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# Family ownership and the export performance of SMEs: the moderating role of financial constraints and flexibility

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## Abstract

**Purpose** – This article investigates the relationship between family ownership and export performance in the context of SMEs while also considering the moderating role of the financial dimension and, in particular, financial constraints and financial flexibility.

**Design/methodology/approach** – We select a sample of 1,132 Italian SMEs to examine through an econometric analysis the role and impact of family ownership and the financial moderating variables being used on their export performance.

**Findings** – The results indicate that there is a U-shaped relationship between family ownership and export performance: the highest levels of export performance correspond to the lowest and highest family ownership levels, whereas when a mixture of family and nonfamily ownership exists, the performance suffers because of "conflicting voices" dominating strategic visions and approaches, harming the firm's export commitment. Moreover, the findings show that lower financial constraints and/or stronger financial flexibility improve the relationship between family ownership and export performance.

**Research limitations/implications** – Our findings show that the ownership structure is important for export performance; in particular, firms should avoid a mixture between family and nonfamily ownership because it is detrimental to export performance. Moreover, Italian SMEs need to develop sources of financing other than the banking channel, and policy makers should favour this process to overcome financial constraint problems and improve financial flexibility. Limitations concern the use of other econometric approaches and measurement variables to further investigate the connection between family ownership and export performance.

**Originality/value** – The present study enhances the comprehension of the complex relationship between family ownership and export performance by documenting the relevance of the level of family ownership and considering the moderating role of financial constraints and flexibility.

**Keywords** Family ownership, SMEs, Export performance, Financial constraints, Financial flexibility

**Paper type** Research paper

## 1. Introduction

Research has suggested that ownership type significantly influences a firm's strategic choices (George *et al.*, 2005; Zahra, 1996) because ownership type is related to different



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degrees of risk propensity and a firm's resource endowment. In this sense, it also influences internationalisation. The role of ownership in SMEs' internationalisation is one of the main themes that has been investigated over the past 20 years; most of these studies seek to find a relationship between family ownership of SMEs and their level of internationalisation. Since Gallo and Sveen's (1991) seminal article, research on the internationalisation of family firms has grown considerably (Thukral and Jain, 2021). However, this issue is still critical, and various topics remain to be explored (De Massis *et al.*, 2018). Above all, there is still a lack of consensus on the degree of influence of family ownership on a firm's internationalisation (Morais and Ferreira, 2020; Alayo *et al.*, 2021; Lahiri *et al.*, 2020). Specifically, the empirical studies investigating the relationship between family ownership and firms' exporting performance have provided mixed and inconclusive results, and very few explore this relationship in the SME context (Cho and Lee, 2017; Fernández and Nieto, 2005, 2006). Therefore, our study aims to shed light on the role that family ownership may play in SMEs' export performance.

We focus on family ownership because family firms display some unique characteristics compared with nonfamily ones. "Familiness" is defined by Habbershon and Williams (1999) as the unique bundle of resources this kind of firm has because of the systems interaction between the family, its individual members and the business. This is why family firms are characterised by a corporate governance structure that differs from that of nonfamily businesses. In particular, the ownership of family enterprises is generally concentrated on a single person or a few people with close family relationships (fathers, mothers, sons, nephews, etc.); the owners are actively involved in the management of the firm as managers and/or members of the board of directors and these businesses are run by the first or a subsequent generation. Moreover, the fundamental role of ownership is even more evident for SMEs, where ownership and management often overlap (Brunninge *et al.*, 2007).

Another peculiar feature of family firms is their noneconomic goals. In fact, even if both family and nonfamily firms have noneconomic objectives representing the dominant coalition, the former have noneconomic goals reflecting the interests of the controlling family, including its vision, attitudes and intentions (Chrisman *et al.*, 2012). From this perspective, family firms need to create, safeguard and nurture their socioemotional wealth (SEW), which can be defined as a group of several elements, including identity, the ability to exercise family influence and the perpetuation of a family dynasty (Gómez-Mejia *et al.*, 2007). The creation, safeguarding and nurturing of SEW require autonomy and control, family cohesiveness, supportiveness, harmony, loyalty, pride, family name recognition, respect, status, goodwill in the community (Zellweger *et al.*, 2013), the need to transfer the business to future generations and the desire to sustain the family's image and reputation (Naldi *et al.*, 2013). As a dimension distinguishing family-controlled firms from nonfamily-held ones, SEW can help explain the differences in export performance based on family ownership.

We also choose to concentrate on export performance because exporting is a key path when it comes to boosting firm growth and performance; it is the initially preferred internationalisation method and the most widely used strategy of internationalisation (Paeleman *et al.*, 2017), especially by SMEs (Merino *et al.*, 2015).

However, when it comes to examining the relationship between family ownership and export performance, simply considering the level of family ownership is not enough because some moderating factors are also relevant. Thus, we select the financial dimension as a moderating factor influencing strategic decisions and actions, specifically the exporting process of SMEs. In particular, SMEs may encounter financial restrictions that may impede or hamper the very first and largely employed approach towards internationalisation, that is, exporting, even though financial frictions are relevant for any kind of entry decision or strategy in foreign markets because of fixed entry costs. Specifically, we focus on financial constraints and flexibility as the financial moderating variables mediating the exporting

investments and performance of SMEs. SMEs have limited or no access to financial markets and are often perceived as more opaque and, thus, risky by lenders, mostly by banks in bank-oriented financial systems. This makes it hard for these businesses to expand abroad (Merino *et al.*, 2015). As further argued by Mandl (2008, p. 94), "family firms are often reluctant to take in external investors because they do not want to share control. However, limited family budgets and collateral and limited access to bank loans hamper the growth of a potentially auspicious company. (. . .) it is more difficult to decide on how to expand, particularly in the field of globalisation/internationalisation, if a lower level of finance is only available". Therefore, we assume that more financially solid SMEs, that is, those firms with high flexibility and/or low financial constraints because they have low leverage and/or large liquidity, will find it easier to employ the necessary resources (debt and/or available cash reserves) to finance export activities. In addition, in the case of family-controlled firms, spare debt availability implies the possibility of financing export investments without resorting to the use of external equity (i.e. capital from nonfamily members) and, thus, sharing control with nonfamily owners. In fact, family-controlled firms need to maintain long-term control over the business by maximising (minimising) the employment of debt (external equity) to safeguard their SEW (Burgstaller and Wagner, 2015). Moreover, to the best of our knowledge, no paper has investigated the moderating effect of financial variables on the exporting process, here distinguished on the basis of family ownership.

Following the preceding discussion, our work fills a relevant gap by both analysing the influence of family ownership on the export performance of SMEs and the impact of financial constraints and flexibility on the influence of family ownership on the export performance of SMEs.

In summary, the research questions to be addressed are as follows:

*RQ1.* How much does family ownership influence the export performance of SMEs?

