

Development of international market information in emerging economy family SMEs: The role of participative governance*

Reza Zaefarian, Ph.D.

Faculty of Entrepreneurship

University of Tehran,

16th Street, North Karegar Avenue, Tehran, Iran

Tel: +9821 88225000

Email: rzaefarian@ut.ac.ir

<https://orcid.org/0000-0003-1649-1361>

Corresponding author: *Misagh Tasavori, Ph.D.*

Graduate School of Management and Economics,

Sharif University of Technology

Teimori Blvd, Tehran, Iran

Tel: +98(21)66022755

[Mtasavori@sharif.edu](mailto:MTasavori@sharif.edu)

Teck-Yong Eng, Ph.D.

Professor of Business Enterprise and Analytics

Head, Henley Business School Malaysia

University of Reading

Educity Iskandar Puteri

79200 Johor Malaysia

Tel: +60(7)268 6240

t.eng@henley.edu.my

Mehmet Demirbag, Ph.D.

Professor of International Business and Deputy Dean of Essex Business School

University of Essex

10 Elmer Approach

Southend on Sea, Essex SS1 1LW

United Kingdom

Tel: +44-170 232 8276

Fax: +44-1702 328387

Email: mdemirc@essex.ac.uk

Development of international market information in emerging economy family SMEs: The role of participative governance

Abstract

Emerging economy family SMEs pursuing internationalization have to develop international market information acquisition capability. However, there is limited knowledge about how to develop and utilize this capability. We investigate the role of participative governance and the extent to which participation of board and family members enhances this capability. We also examine the mediating role of this capability in the relationship of participative governance and international firm performance. Our analysis of 192 Turkish firms corroborates the role of participative governance. However, we find that this capability plays a mediating role only when family firms measure their performance subjectively but not objectively.

Keywords: Dynamic capabilities, Turkey SMEs, International firm performance, Family firms, Participative governance

Introduction

In emerging economies, small and medium sized family enterprises (SMEs) are increasingly expanding and internationalizing their business (Kontinen, and Ojala 2010; Pukall, and Calabrò 2014). This requires family SMEs to collect international market information (e.g., customer needs, competition) (Cesinger, Hughes, Mensching, Bouncken, Fredrich, and Kraus 2016; Charoensukmongkol 2016) to help them to select the right foreign market and develop

relevant products that meet overseas customer needs (Liesch, and Knight 1999; Lu, Zhou, Bruton, and Li 2010). In the context of family firms, international market information plays a more prominent role as it allows them to make informed decisions that reduce their risk, protect their socio-emotional wealth, and ensure longevity of their business (Berrone, Cruz, Gomez-Mejia, and Larraza-Kintana 2017; Cesinger, Hughes, Mensching, Bouncken, Fredrich, and Kraus 2016; Gomez-Mejia, Makri, and Kintana 2010).

Given the changing nature of international business environments, the acquisition of international market information is more beneficial when it is created as a dynamic capability (Charoensukmongkol 2016; Lu, Zhou, Bruton, and Li 2010). In contrast to ordinary capabilities that enable a firm to sell the *same* product to the *same* customer in the *same* market efficiently, dynamic capabilities are related to strategic processes that support firms to have *congruence with the environmental changes* (Teece 2012). In international markets, firms need to develop international market information acquisition as a dynamic capability (or hereinafter capability) because they have to continuously adapt their products to cater to cultural differences and technological standards in foreign markets (Cavusgil, and Zou 1993; Dow 2006). Therefore, it is crucial for firms to identify factors that can contribute to the development of the acquisition of the international market information capability (Charoensukmongkol 2016; Lu, Zhou, Bruton, and Li 2010).

Grounded on the resource-based view (RBV), Grant (1991) explains that resources can contribute to the development of dynamic capabilities. A proven valuable resource for family SMEs is their governance structure (Sirmon, and Hitt 2003) that can be critical in supporting or deterring the development of capabilities (Aguilera, and Crespi-Cladera 2016; Eddleston, Kellermanns, and Zellweger 2012; LeBreton-Miller, and Miller 2006). Participative governance,

for example, has been found instrumental in enhancing entrepreneurial orientation in family firms (Eddleston, Kellermanns, and Zellweger 2012). In participative governance, board members and family members understand firms' strategic objectives and can contribute to strategy implementation (Eddleston, Kellermanns, and Zellweger 2012). Examining the role of participative governance can be particularly insightful in emerging economies with collectivist cultures. The majority of prior understandings are based on western countries (such as the United States, United Kingdom and Canada) with individualistic cultures (Hofstede 2016). However, in collectivist cultures people prefer group decision-making (Kabasakal, and Bodur 2007), and group objectives have priority over the objectives of individuals (Cherry 2017). Thus, the first objective of this research is to investigate whether, in the context of emerging economy family SMEs, participative governance can contribute to the development of international market information acquisition capability.

In addition, we examine the mediating role of international market information acquisition capability in the relationship between participative governance and international firm performance. According to dynamic capability scholars (Teece 2007; Teece, Pisano, and Shuen 1997), in a dynamic environment, companies can only achieve competitive advantage and enhance their firm performance if they can manage and combine their resources distinctively (Amit, and Schoemaker 1993; Eisenhardt, and Martin 2000; Teece, Pisano, and Shuen 1997). These scholars argue that dynamic capabilities should act as intermediate tools to reconfigure resources and develop products and services that are better than competitors' (Amit, and Schoemaker 1993; Makadok 2001). As a dynamic capability, international market information acquisition capability should thus be able to not only guide and coordinate resources but also direct them in a way that can lead to the enhancement of international firm performance. However, family firms offer a unique

context with specific characteristics that need further investigation (Arregle, Duran, Hitt, and Essen 2017; Berrone, Cruz, and Gomez-Mejia 2012; Pukall, and Calabrò 2014). Therefore, as our second objective we scrutinize the applicability and generalizability of the dynamic capability perspective in the context of emerging economy family SMEs.

We have undertaken our research in an emerging economy, Turkey, which is characterized by a collectivist culture (Kabasakal, and Bodur 2007). In Turkey, the majority of businesses (95 percent) are family firms (Altindag, Zehir, and Acar 2011; Kirim 2002) with an increasing number of them entering international markets (Demirbag, Tatoglu, and Glaister 2008).

This study aims to offer several contributions. First, the findings of our research contribute to the family business and international entrepreneurship literature. While prior studies have mainly focused on the role of external resources in the acquisition of international market information (Cesinger, Hughes, Mensching, Bouncken, Fredrich, and Kraus 2016; Lu, Zhou, Bruton, and Li 2010), we inspect family firms' internal resources. Specifically, we shed light on the role of participative governance in the development of international market information acquisition capability. Second, while the dynamic capability perspective has been widely tested and corroborated in the context of western countries and non-family firms (e.g., Girod, and Whittington 2017; Liao, Kickul, and Ma 2009), we explore its generalizability in the context of emerging economy family SMEs by investigating the mediating role of international market information acquisition capability in the relationship between participative governance and international firm performance. Finally, our study responds to the call for further research about emerging economy firms (Fabian, Molina, and Labianca 2009; Gaur, and Delios 2015; Luo, Zhao, Wang, and Xi 2011; Thomas, Eden, Hitt, and Miller 2007; Wu 2013) in international markets

(Kontinen, and Ojala 2010), particularly from countries other than China (Jormanainen, and Koveshnikov 2012).

Theoretical Background and Hypothesis Development

Participative Governance and International Market Information Acquisition Capability

In this research, we postulate that participative governance can contribute to the development of international market information acquisition capability. Before hypothesizing about this relationship, we first explain the concept of dynamic capability and international market information acquisition capability. Dynamic capabilities can be defined as the firm's *capacity* to deploy and coordinate resources to achieve a desired outcome (Teece, Pisano, and Shuen 1997). They are 'information-based, tangible or intangible *processes* that are firm-specific and are developed over time through complex interactions among the firm's resources'(Amit, and Schoemaker 1993, p.35). Similarly, Eisenhardt, and Martin (2000, p.1107) understand dynamic capabilities as 'organizational and *strategic routines* by which firms achieve new resource configurations as markets emerge, collide, split, evolve and die'. Dynamic capabilities are higher-order capabilities and built upon ordinary capabilities (Teece 2007). They enable firms to recognize changes in the environment, and develop new products, services or business models that suit new environmental changes (Teece 2012).

Built upon the definition of dynamic capabilities as well as previous studies on international market information acquisition capability (Lu, Zhou, Bruton, and Li 2010), we define this capability as the firm's *capacity* to 1) identify foreign market opportunities, 2) learn about overseas customer needs, and 3) obtain the required information to adapt to the expectation of

overseas partners. International market information acquisition as a dynamic capability would thus create a capacity that enables firms to recognize environmental changes and conform to them.

RBV scholars suggest that resources can contribute to the development of capabilities (Grant 1991). Sirmon, Hitt, and Ireland (2007) indicate that firms combine their resources to form capabilities that support the firm in implementing specific activities. According to Barney (1991) resources can be assets, processes, information, and knowledge. Thus, participative governance can be considered as a resource which involves two aspects: 1) boards of directors contribute to the development of firms' strategies and can manage the implementation of those strategies (with resources), and 2) family members understand the corporate strategy and are able to manage and support its implementation (with their resources) (Eddleston, Kellermanns, and Zellweger 2012). Here, we explain the mechanisms through which participative governance resources can support firms in developing the capacity to acquire international market information and conform to environmental changes.

