

ALICJA HADRYŚ

alicja.hadrys@ue.poznan.pl

Poznań University of Economics and Business. Institute of International Economics

10 Niepodległości Av., 61-875 Poznań, Poland

ORCID ID: <https://orcid.org/0000-0003-2684-9910>

The Role of Future Leader's Entrepreneurial Orientation in Family Firm Internationalization Process – the Polish Context

Keywords: entrepreneurial orientation; family firm; leader; internationalization; CEE countries

JEL: L26; M12; M16; M51

How to quote this paper: Hadryś, A. (2024). The Role of Future Leader's Entrepreneurial Orientation in Family Firm Internationalization Process – the Polish Context. *Annales Universitatis Mariae Curie-Skłodowska, sectio H – Oeconomia*, 58(4), 47–65.

Abstract

Research background: In CEE countries, especially in Poland, research on family entrepreneurship has a shorter tradition than in western countries, mainly due to the fact that most family enterprises were established after 1989 when the political system changed. Among others, the main area of interest for researchers associated with family enterprises is succession, especially areas connected with preparation of the successor, future leader of the company.

Purpose of the article: The research problem is to identify the conditions for the internationalization of family firms, which are associated with the person of a future leader (successor), in particular, those related to the entrepreneurial orientation of the leader. Therefore, the main research question is which and to what extent the dimensions of the leader's entrepreneurial orientation influence the internationalization of family firms?

Research methods: The complexity of the researched topic prompted the use of advanced statistical methods. Therefore, the quantitative analysis was carried out using the SEM-PLS method, i.e. structural equation modeling using the partial least squares method.

Main findings: The dimensions that influence the internationalization are the pro-activity of the leader, the tendency of the leader to risk and the competitive aggression of the leader. Pro-activity of the leader

in almost 20% affects the speed/pace of the internationalization of the family firm. This effect is enhanced by the presence of external managers. Future leader tendency towards risk and competitive aggression in almost 20% of every dimension affect the international achievements of a family firm.

Introduction

In Poland, research on family entrepreneurship has a shorter tradition than in Western countries mainly due to the fact that most family enterprises were established after 1989 when the political system changed. The collapse of the communist regime allowed the release of entrepreneurial attitudes, making family enterprises become the driving force behind the development of the Polish economy (Bednarz et al., 2017). The main areas of interest for researchers associated with family enterprises are issues related to ownership, management of relations between the family and the company, conflicts, competitive advantage associated with a specific type of property and succession, including the preparation of successors to take over and manage a family business. Many articles on the topic of family enterprises begin with the statement that less than 30% of them are transferred to the second generation, and only 10% to the third generation (Lansberg, 1999; Sułkowski & Marjański, 2011). As part of the research, it was assumed that succession is a dynamic process taking place between two basic groups (transmitting – nestors and taking – successors), whose aim is to transfer the next generation of both management and ownership over a family business.

In the literature on family firm, the view is emphasized that succession is a complex process influenced by individual owners' goals, family structure, and ambitions of potential successors as well as legal and financial aspects (Le Breton-Miller et al., 2004; Sharma et al., 2003). In addition to succession and the challenges related to family businesses, the issues of company development and internationalization are discussed. This situation also applies to family firms, which are perceived as those that prefer operations on national and even local markets (Kontinen & Ojala, 2010; Kallmünzer, 2022). Nevertheless, to operate in an increasingly competitive market, they are also forced to internationalize (Claver et al., 2007; Graves & Thomas, 2006, 2008; Ratten et al., 2017; Roszko-Wójtowicz et al., 2022). Therefore, the main goal of this paper is to identify the conditions for the internationalization of family businesses, which are associated with the person of the future leader (successor), in particular, those who are related to his/her entrepreneurial orientation.

Willingness to transfer the firm to future generations, conservative behaviors, risk aversion, family influence and resistance to change (Kellermanns & Eddleston, 2006), as well as local rooting (Gallo & Sveen, 1991; Gallo Garcia Pont, 1996; Anwar et al., 2023) cause that the foreign expansion of family enterprises is different than in non-family enterprises. Studies on the impact of succession on the internationalization of a family businesses have already been carried out, however, the results regarding the impact of succession on foreign expansion are still ambiguous. When discussing

the issue of succession, the authors point out that the most important is the choice of a successor, future leader. Therefore, research was also conducted on the influence of one of the elements of succession on foreign expansion, i.e. research related to the influence of the successor on the internationalization of a family enterprise (e.g. Mitter et al., 2012; Camino et al., 2017; Hutzschenreuter & Horstkotte, 2013; Keil et al., 2017; Kai-Ping et al., 2014; Calabrò et al., 2017; De Massis & Foss, 2018), which, like those related to the succession process itself, do not give clear results. The above-mentioned studies address the characteristics of successors such as age, gender, education, experience or qualifications, which should have a successor to take over a family firm. Among these features, the entrepreneurship of a successor is also mentioned (Tung et al., 2014). Entrepreneurship is a trait, or rather a set of psychological traits conditioning being a good entrepreneur, i.e. achieving success in managing the enterprise, which can be explained by means of entrepreneurial orientation (Gawel, 2013). In turn, the entrepreneurial orientation consists of pro-activity, innovation, propensity to risk, competitive aggression and autonomy. Historically, research on entrepreneurial orientation has focused mainly on the analysis at the enterprise level, but increasingly this concept is also used to analyze the behavior of individuals. It should be noted that research on the entrepreneurial orientation of people is very few. In response to a need for the analysis of the concept of entrepreneurial orientation in terms of the individual, this perspective has become the starting point for the ongoing deliberations. An additional premise for undertaking the discussed topic was the lack of research related to the impact of the successor's entrepreneurial orientation in the internationalization of family enterprises.

The research problem is to identify the conditions for the internationalization of family firm, which are associated with the person of the future leader (successor), in particular, those related to the entrepreneurial orientation of the leader. Therefore, the main research question is which and to what extent the dimensions of the leader's entrepreneurial orientation influence the internationalization of family enterprises? Based on the previously mentioned gap and in response to the raised problem of the need to analyze entrepreneurial orientation at the entrepreneur's level, as well as the importance of internationalization for enterprise development and the importance of succession for the functioning of a family enterprise, in addition to the answer to the main research question, the following specific questions were as follows:

1. With what strength do the dimensions of an entrepreneurial orientation of a family-born leader affect the internationalization of a family enterprise?
2. What moderators influence the relation between the entrepreneurial orientation of a leader from the family and the internationalization of the family enterprise?
3. Which of the moderators influencing the dependence between the entrepreneurial orientation of the leader from the family and the internationalization of the family enterprise are important for the development of the family enterprise by internationalization?

