudi product is demanded internationally because

of the high quality and low cost. Family business leaders need to take advantage of this demand and start building products to meet the international demand.

Summary and Study Conclusions

Internationalization is an essential strategy for Saudi family business leaders. The findings of the study may assist family business leaders in achieving successful internationalization. The first step in the internationalization process is to attain partially or completely several essential characteristics in the family business. These characteristics include having proper strategy, financial capability, qualified resources, well-structure and policies, and products or services as per the global standard. Satisfying these characteristics in the family business will assist qualify the family business to succeed in the internationalization initiatives. In the meantime, family business leaders should look for suitable market to start their internationalization. The targeted market should be stable, organized with clear regulations, and welcome the foreign investments. These characteristics comprise the main requirements that family business leaders need to look for in any international market before initiating any internationalization effort. Furthermore, if family business leaders are ready to internationalize and have found the suitable international market or markets, then family business leaders should start looking at different internationalization opportunities in the targeted market. In order to select an internationalization opportunity, family business leaders need to select internationalization opportunities using the following criteria: (a) that are closer in psychic distance, (b) where the leaders have available relationships in the international market, (c) to support family business growth strategies, (d) to address international

market demand with the capacity family business leaders have to satisfy that demand, and (e) that the timing is right for the family business to expand internationally. Applying the findings from this study, Saudi family business leaders may use the characteristics of successful internationalization practices as a guide for successful internationalization.

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Appendix A: Informed Consent Form

CONSENT FORM

You are invited to take part in a research study of internationalization of family businesses in Saudi Arabia. The researcher is inviting decision makers in international family businesses in Saudi Arabia to be in the study. This form is part of a process called “informed consent” to allow you to understand this study before deciding whether to take part.

This study is being conducted by a researcher named Farid Bouges, who is a doctoral student at Walden University.

Background Information:

The purpose of this study is to explore how Saudi family businesses successfully planned and implemented internationalization.

Procedures:

If you agree to be in this study, you will be asked to:

- Participate in an individual interview regarding the internationalization of family businesses
- The interview will be audio recorded for further analysis by the researcher
- Researcher might ask you a follow-up questions if further explanation is needed in your answers and to confirm the understanding of your answers
- You can share any public related business documents to support your answers if you like
- The interview may take up to one hour with a couple follow-up interviews take

less than an hour

Here are some sample questions:

What were the motives for your business to go international?

What are the main challenges internally and externally to achieve internationalization?

Voluntary Nature of the Study:

This study is voluntary. Everyone will respect your decision of whether or not you choose to be in the study. No one will treat you differently if you decide not to be in the study. If you decide to join the study now, you can still change your mind later. You may stop at any time.

Risks and Benefits of Being in the Study:

Your personal information will remain confidential, so there is no personal risk associated with participating in the study, nor will it have a negative impact on your standing within your organization. Being in this study would not pose risk to your safety or wellbeing.

The benefit of the study would assist family business owners and decision makers to pursue internationalization in the correct way, which will improve the economy and improve the business environment.

Payment:

There will be no payment provided for participating in this study.

Privacy:

Any information you provide will be kept confidential. The researcher will not

use your personal information for any purposes outside of this research project.

Furthermore, the researcher will not include your name or anything else that could identify you in the study reports. Data will be kept secure by the researcher. Data will be kept for a period of at least 5 years, as required by the university.

Contacts and Questions:

You may ask any questions you have now. Or, if you have questions later, you may contact the researcher via farid.bouges@waldenu.edu. If you want to talk privately about your rights as a participant, you can call Dr. Leilani Endicott. She is the Walden University representative who can discuss this with you. Her phone number is ***001-612-312-1210***.

The researcher will give you a copy of this form to keep.

Statement of Consent:

I have read the above information and I feel I understand the study well enough to make a decision about my involvement. By replying to this email with the words, “I consent”, I understand that I am agreeing to the terms described above.

Appendix B: Interview Questions

1. What is your name and job title?
2. What are the mandatory characteristics of local family businesses to be able to compete in the global market?
3. What are the strategic considerations needed for family businesses before going global?
4. What were the motives for your business to go international?
5. What are the main challenges internally and externally to achieve internationalization?
6. How did you select the country to commence internationalizing your business?
7. How did your products changed due to internationalization?
8. How do you describe your internationalization experience?
9. How was the perception of internationalization by the owning family?
10. What are the main strategies your family business took to achieve internationalization?
11. How does internationalization affect the control of the family over the business?
12. How does internationalization affect the overall performance of the family business?
13. Would you like to add any other information?

Curriculum Vitae

Farid Fouad Bouges

ACADEMIC CERTIFICATES

- Walden University, Minneapolis, MN, USA
Doctor of Business Administration-International Business,
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- King Abdulaziz University, Jeddah, Saudi Arabia
Master of Science-Electrical Engineering, 2005
- King Abdulaziz University, Jeddah, Saudi Arabia
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PROFESSIONAL CERTIFICATES

PMP, PRINCE2 Practitioner, PRINCE2 Foundation, Six Sigma Black Belt, MCITP,
MCTS, PMOC, MCP, ITIL Foundation

PROFESSIONAL EXPERIENCE

- SAC for Training & Consulting, Jeddah
2008 – Present, Project Management Trainer & Consultant
- United Management Techniques, Jeddah
2008 – Present, PMO Director
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1998 – Present, Information Technology