





Growing the Arab Family Business (2): Going Global

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Abstract

The current investigation examines how Arab family businesses internationalize and whether the Uppsala model adequately explains foreign growth in Bahrain and the Gulf Cooperation Council. It connects internationalization theory with Arab family business theory and organizational growth. The current methodology adopts an embedded mixed-methods case design that combines three Bahraini family business cases with a descriptive construction of questionnaire evidence across four constructs: network, knowledge and learning, trust and commitment, and opportunity development. The framework is built following Jabareen's (2009) conceptual framework analysis procedure, and its contribution is evaluated against Reay and Whetten's (2011) criteria. The cases are interpreted alongside literature on Arab family business and organizational growth. The findings show unanimous support for network, learning, and trust mechanisms, and strong but more differentiated support for opportunity development. Quantitatively, support reaches 100 percent for network, knowledge and learning, and trust and commitment, and 77.8 percent for opportunity development. The firms internationalize incrementally, mainly through exporting and establishment-chain expansion, while filtering foreign opportunities through family governance, legitimacy, and relational trust. The integrated framework develops a context-sensitive approach that integrates the Uppsala model with the Arab family business constructs and hybrid organizational arrangements, showing that international growth is staged, relational, and legitimacy-sensitive rather than purely market-driven.

Keywords: Arab family business, Bahrain, GCC, Family business, Growth, Hybrid organizational arrangements, Internationalization, Uppsala model.

1. Introduction

Family businesses are central to many economies because they combine productive activity with enduring ownership, family control, and transgenerational intent (Chua et al., 1999; Arregle et al., 2021). In the Arab Middle East, their significance is amplified by the way kinship, reputation, succession, and informal authority remain deeply intertwined with business organization (Samara, 2021; Krueger et al., 2021). In Bahrain and across the Gulf Cooperation Council, family firms therefore operate not merely as commercial entities but as socially embedded institutions whose growth choices are shaped by continuity, legitimacy, and family governance (Palaiologos, 2017; Saad, 2024).

The present inquiry addresses how Arab family businesses grow internationally and whether the Uppsala model adequately explains this process. My analysis argues that the Uppsala process remains highly relevant because it emphasizes experiential learning, market-specific knowledge, network embeddedness, and commitment escalation (Johanson & Vahlne, 1977, 2009). However, in the Arab family business setting, these mechanisms are filtered through a socially embedded family logic. Internationalization is therefore not simply a matter of entering foreign markets gradually; it is a matter of entering them through legitimate relationships, acceptable forms of governance, and family-approved risk structures.

My contribution makes five advances. The current research first restores the foundational discussion of the definition of family business, because conceptual clarity is necessary before theorizing about growth and internationalization. My work secondly reintroduces the chapter on growth and forms of organizational arrangements, because internationalization is a special case of growth and often unfolds through organizational forms such as exporting, franchising, alliances, and partnerships. The present analysis third incorporates recent literature on family firm internationalization, family business growth, and Arab family business to connect the Bahraini evidence with contemporary debate (Arregle et al., 2024; Calabrò et al., 2023). My synthesis fourth integrates a new descriptive quantitative analysis of the survey evidence and proposes a context-sensitive framework of internationalization for Arab family business. My investigation fifth grounds the framework-building procedure in Jabareen's (2009) conceptual framework analysis. My inquiry evaluates the result against Reay and Whetten's (2011) criteria for what constitutes a genuine theoretical contribution in family business research.

Table 1. Research Aim and Contribution.

Research aim	Contribution of the current research
Define family business appropriately for the Arab context	Combines classical definitions with contextual and kinship-based understandings
Explain growth and internationalization together.	Links business growth theory, hybrid organizational arrangements, and foreign expansion
Assess internationalization in Bahrain and the GCC	Uses case survey evidence from Bahraini family firms
Improve the theory for the Arab family business.	Integrates Palaiologos (2017) and Palaiologos and Al Khunaizi (2017) with Uppsala logic
Offer practical guidance	Provides a new framework for staged and context-sensitive international growth

2. Defining Family Business

There is a widespread popular understanding that a family business is simply a business established and operated by members of one family. While this intuition captures the firm's kinship basis, it is insufficient for analytical work. Family businesses include overlapping domains of ownership, business operations, and family life, and they frequently involve non-family managers, employees, and partners. For this reason, a more rigorous definition is required.

A foundational contribution comes from Tagiuri and Davis (1996), whose three-circle formulation distinguishes ownership, business, and family. Their approach remains useful because it shows that family business cannot be reduced to one institutional sphere. It is a composite system in which decision rights, managerial responsibilities, emotional ties, and intergenerational expectations interact. Chua et al. (1999) further define family business as a business governed and/or managed to pursue a vision held by a dominant coalition composed of members of the same family or a small number of families, in a way that is potentially sustainable across generations. This definition is especially important because it places strategic intent and generational continuity at the center of the concept.

Contextual work also shows that definitions of family business cannot be detached from the institutional setting in which ownership and governance are enacted. In the Arab context, Palaiologos (2017) argues that family firms are embedded in indigenous institutional constructs such as Diwan, Wasta, Asabiyyah, and Namus, while Samara (2021) demonstrates that Arab family businesses are shaped by kinship, informal governance, reputation, and continuity-sensitive decision-making. These perspectives explain how governance is communicated, how legitimacy is accessed, how solidarity is maintained, and how reputation disciplines strategic choices.

