IMPACT OF FAMILY BUSINESS OPERATIONS ON INTERNATIONALISATION

Professor. Akeem Olanrewaju SALAMI
Department of Entrepreneurial Studies
Osun State University, Okuku Campus
Osun State, Nigeria.
akeem.salami@uniosun.edu.ng

Adeniran Rahmon TELLA, PhD
Department of Business Administration,
Osun State University, Okuku Campus
Osun State, Nigeria
adeniran.tella@uniosun.edu.ng

Nafiu Isola BADIRU
Department of Business Administration,
Osun State University, Okuku Campus
Osun State, Nigeria.
nafiu.badiru@pgc.uniosun.edu.ng

Abstract

In light of the global marketplace becoming increasingly interconnected and competitive, understanding the dynamics of family businesses and their role in expanding operations across borders is of utmost importance. This study investigated the impact of family business operations on internationalisation. The study adopted a descriptive survey research design, using a structured questionnaire to collect required data from the focus respondent. A sample size of 300 was determined from the total population of 1 201 employees of the selected family businesses using the Slovin sample size determination formula. This study employed a simple linear regression method of data analysis for all the tested hypotheses. The results revealed that interpersonal relationship ((R^2 = 0.089, Adj.R^2 =0.085, P< 0.05) has a significant influrncr on internationalisation, succession planning ((R^2 = 0.129, Adj.R^2 =0.126, P< 0.05) has a significant influence on internationalisation, and talent management ((R^2 = 0.134, Adj.R^2 =0.130, P< 0.05) has a significant influence on internationalisation. This study concluded that interpersonal relationships play a crucial role in the internationalisation of family businesses, succession planning significantly impacts the internationalisation efforts of family businesses, and talent management practices significantly impact the internationalisation of family businesses. The study recommended that family businesses should prioritise fostering solid interpersonal relationships and open lines of communication among family members involved in the business; family businesses should develop robust succession plans that clearly outline the process and criteria for leadership succession. Family businesses should invest in talent management practices that align with their internationalisation goals.

Keywords: Family business operations, internationalisation, interpersonal relationships, succession planning, talent management

Introduction

Family businesses are a crucial part of the global economy, representing more than 70% of businesses worldwide (KPMG, 2019). These businesses play a vital role in job creation, wealth generation, and community development. In Nigeria, family businesses are essential to the country's economic landscape, contributing significantly to the gross domestic product (GDP) and providing employment opportunities (Babatunde & Aremu, 2017). Internationalisation, defined as expanding a firm's operations beyond national boundaries (Dunning, 1988), is an essential strategy for family businesses seeking to grow and compete in the global marketplace. However, family businesses face unique challenges when internationalising, including limited resources, family conflicts, and institutional constraints (Su & Cai, 2019)

Family businesses in Nigeria face several challenges, including limited access to financing, weak institutional support, and inadequate succession planning. A study by Babatunde and Aremu (2017) found that access to finance is a significant challenge for family businesses in Nigeria, as many need more collateral and financial management skills. Additionally, the weak institutional environment in Nigeria, characterised by corruption and inadequate infrastructure, hinders family businesses' growth and expansion (Babatunde & Aremu, 2017). Succession planning is another challenge faced by family businesses in Nigeria, with many failing to plan for the transfer of leadership and ownership to the next generation (Adegbite, Ayadi, & Ayodele, 2018). The absence of a clear succession plan can lead to family conflicts, harming the business's performance and hindering its internationalisation efforts (Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007).

Furthermore, Nigeria's socio-cultural environment, which strongly emphasises family and kinship ties, can also present challenges for family businesses. Balancing family relationships and business decisions can lead to conflicts and compromises that can affect the business's operations and internationalisation efforts (Su & Cai, 2019). Understanding these challenges and their impact on family businesses' internationalisation efforts is crucial for developing effective strategies to overcome them. This study aims to explore the impact of family business operations on internationalisation in Lagos State, Nigeria, and shed light on the unique challenges family businesses face in this context.

Statement of the problem

Despite previous studies on the internationalisation of family businesses, there remains a need for a deeper understanding of the specific problems related to the impact of family business operations on internationalisation, particularly within the context of Lagos State, Nigeria. Previous studies have focused on various aspects of family businesses, such as family involvement (Jia, Wu, & Li, 2020; Zhang & Liao, 2019), socioemotional wealth (Berrone, Cruz, & Gomez-Mejia, 2018), and small and medium-sized enterprises' internationalisation (Morschett, Schramm-Klein, & Zentes, 2011), excluding the focus of this study; interpersonal relationships, succession planning, and talent management in family businesses. Furthermore, these studies have predominantly employed a single theoretical perspective, such as a Resource-Based View (RBV), to explore the influence of family business resources or Institutional Theory to assess the impact of institutional factors on the link between family business operations and internationalisation. While these studies have provided valuable insights, relying solely on a single theoretical framework may restrict the comprehension of the intricate processes underlying the internationalisation of family businesses. Thus, this study aims to address these gaps by adopting a multi-theoretical approach, combining the RBV and institutional theory, to comprehensively understand how family business operations impact internationalisation in Lagos State, Nigeria. This study aims to contribute to the existing literature and offer practical implications for family businesses seeking to expand their operations internationally.

