

Corporate Ownership Types and Internationalization Strategies: the Moderating Role of Home Country Capitalism

Abstract

Although there is a widespread academic consensus that firm ownership impacts internationalization, there is no agreement on which ownership type increases internationalization. Also, the risk differentials associated with internationalization strategies need to be considered: sales internationalization (a low-risk strategy) and asset internationalization (a high-risk strategy). Furthermore, home-country capitalism can moderate these relationships – a relationship typically unexamined in such research. Using a sample of US, Western European, and emerging-market firms, this paper addresses these research gaps. It examines how five different firm-ownership types (government, family, institutional, managerial, and corporate) and home-country capitalism influence internationalization strategies. We find that government ownership reduces sales internationalization. Family and institutional ownership increases sales internationalization, whereas institutional, managerial, and corporate ownership increases asset internationalization. Higher home-country capitalism reduces the impact of institutional and corporate owners on sales internationalization while increasing the impact of all five ownership types on asset internationalization. Our findings have implications for corporate governance and internationalization literature and practice.

Keywords

Ownership types, internationalization, government ownership, family ownership, institutional ownership, managerial ownership, corporate ownership, home-country capitalism.

1. Introduction

In a globally integrated economy, internationalization has become a necessity for their long-term survival and growth (Bhandari, Zámorský, Ranta and Salo, 2023). The process of international diversification brings both advantages and challenges (Lu and Beamish 2004). International expansion opens doors to new markets and resources, leading to improved performance (Delios and Henisz 2000; Dunning and Lundan 2008, Bhandari et al., 2023). Conversely, venturing into foreign markets exposes companies to additional costs, risks, and uncertainties (Dixit 1989; Roberts and Tybout 1997; Gaur and Lu 2007; Caggese and Cuñat 2013; Bohoo, Alon and Paltrinieri, 2020), and expose them to unpredictable political and institutional conditions while internationalizing (Dunning, Hitt, Tihanyi, Miller, and Connelly 2006; Dunning and Lundan, 2008; Marano, Arregle, Hitt, Spadafora, and van Essen 2016; Bohoo et al., 2020). Furthermore, international expansion requires substantial investments in terms of human capital, physical infrastructure, and business networks. It also introduces difficulty and asymmetry in information between company owners and managers (Morck and Yeung 1991; Caggese and Cuñat 2013; Boustanifar, Zajac and Zilja, 2022). Given the combination of advantages and risks associated with internationalization, it becomes crucial for various actors to engage in and drive decisions related to internationalization (Tihanyi et al. 2003; Gaur and Delios, 2015).

The ownership structure of a company significantly impacts its choices regarding international expansion (Filatotchev, Strange, Piesse, and Lien 2007; Dixon et al. 2017). Different ownership forms come with varying risk tolerance levels, monitoring capabilities, objectives, and motivations, all of which can exert substantial influence on a company's strategic decisions related to internationalization (Filatotchev et al., 2007; Cui et al., 2014; Ding, Hu and Huang, 2023). For example, the internationalization decisions of state-owned firms are usually motivated by national strategic objectives (Cuervo-Cazurra and Li, 2021), which differs from the economic objectives of institutional-owned firms (Finchelstein, 2017) and the mixture of economic and noneconomic goals of family-owned firms (Metsola et al., 2020). Furthermore, distinct ownership types possess and have access to diverse pools of resources, enabling companies to pursue various internationalization strategies (Ding et al., 2023). Additionally, owners can impact the resource access and use of assets and capabilities shaping the firm ownership advantages (Dunning, 1988; Hunt, 2002), thereby influencing the company's ability to pursue international expansion. Since different owners possess unique abilities to access and provide resources (Peng & Jiang, 2010; Ding et al., 2023), the resulting impact on a company's internationalization capability is expected to vary based on the types

of owners (de Groote, Feninger and Kammerlander, 2023). Moreover, the relationship between ownership structure and firm internationalization varies based on the firm's operational environment, indicating that the same ownership type can lead to different outcomes in countries with different settings (Boyd and Solarino, 2016; Federo et al., 2020). For example, the country's economic system can greatly influence how a firm's ownership structure affects its performance, including its internationalization efforts (Peng, Sun, Vlas, Minichilli, and Corbetta, 2018; Ghabri, 2022).

Previous research focused on examining factors influencing firms' decisions to diversify into foreign markets, considering factors such as institutional, industry, and firm-specific elements that can affect internationalization choices (Griffith, Cavusgil, and Xu 2008; Dixon et al. 2017). However, the relationship between ownership structure and firms' internationalization decisions has been only sparsely examined in the literature (Filatotchev, et al., 2007; Bhaumik et al. 2010; Zahra 2003; Gaur and Delios 2015; Dixon et al. 2017; Metsola, Leppäaho, Paavilainen-Mäntymäki and Plakoyiannaki, 2020). For example, Dixon et al. (2017) suggested that most previous studies focused on examining the impacts of ownership structure on firm performance and corporate decisions towards investment and research and development (R&D), while the impacts of ownership structure on firm internationalization decisions received less attention in the literature. Moreover, most academic work has examined the impact of firm ownership on internationalization strategies focused on certain ownership types, such as family ownership (Filatotchev et al., 2007) and government ownership, while other types remain understudied in the literature (Griffith et al. 2008; Hutzschenreuter, Pedersen, and Volberda 2007; Dixon et al. 2017; Metsola, et al., 2020). Several of these studies are single-home/host-country or dyadic studies considering one home and host country (Filatotchev et al., 2007). In addition, a significant portion of the research on the relationship between firm ownership and internationalization has yielded inconsistent results (Arregle, Chirico, Kano, Kundu, Majocchi and Schulze, 2021; Molina-Sieiro, Galdino, and Holmes, 2023). For example, A recent meta-analysis by Tihanyi et al. (2019) indicated that while state ownership tends to decrease firm internationalization, the political links often resulting from state ownership enhance firm internationalization. Similarly, some research indicates that family ownership encourages firms to invest in international activities (Carr and Bateman, 2009), whereas other studies have found that family ownership reduces firms' internationalization decisions (Gomez-Mejia et al., 2010;

Van Essen et al., 2015). Yet, most of these studies consider exclusively one type of ownership per firm and do not consider that firms can include multiple ownerships.

The choice of a firm internationalization strategy is a crucial strategic decision influenced by the trade-offs between risk and return (Agarwal & Ramaswami, 1992), as well as the availability of resources and the need for control (Benito et al., 2016). Thus, each internationalization approach entails different levels of resource commitment (Agarwal & Ramaswami, 1992), motivations for internationalization (Malhotra et al., 2003), and degrees of operational control and risk tolerance (Andersen, 1997; Verbeke & Forootan, 2012; Benito et al., 2016). In this paper, we focus on two main dimensions of firm internationalization, low-risk internationalization, i.e., the internationalization of sales, and high-risk internationalization, i.e., internationalization of assets. Internationalization of sales typically represents a risk-averse decision where the firm aims to reap certain benefits from internationalization while facing lower levels of risk (Agarwal and Ramaswami, 1992; Andersen, 1997; Malhotra et al., 2003). When firms engage in exporting activities, their primary objective is to gain access to new foreign markets and build more market knowledge (Conconi, Sapir, and Zanardi 2016), while having low levels of resource commitments (Agarwal and Ramaswami, 1992; Andersen, 1997; Malhotra et al., 2003; Attig et al., 2016). Conversely, the internationalization of assets reflects a higher-risk investment decision that the firm is willing to undertake to gain full control over its foreign operations and to access both foreign resources and markets (Agarwal and Ramaswami, 1992; Andersen, 1997; Malhotra et al., 2003; Attig et al., 2016). Although studies consider different types of ownership and internationalization independently (e.g., Du and Boateng 2015; Dixon et al., 2017; Chittoor et al., 2019) or do not distinguish between them when considering the ownership effect (e.g., Singla et al., 2017), we argue that without considering these varying levels of investments and associated risk, the findings of these studies limit our understanding of ownership's relationship with various possible internationalization strategies. Thus, our study aims to bring together these two strands of literature, one of which focuses on ownership and low-risk strategies like sales internationalization/exporting and another strand that focuses on high-risk strategies like asset internationalization/foreign direct investment and contributes to a better understanding of the relationship between ownership and internationalization strategies.

Studies have shown that institutions influence firms' internationalization strategies due to the complex interactions between organizations and their institutional environments

including the transaction costs of internationalization and market entry choices (Meyer and Tran, 2006; Ang, Benischke and Doh, 2015). For example, Meyer, Estrin, Bhaumik and Peng (2009) argue that the level of institutional development significantly impacts firm's entry strategies. For instance, in the context of stronger institutions, firms are more likely to pursue higher-risk investments because market effectiveness encourages them to adopt entry strategies that involve greater market commitment and higher-risk. Their study though focuses on the host-country context, yet studies have argued that the home country's business environment would also impact internationalization strategies (Narula, 1994; Rugman and Verbeke, 1998). A recent study by Metsola et al. (2020) suggested that although many studies have considered the impact of the host country context, relatively fewer studies have deeply examined the impact of the home country and its governmental policies on firm internationalization. Other studies have continued to demonstrate that home-country institutions will influence and, in many cases, dominate the internationalization decisions made by the companies (Morshett et al., 2010; Cuervo-Cazurra, Luo, Ramamurti and Ang, 2018; Nuruzzaman, Singh and Gaur, 2020). Furthermore, the authors have engaged in examining the potential link between the home country's economic intuitions, ownership and internationalization activities. Geppert, Dorrenbacher, Gammelgaard and Taplin (2013) consider two different economic systems (coordinated market economies and liberal market economies) and examine the interaction between two ownership types (family ownership and stock market ownership). They find that firms from coordinated market economies demonstrate lower risk appetite in their foreign activities and undertake only low-risk activities. On the other hand, they observe that firms from liberal market economies engage in high-risk international investments. Most of the other studies that look at internationalization strategies do not consider firm ownership (e.g., Meyer et al., 2009; Ang et al., 2015). We argue that considering the impacts of different firm ownership types will provide valuable insights and extend the work of previous studies given the varying risk tolerance levels, monitoring capabilities, abilities to access resources, objectives, and motivations of distinct ownership types (Filatotchev et al., 2007; Cui et al., 2014; Ding et al., 2023). Thus, firm's internationalization strategy is expected to vary based on its ownership structure type (De Groote, Feninger and Kammerlander, 2023). Therefore, we extend the literature by considering multiple ownership types and the degree of internationalization (sales vs. assets) and examining the moderating effect of the home country's capitalism level.

The study provides a holistic framework where the impact of five different ownership structure types (government, family, institutional, managerial, corporate) and the moderating

effect of the home country's capitalism on two forms of internationalization strategies (low-risk vs. high-risk) are incorporated. Thus, the paper has two main research objectives intending to extend the previous literature: (i) to examine the comparative impacts of different ownership structure types on firm internationalization; and (ii) to investigate the moderating effect of the home country's level of capitalism on the relationship between different ownership structure types and internationalization.

This study employs a sample of 1410 companies from 19 different developed and developing countries. For developed countries, we included the US and all Western Europe countries with available data. We focused on Western Europe countries for two main reasons. First, there are few cross-country variations in this region which will facilitate conclusions (Borisova et al., 2012). Second, data is widely available for most Western Europe countries. The US is one of the most developed countries and is widely studied in corporate governance literature. The BRICS countries were initially chosen as a sample for developing countries because of their significant impact on the global economy, accounting for 37.3% of the world's GDP (IMF, 2024). Additionally, in 2020, the BRICS countries contributed 17.8% to the global exports (IMF, 2021). However, we had to exclude Russia due to data unavailability. Our sample covers a 10-year period, spanning from 2011 to 2020.

The paper contributes to extant literature in several ways. First, the study adds to the literature by examining the extent to which firm internationalization strategies are affected by five of the most common ownership types, namely family, government, institutional, managerial, and corporate ownership (Aulakh, Kotabe, and Teegan, 2000; Tihanyi et al., 2019; Guariglia and Liu 2014; Arregle et al., 2017; Gomez-Mejia et al., 2010; van Essen et al., 2015; Chittoor et al. 2017; Clò et al., 2020; Singla et al., 2017). Second, two key internationalization strategies are examined to provide clear conclusions on the impacts of different ownership types on both low-risk and high-risk internationalization activities. Furthermore, we provide a novel look at the ownership's comparative effect on the two internationalization strategies. Third, the study examines the moderating impact of the home country's level of capitalism on the nature of the relationship between different ownership types and firm internationalization, which enriches our understanding of the impacts of the home country's economic system on firms' internationalization efforts.

The rest of the paper is organized as follows. The next section provides theoretical background and hypotheses development concerning the relationship between different ownership structure types and internationalization, and the moderating role of the home country's level of capitalism. The research methodology and data used in this study follow.

Then, the study results are presented. The results are followed by a discussion. The final section provides the study's conclusions.

2. Ownership, Capitalism, and Internationalization: theoretical background and hypotheses Development

Firm internationalization encompasses a wide array of activities, each with its own risks, costs, and benefits. In our study, we place our focus on two distinct dimensions of internationalization, the internationalization of sales and the internationalization of assets. Internationalization of sales is often regarded as the initial step in venturing abroad (Conconi et al., 2016), and it frequently serves as an entry strategy into new markets upon which more complex geographical diversification activities can be built (Kogut & Chang, 1996). A company's sales in foreign markets serve as a primary indicator of its engagement in internationalization (Sullivan, 1994). Several researchers have provided robust evidence demonstrating that exporting positively influences a firm's survival, financial performance and economic outlook (Greenaway, Guariglia, and Kneller, 2007; Park et al., 2010). It is worth noting that while the internationalization of sales may involve lower levels of commitment and risk in comparison to the internationalization of assets (Johanson & Vahlne, 1977), it still demands a significant allocation of resources (Kontinen & Ojala, 2010). Internationalization of assets grants the firm a higher degree of control over its international operations. However, it also carries relatively greater levels of commitment, risk, and complexity, challenges that are less pronounced in the case of internationalizing sales (Anderson & Gatignon, 1986; Arregle et al., 2017).

2.1 Government ownership and firm internationalization

Government ownership is a prevalent form of ownership worldwide, particularly in industries of public interest or to address institutional gaps (Inoue et al., 2013; Nash, 2017; Boubakri et al., 2018; Tihanyi et al., 2019; Clò et al., 2020). Additionally, there has been increased state ownership in several countries after the global financial crisis in 2008, particularly in emerging economies (Borisova, Brockman et al., 2012; Boubakri et al., 2018). Government ownership refers to the proportion of a firm owned by the government or related governmental institutions (Choi et al., 2011; Hou et al., 2012; Song et al., 2015; Zhou et al., 2017). Governments own USD 10.7 trillion of listed equity, which accounts for 10% of global market capitalization (OECD, 2021).

The literature on government ownership suggests that such ownership leads to ineffective corporate governance when contrasted with private ownership (Ramaswamy,

2001; Sun and Tong, 2003; Goldeng et al., 2008; Guedhami et al., 2009; Le and O'Brien, 2010; Ben-Nasr and Cosset, 2014; Boeing et al., 2016; Fang et al., 2017; Chen et al., 2017; Wang and Shailer, 2018). This is mainly due to poor employees' productivity (Sun and Tong, 2003), increased agency costs and moral hazard problems (Le and O'Brien, 2010), pay differentials between managers in government-owned and private firms (Ramaswamy, 2001), poor selection of managers (Le and O'Brien, 2010), lack of accountability and absence of adequate monitoring by the government (Ramaswamy, 2001). It is argued that privately owned firms are more driven to increase profits and reduce costs, whereas government-owned entities often prioritize social and political goals over economic objectives (Okhmatovskiy, 2010; Bruton et al., 2015; Musacchio et al., 2015).

Governments typically pursue non-financial goals like reducing unemployment and inflation (Ding et al., 2007; Shen and Lin, 2009), leading to weaker oversight, suboptimal managerial selection, and less compelling incentives (Musacchio et al., 2015; Clò et al., 2020). To gain access to foreign export markets, state-owned firms might have to accept risk-bearing payments (Aulakh, Kotabe, and Teegan, 2000). In the context of such payments, state owners might divert resources to less risky and less costly domestic activities rather than engaging in exporting. Hence, based on the above argument, we propose that:

H1a: There is a significant negative relationship between government ownership and firm sales internationalization.

A meta-analysis by Tihanyi et al. (2019) of 210 studies from 139 countries found that government ownership negatively affects firm internationalization. Such negative impact is due to challenging agency issues, soft budget controls, corruption, and weak incentives that exist in firms with government ownership (Sun and Tong 2003; Wei, Xie, and Zhang 2005; Yi and Wang 2012). Therefore, activities that involve high risk, such as asset internationalization, are significantly lower in firms with government ownership (Guariglia and Liu 2014). Moreover, the political, economic and social targets of the government (Bai and Xu 2005) make companies with considerable levels of government ownership less competitive in global markets (Yi and Wang 2012). Yet, some recent studies have questioned this view of the internationalization of government-owned companies and suggested better articulation of their internationalization activities considering the cost and benefits of government ownership on internationalization (Yi, Wang and Kafourous, 2013; Cuervo-Cazurra and Li, 2021). In some cases, given the nature of governmental support to

internationalization, it might be that firms undertake higher levels of foreign investments. For example, the high levels of foreign investment by Chinese companies. Nevertheless, Cuervo-Cazurra and Li (2021) caution against generalizing the observations from foreign investments by Chinese state-owned companies to other contexts given the differences in the motivations for these investments. Thus, broadly, government ownership is likely to disadvantage firms in carrying out foreign investment activities. Based on these arguments, we propose that government ownership negatively impacts the internationalization of assets:

H1b: There is a significant negative relationship between government ownership and firm asset internationalization.