Accordingly, the comprehensive definition that follows conceives an Arab family business as *a kinship-based enterprise in which ownership, governance, and strategic vision are significantly influenced by one family or a small number of families, and in which continuity, legitimacy, and growth are shaped simultaneously by business goals and family institutions across generations*. This definition recognizes both the classical family business literature and the contextual specificities of Arab business families.

Table 2. Family Business Definitional Sources.

Definitional source	Core emphasis	Relevance for the present inquiry
Tagiuri & Davis (1996).	Ownership, business, and family as overlapping systems	Clarifies the structural complexity of family firms
Chua et al. (1999).	Dominant family coalition and transgenerational vision	Connects governance with continuity and strategic intent
Samara (2021)	The Arab family business is shaped by kinship, informal governance, and contextual norms.	Grounds the definition in region-specific business conditions
Palaiologos (2017)	Diwan, Wasta, Asabiyyah, and Namus	Grounds the Arab family business in context-specific institutions

3. Background of Growth and Forms of Organizational Arrangements

3.1. Business Growth as the Foundation of Internationalization

The literature on venture growth commonly falls into two broad categories: population-level studies and studies of growth in individual firms. In both streams, biological metaphors have often shaped explanation. At the population level, analogies from natural selection suggest that firms survive when they adapt successfully to their environments and that industry populations evolve through variation, selection, and retention (Hannan & Freeman, 1977). At the individual-firm level, cell-division and metamorphosis metaphors treat organizational expansion as a shift in structure, complexity, and developmental stage. These approaches remain useful, but they often privilege internally generated growth and understate the fact that many firms expand through acquisitions, partnerships, franchising, and other mixed arrangements. The process through which entrepreneurs identify and develop the opportunities that drive such growth has its own logic, shaped by prior knowledge, social networks, and the interplay between discovery and creation (Ardichvili et al., 2003).

Penrose (1959) remains central because she interprets growth as a consequence of productive opportunity, managerial services, and the internal deployment of resources. McKelvie and Wiklund (2010) later emphasized that growth is heterogeneous and can occur through internal, acquisitive, or mixed pathways. Gupta et al. (2013) similarly distinguish growth measured through revenue generation, value addition, and scale expansion from qualitative growth expressed through market position, customer goodwill, and product quality. These distinctions matter for family business because the family firm often pursues growth that balances economic expansion with continuity, control, and reputation.

Classic growth frameworks are also relevant. Ansoff's (1957) growth matrix shows that firms may pursue market penetration, market development, product development, or diversification. For family businesses considering internationalization, market development is especially significant because foreign expansion often entails introducing

existing products into new markets. At the same time, such expansion may require a change in organizational form, relational structure, and governance approach.

3.2. Stages, Cycles, and Family Business Growth

The growth literature also pays close attention to stages and cycles. Greiner (1972) emphasized that organizational development does not proceed in a smooth, linear progression; rather, it advances through episodes of growth and crisis. Scott (1987) described stages such as introduction, survival, growth, expansion, and maturity, while Churchill and Hatten (1997) highlighted a crucial family business distinction: power transfer and family-member involvement create developmental dynamics that are different from those of non-family firms. Ward (1997) added that family firms face a distinct set of growth constraints, including maturing business life cycles, limited capital, inflexibility in entrepreneurial leadership, sibling conflict, and divergent family goals.

These growth tensions become especially significant in internationalization. Patel et al. (2012) argue that global expansion in family business is often underexplored despite its strategic importance. They identify both push forces, such as competitive pressure and family demands, and **pull** forces, such as desirable locations, alliances, and network opportunities. This distinction aligns with the present study because Bahraini family firms do not internationalize in a vacuum. Their decisions are shaped both by constraints in the domestic market and by relationally mediated opportunities abroad.

3.3. Forms of Organizational Arrangements and Hybrid Growth

The organizational form chosen for growth is as important as the decision to grow itself. Williamson (1991) distinguishes among markets, hierarchies, **and** hybrids according to differences in authority, ownership, incentives, and control. This framework is highly relevant to family business because many growth pathways are neither purely market-based nor purely hierarchical. Franchising, strategic alliances, partnerships, subcontracting, and network-based exchange all represent hybrid arrangements in which firms preserve some autonomy while coordinating with external actors.

Menard (2004) further shows that hybrid organizational forms constitute a broad and shifting terrain that includes subcontracting, networks of firms, collective trademarks, cooperatives, partnerships, and alliances. Such arrangements are especially important in family businesses because they offer ways to grow without necessarily dissolving family control. They also permit staged commitments, localized learning, and partner-based access to new markets.

Palaiologos and Al Khunaizi (2017) make this point especially clear for Arab family business. They argue that hybrid organizational arrangements are not marginal or inferior solutions; they are often rational growth modes in their own right. In the Arab family business context, where control, reputation, trust, and continuity are highly valued, hybrid forms can reconcile foreign expansion with family governance preferences. This is why exporting through trusted distributors, franchising, representative partnerships, or selective alliances may be more attractive than immediate full internalization.

Table 3. Growth Theories.