*RQ2.* If and how much do financial constraints and flexibility moderate the influence of family ownership on the export performance of SMEs?

Our questions are tested on a sample of 1,132 Italian SMEs that are active across various industries. Italy represents a unique setting to investigate the role of family ownership in SMEs' export performance and the influence of financial variables because of some peculiarities of its economy. Specifically, Italy has a bank-based economy and a large number of family-held firms. In fact, according to ISTAT (Istituto Nazionale di Statistica–Italian Central Statistics Institute, 2020), the Italian production system is characterised by a considerable number of firms controlled by an individual or family: for the year 2018, these firms represented 75.2% of Italian production units with at least 3 employees and 63.7% of those with at least 10 employees. Hence, family ownership of a firm is very widespread in Italy.

Our contribution to the literature is both theoretical and empirical. Theoretically, we add additional insights into the drivers of export performance among SMEs. We highlight the positive influence of high and low family ownership on the export performance of SMEs and the mediating role of financial constraints and flexibility in enhancing or weakening the relationship between family involvement and export performance. Empirically, exploring these issues provides the opportunity to develop the literature on the advantages and drawbacks of family ownership on export performance that, so far, has generated mixed and inconclusive results and that very seldomly has referred to the SME context (Cho and Lee, 2017; Fernández and Nieto, 2005, 2006). We also contribute to the debate on the need for opening up to external equity and investors to multiply financial resources other than bank lending, especially for credit-constrained firms, hence allowing them to boost their exporting strategies and performance. Additionally, by focusing on Italian SMEs, which are situated in

a bank-oriented financial system, the current research provides a unique possibility for studying the interaction between family ownership and export performance, as well as the moderating role of financial variables in the context of this relationship. Finally, our work can also facilitate comparisons between SMEs of countries with either similar or different financial systems in terms of development and characteristics (bank oriented vs. market oriented).

The remainder of the present paper is structured as follows: The next section discusses the most recent literature concerning the relationship between family ownership and export performance. From this discussion, three research hypotheses are formulated, and a path model is presented. Then, we describe the research context and methods and present the findings of the empirical work. Finally, the paper ends by highlighting the results and the main theoretical and practical implications of the study, the limitations and suggested future lines of research.

## 2. Literature review and hypothesis development

### *2.1 The internationalisation of family firms: the role of family ownership*

Research on the internationalisation of family firms started with the seminal article of Gallo and Sveen (1991); since then, much research has been published, investigating the differences between family and nonfamily firms (Crick *et al.*, 2006), especially in the last decade (Casprini *et al.*, 2020). A recent literature review indicates that family firms' internationalisation is a growing and evolving research area: here, the annual percentage growth rate in the number of articles published from 1991 to 2019 is about 10.5% (Thukral and Jain, 2021).

Because empirical studies show some contradicting evidence, we can categorise previous works into two approaches:

(1) The "*restrictive approach*" (e.g. Graves and Thomas, 2008; Fernández and Nieto, 2006; Sciascia *et al.*, 2012; Monreal-Pérez and Sanchez-Marin, 2017; Ray *et al.*, 2018) takes the stance that family firms internationalise less than nonfamily firms because of some constraining factors (e.g. a lack of financial and human resources or managerial capabilities, risk avoidance, conservative attitudes or the need to control the family's SEW); this "restrictive approach" draws from agency theory, the behavioural agency model, resource dependence theory and transaction cost economics. According to some authors, the family nature of a business is reflected in a marked focus on the defence of an existing market position rather than on international growth (Nas and Kalaycioglu, 2016); recently, Yang *et al.* (2020) show that the stronger the family-specific influence and the resulting SEW aspirations, the lower the actual engagement in export activities.

(2) The "*facilitative approach*" (e.g. Zahra, 2003; Gallo and Pont, 1996; Okoroafo, 1999; Graves and Thomas, 2008; Chen *et al.*, 2014; Marin *et al.*, 2017; Cho and Lee, 2017) states that the characteristics of family firms can sustain internationalisation because some factors act as facilitators (e.g. organisational culture promoting flexibility, strong social capital among family members and commitment to the long-term and stewardship behaviours); this "facilitative approach" draws from stewardship theory, social capital, trust and altruism (Arregle *et al.*, 2017).

Moreover, some studies show that no direct relationship exists between family involvement in the firm (in terms of ownership and management) and the firm's internationalisation level (Casillas and Acedo, 2005).

In sum, broad consensus exists that family firms possess idiosyncratic features and that their "resource reservoirs" are unique, impacting the firm's international performance in a

unique way. However, the literature diverges on whether these unique features facilitate or constrain internationalisation (Arregle *et al.*, 2021).

This mixed evidence mainly emerges because of the view of the heterogeneity of family firms (Perri and Peruffo, 2017) and could be explained by the presence of some moderating factors that influence the internationalisation expansion. One of the most significant differentiating factors among family firms regards family involvement in the ownership of the firm, which is indicative of the family influence on the firm.

Depending on this involvement, committed resources to foreign markets and internationalisation strategies may be very different, leading to varying export performances. It is worth noting that export commitment is a major factor impacting firms' internationalisation process and results (Casillas *et al.*, 2010). Commitment determines how aggressively a firm leverages its resources to expand its presence abroad; therefore, export commitment/support is fundamental for the success of exporting strategic action (Sousa *et al.*, 2008) because when commitment is high, uncertainty is reduced, and marketing strategy can be implemented effectively (Aaby and Slater, 1989), leading to better performance (Cavusgil and Zou, 1994; Styles and Ambler, 2000). This commitment largely depends on the family's vision, objectives and long-term view of financial returns (patient capital).

The conceptual and empirical research indicates that family involvement matters for internationalisation, yet the consequences of this involvement remain unclear (Herrera-Echeverri *et al.*, 2016; Thukral and Jain, 2021). To clarify this aspect, in Table 1, we provide a list of previous studies; we have selected only empirical quantitative research on the relationship between export performance (as measured by export intensity) and family ownership. For each study, the theoretical framework, the methodology and the main findings are reported; hence, consensus on how family ownership affects export intensity remains inconclusive.

Some authors have documented a positive relationship with export intensity (Zhara, 2003; Chen *et al.*, 2014; Cho and Lee, 2017; Marin *et al.*, 2017; Zhou *et al.*, 2019). Both Zahra (2003) and Marin *et al.* (2017) support the stewardship theory, having found that family involvement in the ownership of a firm improves the performance of the internationalisation process because the family members see this strategy as a way to ensure the long-term sustainability of the company and obtain nonfinancial goals (SEW). Cho and Lee (2017) reach the same conclusion, drawing on resource-dependent theory and agency theory; they show that Korean SMEs with high family ownership accumulate strategic capabilities and resources and exploit agency benefits that favour export performance. Zhou *et al.* (2019) show that family ownership is a special resource that can provide family firms with the needed resources for internationalisation, such as family human capital, social capital, patient capital and survivability capital. In contrast, other researchers have found a negative relationship between family firms and export performance (Fernández and Nieto, 2005, 2006; Ray *et al.*, 2018), showing that the disadvantages of family ownership outweigh the benefits. In particular, Fernández and Nieto (2006, 2005) conclude that family ownership is an obstacle to the development of a portfolio of strategic resources that are useful for succeeding in foreign markets; moreover, some agency problems arising from the conflicts of interest between family and business and the difficulties in obtaining financial resources and accumulating intangible resources represent additional barriers to export performance.