Objectives of the Research

The main objective of this study is to investigate the impact of family business operations on internationalisation. Other specific objectives are to:

i. analyse the influence of interpersonal relationships in family businesses on internationalisation.
ii. determine the extent to which succession planning in family businesses affects internationalization.
iii. examine the impact of talent management in family businesses on internationalisation.

Literature Review

Family businesses are a distinct enterprise that operates differently from non-family firms. They are characterised by family ownership and management, which creates a unique set of challenges and opportunities. Family businesses often operate with a long-term vision and are motivated by non-financial factors such as legacy and family values. The involvement of family members in the business creates complex dynamics that can impact decision-making, succession planning, and the overall business strategy. Therefore, understanding the nuances of family business operations is crucial for developing effective management strategies and ensuring the long-term sustainability of the business. Family business operations refer to the day-to-day activities of a business that is owned, managed, or controlled by a family. Family businesses are unique because they involve a complex interplay between family dynamics and business operations, which can impact their performance and success (Gómez-Mejía et al., 2007).

According to Chrisman, Chua, and Steier (2015), family businesses are often characterised by a strong sense of family identity and values that shape their decision-making processes and operations. Family businesses also tend to have a long-term perspective, focusing on preserving the business for future generations (Carney, Van-Essen, Gedajlovic, & Heugens, 2015). However, family businesses can also face challenges related to their operations, such as conflicts between family members, inadequate professionalisation of management, and limited access to financing and resources (De Massis, Kotlar, Campopiano, & Cassia, 2018). These challenges can impact their ability to compete in the global marketplace and hinder their internationalisation efforts.

Despite these challenges, family businesses remain dominant in many economies worldwide, including Nigeria, where they play a vital role in job creation and economic development (Babatunde & Aremu, 2017). Therefore, understanding the impact of family business operations on internationalisation is essential for developing effective strategies to overcome the challenges they face and ensure their long-term success in the global marketplace. Therefore, this study will proxy family business operations with interpersonal relationships (Ward, 1987), succession planning (Sharma, 2004), and talent management (Allen and Panian (2012), as suggested in their study.

Interpersonal relationships

Interpersonal relationships refer to the connections between individuals and the impact these connections have on the dynamics and performance of the family business. These relationships can be positive, such as trust and collaboration, or harmful, such as conflict and power struggles." (Gómez-Mejía et al., 2007). “Interpersonal relationships refer to how individuals interact and communicate in a social setting" (Chua, Chrisman, & Sharma, 1999, p. 100). Interpersonal relationships are the emotional and social connections between individuals within a family business. These connections are shaped by shared experiences, values, and communication patterns and can significantly impact the family business's performance and long-term success. (Tagiuri & Davis, 1996). Therefore, interpersonal relationships refer to the connections and interactions between individuals within a family business, including their communication styles, shared experiences, and emotional dynamics.

Succession Planning

Succession planning refers to transferring leadership and ownership of a family business from one generation to another. This process involves identifying and developing successors, establishing a clear plan for the transfer of ownership and management, and ensuring the continuity of the business's operations and culture (Sharma, 2004). Succession planning involves the deliberate and systematic process of ensuring that the leadership and ownership of a family business are transferred smoothly and effectively to the next generation. This process requires careful planning, communication, and a clear succession plan that addresses leadership development, ownership transfer, and family dynamics." (Ward, 1987). Therefore, succession planning is identifying and developing current employees with the potential to fill critical leadership and executive roles and creating a comprehensive plan for their eventual transition into these positions.

Talent Management

Talent management refers to identifying, developing, and retaining key employees within a family business. This process involves assessing the skills and abilities of current employees, developing training and development programs, and creating career paths and opportunities for advancement." (Allen & Panian, 2012). Talent management encompasses the range of activities involved in attracting, developing, and retaining talented individuals within a family business. These activities include recruitment, training and development, performance management, and succession planning, and are critical to the long-term success and competitiveness of the family business." (Collins & Mellahi, 2009).

Therefore, Talent management can be defined as the strategic process of attracting, developing, and retaining employees with the necessary skills and competencies to meet current and future organisational needs. This process involves identifying high-potential individuals, creating career development opportunities, and providing targeted training and development programs to enhance their skills and capabilities. Talent management aims to align the organisation's goals with the goals of individual employees, thereby promoting employee engagement, productivity, and retention.