The complexity of the researched topic prompted the use of advanced statistical methods. Therefore, the quantitative analysis was carried out using the SEM-PLS method, i.e. structural equation modeling using the partial least squares method. The research model was tested using least squares structural equation modeling (PLS-SEM), a variance-based method selected as an appropriate method for estimating structural equation models. This model was used in the study for the following reasons. First, PLS-SEM allows researchers to model and test complex relationships with empirical data to develop theory in exploratory research. Second, the advantage of adopting this method is the ability to consider in a more flexible way different elements of the model, such as intervening dimensions, since “PLS is primarily intended for forecasting and analysis in situations where when the theoretical framework is insufficient and the observed research problem is very complex”. Moreover, PLS-SEM has greater statistical power compared to popular structural equation modeling methods based on covariance using the maximum likelihood method because it is less demanding in terms of minimum sample size, which, considering the specificity of the research goal, is appropriate for use in this study.

The paper consists of four parts. The introduction presents a general overview, primary goal, research method, and research questions. The second part will focus on literature review of family business internationalization and succession process. In the third part, the research methods and research procedure will be presented. In the fourth part, the role of leader’s entrepreneurial orientation in family firm internationalization process will be presented. Finally, the last section will conclude and discuss the results’ implications and directions for possible future research.

Literature review

Based on a study of literature, the concept of empirical research on the influence of the of the leader’s entrepreneurial orientation on the internationalization of a family enterprise was created. In the center of the concept of empirical research there is a dependent variable, i.e. internationalization of a family enterprise, for which measurements were made using the measures used in the literature (Tung et al., 2014; Ratten et al., 2017; Kallmünzer et al., 2022). The factor determining the internationalization of a family enterprise is an intra-organizational factor related to the entrepreneur, and more specifically to the leader. The dimensions of entrepreneurial orientation are related to the person of the leader.

The entrepreneurial orientation construct derives from Miller’s (1983) breakthrough achievement, which argued that entrepreneurship usually includes innovation, pro-activity and risk-taking, and enterprises showing a tendency to do so have an entrepreneurial orientation. Although Lumpkin and Dess (1996) later suggested the addition of autonomy and competitive aggressiveness as two additional dimensions the majority of entrepreneurial research studies concern three dimensions at

the enterprise level, proposed by Miller using the Covin and Slevin (1989) scale. Activities having their source in entrepreneurial orientation are observed at the enterprise level, and entrepreneurial orientation itself is often perceived and analyzed from the company's perspective (Covin & Lumpkin, 2011; Lumpkin & Dess, 1996). However, the entrepreneurial orientation of an organization that causes entrepreneurial behaviors and influences the achieved results is conditioned by the person of the business owner or the main manager CEO (Cho & Hambrick, 2006; Covin & Slevin, 1988; Simsek et al., 2010). Even in the largest organizations, CEOs are the key decision makers in strategic decisions (Jensen & Murphy, 1990) or strategic choices and they directly influence a wide range of investment, financial and organizational practices (Bertrand & Schoar, 2003). Managers also influence the activities of others in enterprises. This indirect influence follows the strategy, creating the organizational context in which the strategy is implemented (Burgelman, 1983), thus, affecting both internal and external stakeholders (Fanelli et al., 2009; Arosa et al., 2010; De Massis et al., 2018), thereby signaling what behavior is desirable throughout the organization. This is no different in family enterprises, which are the axis of interest in this study. In the literature on family enterprises, it is even assumed that a family enterprise is a kind of "extension" of the owner's family. Therefore, the analysis of the characteristics of people associated with the company can give an answer to how the organization will behave. In family enterprises, the owner has the greatest influence on how the family enterprise works. In addition to the owner, also family members who are involved in the family business influence the behavior of the company. The person of the future leader, successor, is also not without significance for the directions of business development. One of the characteristics of family enterprises is the long-term perspective of operation. For this long-term perspective to be realized, a process of succession must take place. Proper succession is one where the successor and is a person from the family. Numerous authors emphasize that the features of the successor, i.e. the person who is to become the CEO of the company, its preparation for the succession process and for enterprise management, have a significant impact on the future development of the company (Kontinen & Ojala, 2010; Basly, 2007). Taking into account the above, further considerations regarding the entrepreneurial orientation of the CEO will be discussed with reference to the leader. The entrepreneurial orientation of the leader is a reflection of a continuous focus on entrepreneurial behavior, in particular on taking risks, innovation or pro-activity (Covin & Slevin, 1989; Miller, 1983) and on autonomy and competitive aggressiveness. A successful entrepreneur who is enterprising has both the direct and indirect influence on the company's behavior and its results. A leader, successor, with a high degree of entrepreneurship will make decisions related to the allocation of resources that will contribute to creating value (Sullivan, 2010). It will also create organizational structures conducive to the development of the enterprise. The general functioning of a family businesses also influenced by what members, not only families, but also employees perceive as relevant and justified (Lumpkin

& Dess, 2001). Thus, the entrepreneurial orientation of the manager or managers may play an important signaling function for the entire organization, giving meaning and legitimacy to entrepreneurial behavior, thus reducing the barrier for managers throughout the organization in order to engage in the creation of valuable enterprises. In other words, focusing on entrepreneurial behaviors, leader can influence a general organizational entrepreneurial orientation (Chatterjee & Hambrick, 2007; Simsek, et al., 2010). Through consistent entrepreneurial actions, leaders influence decisions regarding the development of the company or creating value for shareholders (Chatterjee & Hambrick, 2007). Many researchers emphasize the influence and significance of successive generations, successors, for the development of a family enterprise, including its internationalization as well as its acceleration, intensification or deepening (Okoroafo, 1999; Child et al., 2009; Erdener & Shapiro, 2005; Olivares-Mesa & Cabrera-Suárez, 2006; Kontinen & Ojala, 2010, 2012; Graves & Thomas, 2008; Muñoz-Bullón & Sánchez-Bueno, 2012; Lin, 2012). The entrepreneurial orientation, both in the organizational and individual context, was perceived as related to the company's results, its development or value (Lumpkin & Dess, 1996; Rauch et al., 2009; Wiklund & Shepherd, 2003). Thus, internationalization as a possible enterprise development strategy, including, of course, a family enterprise, despite the fact that it concerns the entire organization, may be influenced by a person who is involved or not in the process (Erdener & Shapiro, 2005; Olivares-Mesa & Cabrera-Suárez, 2006). In connection with the above, it can be expected that the entrepreneurial orientation of the leader will affect the internationalization of the family enterprise.