Growth perspective	Main idea	Relevance to Arab family business internationalization
Penrose (1959)	Growth emerges from productive opportunity and internal resources	Explains why capability accumulation matters before foreign expansion
Ansoff (1957)	Market development is a core growth path	Positions internationalization as a strategic growth option
Greiner (1972) and Scott (1987)	Growth is staged and crisis-prone	Suggests that internationalization occurs through phases rather than one leap
Williamson (1991)	Markets, hierarchies, and hybrids differ by control and incentives	Clarifies why family firms often prefer intermediate modes
Menard (2004)	Hybrids include partnerships, networks, franchising, and related forms	Expands the menu of viable foreign-entry structures
Palaiologos and Al Khunaizi (2017)	Hybrid arrangements are especially meaningful for the growth of Arab family businesses.	Connects foreign expansion to context-specific governance preferences

4. Literature Review and Theoretical Background

4.1. Family Business Growth and Internationalization

Scholarship has moved decisively beyond the simplistic question of whether family firms internationalize less than non-family firms. The more productive question is how family ownership, governance, social capital, generational stage, and socioemotional considerations shape international behavior. Arregle et al. (2021) show that heterogeneity is fundamental to family firm internationalization. Debellis et al. (2022) demonstrate that board openness and social capital matter for foreign expansion. Cirillo et al. (2022) link next-generation leadership to internationalization capability, while Fuentes-Lombardo et al. (2023) show that motives for internationalization combine strategic, economic, and family-centered rationales.

Recent work also emphasizes that family firm internationalization is not necessarily a smooth or single-track process. Calabrò et al. (2023) argue that business families internationalize in cycles and waves rather than through a mechanically linear sequence. Lapeira et al. (2024) and D'Allura et al. (2024) similarly show that family firms combine exporting, FDI, and equity modes in configurational ways. Arregle et al. (2024) call for a more rigorous integration of family business and international business scholarship. This agenda is particularly valuable in the Arab context, where family logic and institutional context strongly shape strategic choices.

4.2. Arab Family Business as a Contextualized Field

The Arab family business literature has increasingly argued that context is not a peripheral variable but a constitutive one. Samara (2021) shows that family businesses in the Arab Middle East are shaped by patriarchy,

collectivist norms, priorities for family harmony, informal governance, conservative financing patterns, and institutional voids. The concept of institutional voids is particularly relevant here: where formal market-supporting institutions are absent or incomplete, family networks and reputational mechanisms fill the governance gap, producing firm behavior that diverges systematically from predictions derived from Western institutional contexts (Khanna & Palepu, 1997). Krueger et al. (2021) likewise argue that the Arab world is not merely another empirical site for family business research, but a setting that advances context theorizing in its own right. Recent regulatory analysis adds that formal legal frameworks in the Gulf increasingly codify matters that many families previously handled informally, especially around succession, ownership, and dispute resolution (Saad, 2024). Together, these studies show that Arab family firms operate in a field where law, kinship, authority, and reputation interact continuously.

4.3. *The Uppsala Model in an Arab Family Business Setting*

The Uppsala model remains one of the most influential frameworks for explaining internationalization through learning, uncertainty reduction, and increasing commitment (Johanson & Vahlne, 1977, 2009). The network dimension of internationalization was already present in the earlier industrial systems perspective of Johanson and Mattsson (1988), who showed that firms' positions within industrial networks shape both the opportunities they perceive and the entry modes available to them. The 2009 Uppsala reformulation is particularly useful because it builds on this network logic to shift attention from liability of foreignness to liability of outsidership. This means that success in foreign markets depends not only on knowing the market but also on being embedded in relevant networks.

This shift is highly relevant to the Arab family business. Foreign expansion in Bahrain and the GCC often depends on who introduces the firm, whether the prospective partner is trusted, and whether the family perceives the relationship as legitimate. Recent studies support the broader argument that family governance shapes internationalization strategy. Jin et al. (2021) emphasize the tension between socioemotional wealth and entrepreneurial spirit, Costa and Barbosa (2024) show that family ownership conditions internationalization strategy, and Arregle et al. (2024) call for a tighter integration of family business and international business explanations. The implication is not that family control suppresses internationalization; rather, it channels and disciplines it.

4.4. *Palaiologos (2017) and Palaiologos and Al Khunaizi (2017)*

Palaiologos (2017) provides a major theoretical advance for understanding Arab family business. In *Theorizing on Arab Family Business*, Arab family firms are interpreted as organizations embedded in social, symbolic, and institutional logics that standard Western models do not fully capture. Diwan functions as a governance and knowledge-communication arena. Wasta functions as a form of relational access and legitimacy. Asabiyyah captures solidarity and cohesion. Namus captures reputation, honor, and continuity-sensitive restraint. Together, these constructs explain why Arab family firms can be simultaneously entrepreneurial and cautious.

Palaiologos and Al Khunaizi (2017) complement this perspective by demonstrating that hybrid organizational arrangements offer realistic and strategically coherent growth pathways for Arab family businesses. The importance of this argument for internationalization is direct. If foreign growth occurs under conditions of uncertainty, reputation sensitivity, and strong family control preferences, then alliances, franchising, trusted distributorships, representative partnerships, and establishment chains become highly relevant forms of market development.

Diwan structures internal governance and knowledge circulation; Wasta mediates access to networks and insidership; Asabiyyah strengthens commitment and mutual obligation; and Namus filters strategic choices through reputation and continuity. Together, these constructs make internationalization in Arab family business relational, selective, and identity-sensitive.