We first elaborate on how board members can support the development of international market information acquisition capability. In participative governance, board members have the capability of not only developing the corporate strategy but also managing and implementing the required changes (Eddleston, Kellermanns, and Zellweger 2012). Prior studies have corroborated that board members' strategic involvement can influence the internationalization of firms (Calabrò, Torchia, Pukall, and Mussolino 2013; Tasavori, Zaefarian, and Eng 2018; Zahra 2003). They can play the role of an advisory to the CEO (Machold, Huse, Minichilli, and Nordqvist 2011) and contribute to the formulation and implementation of internationalization related objectives (Barroso, Villegas, and Pérez-Calero 2011). When internationalization decisions are made, family firms have to acquire international market information to identify which markets to enter and

which products to offer (Cesinger, Hughes, Mensching, Bouncken, Fredrich, and Kraus 2016; Charoensukmongkol 2016). Board members can facilitate and support the development of international market information acquisition capability by sharing their knowledge, experience, and resources (Chen, Chang, and Hsu 2017; Yarbrough Jr, Abebe, and Dadanlar 2017).

Board members can contribute to the combining and reconfiguring of tangible and intangible resources of the firm continuously, according to environmental changes (Teece 2012). They can contribute to asset orchestrations and the redesigning of firm routines in a way that builds the capacity of the firm and supports the process of international market information acquisition capability formation (Teece 2012). Board members can facilitate the process of firm renewal by searching for new opportunities and offering new products (Gabrielsson 2007). They can allocate firm resources to systematically scan the environment (George, Wood, and Khan 2001) to identify opportunities (Gabrielsson 2007; Zahra, Neubaum, and Huse 2000), learn about customer needs, and the requirements of overseas suppliers (Bammens, Voordeckers, and Van Gils 2011; George, Wood, and Khan 2001). They can also support managers in the implementation of firm objectives (Golden, and Zajac 2001; Huse 2007). For example, they can supervise and control (Eddleston, Kellermanns, and Zellweger 2012) the process of international market information acquisition.

Finally, board members can collaborate in attaining resources (Fernández, and Nieto 2006; Tihanyi, Johnson, Hoskisson, and Hitt 2003). They can share their prior experience (Sanders, and Carpenter 1998) about when, where, and how to collect key information, and facilitate access to their international networks that can provide information about international markets (Fernández, and Nieto 2006). They can also link the firm with its external environment and provide the required

resources for achieving the firm's goals (Daily, Dalton, and Jr. 2003; George, Wood, and Khan 2001).

In participative governance, family members also understand firms' objectives and have the capability to manage and support their implementation (Eddleston, Kellermanns, and Zellweger 2012). Participative governance reduces information asymmetry, and encourages family members to support the firm objectives (Zahra 2003) and understand and evaluate the challenges of internationalization and the required support that the firm might need (Zahra 2003). Prior research has corroborated that pursuit of participative governance in family firms improves commitment, and enhances the quality of family firms' decisions (Kellermanns, and Eddleston 2004; Tasavori, Zaefarian, and Eng 2018). Involvement-oriented decision-making develops a feeling of psychological ownership that inspires family members to perform for the benefit of the firm (Corbetta, and Salvato 2004; Zahra 2003). For example, they can share their cheap human capital or support the firm financially even for a long-term return (Sirmon, and Hitt 2003) which can be crucial in international market information acquisition and understanding environmental changes (Zaefarian, Eng, and Tasavori 2016).

Family members can also utilize their trusted relationships to achieve a firm's objectives (e.g. acquisition of international market information) (Arregle, Duran, Hitt, and Essen 2017; Arregle, Hitt, Sirmon, and Very 2007; Tasavori, Zaefarian, and Eng 2018) or in the words of Carr, Cole, Ring, and Blettner (2011, p.1210), to 'get things done'. Family relationships can be utilized to enhance the internationalization process by improving organizational responsiveness and contributing to identification of opportunities (Barney, Clark, and Alvarez 2003; Corbetta, and Salvato 2004; Miller, and Breton 2006; Zaefarian, Eng, and Tasavori 2016; Zahra, Hayton, and

Salvato 2004) which can then direct how family firms' resources should be employed to seize those opportunities (Zaefarian, Eng, and Tasavori 2016).

When, in participative governance, family members become familiar with the firm's values and its strategic direction, they will better know the type of information that they should collect to suit both firm values and its information need (Tasavori, Zaefarian, and Eng 2018; Zaefarian, Eng, and Tasavori 2016). Interviews with Taiwanese family SMEs, for example, have corroborated that they would prefer to send their family members to international trade fairs as they know firms' values and family SMEs can trust the type and quality of the information that family members collect (Zaefarian, Eng, and Tasavori 2016).

In addition, family members can share the knowledge and information about their external network with the firm (Arregle, Hitt, Sirmon, and Very 2007) which can enable better understanding of customer needs and identification of international opportunities (Zaefarian, Eng, and Tasavori 2016). Prior studies have corroborated that networks can be a valuable source of information (Barney, Clark, and Alvarez 2003), particularly in international markets (Chetty, and Holm 2000; Ghauri, Tasavori, and Zaefarian 2014). Zaefarian, Eng, and Tasavori (2016), for example, demonstrate how Turkish family SMEs could obtain international market information through their networks in Germany and employ their resources to enter this market.

Participative governance might be more beneficial in emerging economy countries (Tasavori, Zaefarian, and Eng 2018) with collectivist cultures like Turkey (Kabasakal, and Bodur 2007). In collectivist cultures, group members expect to participate in decision making (Kabasakal, and Bodur 2007). In addition, they are inclined to give priority and support to the objectives of groups rather than themselves (Cherry 2017). Therefore, the deployment of participative governance (a group-oriented decision making) can be useful in such a culture as family members

will prioritize a firm's objectives (e.g., international market information acquisition). In studying the internationalization of family SMEs from emerging economies, Zaefarian, Eng, and Tasavori (2016) provide evidences from a Turkish family firm where top managers involve family members in the internationalization decision-making when they decide to enter China. Considering the importance of developing the capacity to obtain information about this market constantly, one of the family members agrees to go and live in China to collect information about conducting business in that country (Zaefarian, Eng, and Tasavori 2016) and develop the required capabilities.

To summarize, participative governance allows the integration of knowledge, information, resources, and skills of both board members and family members (Maseda, Iturralde, and Arosa 2015) which can develop the capacity of the firm to acquire international market information acquisition and conform to environmental changes. Built upon the above arguments, we suggest,

Hypothesis 1: Participative governance enhances the development of the international market information acquisition capability in emerging economy family SMEs.

The Mediating Role of Information Acquisition Capability in the Relationship between Participative Governance and International Firm Performance

While RBV scholars argue that possession of valuable, rare, inimitable, and non-substitutable (VRIN) resources would be adequate to improve firm performance (Barney 1991; Wernerfelt 1984), dynamic capability scholars posit that in a dynamic environment, VRIN resources would not suffice (Teece, Pisano, and Shuen 1997). They distinguish between resources and capabilities and contend that resources should be coordinated by capabilities to improve firm performance (Makadok 2001; Teece, Pisano, and Shuen 1997). Makadok (2001, p.317) points out that dynamic capabilities 'affect profit ability by enhancing the productivity of the other resources

that the firm possesses'. Grant (1991) explains that resources are the source of capabilities, and capabilities are the basis of improved performance. Similarly, Teece (2007) suggests that capabilities can act as an intervening variable to coordinate resources and explain the impact of resources on firm performance. According to this theoretical perspective, we thus explain the mediating role of international market information acquisition capability and mechanisms that identifying international opportunities, learning about customer needs, and overseas partners, can contribute to the coordination of resources and an enhanced international firm performance (see Figure 1).

International market information allows family SMEs to tackle their knowledge barriers and successfully enter and operate in international markets (Pukall, and Calabrò 2014; Wright, Filatotchev, Hoskisson, and Peng 2005). Collecting information about international markets enables firms to anticipate more accurately the potential changes in the environment (Hsieh, and Kelley 2016; Musteen, Datta, and Butts 2014; Wiklund, and Shepherd 2003). It also allows decision-makers to better identify opportunities, and develop appropriate strategic and tactical actions to mobilize resources and seize opportunities that emerge from market changes (Sawyer, McGee, and Peterson 2003), which can then lead to a better performance (Charoensukmongkol 2016).

As mentioned in the previous hypothesis, participative governance can support a firm to acquire information such as the specifics of overseas customer needs. When firms have this knowledge, they can reconfigure resources and make the required changes in their products, marketing, and advertising (Hsieh, and Kelley 2016; Musteen, Datta, and Butts 2014). Additionally, by developing the capability to collect and absorb information about the changing wants and needs of customers, they can gain a first-mover advantage over competitors (Lumpkin,

and Dess 1996). With such a forward-looking perspective, firms have the capability to be pioneers, thereby capitalizing on emerging opportunities and improving their international performance (Charoensukmongkol 2016; Lu, Zhou, Bruton, and Li 2010).

In international markets, firms should also be able to work with overseas distributors, trading companies, complementary producers, and many similar organizations. As previously detailed, as part of participative governance, board members and family members can contribute to the acquisition of information about overseas partners' expectations. By developing information acquisition capability, firms can identify the expectation of foreign partners and develop capabilities to work with them (Webster 1992). Suppliers can also provide the needed information for the required changes and innovation in the product (Teece 2007). Firms can then employ their resources to fulfil their expectations which can facilitate opportunity exploitation and enhance firm performance (Lu, Zhou, Bruton, and Li 2010). Learning about the expectations of foreign trading partners also enables firms to better develop their relationships and prevent any potential mistakes related to internationalization (Musteen, Datta, and Butts 2014). Development of such a capability supports firms to better configure and leverage their resources to advance their performance (Amit, and Schoemaker 1993; Barney 1991; Makadok 2001; Teece 2007), particularly in international markets (Lessard, Teece, and Leih 2016; Luo 2000; Miocevic, and Crnjak-Karanovic 2011).