Research methods

Future leader, successors from Polish family businesses took part in the Next Generation Perspective study, which aimed to build and empirically verify a model of the impact of the entrepreneurial orientation of a family successor on the internationalization of a family business. The survey was completed by 107 people, which, taking into account the structural modeling used (SEM-PLS), is sufficient to conduct analysis and draw conclusions from the study. The literature states that the minimum research sample size for SEM-PLS data analysis should be ten times the largest number of structural paths leading to a given latent construct (Hair et al., 2011). The largest number of paths to the latent construct in this model is 10, therefore the minimum size of the research sample is 100. The study was conducted using a research tool in the form of a survey questionnaire placed on an online platform. The successors who took part in the study come from the sector of micro, small and medium-sized enterprises that operate as sole proprietorships or as limited liability companies. The successors' family businesses operate mainly in the wholesale and retail trade, services and industrial processing industries. More than half are first-born children with at least one sister or one brother. The group of successors who

completed the survey questionnaire are young people, at the initial stages of their professional career, with good education (higher education) and knowledge of at least one foreign language. These are people who take part in additional courses or vocational training and also have interests, passions or hobbies outside the family business and work. The successors included in the study already work in family businesses, but they also have experience outside of it. More than half of the successors who completed the questionnaire were women.

Based on the literature review considerations, the main hypothesis was derived: There is a relationship between the future leader's entrepreneurial orientation from and the internationalization of the family firm.

Results

The starting point of the analysis within the framework of structural modeling was to check, using Pearson's correlation, whether there is a relationship between the successor's entrepreneurial orientation and its individual dimensions and the speed/pace of internationalization and international achievements. It was noticed that there is a relationship between the successor's entrepreneurial orientation and international achievements (.33, $p < .01$). This relationship is significant, positive and has a medium effect. Pearson's correlation analysis also showed that there is a relationship between the successor's innovativeness (.25, $p < .05$) and international achievements, and this is a significant, positive relationship with a weak effect. The international achievements of a family business also depend on the successor's pro-activity (.30, $p < .01$). This relationship is significant, positive and has a medium effect. There is also a relationship between the successor's willingness to take risks (.27, $p < .05$) and international achievements. This relationship is significant, positive and has a weak effect. No relationship was observed between the successor's entrepreneurial orientation and the speed/pace of internationalization. However, there is a relationship between the successor's pro-activity (.24, $p < .05$) and the speed/pace of internationalization. Table 1 presents the results of the Pearson correlation analysis. Based on the obtained results, it can be assumed that the PLS-SEM analysis is justified.

Table 1. Speed/rate of internationalization and international achievements of the family business

Pearson correlation					
Innovation	Pro-activity	Risk-taking	Aggression	Autonomy	General orientation
0.08	.24*	0.13	-0.03	-0.09	0.11
.25*	.30**	.27*	0.19	0.05	.33**

* $p < .05$, ** $p < .01$

Source: Authors' own study.

First, it was checked whether any of the four moderators (internal relationships, presence of external managers, business context, network of contacts) significantly moderated the impact of the five dimensions of entrepreneurial orientation (pro-activity, innovation, risk-taking, competitive aggression and autonomy) on the speed of internationalization. and international achievements. Therefore, four models were analyzed separately, in which the maceration properties of four variables were checked separately: the existing network of contacts (contacts), the business context (context), intra-family relations (relationships), external managers (managers). First, it was examined whether contacts moderated any effects of entrepreneurship dimensions on internationalization speed and international achievement (see Figure 1).

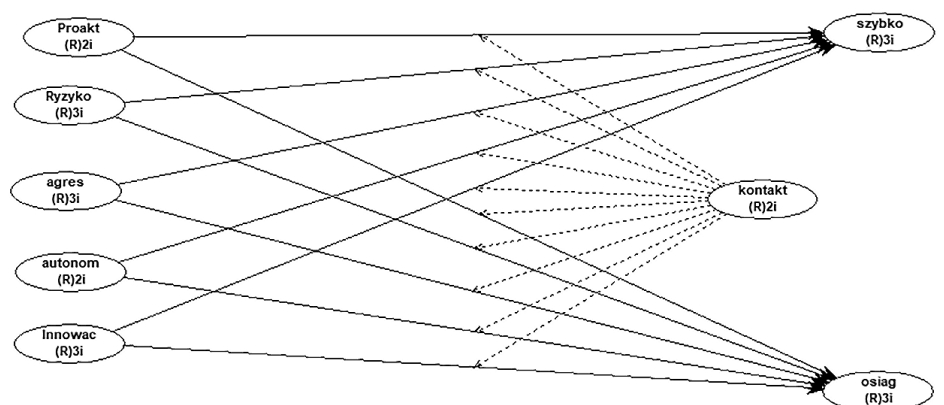


Figure 1. The impact of entrepreneurship dimensions on the speed of internationalization and international achievements and contacts as a moderator

Source: Author's own study.

Intra-family relations and the business context did not significantly mediate any relationship. In the case of the model including external managers as a mediator, the final model was as follows (see Figure 2). Then, all information from the model taking into account two important moderators, i.e. external managers and business contacts, was combined to check their synergistic predictive power. It turned out that business contacts were not a significant moderator after taking into account the variable: external managers.

