The impact of ownership and internationalization on sustainable firm performance

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Abstract. This study aims to explore the growth of publications by focusing on firm performance through internationalization and the impact of ownership on firm performance, and finally firm performance will ultimately determine the sustainability of the industry. The study was conducted based on data from the Scopus website from 1971 to 2020. Data analysis was performed by grouping and comparing the growth of published articles. After that the analysis continues by looking at the journals that most publish this topic and the quality of the journal. An analysis of the countries of the authors who contributed the most to this research along with the most productive authors was also presented. And the next analysis is to explore the keywords in the research, an analysis is made of the interrelationship of the research that has been done which conducted based on bibliographic coupling technique and present the opportunities for topics that are still rarely examined in this field.

Keywords : Internationalization, Firm Performance, Ownership

1. Introduction
The importance in studying how firms with different types of ownership can benefit from internationalization is highlighted by the fact that many research were focused in this topic. The relationship between ownership structure and internationalization of firms has been commonly examined with different result. Several studies conducted include research of ownership impacts the international expansion of emerging market firms [1], internalization theory to examine the entry mode decisions and establishment of state-owned enterprises and privately owned enterprises [2].

The study presented here focuses on literature review of the relationship between ownership and the level of internationalization of firm. What are the consequences of different forms of ownership for the internationalization of firms? This critical question is not clearly realized. From ownership structure,
specifically CEO ownership and ownership concentration can advantage firms to select different strategic orientations and facilitating success of international business [3].

Several studies focus on ownership and its influence on internationalization and firm performance, studied the impact of ownership on performance in the form of CEO ownership, business groups, state-owned dan nonstate-owned, strategy structure ownership to firm performance, internal owners and external owners, institutional, government, family, executive, board ownership, and ownership concentration [4]–[8].

2. Literature review
Based on studies from several research have considered ownership as an important variable when investigating varied phenomena specially in internationalization of firm. Classifications for ownership consist of capital owned by government (central and local government), national private, and foreign. This classification is used by Central Bureau of Statistics of Indonesia to measure company ownership. Statistical data on investment approved by the government consists of foreign investment and Domestic investment, sourced from Indonesian Investment Coordinating Board [9].

Structure of ownership can be divided to public ownership, private ownership, and foreign ownership [10], the outsider and the insider i.e. managerial ownership [11], or state ownership and foreign ownership [12]. Agnihotri & Bhattacharya [13], explored ownership structure from business groups and foreign investor approach, Boyd & Solarino [6] stated type of ownership are institutional investor ownership, insider ownership, blockholder ownership, family ownership, business group ownership, and State owned enterprises. While other research states types of ownership structures are state-owned, private–publicly-listed and private business groups [14].

The internationalization of firms is a topic that has been of growing concern to scholars in the last few years. Different theoretical models was used to research in this topic [15]. Specific resources and capabilities of firms are also important in describing the internationalization behavior of business groups in emerging market. Theoretical approaches used in relation to internationalization such as the institutional approach, market centered theories, and the resource-based view [16].

3. Method
In order to carry out this research, we set up multiple search techniques to identify published research articles that studied the relationship between ownership and internationalization of firm. We obtained articles that have been published in peer reviewed journal of scopus database (Elsevier 2020). To accomplish the coherence between the articles, we limited our keywords search with the term ("internationalization degree" OR "degree of internationalization" OR "international business") AND "ownership" in title, abstract, or keywords and were in journal source type and were published in the period from 1971 until 2020.

We have decided to include both empirical and conceptual papers in our sample to covering as much as possible theoretical contributions in this research. This filter was intended to ensure that most of the essential articles on focus to the influence of ownership to internationalization of firm from the first time this topic published in scopus database until now. The all period was chosen because we needed to analyze the literature of a wider duration and identify the growth of this research topic over the times.

A bibliometric analysis was developed to identifying the growth of the publications throughout the from 1971 until now and the identification of the most important journals, countries and author that research in the field of internationalization and measure the ownership as a factor that influence it. The first step, we filter on scopus database based on the term above extracted 299 articles, and than all the articles are grouped according to year of publication and analyzed using line graphs. The second step consisted of grouped articles per journal publication, most productive authors, and analyzed articles by author’s country.
4. Results and discussion

According to the steps in the method section above, the first part of this research is analysis the growth of the publication period from 1971 to 2020. The filter on scopus database extracted 299 articles. Figure 1 shows that there was a fluctuating growth in the publication of articles in the field, but overall there was a significant growth in this topic over the time.

![Figure 1. Number of articles published between 1971 and 2020](source: Elsevier (2020)).