We thus hypothesize:

Hypothesis 2: In the context of emerging economy family SMEs, international market information acquisition capability mediates the relationship between participative governance and international firm performance.

Figure 1 presents a summary of our hypotheses.

Insert Figure 1 about here

Methodology

Context of Turkey

We conducted this research in Turkey, which has a population of 76.9 million, and a GDP per capita of US \$28,455 (OECD 2020). It is one of the rising economies in the G-20 (Bigan, Decan, and Korkmaz 2017) and has one of the fastest-growing emerging economies (Bigan, Decan, and Korkmaz 2017) with a high percentage (95 percent) of family-owned businesses (Altindag, Zehir, and Acar 2011; Kirim 2002). Since the 1980s, the Turkish government has pursued free market economy strategies and has encouraged businesses to enter international markets (Demirbag, Tatoglu, and Glaister 2008). An increasing number of family SMEs from this country are also entering international markets (Bigan, Decan, and Korkmaz 2017), which makes this country particularly suitable for the aim of this research.

In addition, prior studies highlight cultural and management styles in Turkey that differ from those of developed countries (Brown 2002; Küskü, and Zarkada-Fraser 2004). In contrast to many western countries such as the United States, Australia, the United Kingdom and Canada, Turkey is characterized by a collectivist culture (Hofstede 2016) where there is a close relationship between close and extended family members. In these types of culture, working as a group is essential and family members take care of each other's needs and put family and community ahead

of each person's objectives (Cherry 2017). Based on this culture, family members working in the business may also expect collective decision-making (Kabasakal, and Bodur 2007).

Whilst the collectivist culture in Turkey might demand the adoption of participative governance, there is high hierarchical distance between managers and employees (Kabasakal, and Bodur 2002; Kabasakal, and Bodur 2007); managers prefer an autocratic leadership style (Marcoulides, Yavas, Bilgin, and Gibson 1998) which might prevent the success of this specific strategy. Prior studies have also corroborated the dominance of centralized decision-making and, consequently, fewer participative governance structures in Turkish businesses (Fikret Pasa, Kabasakal, and Bodur 2001; Marcoulides, Yavas, Bilgin, and Gibson 1998).

Hence, Turkey offers an attractive context to investigate the role of participative governance in the development of information acquisition capability and, consequently, the enhancement of international firm performance.

Sample and Data Collection

In this research, we employed a quantitative method and collected data by carrying out a survey. To obtain a list of family SMEs, in 2012 we employed a research assistant who obtained a list of 2,500 manufacturing family SMEs from KOSGEB (Small and Medium Enterprises Development Administration) in Turkey. KOSGEB classifies family firms based on the definition of the European Commission (2009) (see the Appendix I for their definition). In order to ensure that their classification is consistent with the existing literature, we also asked several additional questions. We asked whether family members held management positions, were on the board of directors, or were among the main shareholders (Abdellatif, Amann, and Jaussaud 2010). Following previous studies, we also asked respondents whether they considered their company a

family firm (Carr, Cole, Ring, and Blettner 2011) to re-confirm our classification of family firms (Zahra 2003).

Companies were contacted by email and were invited to participate in our research. Out of 2,500 emails sent, 411 responses were returned over eight weeks, representing a 16.44 percent response rate. This response rate is acceptable in the context of family firms and comparable with prior studies (Chrisman, Chua, Kellermanns, and Chang 2007; Eddleston, Kellermanns, and Zellweger 2012). After cleaning the data and focusing on those family firms that had international operations (because of the nature of this research), we ended up with 192 usable responses. We also tested for non-response bias (Armstrong, and Overton 1977). As late respondents have a profile similar to that of non-respondents, we created two groups of early respondents and late respondents and carried out t-tests to examine if there were any significant differences between the mean score of constructs among these two groups (Armstrong, and Overton 1977; Oppenheim 1996). Since no differences were found, we concluded that non-response bias was not an issue in our dataset.

We focused on manufacturing firms as this minimizes the effect of industry type on international firm performance (Graves, and Thomas 2008; Wincent, Thorgren, and Anokhin 2014). It has also been proved that industry type impacts on degree, speed and scope of internationalization (Cesinger, Fink, Madsen, and Kraus 2012) which might affect our constructs. Prior studies have also delineated that internationalization of service and manufacturing firms would be different as these would have different information and resource requirements (Alegre, Sengupta, and Lapiedra 2013; Xue, Zheng, and Lund 2013).

We also limited our research to SMEs for several reasons. First, SMEs usually face resource constraints (Bonaglia, Goldstein, and Mathews 2007; Yamakawa, Peng, and Deeds 2008)

and family resources may play a more pivotal role in these firm (Sirmon, and Hitt 2003). Second, prior research has demonstrated that larger-sized firms are less impacted by family influence and even the impact of factors such as protection of socio-emotional wealth within managers' decisions might diminish (Cesinger, Hughes, Mensching, Bouncken, Fredrich, and Kraus 2016; Gomez-Mejia, Cruz, Berrone, and Castro 2011). Finally, SMEs play a fundamental role in emerging economies (OECD 2017). In the context of Turkey, for example, 99.8 percent of enterprises are SMEs (Turkish Statistical Institute 2016) and 85 percent of family firms in the country are SMEs (Mandl 2008).

The survey targeted family firms' CEOs (or most senior executives) as the key informants (Eddleston, Kellermanns, and Zellweger 2012; Kumar, Stern, and Anderson 1993; Zahra, Neubaum, and Huse 2000). The questionnaire was first developed in English, then translated to Turkish and back-translated into English by two professional translators (Fang, and Zou 2009). This process was undertaken several times to ensure that both Turkish and English versions have equivalent measures (Ghauri, and Gronhaug 2010; Lu, Zhou, Bruton, and Li 2010).

Variables and Measures

International firm performance was measured by employing some subjective measures. In order to measure international firm performance, we asked respondents to indicate their *satisfaction* on a seven-point Likert-type scale questionnaire (1=very dissatisfied; 7=very satisfied) in relation to their international activities with regard to market share, market access, development of image, return on investment, sales volume, and profitability (Hult, Ketchen Jr, Griffith, Chabowski, Hamman, Dykes, Pollitte, and Cavusgil 2008; Jantunen, Puumalainen, Saarenketo, and Kyläheiko 2005; Lu, Zhou, Bruton, and Li 2010) (the Appendix II presents the list of all items).

The items for measuring *international market information acquisition* capability were extracted from the research of Lu, Zhou, Bruton, and Li (2010). Questions were asked on a seven-point Likert-type scale ranging from 1= strongly disagree to 7= strongly agree. Respondents were asked to indicate how their company had the capacity to acquire (i) information about foreign customer needs, (ii) information to identify international market opportunities, and (iii) information about expectation of foreign trading partners.

Participative governance was measured as suggested by Eddleston, Kellermanns, and Zellweger (2012). Again, on a seven-point Likert-type scale, we asked respondents to express their level of agreement about whether (i) boards of directors participate in developing the strategy, (ii) boards of directors have the capability to manage and implement changes, (iii) family members understand strategic direction, and (iv) family members have the capability to manage and implement change (see Appendix II).

Several control variables were also included in this research. Literature finds that *environmental uncertainty* impacts negatively on firms' international performance (Child, Chung, and Davies 2003; Zhou, Wu, and Luo 2007). Items of environmental uncertainty were adapted from Child, Chung, and Davies (2003) and Lu, Zhou, Bruton, and Li (2010). Several scholars (e.g., Davis, and Harveston 2000; Zahra 2003) have indicated that the *age* of a family firm plays a role in the firm's international performance. Established firms are better equipped to manage international operations. Therefore, we controlled for the age of the firm, measured as the number of years that the firm has been in existence. The other variable was firm *size*, measured as the total number of employees, because larger family firms usually benefit from more resources that are required for internationalization (Zahra 2003) and can demonstrate better international performance (Yadong, and Peng 1999). Finally, we controlled for the number of years the firm

had been operating in international markets (Dimitratos, Lioukas, and Carter 2004). Prior studies have indicated that firms with more international experience perform better in international markets (Barkema, and Drogendijk 2007).

Analyses and Results

Assessment of The Measures

Table 1 shows the descriptive statistics.

*** Table 1 goes about here ***

Reliability and Validity of the Constructs

Construct validity was assessed by checking *convergent* validity and *discriminant* validity. Before conducting confirmatory factor analysis (*CFA*), we checked the suitability of the sample for factor analysis. Kaiser-Meyer-Olkin (*KMO*) was 0.846, which is above the cut-off point of 0.6 (Pallant 2010). To conduct *CFA*, we employed Mplus 7 and followed the procedure suggested by Byrne (2012). Our *CFA* model analysis indicated good fit. Comparative fit index (*CFI*) was 0.968, Tucker–Lewis Index (*TLI*) was 0.96, a root mean square error of approximation (*RMSEA*) was 0.057, and $X^2=200.34$ and $df=123$ ($X^2/df=1.63$)($p <.001$) (Byrne 2012; Hu, and Bentler 1999). The standardized factor loadings are presented in Appendix II. Considering our sample size, since all standardized factor loadings are above 0.4 and the majority of them are above 0.7, convergent validity can be assumed (Hair Jr, Black, Babin, and Anderson 2010).

