

## 11.5.06: SMEs and family firms internationalization: institutional support, innovation and performance

Session Chair: Raquel Meneses, University of Porto, Portugal  
Location: Room 307 (Floor 3)

### Configurational approach to the drivers of the export performance of the family firm

**O. Ifakhharen-Rziki, J. Monreal-Pérez**

University of Murcia, Spain

Family Firms are of great importance in the increasingly competitive and instable environment they have to operate. Furthermore, they account of a set of specific characteristics that make them behave differently, specifically when having to export. Among these distinctive traits, their common lack of resources and their more conservative attitude toward risk, limit their international activity. Nevertheless, we show that these obstacles are minimized when considering some determinants that traditionally have been considered as drivers of the firm export competitiveness (i.e. innovation, collaboration, using own media, export promotion instruments and exporting to developed markets) together as a set. In doing that, we perform a Fuzzy-set Configurational effect to analyse and compare the individual vs. the configurational effect of the abovementioned determinants on a sample of 68 Spanish Family Firms of the agricultural sector.

### Institutional Support in SME Internationalization: Road to Rise or Demise?

**A. Niittymies<sup>1</sup>, M. Yrjölä<sup>2</sup>, A. Mohammadparast Tabas<sup>3</sup>, K. Pajunen<sup>2</sup>**

<sup>1</sup>Aalto University, Finland; <sup>2</sup>Tampere University, Finland; <sup>3</sup>University of Oulu, Finland

This paper contributes to firm internationalization and international entrepreneurship research by explaining why governmentally sponsored institutional support helps SMEs to expand to foreign markets in some cases but not in others. Based on a qualitative analysis of 51 key informants representing internationalizing SMEs, we found that the specific implications of institutional support are driven by conditions emerging from complex interplay between two spectrums related to the relationship between the supporting institutions and the SMEs: (1) the closeness of their relationship and (2) the specificity of resources that could help SMEs in their internationalization.

### The interplay of innovation and internationalisation in the foreign market entry mode and international market selection process of SMEs

**M. Azevedo<sup>1,2</sup>, C. A. Lobo<sup>1,2</sup>, C. S. Pereira<sup>1,2</sup>, N. Durão<sup>1,2</sup>, S. Gerschewski<sup>3</sup>**

<sup>1</sup>Universidade Portucalense, Portugal; <sup>2</sup>REMIT- Research on Economics, Management and Information Technologies, Portugal;

<sup>3</sup>Heriot-Watt University, United Kingdom

In an interconnected world where the success of companies increasingly relies on internationalisation, innovation has emerged as a crucial strategic decision for a firm's strong development and competitiveness. While there tends to be a consensus in the literature regarding the significance of internationalisation and innovation, certain questions arise about the relationships between innovation and entry modes with lower market commitment and destination markets with lower risks.

This study aims to investigate whether a discernible pattern of relationships exists between internationalisation modes, destination markets, and innovation among small and medium-sized Portuguese firms.

To accomplish this research objective, we developed an online questionnaire and collected empirical data from Portuguese SMEs. The final dataset consisted of 310 valid responses, which were subjected to statistical analysis using IBM SPSS 27.0 software. Considering the categorical nature of the data, we applied robust quantitative analysis techniques. More specifically, we employed exploratory statistical analyses, including univariate and multivariate exploratory factorial analysis (EFA), and inferential analyses.

Our findings provide empirical evidence that companies employing internationalisation modes requiring greater commitment, along with those targeting geographically and psychologically distant destination markets, tend to attach greater importance to innovation as a determinant of internationalisation. Our study carries important theoretical and practical implications.

### The Bilateral Relationship between Innovation and Internationalization of Family Firms

**R. Meneses, S. Cerqueira**

University of Porto, Portugal

**Purpose:** This article aims to determine whether the innovation and internationalisation of family firms are cause-effects of each other and to analyse whether certain factors and characteristics of family businesses impact these two strategic activities.

**Design/methodology/approach-**The data obtained from a sample of 189 Portuguese family firms allowed a non-recursive model to be proposed that considers ten research hypotheses, tested, and analysed using the structural equation model (SEM).

**Findings-**The results revealed that innovation affects the internationalisation of family businesses, while the reverse relationship was not significant. Thus, evidence is provided for the inexistence of a bilateral relationship between innovation and internationalisation while acknowledging that some attributes of this type of business do not influence the development of innovation and internationalisation activities.

**Originality-**Determining that only innovation affects internationalisation suggests that managers of family firms seeking to operate in the international market must first invest in innovative processes and, at the same time, act as they would in any other entity, seeing that the managerial attributes typical of family businesses do not affect strategic decisions and, as such, cannot be seen as a justification for less investment in internationalisation and innovation.

