DYNAMICS OF OWNERSHIP CONTROL, BOARD COMPOSITION AND THEIR IMPACT ON GROWTH ACCELERATION IN FINNISH SME

By Tanja Saarnio

Abstract

This study investigates the dynamics of ownership control and board composition and their impact on growth acceleration within Finnish small and medium-sized enterprises (SMEs). Utilizing a mixed-methods approach, the research analyzes data from 220 quantitative respondents and 30 qualitative interviews with board members and founders. The primary objective is to evaluate how governance frameworks—specifically ownership structure and venture capital—facilitate firm development through a specific mediation logic.

The findings demonstrate that governance does not drive performance in isolation; instead, it activates strategic agility as a growth enabler and leverages innovation and risk-taking as core entrepreneurial capabilities. Correlation and regression analyses confirm that while ownership structure and venture capital are significant drivers, their efficacy is explained by their ability to foster these mediating strategic processes. Specifically, venture capital was found to institutionalize innovation, acting as a functional catalyst for scaling.

The study further explores the evolution of board composition, illustrating how professionalization and diversity serve as structural mechanisms to manage complexity. However, the research also identifies critical barriers, such as legacy attachment and socioemotional wealth (SEW) conflicts, which can stifle these growth-driving mechanisms. Ultimately, the research concludes that the outcome of long-term growth is achieved when Finnish SMEs successfully harmonize institutional governance with entrepreneurial speed, allowing for a sustained competitive advantage in a high-trust institutional environment.

Keywords: Strategic Agility, Innovation and Risk-taking, Long-term Growth, Finnish SMEs, Venture Capital, Ownership Structure, Board Composition, Growth Mechanisms.

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Chapter 1: Introduction

1.1 Background of Study

1.1.1 Understanding the dynamics of ownership

In modern financial markets, investors have limited access to low-cost portfolio diversification tools. This limited access leads to investors having a small amount of investment options. The concentration of owners has changed in recent times, as shareholders and their control have been observed to play a significant role (Breugem & Corvino, 2021). Block holders have the advantage of exploring different facilities such as diversification, superior information collecting, and trading. Large shareholders due to their size often trade infrequently and still have a stable holding over a certain period. Stock ownership needs to be continued with different size variations as firm fundamentals and trading volumes vary. Therefore, ownership strategy indicates that having a governance that can reach out to many people and generate value at the same time is required. Once implemented correctly, an organization can raise questions such as board decision influences and dynamics as governance capacity tends to improve.

In recent decades, it was noted that there is a rise in financial intermediaries' roles as business affairs are driven by shareholder values. This change is increasingly driving researchers to focus on legal-economic analysis of corporate governance and financial markets. As corporate governance regulations are centered around shareholder investment techniques, the ownership styles can be depicted through them (Biondi, 2019). An owner views corporations to be the basis of a company, thus, making its role important in an organization. Legal perspectives showcase that a single person is responsible for holding rights and responsibilities about management and control. Regulatory responsibilities and frameworks have made control over management and corporate investment to be essential. As an owner of a corporation, the ability to responsibly conduct shareholding investment and ensure security is present are needed (Biondi, 2019). The presence of corporate legal structure is a connection between shareholder investment and investors. Corporate structures are centered around legal parameters, making the exercise of financial autonomy to be secure and transferable for trading purposes. Within the context of corporate activities, it has been noted that enterprise groups and share-holding organizations together perform some trading activities giving rise to financial intermediary performances. Maximum revival studies and research centers have viewed ownership to be a corporate legal activity that ensures large economical innovations are present (Biondi, 2019). Investors and business firms together increase legal and economic innovations. All these innovations have given rise to equity markets and corporate group-side equity.

Ownership is viewed to be like ownership sovereignty as it has been characterized by corporate governance since the eighties has been present. There has been an increased influence and presence of financial motives, markets, and intermediaries making society and economy function properly. Past researchers have argued that in recent times, investors are glorified as an entrepreneur that runs businesses (Biondi, 2019). Properties have invested in financial capital generating a proper economical renting option for corporate property enhancements. All the business firms are responsible for providing an understanding based on economic or legal instruments to owners. The country of operation also needs to be focused as different social and ethical requirements are also present. There are multiple varieties like ownership controls such as family-owned firms that have their specific dynamics and roles to play in Finland.

Family-owned firms are central to national and global economic upliftment as is for Finland. There are significant factors such as economic stability, innovation, and employment that all play a role. All these firms are characterized by several elements, and the control of an owner is one such part that can provide direction. As operations are done among families, the need for a strategic governance system, direction movement, and growth potential is present.

Among Finnish SMEs, at least 99% of businesses in the country have understood family ownership dynamics specially to play a unique cultural and economic factor. Among such businesses, there has always been an issue regarding controlled ownership by a small group of people rather than including more external members. Involving external members can foster a strong management and ownership strategy, allowing for concrete decision-making. There are several advantages as well such as maintaining a storing unified vision that can quickly help in creating strategic opportunities. The advantages of unified vision and strong management can help in navigating rapid and evolving competitive workspace markets for Finnish SMEs to flourish (Kuivalainen et al., 2015). Maximum family-owned businesses indeed have a long-term commitment that provides with wide opportunity to drive commitments and bring in stability for success. It also needs to be noted that concentration on commitment often gives rise to issues. Many families' owners exercise risk aversion and prioritize wealth preservation over innovation or aggressive growth. This risk aversion tends to limit the firm's ability to invest upon new technologies or enter new markets, giving rise to highly competitive dynamics among Finnish global markets. Alongside it, the arena of success planning also needs to be focused.

The transition of business from one generation to another can give rise to fraught challenges such as choosing the correct leader to succeed. The process of choosing a leader can create conflict among families, making it difficult to conclude a suitable successor and maintain balance among families to meet professional management needs. Among Finnish SMEs, family ownerships also require choosing a successor for business overtaking as the firm stability needs to be maintained. Research on this topic has noted that undertaking correct leadership roles and mitigating succession issues before they arise is critical. Additionally, governance structures are needed to be strong as family-owned businesses are different from non-family-owned businesses. Boards among family-owned firms tend to focus on influencing objectivity and increasing decision-making scales. As family involvements are present, ensuring a correct movement for generating external perspective and independent oversight is present. Understanding all board composition can help to create positive firm performance about family ownership and bring balance among family interests. The external expertise and accountability all together give rise to proper family interest development. Among Finnish SMEs, measurement of economic stability is essential, and this can be achieved through sustainable growth and meeting the needs of global competition. Through examination of board composition and ownership control, the performance and strong capability altogether can be monitored. As family-owned firms can generate valuable insights, leading in the design of proper intervention policies and strong management practices. All these insights are altogether essential for family-owned SMEs in navigating complex modern business nature and optimizing government structures, giving rise to the achievement of long-term success. Finnish SMEs and their growth strategies give rise to unique capability sharing. The issues and opportunities present about family governance practices and concentrated ownership can provide insight for economic upliftment.

1.1.2 Role of Corporate Governance on SMEs

Corporate Governance or CG is a system used by companies to establish a direct controlling system over the organization. Regarding it, specific structural norms, regulations, and procedures were established giving companies the ability to achieve long-term success. A well-governed and long-term success can be generated by undertaking corporate governance. Promotion of corporate engagement and balancing environmental responsibilities are essential in addressing stakeholder interests and balancing economic interests (Le & Behl, 2022). All resourceful enterprises can be determined from the perspective of CG as the board of directors is a source of strategic interest generation for enabling ERE and SRE effects to benefit society. All this results in a properly developed corporate performance to generate proper sustainable measurement.

From the perspective of SMEs, growth, and CG are observed to be parameters for designing performance indicators. Financial performance measurements through Return on Equity (ROE) and Return on Assets (ROA) have originated from previous studies. For a firm to experience growth, several factors are required to be maintained. These are: 1) an increase in outputs such as export volume and sales, 2) Increment in the size of a firm by properly bringing in development. Aside from this, observing that growth and help can be generated from a wide range of databases is present. Therefore, regarding growth, the amount of work needed for employment, sales, and market share outputs can be held for proper evaluation. Regarding variation definitions, there is a general requirement that employment and sales are observed to bring market growth. Based on a stochastic model point of view, the firm growth rate has been measured by observing growth and firm sales (Omar et al., 2014). In other words, firm growth rates are associated with the business size. Similarly, the small size of the firm leads to growth at a much faster rate than larger firms. This kind of stochastic model based on Gibrat's law has revealed that growth comes due to the multiplication process generated from firm size. Aside from this, no single element can be used to affect firm improvement size including environmental growth. There are factors related to corporate governance that focus on allocation control and make firms generate the necessary resources. Thus, corporate governance is defined as an element that requires constant focus and control to better allocate and generate firm resources. From a financial perspective, corporate governance has been regarded to be a way suppliers can use firm resources. Based on correct firm resource utilization, suppliers can get back the necessary investment returns. From the perspective of legality, corporate governance can be defined to be a factual system that needs firms to be controlled or directed accordingly. Nevertheless, researchers have incorporated proper corporate governance as a form of relationship among different company management and other stakeholders. The agency theory came into existence due to rising separation strategies of ownership among control of firms or corporations. Propositions have explained that conflict of interest is the main issue in agency theory based on its principles. Additionally, the agency theory has given rise to the existence of agencies due to the lower cost of control separation and ownership for firm corporations. The main emphasis of the theory is that the principal or shareholder has a role in assigning decision-making powers and duty execution can be done on behalf of principals. Among all situations, the board of directors has been regarded as creating a crucial mechanism for moderating or reducing conflicts present among principals and agents. Maximum directors have demonstrated more governance requirements based on the needs of the board of directors. Therefore, for an equally important role to be played by present directors, the agency theory has been regarded to be equally important. For instance, three key roles have been identified by the board of directors: strategy, service roles, and boards. Proper control is needed to be undertaken for monitoring and managing the reward system. Based on the point of view of stewardship theory, all strategies about boards can be used for implementing and formulating policies and goals. Concerning it, the resource dependency theory has been linked to firm workability and obtaining critical resources. On a more similar viewpoint, it has been noted that the role of the board of directors is a more complex phenomenon that requires proper perspectives of people. Therefore, the role of the board of directors in SMEs can play multiple significant roles.

1.1.3 Board Composition in Firms and Their Role

The board of directors is one such key element for corporate governance that gives rise to much clearer and concrete composition images for generating basic function responses. Monitoring and avoiding any form of optimistic behavior has been observed to cause disruptions in business management. All these aspects of monitoring were noted as a key necessity for researchers as studies have shown that determining factors and their board composition leads to planning basic functions (Martín & Herrero, 2018). The composition of the management team and business aspects can generate the necessary output. Aside from this, it has been noted that results discussed in the literature are known to bring in a definitive or conclusive response for contributing towards improving knowledge. New evidence has shown that improving knowledge state and raising questions are related to increasing the composition of the board of directors. As a priority, multiple functions have determined knowledge of firm performance. The board has a role to play in supervising or advising all forms of relationship accounts and provides for composition to carry out duties. On the other hand, in recent years it was noted that crisis effects and companies have indirectly made shareholders bring changes. The priority of society and shareholders in general is to ensure directors can supervise and monitor important administrative functions that are classic. The reason behind doing so is that a large belief system consisting of regulators is indeed doing proper inspections to ensure revenue is generated properly.

The intention to compare results from previous studies has resulted in driving focus on certain key factors. The need for guidance and monitoring effects based on three grounds - size, independence, and diversity has resulted in driving characteristics and recommendations (Martín & Herrero, 2018). All the recommendations of the G.G.C. have resulted in bringing influence on board composition as directors regulate roles to play. This implies that there is an ever-increasing number of independent or external directors that exercise correct supervision over corporate aspects. Additionally, the recommendations are needed to establish proper board composition to promote diversity and not discriminate based on gender. Thus, more knowledge is required to be undertaken in terms of inclusion criteria and newer knowledge can be produced despite having a variety of efficient ways.

The company requires advisory needs to independently work, and design characteristics based on market size, operation requirements, and internationalization. In short, a large complex work system is present that reduces all complexities. In most cases, it was noted that companies with diverse markets do not operate using financial structures as the potential work environment can be changed. This implies that proper knowledge can be generated by interpreting and bringing in complementary designs for generating good business. It can be observed that a significant and direct relationship can be created to bring complex business characteristics and analyze proper board diversity. There is several available evidence that showcase that the board of directors does not offer a higher standard of life indeed complex business standards can be increased. The ability to try and design complex business strategies can lead to making directors based on the necessary knowledge to generate correct guidance. It has been argued and concluded that the ability to face and get access to a large complex business environment can provide directors with an image of complexities. This result is not considered to be appropriate as studies have noted that no relationship is present between complexities and directors (Martín & Herrero, 2018). For instance, the firm size tends to determine business complexities and negative relationships tend to arise among the complex business environment and board of directors. As a result, it has been indicated that a proper relationship among the two is present giving rise to better analysis of large datasets.

Thus, affirmation from results has concluded that large boards of directors and their difficulties in reaching necessary outcomes have led to making directors have access to proper results.

There is also an important aspect that requires directors to have a greater knowledge of companies and businesses to help generate better external director roles. In one aspect, it has been argued that advancements have led to internal directors generating proper information in terms of specific company assets. For instance, advocating a proper presence of internal directors based on R&D-intensive companies has resulted in generating greater results. On the other hand, it was noted that positive relationships among independent and advisory directors are present enhancing the roles and designing greater work experience.

The board diversity thus has resulted in indicating more to contribute and design characteristics that have the potential to enhance work experience and bring in mixed decision-making ability. On the other hand, it can be noted that generating an individual-based diverse report can help to manage talents and bring in proper abilities. The independence present among board members can be measured using the percentage of present external directors and composed business results. There is an issue that defines interest in terms of literature requirements. As discussed earlier, there has been a debate that indicates independence in terms of the ability of directors to generate correct knowledge is crucial for business growth. Therefore, the presence of a direct relationship between performance creation and firm interrelationship can generate new knowledge, enhancing firm performance.

1.1.4 Board Independency, Ownership, CEO Duality, and Firm Culture

The independence of the board refers to proportions regarding inside or outside directors to enhance board sustainability. Independent directors are also called non-executive directors or outside directors that work to enhance business as well. Based on the agency theory perspective, the presence of independent directors leads to better monitoring of business actions in-depth. As executive directors are responsible for the overall board harmony and business enhancement, ensuring strategies and firm policies can meet shareholder interests is crucial. Thus, in general, following firm policies and creation strategies to remain consistent and meet shareholder interests are required to evaluate firm performance. Maximum Korean firms have around 50% directors from outside and have resulted in 0.13% higher than Tobin's Q or 40% higher than market share.

Based on past knowledge, it can be noted that a rise of conflict in interest among firm managers and shareholders has given rise to conflict in ownership of firm interests. Based on agency theory, interests and conflicts among managers and shareholders have increased due to the over-involvement of managers. Managerial ownership is necessary for proper business development; complete CEO ownership can cause disharmony among teams. The central key of focus is the proper director ownership, and this can make SMEs properly run their business. The consistency present among SME ownership and agency cost can give rise to better firm performance, thus agency cost is reduced and company revenue increases. There needs to be a presence of close relationships among SMEs and country governments that can help to increase business. Additionally, owner accountability and manager empowerment can give rise to governance advantages among SMEs that eliminate agency costs and ensure proper firm size is maintained. This governance allows SMEs to create rapid decisions and bring in business development. Big firms and SMEs can provide rapid decisions to bring business development as the work environment can bring in new developments.

The CEO duality is another board member characteristic that requires to be monitored by a person to ensure proper chairmanship is present. Based on past studies, it was noted that a demonstration of separation between chairman and CEO leads to improvement among management teams. In the same regard, different studies ensured separation is present among the chairman and CEO leading to better monitoring of team performance under any circumstances. For example, companies having CEO duality often save information costs and increase decision-making speeds. Furthermore, the study has been able to uncover the advantages of CEO duality for improving corporate governance in literature.

The culture of a firm indicates shared philosophy and norms for having a common belief system leading to better organizational behaviors. In other words, sharing of a common viewpoint among organization employees. The presence of firm culture can lead to creating a pattern of organizational belief that makes functioning and norms behave in a particular manner. The culture of firms can be designed in a strategic manner giving rise to properly and strategically setting functions. There has been a popular framework used for studying organizational culture for better analysis. The framework works by ensuring in case an external or internal focus is required by the company, flexibility and culture control are there. The firm culture framework can be determined through four categories - Clan, Market, Adhocracy, and Hierarchy. Cohesiveness, participation, and teamwork are some of the key elements of clan culture. As for adhocracy culture, the focus is centered on flexibility, creativity, and entrepreneurship. On the other hand, it has been observed that consumer focus and productivity are some of highly essential market cultures. Hierarchical cultures can bring stability and create formalized rules, thus, increasing organizational efficiency (Omar et al., 2014). For example, it has been observed that maximum effectiveness and cultures are based on organizational literacy. On the other hand, it has been identified earlier that maximum organizational efficiency is generated by organizational cultures. Similarly, the creation of strong organizational efficiency has given rise to firm cultures. The actual efficiency of having a positive relationship leads to developing a strong organizational presence. Although several studies indicate exploring proper relationship building for better performance or culture, the findings are mixed or inconclusive. To resolve these inconsistencies, the current study has suggested that having a proper relationship between SME firm growth and the board of directors is subjected to proper cultural conditions.

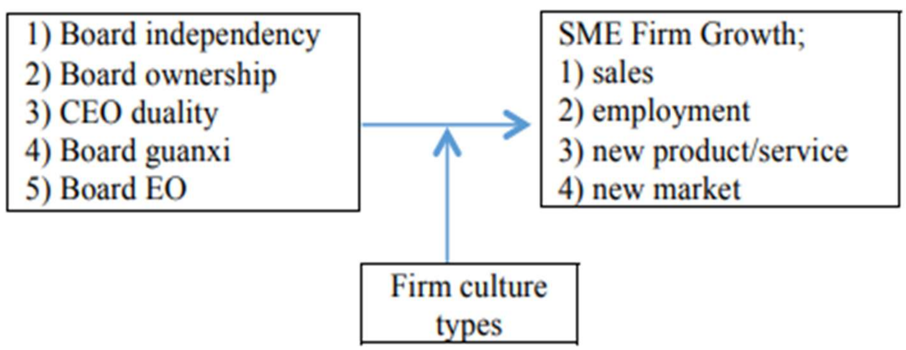

Figure 1: Firm Culture and its Influence

Source: (Omar et al., 2014)

1.1.5 Role of Board Members and Growth in SMEs

SMEs and innovation management are some of the most unique combinations that differ from large companies. Inside SMEs, shortcomings in management and resource scarcity are given higher priority to reflect better heterogeneity regarding innovation. Simultaneously, the presence of difficulty in financial capital assessment has been a barrier to SME innovation. A CEO can influence the innovation of firms through several methods. Some shape the resource allocation process as an innovation guidance. Among SMEs, CEOs are essential as in case a manager lacks the necessary skills, correct knowledge can be provided. Additionally, the influence is going to differ as well based on CEO dependency and organizational position (Barroso-Castro et al., 2022). Among large corporations, CEOs tend to coordinate with TMT for implementing or making new decisions. In contrast, SMEs have a much weaker hierarchical structure, giving the CEO a much lower innovation control and decision-making ability. There are several arguments in support of the capabilities and skills of a CEO as they make work easier to do. All the levels of organizational complexity are required to be resolved to generate the necessary higher performance. Furthermore, company reputations tend to increase business among sectors that oversee firm management. Businesses tend to build company reputation and bring in new experience that make firm management work better. There are several advantages in founder-managed firms for enriching business.

Among SMEs, there is a two-line research ability that reflects an opposite viewpoint. First, founder CEOs have much higher motivation and great firm-specific expertise, making them stay committed and design correct identification policies for promoting R&D. External legitimacy and investment of energy and time for greater resource generation can be found among these CEOs. Among maximum uprising economies, the correct resources are more valuable. The other argument states the representation of the theoretical ideas of Penrose. It states that founding CEOs have requisite skill sets and experience that tend to decrease complexities among firms. This tendency to face complex firm work is based on over-optimistic attitudes and attachment to the business. Founder CEOs tend to overestimate their success odds.

The board of directors has a crucial role to play here as they are associated with making correct decisions and requisite skill sets are present. The influence among the founding members was observed to be addressed in SME-listed literature. Past studies have indeed focused on SMEs for human variable derivation and proper perception is present. Among SMEs, the focus on driving social and human capital-based works can make founders and owners generate proper perceptions and get an education. There are two major arguments present that tend to help understand the presence of founding members among R&D and board. All the resources can contribute towards having the ability to enhance firm diversity and enhance board composition. Several forms of founders are attracted towards their roles in terms of boardroom directors that contribute to increasing financial capacity. All the founders tend to have some form of initial equity capital for their firms to enhance technical expertise and generate labor. R&D spending and financial capital are interdependent on one another as by providing expertise, founders can reduce any form of organizational uncertainty. Based on the perspective of resource dependency, it can reduce any form of organizational uncertainty. On the other hand, as per the resource-based view, the members associated with founding have more logic in making decisions that generate a deeper firm knowledge (Barroso-Castro et al., 2022). Therefore, the founding members of a board tend to develop some sort of understanding and create expert understanding scopes for a new life's betterment. Consequently, maximum of the founding members has a role to play in generating better R&D investment and processing correct results due to their capability and knowledge. Networking skills and life expectancy are observed to be less valuable and versatile. Among all the skills, it was observed that having proper work experience and skills is necessary for an increment in operational management, marketing, and sales. Therefore, the requisite skills tend to grow more of a competitive environment for a business to generate skills.

Among family-owned SMEs in Finland, the key role of board members is crucial to ensure that efficient governance can be generated for driving growth. All board members must provide strategic decision-management abilities. The ownership can help board members blend deep business knowledge and provide long-term commitment. All of these foster a unified vision for decision-making that helps in navigating the ever-evolving competitive market (Barroso-Castro et al., 2022). The presence of family members on the board has been challenging due to lack of objectivity and conflict potential. The hindrance to firm ability to provide for aggressive growth strategies and adapt towards ever-changing market conditions is present. The measurement of board balances, family governance, and family interests requires proper optimization to understand the effectiveness. By understanding the ways board composition tends to work, a family working style can be generated. For Finnish SMEs, the country can implement an effective governance style to drive competitive advantage and increasing sustainability success.

1.1.6 Growth Ability of Finnish SMEs

Bogatyreva et al. (2017) noted that all three aspects of Entrepreneurial Ownership (EO) had a positive relationship with SME growth in Finland, not in Russia. They conclude that Finnish growth-seeking entrepreneurs engage in EO irrespective of the environmental perception. This may have been a result of the period the survey was conducted. In their study, the growth was defined as the percentage change in the firm's sales that occurred between 2010 to 2012, and the data was collected in 2013-14 through surveys. In this research, turnover as a growth rate was determined by comparing the turnover data of the two years 2016 to 2018. The data were collected between September 2019 and January 2020. The external environment for the business has been dynamically unstable over the last five years. The major source of change has been climate change and eco-environmental issues, digitization, and the unending unfolding geopolitical instabilities. All these alone and combined have created a business environment unpredictable uncertain, hostile, and heterogeneous. This has also been noticeable in firms operating in an open and small market economy such as in Finland. During analyzing the effects of EO, it was established that the dimensions of EO, innovativeness that included proactiveness and risk-taking had a dissimilar impact on the growth and performance of the firm (Sorama & Salo, 2022). First, as a positive and significant impact on firm performance is present, it has no impact on a firm 's short-term growth. Second, risk-taking is beneficial regarding the growth of the firm yet is not advantageous about performance in the first year. Thus, the dimensions of EO perform differently about the SME growth and the SME performance.

By promoting entrepreneurship education, improving the international competitiveness of countries, and the development of the national economy, people have reached a general understanding to drive entrepreneurship through innovation. The beginning of the work that sought to identify the phenomenon of innovative economic growth can be attributed to the Finnish government, that provided an understanding as early as 1950 on the fact that innovation and entrepreneurship are at the heart of innovative industrial growth. It means that to foster innovation, the relevant compensation policies must exist. Hence, as the Finnish government is confronted with ways to advance innovation, it resorts to adopting some policy measures aimed at promoting entrepreneurship. Lately, the Finnish government launched a strategy for building an innovation-based economy; the formulation of innovation policy is under the Ministry of Employment and the Economy, and research and development of the innovation system is conducted under the Prime Minister's Office led by the Research and Innovation Committee. Finnish authorities always consider the role of entrepreneurship in innovation in the formulation of innovation policies, through innovation to expand the scope of enterprise competitiveness, helping enterprises to set up enterprises, and improving productivity (Wang 2022). Based on the data, Finland began with 5817 new enterprises in year 2015, accounting for 1.7% of all the enterprises that are present in the country. Among them, the enterprises, the main business of that is technology and technological development, have amounted to 1027 accounting for 17.7% of all new enterprises.

Finland's "National Technology Innovation Agency" or Tekes on the other hand for instance has pledged to fund and promote the incubation of such fresh, innovative, and entrepreneurial organizations. In particular, one-third of Teke's funds will focus on universities and research organizations, the rest will be allocated to corporate and team research and development initiatives. As stated by the Tekes report the National Technology Innovation Bureau in the recent past has come up with several powers for encouraging innovations and ventures.

The types of support include the following: newcomers in the international market, small media development firms, experienced innovative corporations, research groups, and public entities. These aspects indicate that Finland has made systematic and deliberate planning of Innovation and entrepreneurship and has a relatively well-developed Incubation model. Entrepreneurial education has always been considered important in Finland, thus creating certain features during constant change, development, and innovation. Up to date, entrepreneurship education has been practiced in colleges and universities in the Nordic region particularly Finland and there has been a marked improvement. Due to its uninterrupted development and the economy based on continuous changes and reforms, it occupies one of the key positions of an influence factor that needs attention.

Looking at gender, there are comparatively fewer women-owned companies in Finland, although the count has been increasing in recent years. The total number of companies in the sample as of the end of 2020 is 37867 out of them 6951 are women-owned GUO and 30916 are men-owned GUO companies. The number of missing values in the financial statements of many companies is significantly high and as a result, the calculation of specific key figures is normally made based on different numbers of observations. For instance, 18530 have disclosed the number of employees. The sizes of the firms are rather limited, and their distribution is very non-uniform. On average, there are 9.06 employees in the company, and the median is only 2. Similarly, the average of balance sheet total of the companies is 1365.50 thousand euros. The median is only 158.00 thousand euros. The average turnover per each of the companies is 1798.03 thousand euros, and the median is as low as 192. 00 thousand euros. Out of all the firms in the analyzed research sample, 7. 35% of them are industrial companies and 16.03 % are Trade (wholesale or retailing) companies. In Orbis, GUO stands for 'global ultimate owner', and it means that a particular person or company is at the top of the corporate structure. Dynamic capabilities facilitate the firm's accumulation and protection of valuable resources, that enhances remarkable business performance. Although the performance of a firm and the effects of its innovations for growth may not convincingly define the concept of a firm's dynamic capabilities, these aspects reveal many such capabilities that are apparent to the observer.

1.2 Research Rationale

The ownership controls and board composition are essential for correctly understanding all kinds of strategic direction and growth movements for SMEs. For long-term success and sustainability, it is essential to understand Finnish SMEs. The backbone of the Finnish economy is SMEs as 99% of businesses contribute towards increasing GDP and providing employment. It is crucial to ensure that maximum enterprises can increase their work dynamics to perform in a competitive market. Finnish SMEs require navigation to solve challenges related to digital transformation, evolving market conditions, and international expansion processes. By understanding all intricacies of governance and ownership, a proper insight can be generated leading to increased growth potential. SMEs have a role to play under ownership control as families, small groups, and founders hold equity. The concentrated kind of ownership structure has led to the offering of distinctive strategic advantages such as proper decision-making and swift ownership structures. SMEs with family-based ownerships capitalize on the latest opportunities and design counterparts. It can be noted that concentrating on growth has led to limiting access to expertise and external resources. Among industries characterized by fast technological changes, increased innovation potential can increase the economy. A better understanding in terms of ownership structures and their capability is vital for creating strategies that can mitigate risks of ownership control. Thus, board composition indeed plays a crucial role in devising strategic SME outcomes. Maximum board of directors has noted that oversight tasks and strategic planning ensure that proper firm advantages and actions are present to align stakeholders for generating interests. Among SMEs, resources are observed to be limited, the composition of boards and their significance have an impact on firm growth. A wide range of skills, perspectives, and experience are required to like all challenging conventional thinking and bringing innovative solutions to help generate firm growth, as per Aggarwal et al. (2019), diversity is defined by the usage of board composition, international exposure and industry experiences for improving firm performance, especially rapid changing markets.

Maximum family-owned SMEs tend to help the Finnish economy as they represent 99% of companies. Despite this, their economic importance and the presence of unique challenges have given rise to improvement in performance. Among Finnish family-owned SMEs, ownership often consists of focusing on the lead of the family, creating a highly controlling environment. All these centralizations can facilitate cohesive decision-making skills. Using risk aversion techniques, limited external engagement, and firm ability, adaptation towards changing market conditions can be done. The result tends to vary as limited external engagement and risk aversion has given rise to constrain upon firm ability to undertake aggressive growth strategies and bring new market working methods. Among Finnish SMEs, family involvement is concentrating upon embracement of innovations and opening of new market options.