Convergent validity was also corroborated by testing reliability. First, the scales' internal consistencies were inspected by calculating the Cronbach alpha; this was 0.959 for participative governance, 0.9 for information acquisition capability, 0.895 for subjective international firm performance, and 0.718 for environmental uncertainty. The Cronbach alpha coefficient of all constructs was above 0.7, demonstrating reliability (Pallant 2010). Composite reliability (*CR*) was also calculated. The results suggest that construct reliability is confirmed, as the value of all *CR*s are above the 0.70 benchmark (Hair Jr, Black, Babin, and Anderson 2010) (see Table 1).

We also calculated average variance extracted (*AVE*), which is a measure of the share or common variance in a latent variable, for all constructs. The value of all *AVE*s (except for environmental uncertainty =0.494) exceeded the threshold of 0.5 (Fornell, and Larcker 1981). In addition, the *CR* was greater than the *AVE* for all constructs. Therefore, convergent validity was corroborated (Hair Jr, Black, Babin, and Anderson 2010) (see Table 1).

Discriminant validity was checked by comparing the *AVE* for any two constructs with the square of the correlation between them. As demonstrated in Table 1, since the *AVE* was greater than the squared correlation for all constructs, discriminant validity can be concluded (Hair Jr, Black, Babin, and Anderson 2010).

We also examined the potential of multicollinearity by calculating the variance inflation factor. All of the variance inflation factors were below 10, which suggests that we are not faced with the problem of multicollinearity (Hair Jr, Black, Babin, and Anderson 2010).

Assessment of Common Method Variance

Since we asked each respondent about both dependent and independent variables, our results may suffer from common method variance and the beta coefficients of the paths in our model may

have been artificially inflated. In order to decrease the chance of common method bias, we employed the suggestions of Podsakoff, MacKenzie, Jeong-Yeon, and Podsakoff (2003) when designing the questionnaire. These suggestions included protecting respondents' anonymity, choosing clear and concise items, using different response formats, and avoiding the use of bipolar numerical scale values. In designing the questionnaire, we also listed the questions related to international firm performance and independent variables separately (Krishnan, Martin, and Noorderhaven 2006).

We also followed several statistical steps to assess the concerns about common method variance (Chang, Witteloostuijn, and Eden 2010). First, we used Harman's one-factor test. We performed an unrotated principal component factor analysis on all measurement items. The single factor accounted for only 42.06 percent of the variance, which showed that no individual factor accounted for most of the variance. We also used *CFA* in Mplus; in doing so we loaded all items into one single-factor model. The fit results showed that the model was unsatisfactory ($X^2=1493.138$ $df=135$; $RMSEA=0.23$; $CFI=0.43$; $TLI=0.36$), indicating that common method variance is not the major source of the variations in the observed items.

Hypothesis Testing

We employed Structural Equation Modelling (SEM) to test our hypotheses. Employing SEM offers several advantages. First, it follows a confirmatory approach to the data analysis. Furthermore, by initially specifying the relationships between variables, SEM allows for inferential analysis. Second, SEM technique explicitly takes measurement errors into account, and supports inclusion of both observed and unobserved variables. Finally, SEM facilitates estimation of point and/or interval indirect effect (Byrne 2010). To undertake SEM analysis, we used Mplus

7.0 and employed maximum likelihood as our estimator. Mplus is based on analyzing covariance and attempts to estimate parameters in a way such that the difference between the sample covariance matrix and the population covariance matrix is minimized (Byrne 2012).

According to the goodness-of-fit indices, a good model fit can be concluded (Byrne 2012) ($CFI=0.952$, $TLI=0.944$, $RMSEA=0.059$, and $X^2=292.941$ and $df=175$ ($X^2/df=1.67$) ($p < .001$)). To test the hypotheses, we employed the method suggested by Zhao, Lynch, and Chen (2010) which is based on the bootstrapping technique (Preacher, and Hayes 2008). This method allows the estimation of direct effects of the independent variable(s) on the dependent variable(s), indirect effects (mediation effect), and total effects (direct plus indirect) simultaneously. In addition, it gives a level of significance (confidence intervals (CI)) of these effects (Preacher, and Hayes 2008; Zhao, Lynch, and Chen 2010). The confidence intervals that do not include zero demonstrate statistical significance (Kelloway 2015; Preacher, and Hayes 2008). For partial mediation, both the total effect and direct effect would be significant; and for full mediation, the total effect would be significant while the direct effect would not.

As Figure 2 shows, the impact of participative governance on international market information acquisition capability is significant at the 5 percent significance level as the 95 percent confidence interval does not include zero ($\beta = .196$; 95 percent $CI = .029$ to $.369$), thereby confirming Hypothesis 1. Hypothesis 2 proposed the mediating role of information acquisition capability in the relationship between participative governance and international firm performance. Our findings reveal that international market information acquisition capability *partially* mediates the positive effect of participative governance on international firm performance (total effect: $\beta = .213$; 95 percent $CI = .082$ to $.364$); and the direct effect of participative governance on international

firm performance (after taking into account the mediation effect) is still significant at 5 percent significance level ($\beta= 0.118$; 95 percent $CI= 0.007$ to 0.243). Figure 2 shows the results of our analysis and parameter estimates.

***Figure 2 goes about here ***

Our findings also reveal that size has a small positive and significant impact on international firm performance. However, we did not find any significant effect of age, the number of years of international activities, and environmental uncertainty on international firm performance (see Figure 2).

To check the robustness of our findings, we carried out some additional analyses. First, in a separate model, instead of subjective measures, we measured international firm performance by employing an objective measure: international sale percentage. Some may argue that family firms' level of satisfaction with their international firm performance may not necessarily reflect an actual better performance as family firms consider their socio-emotional wealth (Berrone, Cruz, and Gomez-Mejia 2012). To address this concern, we examined our model with international sales percentage as the dependent variable. International sale percentage is defined as *foreign sale to total sale* and has been employed by many researchers (Hsu, and Boggs 2003; Kontinen, and Ojala 2010; Pukall, and Calabrò 2014; Verbeke, and Brugman 2009). Our findings illustrated a good model fit ($CFI=0.97$, $TLI=0.961$, $RMSEA=0.059$, and $X^2= 112.817$ and $df=68$ ($X^2/df=1.659$) ($p <.001$)). As demonstrated in Figure 3, participative governance still improves international market information acquisition capability $\beta=. 21$ ($P<0.05$; 95 percent $CI:.027$ to $.384$), confirming Hypothesis 1. Surprisingly, our analysis illustrated that the total indirect effect ($\beta= 1.345$; 95

percent CI: .307 to 3.163) was significant but neither the impact of participative governance through international market information acquisition capability nor the direct impact of participative governance on international firm performance was significant (*total effect*: $\beta = 1.938$; 95 percent CI: -.598 to 4.585 and *the direct effect*: $\beta = .592$; 95 percent CI: -1.877 to 3.061). In other words, when international firm performance is measured by an objective measure, information acquisition capability does not mediate the relationship between participative governance and international firm performance (see Figure 3).

Insert Figure 3 about here

Finally, we examined our model by including both objective and subjective measures. Our analysis demonstrated a good fit ($CFI=0.947$, $TLI=0.937$, $RMSEA=0.061$, and $X^2= 330.403$ and $df=194$ ($X^2/df=1.71$) ($p < .001$)). Interestingly, our results demonstrate that, as with the first model, in this model (i) participative governance improves international market information acquisition capability ($\beta = .196$; 95 percent CI: .029 to .376), and (ii) international market information acquisition capability *partially* mediates the relationship between participative governance and comprehensive international firm performance. The total effect ($\beta = .214$; 99 percent CI: .036 to .411) and the direct effect ($\beta = .117$; 95 percent CI: .007 to .243) are significant (see Figure 4).

Insert Figure 4 about here

Discussion and Conclusion

Considering the importance of international market information acquisition capability (Cesinger, Hughes, Mensching, Bouncken, Fredrich, and Kraus 2016; Charoensukmongkol 2016), in this research we have shed light on a specific resource that emerging economy family SMEs can employ to develop this capability. In particular, we examine the role of participative governance (Eddleston, Kellermanns, and Zellweger 2012). Our findings reveal that when participative governance is pursued, and family members alongside the board members understand strategic objectives such as internationalization goals, both board members and family members can meaningfully contribute to the development of international market information acquisition capability. Our research thus complements prior knowledge about the importance of governance in family firms (Mitter, Duller, Feldbauer-Durstmüller, and Kraus 2014; Mustakallio, Autio, and Zahra 2002; Singla, Veliyath, and George 2014) by illuminating the critical role of *participative* governance (Eddleston, Kellermanns, and Zellweger 2012).

In addition, we investigated the applicability of the dynamic capability theory (Teece 2007; Teece, Pisano, and Shuen 1997) in the context of emerging economy family SMEs. In particular, we examined whether a dynamic capability such as international market information acquisition capability can act as a mediator in the relationship between a resource, participative governance, and international firm performance. However, our analysis has shown that in the context of family firms, the mediating role of international market information acquisition capability cannot be taken for granted. Instead, it depends on how international firm performance is defined. Specifically, we illuminate that only when international firm performance is understood with subjective measures or both subjective and objective measures, international market information acquisition capability partially mediates the relationship between participative governance and international firm performance. This finding thus contributes to the dynamic capability perspective by corroborating

that a dynamic capability such as international market information can be fundamental in translating resources into a better performance when performance includes subjective measures. The partial mediation result also indicates that in contrast to the argument of dynamic capability scholars (Ambrosini, and Bowman 2009; Teece 2007; Teece, Pisano, and Shuen 1997) and consistent with the RBV advocates (Barney 1991; Barney 2001), possession of a VRIN resource such as participative governance can still improve subjective-based international firm performance even when it is not combined with a dynamic capability.