Finally, in three other studies, researchers have found an inverted U-shape forming between family ownership and export intensity (Sciascia *et al.*, 2012; Memili *et al.*, 2017; Mitter *et al.*, 2012), recognising that family involvement may have positive effects up to a certain level of family ownership and then negative effects afterwards.

As a consequence of these inconsistencies, more studies on the topic are needed (Nas and Kalaycioglu, 2016). We aim to reconcile these different perspectives by reading the

**Table 1.** Effect of family ownership on export intensity of family business

| | Authors and years | Theoretical framework | Independent variable | Sample | Methodology | Findings |
|---|---|---|---|---|---|---|
| 1 | Manogna and Mishra (2021) | Not specified | Family ownership (1 if the family holds 10% of the share and it is represented as the single largest shareholders in a firm, 0 if not) | 2,695 Indian firms | Quantitative (regression analysis) | Negative |
| 2 | Yang *et al.* (2020) | SEW theory | Family ownership (% of the firm's equity held by family members) | 1,542 Chinese family SMEs | Quantitative (regression analysis) | Negative |
| 3 | Zhou *et al.* (2019) | Institution-based perspective | Family ownership (% of the firm's equity held by family members) | 274 Chinese family firms | Quantitative (regression analysis) | Positive |
| 2 | Ray *et al.* (2018) | Socio-emotional wealth + agency theory | Promoter family ownership (controlling family's aggregate equity shareholdings) | 303 Indian family firms | Quantitative (regression analysis–GLS) | Negative |
| 3 | Wasowska (2017) | not specified | Concentration of ownership (100% family) | 6,957 European family firms | Quantitative (regression analysis) | Not significant |
| 4 | Majocchi *et al.* (2017) | Transaction cost analysis (bifurcation bias) | Family influenced (not controlled) firms (1 or 0), external capital | 6,893 European family SMEs | Quantitative (regression analysis) | Positive |
| 5 | Pacheco (2017) | Agency theory | Family ownership (family or not) | 82 Portuguese wine firms | Quantitative (regression analysis) | Not significant |
| 6 | Memili *et al.* (2017) | Transaction cost theory | Family ownership (% of the firm's equity held by members of the family) | 386 S&P 500 firms | Quantitative (regression analysis) | Inverted U-shaped |
| 7 | Cho and Lee (2017) | Resource dependence theory + agency theory | Family ownership (% of shares held by the largest shareholder and other entities having a special relationship with the shareholder) | 232 Korean SMEs | Quantitative (GEE model) | Positive |
| 8 | Marin *et al.* (2017) | Not specified | Family ownership (% of the firm's equity held by family members) | 58 Spanish firms | Quantitative (regression analysis) | Positive |
| | Majocchi *et al.* (2016) | Socio-emotional wealth + agency theory | Family ownership (first ultimate shareholder: families or others) | 1,315 English, Polish, Italia, French, Spanish firms | Quantitative (regression analysis) | Depend on the country: negative in UK but not in continental Europe |

(*continued*)

Table 1.

| | Authors and years | Theoretical framework | Independent variable | Sample | Methodology | Findings |
|---|---|---|---|---|---|---|
| 9 | Chen *et al.* (2014) | Agency theory + resource based view | Family ownership (% of the firm's equity held by family members) | 77 Taiwanese SMEs | Quantitative (regression analysis) | Positive |
| 10 | Sciascia *et al.* (2013) | Stewardship perspective + stagnation perspective + upper echelons perspective | Family ownership (% of the firm's equity held by the owning family) | 203 U S. family firms | Quantitative (ordinal regression analysis) | Inverted U-shaped |
| 11 | Calabrò *et al.* (2009) | not specified | CEO ownership (%) | 342 Norwegian firms | Quantitative (regression analysis) | Negative |
| 12 | Mitter *et al.* (2012) | Resource based view + agency theory + stewardship theory | Family influence (SFI)- ownership, management and board | 479 Austrian firms | Quantitative (regression analysis) | Inverse U-shaped form |
| 13 | Sciascia *et al.* (2012) | Stewardship perspective + stagnation perspective | Family ownership (% of the firm's equity held by family members) | 1,035 US family firms | Quantitative (regression analysis) | Inverted U-shaped |
| 14 | Arregle *et al.* (2012) | Resource dependence theory | External ownership (% of the firm's shares not held by members of the owner family) | 351 Swedish SMEs family-controlled | Quantitative (regression analysis) | Positive |
| 15 | Liu *et al.* (2011) | Not specified | Family ownership (% of the firm's equity held by family members) | 179 Taiwanese high-tech firms | Quantitative (regression analysis) | Negative |
| 16 | Fernandez and Nieto (2006) | Resource based view | Family ownership (family or not: firm belong to a family with one or more members in managerial positions) | Spanish SMEs | Quantitative (regression analysis) | Negative |
| 17 | Fernandez and Nieto (2005) | Resource based view | Family ownership (family or not: firm belong to a family with one or more members in managerial positions) | Spanish SMEs | Quantitative (regression analysis) | Negative |
| 18 | Zahra (2003) | Stewardship theory | Family ownership (% of the firm's equity held by the owning family and by inside directors who were also family members) | 409 US manufacturing firms | Quantitative (regression analysis) | Positive |

**Note(s):** [1] The list covers only empirical quantitative researches regarding the relationship between export performance (measured by export intensity) and family ownership

relationship between family ownership and export performance through the lens of the resource-based view (Rau, 2014; Sirmon and Hitt, 2003; Habbershon and Williams, 1999; Grant, 1991) and the SEW approach (e.g. Gómez-Mejia *et al.*, 2007; Berrone *et al.*, 2012; Gómez-Mejia *et al.*, 2011; Zellweger *et al.*, 2012, 2013; Chrisman *et al.*, 2015; Miller and Le Breton-Miller, 2014). We select these approaches because they can complement our understanding of this relationship, focusing on the economic interest of owners—the first one—and their noneconomic interest—the second one. In fact, it is well-known that family firms face goal trade-offs between economic and noneconomic aims, resulting in self-control agency problems (Thaler and Shefin, 1981). Moreover, we position our research from an "ability and willingness perspective" (De Massis *et al.*, 2014, 2018; Fang *et al.*, 2018). The *ability* is the necessary authority to translate goals—for example, to preserve SEW or maximise profit—into firm strategic decisions and execution—for example, export strategies—and to apply resources—that is, export commitment—to reach those goals. The choice between the competing goals determines the allocation of firm resources to certain strategic directions rather than others, that is, the *willingness* to engage in a particular behaviour. Additionally, the ability–willingness framework, which is derived from the resource-based view, and SEW are issues distinguishing family-held from nonfamily-held firms that can help explain the differences in export attitude and performance between the former and latter. Such differences are important in the context of our investigation.