5. Methodology

5.1. *Research Design*

The current methodology adopts an embedded mixed-methods case-study design focused on family businesses operating in Bahrain. Creswell and Plano Clark (2018) argue that mixed methods are appropriate when a research problem cannot be understood adequately through either numerical trends or contextual interpretation alone. That logic fits the present inquiry because Arab family business internationalization involves both processual meanings and observable response patterns. The qualitative strand comprises the three family business cases and their contextual interpretation through the literature on family business growth, organizational arrangements, and Arab family businesses. The quantitative strand comprises questionnaire evidence organized around the Uppsala process model. Following Yin (2014), the case-study orientation is appropriate because the aim is to understand a contemporary phenomenon within its real-world setting rather than to isolate variables experimentally.

Three purposefully selected Bahraini family businesses form the qualitative core of the current investigation (Palaiologos & Al Alawi, 2016). They were selected to represent different sectors, generational depths, and internationalization trajectories, ensuring variation in organizational arrangements while sharing the common institutional context of Bahraini family firm governance. Table 4 provides a descriptive profile of the cases.

Table 4. Profile of participating family businesses.

Case	Sector	Founded	Generation	Entry mode	Markets
Case 1: ABC Engineering	Mechanical engineering; EPC, oil & gas, petrochemical	1976	2nd generation	Regular exporting; project-based contracts	Bahrain, Saudi Arabia, Oman, Qatar, UAE, Kuwait
Case 2: DEF Jewelry	Luxury jewelry; natural pearls, diamonds, heritage craftsmanship	c. 1850s	5th–6th generation	Regular exporting; wholesale relationships across the Gulf region	Bahrain; Gulf region; European buyer contacts (historical)
Case 3: GHI Wood Design	Custom wood interior design and manufacturing; construction sector	c. 1960s	2nd generation	Establishment chain; global partner network	Bahrain; GCC; global material suppliers; major national projects (Bahrain Financial Harbour, Bahrain International Circuit)

Note: Case labels (ABC/DEF/GHI) preserve the anonymization used in the original data-collection study (Palaiologos & Al Alawi, 2016). Sector, founding dates, generational data, and internationalization trajectories are drawn from the same source.

5.2. Questionnaire Structure and Analytical Protocol

The questionnaire contains 20 items grouped into four internationalization constructs: network, knowledge and learning, trust and commitment, and opportunity development. In Creswell and Plano Clark's (2018) terms, the quantitative component plays a supportive embedded role within a broader interpretive design. Because the available study material reports the questionnaire findings narratively rather than as raw response sheets, the quantitative analysis presented here is a descriptive reconstruction of the reported responses. Each explicitly reported answer was coded as positive, neutral, or negative. Categorical items such as entry mode and opportunity orientation were summarized separately. Integration occurs at the interpretation stage, where the reconstructed descriptive results are read together with the case narratives and the theoretical discussion.

Table 5. Uppsala theory based questions.

Construct	Questionnaire items	Analytical role
Network	Q1-Q5	Captures insidership, network effects on market choice, and the relevance of network ties to entry mode
Knowledge and learning	Q6-Q11	Captures experiential learning and market-specific knowledge
Trust and commitment	Q12-Q16	Captures trustworthiness, commitment formation, and partner awareness
Opportunity development	Q17-Q20	Captures opportunity recognition, partner contribution, and creation versus discovery

5.3. Scope and Limitations

The quantitative analysis is descriptive rather than inferential. Its purpose is not to claim large-sample statistical generalization, but to transform the reported survey evidence into a more transparent analytical form. Given the small number of firms and the reconstructed character of the dataset, the results should be read as an interpretive strengthening of the case evidence. In mixed-methods terms, the design prioritizes depth and contextual integration over statistical generalization (Creswell & Plano Clark, 2018).

5.4. Methodological Grounding: Reay and Whetten (2011) and Jabareen (2009)

Two additional methodological resources shape the design and logic of my contribution. The first is Reay and Whetten's (2011) framework for assessing what constitutes a theoretical contribution in family business research. The second is Jabareen's (2009) procedure for building conceptual frameworks from multidisciplinary bodies of knowledge. Together, these approaches supply the criteria against which my contribution can be evaluated and the procedure through which its framework was assembled.

Reay and Whetten (2011) argue, following Whetten (1989), that a theoretical contribution in family business must satisfy four criteria. It must specify what factors are relevant to the phenomenon in question, explain how those factors relate to one another, articulate why those relationships hold, and delimit the boundaries within which the explanation is expected to be valid. For family business research specifically, Reay and Whetten (2011) emphasize that a contribution must do more than apply existing theory to a family firm sample: it must either extend an established framework in a theoretically justified way, build new constructs that are grounded in and responsive to the particularities of family firm logic, or advance the understanding of a phenomenon in ways that are not reducible to existing explanations. A good theory must also explain the phenomenon reliably, meaning its explanatory logic should be coherent, parsimonious, and responsive to empirical evidence.