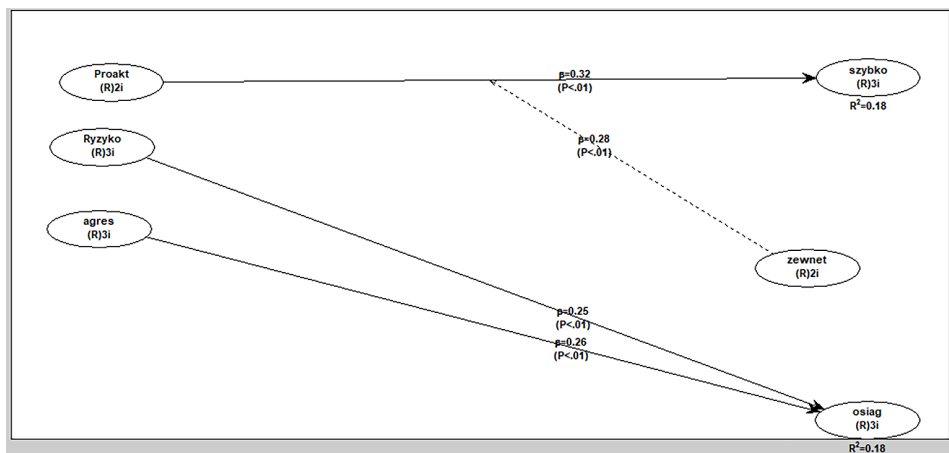


Figure 2. The impact of intra-family relations and business context on family firm internationalization process

Source: Author's own study.

The variance of the international achievements variable was explained in 18% by such characteristics of entrepreneurship as the tendency to take risks and competitive aggression. Both of these dimensions had a positive impact, with a similar effect on international achievements. As the risk-taking tendency increased by one standard deviation, the assessment of international achievements increased by 0.25 standard deviations. In the case of competitive aggression, the effect was 0.26 standard deviations. In the case of the speed of internationalization, the only significant predictor was the dimension of the respondents' pro-activity, which was significantly mediated by the assessment of the presence and strength of influence of external managers in the family enterprise. With an increase in pro-activity by one standard deviation, the assessment of the speed of internationalization increased by 0.32 standard deviations, and the impact was stronger the greater the presence and strength of influence of external managers. As the strength of the influence of the presence of external managers increased by one standard deviation, the influence of pro-activity on the speed of internationalization increased by 0.28 standard deviations. External managers present in the family enterprise moderate the relationship between the successor's pro-activity and the speed/pace of internationalization of the family enterprise, and this effect, pro-activity and the presence of external managers should be considered together. It can be seen that in the group of respondents who assessed the presence and strength of influence of external managers as high, the strength of the influence of the dimension of entrepreneurial orientation, i.e. pro-activity, on the speed of internationalization was greater than in the group who assessed the presence and strength of influence of external managers as low (see Figure 3).

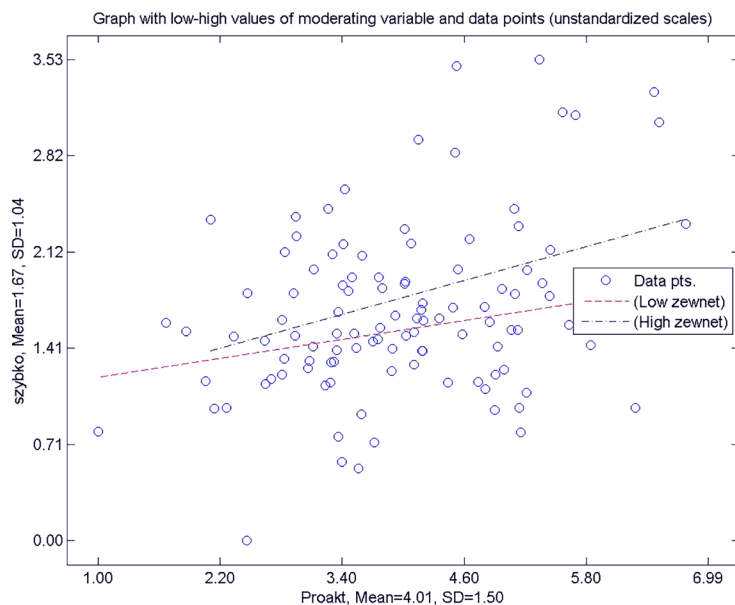


Figure 3. Values of moderating variables

Source: Author's own study.

The second part of the study aimed to demonstrate the strength with which individual dimensions of the successor's entrepreneurial orientation, i.e. pro-activity, innovation, willingness to take risks, autonomy and competitive aggression, influence the internationalization of the family enterprise expressed by the speed/pace of internationalization and international achievements, through such moderators as intrafamily relationships, business context, presence of external managers and participation in the network and contacts related to this participation. The Pearson correlation analysis shows that the successor's entrepreneurial orientation, as the aggregate value of individual dimensions, is not correlated with the internationalization of the enterprise understood as the speed/pace of internationalization, however, one of its dimensions, pro-activity, is correlated with the speed/pace of internationalization of the family enterprise. Pearson's analysis, however, showed that the successor's entrepreneurial orientation is correlated with the internationalization of the family enterprise understood as the international achievements of the family enterprise. With reference to the considerations carried out in the part related to the description of this study, international achievements are understood as an indicator that takes into account profitability, sales growth and subjective overall export results for the most important foreign market over a specific period of time. In turn, the speed/pace of internationalization understood as the overall speed of entering new markets and simultaneous entries into several markets, as well as information whether the company internationalizes through episodes or rather

it is a constant and continuous process. According to Pearson's correlation analysis, it is correlated not with the successor's aggregated entrepreneurial orientation, but with its dimension of pro-activity. Analysis using structural equation modeling using the partial least squares method, i.e. PLS-SEM, showed that in the case of international achievements, the most important were two dimensions of the leader's entrepreneurial orientation, namely his tendency to take risks and his orientation towards taking up competition, i.e. competitive struggle called "competitive aggression". Both the leader's willingness to take risks and to compete have an impact of almost 20% (18%) on the international achievements of a family enterprise. Interestingly, the indicated dimensions of entrepreneurial orientation are not influenced by any of the four moderators. In other words, the willingness to take risks in the internationalization process is not influenced by intra-family relationships, the business context, the presence of external managers or participation in the network, both professional and social. The situation is similar in the case of the leader's competitive aggression and its impact on the internationalization of the family enterprise, expressed by international achievements. It is not influenced by intra-family relations, the business context, the presence of external managers or participation in the network. Taking into account the considerations carried out in the theoretical part related to the role of the family in family enterprises, the lack of moderation, i.e. the lack of influence of intra-family (family) relations on the relationships between the dimensions of the leader's entrepreneurial orientation and the speed/pace of internationalization and international achievements of the family enterprise, is a very interesting result. It might seem that such a result suggests the lack of family influence on the family business. However, it should be noted that such an observation confirms the assumption that in order for the succession process in a family enterprise to end with the takeover of the enterprise by a successor from the family, there must be a high level of trust and cohesion between the senior (founder of the enterprise), the leader and the family. As part of the study, successors were asked whether there is a high level of trust between family members and whether there is a high level of cohesion and unity in their families. These questions used a 5-point Likert scale (1 – *I do not agree at all*, 5 – *I strongly agree*). For each question there was a description of what is meant by trust between family members and what family cohesion and unity mean, developed on the basis of literature considerations presented in the theoretical part. The average values for both questions are over 3.5 and 4, respectively. These values indicate a higher than average level of trust and cohesion in the families of the surveyed successors. Therefore, the lack of influence of intra-family relations on the relationship between the dimensions of entrepreneurial orientation and the speed/pace of internationalization and international achievements results not from the lack of family involvement but from the fact that the family trusts the successor's decisions and supports them by default. This is confirmed by the results of answers to the question whether members of the successor family have high trust in them in the context of running the family business. On a 5-point Likert scale, the average responses are above 4. This also means that the surveyed families have