Following this line of reasoning, we expect that the relationship is not linear because of two opposite trends: negative in the first part (from a low to medium level of family ownership) and positive in the second part (from a medium to high level of family ownership). The highest levels of export performance would be at the opposite ends—the lowest and highest family ownership—whereas the lowest export performance would correspond to limited family ownership.

The lowest export performance for limited family ownership may depend on agency problems that could emerge between family owners and nonfamily owners (an agency problem Type II or secondary agency issues). This has come to be known as the principal–principal (PP) model of corporate governance, which centres on the conflicts between the controlling and minority shareholders, that is, between the different groups of principals in the firm (Young *et al.*, 2008; Singla *et al.*, 2014). As shown by Hoskisson *et al.* (2002), different types of owners often have their own distinct and potentially conflicting preferences, leading to different strategic objectives. This is particularly true in the case of family involvement, where family owners and nonfamily owners—who may be more concerned with short-term goals and different strategic visions—show completely different aims; therefore, "conflicting voices" could be particularly significant, hindering efficient decision processes and explaining the lowest export performance.

On the contrary, when family ownership is high, both the ability and willingness to internationalise would become stronger. In correspondence with high family ownership, family wealth is closely related to firm performance (Shyu, 2011), and family owners have substantial economic incentives to maximise firm value (Anderson and Reeb, 2003; Kim *et al.*, 2008) because of their concentrated ownership. In this case, we would expect a greater potential salience of economic goals and, as a consequence, willingness to commit resources to exporting strategies that could positively impact export performance. Moreover, a high family ownership also results in more voting power for the family members and in a greater ability to influence strategic decisions (such as those regarding internationalisation) based on the family's interests. High family ownership means that family power over managerial decisions is high and that CEOs are usually family members. Furthermore, a high family ownership implies strong control by the family over the business. This allows the family to safeguard and strengthen an important dimension of its SEW—the perpetuation of a sound

family firm through subsequent generations—thanks to a diversification process represented by internationalisation, which lowers the business risk.

At the opposite end, when family ownership is very low or nonexistent, non-family experts have more decision-making power and they may show more commitment towards internationalization: it is well known the relevance of outside resources, competences and expertise in managing export operations successfully; on the contrary, family human resources often lack these precious assets (Graves and Thomas, 2004). Here again, an unambiguous and clear approach to international strategies that are driven by nonfamily people and mainly based on the economic goal of value creation will boost export commitment and, hence, export performance.

In synthesis, the relationship between family ownership and export performance depends on the level of family ownership; at the extreme levels, the export performance is higher than at the middle level. When a substantial mixture between family and nonfamily ownership exists, export performance suffers.

Formally, we state the following:

*H1*. There will be a U-shaped relationship between family ownership and the export performance of SMEs, with the highest export performance occurring at low and high levels of family ownership.

### *2.2 The moderating role of financial constraints and flexibility*

The internationalisation process requires huge investments; export growth is a resource-demanding strategy because of the need to gather information about foreign markets, adapt offers to the foreign customers' preferences, develop foreign sales and so forth; in addition, many of these costs are nonrecoverable fixed costs (sunk costs). Therefore, financially constrained (flexible) firms are likely to find it problematic (easy) to undertake and implement such internationalisation processes and, in particular, exporting strategies.

We define financially constrained enterprises as those that have difficulty accessing debt finance because of asymmetric information between the firms and their lenders. Specifically, if financiers cannot properly assess the firms' quality on the whole and the quality of their investments (Stiglitz and Weiss, 1981), as in the case of smaller firms (Hadlock and Pierce, 2010), which are more informationally opaque, these firms may not be able to borrow because they will be deemed as too risky. Higher liquid assets and lesser amounts of debt lower risk perception on the part of lenders, make businesses less financially constrained and allow them to raise debt financing more easily to develop export activities.

We consider financially flexible firms as those firms that can easily employ financial resources to meet the funding needs to finance their projects of investments. Here, financially flexible firms have a spare capacity for borrowing, which enables them to take on debt for future expansion (Ferrâo *et al.*, 2016). Specifically, today's borrowing cost is the opportunity cost of the inability to borrow tomorrow (DeAngelo and DeAngelo, 2007). Therefore, firms prefer to have very little debt and large cash reserves today to maintain their borrowing capacity for financing tomorrow's investment opportunities (Dang, 2013). Furthermore, liquidity improves the financial flexibility of firms because it allows firms to benefit from readily available financial resources to finance future investment projects. Consequently, low leverage and large liquidity make firms financially flexible and cause them to acquire debt in the future for internationalisation processes.

We focus on liquidity and leverage because the literature has shown that both are relevant factors associated with financial constraints (Greenaway *et al.*, 2007; Minetti and Zhu, 2011; Nagaraj, 2014) and financial flexibility (Byoun, 2008; Lins *et al.*, 2010). We expect that firms with more liquid assets and/or lower leverage—that is, businesses showing greater ability to repay their outstanding debts and related interest (less constrained firms) and a higher

possibility of financing new projects of investment (more flexible firms)—will be able to better undertake internationalisation strategies and improve export performance. The use of the two variables (liquidity and leverage) provides a complete and thorough analysis of the role of financial constraints and flexibility for the firms in our sample. In other words, to the extent to which they give the expected results, they highlight the importance of stronger flexibility and lower constraints in enhancing the relationship between family ownership and export performance.

Regarding liquidity and, as previously argued, in an asymmetric information relationship between borrowers and lenders, higher liquidity lowers the risk perception of lenders, thus facilitating a business with access to credit and lowering a firm's financial constraints. In fact, there is a certain number of papers that posit that liquidity matters for exporting; in particular, liquidity constraints are a key determinant of the export behaviour of firms (Chaney, 2016; Minetti and Zhu, 2011). Liquidity also represents a component of the financial flexibility of a firm because it is an exceeding and readily available amount of resources that can be used to initiate or develop new strategies (Bourgeois, 1981). In this respect, positive effects could be reconnected to behavioural theory: first, acting as a buffer, liquidity offers organisations the needed flexibility to quickly respond and react to environmental changes (Bourgeois, 1981). Second, it can contribute to reducing internal political activity and intraorganisational conflicts by allowing diverse goals to be pursued simultaneously (Bourgeois, 1981). Finally, liquidity can offer the necessary manoeuvring room for firms to experiment and implement domestic or international strategies. Specifically, liquidity provides firms with the autonomy and resources necessary to explore new solutions and opportunities, thereby facilitating risk taking (Mishina *et al.*, 2004). Export strategies are a case in point: potentially available resources reduce the anxiety and concern over foreign market risk and contribute to overcoming the uncertainties arising from the liability of foreignness (Zaheer, 1995).