Surprisingly, when international firm performance in family SMEs is assessed through an objective measure such as international sale percentage, the story is different, and neither the RBV nor the dynamic capability theory are supported. In fact, we found that the possession of a resource such as participative governance cannot directly or through a capability mediator improve international sale performance. Our analysis highlights that in examining the applicability of these theoretical perspectives in the context of family firms, particular attention should be paid to how international firm performance is measured. In fact, international market information acquisition capability can only guide firm resources and help family SMEs to be subjectively *satisfied* with their firm performance but it does not necessarily translate to better international sales. These contradictory findings corroborate previous research that the context of family firms necessitates additional research (Kontinen, and Ojala 2010; Pukall, and Calabrò 2014). Moreover, it corroborates that family firms might have a different expectation of performance (Berrone, Cruz, and Gomez-Mejia 2012) and be satisfied with some performance indicators though they may not necessarily lead to an objectively better international performance. For example, prior literature has highlighted that family firms lend weight to factors that ensure their harmony and safeguard

their socio-emotional wealth (Berrone, Cruz, and Gomez-Mejia 2012; Ruiz Jiménez, Vallejo Martos, and Martínez Jiménez 2015).

Another contribution is related to illuminating the significance of participative governance in the context of an emerging economy such as Turkey. Although centralized decision-making has been traditionally dominant in Turkish SMEs (Fikret Pasa, Kabasakal, and Bodur 2001; Marcoulides, Yavas, Bilgin, and Gibson 1998), our findings suggest that if top managers support family members to understand a firm's strategic objectives, they can benefit from their participation and improve family firms' satisfaction with their firms' performance on the international stage. Our findings also demonstrate that, despite the preference for an autocratic management style (Marcoulides, Yavas, Bilgin, and Gibson 1998), the collectivist culture in Turkey supports the success of participative governance if it is managed properly.

Finally, we respond to the call to offer more insights into emerging economy multinational enterprises (Cuervo-Cazurra 2012; Ramamurti 2012), and particularly family firms (De Massis, Frattini, Majocchi, and Piscitello 2018; Kontinen, and Ojala 2010). Specifically, we illuminate how emerging economy family SMEs with limited resources (Bonaglia, Goldstein, and Mathews 2007; Yamakawa, Peng, and Deeds 2008) can utilize their participative governance to improve their international market information acquisition capability and their international firm performance.

Managerial Implications

Our research offers several implications for emerging economy family SMEs. According to our findings, emerging economy family SMEs can enhance their international market information acquisition capability by developing participative governance. Family SMEs should

attempt to ensure that in addition to board members, family members working in the business are also informed about key decisions such as internationalization. By involving board members, they can benefit from their knowledge, experience and network and reduce the risks associated with internationalization. Board members can also highlight the importance of the development of information acquisition capability. Involvement of family members can be beneficial as it makes them more committed to the firm objectives and encourages them to support the collection of critical information in international markets.

In addition, this study sheds light on the important role of the development of international market information acquisition capability in directing resources to improve *satisfaction* of managers with firm performance. Specifically, international market information enables firms to learn about international customer needs, opportunities in overseas markets and how they should work with international partners which directs development of right product and consequently better international firm performance. However, when enhancing international sales is the goal, managers should note that international market information acquisition capability cannot play the mediating role in coordinating participative governance resources for a better performance.

Finally, our research has particular implications for Turkish family SME managers. We point out that when family SMEs are entering international markets, they can respect their collectivist culture and employ more participative rather than centralized decision-making provided that they direct this collaborative synergy toward development of international market information acquisition capability.

Limitations and Future Research Directions

Our study is not without limitations. First, the findings of this research are built upon the collection of data from one emerging economy with a unique context – Turkey. Future research on western countries with more individualistic cultures might offer different insights. Evidence from other countries (both emerging and advanced economies) would extend the findings of our study and enhance its generalizability. In addition, the generalizability of our findings could be tested in larger-sized firms and in different industries. Moreover, our research was cross-sectional and did not demonstrate the long-term impact of participative governance and international market information acquisition capability on international firm performance; thus, any future longitudinal research could better corroborate the findings of this study. Other researchers can enhance our findings by considering a more comprehensive list of family-related variables that might potentially impact the international performance of family firms. In our research, we did not differentiate between family and non-family members of the board of directors and did not ask about the number of family members working in the firm. Future studies can provide a more comprehensive picture by considering the impact of different combinations of board members. Finally, we only focused on family SMEs that have entered international markets. Therefore, the generalizability of our research is likely to be limited to just those family SMEs with international operations which are usually characterized as being more entrepreneurial (Arregle, Duran, Hitt, and Essen 2017; Kontinen, and Ojala 2010).

References:

- Abdellatif, Mahamat, Bruno Amann, and Jacques Jaussaud (2010). 'Family Versus Nonfamily Business: A Comparison of International Strategies,' *Journal of Family Business Strategy*, 1(2), 108-116.
- Aguilera, Ruth V., and Rafel Crespi-Cladera (2016). 'Global Corporate Governance: On the Relevance of Firms' Ownership Structure,' *Journal of World Business*, 51(1), 50-57.
- Alegre, Joaquín, Kishore Sengupta, and Rafael Lapiedra (2013). 'Knowledge Management and Innovation Performance in a High-Tech SMEs Industry,' *International Small Business Journal*, 31(4), 454-470.
- Altindag, Erkut, Cemal Zehir, and A. Zafer Acar (2011). 'Strategic Orientations and Their Effects on Firm Performance in Turkish Family Owned Firms,' *Eurasian Business Review*, 1(1), 18-36.
- Ambrosini, Véronique, and Cliff Bowman (2009). 'What Are Dynamic Capabilities and Are They a Useful Construct in Strategic Management?,' *International Journal of Management Reviews*, 11(1), 29-49.
- Amit, Raphael, and Paul J. H. Schoemaker (1993). 'Strategic Assets and Organizational Rent,' *Strategic Management Journal*, 14(1), 33-46.
- Armstrong, J. Scott, and Terry S. Overton (1977). 'Estimating Nonresponse Bias in Mail Surveys,' *Journal of Marketing Research (JMR)*, 14(3), 396-402.
- Arregle, Jean Luc, Patricio Duran, Michael A. Hitt, and Marc van Essen (2017). 'Why Is Family Firms' Internationalization Unique? A Meta-Analysis,' *Entrepreneurship Theory and Practice*, 41(5), 801-831.
- Arregle, Jean Luc, Michael A. Hitt, David G. Sirmon, and Philippe Very (2007). 'The Development of Organizational Social Capital: Attributes of Family Firms,' *Journal of Management Studies*, 44(1), 73-95.
- Bammens, Yannick, Wim Voordeckers, and Anita Van Gils (2011). 'Boards of Directors in Family Businesses: A Literature Review and Research Agenda,' *International Journal of Management Reviews*, 13(2), 134-152.
- Barkema, Harry G., and Rian Drogendijk (2007). 'Internationalising in Small, Incremental or Larger Steps?,' *Journal of International Business Studies*, 38(7), 1132-1148.
- Barney, Jay B. (1991). 'Firm Resources and Sustained Competitive Advantage,' *Journal of Management*, 17(1), 99-120.
- Barney, Jay B. (2001). 'Is the Resource-Based "View" a Useful Perspective for Strategic Management Research? Yes,' *Academy of Management Review*, 26(1), 41-56.
- Barney, Jay B., D. Clark, and S. Alvarez (2003). 'Where Does Entrepreneurship Come From? Network Models of Opportunity Recognition and Resource Acquisition with Application to the Family Firm,' paper presented at the Theories of the Family Enterprise Conference, University of Pennsylvania, Philadelphia.
- Barroso, Carmen, Ma Mar Villegas, and Leticia Pérez-Calero (2011). 'Board Influence on a Firm's Internationalization,' *Corporate Governance: An International Review*, 19(4), 351-367.
- Berrone, Pascual, Cristina Cruz, and Luis R. Gomez-Mejia (2012). 'Socioemotional Wealth in Family Firms: Theoretical Dimensions, Assessment Approaches, and Agenda for Future Research,' *Family Business Review*, 25(3), 258-279.

Berrone, Pascual, Cristina Cruz, Luis R. Gomez-Mejia, and Martin Larraza-Kintana (2017). 'Socioemotional Wealth and Corporate Responses to Institutional Pressures: Do Family-Controlled Firms Pollute Less?': Corrigendum,' *Administrative Science Quarterly*, 62(4), 769-770.

Bigan, Ilke, Semih Decan, and Bengi Korkmaz (2017). 'How Turkish Companies Can Become Global Successes,' *Perspectives on Retail and Consumer Goods*, 6(Winter), 1-6.

Bonaglia, Federico, Andrea Goldstein, and John A. Mathews (2007). 'Accelerated Internationalization by Emerging Markets' Multinationals: The Case of the White Goods Sector,' *Journal of World Business*, 42(4), 369-383.

Brown, A. D. (2002). 'Nostalgia and the Narrativization of Identity: A Turkish Case Study,' *British Journal of Management*, 13(2), 141-159.

Byrne, Barbara M. (2010). *Structural Equation Modeling with Amos*. New York: Routledge, Taylor & Francis Group.

Byrne, Barbara M. (2012). *Structural Equation Modeling with Mplus: Basic Concepts, Applications and Programming*. New York: Routledge.