The study tends to underscore the increased complexity and uncertainty of Finnish SMEs. All these times are thriving to be innovative and work with international communities. Responding to changing consumer demands and adoption of new technologies tend to shift consumer attention. A basic understanding of knowledge to work with ownership structures and the need to create an influence on decision-making processes for SMEs is required. Additionally, this study on SMEs offers valuable insights that can support organizations and move towards strengthening the SME sector by providing evidence-based information. All the potential benefits of research to succeed are multifaceted. For example, the identification of optimal balance among the inclusion of independent board members and single controlled ownership can help to understand the difference. The market changes and ways of responding to changes and maintaining benefits at the same time can lead to better ownership involvement. Additionally, this research also confirms that designing a proper governance framework can lead to enhancing transparency, strategic alignment, and accountability among SMEs for improving overall competitiveness.

Based on an academic point of view, having s study that can contribute towards providing a stronger spectrum of literature governance and empirical evidence is highly required. For Finnish SMEs, higher levels of innovation are characterized by innovation and a strong entrepreneurial culture that provides a better environmental dynamic. The insights indicate the fact that the application of innovative ideas among businesses in different countries has led to advancing dynamics. Insights gained indicate that comparable economic structures and similar country contexts indicate the presence of economically weaker or culturally stronger Finnish SMEs. Through exploration of all these factors, the study has been aimed at providing actionable insights and help in navigating issues to provide for a rapidly changing business environment. Thus, this research indicates the fact that having a timely essential Finnish SME has made family-owned businesses remain competitive and contribute towards innovation and better economic growth.

1.3 Research Problem

SMEs in Finland are the drivers behind economic growth and employment in the country. Despite this importance, Finnish SMEs are prone to facing issues related to sustainability and maintaining a proper competitive edge. One of the most critical issues is the impact on growth chances as the interplay between board composition and ownership control is present. Ownership controls among Finnish SMEs often result in concentration, with certain family members holding substantial equity stakes. This concentration can streamline decision-making and strengthen alignment between management and owners, though it may also limit access to external perspectives. The control system of ownership and risk aversion brings dispute as both have limited willingness for firms to increase their capability and ensure aggressive growth strategies are maintained. Additionally, restricting access to expertise and external resources has given rise to scaling operations and navigating highly complex market conditions.

Simultaneously, board composition and their ability to shape strategic directions among operations is pivotal. A board composed of a diverse mixture of skills and experiences often causes conflict if innovation is halted. Boards often lack diversity and are overly aligned making a struggle with limited viewpoints and insufficient oversight that brings potential shifts in adaptation and growth (Aggarwal et al., 2019). The inefficiency of a board to guide SMEs and make strategic decisions can reduce work composition. Despite being an important part of enhancing research, there is a gap among empirical researchers addressing different ownership structures and board composition for creating an impact. Different ownership structures and board compositions tend to have an impact on Finnish SMEs. Maximum studies tend to focus on large-term national contexts leading to gaps in exploring dynamics related to Finnish SMEs. The insight generated from managers and policymakers can increase firm performance. Pitfalls related to the identification of essential practices in this research focus on incorrect optimization of ownership and board structure for sustainable growth.

Furthermore, the issue is also compounded by the absence of empirical research specifically addressing the way board composition and ownership control have impacted growth and performance. Present studies do not focus on large enterprises as national contexts tend to leave a gap in understanding dynamics for better upliftment of Finnish SMEs. Additionally, there is a lack of focus related to examination of ownership structure impact and board composition of firms.

Thus, one of the aims of this research is to add actionable insights to help Finnish family-owned SMEs enhance competitiveness and potential growth.

Addressing research problems will contribute to enriching academic literature on SME performance and corporate governance by providing a unique context. The findings also provide valuable insights and lessons for SMEs in different countries that can give rise to cultural and economic characteristics. Therefore, it can be noted that Finnish SMEs can enhance cultural characteristics by addressing challenges related to ownership control and board composition. Thus, this research aims to bridge the gap in knowledge absence, offer practical solutions, and create appropriate insights for driving success for future economic players.

1.4 Research Aims

The aims of this study are:

- Analyze the impact of ownership control on long-term growth through strategic agility and innovation and risk-taking.
- Assess the effectiveness of family-owned SMEs on governance practices during growth phases.
- Identify governance challenges faced by family-owned SMEs during growth phases.

1.5 Research Hypothesis

The research hypotheses are:

H1: SMEs with diversified ownership structures exhibit higher growth potential through enhanced strategic agility.

H2: Family-owned SMEs demonstrate higher long-term growth potential, mediated by strategic capabilities, but face challenges in professionalization and succession planning.

H3: Venture capital-backed SMEs exhibit higher growth and innovation outcomes through increased innovation and risk-taking capabilities.

1.6 Research Questions

The research questions are:

1. How do governance factors, including ownership control and venture capital involvement, facilitate growth in Finnish SMEs through strategic capabilities?
2. How do family-owned SMEs address succession planning and its impact on governance practices?
3. What are the challenges in balancing family interests with business needs during rapid growth?

1.7 Significance of Study

This study provides critical insights into the factors influencing performance and long-term growth among Finnish family-owned SMEs. By examining the dynamics of ownership control and board composition, the research generates practical guidance for firms seeking to enhance governance and strategic decision-making.

Through the exploration of concentrated decision-making, risk-taking, and strategic capabilities, family-owned SMEs can balance internal expertise with external perspectives, leading to improved adaptability and long-term success. The study highlights how strategic capabilities — including strategic agility, innovation, and risk-taking — mediate the relationship between governance factors and growth outcomes, offering actionable insights for SMEs to navigate complex market conditions and evolving family dynamics.

The findings are valuable for policymakers and industry stakeholders, as they provide evidence-based guidance for supporting board diversity, succession planning, and governance practices. By promoting these initiatives, the study contributes to the sustainability and competitiveness of Finnish family-owned SMEs.

Ultimately, this research underscores the economic and social importance of family-owned SMEs in Finland, emphasizing their role in job creation, innovation, and national economic stability. The insights generated can help both practitioners and policymakers strengthen SME governance and strategic growth practices, ensuring these firms remain resilient and competitive in dynamic business environments.

Chapter 2: Literature Review

2.1 Defining the topic

It is important to understand that the study helps to deal with the perception of the small and medium-sized companies that operate in Finland. The specific approach of the study helps to focus on the dynamics that are associated with ownership control that seems to be influential in this region based on the analysis of brought composition that seems to be impactful on acceleration growth for these organizations. The core aspect of the study is even more significant as it helps to focus on the different factors of corporate governance, and it also helps to understand the dynamics of venture capital that facilitates the performance of SMEs in Finland and its growth.

2.2 Previous literature

2.2.1 Theoretical Perspectives

The theoretical framework in this research has been undertaken to promote and provide for better understandings related to growth accelerations and showcase dynamics of ownership controls. Theories have been selected for ensuring that ownership controls and growth acceleration can be more practical. By providing a dynamic and concrete understanding, the ability that influence strategic decisions and SME performance can be generated. Here are the theories as well as relevant subtopics necessary for justifying the research line:

2.2.1.1 Stakeholder Theory

The Stakeholder Theory emphasizes the importance of balancing stakeholder interests to enhance business resilience and improve sustainability (Freudenreich et al., 2020). Among Finnish SMEs, an effective form of board composition requires involvement so that diverse forms of stakeholders like suppliers, customers, community, and employees can be involved (Das et al., 2020). The main crux of the theory lies in the fact that companies are required to focus on wider stakeholder engagement to achieve long-term success. Emphasis on the importance of relationship management among different stakeholders such as employees and customers can lead to sustainable growth (Valentinov & Chia, 2022). As per Fares et al. (2021), among management studies, the stakeholder theory helped in defining value, interconnect capitalism along with ethnics, and identify the correct managerial practices. The proper understanding of ownership structures and their influence on relationship creation and decision-making are some of the light-growing abilities, any Finnish SME requires. Thus, this theory emphasizes correct considerations for improving different stakeholders. Through the alliance of board composition and ownership control, Finnish SMEs can be used to emphasize governance and promote sustainable growth (D'Amato et al., 2020). For example, the representatives for different stakeholders as well as their specific forms of decision-making and enhancement towards trust fostering are present. Thus, SMEs in Finland have a priority to develop newer career wise start-up options that can support the entrepreneurial market. Regarding the set objective of assessing the effectiveness in board composition to make strategic decisions, it was observed that Finnish SMEs lack in start-ups than other EU countries. There are different initiatives that are designed for obtaining profit margins, digitalization can increase stakeholder improvements. Insurance of interests and catering to a wide range of stakeholders' needs for balanced and inclusive decision-making is present. The encouragement and inclusion feelings lead towards creating diverse forms of perspective, creating scope for better governance.

2.2.1.2 Resource Dependence Theory

For an SME, board composition is crucial for strategically evaluating all forms of resources that can lead to the survival of a company. An SME needs catering of knowledge, networks, and finance. The Resource Dependence Theory notes that organizations are largely dependent on factors useful for external resources such as growth and survival. In other words, this theory highlights the main significance of all external resources alongside the way its ownership control can affect growth and strategic resource management. Among healthcare related studies, the resource dependency theory helps in examining the way organizations are shaped and strategies to access them (Ansmann et al., 2021). Based on inference generated from stakeholder theory, it was noted that stakeholder relationship management is necessary for sustenance of a company, as per resource dependency theory it can be noted that resource accumulation is essential for increasing costs. Maximum ownership controls can be done through proper resource distribution. Therefore, it can be noted that stakeholder theory and resource dependency theory are interrelated to one another by its focus on external resource and stakeholder upliftment. Ownership controls are structured in a way that can ensure key resource alignment and increase firm capability for securing necessary growth.

Organizations need to better manage external resources alongside creating dependencies for the achievement of set objectives. An SME can analyze ownership control for proper broad composition (Sievinen et al., 2020a). The theory has emphasized on management of external resources so that growth and survival can be restored. The set research question of understanding the governance structure of family-owned SMEs evolve during growth phases can be explored through resource dependency theory. Among Finnish SMEs it was observed that EU flagship policies worked towards support small and medium-sized enterprises. Recent trends and understanding scopes among Finnish SMEs were observed to be difficult. Thus, a proper board composition and ownership control is highly required for ensuring proper services are generated. All these theories have led to creation and exploration of new networks, expertise and finance. Therefore, through this theory, SMEs governance structure can get more enhanced. Furthermore, these theories are designed to secure proper alliances alongside a partnership for providing all forms of essential elements and natural resources. Therefore, it can be noted that members need an assessment of valuable external resources to facilitate good resource acquisitions and bring in proper dependency management.

2.2.1.3 Corporate Entrepreneurship Theory

Proper ownership control can encourage better entrepreneurial initiatives to support board compositions. This aid creates innovative ideas for driving the sustainable growth of SMEs in Finland. The Corporate Entrepreneurship Theory examines all forms of entrepreneurial activities so that proper firm growth and innovations are maintained (Randolph et al., 2019). Among Finnish SMEs, it was observed that partnership is needed to improve itself in an ever-increasing corporatist country. SMEs and business associations are noted to provide for proper services and design appropriate products. This theory has been highlighting the importance related towards fostering entrepreneurial activities among organizations and leading towards an exploration of newer related actions such as firm innovations. As per Aragaw et al. (2024), this theory helped in deriving partnership or entrepreneurial growth and development among organizations. In other words, Corporate Entrepreneurship Theory involves examinations of roles related to entrepreneurial activities, innovation, and risk-taking for better growth achievement and competitive advantage. Thus, this theory can foster an entrepreneurial culture in companies. Based on one of the set research questions related to understanding the governance structure of family-owned SME can be better understood through this theory. In Finland, companies are some of the major exporters that influence elites and leaders on a society as they can bring in influential networking related to the country's economy (Eriksen, 2024). As SMEs lack the resource presence and politics influence to manage different problems, it is essential that corporate work structures are given more importance. The proper exploration of ways entrepreneurs works, and their activities tend to foster innovations and growth are present. A correct kind of investigation has proved that maximum ownership structures tend to be more inventive and explore new areas of venturing capitals for backing up both innovation and SME growth (Jokinen, 2023). Thus, through this theory, Finnish SMEs has the promoting ability on entrepreneurial activity to bring in firm innovations. Promotion of all these activities and designing a supportive board can properly bring ownership control for Finnish SMEs. This can lead to better risk-taking and venturing into newer horizons (Koistinen et al., 2022). Therefore, the SMEs are needed to understand all forms of entrepreneurship and innovation-related importance.

2.2.1.4 Succession Planning Theory

The planning of succession among Finnish SMEs is one of the most crucial elements that can be used for ensuring proper long-term harmony, leading to continuous growth. The Succession Planning Theory focuses on all processes for strategies leading toward transitioning through acceptable leadership (Gabriel et al., 2020). This theory suggests that succession plans are a process involving the development, preparation, and identification of qualities present in an individual to fulfill key leadership roles. Succession Planning Theory focuses on preparation as well as transition of leadership among family-owned businesses to ensure long-term success and continuity. The control and smooth transformations through the creation of a proper board that supports the development of a leader can be useful for risk mitigation that is associated with leadership changes (Nwuke & Adeola, 2023). Among Finnish SMEs, high technological changes and deployment of agile capabilities have led towards creating challenges related to focus on high tech behaviors. The B2B marketing and small business approach has given rise to an opportunity for a more continues Pandemic (Zahoor et al., 2022). It was observed that long-term success and leadership are interrelated to one another for ensuring continued success among SMEs are present. Furthermore, it was noted that succession planning theory helped in ensuring talents are present and organization can plan development activities. An effective form of successive planning in terms of ownership and board compositions is regarded to be critical for bringing long-term success to Finnish SMEs (Nerdrum, 2024). Therefore, Finnish SMEs and their mechanisms are related to smoothing leadership transitions and the designing of some planning to support and ensure continuous stability need to be highlighted.

2.2.2 Ownership Control in SMEs

The small and medium companies that operate in Finland optimize the scope of internationalization as a primary growth strategy. According to Reim et al. (2022), International strategy development is a core aspect of the Finnish SMEs that has significantly helped to focus on the broad composition and helps to accelerate growth within the scope of action. According to Joensuu-Salo et al. (2019), the significant derivation of succession planning is a primary factor of the companies in Finland. The main reason is that it helps to derive growth acceleration and ensures ownership control, it is a significant approach to be maintained by the companies that operate in Finland. These are some of the primary aspects that have been described by authors in the past relating to the topic of the study by considering ownership control that helps to understand growth acceleration for a broad composition relating to demographic factors.

The control over ownership makes the ability to play and develop all forms of pivotal roles concerning the operations and efficiency of SMEs. In this research, the ownership capability for structures such as venture-based capital-backed or family-owned firms has a distinct form of impact on organizational growth (Handoyo et al., 2023). In cases related to family-owned businesses, the long-term legitimacy brings in industrial stability. Thus, it can be inferred that ventures tend to prioritize proper growth and innovation capability (Chatterjee & Bhattacharjee, 2021).

SMEs can play more of a significant role as factors such as GDP and employment are crucial for the Finnish economy. Based on the latest statistics, 99% of SMEs represent only enterprises, and 60% of them are workforce-based. All these SMEs together constitute 50% of the current private sector. Among Finnish SMEs, ownership control and the ability among families to work and enhance cooperative structures, family leadership, and capital investment ventures are present (Batrancea, 2022).

Among the family-owned SMEs of Finland, it was noted that maximum funding had been done through the utilization of strategic decisions making business more expanding. Businesses are creating partnerships that are necessary for generating both long term and short-term relationship problem success. Among succession plans, there can be resistance or friction that can reduce partnership strengths. For example, the Paulig Group, a family-owned business that specializes in food products and coffee is one such successful Finland-based family enterprise that is more inclined towards a stronger ownership control despite expanding internationally (Kenyon-Rouvinez et al., 2016).

Venture capital (VC) companies are always working towards bringing in better forms of exchange as well as providing more sophisticated and efficient forms of rapid growth and decision-making. The support of VC upon new startups through investment provides SMEs with a promising start. On the other hand, VCs have a possibility of generating higher returns than initially anticipated. Assessing VCs can lead to the ability of opening stronger investment forms and reducing all forms of creation for strategic guidance. The growth and tampering in conflicts can give rise to investment or bring disagreement among teams. This disruption in some form becomes a loss factor for original leaders (Bonini & Capizzi, 2019). A Finland-based Technology organization, Wolt, is not only working towards specialization in the field of food delivery, rather towards potential forms of VC funding. This type of involvement and creation of the most significant forms of expansion of technology is present among companies.

Several SMEs in Finland operate based on cooperatives and their ownerships are not shared among all members, rather are service based. SMEs are required to put emphasis on more democratic styles of decision making to bring in mutual benefits. Equitable profit distribution systems, member participation as well as community focus are largely present. There are also slow forms of decision-making procedures that do not have the potential to bring in inner conflicts as well as limitations based on larger forms of funding (McKillop et al., 2020). Finland-based dairy producer, Valio, has been operating as a cooperative that is owned by Finnish farmers working in the dairy industry. This structure in practice can ensure profits to be reinvested as a community, especially for the farming industry (Puupponen et al., 2022).

Effective ownership is a controlling method that ensures all kinds of growth-related aspects bring development for Finnish SMEs. The influence of ownership controls can be regarded to be one of the ways for an organization to create strategic movement direction. For example, family-owned businesses prioritize being able to work sustainably as well as ensure long-term growth. In the cases of VC-backed companies, the expansion and the ability of market share are largely present, bringing in some forms of expansion. Ownership-related structures have more inclination towards the generation of finances, networks, and expertise to be more structured as well as inventive. All of these, lead to a stronger ownership control that can lead to better governance practices making family businesses run ethically and providing deeper corporate social responsibility. Different forms of ownership models operate through driving a better innovative procedure to make a business grow sustainably. The differences among ownership models create various types of techniques that in turn bring innovations. Among VC-backed firms, a considerably higher tolerance towards risk, and innovations are there due to the priority of investment. As cooperatives do focus on incremental forms of improvements, investment priorities are driven based on member feedback (Buchanan et al., 2023).

Based on the data from the most recent Statistics Finland, it was noted that family-operated businesses create the backbone of SMEs in Finland as most enterprises are passed down to the next generations. As per the Finnish Venture Capital Association, an increment of venture capital investment in Finland and its SMEs can be useful for innovative and technology-based start-ups. These forms of trends have been noted to be useful for having a growing influence on the ways venture capital can have an impact on shaping SMEs. This sector has been observed to have some resilience and move towards adaptation of new markets as well as business initiatives. For example, it was noted that COVID-19 was observed to be a pandemic that helped Finnish SMEs to better evaluate all forms of e-commerce and innovations to bring in and maintain digital operations (Ysern De La Calle, 2020).

The company by the name of Rovio Entertainment, has a genre of popular games, with one such hit named Angry Bird can be noted to be a case of complete ownership control of Finnish SMEs. This family-owned company, Rovio Entertainment, initially ventured and received capital funding making them generate rapid growth. Alongside the help of VC backing, it was observed that Rovio entered a new market and the ability to achieve global success came with it. The ability to remain steady at the same time continuously grow requires a business to be capable of facing constant challenges. Strict and systematic management techniques are expected to be present to mitigate any issues. Thus, the journey of Rovio can be cited to be a prime example of how working towards set targets can increase opportunities as well as work towards designing innovations based on requisite opportunities.

Additionally, the structures of ownership in the Finnish SMEs were widely accepted to reflect the diverse ways these sectors have been working. Simple management is noted to be most effective for family-owned businesses. Simple management structures are usually suitable for micro or small enterprises rather than SMEs. In the case of family-owned businesses, control over the decisions can make management and establishment to be more efficient by using simple management. There are certain drawbacks such as high personal liability, and limited resources alongside issues about different scaling operations. If ownership is done by two or a few members that share all responsibilities, profit, and losses then these issues are more likely to be persistent. A combination of resources and skills by sharing some liability can also bring in issues such as conflicts related to liability and decision-making. In the case of SMEs and their ownership present in Finland, it can be noted that most shareholders do own the company and are often managed among a board of directors. Thus, limited liability is present and there is easier access to capital, giving governance more structure. This kind of regulatory requirement as well as potential to bring conflict among companies, especially among management and shareholders. The larger the size of an SME, the higher its chances of being able to get a more structured governance. Increased assessment towards raising all forms of capital and lowering the risk of shared public life is also present. Structural assessment is necessary as it provides substantial capital flow. Higher holds provide scope for better capital gain. Thus, strict compliance related to regulations, and pressures coming from shareholders in a short range of time related to performance is present (Ivanova-Gongne et al., 2022).

This effective form of governance is crucial among the SMEs operational in Finland for several reasons. The presence of a larger and more diverse range of background people including areas such as age, expertise, and gender is more likely to be efficient. From the perspective of SMEs in Finland, the ever-increasing focus on broader diversity alongside decision-making drives towards innovation. The companies that have more independent directors and are not part of the company management do provide unbiased guidance and oversight. Transparency and regular financial reporting levels are key to the creation of stakeholder trust that can bring in more investments. Several SMEs are prone to adaptation of sustainable reporting as well as highlight factors such as attracting investment. Some SMEs are working towards highlighting adaptation factors such as sustainable reporting for environmental as well as social performance reasons. Therefore, regular assessment of risks related to the market and operation is crucial for better planning. Noting financial risks is also essential. The implementation of risk mitigation options can lead to generating regular feedback and communication. This leads to better business strategy generation alongside the fulfillment of stakeholder expectations (Littunen et al., 2021). The collaboration among main stakeholders such as customers and suppliers lead towards building a better sustainable business.

Finnish SMEs have a wide range of funding options that ensure they face fewer issues. Lower issues indicate higher assessment towards finding ways of ensuring sufficient capital growth. There are different governmental granting options as well as venture capital that are necessary for the creation of a healthy competition. Among the family-operated businesses, the enhancement of effective leadership is such a significant issue. There is a lack of successive planning that can lead to fewer disruptions and losses in strategic directions. All these lacking succession planning are crucial for understanding disruptions as well as designing some sort of strategic direction. The navigation of all sorts of complex regulatory environments is due to challenges in alignment with SMEs for a particular expansion in all sorts of international markets (Owen & Mason, 2019).

Embracement for all sorts of digital technology and operational efficiency was noted to expand and reach markets by driving innovations. All kinds of digital technologies and market expansions are dependent on various kinds of factors based on circumstances. Digital technologies leverage the option of connecting with consumers and reaching a large consumer base. For the SMEs in Finland, it can be noted that efficiency to have a market reach and drive innovations are related to operational adaptability. Such SMEs are increasingly needed as they can adapt more digital tools and hold a stronger competitive position than others. By focusing on more sustainable business and practices towards the creation of responsible businesses there are. The ability to explore and being able to gain a proper brand reputation so that proper investment could be attracted is needed. The exploration of all kinds of international markets and offering proper economic growth alongside others was able to better determine and provide new opportunities (Khin & Ho, 2019). Therefore, Finnish SMEs do have a chance to find advantageous policies and governmental support so that proper trade agreements and expansion among global footprints are present.

In this respect, it can be determined that there are multiple growth-fostering conditions for Finnish SMEs. Funding and advisory grants were able to bring support and innovation techniques for onboarding more Finnish SMEs. There are different scopes related to guarantees and loans that lead toward SME capital investment and assessment of financial gains. There are some forms of programs and varying entrepreneurial skills that help towards determination and business facilitation for the best form of management capabilities. SMEs possess abilities to manage networking-related ventures as they possess proper business management capabilities. All these initiatives were noted to be able to connect SMEs by bringing in some forms of mentor-ship skills and the capability of sharing necessary knowledge to derive suitable practices. Therefore, funding capabilities as well as incentives towards encouraging and bringing in some forms of proper mentor-ship programs are present. All these together share all forms of capabilities related to business. Therefore, it can be noted that all forms of funding and encouragement of business capabilities are related to driving SMEs and academic initiatives for reaching technological advancements.

Based on the company Marimekko, the Finnish textile and fashion company has been exemplifying and getting all forms of ownership controls among SMEs. The family-owned business Marimekko in 1974 went public, allowing a broader form of ownership and assessment. This opened the scope of being reliant in cases of strong control for making strategic direction. The company has emphasized diversification of focus as well as bringing in newer methods of gender equality. The ability to highlight and diversify all forms of sustainable reporting by highlighting social and environmental responsibilities is still present. All kinds of strategic ownership models as well as the ability to bring in newer forms of strategic ownership are present. Marimekko can be cited as a prime example of a company that focuses on expanding its unique forms of brand identity and designing methods relevant to sustainable practices. Thus, challenges faced by the company can turn down economic management systems. Additionally, navigation for strategic leadership to change and focus on bringing in core values can be disturbed as well.

2.2.3 Strategic Decision-making and Board Composition

A strategic composition of the board can bring in significant amounts of strategic decision-making abilities and governance. A proper board composition was noted to be efficient for better SME quality. All these studies can be regarded as an important step towards bringing in all kinds of diversification among factors through profession, and background as well as contributing to a better space for balancing and making efficient decisions (Sarhan et al., 2019). Independent forces and directors were noted to have a presence that was associated with the usage of improvised governance and enhanced a better form of transparent situations (La Rosa et al., 2019).

As of 2024, the composition as well as the ability to move and bring in newer forms of Finnish abilities towards enhanced gender diversification is widely present. Furthermore, it was noted that 33% of the board positions in Finland for public trading companies have been recorded to be maintained as per the previous years. Therefore, modern organization's successful initiatives are aiming toward increasing female representation in corporate governance (Helsinki Times, 2024). The milestone that can be considered significant was noted to be achieved through the generation of powerful mid-cap companies. Here women constitute around 30% of board members as well as provide for a good amount of investment and diversification from all forms of employees. This form of representation does notably lead to a continuous and underscoring effect to maintain both the promotion of various companies' economic growth and diversification. The First North exchange represented a smaller list of growing companies, had reported that in many organizations, women have been noted to hold positions of board member to be around 25%. This indicated a slow yet gradual and positive trend that is on the rise towards inclusion.

Some large-cap companies have experienced a slight decrease in terms of female representation on boards, and this has been leading towards dropping to 1% from 36%. Even though a minor form of setback was present, the overall direction has been represented to remain positive as well as providing for a steady increase of 33% (Helsinki Times, 2024). All these statistics were noted to be useful and suggested being able to achieve and generate more grounds related to bringing in proper gender parity. Thus, all the listed companies were required to design some forms of relevant additional initiatives. Thus, addressing all these disparities was noted to provide a broader perspective towards the Finland government and its governance code. The proposal towards designing more of a broader form of strategy and implementation of all of these towards the trade union and quota system was noted to be there. Thus, this form of proposal being part of a broader strategy was noted to be there that implemented and brought processes convenient for the European Union and its quota towards the achievement of goals. All these goals have been able to achieve and indicate providing good gender parity by the year 2026, that is approximately 60 or more women appointed in the board's scale.

All forms of corporate governance in Finland were used increasingly to focus on a more effective type of board composition. Not all companies only aim for gender diversification; they also ensure that the skill set remains consistent with experience and perspectives. All such companies have been observed to follow an approach that diversified forms of board composition. Thus, companies that do not significantly aim towards proper gender diversification can ensure the fact that present board members can bring in a wider and more diversified form of perspective. Thus, this approach of diversification can be useful in ensuring that all forms of necessary board members and their functions can enhance and address the key complex business issues (Mint of Finland, 2024; KPMG, 2024). One such critical form of board effectiveness assessment can be done through the composition formation and its ability to lead a more under-represented committee of people. The Finland Chamber of Commerce has been working towards ensuring that more female leaders are continued by using proper self-regulatory methods. Since the onset of 2012, this Chamber has been working towards proper mentorship for making female leaders more active from 2024 onwards. The program has aimed to support all experienced female executives to be able to get the board positions they deserve due to their continued proper services (Helsinki Times, 2024). Thus, it can be noted that Finland, like other forms of organizations, made substantial progress towards being able to achieve and generate strategic initiatives properly. All these proposed forms of maintenance are noted to bring accelerations of progress. This ensured that Finnish corporate brands ensured better diversification.

The SMEs in Finland are noted to be involved with setting and revolving around having a more strategic achievement plan, as all needed forms of resource allocation are noted effectively. This entire process has been more crucial as navigation among all competitive market scales can provide opportunities useful for risk mitigation. There are some key elements such as market conditions, and organizational structures that require improvements through the help of decision-making. In Finland, SMEs are known to have been conducting more dynamic forms of market analysis and factors such as understanding market trends to meet consumers require proper analysis. For example, the data that has been derived from the Finnish Chamber of Commerce revealed that SMEs were more focused on bringing digital transformation and expanding into international markets as their main priorities. Based on R&D, the Finnish SMEs are working towards bringing in some forms of services related to newer technologies so that the existing ones can be better improvised as well. As per the Finnish Statistics, the R&D expenditure experienced through SMEs is leading towards having a role in increased innovation, specifically among sectors such as manufacturing and technology. All necessary advancements together comprise more of an efficient planning system designed for the creation of strategic decisions (Jokinen, 2023).

Finland SMEs have been utilizing several different tools to generate proper revenues, forecast expenses and secure all forms of funding. As per the latest report of Finnvera, this show has been moving towards remaining at the top by generating all forms of grants and governmental convenience. Finnvera identified that by making Finnish SMEs able to better invest and leverage the necessary resource outcome, successfully advanced business structures are generated. Identification and risk mitigation factors are essential during making all forms of strategic decisions about the leverage of capital that inevitably leads to good growth. The companies that form Finnish SMEs are employing a risk mitigation framework to help them anticipate any possible issues and ensure proper assessment options are available. Business Finland Data has highlighted that all forms of SMEs are needed to focus on making supply chain and cybersecurity useful for mitigating risks and ensuring proper decisions are generated. As per regular feedback and transparent communication methods, the ability towards strategic alignment and being able to understand all stakeholder feedback are present. Some surveys done by the Finnish Federation of Enterprises have noted that proper engagement and stakeholder management are working towards enabling better stakeholder retention and consumer satisfaction (Mikheeva & Juuse, 2021).