Following this line of reasoning, we suggest that liquidity has positive effects on the export performance of SMEs because it increases the financial flexibility of the firm, decreases the risk perception and financial constraints and stimulates export commitment. Hence, our next hypothesis is as follows:

*H2.* Liquidity positively moderates the relationship between family ownership and the export performance of SMEs.

As far as leverage is concerned, the literature has identified low leverage as a tool for maintaining financial flexibility (DeAngelo and DeAngelo, 2007; Byoun, 2008; Lins *et al.*, 2010) and avoiding financial distress in the face of negative shocks (Gamba and Triantis, 2008).

Flexible firms are better equipped to make future expansions or profit from favourable opportunities or to meet expected future needs (Byoun, 2008; Graham and Harvey, 2001). Following this line of thought, financial flexibility influences corporate investment decisions (Arslan-Ayaydin *et al.*, 2014), that is, the selection of investment projects and cost of capital. In sum, low-leverage and, hence, flexible businesses can borrow at low rates of interest (capacity) when new valuable investment opportunities can be exploited for expansion on foreign markets via exporting activities.

Furthermore, higher leverage generates financial constraints because it increases firms' risk of financial distress, which may lead firms to undergo a short-term approach in deciding their investments or giving them up. In fact, lenders negatively assess high-leverage firms, thus providing these firms with short-term debt capital or rejecting their applications for loans. In turn, this could undermine exporting, which is a long-term strategy, requiring available (long-term debt) capital. Basically, low debt decreases the risk perception of lenders;

hence, low-leverage businesses are less financially constrained and can easily raise debt capital (ability) to be invested in foreign markets, improving their export performance.

Therefore, we can expect that more flexible and less financially constrained SMEs, that is, SMEs with low levels of indebtedness, will be better able to exploit foreign opportunities while also minimising the necessity of sharing control with nonfamily owners in the case of family-held businesses. In fact, low leverage provides SMEs with the additional capacity (flexibility) and ability (accessibility) to obtain debt capital to invest in foreign markets when needed. Thus, we assume a negative impact of (high) leverage on the relationship between family ownership and the export performance of SMEs. Hence, our last hypothesis is as follows:

*H3.* Leverage negatively moderates the relationship between family ownership and the export performance of SMEs.

Our full hypothesised path model is illustrated in Figure 1.

## 3. Method

### *3.1 Sample and data*

The objective of the current study is to empirically explore how family ownership influences export performance in a sample of Italian SMEs. Italy provides an interesting context for exploring our research questions because of the intersection of some distinguishing characteristics:

(1) Italy is a small- and medium-sized financial market, with an underdeveloped stock market compared with Anglo-Saxon countries, and it is a bank-oriented economy (Gottardo and Moisello, 2014).

(2) There is a predominance of family firms, SMEs and private (nonlisted) firms.

(3) There is high ownership concentration: previous research (Corbetta and Montemerlo, 1999) notes that family assets in Italian firms, in contrast to US family-owned enterprises, are *more concentrated* in their businesses. Unlike their US counterparts, Italian family firms are less likely to transfer ownership outside the family (e.g. sell the company), partly because of much *less liquidity in both private and public markets* (Corbetta and Montemerlo, 1999).

(4) There is a peculiar institutional context, one where Italian company *law favours the family's control* at the expense of nonfamily shareholders (Bianchi *et al.*, 1997); as a consequence, Melis (2000) notes that minority shareholders are more likely to be the victims of blockholders (i.e. family).

In the Italian context, the comparatively underdeveloped capital markets and related governance shortcomings can give rise to "weak managers, strong blockholders, and unprotected minority shareholders" (Melis, 2000, p. 354), generating unique tensions between financial and nonfinancial objectives.

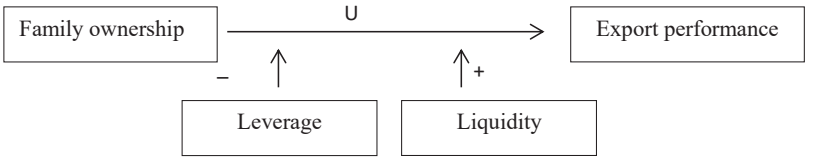



**Figure 1.**
Hypothesized path model

The peculiarities of the financial market and, to some extent, reluctance to give up control provide a unique opportunity to explore how financial resources are put to use when the contingency may exacerbate conflicts of interests between the family and its nonfamily shareholders. Because capital markets are relatively underdeveloped and family principals are reluctant to cede control over their firms, the availability of financial resources may play a more critical role given the relative absence of alternative capital sources.

As a consequence, the Italian market is an ideal context for studying the interaction between family business and export performance (e.g. Pongelli *et al.*, 2016) and investigating the moderating role of financial variables.

To define our sample, we collected data from Mint Italy (Bureau Van Dijk) for the year 2017. Several filters were used to define our sample. First, according to the European Union's definition of SMEs (EU recommendation 2003/361), we selected companies with an operating turnover between the 2,000,000 EUR and 50,000,000 EUR and number of employees between 10 and 250. Second, we only selected companies with a registered export activity. In this way, following the above-mentioned definition, we removed microenterprises and large firms. As a preliminary result, our sample consisted of 2,007 observations. Starting from that, we excluded 288 companies: 225 because they did not report export performance and 63 that were in a legal form of a cooperative (a so-called "società coooperative").

Governance and financial data were collected from AIDA, another Bureau van Dijck database containing comprehensive information on companies in Italy, with up to 10 years of history. Moving from our sample, we excluded 206 firms without data about their ownership/management structure; 379 did not have data on all the needed economic and financial variables. The final database includes a total of 1,133 companies.

The descriptive statistics of the sample are reported in Table 2. For the year 2017, the average export intensity of our sample is 38%, while the average firm age is 38 years.

Regarding data about the ownership and governance structure of such companies, as expected, the ownership concentration is quite high: on average, family members control more than 70% of company equity. In more detail, according to the data, the greatest majority (76.42%) has direct control of the business by owning at least half of the equity of the company, which is in line with our expectations. Moreover, 64% of the companies have a CEO family member, and in 34%, a family member is holding a dual role (CEO and chair of board of directors).