Given that state ownership can negatively impact both the internationalization of sales and assets, it becomes pertinent to theorize whether the effect is more salient on either the internationalization of sales or assets. Based on the agency theory, the constraint mechanism induced by the state owners limiting managerial discretion might be more acute for high-risk foreign investments as compared to low-risk foreign investments. Similarly, the risk appetite of the state owners might align with exporting as the lower of the two risks when considering asset internationalization. Furthermore, exporting might provide them with market information without engaging in high-risk investments (Huang, Xie, Li and Reddy, 2017). Thus, we argue that:

H1c: The negative relationship between government ownership and firm internationalization activity will be more pronounced for asset internationalization as compared to sales internationalization.

2.2 Family ownership and firm internationalization

Family ownership stands out as a defining characteristic of corporate ownership in many countries around the world (La Porta et al., 1999; Claessens, Djankov et al., 2002; Faccio and Lang, 2002; Anderson and Reeb, 2003; Gadhoun et al., 2005). Family ownership refers to firm shares owned by two or more family members who are related either by blood or marriage (Anderson et al., 2003, Wennberg et al., 2011, Wiklund et al., 2013, Yang et al., 2020, Pittino et al., 2020). According to the OECD (2021), family ownership ranks as one of the most common ownership structures in the world. Family owners are known for their tendency to finance projects with long-term prospects (Anderson & Reeb, 2003) and they

face lower managerial myopia due to their effective monitoring role (Stein, 1989; David, O'Brien, Yoshikawa, & Delios, 2010). They also exhibit a strong concern for firm reputation and long-term survival, as they intend to leave their wealth to successive generations (Miller & Breton-Miller, 2005). Consequently, family owners are motivated to increase family interests and deploy resources that maximize overall wealth. This makes internationalization an appealing option for family owners, as it tends to yield long-term profitability (Lu & Beamish, 2004).

The literature indicates that the unique characteristics of family ownership have an impact on firms' internationalization efforts (Arregle et al., 2017). However, empirical findings on the nature of the impact of family ownership on firm internationalization are mixed. Some studies suggest that family ownership positively affects firms' willingness to invest in international activities (Carr and Bateman, 2009). This is argued to occur because family ownership aligns owner and manager interests, reducing agency costs and fostering readiness for risk-taking activities such as internationalization (Gallo and Pont 1996). Close social interactions among family owners lower monitoring costs, diminish relational risks, and allow firms to establish effective informal mechanisms that reduce governance costs (Bourdieu, 1994; Mustakallio, Autio, & Zahra, 2002; Arregle et al., 2007). Family ownership can facilitate knowledge sharing, expand the firm's relational capital, expedite decision-making, and provide access to a global knowledge base and networks in foreign countries (Basly, 2007; Cheong, Lee, & Lee, 2015). Internationalization of sales involves a lower risk of losing family control and requires fewer resources and experience (Monreal-Pérez and Sánchez-Marín, 2017; Scholes et al., 2016). Given the scenario of competing pressures of achieving long-term financial sustainability and lack of capabilities, it is possible that firms with family ownership would pursue low-risk internationalization activities like sales internationalization.

H2a: There is a significant positive relationship between family ownership and firm sales internationalization.

Other studies found that family ownership negatively influences a firm's internationalization decisions (Gomez-Mejia et al., 2010; van Essen et al., 2015). This might be the case when there are family members who are less motivated to internationalize due to reduced family control (Alessandri et al., 2018). From a socio-emotional wealth standpoint, family owners prioritize preserving non-financial aspects such as the firms' or founders'

identity, the continued influence of the family in business matters, and the continuation of the family legacy (Gomez-Mejia et al., 2010). They are willing to forgo some profit to safeguard these aspects (Gomez-Mejia et al., 2010; Carney et al., 2015; Baronchelli et al., 2016; Kraus et al., 2016; Ray et al., 2018; Dou et al., 2019; Chirico et al., 2020). Moreover, high-risk internationalization demands significant managerial resources, and this has been found lacking in family firms as there is deep reliance on the founder or key family members in terms of leadership and decision-making (Neckebrouck et al., 2018). These governance factors are further compounded by a lack of diversity in the family managers' social network, knowledgebase, and professional knowledge, which can hinder networking, and restrict the firm's decision-making and international scale (d'Angelo et al., 2016; Stadler et al., 2018).

Therefore, it is argued that family ownership negatively impacts the firm internationalization of assets. The internationalization of assets risks family leadership and control and demands significant managerial resources and professional experience (Monreal-Pérez and Sánchez-Marín, 2017; Scholes et al., 2016).

H2b: There is a significant negative relationship between family ownership and firm asset internationalization.

2.3 Managerial ownership and firm internationalization

The separation of ownership and control leads to potential agency problems between the investors and managers (Jensen and Meckling, 1976). Managers act as agents for investors and make critical operational decisions. However, conflicts of interest can emerge due to differing risk preferences (Shleifer and Vishny, 1997). Shareholders are typically risk-neutral and desire managers to maximize the overall value of the company. In contrast, managers tend to be risk-averse because their income is closely tied to the uncertainties surrounding the firm's performance and survival (Shleifer and Vishny 1997). In situations where the firm's performance is declining, managers face the risk of losing their jobs (Morck, Shleifer et al. 1988; Stulz 1988). Consequently, they often make risk-averse decisions, which can result in missed opportunities and opportunity costs for the risk-neutral shareholders (Baysinger, Kosnik et al., 1991; Shleifer and Vishny, 1997). Furthermore, managers, unlike shareholders, often have short-term objectives. They are inclined towards short-term investments with quicker payoffs because this allows them to enhance their reputation rapidly (Jensen and Meckling, 1976; Morck, Shleifer et al., 1988; Stulz, 1988).

Therefore, managerial ownership is an important corporate governance mechanism aimed at addressing the agency problem and aligning the interests of managers and shareholders (Desender, Aguilera et al., 2013). Managerial ownership is very common in most economies around the world (La Porta et al., 1999; Morck, 2000; Chittoor et al. 2017). Managerial ownership refers to shares owned by both executive managers and the board of directors (Rashid, 2016; Sun et al., 2016). When managers acquire ownership stakes in a company, their motivation to enhance firm performance and maximize shareholder wealth increases (Jensen and Meckling 1976; Lilienfeld-Toal and Ruenzi 2014; and Cheng et al. 2019). This alignment of interests incentivizes managers to act in ways that benefit shareholders, as they have a personal stake in the company's success.

Numerous studies have suggested that managerial ownership has a positive impact on firm internationalization strategies (Hobdari, Gregoric, and Sinani 2011; Filatotchev, Isachenkova, and Mickiewicz 2007; Buck et al. 2000; Filatotchev et al. 2001; Filatotchev, Stephan, and Jindra 2008; Lu, Xu, and Liu 2009; Dixon et al. 2015; Dixon et al. 2017; Chittoor et al. 2017). Hobdari et al. (2011) suggested that managerial ownership leads to lower managerial discretion, more efficient investments, and higher labor productivity which are important factors needed for international expansion. Similarly, Chittoor et al. (2017) found that managerial ownership provides managers with both motivation and authority to pursue high-risk strategic decisions like foreign market entry. Managerial ownership contributes to enhancing a firm's strategic leadership, long-term orientation, and decision-making capabilities, which in turn facilitate the firm's ability to make riskier strategic decisions, such as internationalization (Miller & Breton-Miller, 2006; Chittoor et al. 2017). Owner-managers tend to prioritize a firm's objectives over their personal goals (Zahra, 2003). Therefore, they are motivated to pursue internationalization, if it will enhance the firm's long-term value (Adams et al., 2009). Therefore, it is argued that managerial ownership increases a firm's tendency towards internationalization through the internationalization of sales:

H3a: There is a significant positive relationship between managerial ownership and firm sales internationalization.

Owner-managers possess greater power, authority, and motivation to undertake high-risk strategic decisions, including the internationalization of assets (Donaldson & Davis, 1991; Chittoor et al., 2017). Managerial ownership enhances managers' ability to influence key stakeholders, thereby legitimizing and acting upon strategic opportunities (Gavetti, 2012;

Chittoor et al., 2017). Holding a stake in the firm encourages managers to adopt a long-term perspective and grants them greater freedom in decision-making (Zahra, 2003; George, Wiklund, & Zahra, 2005; Miller & Breton-Miller, 2006; Adams et al., 2009; Chittoor et al., 2017). Consequently, firms with managerial ownership are more likely to engage in riskier internationalization strategies, such as asset internationalization (Chittoor et al., 2017). Even if managers view high degrees of internationalization as risky in the short term, managerial ownership still drives a firm's tendency toward high-risk internationalization if managers believe that the firm's long-term value will be enhanced (James, 1999; Eisenmann, 2002; Zahra, 2003; Gavetti, 2012; Souder et al., 2012). Consequently, we suggest that managerial ownership positively impacts the firm's internationalization of assets:

H3b: There is a significant positive relationship between managerial ownership and firm asset internationalization.

Agency theory suggests that managerial ownership aligns the interests of managers and shareholders, incentivizing managers to take riskier decisions aimed at enhancing the firm's long-term value (Jensen and Meckling, 1976; Desender, Aguilera et al., 2013; Lilienfeld-Toal and Ruenzi, 2014; Cheng et al., 2019). Thus, managers might prefer asset internationalization over sales internationalization strategies. This preference is driven by the higher potential of high-risk internationalization strategies to yield greater long-term returns compared to low-risk exporting (Anderson & Gatignon, 1986; Arregle et al., 2017). Therefore, we propose that firms with managerial ownership are likely to favor asset internationalization over sales internationalization, due to higher potential long-term returns:

H3c: The positive relationship between managerial ownership and firm internationalization strategy will be more pronounced for asset internationalization as compared to sales internationalization.

2.4 Institutional ownership and firm internationalization

Institutional ownership is the most common ownership type globally and it dominates the global market capitalization by holding 43% of the total (OECD, 2021). This shift in ownership patterns has come at the expense of family and government ownership, which used to dominate ownership structures in many countries (Kim, Pevzner, & Xin, 2019; Erhemjamts & Huang, 2019; Ma & Ren, 2021). Institutional ownership refers to the

proportion of shares owned by institutional investors, including banks, insurance companies, pension funds, mutual funds, investment trusts, and sovereign wealth funds (Brickley et al., 1988; Cornett et al., 2007; Choi et al., 2012). Due to the recent significant increase in institutional ownership, it has been considered an important aspect of firm governance, particularly regarding the role of institutional investors in shaping firms' decisions related to internationalization.

Institutional ownership is expected to enhance managerial monitoring significantly. Institutional shareholders possess both the motivation and resources to monitor managerial actions (Pukthuanthong et al., 2017; Buchanan et al., 2018) and in cases of divergence, have enough clout to restraint them directly by exerting influence on management or subtly through stock market trading to send signals of their intentions to divest or consolidate their position in the company (Edmans and Manso, 2011; McCahery et al., 2016; Ma and Ren, 2021). Additionally, the substantial stakes of institutional investors are likely to mitigate the free-rider issues that arise from the dispersal of ownership and control within an organization (Shleifer and Vishny, 1997). Monitoring through their ownership in the company is most suitable for institutional investors, as the returns typically outweigh their monitoring costs (Conyon and Florou, 2002; Rahman, 2021). Institutional investors are obligated to maximize the long-term value of their investments, making them effective monitors of managerial actions to ensure that managers adopt strategies that enhance the firm's long-term value (Pukthuanthong et al., 2017; Baghdadi et al., 2018). Moreover, institutional investors can encourage managers to implement sound corporate governance practices (Aggarwal et al., 2011; Dyck et al., 2019; Rahman, 2021).

Studies have shown that institutional ownership will induce investments in internationalization (Tihanyi et al., 2003) as a profitable strategy to maximize the long-term value of their portfolios (Pukthuanthong et al., 2017; Baghdadi et al., 2018). Although institutional investors may not appear to exert direct influence over the strategic decisions of the firms in which they invest, numerous studies have shown that they significantly impact the selection of firm strategies, including internationalization (Aghion et al., 2013; Connelly et al., 2019; Clò et al., 2020). From these arguments, we propose that institutional owners will encourage low-risk exporting to gain access to foreign markets:

H4a: There is a significant positive relationship between institutional ownership and firm sales internationalization.

Institutional investors have been found to have a strong positive effect on managerial efficiency because large institutional actors possess the option, resources, and skills to supervise, regulate, and influence managers (McCahery et al., 2016; Baghdadi, Bhatti et al., 2018). Institutional investors, particularly those oriented towards long-term profits, positively influence a firm's higher-risk internationalization due to its long-term profitability potential (Lu & Beamish, 2004). The diversified portfolios managed by institutional investors enable them to take on more risk, motivating the firms they invest in to pursue international expansion (Singla et al. 2017). Based on these arguments, we propose that:

H4b: There is a significant positive relationship between institutional ownership and firm asset internationalization.

Given the trade-off between resources, monitoring capacity, risks and the potential for longer-term rewards in a foreign market, institutional owners might be inclined to support high-risk activities (Huang et al., 2023) over low rent-generating sales internationalization activities. Furthermore, given the diversified portfolio of institutional owners, they can support managerial decisions which are risk-taking compared to just rent seeking. According to agency theory predictions, given the alignment of the expectations of the institutional owners and managers, firms are more likely to pursue asset internationalization. Thus, institutional owners are likely to encourage asset internationalization more compared to sales internationalization. So, we suggest:

H4c: The positive relationship between institutional ownership and firm internationalization activity will be more pronounced for asset internationalization as compared to sales internationalization.

2.5 Corporate ownership and firm internationalization

Corporate ownership refers to the proportion of shares held by corporations, which often maintain strategic equity interests in other companies (Singla et al., 2017). This ownership structure has been on the rise in numerous countries around the world. According to the OECD's 2021 report, corporate ownership stands as one of the most common forms of ownership, comprising 11% of the global market capitalization. In several Asian and emerging economies such as India, Indonesia, Singapore, Chile, and Turkey, corporate ownership is a major ownership type, accounting for more than 30% of the total market

capitalization (OECD, 2021). This emphasizes the significance of investigating the impact of corporate ownership as a prominent ownership category.

Although corporations and firms in which they own shares are lawfully distinct entities, they frequently have interconnected relationships due to cross-ownership or pyramidal shareholding structures (Singla et al., 2017). As a result of corporate ownership, these owners can retrieve insider knowledge and play a role in the strategic management of these firms. In order to achieve sustainable competitiveness, corporate owners might target non-financial goals like securing control rights and acquiring assets and property rights (Aguilera & Jackson, 2003). These objectives serve as means to drive strategic goals, including limiting competition across firms, facilitating relational activities, and sustaining or enhancing the core competencies of firms (Aguilera & Jackson, 2003; Douma et al., 2006). For instance, some corporations acquire their past buyers or suppliers for continued access to these critical materials. These investments also foster and sustain long-term connections with buyers and suppliers while reducing uncertainties in demand and supply (Singla et al., 2017). Consequently, when the firms in which corporations have invested embark on uncertain strategies such as internationalization, it may pose a potential risk to corporate owners. Thus, it is argued that corporate ownership negatively affects the internationalization of sales:

H5a: There is a significant negative relationship between corporate ownership and firm sales internationalization.

Corporate owners are generally considered risk-averse investors as high-risk strategies can negatively affect the main business operations of the firm (Singla et al., 2017). This could lead to resource constraints and disruptions in demand and supply cycles (Singla et al., 2017). Since corporate investors often aim to achieve non-financial objectives like improving core competencies, assets acquisition, and securing control rights (Aguilera & Jackson, 2003; Douma et al., 2006), they prefer low-risk activities and conservative investment policies that promise more certain returns (Singla et al., 2017). Consequently, they adversely impact a firm's inclination towards high-risk internationalization strategies, such as the internationalization of assets. Based on this argument, we propose that corporate ownership negatively impacts the internationalization of assets:

H5b: There is a significant negative relationship between corporate ownership and firm asset internationalization.

From the perspective of corporate owners, lower-risk internationalization activities, such as the internationalization of sales, may be preferred over high-risk activities like the internationalization of assets that carry greater risk and uncertainty (Johanson & Vahlne, 1977; Anderson & Gatignon, 1986; Arregle et al., 2017). From the agency theory perspective, wealth maximization is typically the primary goal of corporate owners. Asset internationalization entails challenges such as acquiring local knowledge, establishing legitimacy, and building relationships in the host country (Slangen and Hennart, 2008), making it less appealing to risk-averse corporate owners (Singla et al., 2017). Although the internationalization of assets involves higher potential long-term returns (Anderson & Gatignon, 1986; Arregle et al., 2017), the associated uncertainties and challenges diminish its attractiveness to corporate investors as compared to the lower risk associated with the internationalization of sales (Johanson & Vahlne, 1977). Thus, we argue that:

H5c: The negative relationship between corporate ownership and firm internationalization strategies will be more pronounced for asset internationalization as compared to sales internationalization.

2.6 The moderating role of home country capitalism

Firm internationalization is influenced by a variety of internal and external factors, commonly referred to as push and pull factors (Fasanya, Ingham, and Read, 2022). Push factors are shaped by firm, sector, and home country characteristics that collectively make foreign market activities more appealing (Fasanya, et al., 2022). Previous research has suggested that institutional push factors, such as the economic system, GDP growth, market size, and domestic regulations, play a major role in shaping firm international expansion behavior (Lall, 1983; Witt & Lewin, 2007; Fasanya, et al., 2022). The institutional environment in the home country affects the cost of doing business which impact firms' survival and growth in both domestic and foreign markets (Kofele-Kale, 1992, Boddewyn and Brewer, 1994, Meyer et al., 2009, Ang, Benischke and Doh 2015, Cuervo-Cazurra et al., 2018), and increase firm value (Shleifer and Vishny, 1994, Michailova and Hwee Ang, 2008). Therefore, differences in institutional settings, such as capitalism level, among home countries can affect firms' resource configurations and internal governance standards (Wright et al. 2005), subsequently impacting strategic decisions, including internationalization (Geppert et al., 2013; Ang et al. 2015). Additionally, corporate ownership structure is

affected to a great extent by the degree of capitalism in a country (Michie and Lobao, 2012). Therefore, it is expected that the home country's capitalism level will have a moderating impact on the nature of the relationship between different ownership structure types and firm internationalization of both sales and assets.