The board of directors has a composition that is proportionally influenced and creates more of an able direction for better SME governance. A proper well-composed board has the ability towards being able to create expertise and foster diverse perceptions for making an effective decision model. Thus, diversity does not only include having a vast number of members from various backgrounds, rather ensuring abilities towards being able to address diverse forms of complex challenges in diverse ways. As per the Finnish Institute of Directors, it was evident that there is a growing number of trends that are targeted specifically towards ever-increasing gender diversity. Since the beginning of 2023, many women have been working towards bringing some form of achievement leading to being able to reflect different management processes. Furthermore, gender diversity can improve organizational reputations, as inclusion is one type of powerful reputation tool. Thus, gender diversity can bring several advantages to an organization as viewed from a long-term perspective. Through this, the ability to provide unbiased oversight and provision of strategic guidance could have been generated (Leiñena Mendizabal et al., 2024).

The data that has been derived from the Helsinki Stock Exchange has indicated that SMEs do have a higher proportion towards being more of an independent director. In this way, all forms of government are prone to having more of a diversified arena of support and help in decision-making for being able to generate proper support. Survey profiles such as the Confederation of Finnish Industries, indicated the fact that there is many supports from factors that generate more proper decision-making and informed decisions abilities. There are specific board members responsible for overseeing the committee to ensure adequate investigation for planning and sightseeing activities are present. There have also been some forms of regular meetings enabling more active kinds of participation that are highly crucial.

As per the plan based on reports from PwC Finland, SMEs have a hold on all forms of regular board meetings and generate a higher planning system to align the decisions made and monitor performance. All sorts of fresh ideas leading towards planning are regarded to be part of board succession plans for ensuring more community and infusion-based forms of fresh ideas are present. KONE Corporations, one such large enterprise operational in generating good insights and strategic decision-making, has been working to enrich board composition that can be applied to Finnish SMEs. Based on KONE, robust risk management processes such as crisis management and scenario planning are used for better market navigation. Despite having good relationships with stakeholders, members from diverse backgrounds are included to maintain all forms of strategic discussions. For the board, a combination of both non-executive and executive directors is present to have a balance in governance. Along with this, all forms of board members have higher expertise in varying fields like technology, finance, sustainability, and international business. All of these, in combination with different levels of directors, mixing of strategic governance can contribute towards efficient planning. Thus, KONE has more of a structured board suitable for ensuring proper leadership alongside continuous strategic energy. This can serve as a basis for Finnish SMEs to enhance their board management further.

Cases related to the over-involvement of board directors are present, and unnecessary troubles being born from them are also present. An example from an international context is provided to highlight the issue Finnish SMEs might face, if necessary, actions are not taken. Satyam Corporation from India can be cited as a relevant example of inadequate board involvement in Asia. The company worked as an Indian computer service company and operated in 37 countries globally. In 2009, the chairman confessed that the financial statement for the company was forged with cheques and corporate cash being put into personal revenue, bank balance, and margins. After a series of investigations, it was found that the audit team from PWC had been involved, leading to a huge fine and legal action cases to be followed. The board fraud had been noted to be $1.4 billion, and the company was eventually taken over by a different organization named Tech Mahindra (Judge & Talaulicar, 2017). Therefore, it can be noted that a balance needs to be maintained between logic and organizational strategies to prevent an organization from such incidents. In this case, unfortunately, the lack of diversification of board members led to delicate financial balances being ignored.

This indicates that Finnish SMEs need to understand that boards need to have authority to such an extent that delegation of power does not bring in the destruction of firms. The boards are accountable for strategic movement direction and can add all forms of tasks shared with chairpersons as their responsibilities are not only limited to firm roles. In other words, it can be noted that any form of strategic development or heavy constraint-related work requires the heavy necessary. It can be inferred that the esteemed firms have one director who is serving on the board that can try to micromanage all senior executives and damage all kinds of strategy needs. One such explanation can be over involvement of all kinds of pressured and complicated interests that are present preventing any form of rewarding or interest-related information from watching or waiting for any form of management videos. This has resulted in creating a surprise for several corporate survey-related information strategies. Among modern perspectives, the most accepted central responsibility for any board is the ability to strategically create directions. This can ensure a long-term survival plan to ensure that the direction of the company is properly maintained. Therefore, the board needs to assess the top management of a firm properly to allow sufficient information related to enabling specific expertise through implementing corporate strategies. Ability to face all board-related issues to generate necessary support, a standard set of guidelines is provided below. Most of these are undertaken by Finnish SMEs, a revision of the same can provide for a list that does not have scope for deviation:

- *Gender and Skill Diversity* - The achievement of gender balance also opens room for improvement in fields of decision-making as well as uplifting all types of performance for organizational benefit. Currently, women hold only 33% of board positions among publicly traded companies (Helsinki Times, 2024). Thus, SMEs in Finland need to add more inferences towards the reflection of a wide range of skill sets. The inclusion of scopes such as industry awareness helps in designing strategic kinds of plans and abilities toward a broader diversification scope. This skill set can ensure that all kinds of issues are addressed, and new opportunities are brought quickly for mitigating old issues.

- *Effective Board Committees* - There is some form of responsibility that is present for being able to create financial reports that create internal controls for ensuring transparency. The focus on being able to align organizational needs at the same time to represent a balanced committee requires leveraging unique perspectives.
- *Continuous Training and Education* - Participation in all kinds of governance programs offers insight into better work management. Certain institutions such as the Finland Chamber of Commerce and, the European Confederation of Directors Associate (ecoDa) are present. During attending all forms of industry-specific workshops, there are seminars related to insights that are gained for developing and bringing in all forms of innovative approaches.

The history of gender diversity and equality varies from one place to another. In this case, Finland is a country that has a Nordic past and is one of the Nordic countries. The introduction of gender transparency-related concepts emerged from the 1970s and since 2003, a quota system requiring corporate boards to have at least 40% of reservations among gender diversity. The implementation towards publicly listed companies from 2008 onwards had been implemented as well. Since the Corporate Governance Code 2016, companies operating in Finland are required to report their organizational gender diversity initiatives. In respect to Finland, neighboring countries such as Denmark since 2013, have been encouraging organizations to report all their diversified rules and targets (Khatri, 2022). These legislative policies incorporating gender diversification have been keeping Nordic countries in line with past decade rules. Based on a study from 2005, the Nordic countries do have higher women representation in comparison to other countries. The current diversification rate shows to be around 35% as of 2020 in countries such as Norway, Finland, Sweden, and Denmark with accounts of 35%, 25%, 30%and 20%, respectively (Khatri, 2022).

For decades, Finnish companies and the country have been celebrated to be one of the most diverse countries both nationally and internationally through its acceptance and upliftment in diversities of attention provision for both human equity and rights. Such a popular form of claim has often been questioned among academicians and civil society in general. For instance, the indigenous population of Sami people is a national minority among many different minorities and marginalized groups (Kohvakka, 2022). Their concerns are not voiced and there is a lack of cultural sensitivity. The common form of interest among managerial scholars has been noted to be studying only in pursuit of Nordic countries, not minor communities at firm levels. On the contrary, the studies from Kjærland et al. (2020), have examined that associations about corporate governance and gender do have a financial responsibility rather than diversity at firm levels. Therefore, it can be noted that most of the knowledge gaps and their intersections among financial performances are present and need to be more focused in the upcoming sections.

The organizations in Finland can furthermore be able to fulfill ESG goals as well by ensuring that proper gender diversity is present. There are women directors among organizations that help in solving a wide range of issues related to making deeper awareness. This addresses ESG-related concerns. As most directors possess corporate decision-making abilities, it is that staying relevant is one of the key necessary factors. It is particularly common across all sectors that there are some forms of relevance present that are very common in deriving determination for ensuring good corporate governance is present. Whenever it is properly maintained, it can be derived that there is a large competitive advantage and diversification present. Most competitors often do not find it easy to include ESG practices as successful diversity-related roles and mentorship programs that tend to elevate women to top roles are more convenient in theory than in practice. All the top BOD roles need to be from people possessing inimitable resources and power to deal with lots of challenges. Gender-biased board roles have been able to denote and suggest that there is importance in boosting ESG performance (Paolone et al., 2024). Thus, the RBV core values are a source of competition, long-term development, and achievement of all forms of advantages are present making deliberative management and dedication towards diversity and inclusion present.

2.2.4 Ownership Structure's Impact on Strategic Agility

The relationship that is present among all forms of strongly agile resources and strategic ownership structures has been noted. Some firms work towards diversification by including scopes such as institutional investment and capitalist gain (Clauss et al., 2019). The trend towards exhibiting a large amount of allegiance has perspectives through gaining resources that can be useful in cases of all family businesses (Kale et al., 2019). Therefore, the ability to face all forms of challenges often quickly adapts to the same market changes.

Concentrated ownership has the ability towards proper control and a higher substantial share for committing business towards bringing in negative impacts. The management structure can foster all kinds of dynamic capabilities, making family involvement, thus, CEOs are generally some family members (Zornoza et al., 2020). On the other hand, BODs often lack some form of structure that lowers innovations are present. The most essential part of a structured factor is that there is development for innovative capabilities, and this has lowered all forms of innovations and implementations. One of the most common forms of implementation of resources among families lies in the fact that a more structured management and ownership capability is present. There are all forms of mechanisms related to family mitigation such as implementation of powerful forms of structural elements holding proper facilitation of all forms of innovation and development.

In Finland, most family-owned SMEs have a lot in common such as family members being actively involved in management and decision-making processes. Some businesses often emphasize long-term sustainability elements that tend to drive strategies related to value driving. Studies based on the Finnish Family Business Network have portrayed that most family-owned businesses prioritize legitimacy and stability. The exhibition for factors such as succession plans, personalized plans, as well as professional management, are present. There are a need and requirement for strong commitment and a deeper understanding of all efforts related to marketing. The potential forms of resistance lead to change and succession issues, difficulty among attraction for all forms of investment and external talents are present (Sievinen et al., 2020b).

Some notable key issues faced among family-owned businesses, especially SMEs are:

- Reluctance in hiring all kinds of outside families - Several family businesses do not have a proper vision in hiring external talents as preferences are given. This inevitably leads towards the creation of businesses making provisions related to better transition alongside adapting with present family members. This brings in the ability towards proper management. Smart business owners indeed ensure all involved family members are aware of organizational needs and possess requisite expertise.
- Lower planning scopes - One of the biggest reasons for failure is a lack of proper profit structures as conflicts, low internal communication, and inability to let people know a proper successor is there. Most founders put a lot of energy into building a company, after their death the son or daughter is not well prepared or suited to take over the company.
- Lack of proper vision and mission - It has been observed that most companies fail to maintain visions such as the top management levels leading to disparities in visions. All forms of singular visions alongside truth towards bringing in family members into the

business do not necessarily indicate the sharing of the same skills to be present. Rather, there would be several skills and determination needed to be present to prevent declination.

On the other hand, according to Liu et al. (2024), the financial well-being of the household also has an impact on the business. Any sort of business that does not conduct careful consideration of a household inevitably puts the business in a difficult situation. The inability for households towards proper business owning has been slightly generating a significantly higher amount of business. All the households that belonged to businesses have been significantly able to source a higher income in comparison to other businesses. There are issues in terms of management that do not find easy resolutions.

The ability to have an agile framework works towards adapting to proper market changes and bringing in innovative opportunities. All the ownership structures present among the Finnish SMEs have a higher influence in creating good decision-making processes rather than resource allocation. Thus, all of these have been affecting good external changes and bringing in some kinds of sole proprietorship from a single-owned external source. All such proprietors have been noted to be able to manage individual businesses by taking full control over them. This structure has allowed for a quicker assessment of all requisite responses, and this has also led to changes in markets as there is a lack of bureaucracy. As per the report by Statistics Finland, their sole representation has been able to uplift the retail and service sectors. All these businesses often possess a higher form of decision-making skills, ensuring market trends and consumer needs. All kinds of quick decision-making abilities and flexibility are promoting SMEs to pivot stronger strategies that can resolve limited resources, expertise, and owner capabilities. An increment in potential towards solving serious difficulties can lead to better scaling operations (Seyadi & Elali, 2021).

The partnership can be able to resolve and bring in individuals who have been combining all forms of shares towards proper management responsibilities. Structures that have been beneficial in showcasing the availability of combining resources alongside strategies to ensure correct mitigations are designed. All this data based on a Finnish Enterprise Agency leads towards indication for all kinds of partnerships and opening of opportunities to better leverage agility in business. A wide range of expertise in terms of sharing risks among multiple sources is linked to increment in innovations and reduce all forms of conflicts (Owen & Mason, 2019).

OY or Private Limited Companies are the most popular sector among Finnish SMEs. The reason behind so is it benefits in terms of liability, structured governance, and ability to widen financial resources. Bureaucratic processes slow decision making and this can impact business. As per the Finnish Patent Registration Office, all kinds of private limited companies represent a larger segment of SMEs making technology, professional services, and manufacturing services. All these organizations balance all forms of strategic ability and skilled professionals that generate robust forms of governance. The assessment of capital and structured governance led to making regulatory compliance requirements that do not harm decision-making and reduce potential misalignment among management and shareholders (Karjalainen et al., 2023).

All the SMEs that are backed by VC often benefit by implementing necessary resources and strategic guidance. All these companies do not feel pressurized to achieve rapid growth and lead towards good innovation. As per the Finnish Venture Capital Association, the venturing capital investment among Finnish SMEs often demonstrates technological and biotech-related changes. All this assessment led to generating financial gains alongside provisions for bringing in innovations and expanding markets. The assessment towards the creation of significant forms of financial resources and strategic expertise is present and leads towards proper growth. The pressure to deliver quick returns can lead to misalignment over short-term investments. Long-term investments can lead to proper sustainability and increase tolerance ability (Kato, 2021).

The company behind Angry Bird, Rovio, had initially started to be a private limited company and later accrued VC funding. Sometimes the pressure to bring out innovative ideas can lead to market diversification and create market fluctuations. Fiskars, one family-owned business has been quick to adapt with its long history and emphasis towards bringing in long-term and sustainable growth. The structure of the company has been able to be steady despite the changes in its values, core value-driven approaches are maintained (Landoni et al., 2020). Balancing traditions in modernity can lead to better succession planning, attracting all forms of external talents thus maintenance of family values is respected. Thus, Fiskers is one of the prime examples in Finland that has been able to change as per requirement and still holds its roots.

On the other hand, it can be noted that diversification has led to start-ups being able to create alongside generate all kinds of proper review systems from all presently available sources. Diversified enterprises have an advantage of resources as unused assets are easily available and newer business positions are achieved concerning them. On a company level, diversification makes the workforce more adaptable as multiple perspectives from people of different backgrounds are present, ensuring agility is maintained. Additionally, the scope of diversification can help enterprises be able to reduce all forms of risks related to work so that operating firm performance is convenient. The firms do have the ability to reduce diversification of the environment by being able to navigate fields that are uncomfortable as well. As most organizations tend to work with multiple stakeholders and alliances, setting working standards is necessary. On similar notes, the enterprises are also good at performing properly with the help of proper management and resource skills in different fields (Nguyen-Thi-Huong et al., 2023). Thus, through this process, the decrease in performance is addressed and diversification is maintained. Therefore, enterprises do have the ability to ensure that proper government relations among fields are properly maintained. Often over-diversification can lead to diminishing business returns and focus only on investment, making management more challenging. This type of diversification can be helpful in the creation and achievement of services and products related to a specific field. Therefore, it can be noted that all forms of organizational support and increment among enterprises can be helpful for services in related and unrelated fields. Thus, proper diversification among enterprises can increase organizational profile and support business development.

Therefore, a diversified form of ownership is of higher capability than any form of business resilience among Finnish SMEs. By bringing in all forms of stakeholders, a more diversified technique of decision-making procedures is there. Multiple owners work towards generating diverse content based on expertise and lead to the generation of a creative perspective. This innovative solution has been accountable for transparency and the provision of checks and balances to better manage actions; thus, chances of mismanagement are reduced.

Additionally, as more diversified ownership was present, higher financial stability was noted to be there. Having scopes for multiple owners often led to the assessment of a wider scope of financial resourcing, making SMEs face all sorts of economic turnovers. This kind of collective financial strength has been noted to increase market fluctuations and lead to differing opinions from multiple industries. Thus, business expansion is done, and exploration of newer concepts is generated.

Various potential benefits are generated due to increments in all forms of innovations. Ownership related to the inclusion of individuals for business purposes and generating multiple forms of viewpoints and expertise are present. Thus, fostering environments that lead towards the innovation of products and services is present, giving SMEs have higher competitive advantage, especially among countries like Finland and get competitive advantage. Finally, all the diversified ownership can be used for enhancing all kinds of credibility and reputation for SMEs, making companies able to perceive and get robust ownership abilities. Therefore, the enhancement of reputations is also a way that can attract more business scopes and give investment that contributes towards success on a long-term basis. Thus, Finnish SMEs do have the advantage of financial stability, assessment of newer markets as well as navigation abilities for issues to come to a solution and get competitive advantage.

2.2.5 Long-Term Growth and Family Ownership

SMEs that are family-owned focus on long-term sustainability and growth. It needs to be noted that struggles related to succession planning and professionalism are necessary for generating growth (Ahmad et al., 2020). There is a huge deal that focuses on business continuation and family legalization, making less innovation and getting external expertise (Erdogan et al., 2020). All the ownership capabilities of families are known to help SMEs in Finland just like any other country. Among families, long-term growth does not come easily rather planning is only done. This is due to differences being generated among family governance due to multiple opinions. Thus, the impact of family ownership on long-term growth and SME goal achievement is to be discussed here by citing both advantages and issues (Buchanan et al., 2022).

The desire to foster short-term gains is less prioritized among family-operated businesses due to its focus on bringing in sustainability and an ever-increasing desire to encourage more common vision and achievement sets. As in most cases, families do share a similar vision leading towards a single organizational culture, focusing on strong financial management. The ability to bring in collective terms and efforts of growth are present. As most organizational atmospheres tend to differ, total turnover and employee loyalty play a higher role in determining stability. The centralized form of control has noted that SMEs working as family businesses lead towards faster decision-making and adaptability to market changes in comparison to diverse BODs as visionary. Additionally, family members are more likely to invest in long-term projects without any kind of external pressures such as investors (Rondi et al., 2022).

It can be stated that successful planning and leadership styles in general lead towards making a more disrupted form of business operations that can bring in different trajectories. Therefore, all forms of family planning and dynamics that are related to being able to control external professional managers are there. On the other hand, in terms of finance, the assessment of external capital and investors to bring in better family control is present and this has been strategically bringing in all forms of limiting potential business growth (Dalmia, 2023).

Several studies have suggested that there is some form of positive connection between long-term growth and ownership, indicating more growth. In several studies, it was noted that the family-owned and operated perspectives were helpful to get hold of a stable governance. Thus, there is a large amount of risk mitigation styles that outline capability that helps to resolve all forms of potential SME issues. The Finnish government has been working on similar terms to make families feel safer to join the business ventures and bring in policies that can support the family business. There is a strong form of favorable tax treatments that provide favorable succession planning assistance for more sustainable growth (Dolz et al., 2019).

Most family-owned Finnish SMEs do not have a complex form of interplay benefits that can be used as a challenging system that is concerned with long-term growth. There are inherent growth advantages that are useful for enabling some forms of long-term vision to provide for flexible and strong organizational cultural growth. Based on all the empirical studies, it needs to be noted, underscoring all the importance related to strategic planning as well as professionalism are needed for overcoming issues. Thus, fostering a combination of an environment that is useful for proper sustainable growth (Buchanan et al., 2023).

Family-owned SMEs tend to face several challenges regarding resource allocation and R&D development. Conservative financial practices are crucial for financial management to be averse to risk. Several forms of potential family businesses have innovative methods that are useful for bringing in improvements that can create sustainable growth. All forms of family-owned SMEs need exhibition for a higher degree of strategic flexibility and provision of opportunities. All these Finnish SMEs had to provide focus and achieve for being able to monitor market changes. The leverage ability alongside consumer relationships provides for a better competitive advantage thus, establishing a hallmark of the family-owned business. All forms of strong local support for hallmarking family-owned businesses to get opportunities and collaboration. Long-term relationships with customers and suppliers provide for a stronger and more stable business reliability for operations (Camison-Zornoza et al., 2020).

Based on all the studies, companies that are family-owned as well as non-family-owned through SMEs have revealed that operations are most largely necessary for creating better long-term growth. Legal and property ownership rights are strongly prevailing in the case of having a family-owned business. These businesses are innovative and ensure sustainable measurements are maintained making them more stable for future growth. Most businesses have noted that innovation is one of the crucial steps for operations be it a family-owned enterprise or non-family-owned. A long-term correlation is present between innovation and knowledge. Both knowledge and innovation are equally important as cross-functional collaboration is maintained that drives toward solving long-term problems. On the other hand, SMEs can leverage higher expertise and ensure proper relationships are present among stakeholders such as partners, employees, and consumers. This in the long run helps in ensuring a smooth and structured decision making is possible to solve any form of issues.

Sectors such as the manufacturing industry provide profound benefits in terms of family ownership and high techs. The Finnish Enterprises work mostly on trust and reliability alongside satisfaction that is generated through long-term relationships and security. All kinds of governmental values and social responsibilities need to be boosted to generate more long-term benefits. All kinds of governmental policies as well as societal supports are noted to be present and are more largely to bring in some kinds of favorable tax movements. There are some examples related to proper family ownership among SMEs that have seen long-term development. For instance, the successful SME in Finland that is family owned is Fiskars and Paulig, this company had a combination of both traditional values for the achievement of business regulations (Scharmann, 2024). This professional management system can conduct good professional conflicts make family balancing better and design good business interests. The integration of all forms of professional managers alongside family management has been regarded to be one such expertise that navigates in having a good perspective. Thus, the implementation of all forms of robust governance structures leads to the maintenance of continuous business communities and regulations are present. Therefore, encouragement alongside ability towards proper balancing and preparing future leaders towards being able to perceive and design leadership abilities. Encouragement for the creation of a balanced form of approach for risk-taking to help partners pursue towards bringing in financial prudence. All these partnerships were noted to create external organizations to bring in enhancement for innovation alongside bringing in capabilities for SME family ownership. The exploration for funding has been addressing strategic investment for long-term success (McAdam et al., 2020).

2.2.6 Innovation and Venture Capital

The venture toward capital-backed SMEs is known to have general innovations and willingness toward better risk comparison for backing (Fazekas & Becsky-Nagy, 2021). Some innovation-influenced VCs work towards generation and assessment for networks to better foster and bring in innovations and growth. Capitalist ventures can provision financial resources and bring innovation (Pinkow & Iversen, 2020). This form of dynamics towards scaling and dynamics management among SMEs was present.

VC and innovations are known to be essential for compounding all forms of necessary growth to bring in sustainability. In Finland, SMEs have been able towards interplay by venturing capitals necessary for local markets. Therefore, this kind of evaluation has been exploring the current state and innovations towards making Finnish SMEs meet all forms of innovations (Littunen et al., 2021).

Finland has consistently been able to answer all kinds of global innovations and bring in strongly structured government-oriented support. SMEs in Finland are known to make all forms of activity among innovations specifically in the field of a considerably higher industry scope such as Information and Technology. Most of the Finnish SMEs are known to have been working towards more active high-tech requirements and there are variations among different kinds of sectors. Among traditional industries, there is a variation that has been lagging and policies, namely such as Tekes (the Finnish Funding Agency for Technology and Innovation) have provided special grants. This policy has helped universities to conduct research and foster stronger R&D, thus leading towards more advanced technological and sustainable advancement. All of these have led to Finland emphasizing factors such as environment and innovation. There are still challenges related to innovations that have a higher market scale and have been helpful in better generating information based on technological aspects. Higher competition such as skillful labor and talent forces especially by using the help of the technology sector has helped towards moving and proper innovation (Catala-Perez et al., 2020).

Furthermore, VC fundings have strategic support and mentorships present assessing for networks to be invaluable for proper SME growth. Thus, in other words, it can be said that Finland can be more invested about internationalization among VC firms as several start-ups help to develop it at an earlier stage. There are several programs related to VC such as co-investment for finding new opportunities to venture into innovative SME programs (Shakeel & Juszczyk, 2019). It has furthermore been observed that accessing all kinds of equal capital ventures and being able to find all forms of scalable and capital investments related to high techs is present for all SMEs. Thus, accepting VCs that involve a significant amount of equity dilution prioritizes close business initiatives and makes faster decisions. SMEs are required to explore different sources of funding to enhance trust for balancing incremental improvements and finding newer opportunities. Partnering with all other firms such as research institutions are more likely to share industry risks with associations (Irwin et al., 2019). A more concrete environment allowing experimentation is being able to calculate risks that encourage breakthroughs of innovations are encouraged.

There are several prominent instances related to Finnish SMEs that can leverage more profits from venture capital leading to overall global success. Aside from this, all forms of successful cases related to VC funding work towards enabling innovations as expansion are noted to be present in industries such as food delivery. Several studies include SMEs and the backing of VC can tend towards bringing in more innovations, in comparison to highlighting all forms of venturing.

VC and innovations are some of the independent variables that regard competitiveness and ensure growth are present. Furthermore, Finnish SMEs do have a stronger power resistance, making them more immune to constraints as well as being able to penetrate diverse markets. All forms of venturing of capital have power-playing abilities that can lead towards strengthening strategic findings and support. On the other hand, SMEs had been strategically able to create all forms of dilution by aligning with VC being able to fulfill long-term goals (Błach et al., 2020).

2.2.7 Governance Quality and Board Diversity

The main aim of diverse board members is to ensure multiple advanced opinions are generated for SME quality governance. This research has been working on highlighting all the different forms of diverse issues and complexities that have been better equipped with addressing various kinds of engagement in terms of creating a comprehensive oversight. All forms of independent directors can enhance the objectivity of the board and enhance implementation ability can be useful for generating a robust framework of governance (Martínez-Ferrero & García-Meca, 2020).

All forms of good governance and board diversity have been recorded to bring in pivotal forms of success related to sustainability for Finnish SMEs. This form of evaluation leads towards the importance of fostering all sorts of innovation and moves toward board diversification. This helps Finnish SMEs have suitable opportunities to make strategic decisions. An efficient form of governance leads towards ensuring correct assessment for risk mitigations. All risks present, if mitigated can lead to addressing and better alignment of organizational goals. Good governance has ensured that all forms of transparency, accountability, and trust are fostered among stakeholders such as employees, customers, and investors. Several Finnish SMEs have been able to adapt to the generation of proper governance structures that lead towards guiding all kinds of making good operational decisions (Hakovirta et al., 2023).

Most Finnish SMEs can comply with both EU-oriented and national levels of governance leading toward ensuring accountability and fairness. Most SMEs have been observed to lack all forms of resources related to the implementation of comprehensive practices and solving gaps that form strategic alliances. Among most family-owned SMEs, it needs to be noted that the concentration of incorrect management and ownership has been leading to conflict arising during proper decision-making. Several forms of SMEs struggle in personalizing proper governance and are reliant on getting all forms of informal processes that may harm the business.

Board diversity can have multiple perspectives and experiences present, and this has been useful in enhancing all forms of problem-solving and decision-making capabilities. Some innovations enable the fostering and opening of new business ventures. This encourages different cultures to be able to form all kinds of creative solutions. Thus, diverse forms of boards have better equipment that is needed for proper representation among stakeholders such as customers, employees, and investments.

There has been a note on the way corporate decision-making qualities are bringing improvement in the case of BGD. As per Gull et al. (2022), it has been noted that many female directors are working towards bringing in all forms of corporate governance qualities as they are focused on monitoring all forms of board functions. Regular conduction of meetings and taking attendance meticulously are some of the important factors in conducting weak governance. Additionally, most female directors work towards reducing malpractices and misconducts that lead to engaging in the creation of strategic decisions. Male CEOs do have overconfidence in terms of making decisions related to mergers and acquisitions, thus incorporating female CEO open scopes of reducing the same. Moreover, female directors have been noted to provide for a stronger firm reputation and bring in higher stakeholder orientations. In short, based on the above discussions, it infers that female director is more likely to increase a firm reputation by emphasizing stakeholder orientations.

Gender socialization as well as ethical theories are more empathetic towards female directors due to two specific reasons. First, the characterization of women's morality differs from men's in several ways. Women do have responsibilities for morality and lead towards mitigation for all forms of recognizable and real-world troubles. On the other hand, it needs to be noted that the morality of men is focused on the right to life and not on interfering with others. Therefore, the focus here is to understand the differences among both genders and help one another to be able to resolve all queries. As men are more focused on short-term actions on the contrary, women have focused more on the long-term aspect.

In Finland, there have been initiatives to increase gender diversity, especially among SMEs as gender-balanced roles are increasing. There has been some progress being made that is more ethically and culturally appropriate ensuring diversity among boards is present. Finnish SMEs are working towards bringing technology and marketing to the same table. As resistance towards mindset change is inevitably present, there has been a rise among businesses to first address this concern. For most businesses, a diverse pipeline of talents is needed for better board composition and establishing long-term business hindrances are present. Demographics are an essential part leading toward better representation of decision-making processes (Kanadlı et al., 2020).

The SME's conduct of proper governance requires best practices to be involved such as establishing a clear job responsibility and making a robust risk mitigation framework. There is the personalization of all forms of governance structures making advisors and directors be able to have oversight ability. The provision for governance and training of board members to lead senior management to improve all forms of current practices is needed. Thus, adaptation towards inclusive recruitment practices can help to get hold of under-represented candidates. The development of robust succession planning and prioritization towards adapting recruitment practices and ensuring board positions are present is needed. This form of activity-based practice is useful for designing robust forms of board positions to ensure a large pool of candidates is present. Along with this, designing a robust form of succession plan is useful for better prioritization of board diversity leading to support of development. The help of governmental initiatives and programs is handy in establishing proper board diversity and the generation of additional information. Collaboration among industries can help SMEs to be able to share wide training programs. Fostering cultures alongside a diverse range of inclusion levels in an organization can led to the establishment of a wide and diverse range of workforce cultures and initiatives (Tan & Lee, 2022).