Internationalisation

Internationalisation is expanding a business beyond its domestic market to international markets. It involves the strategic decision-making process of a company to enter, compete and operate in foreign markets (Johanson & Vahlne, 2009). Internationalisation can take different forms, such as exporting, licensing, franchising, joint ventures, acquisitions, and foreign direct investment. Internationalisation can bring numerous benefits to a family business, such as access to new markets, resources, technology, knowledge, and talent (Carney et al., 2015). It can also help to diversify the family business's revenue streams, reduce its dependence on a single market, and improve its competitiveness in the global marketplace (Chrisman et al., 2015). However, internationalisation also poses several challenges, particularly for family businesses. Family businesses, for example, may need help adapting to different cultures, legal frameworks, and business environments. They may also encounter communication barriers, a lack of resources and capabilities, and the need for talent management strategies to build and manage a culturally diverse workforce (De Massis et al., 2018). In order to overcome these challenges, family businesses must develop effective internationalisation strategies aligned with their goals, values, and capabilities (Carney et al., 2015). This involves conducting market research, identifying potential partners, developing appropriate entry modes, and building a network of relationships with stakeholders in foreign markets (Johanson & Vahlne, 2009).

Therefore, internationalisation is a critical aspect of family business operations, and its success depends on developing effective strategies that align with the family business's goals, values, and capabilities. In addition, it requires careful planning, risk management, and investment in talent management to overcome the challenges posed by operating in foreign markets.

Theoretical Framework

Resource-Based View (RBV)

The Resource-Based View (RBV) theory proposes that a firm's internal resources and capabilities are crucial to its strategic success (Barney, 1991). This theory can be applied to the study's objective of investigating the impact of family business operations on internalisation. The RBV theory suggests that family businesses can leverage their unique resources and capabilities to facilitate internationalisation efforts. Meanwhile, family businesses may possess solid interpersonal relationships among family members and employees, providing a competitive advantage in developing and maintaining international partnerships (Miller & Le Breton-Miller, 2005). Additionally, family businesses may deeply understand their local market, culture, and networks, which can be valuable in identifying and pursuing international opportunities (Chua et al., 1999).

Institutional Theory

The institutional theory proposes that organisations conform to societal norms and values to gain legitimacy and secure resources (Meyer & Rowan, 1977). This theory can be applied to the study's objective of the relevance of talent management in family businesses on internationalisation. Institutional pressures may incentivise family businesses to adopt talent management practices that align with the prevailing societal norms and expectations to maintain their legitimacy (Zahra, Hayton, Neubaum, Dibrell, & Craig, 2008).
Therefore, the Resource-Based View and Institutional Theory provide helpful theoretical frameworks for understanding the impact of family business operations on internationalisation. By leveraging their unique resources and capabilities and navigating institutional pressures, family businesses can achieve successful internationalisation and sustained growth.

Empirical Review

Blanzo-Mazagatos, Delgado-García, and Barrero (2022) analysed the impact of multi-generational involvement in managerial roles on the internationalisation of family-owned businesses in Spanish. This study addresses the existing literature's suggestion to examine the impact of socioemotional wealth (SEW) on the internationalisation of family firms. It does so by investigating how the significance attributed by family managers to the dimensions of SEW (enrichment, continuity, and prominence) moderates the relationship between the involvement of multiple generations in management and the internationalisation of family firms. The research employed a descriptive survey methodology and collected data through a questionnaire distributed to the chief executive officers (CEOs) of 147 Spanish family businesses. The research findings indicate a positive correlation between the participation of multiple generations in managerial roles and the internationalisation process within family-owned businesses. Moreover, the significance that family chief executive officers (CEOs) assign to the enrichment aspect of socioemotional wealth (SEW) diminishes the strength of the impact of involving multiple generations in managerial roles on the internationalisation of family-owned businesses.

The study conducted by Agbim and Eluka (2018) examined the impact of social networks on internationalisation within family businesses in the South Eastern region of Nigeria. The research employed a survey methodology. The researchers utilised proportionate stratified and simple random sampling methods to ascertain the appropriate sample size. The data obtained from the administered questionnaire was analysed using linear regression. The study's findings indicate a statistically significant and positive relationship between social networks and the internationalisation of family businesses. The study's findings indicate that social relationships can facilitate the utilisation of social network platforms for communication among founders/CEOs. Additionally, these relationships expose founders/CEOs to international business knowledge and experience and connect them with foreign partners, investors, funds, facilities, and markets.

The study by Alayo, Iturralde, and Maseda (2022) investigated the correlation between innovation, internationalisation, and family engagement in domestic small and medium-sized enterprises (SMEs). The study underscores the variability of this association contingent upon the extent of familial engagement. The study employed a sample size of 186 small and medium-sized enterprises (SMEs) located in Spain for analysis. The data were subjected to analysis using structural equation modelling. The study's findings indicate that the engagement in innovation activities by small and medium-sized enterprises (SMEs) that families own has a notable impact on facilitating their internationalisation process. Furthermore, the findings highlight the importance of familial participation in promoting this association. The study's findings indicate that specific familial characteristics related to business management and the level of family involvement in the top management team (TMT) impact the relationship between innovation and international expansion.

Rexhepi, Ramadani, Rahdari, and Anggadwita (2017) underscored the significance of formulating and choosing business models and strategies for family enterprises in internationalisation. The research was conducted by reviewing existing literature on international entrepreneurship, strategic management, models and internationalisation strategies. The study also introduced a novel conceptual framework focusing on the internationalisation of family businesses. The study's findings indicate that family businesses employ varying models and strategies to expand their operations internationally, with the specific approach chosen often influenced by the business size.