a higher than average level of trust in the successor in the context of running a family business. Internationalization, expressed as the speed/pace of internationalization, is almost 20% (18%) influenced by the successor's pro-activity. The results of the analysis showed that the remaining dimensions of the leader's entrepreneurial orientation do not have a significant impact on the speed/pace of internationalization of the family enterprise. In the case of pro-activity, the presence of external managers turned out to be an important moderator, while the remaining moderators, i.e. intra-family relations, business context or participation in the network, did not influence the relationship between the leader's pro-activity and internationalization. The research results on the internationalization of family enterprises quoted in the theoretical part clearly indicated that the presence of external managers has a positive effect on the internationalization of a family enterprise. In this sense, the obtained results confirm the previously observed regularity. Particularly interesting is the lack of influence of the leader's participation in both professional and social networks on the speed/pace of internationalization. This result is in contradiction with many studies, which even point to participation in the network and its creation as a necessary condition for internationalization. This state of affairs may be related to the approach to internationalization used in this study. The author was interested in the aspect of dynamics, i.e. changes in foreign expansion after the successor entered the family enterprise. The interest was focused not on the decision to internationalize or undertake internationalization itself, but on how the internationalization process in a family enterprise develops and evolves during or after generational change. Most studies emphasizing the importance of networks for foreign expansion focus more on the moment of initiation of foreign expansion rather than on changing its dynamics. However, the author is aware that the obtained research results do not exclude the importance of the network for the development of the company's internationalization, e.g. the importance of the network for acquiring new markets or for increasing the profitability of internationalization, however, this area was not the aim of the study and is certainly an interesting topic for subsequent considerations.

Discussion

The literature on the subject indicates that young and educated leader who focus on development and fulfill themselves not only professionally are an excellent contribution to the development of the organization (Alayo et al., 2022; Sharma et al., 2003; Gupta & Dwivedi, 2022). The aim of the study was to answer the question about the strength of the impact of individual dimensions of entrepreneurial orientation on international achievements and on the speed/pace of internationalization of family enterprises. To achieve this goal, the SEM-PLS method was used, i.e. structural equation modeling using the partial least squares method. Moderators that result from literature research and observations of family businesses were also introduced into the model. These

were: intrafamily relations, the presence of external managers in the family enterprise, the leader's knowledge of the business context and the leader's participation in the network, both social and professional, as well as the contacts. The analysis showed that the speed/pace of internationalization is almost 20% (18%) influenced by the leader's pro-activity, which is strengthened by the presence of external managers. In turn, the leader's tendency to take risks and his competitive aggression influence the international achievements of the family enterprise by almost 20%, each dimension by 18%. The dimensions that influence the internationalization are the pro-activity of the leader, the tendency of the leader to risk and the competitive aggression of the leader. Pro-activity of the leader in almost 20% affects the speed/pace of the internationalization of the family enterprise. This effect is enhanced by the presence of external managers. The leader's tendency towards risk and his competitive aggression in almost 20% of every dimension affect the international achievements of a family enterprise. On the other hand, the experience of a leader, which he gained outside the family enterprise, influences pro-activity, risk propensity and competitive aggression. This model is obviously a simplified picture of reality, however, it draws attention to the areas related to the leader, namely the dimensions of its entrepreneurial orientation, which are important for the speed/pace of internationalization and for the international achievements of the family enterprise. The analyzes also allowed to determine the factors that affect the entrepreneurial orientation of the leader, the above-mentioned experience outside the family business and the moderator, the presence of external managers in the family business, which positively influences the relationship between the entrepreneurial orientation of the leader and the internationalization of the family enterprise. The obtained results showed that the leader's entrepreneurial orientation and its dimensions, such as pro-activity, the leader's tendency to take risks, his or her innovativeness and competitive aggression, significantly influence the international achievements of the family enterprise. In the case of the speed/pace of internationalization, the leader's pro-activity is the only dimension of entrepreneurial orientation that was significant. Based on literature research and the author's observations, the following moderators were identified that may influence the relationship between the leader's entrepreneurial orientation and the internationalization of a family enterprise understood as the speed/pace of internationalization and international achievements: intrafamily relations, presence of external managers from outside the family, knowledge of the context business by the leader, as well as the leader's participation in the social and professional network and contacts. During the analyses, it turned out that only the presence of external managers moderates the relationship between the leader's pro-activity and the speed/pace of internationalization of the family enterprise. The lack of moderation of intra-family relations, i.e. the family, does not mean that the family has no influence on the leader and his decisions. Such results rather confirm the assumption that in order for the succession process in a family business to end with the successor joining the enterprise, there must be a high level of trust and cohesion between the senior (founder of the enterprise), the successor and the family. This was confirmed by

the results obtained on questions related to the level of trust and cohesion in the family. Particularly interesting is the lack of moderation of the leader’s participation in both professional and social networks. This result is in contradiction with many studies, which even point to participation in the network and its creation as a necessary condition for internationalization (Coviello & Munro, 1997; Johanson & Vahlne, 2009).

Conclusions

Based on the above-presented research conducted among 107 successors from Polish family enterprises, an attempt can be made to make findings and draw conclusions that may contribute to the preparation of recommendations for owners of family enterprises as well as for Managing Directors of enterprises who face the challenge of both developing the enterprise, formulating management teams as well as the challenge of succession of management positions. The conclusions from the empirical research conducted for the purposes of this paper, it is worth noting that the dimensions that influence the internationalization of a family enterprise are the leader’s pro-activity, innovativeness and the successor’s tendency to take risks. The SEM-PLS analysis additionally showed that the leader’s competitive aggression influences the international achievements of the family enterprise. A verified model of the impact of the leader’s entrepreneurial orientation on the internationalization of a family firm is presented in Figure 4.