My inquiry applies the Reay and Whetten (2011) criteria directly. On what dimension, the relevant factors are the four Uppsala constructs (network, knowledge and learning, trust and commitment, and opportunity development) as they operate in Arab family businesses, supplemented by the indigenous institutional constructs of Diwan, Wasta, Asabiyyah, and Namus. On the how dimension, the paper maps the layered relationships among family governance, relational embeddedness, knowledge accumulation, opportunity filtering, and mode selection. On the why dimension, the explanation rests on the argument that family institutions do not merely constrain internationalization but constitute the interpretive medium through which market opportunities, relational partners, and organizational forms are evaluated. On the boundaries dimension, the framework is bounded by the Arab family business context, the GCC institutional environment, and the incremental internationalization logic of the Uppsala process model. My framework thus satisfies the criteria for a genuine theoretical contribution as articulated by Reay and Whetten (2011).

Jabareen's (2009) method for building conceptual frameworks complements the Reay and Whetten (2011) evaluative criteria by supplying a grounded procedure for framework construction. Jabareen (2009) proposes an

eight-phase approach to conceptual framework analysis, grounded in the logic of grounded theory, that proceeds from multidisciplinary literature mapping through iterative concept identification, delineation of concept attributes, and integration into a coherent explanatory plane. The key ontological commitment of Jabareen’s (2009) approach is that a conceptual framework is not merely a list of relevant variables but a network of linked concepts, each of which carries its own attributes, characteristic logic, and function within the overall explanatory system. A conceptual framework analysis prioritizes understanding over prediction and flexibility over premature closure.

My research follows Jabareen’s (2009) logic in several respects. The framework presented in Section 8 is not derived from a single theoretical tradition but synthesizes constructs from internationalization theory (the Uppsala model), organizational economics (hybrid arrangements, Williamson, 1991; Menard, 2004), Arab family business theory (Palaiologos, 2017; Palaiologos & Al Khunaizi, 2017), and recent empirical scholarship on family firm internationalization (Arregle et al., 2021, 2024; Calabrò et al., 2023). Each concept in the framework—family governance and identity, relational embeddedness, cohesion and commitment, knowledge accumulation, opportunity development, and growth mode selection—carries distinct attributes and a defined functional role within the overall explanatory system. The framework is neither deductively derived from one master theory nor inductively assembled from raw data alone; it follows an abductive logic consistent with Jabareen’s (2009) emphasis on interpretive synthesis across bodies of knowledge. The result is a context-sensitive conceptual framework that captures both the universal features of the Uppsala process and the particular institutional logic of Arab family business internationalization.

6. Findings: Quantitative Analysis of the Survey

6.1. Construct-Level Results

The reconstructed dataset yields 51 observed participant-item responses across the four core constructs. The pattern strongly supports the Uppsala logic. Network, knowledge and learning, and trust and commitment each receive unanimous positive support. Opportunity development remains strongly positive, but it is more differentiated than the other constructs.

Table 6. Uppsala theory Dimensions Identified.

Construct	Items observed	Participant-item observations	Positive observations	Neutral observations	Negative observations	Support rate
Network	4	12	12	0	0	100.0%
Knowledge and learning	5	15	15	0	0	100.0%
Trust and commitment	5	15	15	0	0	100.0%
Opportunity development	3	9	7	2	0	77.8%

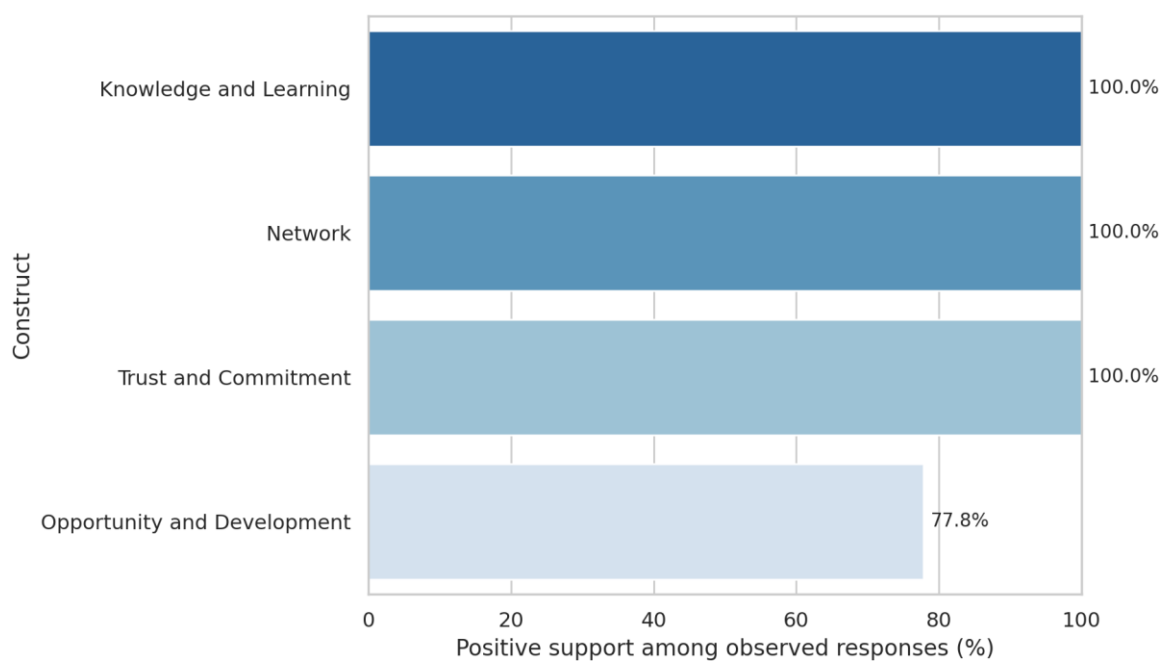


Figure 1. Uppsala Theory Dimensions (Percentages).