### *3.2 Variable measurement*

*Dependent variable: export performance.* Our dependent variable should be able to capture the level of internationalisation, so we chose *export intensity*, which is measured by using the percentage of sales generated from international markets in 2017. The export intensity represents a well-established measure of a firm's international expansion (Graves and Shan, 2014; Merino *et al.*, 2015; Calabrò and Mussolino, 2013), especially for small family firms (Reuber and Fisher, 1997; Okoroafo, 1999; Fernández and Nieto, 2006), which, because of limited resources, are less likely to engage in more committed modes of serving foreign markets, such as foreign investments. Arregle *et al.* (2017) state that export intensity is acceptable in studying the performance of SMEs that use exports.

*Independent variable: family ownership* is the total number of shares owned by members of the dominating family/ies (and their relatives) divided by the total outstanding shares (e.g. Anderson *et al.*, 2012; Matzler *et al.*, 2015). To identify shares held by dominating families and their relatives, the criterion of surname affinity applies; all stocks owned by different family owners are summed (Miller *et al.*, 2013; Perri and Peruffo, 2017). Data on ownership structure were drawn from AIDA and collected one year in the focal year (2017).

**Table 2.**
Descriptives

| | Mean | St. Dev | Min | Max | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Export Intensity | 0.38 | 0.28 | 0.0 | 1.0 | 1 | | | | | | | | | | | | |
| Family ownership | 0.71 | 0.36 | 0.0 | 1.0 | −0.01 | 1 | | | | | | | | | | | |
| Leverage | 0.57 | 0.21 | 0.0 | 1.2 | −0.05 | −0.09* | 1 | | | | | | | | | | |
| Liquidity | 1.49 | 1.24 | 0.1 | 9.7 | −0.01 | 0.07* | −0.29* | 1 | | | | | | | | | |
| Family board | 0.57 | 0.39 | 0.0 | 1.0 | −0.00 | 0.63* | −0.04 | 0.02 | 1 | | | | | | | | |
| Group | 0.99 | 0.10 | 0.0 | 1.0 | −0.03 | 0.06* | −0.013 | 0.03 | 0.06 | 1 | | | | | | | |
| Family CEO | 0.64 | 0.48 | 0.0 | 1.0 | 0.01 | 0.58* | −0.02 | 0.02 | 0.55* | 0.04 | 1 | | | | | | |
| CEO duality | 0.34 | 0.47 | 0.0 | 1.0 | 0.03 | −0.03 | 0.02 | −0.00 | −0.01 | 0.02 | 0.13* | 1 | | | | | |
| Number Board Member | 2.16 | 1.27 | 1.0 | 11.0 | 0.07* | −0.07* | −0.09* | 0.06* | −0.30* | −0.06* | −0.11* | −0.02 | 1 | | | | |
| ROI | 0.08 | 0.11 | −0.3 | 1.8 | 0.04 | 0.04 | −0.02 | 0.07* | 0.07* | 0.02 | 0.06* | 0.01 | −0.06* | 1 | | | |
| Age | 38.73 | 19.59 | 2.0 | 195.0 | −0.01 | 0.17* | −0.09* | 0.10* | −0.00 | −0.05 | 0.07* | −0.01 | 0.15* | −0.05 | 1 | | |
| Firm Size | 16.31 | 0.82 | 13.8 | 19.2 | 0.09* | 0.01 | −0.26* | 0.06* | −0.19* | −0.09* | −0.02 | −0.03 | 0.4* | −0.08* | 0.22* | 1 | |
| Service | 0.17 | 0.37 | 0.0 | 1.0 | −0.17* | −0.02 | 0.03 | −0.03 | 0.00 | 0.00 | −0.04 | 0.00 | −0.04 | −0.08 | −0.05 | −0.06* | 1 |
| Family Manager | 0.61 | 0.38 | 0.0 | 1.0 | −0.02 | 0.74* | −0.04 | 0.00 | 0.67* | 0.08* | 0.75* | −0.00 | −0.15* | 0.05 | 0.10* | −0.06* | −0.02 |

**Note(s):** $N = 1{,}132$; $^{*}p < 0.05$

*Moderating variables: liquidity and leverage*. The liquidity and leverage ratios are measures of financial constraints and flexibility. Both proxies are standard measures used in the literature (Greenaway *et al.*, 2007; Minetti and Zhu, 2011; Nagaraj, 2014). We use a common measure of *liquidity*, that is, current ratio (current assets/current liabilities); this measures the firm's ability to meet current obligations using cash and other current assets; rating agencies attach significant importance to this variable because it is assumed that the higher the current ratio, the more liquid the firm and fewer financial constraints it faces (Ramezani, 2011). Hence, it is a proxy for financial constraints and has been widely used in several studies (Alessandri *et al.*, 2014; Laffranchini and Braun, 2014; Lin *et al.*, 2009). In addition, liquidity, which is composed of cash or assets that can be converted into money relatively quickly, also represents a measure of financial flexibility. In fact, liquid assets enable firms to rapidly redirect funds as needed to respond to environmental changes (Bierly and Chakrabarti, 1996). *Leverage* is measured as the debt to assets ratio. It represents both a measure of financial constraints and financial flexibility. Higher debt causes firms to be perceived by lenders as risky, preventing them from obtaining adequate debt resources when needed (constraints) and low indebtedness today (flexibility) provides firms with the ability to borrow tomorrow.

*Control variables*. The empirical analysis controlled for factors that could affect export intensity, as identified by prior research. We used *n*. 10 variables at the firm, board and industry levels. The selected control variables lagged at $t - 1$ serve to address the reverse causality issue derived from the potential simultaneity of export intensity and some of the control variables included in the model. At the firm level, we included the following variables: *Firm age* is measured as the number of years since firm foundation; as Yip *et al.* (2018) find, the firm's age should be controlled because older firms show relatively more international market commitment and organisational resources, hence manifesting a higher level of international involvement. *Firm size,* as the log of a firm's total assets, is a proxy for the quantity and quality of the resources a firm may be endowed with (Dhanaraj and Beamish, 2003), as well as for the quality of management, technological intensity or investment in R&D, which directly influence export performance. In particular, larger family businesses have well-established connections within and outside of their industries, making it possible for them to enter international markets and intensify international entrepreneurial activities (Zahra, 2003). *Prior firm performance,* which is measured by the return on investments (*ROI*), accounts for firm efficiency; a positive relationship between past performance and internationalisation has been found in past research (Zahra *et al.*, 1997; Zhara, 2003). Some studies suggest that business group affiliation has a positive effect on export performance (Mitter *et al.*, 2014; Cerrato and Piva, 2012); therefore, we also control for the variable *group*, which is equal to 1 if the firm belongs to a group and 0 otherwise.