There was a considerable growth during the period from 1971 to 2008, there was decrease in 2009 and still declining in the following year. But growth returned from 2011 to 2012. After that the graph still show fluctuation of the publication and in 2020 the publication reaches the highest point from all the period. To more realized the growth of the publication, we divided the time period to analyzed the growth in every 10 year (except the 3rd sub-period which only has 6 years). The total of articles for each of the defined sub-periods as follow.

| Periods      | Articles | Articles per year |
|--------------|----------|-------------------|
| 1971 - 2004  | 43       | 4                 |
| 2005 - 2014  | 136      | 14                |
| 2015 - 2020  | 120      | 20                |

Table 1 shows that the total of articles for each of the three sub-periods analyzed were separately 43 paper (1971 – 2004), 136 paper (2005 – 2014), and 120 paper (2015 - 2020). From the data above, when analyzed further related to productivity per year, the following information is obtained that the increase in the number of papers produced per year occurs very significantly. From 1st sub-period to 2nd sub-period there is increase 216%, and from 2nd sub-period to 3rd sub-period there is a decrease in the number of papers produced, but this is due to this period of measurement only for 6 years, and when viewed from the paper per year there are a significant increase for this last sub-period (20 paper).

The number of articles published in journals that indexed by Scopus database, as well as that of the highest quartiles journal as the top journals, are presented in table 2. From the all period from 1971 to 2020, 10 journals published more than 50% of the articles (170 out of 299). The largest number of
publications journal was the *Journal of International Business Studies*, focused on articles which address the international dimensions of organizational forms, with 105 articles representing 35% of the total.

**Table 2. Articles per Journal**

| Journal                                      | Articles | H-index | Quartiles | Percentual |
|----------------------------------------------|----------|---------|-----------|------------|
| Journal of International Business Studies    | 105      | 184     | Q1        | 35%        |
| International Business Review                | 14       | 87      | Q1        | 5%         |
| Journal of World Business                    | 13       | 104     | Q1        | 4%         |
| Multinational Business Review                | 7        | 26      | Q1        | 2%         |
| Asia Pacific Journal of Management           | 6        | 74      | Q1        | 2%         |
| Journal of International Management          | 6        | 66      | Q1        | 2%         |
| Management Decision                          | 6        | 91      | Q1        | 2%         |
| European Business Review                     | 5        | 39      | Q1        | 2%         |
| Management International Review              | 5        | 53      | Q1        | 2%         |
| Frontiers of Business Research in China      | 3        | 11      | Q3        | 1%         |
| Others (108)                                 | 129      |         |           | 43%        |
| **Total**                                    | 299      |         |           | 100%       |

Source: adapted from Elsevier and Scimagojr (2020)

The analysis of the number of articles per author are presented in table 3. The results listed the 10 most productive authors that published 37 articles through out the period. The highest number of articles’ author is Igor V. Filatotchev, with affiliate institution to Wirtschaftsuniversität Wien, Vienna, Austria and King's College London, London, United Kingdom, and he is professor of corporate governance and strategy. His h-index is 44 with 143 publication documents in Scopus database. The next author with the highest productivity in this field is Paul W. Beamish, from Ivey Business School Western University, Canada. His h-index is 47 with 134 publication documents in Scopus database. He is professor of international business and general management.

**Table 3. Most productive authors**

| Author                  | Document | Cited by (average) |
|-------------------------|----------|--------------------|
| Filatotchev, I.         | 6        | 52                 |
| Beamish, P.W.           | 5        | 58                 |
| Buckley, P.J.           | 4        | 52                 |
| Lin, W.T.               | 4        | 23                 |
| Aguilera, R.V.          | 3        | 11                 |
| Brouthers, K.D.         | 3        | 70                 |
| Cui, L.                 | 3        | 167                |
| Driffield, N.           | 3        | 100                |
| Hitt, M.A.              | 3        | 44                 |
| Lee, W.S.               | 3        | 5                  |
| Others (150)            | 262      |                    |
| **Total**               | 299      |                    |

Source: adapted from Elsevier (2020)
The number of articles by author’s country analysis are presented in Table 4. Data from this table indicated that the published articles on this topic throughout the period were evenly distributed in America, Europe, Asia. The USA, UK, and China dominating the publication and occupying the first three positions. Data calculation in the list uses affiliate country data from the author. If in a paper there are more than one affiliated countries, then the paper will be counted more than once according to the number of countries in the paper. Based on this calculation method there are 462 published articles that grouped according to the affiliated country.