A country's economic system refers to the arrangements and processes in place through which a society undertakes its production and consumption actions (Conklin, 1991). In countries with high levels of capitalism (e.g., liberal market economies), private individuals and corporations can own capital goods, the government does not intervene in the economy, and the level of production is determined through market supply and demand. The essential feature of highly capitalist economies is the motive to make profits to reach high economic prosperity (Michie and Lobao, 2012). In highly capitalist economies, corporate ownership is highly dispersed, thus top managers have more authority to take major decisions and control firms. Moreover, inside information is harder for outside investors to get, so monitoring managerial actions will depend on publicly available information (Witt and Jackson, 2016; Hall, 2018).

In countries with low levels of capitalism (e.g., coordinate market economies), capital goods are owned by the state, which intervenes in the economy through central planning to ensure fair distribution of resources (Zalesko 2015). Therefore, top managers have little capacity to take major decisions on their own as an agreement should be taken from several parties including major shareholders, major suppliers and customers, and employee representatives (Hall, 2018). Therefore, there is a high degree of information sharing in such economies (Witt and Jackson, 2016).

It is expected that the relationship between ownership structure type and firm internationalization strategies will be significantly affected by the level of capitalism in the home country. For example, the relationship between government ownership and firm internationalization can be moderated by the home country's degree of capitalism. In countries with high degrees of capitalism where the market is controlled by private owners, the negative impact of government ownership on firm internationalization will be more significant (Mariotti and Marzano 2019). However, in low degrees of capitalism where there is some degree of government intervention, the negative impact of government ownership on firm internationalization will become less significant because firms in which the government invests will have an advantage over other firms (Gaio & Pinto, 2018) as the socio-economic and political objectives will provide some support for state-owned firms (Guariglia, Liu, and

Song 2011). The political connections between the government and state-owned firms allow such firms to access resources that are unavailable to private firms which help them to expand internationally (Benito, Rygh, & Lunnan, 2016). Thus, it is hypothesized that:

H6a: The home country's higher capitalism level has a significant positive moderating impact on the relationship between government ownership and firm internationalization of sales.

In home countries with low levels of capitalism, government-owned firms receive higher financial and political support needed to pursue high-risk internationalization strategies such as international of assets (Duanmu, 2014). Previous studies documented that in countries with high degrees of government intervention, firms with state ownership tend to face fewer financial constraints when conducting outward investment compared to privately owned firms (Lin & Bo, 2012; Zhou, Guo, Hua, & Doukas, 2012). Moreover, it is found that government-owned firms in home countries with low levels of capitalism have higher incentives for internationalization of assets to control strategic resources for national interests in compensation of national resources security (Rudy et al., 2016). Other studies argue that high government intervention is considered as a main motive for state-owned firms to pursue international investments driven by a desire for independence from the government (Cuervo-Cazurra and Li, 2021). Therefore, in home countries with low levels of capitalism, government-owned firms enjoy an ownership advantage that reduces the negative relationship of government ownership and internationalization of assets. Thus, it is hypothesized that:

H6b: The home country's higher capitalism level has a significant positive moderating impact on the relationship between government ownership and firm internationalization of assets.

The significance of the relationship between family ownership and firm internationalization strategies is also expected to be moderated by the capitalism level in the home country. The positive relationship between family ownership and firm internationalization of sales is expected to be more significant in countries with lower levels of capitalism. family owners are usually risk averse investors that tend to pursue low-risk internationalization strategies (Filatotchev et al., 2007) and avoid dealing with uncertainty (Kao & Kuo, 2017). Therefore, in home countries with low levels of capitalism where there is a higher degree of information sharing (Witt and Jackson, 2016), family members will have lower levels of uncertainty and more power and abilities to access needed information to

expand internationally. Moreover, in home countries with low levels of capitalism, family firms tend to enjoy high degrees of political connections with the government. Such well-established relationships create the motive and capabilities for internationalization (Metsola et al., 2020). Thus, it is hypothesized that:

H6c: The home country's higher capitalism level has a significant negative moderating impact on the relationship between family ownership and firm internationalization of sales.

The relationship between family ownership and internationalization of assets is expected to be moderated by home country's capitalism level. Previous studies documented that the value of the resources owned by a firm dependent largely on the institutional context (Meyer et al., 2009). For example, in home countries with low levels capitalism, family firms usually enjoy higher advantages such as lower cost of debt (Anderson et al., 2003), due to political connections. Moreover, in countries with low levels of capitalism family firms can gain more benefits from its family reputation as compared to high capitalist countries. These factors increase the motive and capabilities of family firms to pursue high-risk internationalization strategies such internationalization of assets. Thus, it is hypothesized that:

H6d: The home country's higher capitalism level has a significant positive moderating impact on the relationship between family ownership and firm internationalization of assets.

It is also argued that in home countries with high levels of capitalism, managerial ownership will have a more significant positive impact on firm internationalization of sales. The strong managerial power enjoyed by managerial owners in highly capitalist economies will further enhance their strategic leadership, long-term orientation, and decision-making capabilities to expand internationally (Miller and Breton-Miller, 2006; Chittoor et al. 2019). Managerial owners in countries with high levels of capitalism have more authority to take major decisions such as internationalization. Moreover, they will have access to inside information that is harder for outside investors to get (Hall, 2018), so they are able to influence key stakeholders and legitimize and act on strategic opportunities such as internationalization. It is, thus, hypothesized that:

H6e: The home country's higher capitalism level has a significant positive moderating impact on the relationship between managerial ownership and firm internationalization of sales.

The relationship between managerial ownership and internationalization of assets is also expected to be moderated by the level of capitalism in the home country. Corporate governance in countries with high levels of capitalism encourages managers to take risky decisions to achieve high firm performance and stock return to get external finance and avoid takeovers (Witt and Jackson, 2016). Thus, managerial owners in these countries enjoy both higher motivation and more authority allowing them to pursue high-risk internationalization strategies, such as internationalization of assets. It is, thus, hypothesized that:

H6f: The home country's higher capitalism level has a significant positive moderating impact on the relationship between managerial ownership and firm internationalization of assets.

The level of capitalism in a country is also expected to moderate the relationship between institutional ownership and firm internationalization strategy. In countries having lower levels of capitalism, institutional investors are expected to have a more significant positive impact on firm internationalization strategies, including both internationalization of sales and assets. In countries with low levels of capitalism, institutional owners have higher ability to access information and influence managerial decisions towards internationalization (Hall and Gingerich, 2009). Moreover, top managers in low capitalist countries have little capacity to take major decisions on their own (Hall, 2018). Therefore, institutional investors have a higher capacity to monitor managerial actions and influence managers' decisions (Hall and Gingerich, 2009). However, the major decision-making authority that top managers enjoy in highly capitalist economies (Witt and Jackson, 2016; Hall, 2018) reduces the influence of shareholders on firm internationalization decisions. Thus, it is hypothesized that:

H6g: The home country's higher capitalism level has a significant negative moderating impact on the relationship between institutional ownership and firm internationalization of sales.

H6h: The home country's higher capitalism level has a significant negative moderating impact on the relationship between institutional ownership and firm internationalization of assets.

The impact of corporate ownership on a firm's internationalization strategy can be influenced by the degree of capitalism in the home country. In highly capitalist countries, corporate ownership is likely to have less impact on internationalization, as top managers have greater authority to make key decisions and oversee firm operations (Hall, 2018), reducing corporate owners' influence on internationalization choices. Conversely, in countries with lower levels of capitalism, corporate owners tend to have a stronger ability to shape managerial decisions regarding internationalization (Hall and Gingerich, 2009). It is thus hypothesized that:

H6i: The home country's higher capitalism level has a significant negative moderating impact on the relationship between corporate ownership and firm internationalization of sales.

H6j: The home country's higher capitalism level has a significant negative moderating impact on the relationship between corporate ownership and firm internationalization of assets.

Summary of the study hypotheses is presented in table A4. Our conceptual framework is illustrated in Figure 1.

Figure 1 about here

3. Methodology and Data

3.1. Data and sample selection

The inclusion criteria for our sample countries were the following – 1) The availability of at least 10 years of balanced data for firms, 2) at least 20 listed companies per country (Zhong et al. 2017). The study's final sample included 19 countries from the US, Western Europe, and large developing countries identified as BICS (Faccio and Lang, 2002; Lang et al., 2004; Belenzon et al., 2016). The firm-level data for this analysis was obtained from the Datastream database. We had access to data from 2011-2020. Some countries are excluded from the sample due to data unavailability in the DataStream database such as Italy and Russia. Liechtenstein and Monaco are excluded because they do not have a stock exchange. Luxembourg is excluded as it has 9 listed companies. Thus, this study focuses on 19 large developed and developing countries, namely, developed countries like - Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Netherlands, Norway, Portugal, Spain,

Sweden, Switzerland, and the UK, and the US and developing countries– Brazil, China, India, South Africa. For each country, an index of the companies with the highest market capitalization was selected, resulting in 2,375 companies. After excluding financial companies and those with incomplete data, 965 companies were removed from the sample. Financial firms were excluded because their financial statements differ significantly from those of non-financial companies (Zhong et al., 2017; Bena et al., 2017; Gaio & Pinto, 2018). This exclusion helps prevent bias that could skew the analysis results, ensuring a more accurate sample (Bena et al., 2017; Gaio & Pinto, 2018). Table 1 provides more details on the number of companies included in each country and the indexes used for data collection. As seen from Table 1A, the largest country sample is from China and 162 Chinese firms are included in this study. From the developed countries, the largest sample is from Switzerland. In terms of industry distribution, we observe that the largest number of firms belong to the industrial manufacturing sector, and this might be expected as large manufacturing firms dominate globally and in many countries. Similarly, the fast-moving consumer goods sector provides the second largest number of firms in our sample.

Table 1 about here

In total, we have 1410 companies from 19 different countries. Also, as we consider a balanced sample, we have a total of 14,100 observations for analysis in our study. The country-year distribution is shown in Table 2.

Table 2 about here

3.2. Variables

3.2.1. Dependent variable

In this study, two dependent variables, *Sales internationalization* and *Asset internationalization*, measure low and high-risk investments by the firm. The *Sales internationalization* is measured by Export Intensity calculated by dividing the value of exports by the company's total sales. *Asset internationalization*, on the other hand, is measured by Asset Intensity calculated by dividing the company's foreign assets by its total assets. To consider the likely presence of outliers which might bias our analysis, we winsorise the data at the 5th and 95th percentile. Table 3 details the variables used in this study and their measurement.

Table 3 about here

3.2.2. Independent variable

For the purposes of this study, we consider five types of ownership, namely, government, family, managerial, institutional, and corporate. The ownership measure for each of these ownership types indicated the level of cumulative ownership of this type. These variables - *Government*, *Family*, *Managerial*, *Institutional*, and *Corporate* – can take values between 0 to 1 and a firm might have values for one or more types of ownership. For example, STRABAG, an Austrian company, has values for both family and institutional ownership.

Government ownership is determined by the percentage of shares held by the state, government, or governmental related institutions (Choi et al., 2011; Hou et al., 2012; Song et al., 2015; Zhou et al., 2017). Therefore, government ownership of 0.47 would indicate that the total of various governmental owners' stake in this company adds up to 47% of the total stake.

Family ownership is measured as the ratio of shares owned by two or more family members, either by blood or marriage (Anderson et al., 2003; Wennberg et al., 2011; Wiklund et al., 2013; Yang et al., 2020; Pittino et al., 2020). Identifying the percentage of family ownership involved two main steps. First, consistent with previous studies, we used the investors' last names to identify family members, assuming that individuals with the same surname are from the same family. Second, we confirmed that these investors belonged to the same family using the company's annual reports.

Managerial ownership is the percentage of shares owned by the company's management actively involved in corporate decision-making. This includes shares owned by both executive managers and board directors (Ghosh and Sirmans, 2003; Sun et al., 2016; Rashid, 2016). The board of directors' shareholdings are included in the managerial ownership percentage since they play a crucial role in setting strategic goals and policies for the corporation (Herdjiono and Sari, 2017).

Institutional ownership refers to the percentage of shares held by institutional investors, which include banks, mutual funds, insurance companies, investment trusts, pension funds, and sovereign wealth funds (Brickley et al., 1988; Cornett et al., 2007; Choi et al., 2012). For example, institutional ownership of 0.35 indicates that the total institutional ownership in this firm is 35% and it could be made up of several institutional investors who individually own a fraction of this total.

Corporate ownership is measured by the percentage of shares held by corporate entities that are non-promoters (Singla et al., 2017)

3.2.3. Moderator variable

The variable, *Level of Capitalism*, a dummy variable, represents the level of capitalism within a country. In the main analysis, we adopt two levels to represent high or low capitalism levels (Geppert et al., 2013). In this case, we use a dummy variable to represent these levels of capitalism, and the variable is 1 if the country has a high level of economic freedom and 0 otherwise (Meyer et al. 2009).

For the robustness tests, we use two other measures for the level of capitalism. The first robustness measure is the Economic Freedom Index obtained from the Heritage Foundation (Aybar and Ficici, 2009, Liou et al., 2016). Index of Economic Freedom reports on economic policy developments in 183 economies. Based on ten measures that evaluate openness, the rule of law, and competitiveness. The Index provides scores and rankings to economies according to their economic freedom degree. The second robustness measure is the type of capitalism based on the varieties of capitalism model that categorizes countries into three categories: Coordinated Market Economies (CMEs), Liberal Market Economies (LMEs), or Mixed Market Economies (MMEs) (Hall and Soskice, 2001, Acemoglu and Robinson, 2015, MacKenzie et al., 2021). The results of these robustness analyses are like those presented in this study.

3.2.4. Control variables

We controlled for several firm-level factors that are established by the literature to have potential impacts on firm internationalization. As a firm's past performance is one of the firm characteristics affecting internationalization decisions, we include it as a control variable, following many previous studies (Gomez-Mejia et al. 2010; Alessandri et al 2017; Yang et al. 2020; Mondal et al. 2022).

To address the influence of firm financial slack on internationalization, we control for *Capital Structure* ratios, *Leverage* and *Liquidity* (Bourgeois, 1981; Tihanyi et al., 2003; Gaur and Delios 2015; Alessandri et al 2017; Ray et al., 2017; Yang et al., 2020; Mondal et al., 2022). Higher growth opportunities and greater investments in technology and innovation are associated with higher levels of internationalization (Chittoor et al., 2009; Herrmann and Datta, 2005). We control for *Innovative potential*, measured by R&D expenses to total assets, *Investment opportunities*, measured by capital expenditures to total assets, and firm growth, measured by return on invested capital.

Previous research suggests that larger companies possess more resources, which influence their process of expanding internationally (Chen et al., 2014, Tihanyi et al., 2000). Thus, *Firm size* is included in our analysis to control for size effects on firm internationalization (Anderson and Reeb, 2003; Molly et al., 2010; Gaur and Delios 2015; Alessandri et al 2017; Ray et al. 2017; Yang et al. 2020; Mondal et al 2022). We have also controlled for *Firm age* (Gaur and Delios 2015; Arregle et al., 2017; Denicolai et al. 2019).

Several country-level effects are controlled in our empirical model. To capture the impact of a vibrant foreign direct investment environment within the country, we include two variables to represent the flow of investment to the country, inward foreign direct investment (*IFDI*) as well as the flow of investment from the country, outward foreign direct investment (*OFDI*) (Goh & Tham, 2013). We also include a variable to control for the possible effect of international trade in equity securities and debt securities at the country level, *Portfolio Investment* (Jansen, 1995). The inward flow of revenue for intellectual property generated within a country can indicate higher intellectual property rights protection within a country and studies have shown links between intellectual property rights protection and internationalization (Kumar, 2003; De Vita et al., 2022). Hence, we include variable, *IP Charges (Inward)*, in our empirical model. The impact of exchange rate on internationalization has been widely discussed in the literature (Cheung & Sengupta, 2013), and we include a variable, *Exchange Rate*, to control for this effect. Similarly, the impact of inflation on internationalization has been acknowledged in extant studies (Nasir et al., 2020), and a variable, *Inflation Rate*, is included in this study to capture this effect.

Studies have concluded that religious and language diversity can impact internationalization activities, and hence, we use two variables, *Religious Diversity* and *Language Diversity*, to control for this effect (Dow et al., 2016). Lastly, the various industry, country and year differences are captured by including dummies for various sectors, countries and years. The industry dummies are created per the first two digits of the firms' industry codes (Brouthers & Brouthers, 2003). Table 4 presents the descriptive statistics and correlation analysis of the dependent, independent, moderator and control variables. We observe that both dependent variables are highly correlated with each other. Similarly, we also observe that government ownership is negatively correlated with all other types of ownership. Since many of the variables are highly correlated with each other, we carefully consider the results of our analysis and examine the variance inflation factor (VIF) scores.