At the board level, previous studies have demonstrated that the composition and characteristics of the board of directors may have an influence on export performance (Calabrò *et al.*, 2009). Thus, we control for *family CEO,* which is equal to 1 when the CEO is a family member and 0 otherwise; *family manager,* which is the ratio between the number of family managers and the total number of managers; *CEO duality*, which is equal to 1 if the CEO is also the chair of the board and 0 otherwise; *family board,* which is calculated as the ratio of the directors belonging to the dominating family to the total number of directors on the board, here as a percentage (Schmid *et al.*, 2014) and the *number of board member*s, as reported in AIDA.

Finally, at the industry level, because internationalisation may vary by industry, we included the *service* dummy, which is an industry-based dummy equal to 1 when the SIC code is between 3,999 and 8,999.

## 4. Results

Table 2 presents the summary statistics and correlations for the variables used in our empirical analysis. Simple correlations indicate that *export intensity* is not significantly correlated with *family ownership*, *leverage* and *liquidity*. *Family ownership* is positively and significantly correlated with *liquidity* and negatively correlated with *leverage*. None of the correlation coefficients raises the potential problem of multicollinearity. Table 3 reports the results of the main analyses.

As other authors have done when studying export performance (Brouther and Nakos, 2005; Majocchi *et al.*, 2005), we used an ordinary least square (OLS) regression analysis to test the hypothesis.

In Model 1, we include only the control variables. In Model 2, we include family ownership in linear and quadratic form. Models 3 and 4 report the results for the interaction, respectively, for *liquidity* and *leverage*.

Overall, the results support our hypotheses. Specifically, we find a negative and significant effect of export intensity for low levels of family ownership ($p < 0.01$ in Model 3) and a positive and significant effect of family ownership^2 on export intensity for high levels of family ownership ($p < 0.01$ in Model 3). We also test H1 in a nested model to understand whether adding the quadratic term represents an improvement to the baseline linear model. The results (not reported here) indicate that the model with the variable ownership^2 improves with respect to the linear model (change in $R^2 = 0.0079$ with a $p < 0.01$). These results support our Hypothesis 1 (H1), that is the curvilinear effect of family ownership on export intensity; the highest levels of export intensity are in the opposite ends–lowest and highest family ownership – whereas the lowest export intensity is in correspondence of medium family ownership.

Moreover, in Model 3, we add the predicted moderator effect of *liquidity*. We find a positive and significant effect of the interaction of *liquidity* with *family ownership* ($p < 0.10$ in Model 3): as predicted, *liquidity* strengthens the curvilinear effect of family ownership on export intensity; hence, Hypothesis 2 (H2) is confirmed. To better understand this effect in our

| | (Model 1) Export Intensity | (Model 2) Export Intensity | (Model 3) Export Intensity | (Model 4) Export Intensity |
|---|---|---|---|---|
| Family Board | 0.055 (0.163) | 0.082** (0.048) | 0.083** (0.045) | 0.081* (0.052) |
| Group | −0.023 (0.320) | −0.016 (0.491) | −0.016 (0.497) | −0.017 (0.461) |
| Family CEO | 0.035 (0.421) | 0.049 (0.257) | 0.053 (0.226) | 0.052 (0.231) |
| CEO duality | 0.030 (0.321) | 0.027 (0.366) | 0.029 (0.336) | 0.027 (0.372) |
| Number board member | 0.055* (0.092) | 0.060* (0.071) | 0.061* (0.062) | 0.059* (0.075) |
| ROI | 0.046 (0.143) | 0.052 (0.103) | 0.053* (0.093) | 0.051 (0.107) |
| Firm age | −0.031 (0.258) | −0.029 (0.281) | −0.030 (0.266) | −0.029 (0.288) |
| Firm size | 0.064* (0.055) | 0.070** (0.035) | 0.066** (0.047) | 0.069** (0.038) |
| Leverage | −0.037 (0.164) | −0.036 (0.196) | −0.040 (0.150) | 0.007 (0.840) |
| Liquidity | −0.035 (0.245) | −0.034 (0.251) | −0.166** (0.019) | −0.044 (0.146) |
| Service | −0.162*** (0.000) | −0.162*** (0.000) | −0.162*** (0.000) | −0.163*** (0.000) |
| Family manager | −0.074 (0.123) | −0.072 (0.192) | −0.074 (0.179) | −0.071 (0.196) |
| Family ownership | | −0.391*** (0.002) | −0.436*** (0.001) | −0.340*** (0.007) |
| Family ownership squared | | 0.366*** (0.001) | 0.355*** (0.002) | 0.358*** (0.002) |
| Family ownership * Liquidity | | | 0.153* (0.066) | |
| Family ownership * Leverage | | | | −0.073** (0.029) |
| Observations | 1,132 | 1,132 | 1,132 | 1,132 |
| $R^2$ | 0.044 | 0.053 | 0.055 | 0.054 |

**Table 3.** Results

**Note(s):** Standardized beta coefficients; *p*-values in parentheses
*$p < 0.10$, **$p < 0.05$, ***$p < 0.01$

sample, we graphically analyse the moderation effects for high and low *liquidity*. As shown in Figure 2a, in firms characterised by high (low) *liquidity*, the curvilinear relation between family ownership and export intensity is moving upwards (downwards). This means that liquidity, which improves the financial flexibility of a family firm and decreases the risk perception of lenders and, thus, the firm's financial constraints, positively moderates the relationship between family ownership and export performance.

In Model 4, the moderation between family ownership and *leverage* was added, and we find a negative and significant effect of the interaction of *leverage* with *family ownership* ($p < 0.05$ in Model 4). This result is consistent with our theoretical prediction, that is, Hypothesis 3 (H3). Indeed, as predicted, debt weakens the curvilinear effect of family ownership on export intensity. As shown in Figure 2b, in firms characterised by high (low) *leverage*, the curvilinear relation between family ownership and export intensity is moving downwards (upwards). This implies that leverage negatively moderates the relationship between family involvement and export performance because greater indebtedness causes less capacity (flexibility) and less ability (accessibility) to obtain debt capital to employ in foreign markets, thus reducing the export performance. Interestingly, this mediating effect is higher for a stronger level of family ownership because the availability of debt capital allows family-controlled firms to improve export performance without being dependent on external equity from nonfamily members.