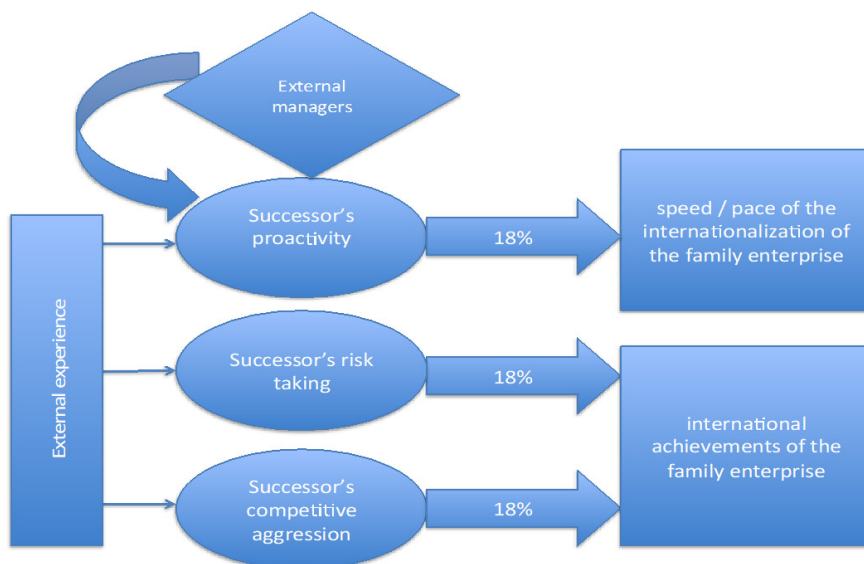


Figure 4. The impact of the leader’s entrepreneurial orientation on the internationalization of a family firm

Source: Author’s own study.

The conclusions drawn from the conducted research indicate that the leader's pro-activity influences the speed/pace of internationalization of a family enterprise by almost 20%. This effect is enhanced by the presence of external managers. The leader's tendency to take risks and his competitive aggression also influence the international achievements of the family enterprise by almost 20% (each dimension). In turn, pro-activity, risk-taking and competitive aggression are influenced by the successor's experience gained outside the family enterprise.

To conclude, it is worth emphasizing that the main challenge for family businesses CEE countries, especially in Poland, apart from the challenges related to the need to fit into the internationalization trend, is still proper preparation and implementation of the succession process. The paper focused on one of the elements of this process, namely the person of the leader and the role of his entrepreneurial orientation in the process of internationalization of the family enterprise. Family entrepreneurs who strive to intensify the internationalization of their enterprises after a generational change should help their successors develop, in particular, such dimensions of their entrepreneurial orientation as: pro-activity, risk appetite and competitive aggression. The conducted research, in a sense, contradicts the statement that entrepreneurial orientation can only be developed at an early stage of a young person's development (Alayo et al., 2019; Duong, 2023). As the results indicate, pro-activity, risk-taking and competitive aggression are influenced by experience gained, both professional and private. Experience can also be gained during education, including higher education. This understanding of the topic of education leads to recommendations to prepare educational programs in such a way that they take into account the need to gather experience. This also applies to regular courses and classes at universities. The pursuit of internationalization of operations also involves the need to open the organizational structures of a family enterprise to managers from outside the family circle. The considerations also show that in order to fully exploit the potential of family enterprises, their owners should understand the specific nature of the functioning of family enterprises and the resulting challenges.

The results of the research will also contribute to the development of science in the field of business theory, strategic management and human resources management, e.g. in areas related to entrepreneurship education, as well as in the field of family enterprises and internationalization. The considerations, especially those of an empirical nature, also shed new light on the approach to entrepreneurship education, emphasizing the role of experience.

The study was conducted among successors from Polish family businesses who were purposefully selected. This may be somewhat of a limitation. Observation of economic reality allows us to notice a certain regularity, according to which family enterprises in which successors are already present are characterized by a high awareness of their family nature and entrepreneurship. The origin of successors from such entrepreneurial families may have highlighted specific dimensions of entrepreneurial orientation. Additionally, the study concerned only the Polish market; in the future, it

would be worth conducting comparative studies, especially with countries with more developed economies, as well as with emerging economies. In the context of shaping entrepreneurial attitudes and competences, subsequent research would need to deepen the issue of factors related to their formation, especially in the face of changes taking place in today's society. An issue that also remains to be resolved in the course of subsequent research is to check the universality of using the created research tool to measure the dimensions of the entrepreneurial orientation of managers and leaders. Thus, examining the relationship between the entrepreneurial orientation of managers or leaders and various areas of enterprise functioning. The results obtained could constitute another important element in shaping the leaders of the future.

Acknowledgments

The author received no financial support for the research, authorship, and/or publication of this article.

References

- 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. <https://doi.org/10.1108/EJIM-07-2020-0302>
- Alayo, M., Maseda, A., Iturralde, T., & Arzubiaga, U. (2019). Internationalization and entrepreneurial orientation of family SMEs: The influence of the family character. *International Business Review*, 28(1), 48–59. <https://doi.org/10.1016/j.ibusrev.2018.06.003>
- Anwar, M., Clauss, T., & Meyer, N. (2023). Entrepreneurship in family firms: An updated bibliometric overview. *Review of Managerial Science*, 18, 539–575. <https://doi.org/10.1007/s11846-023-00650-z>
- Arosa, B., Iturralde, T., & Maseda, A. (2010). Outsiders on the board of directors and firm performance: Evidence from Spanish non-listed family firms. *Journal of Family Business Strategy*, 1(4), 236–245. <https://doi.org/10.1016/j.jfbs.2010.10.004>
- Barach, J.A., Gantisky, J., Carson, J.A., & Doochin, B.A. (1988). Entry of the next generation: Strategic challenge for family business. *Journal of Small Business Management*, 26, 49.
- Basly, S. (2007). The internationalization of family SME: An organizational learning and knowledge development perspective. *Baltic Journal of Management*, 2(2), 154–180. <https://doi.org/10.1108/17465260710750973>
- Bednarz, J., Bieliński, T., Nikodemka-Wołowik, A.M., & Otukoya, A. (2017). Sources of the competitive advantage of family enterprises: An international approach focusing on China, Nigeria and Poland. *Entrepreneurial Business and Economics Review*, 5(2). <https://doi.org/10.15678/EBER.2017.050207>
- Bertrand, M., & Schoar, A. (2003). Managing with style: The effect of managers on firm policies. *Quarterly Journal of Economics*, 118, 1169–1208. <https://doi.org/10.1162/003355303322552775>
- Burgelman, R.A. (1983). A model of the interaction of strategic behavior, corporate context, and the concept of strategy. *The Academy of Management Review*, 8(1), 61–70. <https://doi.org/10.2307/257168>
- Calabrò, A., Campopiano, G., Basco, R., & Pukall, T. (2017). Governance structure and internationalization of family-controlled firms: The mediating role of international entrepreneurial orientation. *European Management Journal*, 35(2), 238–248. <https://doi.org/10.1016/j.emj.2016.04.007>