The study by Debicki, Miao, and Qian (2020) aimed to assess the influence of internationalisation on the performance of family firms and investigate the potential moderating factors that may affect this relationship. The research employed a meta-analysis methodology to examine the effects of internationalisation on performance within family firms. Additionally, the study investigated the influence of various moderators on this relationship. The analysis was based on a comprehensive review of 29 relevant studies. The study's results revealed a significant positive impact of internationalisation on the performance of family firms. The strength of this relationship was found to be more pronounced in family firms characterised by a lower level of family ownership. Several methodological moderators were found to be statistically significant in this study, including the measurement of performance and the degree of internationalisation. The findings also indicate the presence of various cultural factors that moderate the main effect, including individualism, masculinity, low uncertainty avoidance, and short-term orientation, which have a positive influence.

2.5 Conceptual Framework

Independent Variables

Dependent Variable

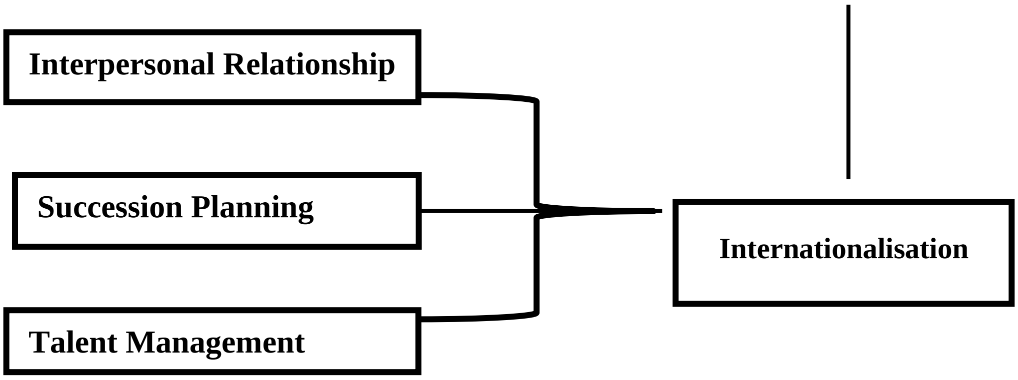

Figure 2.1 **Conceptual Relationship between Variables**

Methodology

The study adopted a quantitative approach using a descriptive survey method. The population of the study consists of employees of Guardian News Papers Limited (500), Coscharis Group Limited (501), and Orange Drugs Limited (200), making a total population of 1,201 for this study.

The sample size 300 was determined using the Slovin sample size determination formula.

It is expressed below:

$n = \frac{N}{1+N(e)^2}$

Where: n= Sample size; N= Total population; and e= Error Margin (5%)

$$= \frac{1201}{1 + 1201(0.05)^2}$$

$$= \frac{1201}{1 + 1201(0.0025)}$$

$$= \frac{1201}{1 + 3.0025}$$

$$= \frac{1201}{4.0025}$$

$$= 300.06$$

n = approximately 300 employees

Table 3.1: Survey Distribution allocated to each selected Family Businesses in Lagos State, Nigeria and their Total Number of Employees

Names of Organisation	No of employees	Proportionate Ratio	Copies of Questionnaire
Guardian Newspaper Limited	500	300 x 500 1201 =124.90	125
Coscharis Group Limited	501	300 x 501 1201 = 125.15	1 2 5
Orange Drugs Limited	200	300 x200 1201 = 49.96	5 0
Total	**1201**		**300**

Source: Researchers Computation (2023)

The study adopted multistage sampling techniques involving proportionate and simple random sampling techniques on the focus respondents, making 300 sample sizes, with Guardian News Papers Limited (125), Coscharis Group Limited (125), and Orange Drugs Limited (50).

The study adopted a self-administered questionnaire method of data collection, with a five-point Likert scale rating from strongly agree =5, agree= 4, undecided = 3, disagree = 2 and strongly disagree = 1. Inferential statistics were employed to analyse the quantitative data using SPSS, and all the hypotheses for this study were analysed with Linear Regression Analysis.

Model Specification

$Y_1 = {}_1$Dependent ${}_1$Variable, ${}_{1\,1\,1}X_1 = {}_1$Independent ${}_1$Variable

Where: $Y_1 = {}_1$Internationalization (IN), and $X_1 =$ Family Business Operations (FBO)

$Y_1 = {}_1(Y1)$, and $X_1 = {}_1(x_1, x_2, x_2)$

Where: $Y_{1\,1} =$ Internationalization (IN)

$x_1 = {}_1$Internpersonal Relationship (IR)$_{MT)}$

$x_{2\,1} =$ Succession Planning (SP)

$x_{3\,1} =$ Talent Management (TM)

The regression equation is given then as;

$Y_1 = f(x_1)$

IN= f (FBO)