These results suggest that the relational and experiential dimensions of internationalization are not peripheral in Bahraini family firms. They are central mechanisms. The evidence especially supports the 2009 Uppsala emphasis on networks, insidership, trust, and experiential learning.

6.2. Entry Mode and Opportunity Orientation

The categorical results are also theoretically important. Two of the three firms internationalized through regular exporting, while one expanded through establishment-chain growth. All three firms reported a clear orientation toward creating new opportunities.

Table 7. Going Global Entry Modes.

Variable	Category	Count	Percent
Entry mode	Regular exporting	2	66.7%
Entry mode	Establishment chain	1	33.3%
Opportunity orientation	Creation of new opportunities	3	100.0%

This pattern indicates that the firms do not simply wait for opportunities to appear. They actively construct growth paths, but with measured commitment levels and selective organizational forms.

6.3. Item-Level Interpretation

At the item level, the evidence shows complete support for the importance of network effects on market choice and entry mode, for insidership, for experience-based learning, for market-specific knowledge, and for the centrality of trust and commitment in cross-border business relationships. The only mixed item concerns whether the foreign partner directly contributes to the recognition of opportunities. One firm agreed, while two firms reported a neutral stance.

Table 8. Parameters of Entry Mode

Item	Substantive interpretation	Positive	Neutral	Negative
Q2-Q5	Network influences market choice, entry mode, and insider position	12	0	0
Q6-Q10	Experience and market knowledge are indispensable for foreign operations	15	0	0
Q12-Q16	Trust and commitment are central to successful cross-border cooperation	15	0	0
Q17	Existing activities help with opportunity recognition	3	0	0
Q18	Partner contributes to opportunity recognition	1	2	0
Q19	Prior market knowledge supports opportunity recognition	3	0	0

This mixed result is significant because it prevents a simplistic reading of network theory. Networks matter greatly, but the recognition of opportunities is not automatically outsourced to foreign partners. It remains filtered through internal family judgment, accumulated experience, and family-approved strategic criteria.

7. Discussion

7.1. Why The Uppsala Model Still Matters

The survey evidence strongly supports the view that the Uppsala model remains relevant for Arab family business internationalization. Bahraini family firms validate the importance of learning by doing, market-specific knowledge, relational embeddedness, trust, and commitment escalation. The evidence is especially consistent with the 2009 Uppsala model, in which insidership in relevant networks is central to successful internationalization.

At the same time, the results do not support a simplistic linear reading. Recent studies show that family firms often internationalize through cycles, waves, and configurational combinations of exporting, alliances, and equity modes (Calabrò et al., 2023; D'Allura et al., 2024; Lapeira et al., 2024). The Bahraini cases are therefore better interpreted as incremental but not mechanical.

7.2. Arab Family Business Interpretation of Internationalization

The major limitation of applying the Uppsala model alone is that it does not explain how family institutions shape the internal filtering of knowledge and risk. Palaiologos (2017) offers that missing interpretive layer. Diwan helps explain how knowledge is circulated and approved within family governance spaces. Wasta clarifies why access and insidership depend on trusted mediation. Asabiyyah explains how trust can more effectively convert into commitment when cohesion and mutual obligation are strong. Namus explains why not every profitable opportunity is deemed acceptable if it threatens family legitimacy, identity, or continuity.

This contextual layer also explains why opportunity development is the least unanimous construct in the quantitative evidence. Opportunity recognition is not only a market process but also a family governance process. The opportunity must be commercially attractive, socially acceptable, and strategically aligned with the family's longer-term reputation.

7.3. Hybrid Organizational Arrangements and Foreign Expansion

The restored chapter on organizational arrangements becomes especially valuable here. If internationalization is read as a growth process, then the form through which growth occurs becomes analytically decisive. Palaiologos and Al Khunaizi (2017) show that hybrid arrangements are often particularly suitable for Arab family business growth. In internationalization, this means that foreign expansion may proceed through exporting, franchising, representative partnerships, alliances, or establishment chains rather than through full ownership from the outset.

This interpretation is also consistent with contemporary research. Fathallah and Carney (2024) describe the business family as an institutional arbitrageur able to navigate across different institutional environments, while Kalhor (2024) shows that institutions systematically shape the internationalization of family businesses. Together with the present evidence, these findings suggest that Arab family firms internationalize most effectively when they align governance form, network structure, and reputational legitimacy.

Table 9. Arab Family Business Cultural Motives to Go Global.

Classical internationalization element	Arab family business translation	Strategic implication
Market knowledge	Diwan-mediated knowledge reservoir	Learning is validated within family governance channels
Network position and insidership	Wasta-based relational access	Entry depends on trusted introductions and embedded legitimacy
Trust and commitment	Asabiyyah-supported cohesion	Commitment escalates when solidarity and mutual obligation are strong
Opportunity recognition	Namus-filtered strategic selection	Not every profitable opportunity is considered acceptable
Incremental commitment	Hybrid organizational arrangements	Exporting, alliances, franchising, and equity modes may be staged selectively.