Calabrò, Andrea, Mariateresa Torchia, Thilo Pukall, and Donata Mussolino (2013). 'The Influence of Ownership Structure and Board Strategic Involvement on International Sales: The Moderating Effect of Family Involvement,' *International Business Review*, 22(3), 509-523.

Carr, Jon C., Michael S. Cole, J. Kirk Ring, and Daniela P. Blettner (2011). 'A Measure of Variations in Internal Social Capital among Family Firms,' *Entrepreneurship Theory and Practice*, 35(6), 1207-1227.

Cavusgil, S. Tamer; , and Shaoming; Naidu Zou, G.M. (1993). 'Product and Promotion Adaptation in Export Ventures: An Empirical Investigation,' *Journal of International Business Studies*, 24(3), 479-506.

Cesinger, Beate, Matthias Fink, Tage Koed Madsen, and Sascha Kraus (2012). 'Rapidly Internationalizing Ventures: How Definitions Can Bridge the Gap across Contexts,' *Management Decision*, 50(10), 1816-1842.

Cesinger, Beate, Mathew Hughes, Helge Mensching, Ricarda Bouncken, Viktor Fredrich, and Sascha Kraus (2016). 'A Socioemotional Wealth Perspective on How Collaboration Intensity, Trust, and International Market Knowledge Affect Family Firms' Multinationality,' *Journal of World Business*, 51(4), 586-599.

Chang, Sea-Jin , Arjen van Witteloostuijn, and Lorraine Eden (2010). 'From the Editors: Common Method Variance in International Business Research,' *Journal of International Business Studies*, 41(2), 178-184.

Charoensukmongkol, Peerayuth (2016). 'Cultural Intelligence and Export Performance of Small and Medium Enterprises in Thailand: Mediating Roles of Organizational Capabilities,' *International Small Business Journal*, 34(1), 105-122.

Chen, Hsiang-Lan, Chiao-Yi Chang, and Wen-Tsung Hsu (2017). 'Does Board Co-Working Experience Influence Directors' Decisions toward Internationalization?,' *Management International Review (MIR)*, 57(1), 65-92.

Cherry, Kendra (2017). 'What Are Collectivist Cultures?'. <https://www.verywell.com/what-are-collectivistic-cultures-2794962>. Accessed on 25/11/2017.

Chetty, Sylvie, and Desiree Blankenburg Holm (2000). 'Internationalisation of Small to Medium-Sized Manufacturing Firms: A Network Approach,' *International Business Review*, 9(1), 77.

Child, J., L. Chung, and H. Davies (2003). 'The Performance of Cross-Border Units in China: A Test of Natural Selection, Strategic Choice and Contingency Theories,' *Journal of International Business Studies*, 34(3), 242-254.

Chrisman, James J., Jess H. Chua, Franz W. Kellermanns, and Erick P. C. Chang (2007). 'Are Family Managers Agents or Stewards? An Exploratory Study in Privately Held Family Firms,' *Journal of Business Research*, 60(10), 1030-1038.

Corbetta, Guido, and Carlo Salvato (2004). 'Self-Serving or Self-Actualizing? Models of Man and Agency Costs in Different Types of Family Firms: A Commentary on "Comparing the Agency Costs of Family and Non-Family Firms: Conceptual Issues and Exploratory Evidence",' *Entrepreneurship Theory and Practice*, 28(4), 355-362.

Cuervo-Cazurra, Alvaro (2012). 'Extending Theory by Analyzing Developing Country Multinational Companies: Solving the Goldilocks Debate,' *Global Strategy Journal*, 2(3), 153-167.

Daily, Catherine M., Dan R. Dalton, and Albert A. Cannella Jr. (2003). 'Corporate Governance: Decades of Dialogue and Data,' *The Academy of Management Review*, 28(3), 371-382.

Davis, Peter, and Paula Harveston (2000). 'Internationalization and Organizational Growth: The Impact of Internet Usage and Technology Involvement among Entrepreneur-Led Family Businesses,' *Family Business Review*, 13(2), 107-120.

De Massis, Alfredo, Federico Frattini, Antonio Majocchi, and Lucia Piscitello (2018). 'Family Firms in the Global Economy: Toward a Deeper Understanding of Internationalization Determinants, Processes, and Outcomes,' *Global Strategy Journal*, 8(1), 3-21.

Demirbag, Mehmet, Ekrem Tatoglu, and Keith Glaister (2008). 'Factors Affecting Perceptions of the Choice between Acquisition and Greenfield Entry: The Case of Western Fdi in an Emerging Market,' *Management International Review*, 48(1), 5-38.

Dimitratos, Pavlos, Spyros Lioukas, and Sara Carter (2004). 'The Relationship between Entrepreneurship and International Performance: The Importance of Domestic Environment,' *International Business Review*, 13(1), 19-41.

Dow, Douglas DD (2006). 'Adaptation and Performance in Foreign Markets: Evidence of Systematic under-Adaptation,' *Journal of International Business Studies*, 37(2), 212-226.

Eddleston, Kimberly A., Franz W. Kellermanns, and Thomas M. Zellweger (2012). 'Exploring the Entrepreneurial Behavior of Family Firms: Does the Stewardship Perspective Explain Differences?,' *Entrepreneurship Theory and Practice*, 36(2), 347-367.

Eisenhardt, Kathleen M., and Jeffrey A. Martin (2000). 'Dynamic Capabilities: What Are They?,' *Strategic Management Journal*, 21(10/11), 1105-1121.

European Commission (2009). 'Overview of Family–Business–Relevant Issues: Research, Networks, Policy Measures and Existing Studies.' Belgium: European Commission: Enterprise and Industry Directorate-General.

Fabian, Frances, Henry Molina, and Giuseppe Labianca (2009). 'Understanding Decisions to Internationalize by Small and Medium-Sized Firms Located in an Emerging Market,' *Management International Review*, 49(5), 537-563.

Fang, Eric, and Shaoming Zou (2009). 'Antecedents and Consequences of Marketing Dynamic Capabilities in International Joint Ventures,' *Journal of International Business Studies*, 40(5), 742-761.

Fernández, Zulima Z. F., and María Jesús M. N. Nieto (2006). 'Impact of Ownership on the International Involvement of SMEs,' *Journal of International Business Studies*, 37(3), 340-351.

Fikret Pasa, Selda, Hayat Kabasakal, and Muzaffer Bodur (2001). 'Society, Organizations, and Leadership in Turkey,' *Applied Psychology: An International Review*, 50(4), 559-589.

- Fornell, Claes, and David F. Larcker (1981). 'Evaluating Structural Equation Models with Unobservable Variables and Measurement Error,' *Journal of Marketing Research (JMR)*, 18(1), 39-50.
- Gabrielsson, Jonas (2007). 'Correlates of Board Empowerment in Small Companies,' *Entrepreneurship Theory and Practice*, 31(5), 687-711.
- Gaur, Ajai, and Andrew Delios (2015). 'International Diversification of Emerging Market Firms: The Role of Ownership Structure and Group Affiliation,' *Management International Review (MIR)*, 55(2), 235-253.
- George, G., D.R. Wood, and R. Khan (2001). 'Networking Strategy of Boards: Implications for Small and Medium-Sized Enterprises,' *Entrepreneurship & Regional Development*, 13(3), 269-285.
- Ghauri, Pervez N., and Kjell Gronhaug (2010). *Research Methods in Business Studies: A Practical Guide*. Harlow: England: Financial Times/ Prentice Hall.
- Ghauri, Pervez N., Misagh Tasavori, and Reza Zaefarian (2014). 'Internationalisation of Service Firms through Corporate Social Entrepreneurship and Networking,' *International Marketing Review*, 31(6), 576-600.
- Girod, Stéphane J. G., and Richard Whittington (2017). 'Reconfiguration, Restructuring and Firm Performance: Dynamic Capabilities and Environmental Dynamism,' *Strategic Management Journal*, 38(5), 1121-1133.
- Golden, Brian R., and Edward J. Zajac (2001). 'When Will Boards Influence Strategy? Inclination \times Power = Strategic Change,' *Strategic Management Journal*, 22(12), 1087-1111.
- Gomez-Mejia, Luis R., Cristina Cruz, Pascual Berrone, and Julio De Castro (2011). 'The Bind That Ties: Socioemotional Wealth Preservation in Family Firms,' *Academy of Management Annals*, 5(1), 653-707.
- Gomez-Mejia, Luis R., Marianna Makri, and Martin Larraza Kintana (2010). 'Diversification Decisions in Family-Controlled Firms,' *Journal of Management Studies*, 47(2), 223-252.
- Grant, Robert Morris (1991). 'The Resource-Based Theory of Competitive Advantage: Implications for Strategy Formulation,' *California Management Review*, 33(3), 114-135.
- Graves, Chris, and Jill Thomas (2008). 'Determinants of the Internationalization Pathways of Family Firms: An Examination of Family Influence,' *Family Business Review*, 21(2), 151-167.
- Hair Jr, Joseph F., William C. Black, Barry J. Babin, and Rolph E. Anderson (2010). *Multivariate Data Analysis*. Harlow, Essex: Pearson.
- Hofstede, Geert (2016). 'National Culture'. <https://www.hofstede-insights.com/models/national-culture/>. Accessed on 03/03/2016.
- Hsieh, Ru-Mei, and Donna J. Kelley (2016). 'The Role of Cognition and Information Access in the Recognition of Innovative Opportunities,' *Journal of Small Business Management*, 54(S1), 297-311.
- Hsu, Chin-Chun, and David J. Boggs (2003). 'Internationalization and Performance: Traditional Measures and Their Decomposition,' *Multinational Business Review*, 11(3), 23-49.
- Hu, Li-tze, and Peter Bentler (1999). 'Cut Off Criteria for Fit Indices in Covariate Structure Analysis: Conventional Criteria Versus New Alternatives.,' *Structural Equation Modeling*, 6(1), 1-55.
- Hult, G. Tomas M., David J. Ketchen Jr, David A. Griffith, Brian R. Chabowski, Mary K. Hamman, Bernadine Johnson Dykes, Wesley A. Pollitte, and S. Tamer Cavusgil (2008). 'An Assessment of the Measurement of Performance in International Business Research,' *Journal of International Business Studies*, 39(6), 1064-1080.