Strong governance and commitment towards diversity as per Kesko’s board have factors related to diverse expertise and backgrounds that can contribute towards a strategic form of success (Nerdrum, 2024). As per Fazer’s focus, the quality of governance alongside the presence of a diverse board committee can help to bring growth and innovation. Most of the empirical studies are related to making some form of positive correlation between proper governance and the generation of robust frameworks. The underscoring of the importance of a positive correlation in regards towards good practice and governance is present. All this importance has led to the creation of robust governance and exploration towards board diversification for enhancing creativity and innovation. The ability to lead toward a better strategic form of decision-making alongside problem-solving leads to strategic decision-making.

The stakeholders incorporate all necessary benefits and increased transparency that inevitably led to attracting good capital investments (James et al., 2021). Reduction of agency problems, incorporation of misconduct-based issues as well as firm performance are included. Simultaneously, most scholars are required to argue on factors about the efficiency of independent directors and monitor all forms of relevant information. As per James et al. (2021), some scholars argue that independent directors are better for monitoring rather than the rectification of firm decisions. As an outsider, the ability to understand all resources present and be dependent on the transparency of an environment is often difficult. Thus, based on their fiduciary duties, they are not obligated towards management and reduction of issues. Firms in practice are required to maintain their transparency levels above the dependency of boards. A casual structure or relationship among firms and board structures can lead to transparency, shocking regulations can be brought as well. Therefore, it needs to be noted that all forms of unique characteristics are largely dependent on the way directors have been working and creating a heterogeneity for correct monitoring and providing advisory efficiency.

Both the long-term and short-term directors are different from one another from a direct perspective. Management-friendly initiatives bring in family hypotheses. All the expertise hypothesis states that there is a difference in terms of fiduciary shareholders. On the other hand, the management-friendly forms of hypothesis have suggested that long-tenured directors are less likely to create a constraint for management. All forms of misconduct due to higher close bonds related to managers are known to build better incentives.

The board diversity has a better quality of governance by designing sustainable success factors that can benefit Finnish SMEs. The ability of Finnish SMEs to generate higher progress is related to sustainability. Therefore, it can be noted that all forms of traditional mindsets and talent streamlining need to be improvised, and modern aspects need to be added. This indicates that

Finnish SMEs can enhance governance through strategic success movements and create a resilient organization for international trading (Akomea-Frimpong et al., 2022).

2.2.8 Board Size and Operational Efficiency

Among smaller boards, it has been observed that agility is present and quicker decisions are generated ensuring SMEs have fast operations (Al-Matari, 2020). On the other hand, larger boards do provide for a diverse range of perspectives, and this leads to getting advantages related to more complex strategic movements (Pucheta-Martínez & Gallego-Alvarez, 2020).

The operational efficiency alongside board size has led to determining all forms of organizational success. Among Finnish SMEs, all forms of optimal board size are necessary for decision-making and governance. Evaluating and exploring relationships ensures that board members are consistent in mitigating all issues of Finnish SMEs. All of these are typically essential in comparison to large corporations by ensuring flexibility towards determination of the most suitable board composition. All these small companies have been tending towards creating small-sized boards for efficient management systems. All these various industries have been able to influence and design optimal forms of board size. Close-held SMEs that are family-owned prefer to maintain direct control over decisions for streamlining business. Different industries are creating some forms of differing optimal influences. All of these are closely held to generate good performance, and preference is given to move towards bringing in optimal results. As family-owned SMEs are mostly held towards varying in smaller forms of control and composition, it has been known that proper streamlining is useful for maintaining all forms of decision-making. There is an efficient form of operations that is crucial for SMEs to manage all sorts of costs and optimize resources to enhance profitability. A large amount of operation efficiency begins by enabling SMEs to compete and control all sorts of global markets. Most Finnish businesses have been observed to work towards improving performance and measuring out all forms of operational efficiency.

For an optimal level of board size, it needs to be observed that a diverse number of perspectives are crucial for ensuring proper coordination and deliberation. One of the most adequate ways to do governance is by analyzing all the drawbacks that have been generated over the period. The tendency towards ensuring a responsive and agile form of decision-making and interpretation of strategies tends to bring small boards. As boards can manage diverse cultures, difficulties regarding coordination, decision-making processes, and conflicts can be resolved quickly. To find the right form of decision-making for optimization and generation of operational efficiency (Hermanson et al., 2020).

Several empirical studies tend to work towards a one-size fitting into an optimal board size making SMEs work properly. It has been noted that most SMEs tend to have only 5-7 members on a board. There are different forms of sectors that work alongside technological industries benefiting and bringing in diverse forms of expertise. In Finland, an SME named Nokian Tyres has been able to successfully bring in moderate forms of financial and international business by utilizing an efficient operations system.

Marimekko, a Finnish company has been able to design a small board and bring in diverse forms of decision-making processes for being able to quickly design industry. The SMEs can assist as well as get hold of specific forms of company complexities that ensure the fulfillment of strategic goals. Most of them are needed to conduct regular evaluations alongside creating improvement facilities that can better align and work in enhancing organizational goals. The adaptation of lean management facilities has been working to better align and bring in organizational goals. Therefore, an adaptation of lean management procedures can generate continuous forms of reduction processes, and improvements are there to drive good decisions. Leveraging good technological processes and facilitating improvements are proportional to driving initiatives toward driving advisory boards. The establishment of advisory boards increasing in formal size has led to understanding better operational needs and efficiency.

The correct board constitution provides organizational success for Finnish SMEs as the universal aim is to create all kinds of efficient balance and agile governance. There is a moderately sized board that tailors towards generating a significant form of agile decision. Thus, through enhancing proper board efficiency, and skillfully bringing in diversity, there are regular evaluations regarding external expertise. Finnish SMEs do have the ability to improve operational efficiency by ensuring that continuous improvements are being brought and maintenance of a higher level of efficiency is present.

2.2.9 Growth and Regulatory Compliance

Regulatory framework compliance is one of the essential and notable forms of growth mechanism undertaken by SMEs. Stringent regulatory compliance enhances the trust of stakeholders by providing a strong foundation for development. SMEs in practice prefer governance alongside regulatory compliance. Accelerated growth processes are more stable than less rigorous compliance practices (Bello et al., 2024).

The SMEs are most likely to contribute to Finnish economic growth as more attention is given to technology and renewable energy adaptation. All the key growth factors among sectors do face challenges such as assessment of finance, scaling operations, and market competition. There is a continuous form of innovations among products and services that leads towards stable growth and enhancement of competition to open new market opportunities. Thus, it can be inferred that expansion into different markets opens growth opportunities. Adopting digital technologies can improve consumer engagement and increase scalability. There is difficulty in attracting skilled workers in case limitations in finance are present as marketing and international expansion require resources. Thus, intensive competition among different players can bring in issues for Finnish SMEs, potentially hampering growth (Enaifoghe, 2023).

Compliance among all forms of legal and SME-based operations is present and this ensures capability beyond law assessment. Adherence to these regulation standards can help in mitigating risks related to finance, legal, and reputation. Additionally, compliance with all forms of international standards can lead to proper market facilitation that helps in the mitigation of financial and healthcare systems-related issues.

Finnish SMEs have regulations on labor, environment, and consumer rights, making them able to generate the necessary support. The presence of cultural transparency and support based on ethics leads to better support of regulatory compliance. There are governmental agencies that have associations guiding to solve SME problems and understand all forms of regulatory compliance. The ability to navigate an ample amount of complex and ever-changing landscape requires being able to work with proper resource management. All these compliance-related activities can be expensive at times as requirements for adherence to regulations are present (Uzhegova et al., 2020). Therefore, all forms of regulation management need to be done in a manner that can reduce SME burdens.

The adherence to compliance generates confidence from investors, customers, and partners so they can provide good SME growth. All kinds of standard differences are present leading towards generating quality that can better attract partners and consumers to work together. Reduction of legal and financial burdens provides a foundation for sustainable growth. Balance of resources provides for stable economic growth and work towards better compliance management. There are several challenges related to compliance activities and growth initiatives, specifically for resource-constrained SMEs. All forms of regulatory requirements among rapidly increasing sectors require technology to stay ahead. There is an ongoing form of effort that helps SMEs design continuous forms of increasing growth and compliance rather than struggle. A strong foundation leads to better market assessment and trust generation in markets. Certain industries such as finance and healthcare fields tend to focus more on growth and compliance as their stakeholders are focused on success (Bello et al., 2024). The company named Rovio has its Angry Birds game lead commitment to consumer protection and data privacy leading towards international success and growth (Malesky & Taussig, 2019). Neste, a renewable fuel company has a strong adherence to environmental regulations that ensures compliance of position and provides for a better global leadership in sustainability.

The implementation of a robust compliance management system leads towards streamlining of compliant-related activities leading to cost reduction. Often awareness related programs and training sessions are provided to foster all sorts of cultural compliance and ensure a better understanding of requisite responsibilities. The adaptation of approaches for enabling compliance-related growth strategies is useful for handling innovations and increasing SME focus. In the case of critical stages, SMEs can be able to handle issues and implement their risk assessment scopes. Using all kinds of regulatory technology, companies such as RegTech have their solutions for automating compliance-related processes to improve accuracy and reduce SME burden. Leverage of digital technology leads to generating streamlining operations and improvising data management systems to enhance operational efficiency and compliance. In modern times, innovation and wealth creation are interlinked to one another as most businesses are leveraging digital technology, thereby leveraging creativity. Human intelligence and technology together create transformational power that can lead to proper innovations by infusing modernity. Any form of uncertainty or distinction can be navigated by using technology as a catalyst.

Engagement with proactive regulations related to SMEs can be helpful for actively making regulatory changes. Getting regular feedback can create an impact on regulations that can design a supportive environment for SMEs. Unable to manage regulatory compliances can lead to an increment of operational cost, restrict business ability, and create administrative hurdles. Commitment toward top leadership can set up a tone for promoting proper ethical practices and improving business transparency that builds a proper reputation (Ryan et al., 2020).

Regulatory compliance and growth mechanisms are both intertwined, increasing the possibility of sustainability among Finnish SMEs. As maximum regulatory compliances are essential for all forms of risk, legal, and innovation management, mitigation of issues related to cost and complexity is essential. The adaptation of strategies related to the enhancement of compliance capability, technology, and compliance culture is crucial. Finnish SMEs do have the ability to regulate this landscape efficiently and drive a significant amount of growth (Littunen et al., 2021). Thus, based on the above evaluation, it can be highlighted that all forms of important regulatory commitment and trust among Finnish SMEs to achieve sustainable growth are present.

Finnish SMEs focus on proper governance frameworks to help generate sustainable growth and support. Governance practices consisting of transparency, accountability, and risk management are necessary for driving innovation and growth are present.

Finnish tech organization, Valmet, has been specializing in sustainable technologies leading to proving that stringent governance indeed enhances growth. The comprehensive governance structure used by Valmet includes internal controls and adherence to international standards, making it able to survive market competition. A strong foundation has allowed Valmet to efficiently manage risks and capitalize on all necessary opportunities that are generated in the technological landscape, making growth steady.

Additionally, the Finnish financial technology firm, Enfuce, showcased that using governance frameworks helped to drive sustainable growth. There is an emphasis on the way data security and compliance are to be positioned for ensuring a space in the Fintech industry. Standards of governance ensure that stability in operations can attract investment and enable organizations to rapidly scale transparency.

Compliance management ability through using software provides for automatically scanning regulatory wishes and designing recent adjustments as per requirement. As most organizations tend towards avoiding compliance gaps, being able to approach and proactively mitigate gaps is crucial.

Among several recent studies, it was noted that SMEs do have more of a rigorous governance style and structures making them more rigorous in terms of handling market capitalization and fluctuations (Kindström et al., 2022; Handley & Molloy, 2022). As per the Finnish Chamber of Commerce, SMEs can provide for higher governance structures such as 20% higher revenue growth in comparison to peers that utilize less stringent frameworks. This form of attribution about risk management and strategic planning has helped enhance the confidence of investors.

Additionally, the Finnish government provides for strong corporate governance that provides the capability to enhance business and provide strong competition. One initiative is the Corporate Governance Code that helped Finnish companies get assistance in understanding the importance of sustainable governance. Through aligning all kinds of standards, SMEs leverage appropriate practices necessary for driving long-term success.

Therefore, it can be inferred that Finnish SMEs do have the ability to adopt stringent governance frameworks and provide for sustainable growth. Companies such as Enfuce and Valmet do have regulatory initiatives that help them to bring in robust forms of governance and strategic decision-making capability. These practices have better efficiency in terms of organizational growth and economic stability as per Finnish SME standards.

2.2.10 Business Continuity and Succession Planning

Effective succession planning has helped businesses to have a continued form of sustainable growth (Bokhari et al., 2020). A well-structured succession plan leading towards the mitigation of risks alongside leadership planning provides strategic momentum. Several researchers have highlighted the importance of preparing suitable succession plans and integrated planning that involve a better strategic framework (Dalmia, 2023).

Proper business planning ensures a reduction in crisis signifying lower downtime and financial loss. Additionally, being able to manage operational disruptions retains consumer loyalty and ensures long-term success. The creation of awareness, especially after the COVID-19 Pandemic is needed as it differs based on organizational size and sector. Common factors such as supply chain, IT infrastructure, and emergence of response indeed helped in comprehensive business planning. Risk management brings in creative solutions to traditional problems, limited knowledge and expertise can increase hindrances. Therefore, SMEs on a priority basis need to plan over a long-term continuation plan that leads to inadequate forms of preparedness (Saarenketo et al., 2022).

Succession planning ensures a smooth transition being processed in leadership as maintenance of organizational stability and strategic direction are present. The development and identification of all sorts of internal talents can make leadership roles stronger than present. Proper succession plans enhance confidence through demonstration of leadership change. Family-owned SMEs require succession plans as changes in leadership are more emotionally attached and complex. Finnish

SMEs do have a stronger succession plan as conflicts related to transition are present. Among family-owned businesses, succession planning is more complicated due to family dynamics and emotional reasons. SMEs often ignore succession planning, making shifts in leadership more rushed or improper in case of unforeseen instances. The development and identification of successors for organizations are indeed challenging specifically among SMEs as lower career progression scopes are present. Succession plans and business continuation are both interrelated as transitions in leadership are critical for both. Some plans contribute towards enhancing risk management to support sustainable forms of growth (Siambi, 2022).

A study noted that SMEs often have a robust plan of succession to prevent disruptions. Based on the study industries related to manufacturing, healthcare, and technology have a better succession plan. The primary objective is to uplift business thereby ensuring continuation by looking for strategies in that regard. Based on Fiskar's proactive approach, continuation and succession planning indeed can navigate all forms of leadership changes or address market disruptions, bringing in sustainable growth.

Risk assessment leads to the identification of potential kinds of disruptions. Development of strategies specific towards alternative supply chains indeed do create remote work abilities and provide smooth emergency protocols. Being able to regularly update and test plans ensures stability in changing business environments. Developing leadership programs indeed helps in grooming successors for an organization. Creating formal succession plans tends to outline necessary leadership transitions based on timelines leading to proper implementation. The creation of cross-functional teams is responsible for ensuring the continuation of succession plans. Fostering an environment of cultural continuation and improvement fosters feedback generation and continuation. Using a business advisor’s consultation for succession plans ensures a smooth transition is present. Provision of resilience and ensuring employees have proper commitment make leadership gain stability (Azadegan et al., 2020).

Continuation of business simultaneously planning succession provides for sustainability among Finnish SMEs. As awareness increases, the importance of planning for SMEs also becomes a highlight as resolving gaps is done. Therefore, the development of comprehensive continuation plans and correct implementation of succession plans leads to leveraging expertise that maintains organizational success. Thus, Finnish SMEs do prepare for leadership transition and disruptions.

2.2.11 Market Expansion and Technological Adoption

The adaptation towards newer forms of technologies by SMEs leads to artificial intelligence and digital transformations bring in specific market-driven expansions. Companies tend to develop technological changes quickly as operations and competition are well catered in that respect (Xie et al., 2021). This form of relevant SME dynamics is essential for bringing in higher technological revolutions.

The expansion into newer markets is essential as catering to a large consumer base needs diversification. Market diversification as per geographical requirements can mitigate issues and better locate fluctuations alongside economic turnovers. Being exposed to new markets fosters innovation, making SMEs manage competition efficiently. Finnish SMEs are expanding in the EU, thereby leveraging the country towards stronger trade relations. Specifically, interest-oriented toward Africa, Latin America, and Asian markets seem to deal with consumers and the economy efficiently. Comprehensive market skills tend to monitor regulatory environments for increasing revenue. Thus, navigating through cultural differences brings local consumers into the target market stream. Different forms of regulations, trading policies, and compliance requirements among foreign markets indeed create issues for SMEs (Guyader & Piscicelli, 2019). Supply chain management and logistics together support market expansions ensuring SMEs gain revenue.

All forms of technology-related policies and efficiencies make automation processes increase productivity and reduce costs. Embracement of modern technologies indeed drives innovation, enabling SMEs to hold proper position among competitive markets. In other words, digital technology increases consumer engagement through seamless interactions. Several Finnish SMEs embarked on digital transformation journeys through technological advancements such as big data, AI, and cloud computing into operations (Javaid et al., 2022). Since Industry 4.0, embracing technologies related to smart manufacturing, robotics, and IoT have increased among Finnish manufacturing sector SMEs. E-commerce platforms indeed enhanced all forms of digital marketing strategies making SMEs reach out to a wider range of audiences, thus driving sales. Increased costs related to acquisition encouraged the implementation of newer technologies to ensure financial gains of SMEs are present. limitations of digital expertise do hinder the implementation of the latest technology. An increase in reliance on digital technologies does expose SMEs to integrate cybersecurity measures. Management of organizational changes through alignment of employee resistance and technological adaptation are present.

An increment in terms of reliance for digital technologies made SMEs to conduct cybersecurity features better. Organizational change can be managed with the association of technological adaptation that brings in employee resistance alongside cultural shifts. Organizational changes open the scope for technological changes. Technology upliftment can challenge employee upliftment and shifting cultural needs (Tortorella et al., 2019).

Technological adaptation alongside facilitating operational capabilities led to improvement in market research. Exploring different market research techniques enables technological adaptation and provides a competitive advantage. Integration of technology alongside expanding market scopes does capture market share. Therefore, aligning technological requirements simultaneously alongside market requirements does leverage organizational growth. Coordination between market expansion and technology led to the optimization of resources by maximizing ROI (Tian et al., 2024). Automation leads to driving better AI-accurate and adaptable tasks, ensuring that all necessary work can be conducted meticulously without the requirement of any form of human intervention. Additionally, chances of failure are also limited, making possible downtime to be insignificant. Therefore, automation in modern times, is one of the crucial digital tools that can make SMEs achieve their desired productivity within a set timeframe.

In other words, digital transformation and AI provide Finnish SMEs, a pathway leading towards operational efficiency. As SMEs tend to streamline different operational needs, automation of repetitive tasks alongside informed decisions leads to driving proper data-driven insight. Automation through the help of AI boosts productivity as handling routine tasks reduces costs and makes human resources explore creative endeavors. Through automation of repetitive tasks, human labor can be utilized for creative domains ensuring further organizational growth. This in the long run improves efficiency by collaborating among teams and allocating resources properly. For example, virtual assistants and chatbots can support and enhance organizational loyalty at the same time reduce staffing costs (Adam et al., 2020). Digital tools alongside AI-powered analytical insights have been offering insights regarding market trends and operational efficiencies. Insights about SMEs and their abilities to make informed decisions can improve adaptability and presence in market competition. The predictive analysis does have the ability to allow SMEs to adjust marketing and productivity roles. CRM or customer relationship management is necessary for enhancing AI towards personalizing consumer interactions. Additionally, AI works towards optimizing channels by being able to reach out to all the targeted audiences.

AI is one such tool that helps to facilitate innovation and design services through the identification of consumer needs. The ability to leverage consumer needs at the same time provide the necessary competitive edge requires making tailored solutions. As digital transformation increases, enabling seamless forms of collaboration and communication through hybrid and remote opportunities also enhances. Thus, SMEs are required to provide tailored solutions enabling cloud-based platforms to be focus centers. Therefore, platforms ensuring team management regardless of location do need to foster more of a cohesive work environment. Enhancement of cybersecurity features is helpful for SMEs as they open paths to improve lacking areas related to current security aspects alongside identifying potential threats for the future. The implementation of AI increases the benefits of cybersecurity by identifying threat patterns related to automation (Wallang et al., 2022). AI-driven security systems respond to and detect threats on a real-time basis to protect SMEs from all forms of cybersecurity issues. AI-driven security systems lead towards better data integrity for all SMEs. Therefore, it can be noted that adapting better AI technologies can make the digital transformation more powerful, inevitably making Finnish SMEs operate efficiently. This form of a strategic shift for SMEs aims to scale up modern business so that ensuring responsive and agile methods can be done. Thus, technological adaptation indeed enhances all forms of operational capability and improves cross-border operations among industries, making SMEs explore new horizons.

A positive correlation is present between SME growth and technological adaptation that indicates a proper growth approach for market expansion and improvement of services is present. A study suggested that maximum market expansion has been successful by improving organizational adaptability toward technology, operations, and consumer engagement (Jalil et al., 2022). Supercell, the renowned organization for mobile games, used digital marketing alongside advanced analytics. This opened international opportunities for Supercell making it achieve exponential global recognition (Shaheer et al., 2020). On the other hand, Finnish Marine and Energy solutions provider Wartsila implemented digital marketing into operations. This opened global opportunities for the company as well making service delivery to be more convenient (Makkonen et al., 2022). Similarly, Nokia also renewed its focus, using technological innovations, specifically IoT and 5G, to expand new industries to reach out to a wider market (Gooderham et al., 2022). Therefore, it can be noted that advantages related to communication and reaching out to a larger market are the benefits generated by digital technologies. E-commerce additionally, helps SMEs to strengthen their global standing and provide growth far beyond the digital economy.

Irrespective of business size, in modern times as observed earlier, ever-changing consumer expectations as well as capability can be uplifted through digital technologies. Thus, Finnish SMEs and their quick adaptability towards digitalization is a positive indication for both financial and national growth.

Investing in proper market research to identify opportunities, challenges, and associated dynamics of targeted markets is ideal. The development of localized marketing strategies that are compliant with both consumer behavior and cultural preferences of new markets is effective. Compliance regarding local regulations and standards leverages proper local expertise. Developing a clear map that leads towards alignment of both market expansion and business goals, helps in prioritizing better investment related to higher-impact technologies (Pessoa & Gowda, 2020). Investing in developmental programs and training to design expertise and create digital skills among the workforce is crucial as well. According to Jackman et al. (2021), education among younger generations about digital skills is becoming essential as modern societies are requiring it. As there is no globally accepted meaning of digital literacy, staying updated with the latest technologies ensures relevant knowledge is being utilized. Digital intelligence indeed is bringing in revolutionary ways humans interact leading to the improvisation of emotional intelligence, rights, and literacy scales of people. Furthermore, Jackman et al. (2021), stated that 84% of students in some forms have been affected after the COVID-19 Pandemic, making digital tools to get more advanced and agile. The shift from offline to online indicates that in upcoming times the workforce would prefer to operate remotely rather than in a physical setup, leading to enriching technology with security features to be crucial. Therefore, implementing robust cybersecurity measurements and protecting digital assets related to building consumer trust are needed. Finnish SMEs have been observed to leverage technology for organizational benefits. The creation of unified strategies leading toward the integration of technological adaptation and market expansion goals ensures synergy alongside coherence. The establishment of cross-functional teams drives towards integrating market expansion efforts and leveraging expertise at the same time. Continuous monitoring leads to creating correct market expansion strategies that adjust data-driven initiatives based on technological adoption (Sedlak et al., 2021). Furthermore, continuously adapting towards market expansion and technological adaptation initiatives, requires regular adjustments as well. Based on a strategic alliance and partnership perspective, industry experts alongside local businesses do have the capability to create market entry strategies. Participating in innovative ecosystems makes technological advancements more efficient. Adaptation toward consumer-centric initiatives prioritizes a better understanding and ability to meet new markets for generating innovative solutions (Hotha, 2023). Therefore, maintaining a flexible alongside agile market expansion strategy leads towards better response of technological adaptations.

Based on the above observations, technological adaptation, and market expansion initiatives are noted to be crucial for creating strategies better for the sustainability and growth of Finnish SMEs. There are potential opportunities present in technology advancements, they also bring issues related to skill gaps, resource constraints, and ever-changing complexities of regulatory compliances. Thus, adopting a strategic approach related to market expansion can fill technological gaps. Through strategic approaches, correct cybersecurity measurements related to integral planning and competition that can benefit Finnish SMEs to achieve sustainable growth are present (Kääriäinen et al., 2020). Therefore, all the pre-set goals are to be achieved by designing business strategies that study market changes to develop favorable working conditions.

2.3 Statement of the Problem

In Finnish SMEs, it has been observed that various internal and external factors complicate the scope of growth and development by optimizing ownership control and board composition within the scope of action. The prominent problem evaluated in this research is that the diversity of ownership structure and board composition is highly dynamic (Saona et al., 2020). These factors can influence growth potential for Finnish SMEs through mediating strategic capabilities such as strategic agility, innovation, and risk-taking. This can be impactful in optimizing growth for Finnish SMEs, especially in international business growth that is more diverse and well-acquainted with the external environment (Khan et al., 2021).

The research problem is also associated with a need for more explanation related to the contextual detail of brought composition, where the analysis of ownership structure needs to be correlated accordingly to specify the performance and regulatory aspects in Finnish SMEs (Roffia et al., 2022). In addition, the technology-related specification and scope of care problematization is a problem as the overall scope has been evaluated by considering the small and medium-sized enterprises that operate in Finland. Internationalization and its incorporation can be highly problematic regarding acquisition relating to the outcome (Eduardsen & Marinova, 2020).

Issues in terms of sufficient resources useful for expansion and growth are present among Finnish SMEs. These challenges are caused due to stringent related criteria alongside a lack of an alternative finance management option. Limitations in capital investment bring issues in designing technologies, innovation, and market expansion, all are necessary for modern business. Furthermore, a shortage of skilled staff specifically in technology and business operations reduces business operation expansion. Business operations hampering increases the chances of a business failing. Reduction in skilled staff leads to low productivity, limited innovation, and challenges in integrating digital transformation-related initiatives (Brunetti et al., 2020). Both international and domestic SMEs struggle often to lower regulatory compliance costs and complexities. Labor laws, industry-specific standards, and environmental aspects need to be explored more. The burden of regulations leads to diverging resources from the core business arena towards others to increase the cost of operations and bring in new market expansion policies (Naradda Gamage et al., 2020). Several SMEs have limited capability towards investing in R&D as a limitation in resources, reduces the ability to stay competitive and design innovation. There are insufficient inventive R&D policies that lead in slowing down all forms of productive cycles related to competition and stability among markets. Insufficient R&D leads to not being able to meet design production cycles that cater towards reducing competition and limit offerings among all forms of markets (Karabag, 2019). Entrance towards international markets brings in issues related to the exploration of local regulations, lowering channel distribution. All these barriers result in lowering market penetration capabilities and increasing risks related to market failures (Katsikeas et al., 2020; Kale et al., 2019). As digital transformation is key for SMEs to face hindrances, not adapting towards technologies increases costs and changes resistance. Inability to adapt to digital transformation reduces customer engagement and limits SMEs' ability to leverage strategic data for effective decision-making, highlighting the need for governance mechanisms that support strategic capabilities (Shaheer et al., 2020). Finnish SMEs are made to rely upon complex global supply chain rules, making businesses prone to disruptions such as logistics, geopolitical tensions, and natural disaster-related issues. Disruption among supply chains leads to production delays, incapability to satisfy consumer needs and increased costs leading businesses to get affected often (Azadegan et al., 2020).

Internal and external issues that create an impact on development and growth among Finnish SMEs need to be addressed. Various issues such as shortage of skills, access to capital, burdens related to regulations, digital transformation, and vulnerabilities in the supply chain limiting R&D. SMEs in Finland can achieve sustainable growth and enhance competition despite these issues. Integration of requisite solutions needs coordination efforts from industry associations, educational institutions, and even governmental support. This research aims to examine governance issues faced by Finnish SMEs, particularly family-owned firms, and how ownership control and board composition influence growth challenges via strategic capabilities during periods of rapid expansion. The focus is on understanding the way ownership control and board composition influence these challenges. Thus, Finnish SMEs themselves require a supportive environment that hosts resilience and innovation to achieve international success for a long time.