Table 4 about here

3.2.5. Empirical model

The first empirical model represents the relationship between the dependent variables, Y_n , and the independent variable representing the ownership types. The empirical model is shown below:

$$Y_n = \alpha + \beta_1 \text{Gov} + \beta_2 \text{Fam} + \beta_3 \text{Ins} + \beta_4 \text{Man} + \beta_5 \text{Corp} + \beta_6 \text{TQ} + \beta_7 \text{ROA} + \beta_8 \text{ROE} + \beta_9 \text{CS} + \beta_{10} \text{Lev} + \beta_{11} \text{FG} + \beta_{12} \text{Liq} + \beta_{13} \text{Risk} + \beta_{14} \text{FA} + \beta_{15} \text{Invopp} + \beta_{16} \text{Innpot} + \beta_{17} \text{FS} + \beta_{18} \text{ifdi} + \beta_{19} \text{ofdi} + \beta_{20} \text{portinv} + \beta_{21} \text{ipchrg} + \beta_{22} \text{ER} + \beta_{23} \text{IR} + \beta_{24} \text{RD} + \beta_{25} \text{LD} + \varepsilon \quad (1)$$

where: Y_n , the dependent variables (sales internationalization, asset internationalization); Gov(government ownership); Fam(Family ownership); Ins(institutional ownership); Man(managerial ownership); Crop(corporate ownership); TQ(Tobin's Q); ROA(return on assets); ROE(return on equity); CS(capital structure); lev(leverage); FG(firm growth); Liq(liquidity); FA(firm age); invopp(investment opportunities); innpot(innovative potential); FS(firm size); ifdi(country inward foreign direct investment); ofdi(country outward foreign direct investment); portinv(country Portfolio Investment); ipcharge(intellectual property charges); ER(exchange rate); IR(inflation rate); RD(religious diversity); LD(language diversity); ε (error terms).

The next empirical model considers the impact of the moderator variable, the level of capitalism, on the nature of the relationship between ownership type and firm internationalization of sales and assets. This is as follows:

$$Y_n = \beta_0 + \beta_i X_n + \beta_k M_n + \beta_l X_n M_n + \beta_6 \text{TQ} + \beta_7 \text{ROA} + \beta_8 \text{ROE} + \beta_9 \text{CS} + \beta_{10} \text{Lev} + \beta_{11} \text{FG} + \beta_{12} \text{Liq} + \beta_{13} \text{Risk} + \beta_{14} \text{FA} + \beta_{15} \text{Invopp} + \beta_{16} \text{Innpot} + \beta_{17} \text{FS} + \beta_{18} \text{ifdi} + \beta_{19} \text{ofdi} + \beta_{20} \text{portinv} + \beta_{21} \text{ipchrg} + \beta_{22} \text{ER} + \beta_{23} \text{IR} + \beta_{24} \text{RD} + \beta_{25} \text{LD} + \varepsilon \quad (2)$$

Where: Y_n (the dependent variables); X_n (the independent variables representing the five ownership types); M_n (the moderator variable representing the level of capitalism); TQ(Tobin's Q); ROA(return on assets); ROE(return on equity); CS(capital structure); lev(leverage); FG(firm growth); Liq(liquidity); FA(firm age); invopp(investment opportunities); innpot(innovative potential); FS(firm size); ifdi(country inward foreign direct investment); ofdi(country outward foreign direct investment); portinv(country Portfolio Investment); ipcharge(intellectual property charges); ER(exchange rate); IR(inflation rate); RD(religious diversity); LD(language diversity); ε (error terms).

For empirical analysis, the study employs the Ordinary Least Squares (OLS) method and the Dynamic Panel Generalized Method of Moments (GMM). To examine whether the impacts of government, institutional, managerial, and employee ownership on firm internationalization are more pronounced for asset internationalization as compared to sales internationalization, we used Z-test to compare the statistical difference between the coefficients, consistent with previous studies (Danis, De Clercq, & Petricevic, 2011; Nicholson and Salaber, 2013).

OLS is applied after identifying and managing outliers, ensuring that the regression models are free from multicollinearity and heteroscedasticity issues, and confirming that the data is normally distributed (Hair, Anderson, Tatham & Black, 1998). The results of the OLS analysis are reported in Appendix 1.

Numerous empirical studies indicate an endogenous relationship between governance characteristics and firm internationalization strategies due to reverse causality (D'Angelo et al. 2016; Dixon, Guariglia, and Vijayakumaran, 2017; Ray et al. 2018; Mondal et al. 2022). A firm's ownership structure affects its internationalization decisions, while its internationalization activities also impact investor willingness to invest in the firm. Bhagat and Bolton (2019) suggested that most empirical evidence on firm governance faces significant endogeneity issues. Following Dixon et al. (2017), we address this potential endogeneity by using the dynamic system generalized method of moments (GMM).

4. Results

4.1. Descriptive statistics and univariate analyses

The descriptive statistics and correlation between the variables are presented in Table 4. We observe that the correlation between the *export intensity* and *asset intensity* is positive, and they are highly correlated. Furthermore, we observe that government ownership is negatively correlated to both export and asset intensity. Family ownership is positively correlated with export intensity, while managerial ownership is positively correlated with asset intensity. Institutional ownership is positively correlated with both export and asset intensity, and on the other hand, corporate ownership is negatively correlated with both export and asset intensity. These findings from univariate analysis are broadly in line with our hypotheses.

We note that all control variables are highly correlated with each other. Hence, we take a cautious approach and closely observe the VIF values for our OLS multivariate analysis ensuring it is much below the levels of 10 (Hair, et al., 1998).

4.2. Multivariate analyses using GMM:

We decided to use the two-step system GMM as we have found that two-step difference GMM estimates are downward biased (Blundell, Bond, & Windmeijer, 2001). The process of deciding between the difference GMM and system GMM is summarized in Table 5. The study models are estimated using pooled OLS, fixed effects, and difference GMM approaches. The coefficient of the lag dependent variable in the OLS is considered the upper-bound estimate, while the coefficient of the lag dependent variable in the fixed effects is considered the lower-bound estimate (Blundell et al., 2001). The results show that the coefficients of the lag dependent variable obtained from the difference GMM in all models are close to the fixed effects estimates, which means that difference GMM estimates are downward biased due to poor instrumentation (Blundell et al., 2001). Therefore, the system GMM is used in this study.

Table 5 about here

The validity of GMM estimations is confirmed using the Arellano-Bond Serial Correlation Test and Hansen test statistics. The AR(2) statistics for the two study models exceed 0.05, indicating no second-order autocorrelation and that the moment conditions are correctly specified (Arellano & Bond, 1991; Roodman, 2009). The Hansen J-statistics results show that all P-values range between 0.1 and 0.9. Consequently, the null hypothesis of the exogeneity of all instruments used in the study models is accepted, validating the choice of instruments (Hansen, 1982).

Table 6 presents the study results using the dynamic system GMM. Columns 1 and 2 in Table 6 consist of estimates for our baseline model for dependent variables, export intensity and asset intensity. Columns 3 and 4 present the results of Hypotheses H1-H5. We observe that government ownership has a significant negative impact on export intensity ($\beta = -23.05$, $p < 0.05$). Thus, hypothesis H1a is supported. Family ownership has a positive and significant effect only on export intensity ($\beta = 10.78$, $p < 0.1$). Hence, only hypothesis H2a is supported. Managerial ownership has a positive and significant effect only on asset intensity ($\beta = 15.92$, $p < 0.05$), so we find evidence to support H3b. Institutional ownership has a positive and significant impact on both export intensity ($\beta = 7.189$, $p < 0.05$) and asset intensity ($\beta = 8.017$, $p < 0.1$). So, we find support for both H4a and H4b. Corporate ownership has a positive and significant impact on asset intensity ($\beta = 13.38$, $p < 0.05$), so H5b is not supported. Indeed, we find results opposite to predicted hypothesis.

Next, we examine the moderating effect of home country capitalism in Columns 5-8. The findings show that the coefficient for the Level of Capitalism is positive and significant across all models. We find that the level of the home country's capitalism has a significant positive moderating impact ($\beta = 165.5$, $p < 0.1$) on the nature of the relationship between government ownership and asset intensity. Similarly, for family ownership, we observe that the level of the home country's capitalism has a significant positive moderating impact on the relationship between family ownership and asset intensity ($\beta = 155.6$, $p < 0.1$). For managerial ownership, it is found that the higher the level of the home country's capitalism, the more significant the relationship between managerial ownership and asset intensity ($\beta = 192.9$, $p < 0.1$). We see that in the case of institutional ownership, the level of the home country's capitalism has a significant negative moderating impact on the relationship between institutional ownership and export intensity ($\beta = -4.443$, $p < 0.01$), while it has a significant positive impact on the nature of the relationship between institutional ownership and asset intensity ($\beta = 315.7$, $p < 0.1$). Similarly, the level of the home country's capitalism has a significant negative moderating impact on the relationship between corporate ownership and export intensity ($\beta = -6.207$, $p < 0.01$), while it has a significant positive impact on the nature of the relationship between corporate ownership and asset intensity ($\beta = 166.1$, $p < 0.1$).

Table 6 about here

We conduct the Z-test on the coefficients of our full models (columns 6 and 8) to test for the pronounced effect of our explanatory variables. The results of the Z-test show that government ownership has a higher significantly negative impact on asset internationalization than on the internationalization of sales ($z\text{-value} = 1.73$). Similarly, the $z\text{-value}$ is strongly significant for managerial ownership (1.84), and institutional ownership (1.84). These results support hypotheses H1c, H3c, H4c and H5c. Table 7 summarizes the results of the Z-test.

Table 7 about here

Overall, most of the GMM results are consistent with the study hypotheses. Government ownership is found to negatively impact sales internationalization supporting H1a. It is also found that the negative relationship between government ownership and firm internationalization strategy is more pronounced for asset internationalization as compared to sales internationalization, in line with H1c. Consistent with H2a, a positive relationship is

found between family ownership and sales internationalization. We found a significant positive relationship between managerial ownership and firm asset internationalization, and the positive relationship between managerial ownership and firm internationalization is more pronounced for asset internationalization as compared to sales internationalization, supporting H3b and H3c, respectively. Institutional ownership is found to have a significant positive relationship with both the internationalization of sales and assets, and such a positive relationship is more pronounced for asset internationalization as compared to sales internationalization. Thus H4a, H4b, and H4c are supported. We find that there is a statistical difference in coefficients that estimate the effect of corporate ownership on sales and asset internationalization, thus, supporting H5c.

When it comes to the moderating impact of home country capitalism, it is found that the home country's capitalism level has a significant negative moderating impact on the relationship between ownership and firm internationalization of sales when the firms have institutional and corporate owners. It is also found that the home country's level of capitalism has a significant positive moderating impact on the relationship between managerial ownership and firm internationalization of assets. Thus, both H6a and H6b are partially supported. Table 8 summarizes the results of the hypotheses testing.

Table 8 about here

Figures 2a-2g present graphically the interaction effect of ownership and home country capitalism on sales and asset internationalization.

Figures 2a-2g about here

4.3. Additional analyses and robustness tests

We observe that leverage and firm size are found to be positive and significant only in models that consider export intensity as the dependent variable. Similarly, firm age has a significant positive impact on export intensity in the baseline model and the model that considers ownership types only. OFDI has a positive impact on internationalization, while the exchange rate has a negative impact on internationalization in baseline models. The inflation rate has a negative impact on export intensity in the baseline model and the model that considers ownership types only. When we consider the role of the home country's capitalism, religious diversity is found to have a positive effect on export intensity.

We conducted several robustness tests to consider the stability of our results. We excluded Chinese companies from our sample as China is the largest sub-sample in the data. The results of these analyses are found to be consistent with our main results. Table 9 summarizes the results of the empirical analysis after excluding China. As discussed earlier, we have also created two other measures for the home country's levels of capitalism. We observe that the results of our robustness tests are similar to those presented in this paper. Furthermore, we consider other control variables which have been widely considered in research like the home country's GDP, GDP growth and home country's national culture, and our results of these analyses are similar to our main results.

Table 9 about here

5. Discussion

5.1. Theoretical implications

The findings of our paper contribute to the literature in several ways. First, we contribute to the literature on ownership types and international strategy. Similar to extant studies (Sun and Tong 2003; Wei, Xie, and Zhang 2005; Yi and Wang 2012; Guariglia and Liu 2014; Tihanyi et al., 2019), we find government ownership negatively affects firm internationalization. This finding further enforces the role of government in a firm's decision to limit internationalization. As observed in prior studies (Carr and Bateman, 2009), we note the positive influence of family ownership on the internationalization of sales (a low-risk strategy). Also, our findings support the argument that managerial ownership leads to higher internationalization as evidenced in prior literature (Hobdari, Gregoric, and Sinani 2011; Filatotchev, Isachenkova, and Mickiewicz 2007; Buck et al. 2000; Filatotchev et al. 2001; Filatotchev, Stephan, and Jindra 2008; Lu, Xu, and Liu 2009; Dixon et al. 2017; Chittoor et al. 2017). As in earlier studies (Aghion et al., 2013; Connelly et al., 2019; Clò et al., 2020), we find institutional ownership increases the internationalization of both sales and assets, thus, lending support to arguments that institutional ownership increases outward investment from the firms. Lastly, though contrary to our hypothesis, we find that our result supports the extant literature which cautiously suggests that corporate owners might be willing to internationalize. From the agency theory perspective, our findings support the arguments that stakeholders will deploy strategies which are best aligned with their expectations of outcomes of internationalization and can reduce risk in foreign markets. Furthermore, we see that most owners (managerial, institutional, corporate) are willing to adopt asset internationalization, a

high-risk strategy, as they are less likely to be influenced by other factors and considerations during their decision-making (Tihanyi et al., 2019; Guariglia and Liu 2014; Monreal-Pérez and Sánchez-Marín, 2017; Scholes et al., 2016). Again, this observation supports the assumption under agency theory that most owners without incumbrances are likely to engage in wealth maximization.

The second theoretical contribution relates to the influence of the home country's capitalism on a firm's internationalization. Our research confirms earlier research findings that the home country's capitalism will reduce internationalization in the case of certain owners. Our study addresses the gap noted in the literature and highlighted by the scholars who note that corporate governance research typically identifies a 'universal link between corporate governance practices (e.g., shareholder activism, board independence) and performance outcomes, but neglects how interdependences between the organization and diverse environments lead to variations in the effectiveness of different corporate governance practices' (Filatotchev and Nakajima, 2010, p. 591). We find that the higher the home country level of capitalism, the more significant the relationship between the ownership type and internationalization of assets, while the less significant the relationship between the ownership type and internationalization of sales. Thus, our study extends the understanding that scholars have to date on how the home country's capitalism in the context of various ownership types will modulate the internationalization strategies (Morschett et al., 2010; Dixon et al. 2017) driving them to engage in higher risk asset internationalization strategy.

5.2. Managerial and policy implications

Given that we observe that firms with government ownership have little incentive to internationalize, if the governments are keen to improve internationalization of their firms, one thing they can do is to limit their participation in their home country firms. Furthermore, countries and managers might consider incentivizing institutional investors to invest in their firms to improve their internationalization activities. As certain types of ownership are negatively impacted by the level of home country capitalism, policymakers might consider the mix of the firm ownership within their country and examine incentive mechanisms to attract the right mix of ownership for internationalization.

5.3. Limitations and future avenues for research

Given the intensive nature of data collection which involves collecting data from various sources as well as the limited availability of the data, this research was restricted to 19

countries over the period of 10 years. Future studies can aim to extend this sample to many more countries as well as over a much longer period. We focused on the five ownership types in this study, but there are other ownership types which might be relevant in other countries or other temporal contexts. Hence, future studies can choose to incorporate other ownership types in their analysis.

We focus only on the home country capitalism due to the nature of our data, whereby we do not have access to information on the host countries where these firms invest in. Hence, we cannot consider the host country's characteristics that might influence the internationalization strategies. Furthermore, we consider one element of the home country institution that might moderate the firm's internationalization activities in this study, and it goes without saying that many other factors, for example, investor protection, political factors, etc., might also impact the internationalization decisions. So, future studies can aim to consider other factors in their study.

Lastly, we consider the role of ownership in internationalization activities, but not the outcome of this internationalization, namely whether internationalization leads to better outcomes for the company. Future studies can endeavor to link ownership, internationalization strategies and performance.

6. Conclusions

One of the ongoing debates in international business is the role of ownership in influencing internationalization strategies. Furthermore, there is limited evidence on the effect of the home country's capitalism on the relationship between ownership and internationalization strategies. Our work contributes to this area by considering multiple ownership types, two internationalization strategies and the home country's capitalism. The findings reiterate the critical role that ownership plays in internationalization as well as highlight the crucial role of the home country's capitalism in moderating this relationship.

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Table 1. Summary of Observations**1A. Country-firm data**

Country	Index Used	Index % of Country's Total Market Capitalization	Number of Companies included in the study sample
Austria	WIENER BRSE INDEX	100%	36
Belgium	BEL all share index	100%	80
Brazil	Sao Paulo SE IBX Index	54%	53
China	Shanghai SE 180 Index	40.50%	162
Denmark	OMX Copenhagen PI	100%	55
Finland	OMX Helsinki all share index	100%	94
France	SBF120	61%	84
Germany	DAX 30 & MDAX 60	60%	45
India	S&P BSE-100	40%	65
Ireland	All shares ISEQ overall price index	100%	17
Norway	Oslo SE all share index	100%	99
Portugal	PSI All share gross return index	100%	30
South Africa	FTSEJSE SA All Share Index	99%	81
Spain	Madrid SE General Index	86%	62
Sweden	OMX Nordic Large Cap EUR GI Index	99%	131
Switzerland	SPI Swiss Performance Index	99%	136
The Netherlands	AEX all share index	100%	67
The UK	FTSE 100 Index	82%	59
The US	NASDAQ 100 INDEX	43%	54
Total Number of Companies		1410	
Total Number of Observations		14100	

The table reports number of companies included in each country and the indexes used for data collection. The study sample includes countries from the US, Western Europe, and large developing countries. A country is included if it has availability of at least 10 years of balanced firm data from 2011-2020, and it has at least 20 listed companies.