$Y_1 = \alpha 0 + \beta_1 x_1 + \mu_i$

$IN = \alpha 0 + \beta_1 IR + \mu_i$ ……………………………………………….Eqn. 3.1

$Y_1 = f(x_2)$

$IN = f(SP)$

$Y_1 = \alpha 0 + \beta_2 x_2 + \mu_i$

$IN = \alpha 0 + \beta_2 SP + \mu_i$ … ……………………………… ………. Eqn.3,2

$Y_1 = f(x_3)$

$IN = f(TM)$

$Y_1 = \alpha 0 + \beta_3 x_3 + \mu_i$

$IN = \alpha 0 + \beta_3 TM + \mu_i$ … ……………………………… ………. Eqn.3,3

Where α = the constant of the equation

β_1- β_4 = the coefficient of variables in the equations;

μ_i = the stochastic function that accounts for the errors that may arise in the equation

Discussion of Results

Test of Hypotheses

Test of Hypothesis One

Ho_1: Interpersonal relationship does not significantly influence internationalisation.

Simple linear regression was used to explore the influence of interpersonal relationships on internationalization.

Table 1. Interaction Between Interpersonal Relationships and Internationalization

Model Summary				
Model	R	R Square	Adjusted R Square	Std. An error in the Estimate
1	.298[a]	.089	.085	1.68280
a. Predictors: (Constant), Interpersonal relationship				

Source: Author's Fieldwork Computation, 2023

According to Table 1, the model summary analyses the interaction between interpersonal relationships in family business and internationalisation. The model revealed an R-value of 0.298 (29.8%), which shows a positive and significant relationship between interpersonal relationships in family business and internationalisation. The model further revealed an R-square value of

0.089; this indicates that interpersonal relationships in a family business account for about 8.9% of the variations in internationalisation, whereas the remaining 91.1% were unexplained in the model but represented under the stochastic error term. Regarding goodness of fit, the model presented a positive and significant interaction between interpersonal relationships in family business and internationalisation.

Table 2: **Significance of Interpersonal Relationships on Internationalization**

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	68.935	1	68.935	24.343	.000[b]
	Residual	707.954	250	2.832		
	Total	776.889	251			
a. Dependent Variable: Internationalisation						
b. Predictors: (Constant), Interpersonal relationship						

Source: Author's Fieldwork Computation, 2023

The regression analysis results for the variance (ANOVA) are presented in Table 2. The findings indicate that the overall model was statistically significant. This conclusion is supported by the F statistic of 24.343 and a p-value of less than 0.05. These results suggest less than 5% probability that this study's formulated and tested hypothesis is accurate. Furthermore, the overall regression model is significant regarding goodness of fit, as evidenced by the comparison of Ftab (1,251) and Fcal (24.343), indicating that the model fits well.

Table 3: Contribution of Interpersonal Relationship to Internationalization

Coefficients						
Model		Unstandardised Coefficients		Standardised Coefficient	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.756	.445		10.683	.000
	Interpersonal relationship	.288	.058	.298	4.934	.000
a. Dependent Variable: Internationalisation						

Source: Author's Fieldwork Computation, 2023

The first hypothesis of this study is tested by the regression results shown in Table 3 Regression Coefficients. Interpersonal relationships in the family business positively and significantly influence internationalisation ($\beta 1 = 0.288$, $t = 4.934$, $p<0.05$). When other elements are controlled, family business interpersonal relationships explain internationalisation. The regression result shows that internationalisation is 4.756 when family business interpersonal relationships are constant at zero. According to the regression coefficient, a one-unit rise in an interpersonal relationship in a family business variable correlate to a 0.288 increase in internationalisation. These studies show that family business interpersonal relationships boost internationalisation. Thus, the alternative hypothesis was accepted, and the null hypothesis ($H0_1$) was rejected. The study shows that interpersonal relationships in family businesses boost the internationalization

Test of Hypothesis Two

Ho_2: Succession planning does not significantly affect the internationalisation
Standard multiple regression was used to explore the effects of Succession planning on internationalisation.

Table 4. Interaction between Succession Planning and Internationalization

Model Summary				
Model	R	R Square	Adjusted R Square	Std. An error in the Estimate
1	.359[a]	.129	.126	1.64507
a. Predictors: (Constant), succession planning				

Source: Author's Fieldwork Computation, 2023

According to Table 4, the model summary analyses the interaction between succession planning in family business and internationalisation. The model revealed an R-value of 0.359 (35.9%), which shows a positive and significant relationship between succession planning in family business and internationalisation. The model further revealed an R-square value of 0.129; this indicates that succession planning in a family business account for about 12.9% of the variations in internationalisation, whereas the remaining 87.1% were unexplained in the model but represented under the stochastic error term. Regarding goodness of fit, the model presented a positive and significant interaction between succession planning in family business and internationalisation.