2.4 Research gap

This study has evaluated all the necessary inferences related to dynamics of ownership control and board composition. Some notable gaps have been identified in the study that require in-depth exploration. All the gaps are taken from the summarized articles of this section. First, the lack of focus upon Finnish SMEs. There are studies that explores about Finnish SMEs, direct control strategies, board composition and their performance management is missing. Maximum studies are EU centric rather than focusing on Finland alone. Alongside this, several studies are centered around MNCs or large corporations, that leads to providing in-depth research tailored for unique challenges and structuring among Finland. The influence of ownership control on SME growth through mediating strategic capabilities, including strategic agility, remains underexplored in the context of Finnish SMEs. Second, lack of information related to growth acceleration. Most existing literature focuses on profitability and firm performance, often overlooking growth acceleration as a dependent outcome mediated by strategic capabilities. In particular, the roles of board composition and ownership structure in shaping these capabilities have received limited attention in Finnish SMEs (Jokinen, 2023). SMEs and their growth acceleration involve production innovation, market share and rapid scaling systems. As limited studies have been done leading to lower ownership control investigation and board composition. The specific influence of SME growth, specifically in Finland has been missing leading to non-generation of a unique economic environment. Third, ownership control among non-family and family Finnish SMEs. There has been a gap among studies to identify the ownership difference present among family-owned vs non-family-owned SMEs. There has been a generalization among ownership structures to ensure decision making, growth acceleration and risk taking are present. Maximum Finnish SMEs are family owned, providing them a critical element to make personal decisions and create specific growth accelerations. Fourth, No significance of gender diversity and board independence. There are limited studies that include gender diversification and its significance on financial expertise. The impact from SME growth acceleration and ensures gender diversification are needed to be studied to explore board independence in-depth. Specifically, under Finnish SME and its context, having an advanced role in relation to gender diversification is highly crucial for business to expand. Having knowledge to understand governance styles and technology interaction can generate latest insights related to business is crucial. Six, there was an absence in terms of linking market conditions to governmental policies and generating proper decisions for controlling Finnish SMEs. There has been research that explored several ideas to shape governance structures and help in influencing correct growth acceleration. Like all other gaps, the absence of longitudinal studies is also there. As most Finnish SMEs are unable to offer proper sustainable growth systems and market acceleration, evolving market conditions are highly required. Thus, the identified research gaps highlight the limited focus on Finnish SMEs in existing studies, particularly regarding how ownership control and board composition influence growth outcomes through strategic capabilities and generate actionable insights for business knowledge and strategy. Therefore, based on the gaps, the research is supposed to mitigate it for ensuring correct SME strategies are implemented in Finland. Furthermore, mitigating all the stated research gaps are going to answer all set research questions and expand theory implications to better explore growth and acceleration of Finnish SMEs.

2.5 Justification for the conduct of the study

It is essential to evaluate that the overall conduct of the study has been highly significant as it has helped to focus on the acute approach of analyzing the background of the study. In addition, the study has focused on optimizing the vital theory that is important to consider within the scope of action relating to Finnish SMEs. Essentially, the evaluation of ownership structure and board composition factors has been conducted to understand how these governance mechanisms influence growth acceleration through strategic capabilities within the Finnish SME context, which is vital for achieving the study's objectives.

2.6 Significance / Rationale of the Study

The study has been highly significant in analyzing the different perspectives related to Finnish SMEs. Through the perception of the study, the approach of analyzing growth acceleration and the different factors that seem to be affected has been derived by considering the context of Finland. Small and medium-sized organizations operating in this location have evaluated the approach of internal performance by optimizing corporate governance factors related to market share and revenue growth following the internal human capital that needs to be derived accordingly (Astrini et al., 2020). This makes the overall context of the paper in terms of analyzing the ownership structure and composition that helps to focus on the purpose of making decisions that are more relevant in internal acquisition straight away.

The study also emphasizes the role of venture capital as a key factor influencing growth, highlighting how board composition and ownership control affect growth trajectories through mediating strategic capabilities in Finnish SMEs. Moreover, it is also relevant to understand that the scope of succession planning is a crucial aspect that helps enhance the internal scope of development for SMEs owned mainly by families, and ownership control seems problematic in certain aspects. The study helps focus on the different criteria and segments of ownership control and its relevant aspects that seem influential in Finland's context.

Especially when it comes to Finnish SMEs, there have been several implications that reflect on the scope of growth acceleration. Addressing the identified research gaps will provide insights into venture capital and ownership control, clarifying how these governance factors impact long-term growth via strategic capabilities. These factors make the overall significance of the study even more relevant in analyzing the growth aspects of Finnish SMEs and their successful evolution, specifies the paper's outcome.

2.7 Objectives of the Study

- To determine how ownership control and board composition influence growth in Finnish SMEs through strategic capabilities such as strategic agility, innovation, and risk-taking.

- To analyze how family-owned SMEs address succession planning and its influence on governance practices and strategic decision-making.
- To identify the key challenges faced by family-owned SMEs in balancing family interests with business needs during rapid growth and their implications for long-term growth.

2.8 Hypotheses / Research questions

2.8.1 The hypothesis of the research

H1: SMEs with diversified ownership structures exhibit higher growth potential through enhanced strategic agility.
H2: Family-owned SMEs demonstrate higher long-term growth potential, mediated by strategic capabilities, but face challenges in professionalization and succession planning.
H3: Venture capital-backed SMEs exhibit higher growth and innovation outcomes through increased innovation and risk-taking capabilities.

2.8.2 Research questions

The research questions are:

1. How do governance factors, including ownership control and venture capital, facilitate growth in Finnish SMEs through strategic capabilities?
2. How do family-owned SMEs address succession planning and its impact on governance practices?
3. What are the challenges in balancing family interests with business needs during rapid growth?

2.9 Research Summary

The literature review highlights the critical role of ownership control and growth acceleration in Finnish SMEs. It is observed that the majority of Finnish SMEs are family-owned, which introduces certain constraints in management, decision-making, and governance practices. To frame the analysis, theories such as Resource Dependency Theory and Stakeholder Theory have been applied to explain the importance of external resources and the interdependence of SMEs with stakeholders.

The review also emphasizes the significance of board composition, particularly diversity, in enabling SMEs to expand into international markets and enhance strategic decision-making. Despite these insights, several gaps remain in the existing literature, including:

- Limited focus on gender roles and board independence,
- Insufficient exploration of SME growth acceleration as a distinct outcome, and
- Underexplored relationships between ownership control, strategic agility, innovation, and risk-taking.

These gaps are largely due to the scarcity of research focused specifically on Finnish SMEs, as most studies have examined broader EU contexts or larger corporations.

To address these gaps, the study has formulated research objectives, hypotheses, and research questions that explicitly incorporate strategic capabilities (strategic agility, innovation, and risk-taking) as mediators between governance factors (ownership control, venture capital, board composition) and growth outcomes. This alignment ensures that the study provides actionable insights into the mechanisms through which governance factors influence SME growth, setting the stage for empirical investigation in the following chapters.

Chapter 3: Research Methodology

3.1. Introduction

The chapter in this study lays the foundation of the research method on how the research analyze the ownership control, board composition and interaction on the growth acceleration of the Finnish SMEs. Based on the SME's role in Finland economy, it is crucial on identifying how the structure in the governance affects it performance of is largely important. The research propose on how the data was collected from the major key stakeholders such as the board of directors, executives and the owners together with other key managerial staffs. It further seeks within this study to give an all-round perspective concerning the extents to the SMEs have benefited regarding ownership influence and strategic decision-making within this sphere of governance dynamics (Rasmussen et al., 2019).

The ownership control refers to the level of the owners, whether the family owned or the venture capital backed, in controlling for the strategic management of the firm. In general, this dominates differing significantly depending on the various ownership structures, thereby impacting on how choices are being made and how the various business strategies are being executed and thus impacting on business growth. In the same way, board characteristics that include Board Diversity, Board Independence, and Board Expertise in general all greatly contribute to the governance quality of the board. This is particularly so because, we find boards with a balanced composition of skills as well as increased numbers of independent directors in general lead s towards a better form of decision making, operational efficiency and strategic maneuverability forms part and parcel of managing growth challenges within the complex market environments. (Judge & Talaulicar, 2017)

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The approach of a survey is used, in there is both a quantitative and a qualitative part so that the overall picture need be as complete as possible. The quantitative data is being collected from questionnaires are remitted to the board members and executives, thereby facilitated the collection of the data regarding the ownership structures and governance practices. Such closed- ended questions and open-ended questions also assist in acquiring the quantitative as well as the qualitative information regarding the aspect of governance in the environment of the Finnish SMEs. Likewise, the qualitative information is being obtained through the semi-structured interviews from the family owners and the venture capitalists to yield much clearer perception regarding how the different ownership structures influence the strategic development. In this way, qualitative components thus complement quantitative data to enhance data analysis as with actual-world viewpoints (Bienkowska & Sikorski, 2024).

The quantitative aspect of the study uses the SPSS since it holds the descriptive statistics and regression analysis to determine relationship and pattern between the governance variables and the growth. The NVivo is facilitating the qualitative data analysis for the purpose of identifying the patterns within themes provides an insight of the governance dynamics. Overall, this research method provides quite balanced view on what factors drives growth within the Finnish SMEs and provides knowledge can be applicable to any other context (Yahaya & Nadarajah, 2023).

3.2. Research Design

The study examines the use of mixed-methods research design – a strategy that incorporates both qualitative and quantitative method in coming up with analysis of ownership control, board composition, and growth acceleration in the Finnish SMEs. Mixed method comprises quantitative research and qualitative research approaches to answer research question. Combination of the mixed methods allows to get more extensive vision than in the case of the single quantitative or qualitative research. Amalgamated research is particularly utilized in behavioral, health, and social studies irrespective of the richness of the situational components or the multifaceted nature of a societal study and in cross-disciplinary research. The quantitative data collection was achieved using questionnaires to the board of directors and chief executive officers, chief financial officers.

The qualitative data was collected via semi structured interviews as with owners, including family owners as well as venture capitalists.

Mixed-mode research can increase the survey response rates since the respondents can decide on the best approach of data collection most convenient for them. In quantitative data collection, questionnaires were developed together with both closed and opened questions to examine how ownership structures and board compositions affect strategic decision-making and growth in the SMEs. Traditional statistical measures are helpful when it is necessary to make numerical data collection to provide grounds for both the large business and its decision-making criteria, as well as to research various types of populations for enhanced results (Hafsa, 2019).

Numerical data is defined as the collection of data has a statistical value. Here, quantitative research makes use of numbers to describe attitudes, behaviors, opinions, and other variables to support or disprove or hypothesis. Quantitative data are data that are in amount, or measurable form, while quantitative data are data that is non-numerical. They are collected from the interview (Patnaik & Pandey, 2019).

All together corporate governance is the complicated process encompasses organizational, legal, economic, motivational, social tools, all together create rather specific working environment when the cost can be saved by overcoming the divergence between the managers and the owners' interest. In this study, all the methods are used together so that data collected are let to triangulate a mean that, quantitative findings will be synthesized with qualitative information. For purposes of this study, mixed methods are suitable because for offers more of a nuanced analysis, retaining various ways through ownership control and board composition affects growth of SMEs. Over years, research triangulation has received much attention as theorists become more elaborate in formulating and empirical testing hypotheses. Research triangulation can be defined as the process that is sought to enhance the credibility and validity of the research (Akutey & Tiimub, 2021).

3.3. Research Philosophy

The study adopts the interpretivist research philosophy because it pays preference to the individual's attitude within his/her contexts. Interpretivist approach is appropriate for studying how the stakeholders in the Finnish SMEs context perceives the roles of the ownership control as well the board composition in growth. In general, it is based on concept that the subjective perception of the reality can be of great value in the contexts of governance and strategic management. The interpretive approaches in general use the questioning together with observation with a purpose to reveal or to develop the thick description of the phenomenon under the study. In general, this is closely related to the qualitative methods concerning the data collection (Pervin & Mokhtar, 2022).

Regarding the interpretivism paradigm, this study focuses on evaluating how the board members, executives, and owners understand their positions concerning the acceleration of growth. Answer to all such perceptions can be sought from the data gathered in the form of qualitative, semi-structured interviews, thus focusing on how diverse ownership structures, such as the family owned and those backed by venture capitals in most generalities will affect the governance as well as the strategic directions of the business (Ryan, 2018).

This in general relates with broader purpose of this study is to both understand as well as explain contexts of decisions of the stakeholders. For instance, it brings into perspective that, the board members may hold fundamentally divergent kind of motivation for focusing on the long-term growth rather than, concentrating on the short-term gains depending on their ownership structures and governance responsibilities. Likewise, the owners may consider the succession plan or the innovation based on perception regarding a firm's growth path. In any case, interpretivism affirm that reality is socially constructed. In other words, that reality is not real and exists not as an external objective fact of positivism assumes that the truth is, but instead, simply, as observed by the observer (Alharahsheh & Pius, 2019).

Interpretivist philosophy in general that research does not claim to offer the one best solution but as an alternative acknowledges various ways of ownership control as well as board composition can affect growth. This approach is particularly relevant to the SMEs as their structures for governance are less formal and more contingent than that of their larger counterparts. Interpretivism is interested in the person's meanings and motives; this approach can yield data that is high in validity. It generates comprehensive research including cross cultural research that can be analyzed in detail. Strengths of interpretive research are that it can accommodate the research questions of how and why of large complex, interdependent or diversified social phenomena such as inter-organizational relations, organizational politics where chances of getting false numerical data may be real or hard to uncover (Mauthner, 2020).

3.4. Research Approach

The use of deductive research approach in the study has been made whereby research is begun with the given theories on the ownership control, board composition, as well as the growth acceleration, with the aim of testing the theories within the accumulated data from the Finnish SMEs. Deductive approach is being defined with the help of formulation of hypotheses based on the theoretical models that include Stakeholder Theory, Resource Dependence Theory, Corporate Entrepreneurship Theory. All these hypotheses in general are subjected to analysis based on the empirical data collected from the research sample. Deductive research is the type of research that the researcher begins with a theory hypothesis or a generalization then go ahead and test the theory, hypothesis or the generalization because of observations or data collection. They include top-down method where the researcher begins with a general principle and then checks it through specifics (Woiceshyn & Daellenbach, 2019).

Such approach is appropriate for the present research as it takes off from the already developed theories and seeks to establish their relevance in the context of the specific indicated Finnish SMEs. For example, Stakeholder Theory in general is being used as a tool to analyze on how governance structures address or respond to interests of the various and distinct groups include the owners, the employees and other outside investors. Similarly, Resource Dependence Theory is being used thereby to understand how the ownership control affects its access to the resources and its ability to respond to market forces. In general, deductive research is used when a researcher has an existing theory or hypothesis, she or he aims to confirm or reject it. This method is most suitable where the researcher is very specific and has a clear research question alongside a specific hypothesis (Biermann & Harsch, 2016).

In applying the deductive approach assists the study to collect all these hypotheses by compiling the quantitative as well as, the qualitative data for the purpose of evaluating hypotheses on basis of empirical proofs. For instance, if data reveals more of diversified ownership structures, then indeed it does pave way to increased rate of strategic agility as postulated in (H1) and propels broader theory that ownership diversity amplifies responsiveness, and more so the adaptability to market occurrences outside the business space. Deductive approach provides an opportunity for description on how kinds of concepts and variables are related about causes and effects. It enables the possibility of quantification alongside ideas as well as concepts, possibility of generalizing the findings of the research to some extent at a larger level (Bingham, 2023).

According to the deductive research method, the study will go further in supplementing the existing knowledge on SME governance and provide perspectives that can be implemented to the real business. Deductive research is a systematic approach to scientific investigation the development of theories and hypothesis and their testing does logical assumption of evidence gained through experimentation. Deductive approach to science is as a way of doing research whereby an individual aims to prove or refute hypothesis and theories. Deductive research is different from inductive research, focused on theory generating or theory building. Deductive method of knowledge laid down a problem, gathering the data, postulating hypothesis, analyzing data, evaluating results and identifying one or more solutions. It depends on ability to reason and make critical analysis of what we observe, an ability that is not found in machines today. (Yuwono & Rachmawati, 2024)

3.5. Conceptual Framework

The conceptual framework of this study is developed to examine how ownership structure and venture capital involvement influence long-term growth in Finnish SMEs through strategic capabilities. Drawing on Stakeholder Theory and Corporate Entrepreneurship Theory, the framework positions strategic agility, innovation, and risk-taking as mediating variables, rather than as direct performance outcomes.

A conceptual framework is an abstract construct that provides a logical and structured understanding of the relationships among key variables in a study (Figure 1). It links theoretical concepts, assumptions, and empirical constructs and presents them in a systematic manner to explain real-world phenomena.

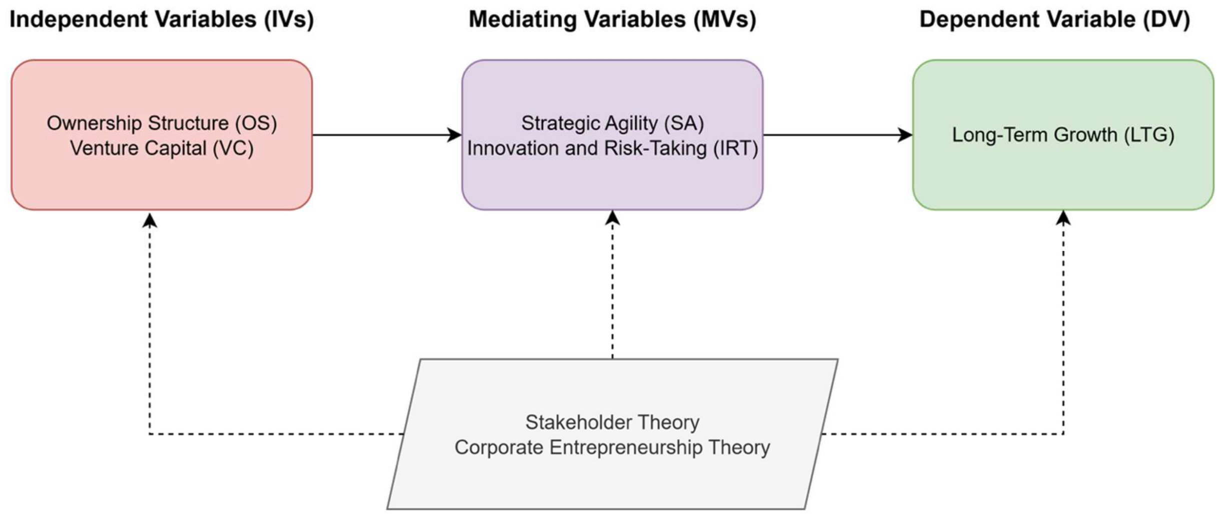

Figure 1: Conceptual Framework (Adapted from Xing et al., 2019).

In this study, ownership structure and venture capital involvement are treated as the independent variables, as they represent core governance mechanisms that determine control rights, access to resources, and strategic decision authority within SMEs. These governance mechanisms do not directly generate growth outcomes; rather, they shape firms' strategic capabilities.

Accordingly, strategic agility, innovation, and risk-taking are conceptualized as mediating variables. Strategic agility reflects the firm's ability to sense, respond to, and reconfigure resources in response to environmental changes. Innovation and risk-taking represent entrepreneurial behaviors that enable SMEs to exploit opportunities, particularly under dynamic market conditions. These capabilities are central to Corporate Entrepreneurship Theory, which emphasizes the role of governance in enabling entrepreneurial action within established firms.

The dependent variables of the study are growth acceleration and long-term growth. Growth acceleration refers to the speed and intensity of firm growth over time, while long-term growth reflects sustained expansion in revenue, market share, and customer base. From a stakeholder perspective, effective governance structures balance the interests of family owners, external investors, and managers, thereby fostering strategic behaviors that translate into sustainable growth outcomes.

Thus, the framework explicitly proposes a mediation logic, whereby ownership structure and venture capital involvement influence SME growth indirectly through strategic agility, innovation, and risk-taking, rather than through direct effects alone.

3.5.1. Research Hypotheses

Accordingly, the research hypotheses are formulated in the light of the literature and the theoretical frameworks relating to ownership control and board composition of firms.

The research hypotheses of the study are as follows.

H1: SMEs with diversified ownership structures exhibit higher growth potential through enhanced strategic agility.

H2: Family-owned SMEs demonstrate higher long-term growth potential, mediated by strategic capabilities, but face challenges in professionalization and succession planning.

H3: Venture capital-backed SMEs exhibit higher growth and innovation outcomes through increased innovation and risk-taking capabilities.

In the above-mentioned hypotheses, H1 indicates that diversified ownership structures, including venture capital and institutional investors, positively influence the long-term growth of Finnish SMEs through enhanced strategic agility. Access to heterogeneous resources, external knowledge, and strategic expertise strengthens firms' ability to sense environmental changes, adapt strategies, and reconfigure resources, thereby accelerating sustainable growth. H2 reflects the characteristics of family-owned SMEs, which often face challenges related to succession planning and professionalization; consequently, these firms emphasize long-term growth through stewardship-oriented innovation and a balanced approach to risk-taking that prioritizes continuity and sustainability over short-term gains. H3 suggests that venture capital involvement enhances long-term growth by increasing innovation intensity and strengthening risk-taking capabilities, as the pressure to achieve superior returns encourages entrepreneurial behavior and strategic experimentation. Collectively, these hypotheses demonstrate that governance structures influence SME performance indirectly, operating through mediating strategic capabilities—namely strategic agility, innovation, and risk-taking—which ultimately contribute to long-term growth outcomes (Dubey & Das, 2021).

3.5.2. Research Variables

To ensure consistency across the conceptual framework, methodology, and empirical analysis, the variables are classified as follows:

Independent Variables:

- Ownership Structure: It refers to the distribution and concentration of ownership among family owners, institutional investors, and external shareholders, influencing strategic control and decision-making authority (Meena et al., 2020).
- Venture Capital involvement: It refers to the participation of professional investors who provide financial resources, strategic guidance, and governance discipline, often encouraging growth-oriented strategies (Kato, 2025).

Mediating Variables (Strategic Capabilities):

- Strategic Agility: It refers to the firm's capability to continuously adapt strategies, reconfigure resources, and respond effectively to market conditions (Kasamani et al., 2024).
- Innovation and Risk-taking: Innovation in SMEs involves new product and process development, technological advancement, and strategic adaptation that contributes to competitive advantage (Povolna, 2019). Risk-taking is characterised by the firm's readiness to engage in uncertain but potentially high-return entrepreneurial actions, often linked to innovation and strategic experimentation (García-Lopera et al., 2022).

Dependent Variables:

- Long-term Growth: It is reflected in enhanced performance metrics such as revenue expansion, market share increase, and customer base growth. These outcomes are driven by strategic capabilities such as innovation, agility, and risk-taking that enable SMEs to perform more effectively in competitive environments (Ragazou et al., 2022).

3.6. Population and Sampling

The targets consist of Finnish SMEs across components owning separate control as also board configuration impacts largely over the growth. This included venture capital financed SMEs right alongside family-based firms as well as different other forms of business ownership. A population, therefore, refers to the whole body of individuals that a researcher wants to make inference on.

Sample is specific group of people that will participate in the collection of data. Sample size is always smaller than the size of the population of the study. In research, a population does not necessarily mean people, but it may refer to people, animals, plants and even objects among others. Sample mean is the arithmetic mean of subset sample of observation drawn from large population. Population mean, on the other hand is the arithmetic mean of all the observations made in a particular population.

3.6.1. Population

The target population in this study includes the Finnish SMEs executives, board of directors, chief executive officers, chief financial officers, family owners of the SMEs, venture capitalist. Most of the large concentration is among the SMEs in the ownership control and the board composition are crucial to its strategies and models such as the technology firms together with the family businesses. All these general stakeholders directly involved in the strategic decision making, therefore it is highly relevant towards understanding dynamics of the governance structures along with its growth. Population is one of the most basic concepts of our being. Demographic data is defined as a set of population data characterized or have the characteristic or set of these. Samples are used where your research question demands, or when one can afford to take population level research. Quite often, it is easy only to garner data from the whole population if it is small, if one can access it and/ or if the members of the population are willing (Hossan et al., 2023).

Population comprises all the aspects of the data set; another aspect of the population that is measurable is called a parameter and may include mean and standard deviation. In context of the general spectrum of research methods, possibly, it is worthy to notice purposive sampling as a specific and quite refined method. This method is also referred to as the judgment or selective sampling; it enables the researchers to select people in a process that is carefully done by hand and trustee to the aim of a study. Sampling enables researchers to reduce costs by acquiring the same response from a sample as could be obtained from a population. There are several advantages of efficient sampling to the researchers as I describe below (Majid, 2019).

3.6.2. Sampling

Specifically, the purposive sampling method is used to identify SMEs alongside various stakeholders that shed more light on numerous forms of ownership, such as the family-ownership type, and venture capital-backed firms. For making the qualitative study 30 organizational owners those are family owners and venture capitalist were selected for in-depth interview and on the other hand for making the quantitative study 100 respondents those are board members, executives, key mangers participated in online survey. The other respondents are being issued with interviews relying on the snowball sampling technique, involves being given names of more people by the initial respondents who in general meets the criterion of the study (Hossan & Alhasnawi, 2023).

Amid the sea of possible approaches to research, purposive sampling must be regarded as rather sophisticated and well-conceived. This type of sampling enables researchers to choose participants based on how closely associated to their research question. This makes collected data relevant and specific, because the study is focused only on given characteristics and thus produces fresher and more conclusive results. A purposive sampling technique is quite subjective in nature allows the researcher to draw samples when indeed they can capture the research questions/issues and or achieve the research objectives. The other type of non-probability sampling method is purposive or as it is sometimes called, judgmental, or selective sampling. In this method, the participants are selected intentionally depending on characteristics of population and the goals of the research (Willie, 2024).

3.7. Data Collection

The data collection consists of semi-structured interviews. Collectively this approach assists in the appreciation of ownership issues as well as appreciation of the aspect of CSFs that accelerated growth. The procedure of obtaining relevant information to resolve issues of research questions, trends, probabilities, etc., to determine possible results is called data collection. Information is power, knowledge is power, and data is information in electronic or computerized format, at least as embraced by IT. Hence, data is power. Before turning that data into successful strategy for the organization or business it is important to collect data.

3.7.1. Survey Instrument

The questionnaire was distributed to the 100 respondents including board members and executives and key managers to get quantitative data regarding ownership structures and the decisions they undertake. Few closed ended questions such as frequency of the independent directors on board were to be included in the questionnaire to target the more information, meaning measurable data.

In addition to these few closed ended questions several open-ended questions were also designed, the example being, Awareness about ownership influence in decision making. Survey instrument refers to the organization of a survey or how a survey is set, contained in instructions, sections, headings and navigation that help the respondent on how to engage with the questions part of the survey. It includes organization and design of the questionnaire, printed out or in electronic format whether by e-mail or via the World Wide Web.

Questionnaires surveys are taken in numerous ways. On-site, paper forms are still filled in face-to-face interviews with an interviewer reading out each question and taking down each response. A questionnaire is a research instrument involves a list of questions or other forms of queries intend to elicit information from a respondent. In most cases, the research questionnaire encompasses closed questions and open questions. There are two types of questions we can use in research studies: open-ended and closed. Close-ended questions are those that have fixed response format whereas open-ended questions are those that participants can write any text answer. Some of these categories of questions do not allow the participants to provide an answer outside those provided in the questions or questions that can be answered by simply replying either 'yes' or 'no'. The style of open-ended questions let explore the topic deeper; a participant can decide what information to reveal and how much of it. Members are expected to provide a rationale for their opinion other than mouthing isolated words or using a few words to express their opinion. These are question that only expect responses in a limited form of options, usually disjunctive question in the form of multiple choices with a single word response such as 'yes' or 'no' or a scale of response such as a 'strongly agree' to 'strongly disagree.

3.7.2. Semi-Structured Interview

Semi-structured interviews in general were conducted with 30 companies includes with key stakeholders (or family owners as well as venture capitalists). It covers issues like Long-Term growth, talks about the size and scope of a company that is usually expressed in relation to the pace it achieves a particular factor including but not limited to customer reach, market influence and income. The theoretical construct depicts strategic agility as the ability of SMEs to proactively adapt to market changes and pressures. Risk taking is used to refer to the propensity of SMEs most are funded by venture capital to take up risks inherent in innovation. Semi structured interview as one of the methods of data collection involves creation of questions within a set of themes. The questions are not set in order or in phrasing. It is also be noted that in research, semi-structured interviews are mainly used with reference to qualitative characteristics. They are normally employed as a research instrument in advertising, sociology, research studies, and many other areas of study. They are also used in field research with many interviewers, giving everyone the same theoretical perspective, but to study separate aspects of the research question. Semi-structured interviews are also referred to as 'the middle ground' as they incorporate both strength of structured and unstructured interview (Ruslin et al., 2022).

Semi structured interviews are a combination of structured and unstructured interviews. Only a few of them are formulated in advance, the rest are not prepared in advance. The other three most frequently used types of interviews are described below. The structured interviews involve questions are fixed in the type and sequence they are conducted. The unstructured interviews involve hardly any questions being set down in advance. Semi-structured interviews are halfway between the structure of interviews and unstructured kinds of interviews. Unlike the unstructured interviews, the interviewer plans on what they are going to ask the respondent. Compared to the structured interview, the questions are not even posed in a similar way and in a precise structure. As a rule, the given type of interviews is unstructured, so there are opportunities for changes. It is easier to compare the respondent answers if set questions are asked in a set order but at the same time, the approach may be a bit restrictive. Having less structure may allow for getting a big picture and recognize patterns at the same time retaining the ability to easily compare respondents (Ruslin et al., 2022).

3.8. Data Analysis

The data analysis in this study is both quantitative and qualitative using Statistical Package for the Social Science (SPSS) for statistical t-test and Qualitative Data Analysis Package (QDAP) for the thematic analysis. Data Analysis is the general term for the systematic approach for working with data using statistical and/or logical method. Data analysis is the step of applying methods to collect data, clean the data, transform the data and gain insight from the data. It exercises important function in decision making process, problem solving, and in search for solutions to challenges in different fields. Analytic procedures help "offer a way of making inductive inferences from data and filtering off a signal phenomenon from the bulk noise statistic fluctuation in data".

NVivo is used in the conduct of thematic analysis of qualitative data collected through interview. Data analysis refers to the process of employing statistical and logical methods that are systematic to describe, condense, recap and evaluate data. These operations consist of data cleansing, transit, and analysis with the purpose of identifying valuable information, trends and rhythms. Using both SPSS with quantitative results and NVivo with qualitative themes, this research seeks to answer the questions asked and confirm results where necessary.

