

"A man is
great by
deeds, not by
birth"
-Chanakya

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Working Paper

IIMK/WPS/252/STR/2018/02

February 2018

**Ownership in Emerging Market Firms and International
investments: Board independence and CEO duality as Moderators**

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Abstract

Extant literature examines the relationship between various categories of owners and internationalization in the context of emerging economies. However, these studies based on agency perspectives ignore the differences between the controlling and non-controlling principals and their risk preferences. In this paper, we use the behavioural risk perspective to understand the risk perception and risk propensities of different types of principals of a firm (family and institutional investors), and the subsequent impact on firm internationalization. We employ resource dependence perspective to understand how the board of directors moderate the preferences of these owners. Empirical results from a sample of 1239 unique Indian firms during the period from 2005-2016 show that the ownership share of different types of principals is associated with firms' international investments differently. Families influence internationalization negatively, whereas institutional shareholders support internationalization activities of the firms. However, an independent board, in the form of independent directors, and separation of CEO-Chairman roles, results in the convergence of preferences of both these ownership types.

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