1B. Industry-firm data

<i>Industry</i>	<i>No. of firms</i>
Basic materials	154
Consumer Discretionary	184
Consumer Staples	140
Energy	87
Healthcare	126
Industrial manufacturing	360
Real Estate	131
Technology	179
Utilities	49
Total firms	1410

The table shows the number of firms by industry. The study sample consists of public companies available in DataStream database during

2011–2020. Firms from the financial industry are excluded. Firm-year observations are excluded if the firm is incorporated after 2011, or firm data is unavailable for (2011-2020) period.

Table 2. Summary of country-year observations

<i>Country</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>Total</i>
Austria	36	36	36	36	36	36	36	36	36	36	360
Belgium	80	80	80	80	80	80	80	80	80	80	800
Brazil	53	53	53	53	53	53	53	53	53	53	530
China	162	162	162	162	162	162	162	162	162	162	1620
Denmark	55	55	55	55	55	55	55	55	55	55	550
Finland	94	94	94	94	94	94	94	94	94	94	940
France	84	84	84	84	84	84	84	84	84	84	840
Germany	45	45	45	45	45	45	45	45	45	45	450
India	65	65	65	65	65	65	65	65	65	65	650
Ireland	17	17	17	17	17	17	17	17	17	17	170
Netherland	67	67	67	67	67	67	67	67	67	67	670
Norway	99	99	99	99	99	99	99	99	99	99	990
Portugal	30	30	30	30	30	30	30	30	30	30	300
South Africa	81	81	81	81	81	81	81	81	81	81	810
Spain	62	62	62	62	62	62	62	62	62	62	620
Sweden	131	131	131	131	131	131	131	131	131	131	1310
Switzerland	136	136	136	136	136	136	136	136	136	136	1360
UK	59	59	59	59	59	59	59	59	59	59	590
US	54	54	54	54	54	54	54	54	54	54	540
Total Observations	1410	1410	1410	1410	1410	1410	1410	1410	1410	1410	14100

Table 3. Variables, measures and data sources

	Variable name	Description/Measure	Source
Dependent variable	<i>Sales internationalization</i>	Ratio of foreign sales to total sales	DataStream Database
	<i>Asset internationalization</i>	Ratio of foreign assets to total assets	DataStream Database
Independent variable: Ownership type	<i>Government</i>	Percentage of government shareholdings in the firm to total firm shares outstanding	Companies' Ownership History Report
	<i>Family</i>	Percentage of shares owned by two or more family members by either blood or marriage to total firm shares outstanding	
	<i>Managerial</i>	Percentage of shares owned managers to total firm shares outstanding	
	<i>Institutional</i>	Percentage of shares owned institutions (banks, insurance companies, pension funds, mutual funds, investment trusts, and sovereign wealth funds) to total firm shares outstanding.	
	<i>Corporate</i>	Percentage of shares owned by other corporations to total firm shares outstanding	
Moderator variable	<i>Level of Capitalism</i>	Economic freedom index (countries with high capitalism level are those with economic freedom scores of more than 65 over the period 2011-2020)	The Heritage Foundation
Control variables	<i>Tobin's Q</i>	(Market value of common stock + the book value of preferred stock + book value of debt) / book value of total assets	DataStream database
	<i>ROA</i>	Net profit after tax to total assets	
	<i>ROE</i>	Net profit after tax to total equity	
	<i>Capital Structure</i>	The ratio of total debt to equity	
	<i>Leverage</i>	The ratio of total liabilities to total assets	
	<i>Liquidity</i>	Current ratio (current assets to current liabilities)	
	<i>Innovative potential</i>	The ratio of R&D expenses to total assets	
	<i>Investment opportunities</i>	The ratio of capital expenditures to total assets	
	<i>Firm growth</i>	Return on Invested capital	
	<i>Firm size</i>	The natural logarithm of total assets	
	<i>Firm age</i>	The year of incorporation of the listed firm	
	<i>Risk</i>	Standard deviation of daily share returns	
	<i>IFDI</i>	Inward foreign direct investment in the home country (current US\$)	The World Bank
	<i>OFDI</i>	Outward foreign direct investment in the home country (current US\$)	
	<i>Portfolio Investment</i>	Portfolio investment covers transactions in equity securities and debt securities (current US\$)	
	<i>IP Charges (Inward)</i>	Charges for the use of intellectual property are payments and receipts between residents and non-residents for the authorized use of proprietary rights (current US\$)	
	<i>Inflation Rate</i>	Inflation, consumer prices (annual %)	
	<i>Exchange Rate</i>	Official exchange rate (local currency unit per US\$, period average)	Dow, Cuypers & Ertug (2016)
	<i>Religious Diversity</i>	"The population count for each of the main religions by country is converted into a percentage of the total population. Each religion's percentage share of the total population is then squared and summed. This number is subtracted from 1 so that a value of 1 represents a perfectly heterogeneous country where everyone professes a	

		different religion, and a value of 0 represents a perfectly homogeneous country where everyone adheres to the same religion.”	
	<i>Language Diversity</i>	The incidence of each language in a country, as a percentage of the population, is squared and then summed. This sum is then subtracted from 1 so that a value of 1 represents a perfectly heterogeneous country where everyone speaks a different language, and a value of 0 represents a perfectly homogeneous country where everyone speaks the same language.	

The table reports dependent, independent, moderating, and control variables used in the study, their measurement, and data source.

Table 4. Descriptive Statistics (n=14100)

	Variable name	Mean	SD	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1.	<i>Sales internationalization</i>	41.7	38.079	1.000													
2.	<i>Asset internationalization</i>	16.763	24.687	0.575* **	1.000												
3.	<i>Government</i>	.012	.076	- 0.076* **	- 0.045* **	1.000											
4.	<i>Family</i>	.032	.123	0.046* **	0.001	- 0.035* **	1.000										
5.	<i>Managerial</i>	.039	.136	-0.005	0.028* **	- 0.044* **	-0.007	1.000									
6.	<i>Institutional</i>	.228	.215	0.127* **	0.060* **	- 0.143* **	- 0.268* **	- 0.302* **	1.000								
7.	<i>Corporate</i>	.042	.147	- 0.067* **	- 0.038* **	- 0.043* **	- 0.073* **	- 0.049* **	- 0.176* **	1.000							
8.	<i>Level of Capitalism</i>	.744	.436	0.354* **	0.242* **	- 0.030* **	0.090* **	0.117* **	0.067* **	- 0.030* **	1.000						
9.	<i>Tobin's Q</i>	1.939	11.893	0.029* **	0.015*	-0.007	-0.002	-0.005	-0.005	-0.011	0.011	1.000					
10.	<i>ROA</i>	4.867	15.346	-0.013	- 0.014*	0.000	0.015*	- 0.045* **	0.111* **	- 0.023* **	- 0.089* **	- 0.188* **	1.000				
11.	<i>ROE</i>	7.097	60.64	- 0.018* *	-0.010	0.003	0.002	- 0.019* *	0.086* **	-0.007	- 0.049* **	- 0.278* **	0.539* **	1.000			
12.	<i>Capital Structure</i>	76.538	252.624	- 0.048* **	- 0.021* *	0.005	- 0.023* **	-0.006	- 0.017* *	0.014*	- 0.066* **	- 0.020* *	-0.007	0.012	1.000		
13.	<i>Leverage</i>	.931	9.497	0.036* **	0.021* *	-0.005	0.028* **	-0.010	- 0.017* *	0.015*	0.025* **	0.185* **	-0.004	- 0.049* **	0.005	1.000	
14.	<i>Firm growth</i>	5.946	33.899	0.001	0.010	0.011	0.014*	- 0.028*	0.101* **	0.004	- 0.036*	- 0.442*	0.727* **	0.545* **	0.006	- 0.078*	1.000

								**			**	**				**	
15.	<i>Liquidity</i>	2.41	3.245	-0.088* **	-0.081* **	-0.034* **	-0.041* **	-0.030* **	-0.077* **	-0.021* *	-0.270* **	0.000	0.052* **	0.033* **	-0.057* **	-0.018* *	-0.002
16.	<i>Risk</i>	.85	.636	0.019* *	-0.028* **	-0.019* *	-0.096* **	-0.093* **	0.115* **	-0.082* **	-0.097* **	-0.037* **	-0.007	0.004	-0.004	0.030* **	0.006
17.	<i>Firm age</i>	57.974	51.716	0.173* **	0.128* **	0.025* **	0.069* **	-0.013	0.019* *	0.007	0.233* **	-0.026* **	0.040* **	0.033* **	-0.031* **	0.025* **	0.053* **
18.	<i>Investment opportunities</i>	4.727	4.619	-0.074* **	-0.026* **	0.095* **	0.002	-0.022* *	-0.015*	0.004	-0.119* **	0.000	0.102* **	0.053* **	0.013	0.026* **	0.057* **
19.	<i>Innovative potential</i>	9.998	336.664	-0.015*	0.000	-0.005	-0.008	-0.009	-0.003	0.030* **	-0.035* **	0.002	0.008	0.004	-0.007	-0.001	-0.002
20.	<i>Firm size</i>	6.599	1.205	-0.051* **	-0.042* **	0.127* **	-0.086* **	-0.247* **	0.169* **	-0.072* **	-0.415* **	-0.095* **	0.199* **	0.153* **	0.085* **	-0.040* **	0.175* **
21.	<i>IFDI</i>	5.140e +10	1.010e +11	-0.156* **	-0.100* **	-0.037* **	-0.061* **	-0.042* **	-0.161* **	-0.055* **	-0.423* **	0.029* **	0.007	0.012	0.045* **	-0.013	-0.039* **
22.	<i>OFDI</i>	3.16	9.189	0.059* **	0.068* **	-0.017* *	0.007	0.058* **	0.018* *	-0.042* **	0.145* **	0.067* **	-0.027* **	-0.021* *	-0.021* *	0.001	-0.030* **
23.	<i>Portfolio Investment</i>	-3.630e +08	8.650e +10	0.048* **	0.008	-0.006	-0.020* *	0.046* **	0.102* **	0.007	0.152* **	0.020* *	-0.010	-0.014*	0.010	0.003	-0.007
24.	<i>IP Charges (Inward)</i>	1.300e +10	2.280e +10	0.137* **	0.022* **	-0.048* **	-0.033* **	-0.018* *	0.354* **	-0.122* **	0.294* **	0.054* **	0.076* **	0.055* **	-0.033* **	-0.017* *	0.031* **
25.	<i>Exchange Rate</i>	6.428	13.041	-0.127* **	-0.097* **	0.158* **	0.015*	-0.049* **	-0.021* *	0.053* **	-0.494* **	0.022* **	0.126* **	0.059* **	-0.014* *	-0.019* *	0.074* **
26.	<i>Inflation Rate</i>	1.967	1.965	-0.239* **	-0.158* **	0.058* **	-0.055* **	-0.082* **	0.031* **	0.102* **	-0.673* **	-0.001	0.105* **	0.055* **	0.034* **	-0.006	0.060* **
27.	<i>Religious Diversity</i>	.29	.158	-0.045* **	-0.064* **	-0.023* **	0.007	-0.110* **	0.030* **	-0.179* **	-0.381* **	0.013	0.147* **	0.093* **	-0.014* *	-0.041* **	0.063* **
28.	<i>Language Diversity</i>	.414	.261	-	-	0.103*	0.025*	0.044*	-	-	-	0.008	-0.004	-	0.000	0.014*	-

				0.136* **	0.083* **	**	**	**	0.080* **	0.014*	0.388* **			0.017* *			0.016*
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*** p<0.01, ** p<0.05, * p<0.1

To consider the likely presence of outliers which might bias our analysis, the data is winsorised at the 5th and 95th percentile.

Table 4. continued.

	Variable name	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
1.	<i>Sales internationalization</i>														
2.	<i>Asset internationalization</i>														
3.	<i>Government</i>														
4.	<i>Family</i>														
5.	<i>Managerial</i>														
6.	<i>Institutional</i>														
7.	<i>Corporate</i>														
8.	<i>Level of Capitalism</i>														
9.	<i>Tobin's Q</i>														
10.	<i>ROA</i>														
11.	<i>ROE</i>														
12.	<i>Capital Structure</i>														
13.	<i>Leverage</i>														
14.	<i>Firm growth</i>														
15.	<i>Liquidity</i>	1.000													
16.	<i>Risk</i>	0.001	1.000												
17.	<i>Firm age</i>	- 0.130** *	- 0.095** *	1.000											
18.	<i>Investment opportunities</i>	- 0.026** *	0.000	- 0.042** *	1.000										
19.	<i>Innovative potential</i>	0.000	0.011	-0.002	-0.019**	1.000									

20 .	<i>Firm size</i>	0.043** *	0.170** *	-0.017**	0.094** *	- 0.111** *	1.000								
21 .	<i>IFDI</i>	0.266** *	0.090** *	- 0.156** *	-0.011	-0.002	0.198** *	1.000							
22 .	<i>OFDI</i>	- 0.039** *	- 0.058** *	0.043** *	-0.018**	-0.007	- 0.109** *	0.547** *	1.000						
23 .	<i>Portfolio Investment</i>	- 0.040** *	- 0.048** *	0.030** *	-0.010	-0.002	- 0.044** *	- 0.141** *	-0.007	1.000					
24 .	<i>IP Charges (Inward)</i>	- 0.026** *	-0.013	0.006	- 0.040** *	-0.015*	0.002	- 0.088** *	0.076** *	0.234** *	1.000				
25 .	<i>Exchange Rate</i>	0.012	0.080** *	- 0.061** *	0.143** *	0.106** *	0.312** *	0.000	- 0.094** *	- 0.053** *	- 0.208** *	1.000			
26 .	<i>Inflation Rate</i>	0.050** *	0.064** *	- 0.147** *	0.176** *	0.031** *	0.287** *	0.115** *	- 0.113** *	- 0.099** *	- 0.201** *	0.525** *	1.000		
27 .	<i>Religious Diversity</i>	0.140** *	0.290** *	- 0.073** *	0.016*	0.008	0.378** *	0.371** *	- 0.034** *	- 0.156** *	-0.006	0.231** *	0.149** *	1.000	
28 .	<i>Language Diversity</i>	0.079** *	0.014*	- 0.046** *	0.172** *	0.046** *	0.096** *	-0.011	- 0.023** *	0.012	- 0.123** *	0.489** *	0.342** *	- 0.043** *	1.00 0

*** p<0.01, ** p<0.05, * p<0.1

To consider the likely presence of outliers which might bias our analysis, the data is winsorised at the 5th and 95th percentile.

Table 5. Deciding between two-step difference GMM and two-step system GMM

	<i>Baseline model</i>		<i>Model 1: The impact of Ownership Types and Internationalization Strategies</i>		<i>Model 2: The moderating effect of home country capitalism</i>	
	<i>Sales internationalization</i>	<i>Asset internationalization</i>	<i>Sales internationalization</i>	<i>Asset internationalization</i>	<i>Sales internationalization</i>	<i>Asset internationalization</i>
<i>L.Intrenationalization (OLS)</i>	.906	.875	.905	.874	.9	.871
<i>L.Intrenationalization (Fixed)</i>	.446	.472	.446	.471	.446	.471
<i>L.Intrenationalization (DGMM)</i>	.664	-.153	.654	.701	.662	.691
<i>Decision</i>	SGMM	SGMM	SGMM	SGMM	SGMM	SGMM

The table reports the coefficient of the lag dependent variable using pooled OLS, fixed effects, and difference GMM approaches to decide between using difference GMM or system GMM.