8. An Internationalization Framework for Arab Family Business

The proposed framework combines the process logic of the Uppsala model with mechanisms specific to Arab family businesses. The process begins with the **family governance and identity base**, because foreign strategy is shaped first by how the family defines continuity, legitimacy, and acceptable risk. From that base, the process proceeds through relational embeddedness, knowledge accumulation, trust formation, opportunity development, and, finally, mode choice.

The core proposition is that Arab family business internationalization is an embedded staged process in which family identity and social legitimacy shape how firms learn, whom they trust, what opportunities they consider acceptable, and which organizational forms they regard as controllable. The process is incremental, but its sequencing is mediated by indigenous institutions and by hybrid growth options.

Table 10. AFB Going Global Framework.

Framework layer	Arab family business mechanism	Internationalization effect
Family governance and identity	Diwan and Namus	Defines strategic boundaries, legitimacy, and continuity goals
Relational embeddedness	Wasta and insidership	Reduces uncertainty and accelerates access to foreign opportunities
Cohesion and commitment	Asabiyyah and trust conversion	Supports durable partnerships and disciplined expansion
Knowledge accumulation	Family narratives, tacit learning, and market-specific experience	Builds foreign market interpretive capacity
Opportunity development	Internal filtering plus relational sensing	Converts knowledge into viable growth paths
Growth mode selection	Exporting, alliances, franchising, establishment chains, and equity expansion	Matches commitment level to family control preferences

9. Conclusion and Recommendations

The current synthesis shows that the internationalization of Arab family businesses is best understood as a growth process that is simultaneously economic, organizational, and socio-cultural. The Uppsala model remains a highly valuable starting point because it highlights learning, market knowledge, network embeddedness, trust, and commitment. However, in the Arab context, these mechanisms operate through family institutions that shape how strategy is discussed, approved, and enacted.

The evidence from Bahraini family firms shows very strong support for network, knowledge, and trust mechanisms, and substantial support for opportunity development. It also suggests that foreign expansion is often compatible with hybrid organizational arrangements that preserve family control while allowing relational access and staged commitment. Palaiologos (2017) and Palaiologos and Al Khunaizi (2017) are therefore not supplementary references but central theoretical resources for explaining Arab family business internationalization.