3.8.1. Statistical Tests

The quantitative data is collected using questionnaires in general is analyzed with the assistance of the SPSS software. The patterns are determined with the help of descriptive measures such as modes, median, frequency distributions and mean. The regression analysis is being used to analyze the relationships as between the ownership control, the board composition on top of the growth acceleration. The correlations along with the ANOVA tests are being utilized for the hypothesis testing; hence, the statistics of relationships would be quite significant. The statistical analysis provides significance to the set of mere figures, hence resurrecting a dead statistic. Statistical tests are very important driving factor that we use to make conclusion on data depending on the data's significance. Contrary to being a single method, there are different statistical tests and each of them has a different function. Statistical tests and their level of importance are vital when it comes to analysis, decision and problem solving that is why it can become a worthy tool to make correct and informed decision. It can therefore be used to pinpoint the problem or cause of failure and make necessary adjustments. For example, it can point at the reason for an increase in the total costs and eliminate the unnecessary costs.

IBM SPSS Statistics software offers the comprehensive and enhanced statistical functionality for the users of different experience. Proposing wide range of skills, it provides more flexibility and usage rather than other statistic software. They help to, control and manipulate big and complex data, employ new statistical methods and analysis tools, identify customer behavior to forecast their actions, decipher market tendencies, find frauds to reduce the risk level, and carry out efficient research to guarantee relevant conclusions, and enhance organizational strategies. Regression analysis is efficient technique of determining variables affect any topic of concern. The very process of performing a regression enables one firmly to answer such questions as what factors count, factors do not count, and how they work on one and another. ANNOVA is a statistical tool is used to determine the difference in the means of different groups. ANOV A is a test that is used to compare the results gotten from the research of at least three unrelated groups or samples. The last term Analysis of Variance" is the key word. 'Variance' refers to the extent particular values of a given variable measure differ from the mean (Bittner, 2022).

3.8.2. Reliability and Validity

To maintain the reliability and validity of the study, the pilot survey improved the final survey's questionnaire and some questions. In general, reliability relates to stability and is calculated by Cronbach's alpha in SPSS for the quantitative data to justify the results are produced under similar situations, while validity explains the extent that the measures reflect the concepts they are supposed to measure. Reliability and validity must be maintained to guarantee that collected data are reliable, consistent, and have higher degree of accuracy in measurement instrument (Karnia, 2024).

Cronbach's alpha is a coefficient test that is widely used in the evaluation of internal consistency of the measured variables as a group of scale or tests items. The alpha coefficient ranges between 0 to 1, a higher value of alpha reflects items measure the same construct though the acceptable value in studies are above 0.7 in social sciences. This coefficient is very useful when constructing a survey or questionnaire when one is interested in whether several items designed to measure a particular construct are yielding comparable values. A low Cronbach's alpha may mean that some items may not fit well with the rest of the questions thus a need to revisit those questions. Although Cronbach's alpha is a helpful means of determining reliability, it is not used in isolation but be complemented by other quantitative data as well as data analysis. Therefore, application of Cronbach's alpha increases the reliability of research studies by first confirming that the measures used capture the precise concepts of interest (Allsop et al., 2022).

3.9. Limitations and Potential Bias

The study recognizes that there exist limitations: sampling technique used has a small sample size, and this may limit the transferability of the results. The selection bias also is another such limitation as result of snowball sampling method where participant recruits other participants. Apart from it, there would be participant biased especially in interviews since the respondents might provide socially acceptable answers. In this study, to eliminate such biases, it shall employ both the quantitative in addition to the qualitative research approach. It will give a better chance at analyzing all aspects of the data comprehensively. Generalization is general ability to a wider population or context of the findings of a study. Generalization in research is significant for research findings done on a sample population need in a position to be transferred from the sample to the entire population (Ramirez-Santana, 2018).

Ideally the goal of research is to generate knowledge can be utilized in as many areas as possible. But since it is often difficult to analyze every member of the population, the researchers settle for a smaller population making statement on the part. To generalize these statements across larger populations, the latter must develop accurate models of the sample under tests. Reliability of the study is partly based on generalizability of the sample. Often, the limitation to generalizability considerably reduces your sphere of study, that is, to whom results can be extrapolated. In other words, the sample need to represent a population to the extent that the characteristics that is pertinent to research is concerned. When this happens, the sample is considered representative and by implications so is the results of the study (Carminati, 2019).

Research papers are the means of sharing information between scholars and scientists. Each research requires designing it, conducting it and reporting it in a clear manner, with integrity and in adherences to the truth. Anything that is research but does not adhere to those basic principles i s misleading. Such studies generate assorted impressions and fallacious conclusions and therefore are liable to erroneous decisions as well as copious monetary losses. It is important wherever the bias occurs in the research the sources of the bias are recognized to avoid them. Bias can be defined as any trends or variations from the actual conditions in data collection; data analysis; data interpretation and the publication that leads to provision of wrong conclusion. The bias can be deliberate or used unconsciously. It is immoral to have the intention to introduce the bias into somebody's research (Baldwin et al., 2022).

3.10. Ethical Considerations

Consequently, the study avails a methodologically sound and ethically unimpeachable approach to the research problem. Each participant is providing the informed consent thus making the participants in general fully aware of research objectives as well as their right to withdraw from the survey at any one time. as a measure towards ensuring this confidentiality the data is anonymized and the data stored in a secure manner. The information data is being used principally for the research in question, and the information data will be removed to the extent as soon as the given investigation is over. To the participants, they are being told that there will be no consequences on him/her because of participating in this research. Ethical considerations in the research area of guidelines define the specific designs of the research and regulates the activities during the research processes.

Anyone conducting research or acting as researcher is always bound by some set of ethical consideration while conducting a survey on people. Some of the possible objectives of human research may be to study real life occurrence, evaluate efficient treatments, analyze a type of behavior, enhancing lives in some other ways. Research ethics make a difference for the science and its purposes, human worth and justice, and for the relationships between science and societies. The principles ensure that studies participation is voluntary, better informed, and safe for the participants. It is necessary to consider the importance of the goals usually set while conducting the research in combination with applying the ethical research methods and the research procedures (McGregor, 2023).

But it is always important to avoid any repeated or unintentional injurious detrimental effect on the participants involved. On defying the research ethics will also lower the credibility of the research since it becomes difficult to woe the confidence of people in data that result from wanton methods that are regarded as ethically wrong. In as much as a certain topic of research will be important to the society, the rights or dignity of the participants in the study cannot be violated. Data anonymization is a partial or complete elimination or masking of particulars that relate a specific individual to his data that has been stored. For instance, one can perform algorithms like Personally Identifiable Information (PII) like name, social security numbers and address of the source through a data anonymization process that will still allow data but conceal the source (Majeed & Lee, 2020).

3.11. Summary

The chapter of this study provides methodological approaches applied to analyze dynamics of the ownership control, board composition, and its influence on growth acceleration in the Finnish SMEs. That mixed methods approach that entailed the quantitative surveys as well as the qualitative interviews was being used to provide rich insight about the ways the governance structures and the ownership models affect the development of the SMEs in Finland. Using all these methods assist in ascertaining that general research result is embraced statistically plus general research results are enshrined by personal experiences of major players such as the board of directors, executives, owners and even investors (Isabelle et al., 2019).

The main research question in connection with the research aim is about the way the ownership control and board composition influence strategic decision of the SMEs. More importantly, the Finnish SMEs, visible with this specific and diverse ownership structures that vary from the family businesses to venture capital backed firms, form an ideal research subject for this research study. The ownership control in fact varies significantly across these models and hence impacts on what decisions are being made. The general trend of family business enterprises focuses on the long-term sustainable model, whereas the VC-funded businesses are more strategic about providing importance to profit and growth in the short-run based on investor's anticipation. Hence to understand all these differences in general is crucial for coming up with the right measures in the practice of governance that foster the growth of the SMEs.

Board composition is another such strategic antecedent investigated in study. The study illustrates how effectively the well-structured board as with diverse experience, expertise and non-executive directors in general is associated with higher level of governance scores, performance capacity, and strategic flexibility. In general, the independent directors enhance accountability and transparency, it is important for the sustainable growth. From this study the SMEs with more of independent and diverse boards are especially prepared towards making strategic decisions that leads towards higher rate of growth performance (Singh & Pillai, 2021).

Growth acceleration in the process of measuring the capability of SMEs in the context of this study is defined in terms of its customers, revenues, and market share. Due to the current type of competition, the SMEs must be deft in their operations to achieve sustainable growth in the long run. The study assesses on how the ownership control and board construction delivers for growth velocity, by scrutinizing as to governance strategies are optimal in elevating the sustainable alongside rapid growth. The results indicate that as with the practice of more elaborate kind of ownership types within the SMEs as well as diverse kinds of boards in general are more innovative and flexible towards market conditions as they permit to respond towards them in manner of short time spans.

Quantitative questionnaires were self-administered to board of directors as well as executives, while qualitative interviews were semi structured interviews with key stakeholders. Quantitative data was being analyzed in relation to relationships and patterns with the aid of the SPSS with the help of ownership control, board composition along with growth. To some extent, the qualitative data was carried out with the help of the NVivo enabled identification of the recurring themes to draw light on the governance opportunities as well the challenges. In this research, the main conclusion provides support to the hypotheses diversification the ownership structures towards higher rates of strategic flexibility while, more diverse boards lead for better form of governance and higher rates of growth performance. This ethical consideration was in place right from the start of study to ensure participants' consent, handling & keeping of data secure was with confidentiality in consideration. Consequently, the literature offers knowledge about specific governance structures that affects the development of SMEs in Finland. When integrating the quantitative method with the more personalized qualitative method, this study presents a sophisticated and much more extensive understanding of how the ownership control in unison with the board composition fuels the growth acceleration. All these findings will assist in informing the SMEs within Finland as well as other parts of the globe that want to enhance its governance structure and to foster sustainable growth strategies.

Chapter 4: Result and Interpretation

4.1 Introduction

The result section presents the analysis of mixed-method research gathered and interpreted to investigate the study area. The participants' responses were collected from 30 different board members, founders, and SME owners via a semi-structured questionnaire, obtaining their perceptions and knowledge on governance instruments and ownership structures as drivers of firm performance.

The researcher employed a thematic analysis, based on three core study questions. However, the primary portion tested the role of venture capital and ownership structure on long-term development, specifically examining how this relationship is facilitated by the mediating mechanisms of innovation and risk-taking and strategic agility. Furthermore, the subsequent portion concentrates on the governance structures' demonstration, especially board composition among the family-owned organizations during several development stages, acting as a framework for these mediating capabilities. Finally, the last portion covers the ownership and governance barriers that SMEs experience when maintaining family benefits with the enhancing development policies.

Moreover, the responses of all the respondents were coded, classified, and discussed to determine new patterns and themes regarding how governance dynamics catalyze strategic agility and innovation to accelerate progress. Therefore, direct respondents' quotations were encompassed to demonstrate the major outcomes and authenticate the discussion. Thus, such perspectives jointly participate in a subtle assessment of the way board composition and ownership dynamics leverage internal strategic mechanisms to construct the Finnish SMEs' progress plans.

4.2 Demographic Characteristics

In the quantitative analysis, a total of 220 respondents were considered, and their demographic features are considered in Table 1. Therefore, the outcomes showed a different and representative people's sample encompassing several placements within the SMEs of Finland, who are positioned to observe how governance structures activate strategic growth mechanisms.

A total of 61.8% of participants were male, 36.4% were female, and 1.8% were others in the gender distribution. However, such gender distribution shows the dominant gender alignment in Finnish governance structures and SME ownership, where the majority of the participants were male, particularly in ownership roles and the decision-making process.

At the same time, a total of 31.8% of participants are in the 46-55 years class in the phase of age distribution, whereas 27.3% of them are in the 56-65 years class. Overall, 20% of participants are 36-45 years old, 10% are 26-35 years old, and 0.9% are under 25 years old. Therefore, remarkably 22% of participants were more than 65 years, which suggests that certain board members and SME owners are faced with senior leaders or professional's possessive an active role in business management practices. Therefore, the demographic alignment emphasized a developed leadership foundation that participates in sustainable business continuity, strategic goals, and consistency.

Furthermore, owners established the wider group with 59.5% of participants in the organizational position, whereas 1.8% of participants were with a minimal employee share, 10% with board members, 25.9% with managers, and 2.7% with other participants. The prevalence of these roles confirms that the data is derived from individuals directly responsible for orchestrating the strategic mechanisms, such as innovation and agility that explain the path from ownership control to growth.

Alongside, a total of 50% firms are reported as operating for above 20 years, indicating effective business maturity and endurance. Whereas, 10.9% of participants have operated below 5 years, 10.9% of them between 5-10 years, and 19.5% of them between 10-15 years. This stable representation of developed SMEs provides a reliable perspective on the evolution of governance over time and how these structures consistently utilize risk-taking and innovation to maintain development trajectories.

Additionally, in terms of company type, 2.3% of the sample from cooperatives, 5.5% from sole proprietorships, 10.9% from venture-based firms, 19.5% from other business forms, and the majority, i.e., 61.8% from family-based enterprises. An effective existence of family-owned organizations integrates with the SME context of Finland. In this area, the family role usually constructs succession planning, governance structure, and ownership control. Moreover, the participation of other ownership types and venture-based ownership adds similar depth to assessing the way diverse structures impact the growth acceleration.

Table 1: Demographic Characteristics

Demographics		**Frequency**	**Percent**
Gender	Male	136	61.8
	Female	80	36.4
	Others	4	1.8
	Total	220	100
Age (years)	Under 25	2	0.9
	26-35	22	10.0
	36-45	44	20.0
	46-55	70	31.8
	56-65	60	27.3
	Above 65	65	22
	Total	220	100
Organizational Position	Board Member	22	10
	Employee	4	1.8
	Manager	57	25.9
	Others	6	2.7
	Owner	131	59.5
	Total	220	100
Operating Years of Organization	Between 10-15 years	43	19.5
	Between 15-20 years	19	8.6
	Between 5-10 years	24	10.9
	Less than 5 years	24	10.9
	More than 20 years	110	50
	Total	220	100
Type of Company	Cooperative	5	2.3
	Family-Based	136	61.8

	Other	43	19.5
	Sole Proprietorship	12	5.5
	Venture-Oriented	24	10.9
	Total	220	100

Ultimately, the demographic details suggest a knowledgeable participant base, facilitating relevant insights into the mechanisms of progress and the way board composition and ownership control function as drivers of growth in Finnish SMEs.

4.3 Initial Analysis for Understanding the Data Characteristics

4.3.1 Descriptive Analysis

The descriptive statistics of 220 respondents are demonstrated in Table 2 for the core variables, such as Ownership Structure (OS) and Venture Capital (VC) are treated as independent governance inputs, while Innovation and Risk-taking (IRT) and Strategic Agility (SA) are examined as mediating strategic mechanisms. Long-term Growth (LG) serves as the primary dependent performance outcome. Therefore, all the items were designed in a 5-point Likert scale, where "5=Strongly Agree, 4=Agree, 3=Neutral, 2=Disagree, and 1=Strongly Disagree." Thus, the descriptive statistics offer perspectives into the general perceptions and tendencies of Finnish SME participants about their governance models and organizational dynamics.

The dimension of venture capital (VC) shows relatively low mean values (i.e., 1.7-2.3), indicating restricted external economic participation throughout the surveyed SMEs. In the analysis, VC3 with the mean value of 2.3 tends to suggest that certain firms were advantaged from VC's role in growth acceleration or innovation. Therefore, such outcomes infer that the majority of Finnish SMEs proceed based on family ownership or internal financing, compared to finding external venture funding, probably for a lack of access, control issues, or risk aversion to capital markets. However, the standard deviation (i.e., 1.13-1.38) revealed uncertain variability, strengthening that VC involvement seems a rare practice.

In the table below, the items assessing ownership structure generated a mean score between 3.0-3.8 with comparatively low variation (with the standard deviation of 0.83-1.27). At the same time, the highest mean score (i.e., OS2 = 3.8) indicates that ownership control and concentration possess an essential role in constructing business direction and decision-making agility. It confirms that ownership concentration is a primary driver in shaping the strategic capabilities of the firm. The mean value of 3.0 for OS3 revealed certain mixed perspectives about the ownership comprehensiveness in governance decisions. Thus, the findings infer that ownership structure seems a key factor of operational control and strategic autonomy in Finnish SMEs, integrating with the conventional family-driven ownership approaches dominant in the segment.

For the mediating factors of "risk-taking" and "innovation" dimension, the descriptive statistics showed wider differentiation, with the mean score of 2.1-3.9. Although lower mean scores in IRT1-IRT4 (i.e., 2.1-2.5) emphasize a traditional risk environment within certain SMEs of Finland, especially among family-based organizations that seek to prefer consistency over exploration. On the contrary, higher means for IRT7 (M = 3.9) and IRT10 (M = 3.7) suggest growing openness to innovation and technology adoption. Thus, the finding indicates that while traditional risk aversion persists, SMEs are gradually evolving towards more innovation-driven strategies. However, the standard deviations (ranging from 0.90 to 1.43) ensure considerable differentiation in attitudes. This finding leads to the conclusion that innovation maturity varies substantially among participants.

Additionally, for long-term growth items, the mean values started from 2.5 to 3.7. Therefore, this finding provides a moderate insight into sustainable development among the SMEs of Finland. Therefore, LTG10, with a standard deviation of 0.94 and a mean score of 3.6, and LTG3, with a standard deviation of 0.70 and a mean score of 3.7, indicate that firms ascertain the significance of sustainable governance stability and growth strategies. Whereas LTG6, with a mean score of 2.7, and LTG1, with a mean score of 2.5, suggest the barriers in harmonizing immediate business objectives with a sustainable vision for restricted family-focused decision-making and strategic resources. Thus, the outcomes jointly focused in cautious optimism, indicating that firms prioritize sustainability and experience monetary or structural challenges.

At the same time, for strategic agility items, the mean scores started from 2.9 to 4.0, showing an entire moderate-to-high degree of agreement throughout responses. Thus, SA6, with the extreme mean score of 4.0 and standard deviation of 1.23, reveals that certain participants perceive their organizations as competent in responding promptly to ecological variations. Furthermore, SA8, with a mean score of 3.9, and SA4, with a mean score of 3.8, indicate a positive insight into flexibility in responsiveness and strategic decision-making. However, the comparatively lower mean score of 2.9 for SA9 indicates that certain organizations continuously illustrate agility in all operational aspects. Thus, the standard deviations (i.e., 0.86–1.31) showed a practical distribution of insights, suggesting that while strategic agility is generally prioritized, its application differs throughout SMEs.

Finally, this descriptive analysis emphasizes that SMEs of Finland showed moderate long-term growth orientation and strategic agility, supported by new and irregular risk-taking intentions and innovation. Therefore, ownership structure endures to present as balancing, as well as a limited aspect. On the contrary, VC seems underutilized. Moreover, such outcomes show a governance culture stabilizing modernity and tradition, where family-based ownership offers certainty, and innovation capacity and strategic agility highly demonstrate the way against continuous growth acceleration.

Table 2: Descriptive Analysis for all variables

Variables		**N**	**Minimum**	**Maximum**	**Mean**	**Std. Deviation**
Strategic Agility (SA)	SA1	220	1	5	3.1	1.11
	SA2	220	1	5	3.8	1.22
	SA3	220	1	5	3.6	0.93
	SA4	220	1	5	3.8	0.86
	SA5	220	1	5	3.7	1.31
	SA6	220	1	5	4.0	1.23
	SA7	220	1	5	3.7	1.04
	SA8	220	1	5	3.9	1.13
	SA9	220	1	5	2.9	1.26
	SA10	220	1	5	3.3	1.07
Long-term Growth (LTG)	LTG1	220	1	5	2.5	1.19
	LTG2	220	1	5	3.1	0.94
	LTG3	220	2	5	3.7	0.70

	LTG4	220	1	5	2.7	1.13
	LTG5	220	1	5	3.3	1.00
	LTG6	220	1	5	2.7	1.20
	LTG7	220	1	5	3.4	1.14
	LTG8	220	1	5	3.5	1.07
	LTG9	220	1	5	3.3	0.94
	LTG10	220	1	5	3.6	0.94
Innovation and Risk-taking (IRT)	IRT1	220	1	5	2.5	1.16
	IRT2	220	1	5	2.1	1.29
	IRT3	220	1	5	2.4	1.43
	IRT4	220	1	5	2.2	1.24
	IRT5	220	1	5	3.0	1.17
	IRT6	220	1	5	3.4	0.98
	IRT7	220	1	5	3.9	1.11
	IRT8	220	1	5	3.7	0.92
	IRT9	220	1	5	3.4	1.01
	IRT10	220	1	5	3.7	0.90
Ownership Structure (OS)	OS1	220	1	5	3.5	1.12
	OS2	220	1	5	3.8	1.11
	OS3	220	1	5	3.0	1.27
	OS4	220	1	5	3.3	1.07
	OS5	220	1	5	3.4	0.99
	OS6	220	2	5	3.8	0.83
Venture Capital (VC)	VC1	220	1	4	2.0	1.13
	VC2	220	1	5	1.7	1.13
	VC3	220	1	5	2.3	1.38
	VC4	220	1	5	2.0	1.20

4.3.2 Normality Analysis

The Kolmogorov–Smirnov (K–S) test was conducted to assess the normality of the data for all variables, including Strategic Agility (SA), Long-Term Growth (LTG), Innovation and Risk-Taking (IRT), Ownership Structure (OS), and Venture Capital (VC). The results revealed that all variables had significance (Sig.) values of 0.000, which are below the threshold value of 0.05. This outcome indicates that the null hypothesis of normality is rejected for all items, meaning that the data are not normally distributed. The researcher reported that the K-S test is extremely complex for large populations and slide changes from normality lead to substantial outcomes. Provided that the sample size (i.e., 220) of the present sample, the non-normality was identified by the K-S test, which does not essentially raise a serious concern for further evaluation. Therefore, the author usually supports the statistical analysis with the graphical approaches, including Q-Q plots and histograms, or by evaluating kurtosis and skewness scores for an inclusive measure. Thus, the advance statistical tools, including SEM ("structural equation modeling") and multiple regression, are usually effective for reasonable normality violations while the sample sizes seem wide. All the evidence in the research seems appropriate for additional parametric evaluation. Finally, the effectiveness of the analytical tools and the sample size validate the process with the intended evaluation, while the outcomes showed non-normal spread throughout each construct.

Table 3: Normality analysis

Variables		**Kolmogorov-Smirnov**		
		Statistic	**df**	**Sig.**
Strategic Agility (SA)	SA1	0.232	220	0.000
	SA2	0.268	220	0.000
	SA3	0.284	220	0.000
	SA4	0.271	220	0.000
	SA5	0.309	220	0.000
	SA6	0.264	220	0.000
	SA7	0.320	220	0.000
	SA8	0.299	220	0.000
	SA9	0.294	220	0.000
	SA10	0.220	220	0.000

Long-Term Growth (LTG)	LG1	0.202	220	0.000
	LG2	0.237	220	0.000
	LG3	0.330	220	0.000
	LG4	0.195	220	0.000
	LG5	0.211	220	0.000
	LG6	0.181	220	0.000
	LG7	0.184	220	0.000
	LG8	0.293	220	0.000
	LG9	0.277	220	0.000
	LG10	0.287	220	0.000
Innovation and Risk-Taking (IRT)	IR1	0.202	220	0.000
	IR2	0.254	220	0.000
	IR3	0.245	220	0.000
	IR4	0.214	220	0.000
	IR5	0.230	220	0.000
	IR6	0.246	220	0.000
	IR7	0.303	220	0.000
	IR8	0.302	220	0.000
	IR9	0.258	220	0.000
	IR10	0.307	220	0.000
Ownership Structure (OS)	OS1	0.238	220	0.000
	OS2	0.271	220	0.000
	OS3	0.208	220	0.000
	OS4	0.290	220	0.000
	OS5	0.200	220	0.000
	OS6	0.246	220	0.000
Venture Capital (VC)	OSVC1	0.298	220	0.000
	OSVC2	0.417	220	0.000
	OSVC3	0.266	220	0.000
	OSVC4	0.297	220	0.000

4.3.3 Reliability Analysis

Following Cronbach's Alpha, the constructs' reliability was determined to ascertain the measurement items' internal consistency. Therefore, each item documented the values of Cronbach's Alpha more than the acceptable threshold (i.e., 0.70), suggesting robust internal reliability throughout the research variables (Table 4). Whereas "Ownership Structure" with the Cronbach's Alpha (α) of 0.774, "Innovation and Risk-Taking" with a α-value of 0.735, "Long-Term Growth" with a α-value of 0.794, and "Strategic Agility" with a α-value of 0.766 illustrated satisfactory consistency, indicating that the items under all constructs continuously assess similar ideas. On the contrary, the VC revealed the extreme consistency with an α-value of 0.917, showing a high internal reliability, and infers that the responses throughout its four different items.

For the construct, the mean score started between 2.0-3.6, revealing an average agreement status among participants. Whereas the standard deviations were comparatively low, suggesting a moderate distribution of responses without high differentiation. Finally, the outcomes ensure that the survey questionnaire items implemented in this research seem consistent and appropriate for further analysis, including SEM, regression, and correlation. Moreover, the extreme reliability coefficients promote the data credibility and confirm that the measurement tool facilitates reliable and balanced outcomes in measuring the dynamics of board composition, ownership control, and their role in Finnish SMEs' growth acceleration.

Table 4: Data Reliability using Cronbach's Alpha

Constructs	No. of Items	Mean	Std. Deviation	Cronbach's Alpha
Strategic Agility (SA)	10	3.6	0.64	0.766
Long-Term Growth (LTG)	10	3.2	0.48	0.794
Innovation and Risk-Taking (IRT)	10	3.0	0.62	0.735
Ownership Structure (OS)	6	3.5	0.66	0.774
Venture Capital (VC)	4	2.0	1.09	0.917

4.3.4 Factor Analysis

4.3.4.1 KMO Test for a Sample Adequacy

The Bartlett's Sphericity Test and KMO ("Kaiser-Meyer-Olkin") were performed to ascertain the data appropriateness for factor analysis. The KMO Sampling Adequacy Measure generated a value of 0.863 seems effective as the minimum adequate threshold of 0.6. Therefore, the KMO value suggests that the sample size is appropriate, and the variables offer an adequate ratio of common variance to validate the application of factor analysis. A KMO value within 0.8-0.9 is considered admirable as per the classification of Kaiser (1974), signifying that the dataset is extremely appropriate for determining the following factor models.

Furthermore, the Bartlett's Sphericity Test generated an estimated Chi-Square value of 7577.204 with the p-value of 0.000 (i.e., <0.05). Therefore, this outcome ensures that the correlation table is not an identity table and that an essential association remains among all the variables. Alongside, the data seems suitable for dimension deduction via factor analysis.

Moreover, the joint outcomes of both the above tests facilitate effective statistical data leveraging the sample adequacy and the suitability of performing factor analysis to determine the major latent variables following the board composition, ownership control, and their influence on Finnish SMEs' growth acceleration.

Table 5: KMO Test for a Sample Adequacy

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.863
Bartlett's Test of Sphericity	Approx. Chi-Square	7577.204
	df	425
	Sig.	0.000

4.3.4.2 Construct Reliability and Validity

The outcomes of the validity analysis and CR ("construct reliability") highlighted in Table 6, illustrating the five constructs, show acceptable degrees of convergent validity and reliability, ensuring the reliability and internal consistency of the measurement framework.

Furthermore, the values of CR for all constructs expand the minimum accepted threshold of 0.70, suggesting that the items within all constructs reliably assess a similar latent variable. Whereas the values of CR were 0.900 for VC, 0.799 for OS, 0.881 for IRT, 0.846 for LTG, and 0.848 for SA. Therefore, these outcomes illustrate high internal reliability, especially for VC, indicating consistent measurement across the constructs.

The average variance extracted (AVE) of all the constructs was between 0.361 and 0.695. Although some of the constructs, like SA (0.377) and Long-Term Growth (LTG) (0.361), are lower than the ideal number of 0.50, they fall in a reasonable range of exploratory research, especially when they are backed by high CR values. Higher values of AVE of such constructs as Venture Capital (VC) (0.695) and IRT (0.438) show that a large part of the variance is accounted for by the indicators, which is good convergent validity.

In general, these results attest to the fact that the constructs employed in the research are reliable and valid enough to say that the measurement model is robust enough to continue with further analysis, including correlation, regression, and Structural Equation Modeling (SEM). High reliability and validity results increase the confidence of the measures of the ownership control, board composition, and their effect on the acceleration of growth among Finnish SMEs.

Table 6: Construct Reliability and Validity using Composite Reliability (CR) and Average Variance Extracted (AVE)

	Component					Composite Reliability (CR)	Average Variance Extracted (AVE)
	1	2	3	4	5		
SA1		0.433				0.848	0.377
SA2		0.764					
SA3		0.637					
SA4		0.375					
SA5		0.563					
SA6		0.661					
SA7		0.432					
SA8		0.811					
SA9		0.557					

SA10		0.663					
LTG1	0.624					0.846	0.361
LTG2	0.336						
LTG3	0.428						
LTG4	0.584						
LTG5	0.587						
LTG6	0.646						
LTG7	0.634						
LTG8	0.593						
LTG9	0.754						
LTG10	0.724						
IRT1			0.645			0.881	0.438
IRT2			0.879				
IRT3			0.830				
IRT4			0.577				
IRT5			0.611				
IRT6			0.661				
IRT7			0.512				
IRT8			0.613				
IRT9			0.646				
IRT10			0.458				
OS1				0.775		0.799	0.421
OS2				0.649			
OS3				0.534			
OS4				0.610			
OS5				0.765			
OS6				0.378			
VC1					0.848	0.900	0.695
VC2					0.731		
VC3					0.859		

VC4					0.877		

4.4 Data Analysis for RQ1

This section analyzes the quantitative and qualitative data to determine the relationship between governance inputs (Ownership and VC) and firm development. In alignment with the study's framework, the analysis focuses on how these ownership models activate specific strategic mechanisms—primarily strategic agility, innovation, and risk-taking—to drive growth. By utilizing correlation and multiple regression analysis, the study identifies which governance structures most effectively leverage these processes to achieve sustainable scaling in the Finnish market.