Table 6. Results of the Regression Analysis using GMM for H1, H2, H3, H4, H5, H6

VARIABLES	(1) Sales internationalization	(2) Asset internationalization	(3) Sales internationalization	(4) Asset internationalization	(5) Sales internationalization	(6) Sales internationalization	(7) Asset internationalization	(8) Asset internationalization
L. Export Intensity	0.871*** (0.0285)		0.325*** (0.0557)		0.882*** (0.0205)	0.865*** (0.0268)		
L. Asset Intensity		0.807*** (0.0312)		0.963*** (0.0481)			0.879*** (0.0271)	0.653*** (0.0616)
Ownership type:								
Government			-23.05** (11.02)	-13.73 (10.75)	-5.239** (2.330)	-3.705*** (1.369)	-6.882* (4.116)	-95.47* (53.02)
Family			10.78* (6.351)	5.866 (20.66)	0.321 (1.337)	3.914 (2.578)	-7.949 (6.916)	-90.64* (53.88)
Managerial			2.986 (5.589)	15.92** (7.832)	-0.637 (1.253)	-0.240 (2.811)	-4.678 (3.594)	140.2* (76.31)
Institutional			7.189** (3.603)	8.017* (4.480)	0.419 (0.893)	3.679*** (1.315)	4.570** (2.011)	226.7* (121.2)
Corporate			-4.225 (4.840)	13.38** (6.668)	-2.450** (1.031)	1.962 (1.581)	7.726** (3.569)	125.4* (67.55)
Moderator:								
Level of Capitalism					4.323*** (0.880)	6.548*** (1.270)	2.401*** (0.780)	231.1* (124.1)
Government x Level of Capitalism						-3.005 (3.893)		165.5* (92.45)
Family x Level of Capitalism						-4.472 (2.980)		155.6* (87.54)
Managerial x Level of Capitalism						-0.891 (3.149)		192.9* (103.4)
Institutional x Level of Capitalism						-4.443*** (1.698)		315.7* (167.9)
Corporate x Level of Capitalism						-6.207*** (2.121)		166.1* (90.50)
Tobin's Q	0.00706 (0.00778)	0.00745 (0.00522)	0.0345* (0.0192)	-0.000390 (0.00579)	0.00711 (0.00768)	0.00747 (0.00773)	0.00288 (0.00527)	0.0165 (0.0278)
ROA	0.0120 (0.0198)	0.00837 (0.0114)	-0.0279 (0.0286)	0.0124 (0.0122)	0.0114 (0.0197)	0.00955 (0.0194)	0.00342 (0.0115)	0.0488 (0.0444)
ROE	-0.00188 (0.00432)	-0.000530 (0.00194)	-0.00366 (0.00753)	0.000857 (0.00201)	-0.00156 (0.00437)	-0.00212 (0.00434)	-0.000223 (0.00192)	0.00446 (0.00804)
Capital Structure	-0.000410 (0.000753)	-0.000288 (0.000569)	-0.00117 (0.00115)	-0.000349 (0.000623)	-0.000348 (0.000762)	-0.000312 (0.000755)	-0.000426 (0.000548)	-0.00406* (0.00246)
Leverage	0.0218*** (0.00708)	0.00223 (0.0117)	0.0808*** (0.0226)	-0.00733 (0.0155)	0.0194*** (0.00604)	0.0212*** (0.00658)	0.00611 (0.00969)	0.0156 (0.0243)

Firm growth	-0.000880 (0.00889)	0.000892 (0.00430)	0.00427 (0.0139)	0.000697 (0.00523)	-0.00133 (0.00893)	-0.000282 (0.00887)	0.00187 (0.00442)	-0.0224 (0.0231)
Liquidity	-0.0764 (0.0477)	-0.0611 (0.0414)	-0.140 (0.147)	-0.0580 (0.0483)	-0.0218 (0.0463)	-0.0159 (0.0478)	-0.0392 (0.0408)	-1.827* (0.977)
Risk	-0.198 (0.321)	-0.133 (0.208)	1.187 (1.050)	-0.0145 (0.357)	-0.384 (0.306)	-0.316 (0.316)	-0.262 (0.241)	3.261 (2.303)
Firm age	0.00849** (0.00380)	0.00499 (0.00314)	0.0659*** (0.0180)	-0.00135 (0.00367)	0.00461 (0.00308)	0.00483 (0.00348)	0.000645 (0.00280)	0.153* (0.0813)
Investment opportunities	-0.00230 (0.0387)	0.0323 (0.0268)	-0.142 (0.102)	0.0329 (0.0299)	-0.00177 (0.0384)	-0.00366 (0.0390)	0.0308 (0.0263)	0.137 (0.142)
Innovative potential	5.61e-05 (0.000157)	8.35e-05 (0.000162)	1.03e-05 (0.000696)	-1.60e-05 (0.000125)	0.000116 (0.000136)	0.000117 (0.000166)	7.41e-05 (0.000117)	-0.00261 (0.00168)
Firm size	0.349** (0.155)	0.125 (0.127)	1.407** (0.708)	-0.155 (0.245)	0.498*** (0.159)	0.584*** (0.176)	0.127 (0.167)	-7.093* (4.039)
IFDI	-0*** (0)	-0** (0)	-0*** (0)	-0 (0)	-0 (0)	0 (0)	-0 (0)	-3.18e-10* (1.67e-10)
OFDI	0.0482* (0.0281)	0.0405* (0.0233)	0.321*** (0.0735)	0.0185 (0.0381)	-0.00813 (0.0258)	-0.0175 (0.0267)	0.00986 (0.0237)	2.228* (1.156)
Portfolio Investment	0 (0)	0 (0)	0 (0)	0 (0)	-0 (0)	-0 (0)	0 (0)	0* (0)
IP Charges (Inward)	0 (0)	-0 (0)	0 (0)	0* (0)	-0 (0)	-0 (0)	-0 (0)	8.08e-11 (6.57e-11)
Exchange Rate	-0.0246* (0.0131)	-0.0284*** (0.0102)	-0.0559 (0.0623)	0.00296 (0.0194)	-0.00246 (0.0122)	-0.00757 (0.0136)	-0.00122 (0.0137)	-0.352* (0.203)
Inflation Rate	-0.306*** (0.111)	-0.111 (0.0776)	-1.868*** (0.299)	0.287** (0.123)	0.0768 (0.103)	0.0611 (0.105)	0.288*** (0.0875)	-10.13* (5.376)
Religious Diversity	1.560 (1.246)	0.201 (1.049)	7.925 (5.913)	-2.904 (1.928)	2.325* (1.230)	3.187** (1.379)	0.302 (1.270)	-79.04* (43.09)
Language Diversity	-0.458 (0.718)	0.0471 (0.575)	-4.171 (3.560)	-0.406 (0.807)	0.864 (0.667)	1.263* (0.748)	0.500 (0.638)	-45.77* (25.26)
Industry Dummies	Included	Included	Included	Included	Included	Included	Included	Included
Year Dummies	Included	Included	Included	Included	Included	Included	Included	Included
Constant	3.439** (1.460)	3.564*** (0.967)	17.48*** (5.482)	3.460** (1.654)	-2.452* (1.364)	-4.310*** (1.560)	0.346 (1.575)	281.0* (148.9)
Observations	12,628	12,628	12,628	12,628	12,628	12,628	12,628	12,628
AR2	0.162	0.138	0.162	0.129	0.153	0.158	0.119	0.052
J-test Hansen	0.589	0.582	0.589	0.206	0.756	0.773	0.153	0.617

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Lagged levels dated t-2 and t-4 are used as instruments for the differences equation, expect in column 7 where lagged levels dated t-2 and t-5 are used as instruments for the differences equation. Lagged differences dated t-2 are used as instruments for the levels equation in all models.

Columns 1 and 2 consist of estimates for the baseline model. Columns 3 and 4 present the results of Hypotheses H1-H5. Columns 5-8 present the results of the moderating effect of home country capitalism, Hypotheses H6a and H6b.

Table 7. Results of Z-test for H1c, H3c, H4c, H5c: Comparison of the estimates from the regression.

Hypotheses	Sales Internationalization	Asset Internationalization	SE (Sales Internationalization)	SE (Asset Internationalization)	Z-test
Government ownership	-3.705	-95.47	1.369	53.02	1.73
Managerial ownership	-0.24	140.2	2.811	76.31	1.84
Institutional ownership	3.679	226.7	1.315	121.2	1.84
Corporate ownership	1.962	-125.4	1.581	67.55	1.88

Table 8. Summary of hypotheses testing

No	Hypothesis	Result
H1a	There is a significant negative relationship between government ownership and firm sales internationalization.	Supported
H1b	There is a significant negative relationship between government ownership and firm asset internationalization.	Not supported
H1c	The negative relationship between government ownership and firm internationalization strategy will be more pronounced for asset internationalization as compared to sales internationalization.	Supported
H2a	There is a significant positive relationship between family ownership and firm sales internationalization.	Supported
H2b	There is a significant negative relationship between family ownership and firm asset internationalization.	Not supported
H3a	There is a significant positive relationship between managerial ownership and firm sales internationalization.	Not supported
H3b	There is a significant positive relationship between managerial ownership and firm asset internationalization.	Supported
H3c	The positive relationship between managerial ownership and firm internationalization strategy will be more pronounced for asset internationalization as compared to sales internationalization.	Supported
H4a	There is a significant positive relationship between institutional ownership and firm sales internationalization.	Supported
H4b	There is a significant positive relationship between institutional ownership and firm asset internationalization.	Supported
H4c	The positive relationship between institutional ownership and firm internationalization strategy will be more pronounced for asset internationalization as compared to sales internationalization.	Supported
H5a	There is a significant negative relationship between corporate ownership and firm sales internationalization.	Not supported
H5b	There is a significant negative relationship between corporate ownership and firm asset internationalization.	Not Supported

H5c	The negative relationship between corporate ownership and firm internationalization strategy will be more pronounced for asset internationalization as compared to sales internationalization.	Supported
H6a	The home country's higher capitalism level has a significant positive moderating impact on the relationship between government ownership and firm internationalization of sales.	Not Supported
H6b	The home country's higher capitalism level has a significant positive moderating impact on the relationship between government ownership and firm internationalization of assets.	Supported
H6c	The home country's higher capitalism level has a significant negative moderating impact on the relationship between family ownership and firm internationalization of sales.	Not Supported
H6d	The home country's higher capitalism level has a significant positive moderating impact on the relationship between family ownership and firm internationalization of assets.	Supported
H6e	The home country's higher capitalism level has a significant positive moderating impact on the relationship between managerial ownership and firm internationalization of sales.	Not Supported
H6f	The home country's higher capitalism level has a significant positive moderating impact on the relationship between managerial ownership and firm internationalization of assets.	Supported
H6g	The home country's higher capitalism level has a significant negative moderating impact on the relationship between institutional ownership and firm internationalization of sales.	Supported
H6h	The home country's higher capitalism level has a significant negative moderating impact on the relationship between institutional ownership and firm internationalization of assets.	Not Supported
H6i	The home country's higher capitalism level has a significant negative moderating impact on the relationship between corporate ownership and firm internationalization of sales.	Supported
H6j	The home country's higher capitalism level has a significant negative moderating impact on the relationship between corporate ownership and firm internationalization of assets.	Not Supported

Table 9. Results of the Regression Analysis after excluding China using GMM

VARIABLES	(1) Sales internationalization	(2) Asset internationalization	(3) Sales internationalization	(4) Asset internationalization	(5) Sales internationalization	(6) Sales internationalization	(7) Asset internationalization	(8) Asset internationalization
L. Sales internationalization	0.904*** (0.0193)		0.880*** (0.0301)		0.898*** (0.0196)	0.876*** (0.0262)		
L. Asset internationalization		0.750*** (0.0228)		0.945*** (0.0418)			0.751*** (0.0532)	0.817*** (0.0229)
Ownership type:								
Government			-21.93** (10.45)	-10.90 (10.88)	-5.117** (2.362)	-3.412** (1.620)	1.559 (5.189)	-76.63* (45.97)
Family			-19.36 (16.49)	-11.40 (13.80)	-0.185 (1.307)	4.152 (2.837)	-1.410 (2.478)	-63.48* (36.82)
Managerial			-6.764 (8.119)	9.656* (5.730)	-1.000 (1.247)	-0.764 (3.263)	5.058* (2.858)	78.65 (50.14)
Institutional			10.20* (5.266)	8.336** (4.034)	0.587 (0.938)	2.703 (1.705)	24.84*** (9.165)	147.8* (87.84)
Corporate			-15.07** (7.517)	13.12** (6.523)	-2.851*** (1.017)	1.025 (1.619)	10.47** (4.552)	80.57* (48.04)
Moderator:								
Level of Capitalism					2.887*** (0.886)	5.561*** (1.458)	119.7*** (44.00)	126.1* (73.06)
Government x Level of Capitalism						-2.993 (3.850)		102.4* (58.79)
Family x Level of Capitalism						-4.894 (3.179)		81.44* (46.66)
Managerial x Level of Capitalism						-0.389 (3.549)		92.76 (57.45)
Institutional x Level of Capitalism						-3.845* (2.027)		171.7* (101.5)
Corporate x Level of Capitalism						-5.103** (2.148)		98.98* (56.88)
Tobin's Q	-0.00273 (0.0257)	-0.0584*** (0.0161)	0.00404 (0.00911)	-0.129 (0.133)	0.00538 (0.00799)	0.00617 (0.00800)	-0.0305* (0.0158)	-0.0242* (0.0131)
ROA	0.0204 (0.0136)	0.0359 (0.0242)	-0.000762 (0.0166)	0.0741 (0.110)	0.0122 (0.0205)	0.0107 (0.0200)	-0.0198 (0.0184)	0.0273 (0.0191)
ROE	-0.000468 (0.00416)	0.00235 (0.00330)	0.00106 (0.00448)	-0.00123 (0.00970)	-0.000438 (0.00450)	-0.00125 (0.00445)	0.00319 (0.00364)	-0.00347 (0.00340)
Capital Structure	-0.000330 (0.000774)	-0.000329 (0.000573)	-0.000262 (0.000768)	-0.000580 (0.000654)	-0.000352 (0.000789)	-0.000317 (0.000781)	-0.000997 (0.000984)	0.000141 (0.000623)
Leverage	0.0200*** (0.00665)	0.0156 (0.0134)	0.0264** (0.0104)	0.0391 (0.0296)	0.0181*** (0.00589)	0.0200*** (0.00646)	0.0416 (0.0273)	-0.0152 (0.0174)

Firm growth	-0.00824 (0.00870)	-0.0193* (0.0102)	0.00229 (0.00980)	-0.0471 (0.0446)	-0.00338 (0.00961)	-0.00213 (0.00947)	0.00127 (0.00667)	0.00805 (0.00658)
Liquidity	-0.0390 (0.0578)	-0.0428 (0.0730)	-0.0622 (0.0717)	-0.0312 (0.0735)	-0.0395 (0.0582)	-0.0426 (0.0614)	-0.342* (0.197)	-0.0851 (0.0807)
Risk	-0.407 (0.311)	-0.138 (0.261)	-0.390 (0.416)	-0.321 (0.349)	-0.375 (0.320)	-0.337 (0.330)	3.455** (1.588)	1.844* (0.949)
Firm age	0.00278 (0.00294)	0.00433 (0.00381)	0.00443 (0.00452)	-0.00140 (0.00284)	0.00248 (0.00291)	0.00335 (0.00334)	0.0354** (0.0152)	-0.0178 (0.0123)
Investment opportunities	0.00527 (0.0395)	0.0303 (0.0313)	0.00338 (0.0433)	0.0270 (0.0364)	0.00923 (0.0420)	0.00717 (0.0425)	0.0630 (0.0672)	0.0987** (0.0503)
Innovative potential	9.39e-05 (0.000129)	0.000129 (0.000229)	0.000119 (0.000189)	-7.65e-05 (0.000127)	0.000136 (0.000126)	0.000142 (0.000155)	-0.000775 (0.000479)	0.00107* (0.000606)
Firm size	0.407*** (0.156)	0.259 (0.162)	0.610* (0.311)	-0.210 (0.281)	0.524*** (0.163)	0.607*** (0.182)	-1.881** (0.875)	-1.897* (0.970)
IFDI	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	-0** (0)	0* (0)
OFDI	-0.0263 (0.0284)	0.00330 (0.0284)	-0.00837 (0.0314)	0.00720 (0.0333)	-0.0294 (0.0290)	-0.0266 (0.0294)	0.303** (0.124)	0.121* (0.0711)
Portfolio Investment	0 (0)	-0 (0)	-0 (0)	0 (0)	-0 (0)	-0 (0)	0** (0)	-0 (0)
IP Charges (Inward)	0 (0)	-0** (0)	0 (0)	0* (0)	-0 (0)	-0 (0)	2.28e-10*** (8.78e-11)	0*** (0)
Exchange Rate	-0.0444*** (0.0133)	-0.0537*** (0.0139)	-0.0344 (0.0210)	-0.00749 (0.0197)	-0.0221* (0.0127)	-0.0198 (0.0153)	-0.874*** (0.310)	0.556 (0.351)
Inflation Rate	-0.267*** (0.102)	-0.226*** (0.0838)	-0.222 (0.143)	0.220* (0.121)	-0.00136 (0.114)	0.0446 (0.120)	-10.76*** (3.959)	-6.014* (3.456)
Religious Diversity	3.366*** (1.255)	2.439* (1.444)	3.627 (2.520)	1.216 (2.207)	2.719** (1.242)	3.189** (1.406)	2.973 (3.430)	-0.217 (1.743)
Language Diversity	0.840 (0.649)	0.963 (0.767)	0.788 (1.083)	0.228 (0.800)	1.156* (0.656)	1.379* (0.748)	-14.99** (6.528)	-4.670** (2.302)
Industry Dummies	Included	Included	Included	Included	Included	Included	Included	Included
Year Dummies	Included	Included	Included	Included	Included	Included	Included	Included
Constant	1.207 (1.149)	2.699** (1.227)	5.716* (3.219)	5.792** (2.916)	-1.558 (1.375)	-3.692** (1.694)	142.6*** (51.73)	-126.3* (74.21)
Observations	11,170	11,170	11,170	11,170	11,170	11,170	11,170	11,170
AR2	0.166	0.138	0.163	0.124	0.160	0.164	0.860	0.351
J-test Hansen	0.862	0.253	0.845	0.386	0.578	0.663	0.411	0.796

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Lagged levels dated t-2 and t-4 are used as instruments for the differences equation, while Lagged differences dated t-2 are used as instruments for the levels equation in all models.

Columns 1 and 2 consist of estimates for the baseline model. Columns 3 and 4 present the results of Hypotheses H1-H5. Columns 5-8 present the results of the moderating effect of home country capitalism, Hypotheses H6a and H6b.