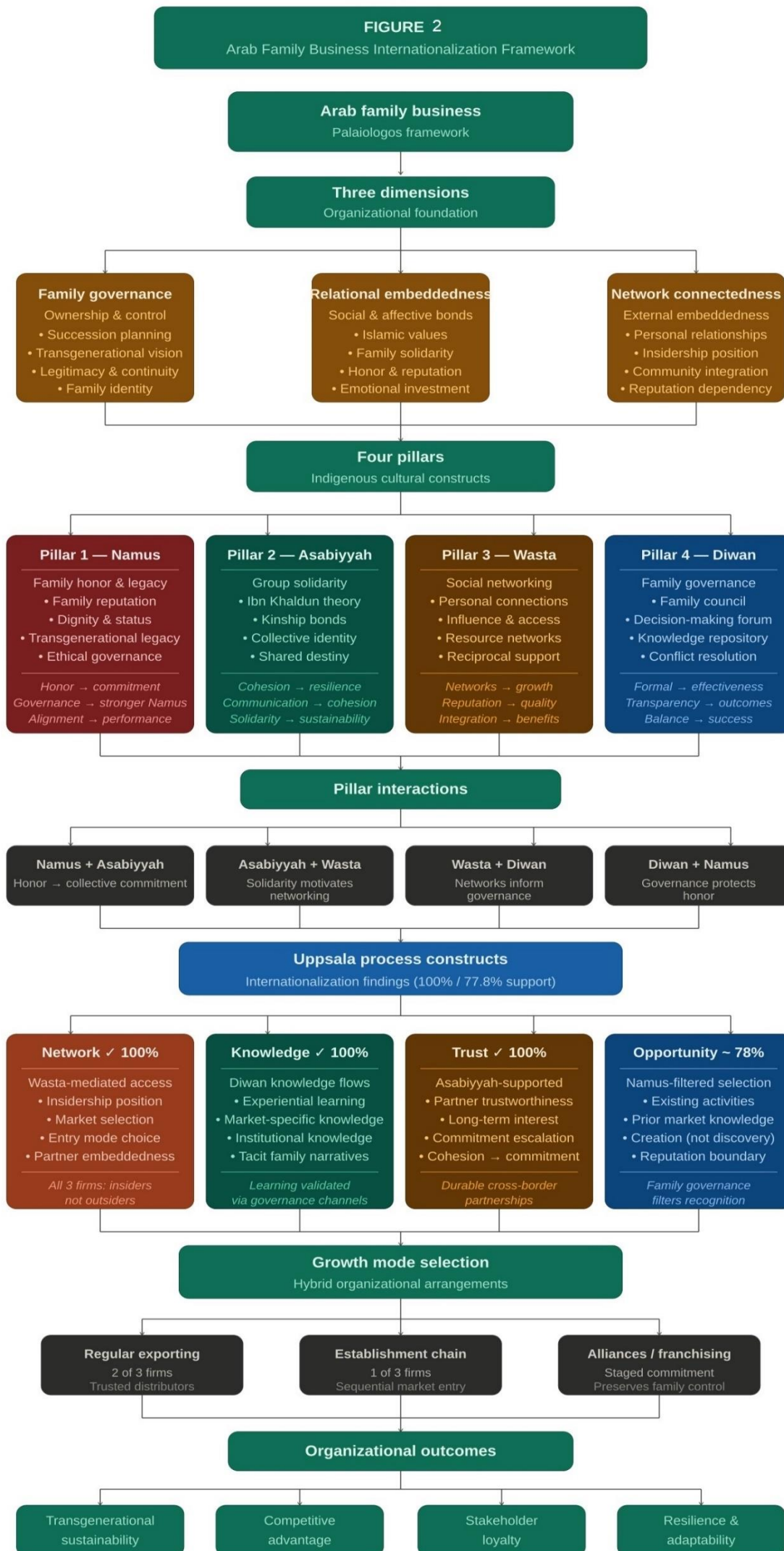


Figure 2. Arab Family Business Internationalization Framework.

Note: A visual process diagram presenting the six-layer Arab Family Business Internationalization Framework, moving sequentially from Family Governance and Identity (Diwan, Namus) through Relational Embeddedness (Wasta), Cohesion and Commitment (Asabiyyah), Knowledge Accumulation, Opportunity Development, and Growth Mode Selection.

9.1. Why The Current Research Constitutes a Theoretical Contribution?

Reay and Whetten (2011) specify four criteria that a study must satisfy to constitute a genuine theoretical contribution in family business research: it must identify the relevant what (which factors matter), specify how those factors relate to one another, articulate why those relationships hold, and delimit the boundaries of the explanation's validity. My study satisfies all four.

On what dimension, the paper identifies a dual set of factors: the four Uppsala process constructs (network, knowledge and learning, trust and commitment, and opportunity development) and the four Arab family business institutional constructs (Diwan, Wasta, Asabiyyah, and Namus). Neither set alone is sufficient. The Uppsala constructs explain the mechanism of internationalization; the Arab family business constructs explain the institutional medium through which those mechanisms operate. This dual specification goes beyond what existing single-theory treatments of either framework have offered.

On the how dimension, the paper maps a layered relationship among these factors. Family governance and identity (anchored in Diwan and Namus) set the strategic boundaries within which internationalization can occur. Relational embeddedness (mediated by Wasta) reduces uncertainty and enables insidership. Cohesion and commitment (supported by Asabiyyah) convert trust into durable cross-border partnerships. Knowledge accumulation flows through both formal market analysis and tacit family learning. Opportunity development is not automatic but is filtered through the family's institutional logic. Growth mode selection is not chosen freely but is constrained by the family's preferred level of control and its reputational exposure. Together, these relationships describe a staged, relational, and legitimacy-sensitive internationalization process that is qualitatively different from the mechanically incremental process implied by a naive reading of the original Uppsala model.

On the why dimension, the underlying theoretical claim is that family institutions do not merely constrain internationalization from the outside. They constitute the interpretive and evaluative medium through which international stimuli are received, processed, and acted upon. This is why the paper argues for a constitutive, rather than merely a moderating, role for Arab family business constructs. The evidence supports this claim: the near-unanimous support for network, knowledge, and trust constructs reflects not just behavior compatible with Uppsala logic, but behavior that has been deliberately shaped, filtered, and enacted through family governance channels. The more differentiated support for opportunity development (77.8 percent) further supports this interpretation: when family governance filtering is most visible, outcomes are most differentiated.

On the boundaries dimension, the framework is explicitly bounded. It applies to family businesses operating in Arab institutional contexts, particularly in the GCC. It is grounded in an incremental logic of internationalization. It is most applicable to firms that internationalize through network-mediated, relational pathways rather than through pure market transactions or large-scale foreign direct investment from the outset. These boundaries are not weaknesses. They are the conditions of the framework's validity, and Reay and Whetten (2011) are explicit that delimiting scope is a mark of theoretical rigor, not limitation.

My manuscript also satisfies the procedural requirements of Jabareen's (2009) conceptual framework analysis. The framework in Section 8 was not assembled by selecting a single theory and adding qualifiers. It was built by mapping concepts across multiple bodies of literature, identifying the attributes and functional roles of each concept, and integrating them into a coherent explanatory plane in which each concept occupies a defined position. The result is a framework that is flexible (applicable across GCC contexts), modifiable (new constructs can be added as data accumulates), and oriented toward understanding rather than prediction—precisely the hallmarks that Jabareen (2009) identifies as advantages of conceptual framework analysis over purely deductive theorizing.

9.2. Implications and Future Directions

For researchers, the next step is to gather larger, fully codable datasets across Gulf countries to test the framework comparatively and quantitatively. The present evidence is interpretively rich but statistically limited to three firms. Extending the sample across Bahrain, the UAE, Saudi Arabia, and Kuwait and applying the constructs to a larger set of respondents would allow the relational claims in the framework to be assessed using inferential methods. It would also allow scholars to examine whether the weighting of Diwan, Wasta, Asabiyyah, and Namus differs systematically by country, generation, or industry. For practitioners, the central implication is that successful foreign growth depends on strategic fit: the chosen market, partner, governance form, and commitment level must align with family identity, reputational boundaries, and the family's capacity to absorb foreign-market learning. Hybrid organizational arrangements are not second-best solutions for firms unable to commit fully; they are often the strategically optimal form for Arab family businesses that internationalize incrementally and relationally, under reputational discipline.

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