Huse, Morten (2007). *Boards, Governance and Value Creation: The Human Side of Corporate Governance*. Cambridge, UK: Cambridge University Press.

Jantunen, Ari, Kaisu Puumalainen, Sami Saarenketo, and Kalevi Kyläheiko (2005). 'Entrepreneurial Orientation, Dynamic Capabilities and International Performance,' *Journal of International Entrepreneurship*, 3(3), 223-243.

Jormanainen, Irina, and Alexei Koveshnikov (2012). 'International Activities of Emerging Market Firms,' *Management International Review (MIR)*, 52(5), 691-725.

Kabasakal, Hayat, and Muzaffer Bodur (2002). 'Arabic Cluster: A Bridge between East and West,' *Journal of World Business*, 37(1), 40-54.

Kabasakal, Hayat, and Muzaffer Bodur (2007). 'Leadership and Culture in Turkey: A Multifaceted Phenomenon,' in *Culture and Leadership across the World: The Globe Book of in-Depth Studies of 25 Societies* Ed. J. S. Chhokar, F. C. Brodbeck and R. J. House, Mahwah, NJ: Lawrence Erlbaum Associates, 835-874.

Kellermanns, Franz W., and Kimberly A. Eddleston (2004). 'Feuding Families: When Conflict Does a Family Firm Good,' *Entrepreneurship Theory and Practice*, 28(3), 209-228.

Kelloway, E. Kevin (2015). *Using Mplus for Structural Equation Modeling: A Researcher's Guide*. Los Angeles: SAGE.

Kirim, A. (2002). *Aile Sirketlerinin Yonetimi (Management of Family-Owned Firms)*. Istanbul: Sistem Publications.

Kontinen, Tanja, and Arto Ojala (2010). 'The Internationalization of Family Businesses: A Review of Extant Research,' *Journal of Family Business Strategy*, 1(2), 97-107.

Krishnan, Rekha, Xavier Martin, and Niels G. Noorderhaven (2006). 'When Does Trust Matter to Alliance Performance?,' *Academy of Management Journal*, 49(5), 894-917.

Kumar, Nirmalya, Louis W. Stern, and James C. Anderson (1993). 'Conducting Interorganizational Research Using Key Informants,' *Academy of Management Journal*, 36(6), 1633-1651.

Küskü, Fatma, and Anna Zarkada-Fraser (2004). 'An Empirical Investigation of Corporate Citizenship in Australia and Turkey,' *British Journal of Management*, 15(1), 57-72.

LeBreton-Miller, Isabelle, and Danny Miller (2006). 'Why Do Some Family Businesses out-Compete? Governance, Long-Term Orientations, and Sustainable Capability,' *Entrepreneurship Theory and Practice*, 30(6), 731-746.

Lessard, Donald, David J. Teece, and Sohvi Leih (2016). 'Introduction to Special Topic Forum on Developing the Dynamic Capabilities of Global Companies across Levels and Locations,' *Global Strategy Journal*, 6(3), 165-167.

Liao, Jianwen, Jill R. Kickul, and Hao Ma (2009). 'Organizational Dynamic Capability and Innovation: An Empirical Examination of Internet Firms,' *Journal of Small Business Management*, 47(3), 263-286.

Liesch, Peter W., and Gary A. Knight (1999). 'Information Internalization and Hurdle Rates in Small and Medium Enterprise Internationalization,' *Journal of International Business Studies*, 30(2), 383-394.

Lu, Yuan, Lianxi Zhou, Garry Bruton, and Weiwen Li (2010). 'Capabilities as a Mediator Linking Resources and the International Performance of Entrepreneurial Firms in an Emerging Economy,' *Journal of International Business Studies*, 41(3), 419-436.

Lumpkin, G. Tom, and Gregory G. Dess (1996). 'Clarifying the Entrepreneurial Orientation Construct and Linking It to Performance,' *Academy of Management Review*, 12(1), 135-72.

- Luo, Yadong (2000). 'Dynamic Capabilities in International Expansion,' *Journal of World Business*, 35(4), 355-378.
- Luo, Yadong, Hongxin Zhao, Yagang Wang, and Youmin Xi (2011). 'Venturing Abroad by Emerging Market Enterprises,' *Management International Review (MIR)*, 51(4), 433-459.
- Machold, Silke, Morten Huse, Alessandro Minichilli, and Mattias Nordqvist (2011). 'Board Leadership and Strategy Involvement in Small Firms: A Team Production Approach,' *Corporate Governance: An International Review*, 19(4), 368-383.
- Makadok, Richard (2001). 'Toward a Synthesis of the Resource-Based and Dynamic-Capability Views of Rent Creation,' *Strategic Management Journal*, 22(5), 387-401.
- Mandl, Irene (2008). 'Overview of Family Business Relevant Issues- Contract No. 30-Ce-0164021/00-51 -Final Report.' Vienna: 'KMU FORSCHUNG AUSTRIA'- Austrian Institute for SME Research in cooperation with Turku School of Economic'.
- Marcoulides, George A., Burhan F. Yavas, Zeynep Bilgin, and Cristina B. Gibson (1998). 'Reconciling Culturalist and Rationalist Approaches: Leadership in the United States and Turkey,' *Thunderbird International Business Review*, 40(6), 563-583.
- Maseda, Amaia, Txomin Iturralde, and Blanca Arosa (2015). 'Impact of Outsiders on Firm Performance over Different Generations of Family-Owned SMEs,' *Journal of Small Business Management*, 53(4), 1203-1218.
- Miller, Danny, and Isabelle Le Breton (2006). 'Family Governance and Firm Performance: Agency, Stewardship, and Capabilities,' *Family Business Review*, 19(1), 73-87.
- Miocevic, Dario, and Biljana Crnjak-Karanovic (2011). 'Cognitive and Information-Based Capabilities in the Internationalization of Small and Medium-Sized Enterprises: The Case of Croatian Exporters,' *Journal of Small Business Management*, 49(4), 537-557.
- Mitter, Christine, Christine Duller, Birgit Feldbauer-Durstmüller, and Sascha Kraus (2014). 'Internationalization of Family Firms: The Effect of Ownership and Governance,' *Review of Managerial Science*, 8(1), 1-28.
- Mustakallio, Mikko, Erkkö Autio, and Shaker A. Zahra (2002). 'Relational and Contractual Governance in Family Firms: Effects on Strategic Decision Making,' *Family Business Review*, 15(3), 205-222.
- Musteen, Martina, Deepak K. Datta, and Marcus M. Butts (2014). 'Do International Networks and Foreign Market Knowledge Facilitate SME Internationalization? Evidence from the Czech Republic,' *Entrepreneurship: Theory & Practice*, 38(4), 749-774.
- OECD (2017). 'Enhancing the Contributions of SMEs in a Global and Digitalised Economy.' Paris.
- OECD (2020). 'Selected Indicators for Turkey'. <https://data.oecd.org/turkey.htm>. Accessed on 27/01/2020.
- Oppenheim, A. N. (1996). *Questionnaire Design and Attitude Measurement*. New York, NY: Free Press.
- Pallant, Julie (2010). *Spss Survival Manual*. Berkshire, England: Open University Press.
- Podsakoff, Philip M., Scott B. MacKenzie, Lee Jeong-Yeon, and Nathan P. Podsakoff (2003). 'Common Method Biases in Behavioral Research: A Critical Review of the Literature and Recommended Remedies,' *Journal of Applied Psychology*, 88(5), 879-903.
- Preacher, Kristopher J., and Andrew F. Hayes (2008). 'Asymptotic and Resampling Strategies for Assessing and Comparing Indirect Effects in Multiple Mediator Models,' *Behavior Research Methods*, 40(3), 879-891.
- Pukall, Thilo J., and Andrea Calabrò (2014). 'The Internationalization of Family Firms: A Critical Review and Integrative Model,' *Family Business Review*, 27(2), 103-125.

Ramamurti, Ravi (2012). 'What Is Really Different About Emerging Market Multinationals?,' *Global Strategy Journal*, 2(1), 41-47.

Ruiz Jiménez, M., Manuel Vallejo Martos, and Rocío Martínez Jiménez (2015). 'Organisational Harmony as a Value in Family Businesses and Its Influence on Performance,' *Journal of Business Ethics*, 126(2), 259-272.

Sanders, W. M. Gerard, and Mason A. Carpenter (1998). 'Internationalization and Firm Governance: The Roles of CEO Compensation, Top Team Composition, and Board Structure,' *Academy of Management Journal*, 41(2), 158-178.

Sawyer, Olukemi O., Jeffrey McGee, and Mark Peterson (2003). 'Perceived Uncertainty and Firm Performance in SMEs,' *International Small Business Journal*, 21(3), 269-290.

Singla, Chitra; , Rajaram; Veliyath, and Rejie George (2014). 'Family Firms and Internationalization-Governance Relationships: Evidence of Secondary Agency Issues,' *Strategic Management Journal*, 35(4), 606-616.