4.4.1 Correlation Analysis

Table 7 presents the correlation analysis to examine how the primary drivers of ownership and venture capital relate to growth through the facilitating roles of SA and IRT. The results showed multiple statistically significant relationships at the 0.05 and 0.01 levels, yielding an understanding of the relationship between the constructs of ownership control, board composition, utilize strategic mechanisms for the Acceleration of Growth. The results of the Strategies, on the one hand, the OS keeps a moderate positive relationship with SA ($r = 0.440$, $p < 0.01$) and LTG ($r = 0.466$, $p < 0.01$). This suggests that SMEs with clearly defined ownership patterns achieve long-term growth by maintaining higher levels of strategic agility in their decision-making. Also, OS correlates partially with IRT ($r = 0.352$, $p < 0.01$), identifying innovation-led projects as a key pathway through which structured ownership influences performance. Nevertheless, the correlation between OS and VC ($r = 0.111$, $p > 0.05$) is low and not significant and suggests that ownership control and VC action might work independently in Finnish SMEs.

On the contrary, VC shows powerful and substantial correlations between performance constructs. VC has a close relationship with IRT ($r = 0.651$, $p < 0.01$), which indicates venture investment functions as a driver of growth by activating the firm's ability to innovate and take risks. Additionally, VC demonstrates strong positive relations with LTG ($r = 0.245$, $p < 0.01$) and SA ($r = 0.114$, $p < 0.05$), which means that investment in VC helps to promote strategic reactiveness and sustainable growth in Finnish SMEs. Moreover, there is a positive moderate relationship between

SA and LTG ($r = 0.466$, $p < 0.01$), which implies that companies with the ability to rapidly adapt to market changes are more likely to maintain the growth patterns in the long run. On the same note, VC ($r = 0.651$, $p < 0.01$) and LTG ($r = 0.483$, $p < 0.01$) show significant positive correlations with IRT, which means that venture-backed funding and strategic flexibility are of significant benefit to innovation-oriented firms. Overall, the correlation analysis indicates that OS and VC have a joint effect on SA, innovation, and growth performance of Finnish SMEs. It confirming that strategic reactiveness is a primary mechanism through which external investment promotes sustainable growth. Overall, the correlation analysis indicates that OS and VC drive the growth performance of Finnish SMEs by leveraging the strategic processes of agility and innovation.

Table 7: Correlation Analysis

Correlations		OS	VC	SA	LTG	IRT
OS	Pearson Correlation	1	0.111	0.440**	0.466**	0.352**
	Sig. (2-tailed)		0.101	0.000	0.000	0.000
	N	220	220	220	220	220
VC	Pearson Correlation	0.111	1	0.114*	.245**	.651**
	Sig. (2-tailed)	0.101		0.031	0.000	0.000
	N	220	220	220	220	220
SA	Pearson Correlation	0.440**	0.114	1	0.466**	0.397**
	Sig. (2-tailed)	0.000	0.091		0.000	0.000
	N	220	220	220	220	220
LTG	Pearson Correlation	0.466**	0.245**	0.466**	1	0.483**
	Sig. (2-tailed)	0.000	0.000	0.000		0.000
	N	220	220	220	220	220
IRT	Pearson Correlation	0.352**	0.651**	0.397**	0.483**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	
	N	220	220	220	220	220
*Correlation is significant at the 0.05 level: **. Correlation is significant at the 0.01 level (2-tailed).						

4.4.2 Multiple Regression Analysis

4.4.2.1 Impact of Ownership Structure (OS) on Strategic Agility (SA), Long-term Growth (LTG), and Innovation & Risk-taking (IRT)

As shown in Table 8, multiple regression analysis investigates how OS determines three growth acceleration variables with SA, LTG, and IRT among Finnish SMEs. The model exhibits a great explanatory power and statistical significance, which shows the essential role of OS in activating the flexibility and innovation required for growth. According to the Model Summary, the R value is 0.537, which depicts that the OS has a moderate to strong positive association with the combination of growth factors. The value of R-squared of 0.289 indicates that a large proportion of 28.9 of the variances of OS is accounted for by the combination of SA, LTG, and IRT. The value of Adjusted R Square of 0.279 affirms that the model still can explain even after the number of predictors has been factored, thus showing the strength and the dependability of the model.

The significance of the model ($F = 29.223$, $p < 0.001$) is also supported by the ANOVA results and proves that variations in strategic agility and innovation orientations are the specific mechanisms that explain ownership-based growth dynamics. This means that differences in the SA, LTG orientation, and innovation inclinations are major factors that can be used in explaining the ownership-based related dynamics within Finnish SMEs. The coefficients, all three predictors, exhibit positive effects on OS that are statistically significant. The biggest impact is on LTG ($B = 0.403$, $t = 4.196$, $p < 0.001$), and it indicating that SMEs oriented toward sustainable growth rely on structured ownership to maintain the stability of their growth mechanisms.

A significant influence is also SA ($B = 0.271$, $t = 3.924$, $p < 0.001$), suggesting that effective ownership governance explains growth by enabling companies to respond promptly to market changes. The analysis indicates that OS is an enabler of growth by facilitating strategic nimbleness and sustainable innovation. IRT ($B = 0.215$, $t = 2.589$, $p = 0.013$) is also lower, but still with a strong positive effect, representing that the ownership control favors and promotes entrepreneurial experimentation and innovation. The regression analysis indicates that OS is one of the enablers of strategic nimbleness, sustainable growth, and innovation among Finnish SMEs. Companies whose OS is well-established seem better placed to balance between being strategic and responsive in the short term and long-term performance objectives, and, therefore, increase their ability to experience growth acceleration.

Table 8: Regression analysis between Ownership Structure (OS) and Growth Acceleration Parameters

Model Summary					
R	R Square	Adjusted R Square	Std. Error of the Estimate		
0.537	0.289	0.279	0.56188		
ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Regression	27.678	3	9.226	29.223	<0.001
Residual	68.194	216	0.316		
Total	95.872	219			
Coefficients					
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.848	0.282		3.012	0.003
SA	0.271	0.069	0.261	3.924	0.000
LTG	0.403	0.096	0.293	4.196	0.000
IRT	0.215	0.072	0.207	2.589	0.013

4.4.2.2 Impact of Venture Capital (VC) on Strategic Agility (SA), Long-term Growth (LTG), and Innovation & Risk-taking (IRT)

Regression analysis was used to determine the influence of VC on SA, LTG, and IRT. The model revealed that VC was closely related to the growth acceleration parameters, and the model had an R value of 0.671 and an R-squared of 0.450, which implied that 45% of the variation in the growth acceleration parameters was explained by VC. The strong adjusted R-squared of 0.442 is an affirmation of the strength of the model. The outcome of ANOVA ($F = 58.872$, $p < 0.001$) indicates that the general model is statistically significant. In terms of individual predictors, VC is significant and positive, but with a strong effect on IRT ($B = 1.293$, $p < 0.001$), identifying risk-taking and experimentation as the primary mechanical engine through which venture capital translates into firm scaling. The positive effect on SA (B = 0.273) further validates strategic agility as a mediating capability that venture-backed firms use to achieve rapid returns.

Table 9: Regression Analysis between Venture Capital (VC) and Growth Acceleration Parameters

Model Summary					
R	R Square	Adjusted R Square	Std. Error of the Estimate		
0.671	0.450	0.442	0.81207		
ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Regression	116.471	3	38.824	58.872	<0.001
Residual	142.443	216	0.659		
Total	258.914	219			
Coefficients					
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.700	0.407		1.719	0.027
SA	0.273	0.100	0.160	2.741	0.007
LTG	0.076	0.139	0.033	0.545	0.046
IRT	1.293	0.104	0.731	12.371	0.000

4.4.3 Thematic Analysis

The participants mention that VC participation leads to greater structural professionalism, which serves as the primary mechanism for introducing formalized management practices that facilitate calculated innovation (Figure 1).

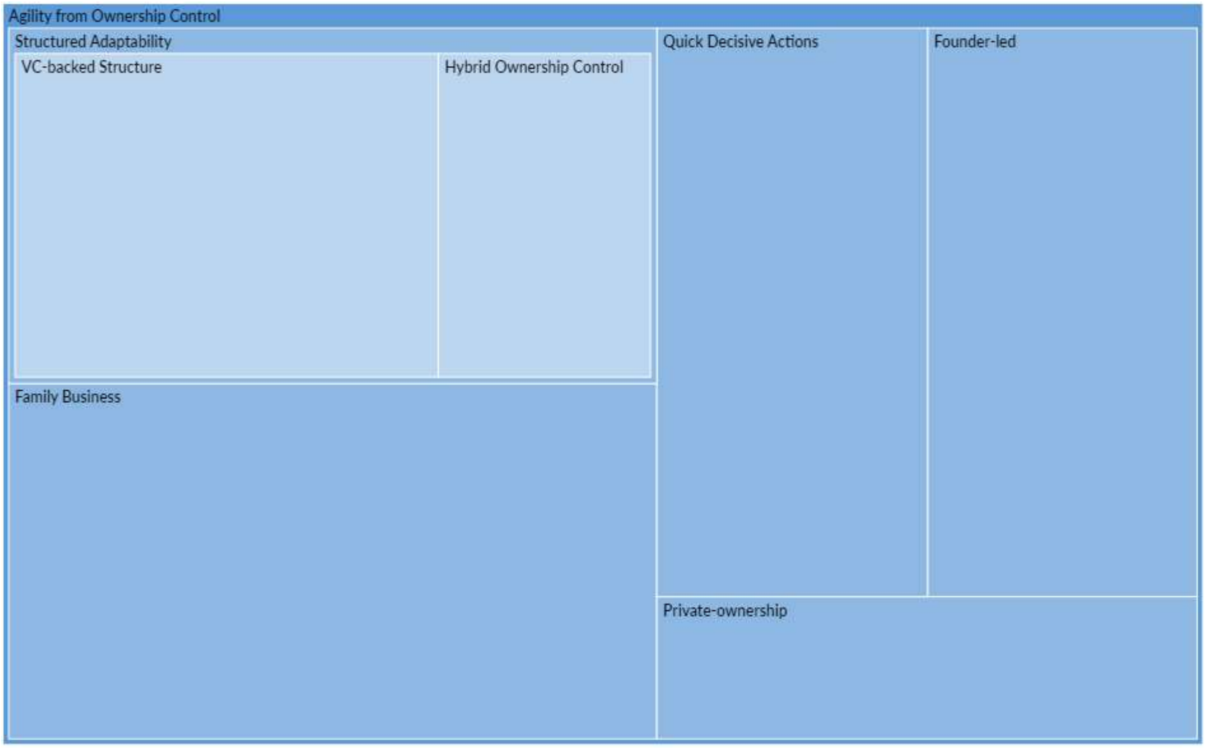

Figure 2: Impact of Ownership Control on Strategic Agility

It was found that hybrid ownership systems facilitate collaborative decision-making, acting as the underlying process that enables strategic pivotal decisions. Conversely, the agility mechanism of quick, decisive action is stronger in founder-led companies. Respondents underlined that founder-based OS drives growth by removing bureaucratic delays, allowing decision velocity to function as a catalyst for instant strategic changes. However, while this agility-based growth mechanism is effective for short-term responsiveness, it requires balanced governance to ensure long-term strategic alignment as organizations scale.

Family businesses occupy a unique position in this framework. Thematic responses identified that while family ownership ensures continuity, the innovation mechanism often relies on generational change and receptiveness to external expertise. This suggests that for family-controlled firms, the ability to activate aggressive growth strategies depends on using board diversification as a mechanism to introduce professionalization. The results support the claim that optimal growth acceleration occurs when SMEs balance two distinct growth mechanisms: institutional structure and entrepreneurial speed.

The qualitative analysis demonstrates that OS and Board Composition are the key forces determining growth by shaping the firm's strategic orientation (Figure 2). The data depicts a continuum of ownership designs where speed and discipline serve as competing mechanisms for strategy execution. Ownership stands out as a determinant that explains the direction and speed of growth-oriented decisions. The involvement of VC is consistently linked to experimentation-based strategies, which function as the specific mechanical engine for faster scaling. VC is likely to institutionalize innovation, acting as a functional catalyst and network lever that forces high expectations and return mechanisms.

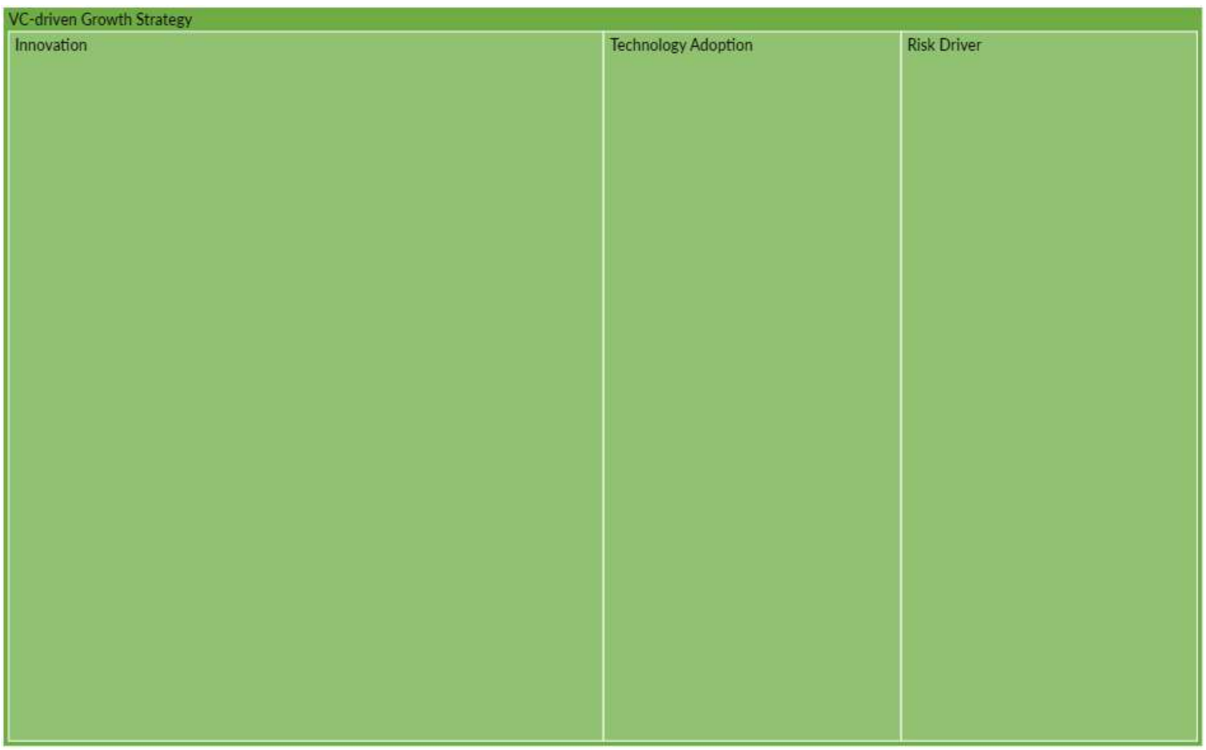

Figure 3: Venture-Capital Growth Strategy

A major tension was noted: although external ownership can enhance growth by activating short-term agility and risk-taking mechanisms, it can also define the long-term horizon by shifting the focus toward aggressive scaling. The data indicate that ownership with a predisposition to external finance explains quicker scaling by increasing the organizational propensity for innovation. Board composition acts as a lever for growth, where intentional diversification is a governance response that enhances the mechanisms of strategic planning and legitimacy.

There is also a change in the roles of boards throughout the development lifecycle. Start-ups depend on founder-biased boards, where agility is the dominant mechanism for progress. Subsequent phases introduce formal control, shifting the mechanism toward risk management and stakeholder accountability. The balancing act for family SMEs involves adopting governance structures that enable growth while retaining family values. Key barriers include cultural resistance and slow approval processes, which impede the efficiency of the decision-making mechanism. Respondents recommend reducing bureaucracy to instigate governance arrangements that directly fund experimentation as a pathway to expansion.

Finally, companies that integrate family stewardship with outside skills report more success because they successfully harmonize family continuity with the scale-up mechanisms required for growth. Under dual ownership, investor and operational controls are conducted such that they facilitate both agility and financial stability. Without exception, respondents attribute market efficiency to technological adoption, which is the mechanical tool used to break down market entry barriers. Ultimately, governance that encourages experimentation significantly enhances the firm's ability to use technology as a mechanism for scaling.

4.5 Data Analysis for RQ2

Following the identification of ownership as a driver of growth, this section explores the structural evolution of the board as a facilitating mechanism. As SMEs move through different development phases, their governance requirements shift from informal oversight to professionalized systems. This qualitative analysis investigates how the professionalization of the board and the adoption of hybrid structures serve as the organizational engine required to manage increasing complexity and maintain the momentum of growth established in earlier stages.

Figure 4: Board Composition and Governance Evolution

Analysis of Figure 3 shows that the development of board composition and governance structures in Finnish SMEs is a transformative period instigated by generational shifts and market forces. As these SMEs grow, their boards shift from family-focused, informal structures into professionalized hybrid boards. This structural evolution functions as a critical mechanism that enables the firm to cope with complexity and maintain its growth pace. Within the SME culture, the theme of "Professionalism of the Board" reflects a generational mix where combining experience with new visions assists in activating the innovation mechanism. Generational diversity brings about balanced decision-making, while external knowledge adds legitimacy. Outside board members facilitate growth by introducing a market orientation prism, which serves as the mechanism for transforming personalized control into institutionalized accountability. Likewise, gender, professional, and cognitive diversity were revealed as structural sources that trigger the strategic mechanisms of creativity and flexibility.

The second key theme, Hybrid Governance Structure, embodies the development of more advanced governance processes. The management-ownership separation has become a maturing model, acting as a mechanism that allows owners to concentrate on strategic visioning while professional managers drive operational growth. This hybridization is enhanced by autonomous advisory boards that provide expert consultation without undermining family control. Furthermore, the introduction of dual-board systems—separating supervisory and executive functions—is an institutional change that explains increased stability and transparency in larger or internationalizing SMEs.

Formalizing Succession is another individual dimension that forms the basis of continuity. Succession stability functions as a stabilizing mechanism, regulating leadership change without interfering with organizational values. According to the responses, structured succession planning is the process that develops confidence and credibility among stakeholders. This credibility justifies the external legitimacy needed when seeking new markets and capital.

Finally, the results demonstrate a logical evolution where Finnish SMEs shift toward institution-based professionalism. This strategic change is designed to align board composition and leadership continuity with growth objectives, utilizing improved governance as the primary engine for strategic resilience and sustained competitiveness.

4.6 Data Analysis for RQ3

While the previous sections identify the drivers and structural evolutions of growth, this final analysis addresses the internal and external barriers that stifle growth mechanisms. This section examines the tension between Socioemotional Wealth (SEW) and aggressive scaling. By identifying these challenges—such as legacy attachment and dividend conflicts—the study illustrates how inefficient governance can block the innovation and agility processes, thereby preventing the firm from reaching its full growth potential.

The theme reflects the long-standing conflict between the need to achieve socioemotional wealth (SEW)—the family's non-financial quest for control and legacy—and the pressure of aggressive growth strategies. The discussion showed that deeply rooted attitudes to retain family control impede the activation of the Strategic Agility (SA) mechanism. This limits the external investment and risks required for scaling, as the strategy of keeping control often takes precedence over innovation-led growth pathways (Figure 4).

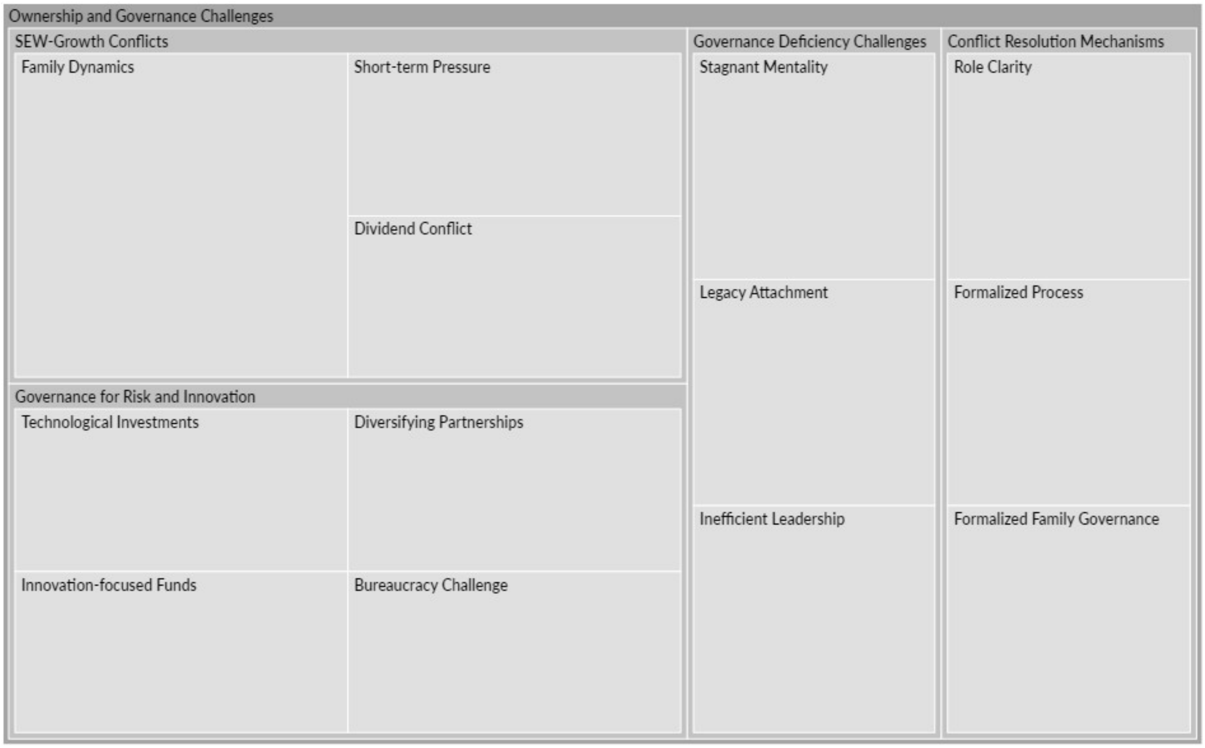

Figure 5: Ownership and Governance Challenges

Sub-themes such as short-term pressure and dividend conflict became important. While fast-growing SMEs use profit reinvestment as a mechanism for research and expansion, family shareholders often prioritize short-term returns. This emotional attachment creates a conservative capital preference that waters down the growth potential by restricting the commitment to reinvestment. Consequently, family-owned SMEs must recalibrate their governance to prioritize the mechanisms of reinvestment and innovation over immediate profit extraction to achieve economic development.

Governance for Risk and Innovation as a Facilitator The adoption of an effective governance system acts as the engine that drives innovation. Participants noted that long-term success depends on governance structures that generate funds specifically for the innovation mechanism. Experimental projects, when treated as learning opportunities, function as a strategic process for scaling. Diversifying partnerships with venture capital and research institutions provides the necessary external resources to trigger these innovation mechanisms. Conversely, bureaucratic delays caused by excessive formal rules stifle the growth mechanism by preventing the immediate implementation of innovative ideas.

Internal Challenges and the Professionalization Trajectory Inefficient leadership, legacy attachment, and a stagnant mentality were identified as major barriers that paralyze the organization's growth mechanisms. Legacy attachment prevents the implementation of new strategies, while family influence often halts transformation in favor of a "culture of maintenance." This cultural stagnation interrupts the agility mechanism, leading to slow decision-making and poor task sharing.

The shift toward an organized, professional governance system indicates a move away from personality-based control. Structured family governance and clear roles function as the mechanisms for managing internal conflict. By separating business decisions from personal feelings, firms build a sense of accountability that allows the strategic growth mechanisms to operate without emotional interference. Adopting a structured governance system—including written board rules and independent expert advice—is the primary solution that ensures the professionalization trajectory leads to continuous economic growth.

Finally, Finnish SMEs focus on balancing emotion and logic. Growth is significantly hampered when weak governance allows family dynamics to block strategic agility. On the other hand, sustained growth is assured when clear innovation governance and structured conflict management systems are in place. Balancing economic goals with emotional values allows the firm to maintain its long-term growth orientation through a hybrid governance model that integrates family stewardship with external professional insight.

4.7 Summary of Data Findings

The existence of multidimensional relationships among growth acceleration in Finnish SMEs, ownership structure, and venture capital involvement was supported by the study's overall findings. The study's thematic and statistical results indicated a strong connection between long-term growth and the facilitating mechanisms of innovation, flexible governance, and ownership. The holistic understanding of an organization's ownership and governance systems was achieved through the integration of qualitative and quantitative data, which helped shape the strategic mechanisms of innovation culture, SME adaptability, and strategic resilience in an evolving, competitive market.

The existence of a positive relationship among key variables was demonstrated through the correlation analysis presented in Table 7. Innovation and risk-taking (IRT) and strategic agility (SA) emerged as the core mechanisms through which ownership structure (OS) and venture capital (VC) correlate with long-term growth. Ownership structure correlated strongly with the mechanisms of strategic agility ($r = 0.440$, $p < 0.01$) and innovation ($r = 0.352$, $p < 0.01$), indicating that structured frameworks drive growth by activating these capabilities. Venture capital showed strong correlations with the innovation mechanism ($r = 0.651$, $p < 0.01$), reinforcing its role as a catalyst for high-growth strategies.

The relationship was reinforced using regression analysis. The 28.9% of ownership variation was explained by how ownership integrates with the three growth-driving mechanisms (SA, LTG orientation, and IRT). The existence of a strong influence of ownership on growth was assured through the mediating effect of innovation and risk-taking ($B = 0.215$, $p = 0.013$) and strategic agility ($B = 0.271$, $p < 0.001$), which serve as key enablers within the ownership framework. Furthermore, the predictive relationship for VC ($R^2 = 0.450$) confirmed that innovation and risk-taking are strongly boosted as the primary mechanical engine for growth ($B = 1.293$, $p < 0.001$). Instead of comparing with family funding alone, venture capital drives growth by utilizing more innovative and flexible strategic processes.

The thematic analysis provided a deeper understanding of how governance systems activate these growth mechanisms in real business settings:

- Figure 1: Structured adaptability and quick actions were identified as the two major agility mechanisms revealing the impact of Ownership Control. Strategic agility functions as the process through which SMEs balance entrepreneurial speed with institutional stability.
- Figure 2: Changes in governance resulting from VC were explored as a growth strategy where innovation is institutionalized. VC serves as a functional catalyst, using the

mechanism of experimentation to transition from founder-controlled boards to professional, diverse boards that facilitate scalability.

- Figure 3: The evolution of board composition was analyzed as a transformative mechanism for coping with complexity. Adding generational diversity and external experts triggers the mechanisms of creativity and flexibility, providing the strategic vision necessary for sustained competitiveness.
- Figure 4: Challenges such as emotional attachment and legacy were identified as barriers that impede the growth mechanisms. Stronger growth was assured when firms created clear systems for innovation governance to manage these internal barriers, shifting from personality-driven control to professional-focused systems.

The strategic flexibility and business growth in Finnish SMEs were assured through the integration of ownership and governance systems. The higher level of sustainable performance was achieved by using professionalized governance to activate formalized decision-making and innovation processes. Accountability and discipline were achieved with VC serving as the mechanism for financial and strategic reform. Ultimately, the firm's capacity was shaped by the evolution of governance and ownership mechanisms, which ensure sustainable, long-term growth by integrating institutionalized innovation and managing risk effectively.

Chapter 5: Discussion

5.1 Introduction

Different ownership dynamics contribute to the rapid growth of an organization and board characteristics discussed in this chapter titled "Dynamics of Ownership Control, board composition, and Their Impact on Growth Acceleration in Finnish SMEs". Various factors, such as innovation, long-term growth, strategic ability, governance, and ownership structure play a major role in the discussion of the chapter, which integrates established theoretical findings with quantitative findings. Instead of focusing on restating the results from the existing literature, the study focuses mainly on broader implications of critical aspects related to the context of Finnish small and medium-sized enterprises (SMEs) were briefly explored in this chapter. In line with the conceptual framework, this chapter interprets the findings using a mediation logic, where ownership control and governance structures influence growth outcomes indirectly through strategic agility, innovation, and risk-taking capabilities. Strategic agility, innovation, and risk-taking are therefore discussed as mediating strategic capabilities rather than as direct performance outcomes, explaining how governance dynamics translate into growth acceleration and long-term growth.

The chapter explored was aligned based on the consideration of research objectives and questions used in the study. The demographics and structural characteristics of sampled SMEs were reflected briefly in the chapter with the integration of elaborate discussion on various factors such as risk-taking as growth acceleration mechanisms, innovation, long-term growth, and strategic ability. The shaping of governance dynamics by the role of different ownership arrangements and venture capital was highlighted in the study concludes with associated challenges faced by family-owned SMEs. The study contribution to the growth of corporate governance and SMEs in Finland was assured by empirical findings that are contextualized using existing academic literature, adding value to the study.