Table 5: Significance of Succession Planning to Internationalization

ANOVA						
Model		Sum of Square	df	Mean Square	F	Sig
1	Regression	100.327	1	100.327	37.072	.000[b]
	Residual Total	676.562	250	2.706		
	Total	776.889	251			
a. Dependent variable: Internationalisation						
b. Predictors: (Constant), Succession planning						

Source: Author's Computation, 2023

The regression analysis results for the variance (ANOVA) are presented in Table 5. The findings indicate that the overall model was statistically significant. This conclusion is supported by the F statistic of 37.072 and a p-value of less than 0.05. These results suggest less than 5% probability that this study's formulated and tested hypothesis is accurate. Furthermore, the overall regression model is significant regarding goodness of fit, as evidenced by the comparison of Ftab (1,251) and Fcal (37.072), indicating that the model fits well.

Table 6: Contribution of Succession Planning to Internationalization

Coefficients						
Model		Unstandardised Coefficients		Standardised Coefficient	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.622	.386		11.958	.000
	Succession planning	.300	.049	.359	6.089	.000
a. Dependent Variable: Internationalisation						

Source: Author's Fieldwork Computation, 2023

The second hypothesis of this study is tested by the regression results shown in Table 6 Regression Coefficients. Succession planning in the family business positively and significantly influence internationalisation ($\beta 1 = 0.300$, $t = 6.089$, $p<0.05$). When other elements are controlled, family business succession planning explains internationalisation. The regression result shows that internationalisation is 4.622 when family business succession planning is constant at zero. According to the regression coefficient, a one-unit rise in succession planning in a family business variable correlate to a 0.300 increase in internationalisation. These studies show that family business succession planning boost internationalisation. Thus, the alternative hypothesis was accepted, and the null hypothesis ($H0_2$) was rejected. The study shows that succession planning in family business boost the internationalisation

Test for Hypothesis Three

Ho_3: Talent management does not significantly affect the internationalisation Standard multiple regression was used to explore the effects of talent management on internationalisation.

Table 7. Interaction between Talent Management on Internationalisation.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. An error in the Estimate
1	.366[a]	.134	.130	1.64062
a. Predictors: (Constant), Talent management				

Source: Author's Fieldwork Computation, 2023

According to Table 7, the model summary analyses the interaction between Talent management in family business and internationalisation. The model revealed an R-value of 0.366 (36.6%), which shows a positive and significant relationship between talent management in family business and internationalisation. The model further revealed an R-square value of 0.134; this indicates that talent management in a family business account for about 13.4% of the variations in internationalisation, whereas the remaining 86.6% were unexplained in the model but represented under the stochastic error term. Regarding goodness of fit, the model presented a positive and significant interaction between talent management in family business and internationalisation.

Table 8: Significance of Talent Management to Internationalization

ANOVA						
Model		Sum of Square	df	Mean Square	F	Sig
1	Regression	103.980	1	103.980	38.631	.000b
	Residual Total	672.909	250	2.692		
	Total	776.889	251			
a. Dependent variable: Internationalisation						
b. Predictors: (Constant), Talent management						

Source: Author's Computation, 2023

The regression analysis results for the variance (ANOVA) are presented in Table 8. The findings indicate that the overall model was statistically significant. This conclusion is supported by the F statistic of 38.631 and a p-value of less than 0.05. These results suggest less than 5% probability that this study's formulated and tested hypothesis is accurate. Furthermore, the overall regression model is significant regarding goodness of fit, as evidenced by the comparison of Ftab (1,251) and Fcal (38.631), indicating that the model fits well.

Table 9: Contribution of Talent Management to Internationalization

Coefficients						
Model		Unstandardised Coefficients		Standardised Coefficient	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.535	.392		11.555	.000
	Talent management	.307	.049	.366	6.215	.000
a. Dependent Variable: Internationalisation						

Source: Author's Fieldwork Computation, 2023

The third hypothesis of this study is tested by the regression results shown in Table 9 Regression Coefficients. Talent management in the family business positively and significantly influences internationalisation ($\beta 1 = 0.307$, $t = 6.215$, $p<0.05$). When other elements are controlled, family business talent management explains internationalisation. The regression result shows that internationalisation is 4.535 when family business talent management is constant at zero. According to the regression coefficient, a one-unit rise in talent management in a family business variable correlate to a 0.307 increase in internationalisation. These studies show that talent management in family business boost internationalisation. Thus, the alternative hypothesis was accepted, and the null hypothesis ($H0_3$) was rejected. The study shows that talent management in family business boost the internationalization.

Discussion of Results

The first hypothesis in this investigation produced an R Square of 0.089, indicating that the constant factors (interpersonal interaction) accounted for 8.9% of the variation in the dependent variable (internationalisation). As opposed to this, the estimated F-value (24.343) is shown in the table with a significance value of 0.000, which is smaller than the p-value of 0.01 (p0.01), indicating that the explanatory variable element impacted the change in the dependent variable. The table further revealed a Beta value of 0.298, indicating a contribution of interpersonal relationships to internationalisation, with a p-value less than 0.01. This means that this variable is statistically significant. Hence, interpersonal relationships significantly impact internationalization at a 1% significance level. The study supported the study of Liden, Wayne, and Sparrow. (2000) found positive interpersonal relationships as a critical predictor of organisational engagement.