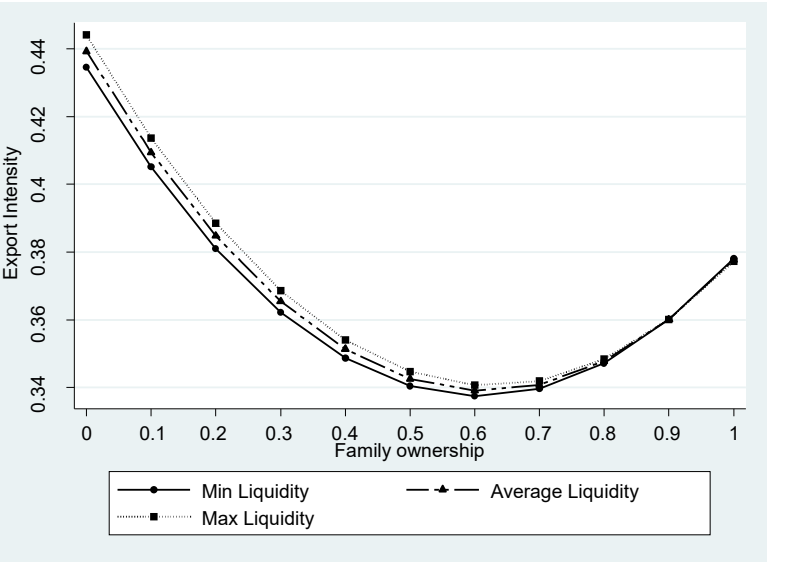
In conclusion, the findings support all of the formulated hypotheses.

## 5. Conclusions

The primary goal of the current study was to investigate the relationship between family ownership and export performance in Italian SMEs by taking into account the moderating role of financial variables, that is, financial constraints and flexibility. The paper provides a better understanding of the complex relationship between family ownership and export performance by showing that this relationship is not linear and that it is moderated by financial constraints and flexibility.

The results contribute to the literature in several ways. As shown by previous empirical studies (see the list in Table 1), the findings confirm that family ownership matters for export performance. However, drawing on the theoretical frameworks of the resource-based view and SEW, our results go further by documenting that the level of family ownership is a relevant factor because our sampled firms reach a higher export performance when the family ownership is low or high, but this does not hold for firms with an intermediate level of family ownership. Therefore, it seems that a mixture of family and nonfamily ownership is detrimental for export performance because of "conflicting voices" dominating the strategic visions and approaches, which harm the firm's export commitment and its export performance. The presence of intermediate levels of family ownership and nonfamily ownership (neither very low nor very high) determines an ambiguous approach towards export strategies because of the different objectives and visions of the different "principals" (family and nonfamily). On the contrary, when family ownership is very low or very high, an unambiguous and clear approach to export strategies that is driven, respectively, by nonfamily owners or family owners, will boost export commitment and, hence, export performance.

Furthermore, our analysis provides strong evidence that financial variables moderate the relationship between family ownership and export performance. Liquidity positively moderates the relationship between family ownership and export performance because it generates financial flexibility, reduces risk perception and financial constraints, boosts export activities and enhances export performance;



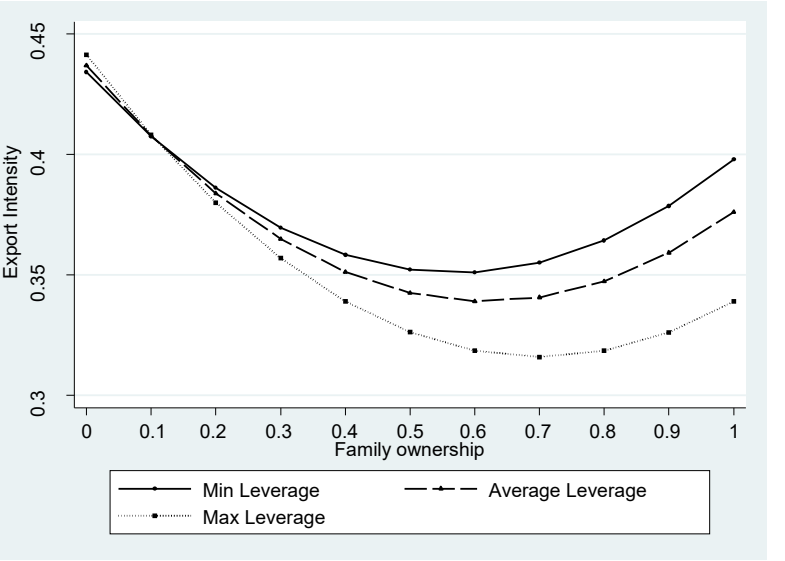




**Figure 2.**
Effects of liquidity and leverage

whereas leverage negatively moderates the relationship between family ownership and export performance because less-indebted firms have a greater capacity (flexibility) and ability (accessibility) to obtain debt to be invested in foreign markets. Therefore, SMEs with a healthier financial structure are in a better position to increase export

performance, and family-controlled SMEs can reach this result by minimising the use of external equity from nonfamily members.

Our work also contributes to the literature by enlarging the academic knowledge about the pros and cons of family ownership towards export performance, including financial moderating variables, because previous studies have generated mixed and inconclusive findings and have very seldom examined SMEs (Cho and Lee, 2017; Fernández and Nieto, 2005, 2006). In addition, we have focused on Italian SMEs that operate in a bank-oriented financial system where there is a prevalence of bank capital, while the use of other sources of finance, for example, an alternative SME listing, bond markets for SMEs and FINTECH channels, are less developed. Hence, our work can also facilitate comparisons between SMEs of countries with either similar or different financial system development and characteristics (bank oriented vs. market oriented).

We contend that our work has both practical and policy implications. From a managerial point of view, for more financially constrained firms and, thus, for Italian SMEs (and SMEs in general), the use of sources of financing other than bank credit—especially in times of a financial crisis such as that of the year taken into account in our empirical analysis (Acharya *et al.*, 2018; Corbisiero and Faccia, 2020)—would help SMEs undertake exporting strategies and improve export performance. To do this, a cultural change in the attitude and approach of SMEs, which very often are family firms, is needed in terms of opening up to equity investors, such as private equity funds, even if this means a partial loss of control by family members. In fact, these funds may have better and direct access to business sources of information—which determines lower asymmetric information and financial constraint problems—and can offer appropriate business analysis competencies and enhance internationalisation strategies and export performance. In this respect, some Italian SMEs forecast the possibility of resorting to capital from financial investors (Ganz, 2020). Furthermore, the employment of equity capital could improve the financial flexibility of SMEs because this would allow them to maintain some debt capacity for a possible expansion to international markets. Moreover, the issue of alternative sources of financing should be considered very carefully by Italian policy makers, for example, through the further implementation and development of the bond market for unlisted companies, alternative SME listing, direct lending and FINTECH activities. These policies could favour the gathering of financial resources for the exporting activities of Italian SMEs that, so far, have been too much dependent on bank lending—being located in a bank-oriented country—thus being vulnerable to macroeconomic shocks affecting the banking system and, in turn, bank credit supply to SMEs.

The current study is not without its limitations, which may offer some useful suggestions for future research. First, our data are cross-sectional, and this limits the possibility of drawing causal inferences. Panel data could be appropriate for investigating causal relationships between the level of family ownership and export performance. Second, future research could adopt a multidimensional conceptualisation and measurement of exporting by considering other aspects, such as the number and diversity of foreign markets, as well as other moderating or control variables, for example, family generation, to further investigate the relationship between family ownership and export performance.

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