Table 4. Articles by author’s country

| Country    | Document | Percentual |
|------------|----------|------------|
| USA        | 111      | 24%        |
| UK         | 58       | 13%        |
| China      | 31       | 7%         |
| Canada     | 28       | 6%         |
| Hong Kong  | 21       | 5%         |
| Australia  | 17       | 4%         |
| Singapore  | 16       | 3%         |
| Taiwan     | 15       | 3%         |
| Germany    | 13       | 3%         |
| Spain      | 12       | 3%         |
| Others (41)| 138      | 30%        |
| Undefined  | 2        | 0.43%      |
| Total      | 462      | 100%       |

Source: adapted from Elsevier (2020)

Ownership and Internationalization

The relationship between ownership and internationalization of the firm is carried out to assess whether ownership structure has an influence on the firm's internationalization. The influence of ownership structure on state-owned enterprises (SOEs) or private enterprises is one of the focuses of research. Investigation whether SOEs get gain more from internationalization than private enterprises have no proof that state ownership reduces the benefits of internationalization[12].

George et. al [17] argued that structure of ownership impact firm’s propensity to take risks and expand the size and scope of their efforts of internationalization. A greater presence of foreign ownership helps firms improve their understanding of international markets, minimize the fear of the unknown, and avail themselves of the benefits of internationalization [13].

In the perspective of emerging economies, different categories of ownership structures, such as state-owned enterprises (SOEs), private - publicly- listed and private business groups, have an advantage to review of different types of strategies in order to achieve competitive advantages. The next stage of this topic to assess the impact of ownership can be combine organizational mechanisms, types of ownership, and corporate governance practices by business groups to create relational rents[14].

Analysis of Bibliographic Coupling Technique

The next step was the analysis of all the keywords of the articles. To display a visualization of the network between keywords from articles that are referenced, Bibliographic coupling (BC) technique is used with Vosviewer software. To limit the keywords used by focusing on the last 3 years paper, this analysis uses articles from 2018-2020. Type of analysis uses co-occurrence with unit of analysis are all
keywords. The counting method uses full counting with a minimum number of occurrences for each keyword is 2.

Figure 2 displays a visualization of the network between keywords between 2018 and 2020. Each keyword has a different color. The color indicates the renewal of the publication. The dark blue color indicates that the keywords used in the publication are from a longer year (2018), light blue is a publication in 2019, while yellow is for the latest publication (2020).

Research that focuses on internationalization is mostly done with research objects is companies from China [18, 8, 21]. Research on the internationalization of many companies is associated with ownership, firm performance, market conditions, but not much has been linked between internationalization and principal conflict [18].

Sharma et al. studied the influence of political connections on company performance by exploring differences in political connections in exporter companies and non-exporter companies and distinguishing 3 types of exporter companies, namely private owned, local state owned, and central state owned [19]. Ren et al. [8, 21], analyzed ownership from Chinese mining firms with state owned (SOEs) and nonstate-owned (NSOEs) approaches, support for home institutions can be ownership based or performance based.

From the research, ownership keywords are associated with business group, foreign direct investment, export, privatization, economic growth, international entrepreneurship, and the country which is the most research object is China [7], [20]–[24].

One of the new and interesting researches related to capital structure and its influence on internationalization and company performance with an empirical study approach in Indonesia using control variables is firm size, age current ratio, tangibility and turnover total asset states that
internationalization has a positive impact on performance based on historical targets and has a negative impact based on industrial targets [25].

While the obtained findings contribute from bibliographic coupling of all keywords from the references literature, several issues remain open for future research. From the analysis of all the keywords of the articles, there are no research has discussed this topic with the sustainability development. A potentially promising avenue for future research may be related to more detailed information associated with sustainability development.

5. Conclusions

The research that focuses on the internationalization of firms and their impact on firm performance becomes an interesting topic to be studied from time to time because of economic growth and developing countries that affect the firm's strategy in achieving performance targets with various strategy approaches. One strategy that is widely used by firms is related to ownership. Ownership is a composition of corporate capital ownership both in terms of internal ownership and external ownership.

From this study it can be concluded that the publications on this topic have increased from time to time. Exploration the publications based by country, indicated that the published articles on this topic throughout the period were evenly distributed in America, Europe, Asia. The USA, UK, and China dominating the publication. From the most productive author in producing publications on this topic is Igor V. Filatotchev with affiliations from Austria and United Kingdom, and the next author with the highest productivity in this field is Paul W. Beamish from Canada.

From the analysis using the bibliographic coupling technique with the keywords ownership, degree of internationalization, and international business, the identification results show that much research is associated with business group, foreign direct investment, export, privatization, economic growth, international entrepreneurship, and the country that is the most research object is China. In addition, research on corporate internationalization has also been linked to ownership, firm performance, market conditions, but there has not been much connection between internationalization and principal conflict.

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