The outcome of hypothesis two in this study showed an R Square of 0.129, indicating that the constant factors (succession planning) accounted for 12.9% of the variation in the dependent variable (internationalisation). Although the estimated F-value (37.072) is given in the table with a significance value of 0.000, which is less than the p-value of 0.01 (p0.01), this indicates that the explanatory variable element impacts the change in the dependent variable. The table further revealed a Beta value of 0.359, indicating a contribution of succession planning to internationalisation, with a p-value less than 0.01. This means that this variable is statistically significant. Hence, there is a significant influence of succession planning on internationalization at a 1% significance level. The study supported the study of Scharmer (2007), that argues that succession planning is being co-created, a transformative stage in which management considers the future.

The R Square for hypothesis three in this study was 0.134, indicating that the constant factors (talent management) accounted for 13.4% of the dependent variable's variation (internationalisation) variation. Although the estimated F-value (38.631) is given in the table with a significance value of 0.000, which is less than the p-value of 0.01 (p0.01), this indicates that the explanatory variable element impacted the change in the dependent variable. The table further revealed a Beta value of 0.366, indicating a contribution of talent management to internationalisation, with a p-value less than 0.01. This means that this variable is statistically significant. Hence, there is a significant influence of talent management on internationalization at a 1% significance level. The study supported the decision of Schuler (2015) that talent or talented employees appear to be based on exceptional individuals, are challenging to replace, and can add significant value to the family business.

Conclusion and Recommendations

Based on the findings revealed by the results of the analysis, the following conclusions were made:

Interpersonal relationships play a crucial role in the internationalisation of family businesses. Successful international expansion relies on effective communication, trust, and collaboration within the family business.
Succession planning significantly impacts the internationalisation efforts of family businesses. Smooth transitions of leadership and decision-making authority from generation to generation are crucial for maintaining stability and continuity during internationalisation.

Talent management practices have a significant impact on the internationalisation of family businesses. Acquiring, developing, and retaining talented individuals with the right skillsets and international experience is critical for successful expansion into foreign markets.

Based on the conclusion derived from the finding of this study, the following recommendations were made:

i. Family businesses should prioritise fostering solid interpersonal relationships and open lines of communication among family members involved in the business. Regular family meetings, team-building activities, and formalised communication channels help build trust, promote transparency, and facilitate the exchange of ideas, ultimately strengthening the family's ability to navigate the challenges of internationalisation successfully.
ii. Family businesses should develop robust succession plans that clearly outline the process and criteria for leadership succession. This involves identifying and grooming potential successors, providing them with

necessary training and exposure to international markets, and establishing mentoring programs. By ensuring a seamless transition of power and responsibilities, family businesses can better navigate the complexities of internationalisation and maintain their competitive edge.

iii. Family businesses should invest in talent management practices that align with their internationalisation goals. This includes implementing recruitment strategies that attract individuals with international backgrounds and experiences, providing ongoing training and development programs to enhance global competencies, and establishing performance management systems that recognise and reward international achievements.

References:

Adegbite, E., Ayadi, F. S., & Ayodele, T. (2018). Succession planning and performance of family businesses in Nigeria. *Journal of Entrepreneurship in Emerging Economies, 10*(1), 1-21. DOI: 10.1108/JEEE-10-2016-0033

Agbim, K. C., & Eluka, J. (2018). Social network and family business internationalization in South Eastern Nigeria. *Journal of Accounting, Business and Finance Research*, *3*(2), 64-74.

Alayo, M., Iturralde, T., & Maseda, A. (2022). Innovation and internationalization in family SMEs: Analyzing the role of family involvement. *European Journal of Innovation Management*, *25*(2), 454-478.

Allen, M. R., & Panian, S. K. (2012). Family business talent management: A preliminary conceptualisation. *Journal of Business and Behavioral Sciences, 24*(3), 117-130. DOI: 10.9782/2151-0022-24.3.117

Allen, M. R., & Panian, S. K. (2012). Talent management in family firms: A conceptual model and empirical exploration. *Journal of Family Business Strategy, 3*(4), 219-232. DOI: 10.1016/j.jfbs.2012.10.002

Babatunde, A. O., & Aremu, M. A. (2017). Challenges of the family business in Nigeria: The way forward. *International Journal of Management Sciences and Business Research, 6*(3), 1-10. DOI: 10.14106/ijmsbr.2017.6.3.01

Bansal, S., Gupta, M., & Garg, Y. (2018). Family businesses and internationalisation: A study of Indian firms. *Journal of Family Business Management, 8*(2), 206–224. DOI: 10.1108/JFBM-03-2018-0019

Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management, 17*(1), 99–120. DOI: 10.1177/014920639101700108

Berrone, P., Cruz, C., & Gomez-Mejia, L. R. (2018). Socioemotional wealth in family firms: A literature review and suggestions for future research. *Journal of Family Business Strategy, 9*(1), 1-14. DOI: 10.1016/j.jfbs.2017.12.003