Sirmon, David G., and Michael A. Hitt (2003). 'Managing Resources: Linking Unique Resources, Management, and Wealth Creation in Family Firms,' *Entrepreneurship Theory and Practice*, 27(4), 339-358.

Sirmon, David G., Michael A. Hitt, and R. Duane Ireland (2007). 'Managing Firm Resources in Dynamic Environments to Create Value: Looking inside the Black Box,' *Academy of Management Review*, 32(1), 273-292.

Tasavori, Misagh, Reza Zaefarian, and Teck-Yong Eng (2018). 'Internal Social Capital and International Firm Performance in Emerging Market Family Firms: The Mediating Role of Participative Governance,' *International Small Business Journal*, 36(8), 887-910.

Teece, David J. (2007). 'Explicating Dynamic Capabilities: The Nature and Microfoundations of (Sustainable) Enterprise Performance,' *Strategic Management Journal*, 28(13), 1319-1350.

Teece, David J. (2012). 'Dynamic Capabilities: Routines Versus Entrepreneurial Action,' *Journal of Management Studies*, 49(8), 1395-1401.

Teece, David J., Gary Pisano, and Amy Shuen (1997). 'Dynamic Capabilities and Strategic Management,' *Strategic Management Journal*, 18(7), 509-533.

Thomas, Douglas E., Lorraine Eden, Michael A. Hitt, and Stewart R. Miller (2007). 'Experience of Emerging Market Firms: The Role of Cognitive Bias in Developed Market Entry and Survival,' *Management International Review (MIR)*, 47(6), 845-867.

Tihanyi, Laszlo, Richard A. Johnson, Robert E. Hoskisson, and Michael A. Hitt (2003). 'Institutional Ownership Differences and International Diversification: The Effects of Boards of Directors and Technological Opportunity,' *Academy of Management Journal*, 46(2), 195-211.

Turkish Statistical Institute (2016). 'Small and Medium Sized Enterprises Statistics, 2016'. <http://www.turkstat.gov.tr/PreHaberBultenleri.do?id=21540>. Accessed on 25/12/2017.

Verbeke, Alain, and Paul Brugman (2009). 'Triple-Testing the Quality of Multinationality-Performance Research: An Internalization Theory Perspective,' *International Business Review*, 18(3), 265-275.

Webster, Jr Frederick E. (1992). 'The Changing Role of Marketing in the Corporation,' *Journal of Marketing*, 56(4), 1-17.

Wernerfelt, Birger (1984). 'A Resource-Based View of the Firm,' *Strategic Management Journal*, 5(2), 171-180.

Wiklund, Johan, and Dean Shepherd (2003). 'Knowledge-Based Resources, Entrepreneurial Orientation, and the Performance of Small and Medium-Sized Businesses,' *Strategic Management Journal*, 24(13), 1307-1314.

- Wincent, Joakim, Sara Thorgren, and Sergey Anokhin (2014). 'Entrepreneurial Orientation and Network Board Diversity in Network Organizations,' *Journal of Business Venturing*, 29(2), 327-344.
- Wright, M., I. Filatotchev, R. E. Hoskisson, and M. W. Peng (2005). 'Strategy Research in Emerging Economies: Challenging the Conventional Wisdom - Introduction,' *Journal of Management Studies*, 42(1), 1-33.
- Wu, Jie (2013). 'Diverse Institutional Environments and Product Innovation of Emerging Market Firms,' *Management International Review (MIR)*, 53(1), 39-59.
- Xue, Qiuzhi, Qinqin Zheng, and Daniel W. Lund (2013). 'The Internationalization of Service Firms in China: A Comparative Analysis with Manufacturing Firms,' *Thunderbird International Business Review*, 55(2), 137-151.
- Yadong, Luo, and Mike W. Peng (1999). 'Learning to Compete in a Transition Economy: Experience, Environment, and Performance,' *Journal of International Business Studies*, 30(2), 269-295.
- Yamakawa, Yasuhiro, Mike W. Peng, and David L. Deeds (2008). 'What Drives New Ventures to Internationalize from Emerging to Developed Economies?,' *Entrepreneurship Theory and Practice*, 32(1), 59-82.
- Yarbrough Jr, Earl, Michael Abebe, and Hazel Dadanlar (2017). 'Board Political Experience and Firm Internationalization Strategy: A Resource Dependence Perspective,' *Journal of Strategy and Management*, 10(4), 401-416.
- Zaefarian, Reza, Teck Yong Eng, and Misagh Tasavori (2016). 'An Exploratory Study of International Opportunity Identification among Family Firms,' *International Business Review*, 25(1), 333-345.
- Zahra, Shaker A. (2003). 'International Expansion of U.S. Manufacturing Family Businesses: The Effect of Ownership and Involvement,' *Journal of Business Venturing*, 18(4), 495-512.
- Zahra, Shaker A., James C. Hayton, and Carlo Salvato (2004). 'Entrepreneurship in Family Vs. Non-Family Firms: A Resource-Based Analysis of the Effect of Organizational Culture,' *Entrepreneurship Theory and Practice*, 28(4), 363-381.
- Zahra, Shaker A., Donald O. Neubaum, and Morten Huse (2000). 'Entrepreneurship in Medium-Size Companies: Exploring the Effects of Ownership and Governance Systems,' *Journal of Management*, 26(5), 947-976.
- Zhao, Xinshu, John G. Lynch, Jr., and Qimei Chen (2010). 'Reconsidering Baron and Kenny: Myths and Truths About Mediation Analysis,' *Journal of Consumer Research*, 37(2), 197-206.
- Zhou, Lianxi, Wei-ping Wu, and Xueming Luo (2007). 'Internationalization and the Performance of Born-Global SMEs: The Mediating Role of Social Networks,' *Journal of International Business Studies*, 38(4), 673-690.

Appendix I

European Commission (2009, p.4) defines family business as:

“A firm, of any size, is a family business, if:

- 1) The majority of decision-making rights is in the possession of the natural person(s) who established the firm, or in the possession of the natural person(s) who has/have acquired the share capital of the firm, or in the possession of their spouses, parents, child or children’s direct heirs.
- 2) The majority of decision-making rights are indirect or direct.
- 3) At least one representative of the family or kin is formally involved in the governance of the firm.
- 4) Listed companies meet the definition of family enterprise if the person who established or acquired the firm (share capital) or their families or descendants possess 25 per cent of the decision-making rights mandated by their share capital.”

Appendix II

Measurement model*

	<i>Estimate</i>	<i>S.E.</i>	<i>Est./S.E.</i>	<i>P-Value</i>
International firm performance				
Satisfaction with:				
• Sales volume	0.820	0.029	27.996	0.000
• Market share	0.753	0.037	20.497	0.000
• Profitability	0.585	0.052	11.292	0.000
• Market access	0.861	0.025	34.611	0.000
• Return on investment	0.782	0.033	23.687	0.000
• Customer satisfaction	0.428	0.063	6.780	0.000
• Development of image	0.731	0.038	19.176	0.000
• Development of know-how	0.670	0.045	14.946	0.000
Information acquisition capability				
Being able to acquire:				
Information required to understand foreign customer needs	0.846	0.026	32.360	0.000

Measurement model*

	<i>Estimate</i>	<i>S.E.</i>	<i>Est./S.E.</i>	<i>P-Value</i>
The information necessary to identify overseas market opportunities	0.893	0.022	40.819	0.000
Information needed to comply with the requirements and expectations of foreign trading partners	0.866	0.024	35.670	0.00
Participative governance				
The board of directors has the capability to manage and implement change processes or new strategic directions	0.871	0.019	45.124	0.000
Family members have the capability to manage and implement change processes	0.850	0.021	40.061	0.000
The board of directors participate in developing the corporate strategy	0.984	0.010	102.193	0.000
Family members understand the company's strategic objective	0.925	0.014	67.507	0.000
Environmental uncertainty				
It has been difficult to forecast the sales quotas of products in overseas markets	0.578	0.071	8.113	0.000

Measurement model*

	<i>Estimate</i>	<i>S.E.</i>	<i>Est./S.E.</i>	<i>P-Value</i>
The product exported has been greatly influenced by changes in the trade policies of overseas markets	0.547	0.071	7.719	0.000
It has been difficult to forecast the competitive advantage of their products in overseas markets	0.919	0.080	11.552	0.000

Est.= Estimate (factor loading)

S.E.= Standard error

*The above table is an output of Mplus software which estimates factor loadings, their standard errors, and calculates the z score by dividing estimates to standard errors.

Table 1
Variable Means, Correlations, and Reliability

	<i>Std.</i>		<i>CR</i>	<i>AVE</i>	1	2	3	4	5	6
	<i>Mean</i>	<i>Deviation</i>								
1. Age	20.28	16.09								
2. Size	33.76	37.85			0.115					
3. International experience	7.88	8.84			. 0.546 **	0.168*				
4. Environmental uncertainty	4.16	1.18	0.73	0.494	0.217**	-0.272**	-0.218**			
5. Participative governance	4.17	1.66	0.95	0.81	-0.093	0.089	0.085	-.053(.003)		
6. International market information acquisition capability	3.32	2.58	0.90	0.75	-0.173**	0.234 **	0.263**	-0.236**(0.06)	0.202**(0.04)	
7. International firm performance	3.39	1.42	0.89	0.51	-0.267**	0.287**	0.261**	-0.158(0.02)	0.275**(0.08)	0.638**(0.41)

a. Numbers in parentheses are the squared correlation between constructs.

b. ** Correlation is significant at the 0.01 level (2-tailed).

c. * Correlation is significant at the 0.05 level (2-tailed).