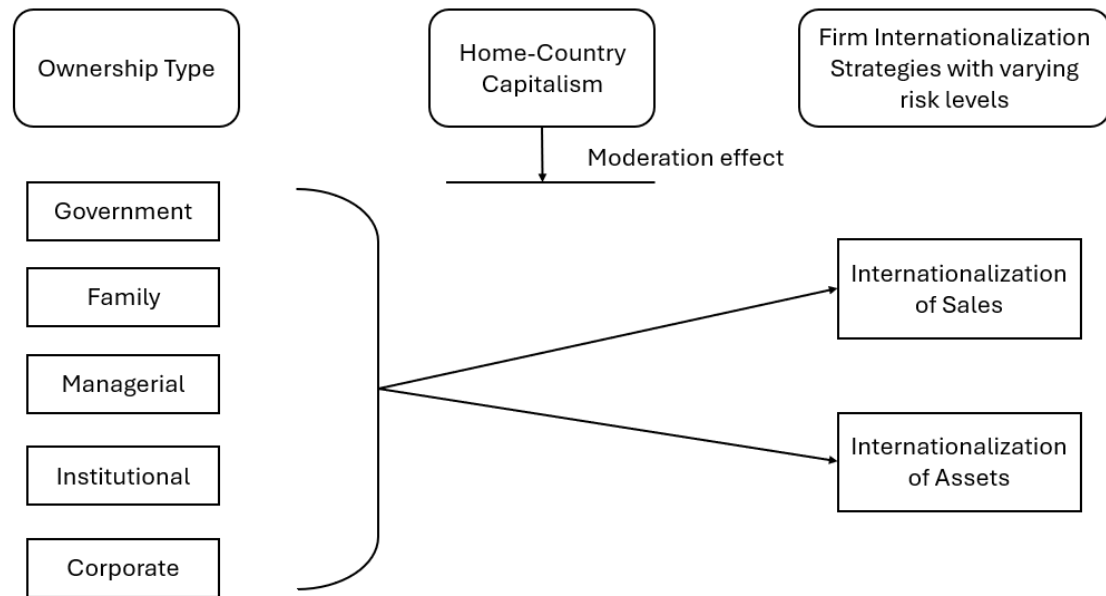


Figure 1. Conceptual model: Ownership types, Home-country Capitalism, and Sales and Asset Internationalization

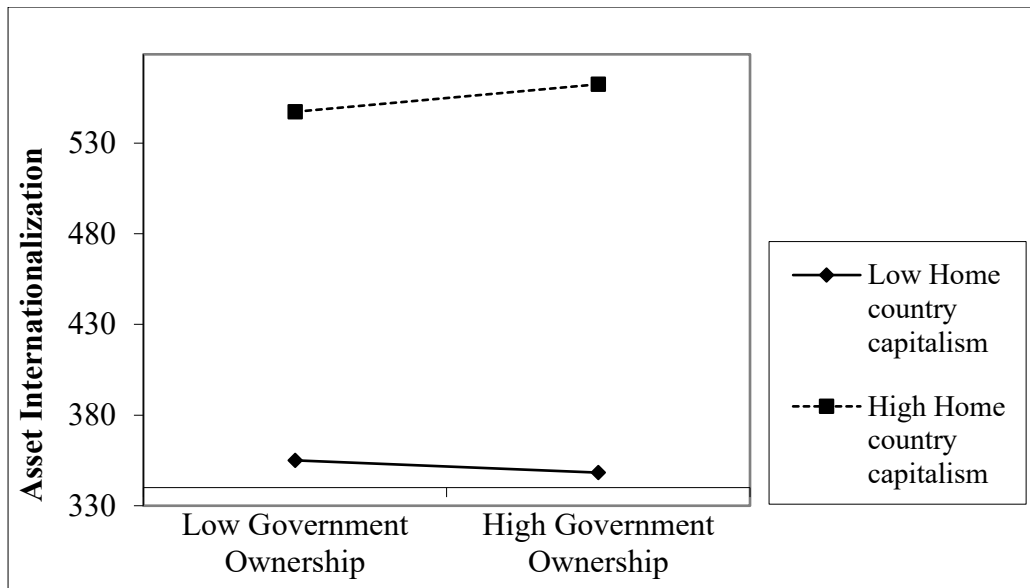


Figure 2a. Interaction of Home country capitalism and Government ownership on Asset internationalization

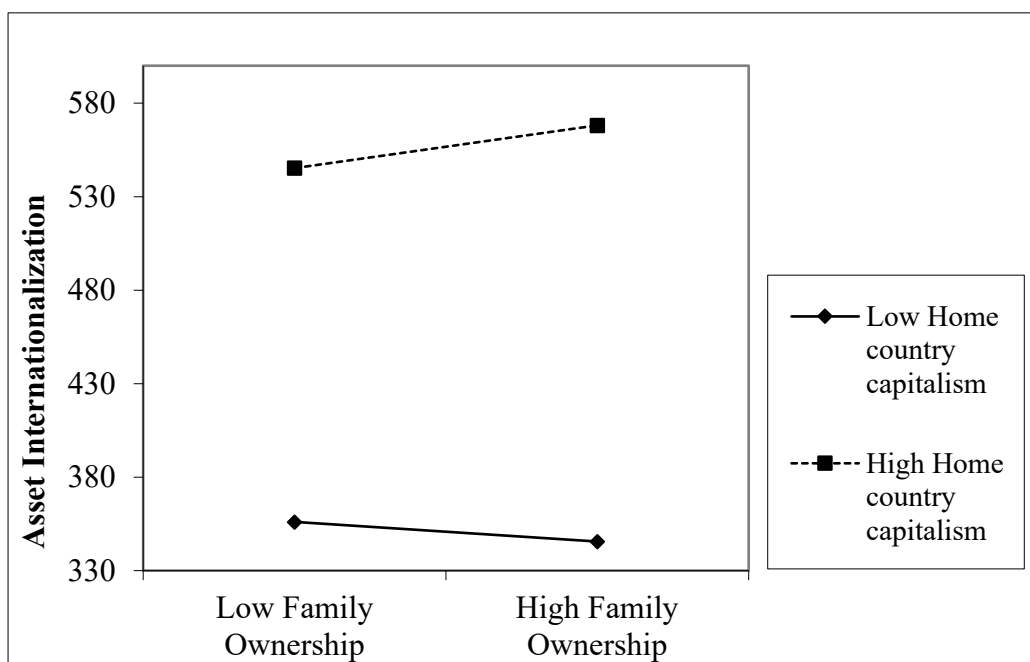


Figure 2b. Interaction of Home country capitalism and Family ownership on Asset internationalization

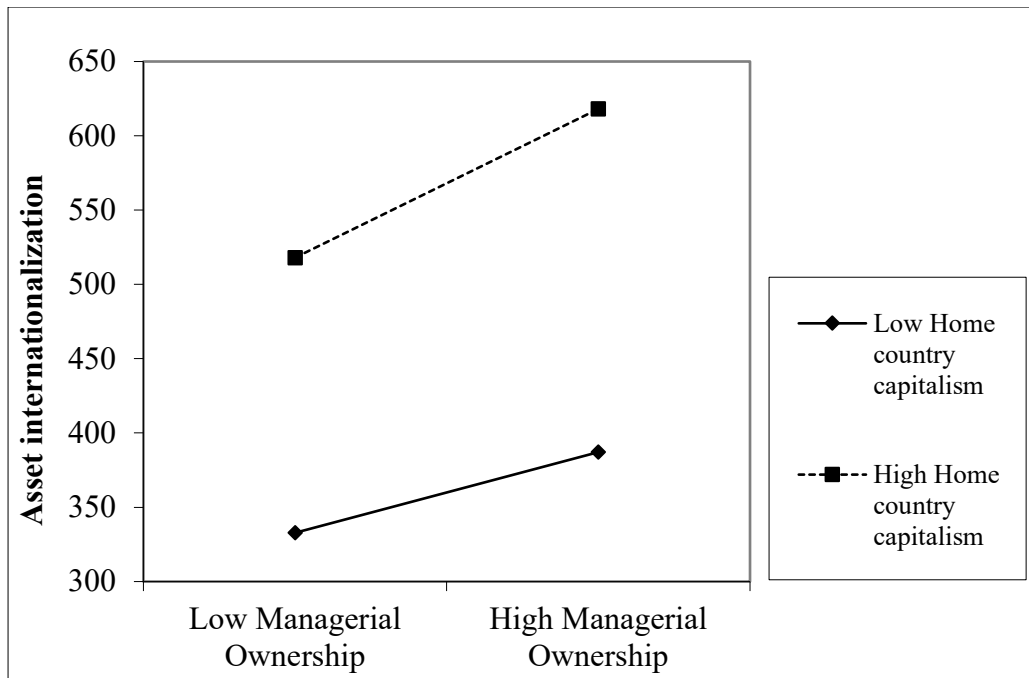


Figure 2c. Interaction of Home country capitalism and Managerial ownership on Asset internationalization

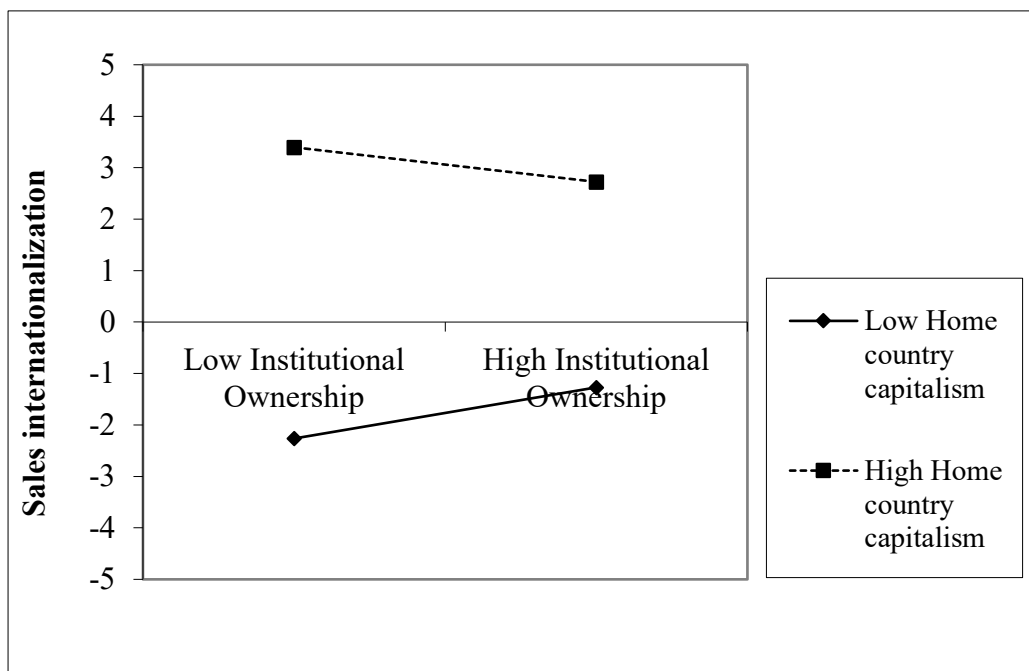


Figure 2d. Interaction of Home country capitalism and Institutional ownership on Sales internationalization

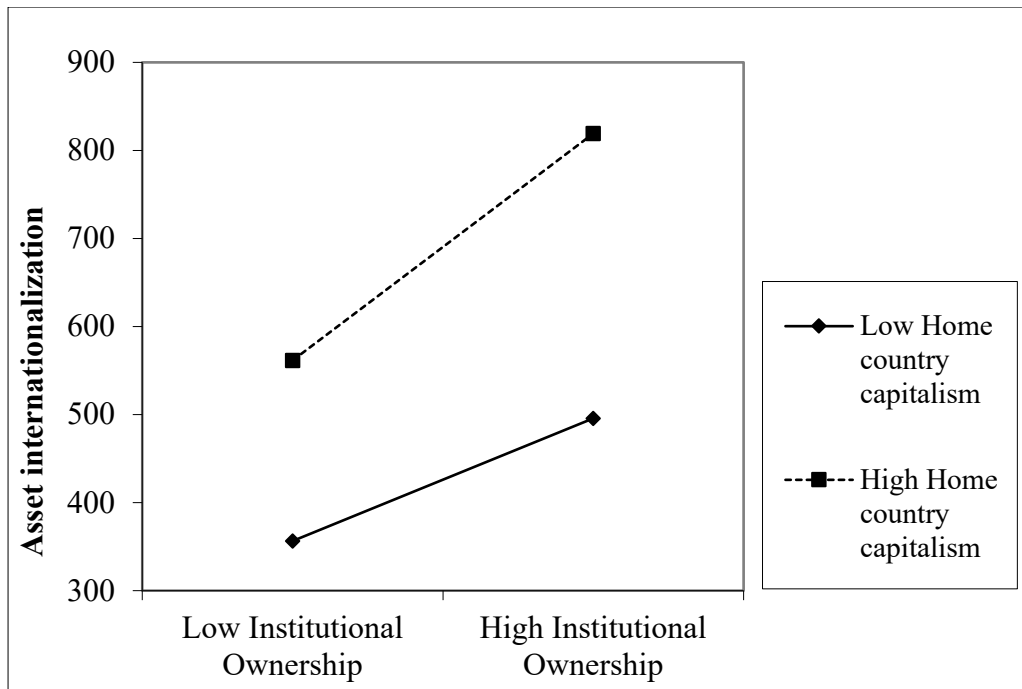


Figure 2e. Interaction of Home country capitalism and Institutional ownership on Asset internationalization

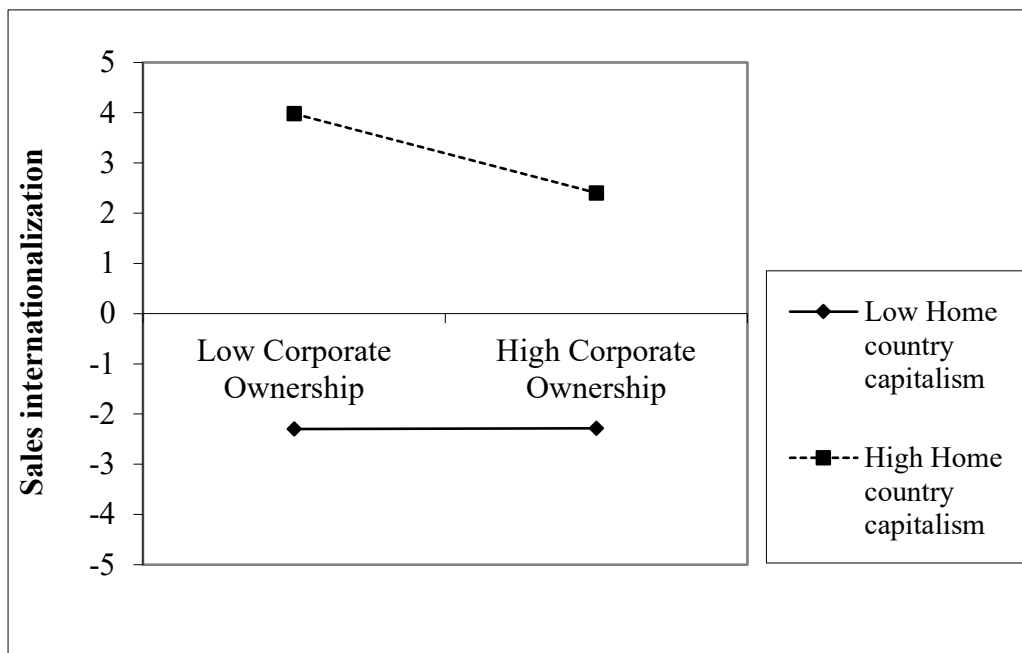


Figure 2f. Interaction of Home country capitalism and Corporate ownership on Sales internationalization

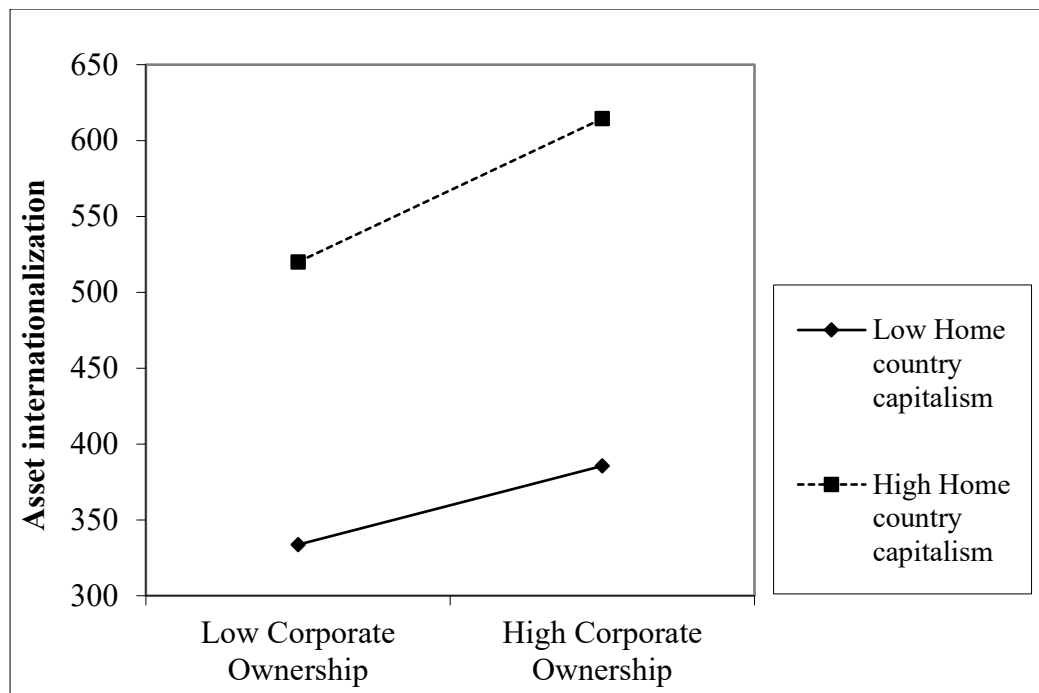


Figure 2g. Interaction of Home country capitalism and Corporate ownership on Asset internationalization

Appendix 1: Multivariate analyses using OLS:

Table A1 presents the results of our multivariate analysis using OLS. Our adjusted R-squared values for the analyses range between 0.077 to 0.211. Columns 1 and 2 in Table 8 consist of estimates for our baseline model for dependent variables, export intensity and asset intensity. Columns 3 and 4 present the results of Hypotheses H1-H5. We observe that government ownership has a negative impact on both export intensity ($\beta = -29.39$, $p < 0.01$) and asset intensity ($\beta = -12.02$, $p < 0.01$). Thus, hypotheses H1a and H1b are supported. Family ownership has a positive and significant effect only on export intensity ($\beta = 9.958$, $p < 0.01$). Hence, only hypothesis H2a is supported. Managerial ownership has a positive and significant effect only on asset intensity ($\beta = 5.626$, $p < 0.01$), so we find evidence to support H3b. Institutional ownership has a positive and significant impact on both export intensity ($\beta = 9.795$, $p < 0.01$) and asset intensity ($\beta = 3.862$, $p < 0.01$). So, we find support for both H4a and H4b. Corporate ownership has a negative and significant impact on both export intensity ($\beta = -5.344$, $p < 0.01$) and asset intensity ($\beta = -3.621$, $p < 0.01$), and hence, hypotheses H5a and H5b are supported.