- Camino Ramon-Lorens, M., Garcia-Meca, E., & Durendez, A. (2017). Influence of CEO characteristics in family firms internationalization. *International Business Review*, 26.
<https://doi.org/10.1016/j.ibusrev.2017.01.007>
- Chatterjee, A., & Hambrick, D.C. (2007). It's all about me: Narcissistic chief executive officers and their effects on company strategy and performance. *Administrative Science Quarterly*, 52(3), 351–316.
<https://doi.org/10.2189/asqu.52.3.351>
- Child, J., Rodrigues, S.B., & Frynas, J.G. (2009). Psychic distance, its impact and coping modes: Interpretations of SME decision makers. *MIR: Management International Review*, 49(2), 199–224. <http://www.jstor.org/stable/40658310>
- Cho, T.S., & Hambrick, D.C. (2006). Attention as the mediator between top management team characteristics and strategic change: The case of airline deregulation. *Organization Science*, 17(4), 453–469. <http://www.jstor.org/stable/25146049>
- Coviello, N.E., & Munro, H. (1997). Network relationships and the internationalisation process of small software firms. *International Business Review*, 4. [https://doi.org/10.1016/S0969-5931\(97\)00010-3](https://doi.org/10.1016/S0969-5931(97)00010-3)
- Covin, J.G., & Lumpkin, G.T. (2011). Entrepreneurial orientation theory and research: Reflections on a needed construct. *Entrepreneurship Theory and Practice*, 35(5), 855–872.
<https://doi.org/10.1111/j.1540-6520.2011.00482.x>
- Covin, J.G., & Slevin, D.P. (1988). The influence of organization structure on the utility of an entrepreneurial top management style. *Journal of Management Studies*, 25, 217–234.
<https://doi.org/10.1111/j.1467-6486.1988.tb00033.x>
- Covin, J.G., & Slevin, D.P. (1989). Strategic management of small firms in hostile and benign environments. *Strategic Management Journal*, 10, 75–87. <https://doi.org/10.1002/smj.4250100107>
- De Massis, A., Frattini, F., Majocchi, A., & Piscitello, L. (2018). Family firms in the global economy: Toward a deeper understanding of internationalization determinants, processes, and outcomes. *Global Strategy Journal*, 8. <https://doi.org/10.1002/gsj.1199>
- De Massis, A.V., & Foss, N.J. (2018). Advancing family business research: The promise of microfoundations. *Family Business Review*, 31(4). <https://doi.org/10.1177/0894486518803422>
- Duong, C.D. (2023). A moderated mediation model of perceived barriers, entrepreneurial self-efficacy, intentions, and behaviors: A social cognitive career theory perspective. *Oeconomia Copernicana*, 14(1), 355–388. <https://doi.org/10.24136/oc.2023.010>
- Erdener, C., & Shapiro, D.M. (2005). The Internationalization of Chinese family enterprises and Dunning's eclectic MNE paradigm. *Management and Organization Review*, 1(3).
<https://doi.org/10.1111/j.1740-8784.2005.00021.x>
- Fanelli, A., Misangyi, V.F., & Tosi, H.L. (2009). In charisma we trust: The effects of CEO charismatic visions on securities analysts. *Organization Science*, 20(6). <https://doi.org/10.1287/orsc.1080.0407>
- Gallo, M.A., & Sveen, J. (1991). Internationalizing the family business: Facilitating and restraining factors. *Family Business Review*, 4(2), 181–190. <https://doi.org/10.1111/j.1741-6248.1991.00181.x>
- Gallo, M.A., & Garcia Pont, C. (1996). Important factors in family business internationalization. *Family Business Review*, 9, 45–59. <https://doi.org/10.1111/j.1741-6248.1996.00045>
- Gawel, A. (2013). *Proces przedsiębiorczy. Tworzenie nowych przedsiębiorstw*. Difin.
- Graves, C., & Thomas, J. (2006). Internationalization of Australian family businesses: A managerial capabilities perspective. *Family Business Review*, 19(3), 207–224.
<https://doi.org/10.1111/j.1741-6248.2006.00066.x>
- Graves, C., & Thomas, J. (2008). Determinants of the internationalization pathways of family firms: An examination of family influence. *Family Business Review*, 21(2), 151–167.
<https://doi.org/10.1111/j.1741-6248.2008.00119.x>
- Gupta, A., & Dwivedi, A.K. (2022). Entrepreneurial orientation, human capital, and family business internationalization: An empirical study. *Palgrave Studies in Democracy, Innovation and Entrepreneurship for Growth*, 265–286. https://doi.org/10.1007/978-3-031-12217-0_13