Blanzo-Mazagatos, V., Delgado-García, J. B., & Barrero, J. P. (2022). Involvement of multiple generations in management and internationalization of family firms in Spain: the moderating effect of SEW dimensions. *Journal of Family Business Management*

Carney, M., Van-Essen, M., Gedajlovic, E., & Heugens, P. P. (2015). What do we know about the family firm CEO? An exploratory review and synthesis. *Journal of Management, 41*(5), 1365-1389. DOI: 10.1177/0149206315574525

Carr, J. C., & Bateman, T. S. (2010). The moderating role of the institutional context in the relationship between family involvement and internationalisation. *Entrepreneurship Theory and Practice, 34*(3), 535–554. DOI: 10.1111/j.1540-6520.2010.00369.x

Chrisman, J. J., Chua, J. H., & Steier, L. P. (2005). An introduction to theories of family business. *Journal of Business Venturing, 20*(6), 705-721. DOI: 10.1016/j.jbusvent.2004.10.001

Chua, J. H., Chrisman, J. J., & Sharma, P. (1999). Defining the family business by behaviour. Entrepreneurship Theory and Practice, 23(4), 19–39. DOI: 10.1177/104225879902300402Collings, D. G., & Mellahi, K. (2009). Strategic talent management: A review and research agenda. *Human Resource Management Review, 19*(4), 304–313.

De Massis, A., Kotlar, J., Campopiano, G., & Cassia, L. (2018). Dispersion, diversity, and ambidexterity: Evidence from dual-focus family firms. *Journal of Management Studies, 55*(7), 1112-1142. doi: 10.1111/joms.1230

Debicki, B. J., Miao, C., & Qian, S. (2020). Internationalization and family firm performance: A cross-cultural meta-analysis of the main effect and moderating factors. *Cross Cultural & Strategic Management*.

Dunning, J. H. (1988). The eclectic paradigm of international production: A restatement and some possible extensions. *Journal of International Business Studies, 19*(1), 1–31.

Gómez-Mejía, L. R., Haynes, K. T., Núñez-Nickel, M., Jacobson, K. J., & Moyano-Fuentes, J. (2007). Socioemotional wealth and business risks in family-controlled firms: Evidence from Spanish olive oil mills. *Administrative Science Quarterly, 52*(1), 106-137.

Hiebl, M. R. W. (2014). Family involvement and firms' establishment mode choice: A resource-based view. *Journal of Small Business Management, 52*(2), 246-261.

Jia, M., Wu, Y., & Li, L. (2020). The influence of family involvement on internationalisation of SMEs: A systematic literature review. *International Journal of Entrepreneurship and Innovation Management, 24*(1-2), 90-110.

Johanson, J., & Vahlne, J. E. (2009). The Uppsala internationalisation process model revisited: From liability of foreignness to liability of outsiders. *Journal of International Business Studies, 40*(9), 1411-1431.

Liden, R. C., Wayne, S. J., & Sparrowe, R. T. (2000). Examining the mediating role of psychological empowerment on the relations between the job, interpersonal relationships, and work outcomes. *Journal of Applied Psychology, 85*(3), 407–416. https://doi.org/10.1037/0021-9010.85.3.407

Meyer, J. W., & Rowan, B. (1977). Institutionalised organisations: Formal structure as myth and ceremony. *American Journal of Sociology, 83(*2), 340–363.

Miller, D., & Le Breton-Miller, I. (2005). Managing for the long run: Lessons in competitive advantage from great family businesses. *Harvard Business Press.*

Morschett, D., Schramm-Klein, H., & Zentes, J. (2011). The impact of family involvement on SMEs' internationalisation: A review. *International Business Review, 20*(6), 610-623.

Rexhepi, G., Ramadani, V., Rahdari, A., & Anggadwita, G. (2017). Models and strategies of family businesses internationalization: A conceptual framework and future research directions. *Review of International Business and Strategy*, *27*(2), 248-260.

Scharmer, C. O. (2007). Theory U: Leading from the Future as It Emerges. Berrett-Koehler Publishers.

Schuler, R. S. (2015). Talent management: A critical review. *Human Resource Management Review, 25*(2), 173-191. https://doi.org/10.1016/j.hrmr.2014.05.001

Sharma, P. (2004). An overview of family business studies: Current status and directions for the future. *Family Business Review, 17*(1), 1–36.

Su, Y., & Cai, L. (2019). Internationalisation of family firms in developing countries: A review and future research agenda*. International Business Review, 28*(5), 101562.

Tagiuri, R., & Davis, J. A. (1996). Bivalent attributes of the family firm. *Family Business Review, 9*(2), 199-208.

Ward, J. L. (1987). Keeping the family business healthy: Planning for continuing growth, profitability, and family leadership. Jossey-Bass.

Zahra, S. A., Hayton, J. C., Neubaum, D. O., Dibrell, C., & Craig, J. (2008). Culture of family commitment and strategic flexibility: The moderating effect of stewardship. *Entrepreneurship Theory and Practice, 32(*6), 1035-1054