Table A1 about here

Next, we consider the moderating effect of home country capitalism and examine the coefficient of the Level of Capitalism and interaction variables in Columns 5-8. We observe that the coefficient of the Level of Capitalism is positive and significant in all models. We find that the level of the home country's capitalism has a significant negative moderating impact ($\beta = -25.75$, $p < 0.01$) on the nature of the relationship between government ownership and the asset intensity. Similarly, for family ownership, we observe that the level of the home country's capitalism has a significant negative moderating impact on the relationship between family ownership and both the export intensity ($\beta = -27.48$, $p < 0.01$) and asset intensity ($\beta = -21.46$, $p < 0.01$). We see that in the case of institutional ownership, the higher the level of the home country's capitalism, the less significant the positive relationship between institutional ownership and both the export intensity ($\beta = -8.419$, $p < 0.01$) and asset intensity ($\beta = -18.97$, $p < 0.01$). Lastly, for corporate ownership, we find that the level of the home country's capitalism has a significant negative moderating impact on the nature of the relationship between corporate ownership and both the export intensity ($\beta = -24.09$, $p < 0.01$) and asset intensity ($\beta = -15.45$, $p < 0.01$). Based on our results, overall, we find confirmation for hypothesis H6a. Hypothesis H6b is not supported.

Consistent with hypotheses H1c, H3c, H4c, and H5c, the results of the Z-test show that the z-value is strongly significant for government ownership (8.88), managerial ownership (0.07), institutional ownership (0.32) and corporate ownership (1.12), indicating that the impacts of government, managerial, institutional, and corporate ownership are more pronounced for asset internationalization than sales internationalization. Table A2 summarizes the Z-test results.

Table A1. Results of the Regression Analysis using OLS for H1, H2, H3, H4, H5, H6

VARIABLES	(1) Sales internationalization	(2) Asset internationalization	(3) Sales internationalization	(4) Asset internationalization	(5) Sales internationalization	(6) Sales internationalization	(7) Asset internationalization	(8) Asset internationalization
Ownership type:								
Government			-29.39*** (4.050)	-12.02*** (2.325)	-33.47*** (3.892)	-26.35*** (2.604)	-13.86*** (2.312)	2.901 (2.017)
Family			9.958*** (2.630)	-2.915* (1.738)	6.430** (2.635)	30.27*** (6.875)	-4.509** (1.760)	13.34*** (4.231)
Managerial			3.028 (2.573)	5.626*** (1.911)	1.266 (2.517)	3.136 (9.044)	4.830** (1.893)	2.422 (3.850)
Institutional			9.795*** (1.856)	3.862*** (1.285)	11.27*** (1.798)	17.25*** (2.796)	4.531*** (1.280)	18.34*** (2.015)
Corporate			-5.344** (2.134)	-3.621*** (1.401)	-5.403** (2.131)	12.02*** (3.316)	-3.647*** (1.410)	7.651*** (2.084)
Moderator: Level of Capitalism					33.66*** (1.388)	37.51*** (1.849)	15.22*** (0.966)	21.54*** (1.264)
Government x Level of Capitalism						-9.892 (6.541)		-25.75*** (3.870)
Family x Level of Capitalism						-27.48*** (7.438)		-21.46*** (4.651)
Managerial x Level of Capitalism						-3.807 (9.422)		0.205 (4.356)
Institutional x Level of Capitalism						-8.419** (3.548)		-18.97*** (2.560)
Corporate x Level of Capitalism						-24.09*** (4.244)		-15.45*** (2.708)
Tobin's Q	0.0907*** (0.0220)	0.0645*** (0.0142)	0.0888*** (0.0216)	0.0640*** (0.0142)	0.0956*** (0.0202)	0.0929*** (0.0202)	0.0671*** (0.0137)	0.0654*** (0.0137)
ROA	-0.0530* (0.0220)	-0.0494** (0.0142)	-0.0622** (0.0216)	-0.0529** (0.0142)	-0.0669** (0.0202)	-0.0661** (0.0202)	-0.0550** (0.0137)	-0.0544** (0.0137)

ROE	(0.0310) -0.0104 (0.00672)	(0.0221) -0.00241 (0.00389)	(0.0308) -0.0108 (0.00674)	(0.0221) -0.00279 (0.00392)	(0.0301) -0.0129* (0.00684)	(0.0302) -0.0131* (0.00682)	(0.0222) -0.00372 (0.00390)	(0.0221) -0.00383 (0.00394)
Capital Structure	-0.00249**	-0.00109	-0.00246**	-0.00113	-0.00156	-0.00160	-0.000724	-0.000689
Leverage	(0.00124) 0.118*** (0.0178)	(0.000806) 0.0382** (0.0158)	(0.00123) 0.116*** (0.0182)	(0.000803) 0.0415*** (0.0156)	(0.00127) 0.105*** (0.0171)	(0.00125) 0.105*** (0.0171)	(0.000799) 0.0363** (0.0154)	(0.000801) 0.0372** (0.0153)
Firm growth	0.0304*	0.0296**	0.0297*	0.0298***	0.0336**	0.0332**	0.0316***	0.0319***
Liquidity	(0.0169) -0.194** (0.0965)	(0.0115) -0.202*** (0.0660)	(0.0168) -0.187* (0.0963)	(0.0115) -0.203*** (0.0660)	(0.0165) 0.160* (0.0948)	(0.0166) 0.174* (0.0952)	(0.0113) -0.0465 (0.0646)	(0.0112) -0.0294 (0.0639)
Risk	1.948***	-0.289	1.655***	-0.497	0.402	0.690	-1.063***	-0.929***
Firm age	(0.502) 0.0672*** (0.00675)	(0.340) 0.0304*** (0.00469)	(0.505) 0.0688*** (0.00676)	(0.344) 0.0319*** (0.00471)	(0.486) 0.0521*** (0.00663)	(0.489) 0.0510*** (0.00667)	(0.342) 0.0243*** (0.00467)	(0.344) 0.0219*** (0.00466)
Investment opportunities	-0.276***	0.0195	-0.243***	0.0337	-0.262***	-0.260***	0.0249	0.0313
Innovative potential	(0.0658) 0.000119	(0.0431) 0.00112*	(0.0654) 7.49e-05	(0.0431) 0.00113*	(0.0648) 0.000448	(0.0649) 0.000399	(0.0431) 0.00130*	(0.0432) 0.00141**
Firm size	(0.000657) 2.443*** (0.301)	(0.000670) 1.477*** (0.201)	(0.000630) 2.417*** (0.307)	(0.000659) 1.518*** (0.204)	(0.000621) 3.332*** (0.305)	(0.000638) 3.402*** (0.305)	(0.000667) 1.932*** (0.207)	(0.000693) 2.100*** (0.209)
IFDI	-8.45e-11*** (0)	-0*** (0)	-7.77e-11*** (0)	-0*** (0)	-0*** (0)	-0 (0)	-0* (0)	0 (0)
OFDI	0.642*** (0.0488)	0.377*** (0.0355)	0.582*** (0.0501)	0.352*** (0.0363)	0.105** (0.0530)	0.0702 (0.0546)	0.137*** (0.0394)	0.0739* (0.0406)
Portfolio Investment	-0	-0**	-0	-0**	-0	-0	-0***	-0***
IP Charges (Inward)	(0) 0***	(0) -5.95e-11***	(0) 0	(0) -7.22e-11***	(0) -0***	(0) -0***	(0) -1.03e-10***	(0) -9.43e-11***
Exchange Rate	(0) -0.0650**	(0) -0.0711***	(0) -0.0228	(0) -0.0509***	(0) 0.0469	(0) 0.0133	(0) -0.0193	(0) -0.0364**
Inflation Rate	(0.0295) -3.340***	(0.0173) -1.553***	(0.0295) -3.541***	(0.0176) -1.638***	(0.0287) -0.0303	(0.0304) -0.183	(0.0174) -0.0505	(0.0180) -0.215
Religious Diversity	(0.181) 12.62***	(0.120) 1.843	(0.189) 9.827***	(0.124) 0.941	(0.242) 17.70***	(0.243) 18.61***	(0.165) 4.499**	(0.165) 5.698***
Language Diversity	(2.473) -6.434***	(1.784) -2.202**	(2.502) -6.203***	(1.815) -2.237**	(2.473) 3.824***	(2.495) 5.413***	(1.806) 2.295**	(1.822) 3.062***
Industry Dummies	(1.370) Included	(0.896) Included	(1.381) Included	(0.910) Included	(1.427) Included	(1.471) Included	(0.930) Included	(0.956) Included
Year Dummies	Included	Included	Included	Included	Included	Included	Included	Included
Constant	13.83*** (2.492)	5.924*** (1.697)	15.98*** (2.532)	6.572*** (1.744)	-32.42*** (3.187)	-36.42*** (3.394)	-15.31*** (2.255)	-21.80*** (2.419)
Observations	13,976	13,976	13,976	13,976	13,976	13,976	13,976	13,976
R-squared	0.171	0.077	0.178	0.081	0.209	0.211	0.096	0.101

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Columns 1 and 2 consist of estimates for the baseline model. Columns 3 and 4 present the results of Hypotheses H1-H5. Columns 5-8 present the results of the moderating effect of home country capitalism, Hypotheses H6a and H6b.

Table A2. Results of Z-test for H1c, H3c, H4c, H5c using OLS

Hypotheses	Sales Internationalization	Asset Internationalization	SE (Sales Internationalization)	SE (Asset Internationalization)	Z- test
Government ownership	-26.35	2.901	-2.604	-2.017	8.88
Managerial ownership	3.136	2.422	-9.044	-3.85	0.07
Institutional ownership	17.25	18.34	-2.796	-2.015	0.32
Corporate ownership	12.02	7.651	-3.316	-2.084	1.12

Table A3. Results of the Regression Analysis after excluding Chinese firms from the sample using OLS

VARIABLE S	(1) Sales international ization	(2) Asset internationaliza tion	(3) Sales internationaliza tion	(4) Asset internationaliza tion	(5) Sales internationaliza tion	(6) Sales internationaliza tion	(7) Asset internationalizat ion	(8) Asset internationalizat ion
Ownership type:								
Government			-33.31*** (4.273)	-14.11*** (2.492)	-34.22*** (4.124)	-26.05*** (3.192)	-14.48*** (2.481)	4.418* (2.369)
Family			5.305** (2.662)	-5.780*** (1.786)	5.158* (2.671)	31.45*** (7.775)	-5.839*** (1.797)	13.92*** (4.917)
Managerial			0.0524 (2.617)	3.804** (1.934)	1.018 (2.573)	-2.069 (10.87)	4.192** (1.924)	1.274 (4.607)
Institutional			3.617* (1.914)	0.286 (1.337)	9.005*** (1.919)	13.14*** (3.356)	2.452* (1.359)	16.09*** (2.280)
Corporate			-8.084*** (2.196)	-6.042*** (1.405)	-6.778*** (2.181)	8.103** (3.619)	-5.517*** (1.403)	3.091* (1.795)
Moderat or:								
Level of Capitalism					30.44*** (1.563)	33.84*** (2.337)	12.24*** (1.041)	19.51*** (1.420)
Government x Level of Capitalism						-10.57 (6.757)		-26.85*** (4.014)
Family x Level of Capitalism						-28.83*** (8.271)		-22.17*** (5.280)
Managerial x Level of Capitalism						2.161 (11.19)		1.682 (5.036)
Institutional x Level of Capitalism						-4.877 (4.025)		-16.70*** (2.784)
Corporate x Level of Capitalism						-19.61*** (4.535)		-10.65*** (2.508)
Tobin's Q	0.0653*** (0.0205)	0.0523*** (0.0128)	0.0641*** (0.0203)	0.0519*** (0.0129)	0.0759*** (0.0192)	0.0744*** (0.0192)	0.0567*** (0.0126)	0.0571*** (0.0126)
ROA	-0.0449 (0.0309)	-0.0447** (0.0208)	-0.0533* (0.0306)	-0.0483** (0.0210)	-0.0479 (0.0302)	-0.0451 (0.0304)	-0.0461** (0.0211)	-0.0434** (0.0212)
ROE	-0.0114* (0.00682)	-0.00311 (0.00390)	-0.0112* (0.00681)	-0.00321 (0.00394)	-0.0127* (0.00699)	-0.0128* (0.00698)	-0.00379 (0.00394)	-0.00385 (0.00399)
Capital Structure	-0.00219* (0.00130)	-0.000577 (0.000851)	-0.00215* (0.00129)	-0.000601 (0.000845)	-0.00190 (0.00132)	-0.00201 (0.00131)	-0.000500 (0.000841)	-0.000561 (0.000843)
Leverage	0.123*** (0.0165)	0.0392** (0.0157)	0.121*** (0.0169)	0.0429*** (0.0154)	0.108*** (0.0167)	0.107*** (0.0168)	0.0376** (0.0153)	0.0368** (0.0152)
Firm growth	0.0141 (0.0164)	0.0192* (0.00995)	0.0153 (0.0164)	0.0206** (0.0101)	0.0174 (0.0162)	0.0165 (0.0164)	0.0214** (0.0100)	0.0214** (0.0101)
Liquidity	0.356*** (0.133)	0.0896 (0.0988)	0.350*** (0.134)	0.0848 (0.0994)	0.445*** (0.133)	0.434*** (0.134)	0.123 (0.0994)	0.0965 (0.0990)
Risk	1.298** (0.519)	-0.534 (0.355)	1.086** (0.522)	-0.712** (0.360)	-0.0331 (0.504)	0.206 (0.508)	-1.162*** (0.357)	-1.148*** (0.359)
Firm age	0.0486***	0.0187***	0.0506***	0.0201***	0.0455***	0.0455***	0.0181***	0.0173***

Investment opportunities	(0.00685) -0.286*** (0.0713)	(0.00475) -0.00448 (0.0464)	(0.00686) -0.243*** (0.0711)	(0.00475) 0.0128 (0.0466)	(0.00678) -0.237*** (0.0702)	(0.00680) -0.235*** (0.0703)	(0.00473) 0.0154 (0.0464)	(0.00473) 0.0263 (0.0465)
Innovative potential	0.000342 (0.000647)	0.00119* (0.000669)	0.000361 (0.000636)	0.00124* (0.000667)	0.000629 (0.000619)	0.000589 (0.000630)	0.00135** (0.000670)	0.00150** (0.000692)
Firm size	3.306*** (0.314)	1.911*** (0.211)	3.399*** (0.321)	2.023*** (0.216)	3.823*** (0.320)	3.828*** (0.319)	2.193*** (0.217)	2.288*** (0.220)
IFDI	-0 (0)	0 (0)	-0 (0)	0 (0)	0 (0)	0 (0)	0** (0)	0** (0)
OFDI	0.118* (0.0644)	0.0533 (0.0493)	0.103 (0.0643)	0.0461 (0.0492)	-0.00756 (0.0646)	0.000518 (0.0646)	0.00146 (0.0495)	0.00472 (0.0496)
Portfolio Investment	-0 (0)	-0** (0)	-0 (0)	-0*** (0)	-0* (0)	-0* (0)	-0*** (0)	-0*** (0)
IP Charges (Inward)	0 (0)	-7.63e-11*** (0)	0 (0)	-8.16e-11*** (0)	-5.22e-11*** (0)	-5.65e-11*** (0)	-1.04e-10*** (0)	-9.82e-11*** (0)
Exchange Rate	-0.209*** (0.0309)	-0.147*** (0.0187)	-0.168*** (0.0311)	-0.129*** (0.0190)	-0.0324 (0.0305)	-0.0575* (0.0334)	-0.0739*** (0.0190)	-0.0706*** (0.0197)
Inflation Rate	-3.928*** (0.189)	-1.903*** (0.127)	-4.003*** (0.196)	-1.913*** (0.131)	-0.451 (0.275)	-0.444 (0.278)	-0.485*** (0.186)	-0.348* (0.188)
Religious Diversity	24.12*** (2.592)	7.820*** (1.869)	21.25*** (2.623)	6.886*** (1.896)	21.04*** (2.600)	21.10*** (2.602)	6.802*** (1.893)	6.488*** (1.896)
Language Diversity	1.375 (1.481)	2.352** (0.978)	1.191 (1.489)	2.145** (0.985)	5.637*** (1.486)	6.694*** (1.524)	3.932*** (0.985)	3.833*** (1.005)
Industry Dummies	Included	Included	Included	Included	Included	Included	Included	Included
Year Dummies	Included	Included	Included	Included	Included	Included	Included	Included
Constant	17.86*** (2.826)	1.834 (1.862)	18.83*** (2.866)	2.269 (1.911)	-18.69*** (3.428)	-22.38*** (3.781)	-12.82*** (2.345)	-20.16*** (2.544)
Observations	12,356	12,356	12,356	12,356	12,356	12,356	12,356	12,356
R-squared	0.154	0.059	0.160	0.063	0.181	0.182	0.071	0.074

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Columns 1 and 2 consist of estimates for the baseline model. Columns 3 and 4 present the results of Hypotheses H1-H5. Columns 5-8 present the results of the moderating effect of home country capitalism, Hypotheses H6a and H6b.

Table A4: Summary of the study hypotheses:

	Internationalization strategy	Government Ownership	Family Ownership	Managerial Ownership	Institutional Ownership	Corporate Ownership
Baseline effect	Internationalization of Sales	Negative	Positive	Positive	Positive	Negative
	Internationalization of Assets	Negative	Negative	Positive	Positive	Negative
Moderation effect	Internationalization of Sales	Positive	Negative	Positive	Negative	Negative
	Internationalization of Assets	Positive	Positive	Positive	Negative	Negative