- Hair, J.F., Ringle, C.M., & Sarstedt, M. (2011). PLS-SEM: Indeed a silver bullet. *Journal of Marketing Theory and Practice*, 19(2), 139–151. <http://www.jstor.org/stable/23033534>;
<https://doi.org/10.1177/0894486518803422>
- Hutzschenreuter, T., & Horstkotte, J. (2013). Performance effects of international expansion processes: The moderating role of top management team experiences. *International Business Review*, 22(1). <http://www.jstor.org/stable/23471039>
- Jensen, M.C., & Murphy, K.J. (1990). Performance pay and top-management incentives. *Journal of Political Economy*, 98, 225–264. <https://doi.org/10.1086/261677>
- Johanson, J., & Vahlne, J.E. (2009). The Uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership. *Journal of International Business Studies*, 40(9).
<https://doi.org/10.1057/jibs.2009.24>
- Kai-Ping, H., Sheng Chung, L., Chu-Mei, L., & Jane, T. (2014). Internationalisation of family business: The effect of ownership and generation involvement. *The Anthropologist*, 17(3), 757–767.
<https://doi.org/10.1080/09720073.2014.11891490>
- Kallmünzer, A., Mauracher, A., Gast, J., Kraus, S., & Calabrò, A. (2022). Internationalisation of family firms: the role of networks and cooperation. *European Journal of International Management*, 18(4), 495–517. <https://doi.org/10.1504/ejim.2022.126166>
- Keil, T., Maula, M., & Syrigos, E. (2017). CEO entrepreneurial orientation, entrenchment, and firm value creation. *Entrepreneurship Theory and Practice*, 41(4), 475–504. <https://doi.org/10.1111/etp.12213>
- Kellermanns, F.W., & Eddleston, K.A. (2006). Corporate entrepreneurship in family firms: A family perspective. *Entrepreneurship Theory and Practice*, 30(6), 809–830.
<https://doi.org/10.1111/j.1540-6520.2006.00153.x>
- Kontinen, T., & Ojala, A. (2010). The internationalization of family businesses: A review of extant research. *Journal of Family Business Strategy*, 1(2).
- Kontinen, T., & Ojala, A. (2012). Internationalization pathways among family-owned SMEs. *International Marketing Review*, 29(5). <https://doi.org/10.1108/02651331211260359>
- Lansberg, I. (1999). *Succeeding Generations: Realizing the Dreams of Families in Business*. Harvard Business School Press.
- Le Breton-Miller, I., Miller, D., & Steier, L.P. (2004). Toward an integrative model of effective FOB succession. *Entrepreneurship Theory and Practice*, 28(4), 305–328.
<https://doi.org/10.1111/j.1540-6520.2004.00047.x>
- Lin, W.-T. (2012). Family ownership and internationalization process: Internationalization pace, internationalization scope, and internationalization rhythm. *European Management Journal*, 30, 47–56.
<https://doi.org/10.1016/j.emj.2011.10.003>
- Lubatkin, M.H., Schulze, W.S., Ling, Y., & Dino, R.N. (2005). The effects of parental altruism on the governance of family-managed firms. *Journal of Organizational Behavior*, 26(3), 313–330.
<http://www.jstor.org/stable/4093943>
- Lumpkin, G.T., & Dess, G. (2001). Linking two dimensions of entrepreneurial orientation to firm performance: The moderating role of environment and industry life cycle. *Journal of Business Venturing*, 16(5). [https://doi.org/10.1016/S0883-9026\(00\)00048-3](https://doi.org/10.1016/S0883-9026(00)00048-3)
- Lumpkin, G.T., & Dess, G.G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *The Academy of Management Review*, 21(1), 135–172.
<https://doi.org/10.2307/258632>
- Miller, D. (1983). The Correlates of entrepreneurship in three types of firms. *Management Science*, 29(7), 770–791. <http://www.jstor.org/stable/2630968>
- Mitter, C., Duller, C., Feldbauer-Durstm, B., & Kraus, S. (2012). Internationalization of family firms: The effect of ownership and governance. *Review of Managerial Science*, 8(1).
<https://doi.org/10.1007/s11846-012-0093-x>
- Muñoz-Bullón, F., & Sánchez-Bueno, M.J. (2012). Do family ties shape the performance consequences of diversification? Evidence from the European Union. *Journal of World Business*, Elsevier, 47(3), 469–477. <https://doi.org/10.1016/j.jwb.2011.05.013>

- Okoroafo, S.C. (1999). Internationalization of family businesses: Evidence from Northwest Ohio, U.S.A. *Family Business Review*, 12, 147–158. <https://doi.org/10.1111/j.1741-6248.1999.001>
- Olivares-Mesa, A., & Cabrera-Suárez, K. (2006). Factors affecting the timing of the export development process: Does the family influence on the business make a difference?. *International Journal of Globalisation and Small Business*, 1, 326–339. <https://doi.org/10.1504/IJGSB.2006.012183>
- Ratten, V., Ramadani, V., Dana, L.-P., Hoy, F., & Ferreira, J. (2017). Family entrepreneurship and internationalization strategies. *Review of International Business and Strategy*, 27(2), 150–160. <https://doi.org/10.1108/RIBS-01-2017-0007>
- Rauch, A., Wiklund, J., Lumpkin, G.T., & Frese, M. (2009). Entrepreneurial orientation and business performance: An assessment of past research and suggestions for the future. *Entrepreneurship Theory and Practice*, 33(3), 761–787. <https://doi.org/10.1111/j.1540-6520.2009.00308.x>
- Rozzko-Wójtowicz, E., Dańska-Borsiak, B., Grzelak, M.M., & Pleśniarska, A. (2022). In search of key determinants of innovativeness in the regions of the Visegrad group countries. *Oeconomia Copernicana*, 13(4), 1015–1045. <https://doi.org/10.24136/oc.2022.029>
- Sharma, P., Chrisman, J.J., & Chua, J.H. (2003). Succession planning as planned behavior: Some empirical results. *Family Business Review*, 16(1), 1–15. <https://doi.org/10.1111/j.1741-6248.2003.00001.x>
- Simsek, Z., Heavey, C., & Veiga, J.F. (2010). The impact of CEO core self-evaluation on the firm's entrepreneurial orientation. *Strategic Management Journal*, 31(1), 110–119. <http://www.jstor.org/stable/27735512>
- Sullivan, B.N. (2010). Competition and beyond: Problems and attention allocation in the organizational rulemaking process. *Organization Science*, 21(2), 432–450. <http://www.jstor.org/stable/27765976>
- Sułkowski, Ł., & Marjański, A. (2011). *Firmy rodzinne. Jak osiągnąć sukces w sztafecie pokoleń*. Poltext.
- Tung, J., Lo, S.C., Chung, T., & Huang, K.-P. (2014). Family business internationalisation: The role of entrepreneurship and generation involvement. *Anthropologist*, 17(3), 811–822. <https://doi.org/10.1080/09720073.2014.11891495>
- Wiklund, J., & Shepherd, D. (2003). Knowledge-based resources, entrepreneurial orientation, and the performance of small and medium-sized businesses. *Strategic Management Journal*, 24, 1307–1314. <https://doi.org/10.1002/smj.360>