The results presented in the existing chapter are elaborated briefly in this chapter. The readers of the study were provided with a complete understanding by connecting the relevant theories with the numerical findings of the study. A deeper and more comprehensive understanding of how ownership control and governance structures influence and interact with factors that drive rapid growth in Finnish SMEs was provided by the study's results, which include regression models, correlation analysis, and descriptive statistics. The significance of the findings was assured by the analytical and reflective approach adopted by each chapter of the study.

The discussion chapter plays a major role in the study related to SMEs, exploring the brief analysis, unpacking causal logic, clarifying observed patterns, and situating results within broader governance and entrepreneurship debates. The cause-and-effect logic that exists behind the findings of the study was highlighted using the discussion chapter of the study. The existence of a strong institutional framework, increasing exposure to global competitive pressure, and prevalence of family ownership in the Finnish SMEs environment were briefly highlighted in the study. Instead of focusing more on statistical results, the study focuses more on the real-time manifestation of business settings needed for the future development of government practices in Finnish SMEs.

The study's core objectives, aligned with empirical insights carefully connected with this chapter, considered as the main goal of the study, ensure that all part of the study was logically connected with each other. The reliability and credibility of the research were assured based on the real-time empirical findings used in the study, connected with the core objectives of the study. The study provides valuable insights for practical decision-making by business leaders and managers.

The consolidation of fragmented empirical insights into a coherent narrative explaining growth acceleration within Finnish SMEs was provided in the discussion chapter of the study. The existence of a statistical relationship was explored in an earlier chapter of the study. The comparison of governance mechanisms in a real-world organizational context is emphasized by the present discussion of the study. The idea of SMEs growth was strongly associated with multifaceted processes such as level of governance development, ownership intent, and strategic adaptability predicted by the chapter. Accordingly, the discussion emphasizes strategic agility as a key growth enabler, while innovation and risk-taking are examined as entrepreneurial mechanisms that support sustained long-term growth.

In a unique high socio-economic system, the existence of Finnish SME operations was acknowledged by the chapter, characterized by various contextual factors such as a strong regulatory framework, high institutional trust, and collaborative business culture. The interpretation and governance decisions were impacted by various contextual factors. The implementation of existing governance theories not only focuses on the studies, instead focuses more on theories related to the specific context of Finnish SMEs, helping to assure the relevance of the findings included in the study, increasing the usefulness of both practical and academic audiences. This structured interpretation ensures consistency between the conceptual framework, empirical findings, and discussion, while directly addressing the study's research questions.

5.2 Contextualizing the Demographic and Organizational Profile

The Finnish SMEs over 45 years of age and occupying senior managerial roles were considered participants for the study. The mature leadership structure of the participant used in the study was assured by age and role of concentration, focused on selecting the participants of the study. The long-term ownership involvement and managerial experience were considered as major criteria in prior research studies related to the evaluation of SMEs. The credibility of the findings was assured by a high proportion of owners included among participants. Moreover, attitude toward work and strategic decision in SMEs was shaped mainly with the help of owners (Connelly et al., 2010). The demographic profile of senior and owner-managers is particularly relevant in this study, as such actors play a central role in shaping strategic agility, innovation orientation, and risk-taking behaviors within Finnish SMEs.

A major part of the Finnish economy was occupied by family-owned businesses considered participants of the study. The decisions made in family family-owned business were shaped by the integration of a governance system that includes both the informal influence of family members and formal rules. Within family-owned SMEs, governance practices influenced by family involvement affect how strategic capabilities—especially innovation and risk-taking—are developed and deployed to support long-term growth. The long-term existence of stability of an organization was assured by many of the firms in Finland that had been operating for more than 20 years. The development of the firm at different stages and changes in governance practices were made clearly by the consideration of an organization with long experience. This governance maturity provides an appropriate context for examining how strategic agility functions as a growth enabler rather than as a direct outcome of ownership structure. The findings of the study were found applicable and meaningful by the consideration of a real, established SMEs governance environment instead of focusing on a start-up or short-lived firm. As decision-making authority is concentrated among owners and senior managers, governance choices directly influence strategic and entrepreneurial capabilities, which in turn shape growth acceleration outcomes.

The governance work in Finnish SMEs was best understood by considering the consideration of age and background of the respondent. The best decisions made by the organization were highlighted in an effective manner by the consideration of 45-year-old respondent in the study. The governance behaviour of an organization was impacted by a higher level of demographic maturity.

The inclusion of a stronger role of participants in the study was assured by the inclusion of a larger number of managers and owners in governing Finnish SMEs. In comparing with public listed companies, the decision-making power of SME was held by owners. On the other hand, the decision-making power in public organizations depended on executives, shareholders, and authorities included in the boards. The strategic decisions in an organization depend on the integration of management roles and ownership based on individual attitudes toward risk, family tradition, and personal belief. The family dynamics, long-standing personal connections, and deeply influenced by social relationships play a major role in governance decisions in Finnish SMEs.

The firm operating for a long time was considered in the study indicates a high level of governance maturity. The consideration of a long-time experience firm in the study helps to explore various challenges faced by SMEs, such as changes in regulations, various economic up and down, and transitions in the leadership were briefly explored in the study. Even though many of the benefits exist in considering the firm with long-term experience for the study includes a few challenges, such as where firms demonstrate stability and strategic intent while simultaneously exhibiting caution toward aggressive risk taking and external investment. Such cautious attitudes toward risk-taking further reinforce the relevance of examining risk-taking as a mediating capability that explains how governance structures translate into sustained long-term growth.

5.3 Strategic Agility as a Growth Enabler in Finnish SMEs

The higher level of strategic ability was exhibited by Finnish SMEs. To address the needs of the market and to modify the strategic priorities, most of the organizations accept the changes in the business environment highlighted by the respondents included in the study. The firm operating in an uncertain and dynamic environment needs to emphasize the implementation of agility as essential for SMEs, aligned with the findings of the existing research. The complex bureaucratic system plays a major role in large organizations instead, SMEs benefit from quick decisions made by owners and the adoption of a flexible governance structure (Seyadi & Elali, 2021). These findings position strategic agility not as a direct outcome of ownership or governance, but as a key mediating capability through which Finnish SMEs translate governance flexibility into growth acceleration.

The implementation of higher strategic ability was linked with the adoption of a clear and concentrated ownership structure helps to make efficient and quick decisions in an organization. The occurrence of bureaucratic delays in family-owned firms in Finnish SMEs helps to enable quick strategic responses. The organizational outcome tied closely with personal wealth and identity of owners and managers in SMEs helps to achieve the success of an organization based on the support provided by stewardship theory. On the other hand, due to excessive family control in SMEs, they reported a lower level of agility. The agility was enhanced by focusing on concentrated ownership predicated on the findings of the study. This supports the mediation logic of the study, whereby ownership concentration influences growth outcomes indirectly by shaping the firm’s level of strategic agility.

The existence of a connection with business growth and ownership structure depends on the implementation of strategic ability. The respondents of the study explored that the adoption of moderate-to-high levels of strategic agility helps Finnish SMEs to recognise the importance of quick changing and adapting the strategies (Clauss et al., 2019). Due to increasing sustainability demands, rapid technological change, and market liberalization, most of the business environment was forced to adapt to strategic agility. The governance efficiency in an organization was enhanced by the existence of a positive relationship between strategic ability and ownership structure. The existence of risks and opportunities in the family-owned SME was recognised through deep, experience-based (tacit) knowledge of the firm (Xing et al., 2019). Accordingly, strategic agility emerges as a central growth enabler, allowing Finnish SMEs to convert governance structures and ownership intent into adaptive growth-oriented strategies.

The same level of strategic ability was not explored by all SMEs. The presence of overly centralized decision-making and insufficient support from boards in the firm was assured by lower scores on certain agility measures. The enhancement of agility in the firm was reduced by having ownership concentrated in a few hands, limiting the exposure to the implementation of new strategic ideas (Vrontis et al., 2022). The implementation of shared norms and values, such as open communication allowing decisions to be made at lower levels rather than strictly at the top, and strong trust among employees, helps to implement strategic agility in Finnish SMEs (Kale et al., 2019). Such governance constraints weaken the mediating role of strategic agility, thereby limiting the firm's ability to respond effectively to growth opportunities.

In all areas of SME operations, the implementation of strategic agility was not equally strong predicated by the findings of the study. For day-to-day operational changes, the implementation of strategic agility helps in the enhancement of the firm but faces challenges in mindset and leadership orientation. The existence of emerging opportunities was proactively identified by SMEs, including advisory councils and external board members benefit from strategic perspectives. The open debate and differing viewpoints in the governance system were enhanced by strategic agility highlighted in the discussion of the study. The diverse knowledge and viewing of alternative perspectives in an organization was enhanced by the inclusion of external board members or advisory councils in SMEs. The openness in ownership and board diversity in governance of the firm was influenced by strategic agility instead of being simply connected with ownership. This indicates that board diversity and advisory support strengthen strategic agility, reinforcing its mediating role between governance arrangements and long-term growth outcomes.

5.4 Long-Term Growth Orientation and Governance Stability

The moderate but steady growth over time was observed in Finnish SMEs predicated as the result by the study. The establishment of a stable and well-defined governance system in the SMEs depends on ownership structure and a strong relationship with long-term growth. The firms are focusing more on investing in capacity building, market expansion, and organizational learning by adoption a clear ownership framework and long-term strategic vision. In this study, long-term growth is treated as a core outcome variable, reflecting the cumulative effects of ownership structure and governance stability over time rather than short-term performance fluctuations.

According to regression analysis, the ownership structure was linked with the long-term growth of an organization. Instead of focusing on immediate financial gains, sustainable growth over time needs to focus on ownership decisions in Finnish SMEs was strongly recommended by the study. The strategic choices play a major role in family-owned business, helps the desire to pass the business onto future generations was predicated by the findings of the study. The firm was able to manage the balance between short-term profitability with sustained investments in employees, an effective governance structure, and technology by adoption a strong long-term orientation. These findings indicate that ownership structure influences long-term growth primarily through mediating strategic capabilities, rather than through direct governance effects alone.

The implementation of strategic intent was not translated into sustained outcomes by all SMEs; a few have relatively lower mean scores. The growth of the firm was impacted by external uncertainties, such as capital constraints that may limit growth realization and regulatory pressures. To manage new challenges efficiently, an organization needs to adopt a flexible governance structure. Instead of focusing on rapid or aggressive expansion, Finnish SMEs adopt a steady, incremental approach. Sustainability, resilience, and stakeholder welfare were assured through the adoption of a balanced growth perspective aligned with the Nordic business ethos. Such governance stability creates the conditions under which strategic agility, innovation, and calibrated risk-taking can operate effectively, thereby supporting sustained growth trajectories.

Whereas the moderate mean outcomes for few growths drivers' emphasis structural barriers. Lack of adequate availability to capital, regulatory obedience pressures, and careful investment behaviour tend to limit the growth observation (Irwin et al., 2019). Therefore, such barriers highlight the necessity for governance adaptability, where organizations occasionally re-evaluate their strategic priorities, board composition, and ownership arrangements to integrate with changing market circumstances. When governance adaptability is constrained, the mediating role of strategic capabilities is weakened, limiting the translation of strategic intent into long-term growth outcomes.

In Finnish SMEs, "long-term growth orientation" shows a thoughtful harmonizing performance between prudence and goal. Thus, the research outcomes indicate that governance stability offers a psychological factor that enables organizations to follow rapid growth without negotiating organizational consistency. Hence, consistent ownership measures lead to decreased uncertainty, allowing management to promise resources to sustainable principles, including "market diversification" and "workforce development" (Zornoza et al., 2020). This psychological stability reinforces long-term growth by enabling managers to deploy strategic capabilities consistently, even in the presence of environmental uncertainty.

At the same time, stability tends to cover structural severity. Therefore, SMEs with ingrained governance measures lead to interrupt required strategic revitalization, especially when challenged with technological interruptions. Finally, the outcomes underscored that governance stability needs to be supported by regular strategic re-evaluation to mitigate inertia. Without periodic strategic renewal, governance stability may dampen the effectiveness of strategic agility and innovation as mediating mechanisms for growth.

Moreover, the communication between growth orientation and governance consistency emphasizes the significance of succession forecasting. Organizations that dynamically project leadership evolutions are effectively placed to endure growth momentum throughout generations. On the contrary, weakly supervised succession leads to interrupted strategic endurance and weakens sustainable growth goals. Finally, such perspectives emphasis the interrelation of growth sustainability, and governance prudence. Effective succession planning therefore acts as a reinforcing governance mechanism that sustains strategic capabilities across generations, preserving long-term growth momentum.

5.5 Innovation and Risk-Taking in Family-Owned SMEs

From the results, it is obtained that risk-taking and innovation showed the broader changes among each construct, revealing opposing ownership attitudes and organizational cultures. In the findings, the lower mean range for prior-stage risk-taking drivers indicates a careful method among several Finnish SMEs, especially family-owned organizations. Such outcomes integrate with existing studies, suggesting that family organizations seek to prioritize organizational durability and wealth preservation over violent innovation processes. Within the conceptual framework of this study, innovation and risk-taking are treated as mediating entrepreneurial capabilities through which ownership structure and governance arrangements influence growth outcomes.

Alongside higher scores for incremental innovation and technology adoption, it shows a rapid transformation toward innovation-based development. The efficient correlation between venture capital and risk-taking and innovation emphasizes the changing influence of external financing in fluctuating organizational risk profiles. Thus, venture-supported SMEs are more interested in pursuing innovative projects, entering emerging markets, and incorporating new technologies. This indicates that venture capital involvement strengthens the mediating role of innovation and risk-taking by expanding SMEs' strategic scope and tolerance for uncertainty.

The outcomes from a theoretical viewpoint leverage "resource dependence theory," which states that access to external resources fosters strategic behaviour. Thus, venture capital offers financial assets and presents professional governance activities, performance responsibility, and external skills, framing risk insights within SMEs. At the same time, risk-taking and innovation introduce the challenged and effective aspects of SME governance. Therefore, the outcomes of this present paper show a careful innovation culture among several Finnish SMEs, especially those with effective family control. Moreover, such aware shows an intention to safeguard collected wealth and neglect threatening family legacy. Accordingly, governance mechanisms determine how effectively innovation and risk-taking operate as mediators between ownership control and long-term growth.

The higher scores for process innovation and technology adoption indicate a chosen method to mitigate risk. Compared to the following fundamental innovation, a few SMEs support incremental advancements that promote competitiveness and efficiency without undermining precious practices. Hence, such a pattern is associate with the idea of controlled entrepreneurship, where innovation is followed within transparent risk limitations. Such controlled entrepreneurship allows family-owned SMEs to sustain innovation-driven growth while preserving governance stability.

An effective correlation between innovation and venture capital emphasizes the transformative possibility of external investment. Furthermore, venture capital provides financial capital, governance discipline, and performance expectations. SMEs involved in venture capital are usually obliged to incorporate growth-based processes, differentiate boards, and professionalize management. Such a transformation leads to inspiring innovation-based development and enhancing organizational risk tolerance. Through these governance changes, innovation and risk-taking become more potent mediating mechanisms translating external investment into growth acceleration.

Furthermore, the discussion section discloses that innovation in family-based SMEs is usually relational compared to completely technological. The researcher found that innovation principles randomly appear from customer associations, employee-based advancements, and supplier partnerships. Thus, such relational innovation integrates with family governance appreciations, underscoring sustainable partnerships and trust. On the contrary, risk aversion is usually observed as a challenge, which serves as a balancing driver. Family-based SMEs lead to reserve financial resilience by neglecting high support and speculative ventures. The barriers depend on differentiating practical risk administration from high conservatism. Thus, the result indicates that governance instruments, including performance metrics and official innovation processes, assist in calibrating risk-taking attitudes. This relational form of innovation supports long-term growth by embedding entrepreneurial activity within trusted governance relationships.

Additionally, the influence of generational involvement seems essential. Therefore, younger family members seek support for market expansion and digital transformation, presenting stress within governance structures. In summary, this intergenerational dialogue promotes innovation capacity. Innovation outcomes are highly implemented in family governance dynamics. Intergenerational involvement therefore reinforces innovation and risk-taking as enduring mediating capabilities that sustain growth momentum over time.

5.6 Ownership Structure as a Governance Catalyst

In constructing growth outcomes, strategic decision-making, and governance robustness, ownership structure plays a key role. The research outcomes suggest that Finnish SMEs with organized ownership measures illustrate higher degrees of innovation capacity, sustainable growth orientation, and strategic agility. Thus, these outcomes leverage the criticism that ownership control presents as a governance influence, fostering strategic prioritize, managerial autonomy, and board composition. Within the mediation framework adopted in this study, ownership structure functions as a foundational governance antecedent that shapes strategic agility, innovation, and risk-taking rather than directly determining growth outcomes.

The moderate to strong correlations between ownership structure and all growth acceleration parameters highlight the integrative role of ownership in aligning organizational objectives. In family-owned SMEs, ownership concentration facilitates swift decision-making but also necessitates governance mechanisms to prevent stagnation or excessive risk aversion. The results suggest that balanced ownership structures—combining family control with professional governance are most conducive to growth acceleration. These findings indicate that ownership concentration influences growth acceleration indirectly by enabling or constraining the firm’s strategic and entrepreneurial capabilities.

In this research, ownership structure performs as the architectural model within which the governance decisions are conducted. The research outcome ensures that structured ownership measures promote growth integration, responsibility, and strategic consistency. Therefore, ownership structures in Finnish SMEs usually change organically, constructed by external stress, succession planning, and family dynamics. Accordingly, ownership structure provides the governance context within which strategic agility, innovation, and risk-taking are either fostered or restrained.

The average efficient relationship between growth parameters and ownership structure indicates that ownership transparency decreases conflict and uncertainty. Direct explanation of ownership rights offers robust strategic integration, managerial autonomy, and board functioning. On the contrary, uncertain ownership arrangements result in strategic ideas, internal conflict, and governance immobility. Such clarity enhances the effectiveness of strategic capabilities as mediators by reducing governance friction and accelerating strategic response.

Importantly, the findings indicate that ownership structure is not static but adaptive. SMEs that periodically review and adjust ownership arrangements—through equity redistribution, shareholder agreements, or external partnerships—are better positioned to accelerate growth. This adaptability reflects governance maturity and strategic foresight. Adaptive ownership arrangements therefore sustain growth momentum by continuously realigning governance structures with evolving strategic capability requirements.

Ownership structure also influences accountability mechanisms within SMEs. Clearly defined ownership rights facilitate performance evaluation and strategic accountability, reducing ambiguity in decision-making authority. This clarity becomes increasingly important as firms grow and managerial roles become more specialized. This accountability strengthens innovation and risk-taking as disciplined entrepreneurial capabilities rather than unstructured managerial discretion.

The discussion highlights that strategically managed ownership dispersion can enhance governance effectiveness. Minority shareholders often introduce external scrutiny and performance discipline, which can counterbalance dominant owner influence. However, without clear shareholder agreements, ownership dispersion may also generate conflict and strategic fragmentation. When appropriately governed, ownership dispersion enhances strategic agility by balancing dominant owner influence with external oversight.

In summary, the outcomes indicate that optimal ownership frameworks are reliant compared to universal. Therefore, Finnish SMEs advantages from specific adaptive ownership measures that change the organizational difficulty. Moreover, such adaptability shows the governance sophistication and participates in long-term growth. Ultimately, these adaptive ownership configurations influence long-term growth outcomes through their impact on mediating strategic capabilities rather than through direct governance effects.

5.7 Venture Capital and Its Strategic Implications

The researcher found venture capital as an essential, but underutilized growth force among Finnish SMEs. Therefore, the descriptive evaluation showed low moderate involvement with venture capital, showing issues over "long-term autonomy, cultural mismatch, and control dilution." Such robust correlations between "long-term growth, innovation, and venture capital" suggest that while incorporated, "venture capital" substantially promotes growth possibility. Within the mediation framework, venture capital functions as an enabling governance mechanism that indirectly drives long-term growth by enhancing SMEs' strategic agility and innovation capabilities.

This duality highlights a structural tension within Finnish SMEs: the desire to retain family control versus the need for external resources to scale operations. The findings suggest that SMEs that successfully integrate venture capital into their governance frameworks are better positioned to achieve strategic agility and innovation-driven growth. This underscores the importance of governance readiness and board capability in managing investor relationships. The influence of venture capital on growth is therefore mediated by its capacity to support entrepreneurial capabilities, including risk-taking, innovation adoption, and flexible strategic decision-making.

"Venture capital" seems still underutilized among the researched areas. The low descriptive results showed continuous issues about "short-term performance stress, cultural mismatch, and control dilution." Therefore, such issues are specifically essential in family-based organizations, where identity considerations and emotional attachment foster strategic preferences. Low venture capital utilization may limit the development of these entrepreneurial capabilities, reducing the firm's ability to achieve accelerated growth despite existing ownership structures.

Nevertheless, the empirical evidence underscores the strategic value of venture capital. The strong relationship between venture capital and innovation suggests that external funding catalyzes transformative growth. Venture capital-backed SMEs benefit from enhanced governance discipline, access to networks, and strategic guidance, which collectively strengthen growth capabilities.

The challenge lies in aligning venture capital engagement with family governance values. Hybrid governance models that balance family control with external accountability may offer a viable solution. Such models allow SMEs to access growth capital while preserving core ownership principles. The governance discipline and strategic guidance introduced by venture capital serve as mediating factors that translate external resources into effective innovation and risk-taking behaviors.

Beyond financial capital, venture capital introduces institutional logic that reshapes governance norms. Performance benchmarks, reporting requirements, and exit expectations compel SMEs to formalize strategic planning and governance processes. While this shift may initially generate resistance, it often enhances organizational discipline and growth orientation. Successful hybrid governance aligns venture capital with family ownership, ensuring that strategic agility and innovation act as effective conduits for long-term growth outcomes.

The discussion also acknowledges the cultural mismatch that can arise between venture capitalists and family owners. Divergent time horizons and risk appetites may strain governance relationships. Successful partnerships, therefore, require alignment of expectations and transparent communication mechanisms.

Essentially, the outcomes indicate that “venture capital” is highly robust when presented during growth stages. Therefore, early-stage organizations advantageous from strategic assistance. On the contrary, developed SMEs support venture capital to measure practices. Finally, such a temporal aspect emphasizes the significance of timing in particular governance decisions regarding external financing. The temporal aspect of venture capital engagement underscores that its impact on long-term growth is contingent on its ability to foster entrepreneurial capabilities at the appropriate stage of SME development.

5.8 Governance Evolution and Board Composition

Although board composition was not directly quantified in the regression models, qualitative insights and indirect indicators suggest that governance evolution plays a crucial role during SME growth phases. As firms expand, the limitations of founder-centric governance become more pronounced, necessitating the inclusion of external board members with strategic and financial expertise.

The findings support the view that diverse and professional boards enhance strategic oversight, risk assessment, and innovation support. Finnish SMEs that transition from informal family boards to structured governance arrangements demonstrate greater growth resilience. This aligns with agency theory, which emphasizes boards' monitoring role, particularly when ownership and management interests diverge. Diverse and professional boards not only enhance oversight but also foster strategic agility and innovation, which act as key mechanisms translating governance evolution into accelerated SME growth.

Governance evolution is a defining feature of SME growth trajectories. As firms expand, the limitations of informal governance become increasingly apparent, necessitating the adoption of formal structures and professional expertise. Board composition plays a central role in this transition, serving as a mechanism for strategic oversight, risk management, and external linkage. The evolution from informal to formal governance structures indirectly supports long-term growth by enabling the firm to respond more effectively to market changes and implement innovation initiatives.

The study's findings suggest that Finnish SMEs increasingly recognize the value of diverse boards. External board members bring specialized knowledge, challenge dominant perspectives, and enhance strategic deliberation. This diversity mitigates the risks associated with concentrated ownership and supports balanced decision-making. Boards that complement concentrated ownership help channel decision-making toward strategic agility, providing a governance environment where innovation can thrive and contribute to sustained growth.

However, governance evolution is often incremental and contested. Family owners may resist board diversification due to trust concerns or fear of losing control. Overcoming these barriers requires a cultural shift toward viewing governance as a strategic asset rather than a constraint.

Regulatory and institutional pressures further shape the evolution of governance. Finnish corporate governance norms increasingly emphasize transparency, accountability, and sustainability, influencing SME governance practices. Boards play a critical role in translating these norms into organizational routines.

The discussion emphasizes that board effectiveness depends not only on composition but also on the quality of interactions. Boards that engage in strategic dialogue rather than compliance-focused oversight contribute more effectively to growth acceleration. Such engagement requires trust, role clarity, and mutual respect between owners and board members.

The gradual professionalization of boards reflects a broader shift toward hybrid governance models that combine family influence with professional expertise. These models enhance strategic resilience and position SMEs to compete in global markets. The professionalization of boards and hybrid governance models strengthens the mediating role of strategic capabilities, ensuring that governance evolution translates into tangible growth outcomes.

5.9 Balancing Family Interests and Aggressive Growth Strategies

One of the central challenges identified in this study is the tension between family interests and aggressive growth strategies. Family-owned SMEs often face emotional attachment, succession concerns, and control preservation issues that influence strategic decisions. The findings indicate that SMEs that proactively address these challenges through governance reforms, such as formalized boards, succession planning, and external advisory roles, are more likely to accelerate growth.

This balance requires a shift from purely family-centric governance to hybrid models that integrate professional management while preserving family values. The study demonstrates that such a balance is not only possible but essential for long-term competitiveness. Governance adaptations that balance family interests also enable strategic agility, allowing SMEs to respond rapidly to market opportunities while maintaining alignment with family values. Balancing family interests with growth ambitions represents one of the most complex governance challenges for Finnish SMEs. Family values such as loyalty, continuity, and social responsibility may conflict with aggressive expansion strategies that require risk-taking and external collaboration.

The study's findings indicate that SMEs that successfully navigate this tension adopt governance mechanisms that formalize decision-making while preserving family influence. Succession planning, role clarity, and performance-based incentives help align family interests with organizational objectives. Failure to address these governance tensions can result in strategic stagnation or internal conflict. Conversely, proactive governance reform enables SMEs to pursue growth opportunities without undermining family cohesion.

Emotional dynamics further complicate the tension between family preservation and ambition for growth. Decision-making in family-owned SMEs is often influenced by interpersonal relationships, which can both enable and constrain strategic choices. Recognizing and managing these emotional factors is essential for effective governance. Effectively managing emotional and relational dynamics also strengthens the mediating role of innovation and strategic agility, translating governance reforms into tangible growth outcomes. The discussion suggests that formal governance mechanisms such as family councils and constitutions can help reconcile competing interests. By articulating shared values and strategic priorities, these mechanisms reduce ambiguity and conflict. Firms that institutionalize such practices are better equipped to pursue growth without eroding family cohesion. Such governance mechanisms facilitate controlled risk-taking and incremental innovation, ensuring that growth strategies are both ambitious and sustainable. This balance is particularly critical during periods of rapid expansion, where operational demands intensify, and governance complexity increases. Proactive governance adaptation thus emerges as a prerequisite for sustainable growth. Thus, hybrid governance models that integrate family values with professional oversight not only preserve cohesion but also ensure that long-term growth objectives are systematically pursued through innovation and agile strategic decision-making.

5.10 Integration of Findings with Research Questions

The research in addressing RQ1 ensures that venture capital and ownership structure substantially foster sustainable growth, innovation, and strategic agility in Finnish SMEs. Whereas the "ownership structure" performs as an internal governance force. On the contrary, "venture capital" presents as an external source for risk-taking and innovation. Both ownership structure and venture capital act as enablers of strategic agility, allowing Finnish SMEs to adapt quickly to market shifts, and facilitate incremental and process innovation, supporting sustainable growth.

This study in addressing RQ2, shows that "governance structure" in family-based SMEs changes substantially as organizations develop, especially via changes in ownership measures and board composition. Therefore, growth stages require enhanced professionalization and formalization of governance instruments. This evolution often manifests as hybrid governance models, integrating family influence with external expertise to improve decision-making, board diversity, and risk management.

Addressing RQ3, the findings highlight governance challenges related to control retention, risk aversion, and succession planning. Successfully balancing family interests with growth ambitions requires adaptive governance frameworks, external expertise, and strategic openness. The study highlights those relational dynamics, including intergenerational involvement and family cohesion, shape how SMEs negotiate risk, innovation, and succession challenges.

The empirical evidence provides robust answers to all three research questions. The ownership structure and venture capital significantly influence strategic agility, innovation, and long-term growth, underscoring their central role in accelerating growth. Governance structures in family-owned SMEs evolve in response to growth demands, particularly through board professionalization and changes in ownership. Governance challenges primarily revolve around balancing control, risk, and growth, requiring deliberate and context-sensitive solutions.

Further integration of findings reveals that growth acceleration is contingent on governance alignment across ownership, management, and board structures. The research questions are addressed not through isolated variables but through interconnected governance configurations that collectively shape strategic outcomes. The findings demonstrate that governance effectiveness is context-dependent, influenced by firm age, size, and ownership history. This nuanced understanding moves beyond deterministic models and underscores the importance of configurational approaches to SME governance research. Overall, the findings illustrate that growth acceleration in Finnish SMEs is not driven by isolated governance elements but by the dynamic interplay of ownership, board composition, venture capital, and family governance, moderated by firm-specific characteristics such as age, size, and experience.

5.11 Theoretical Contributions

The present research participates in an SME governance study by experimentally associating "growth acceleration, strategic agility, and ownership structure" within the Finnish field. The study demonstrates that ownership concentration, board composition, and venture capital act as complementary mechanisms that jointly drive growth acceleration, highlighting how internal and external governance forces interact in SME contexts. The researcher spread resource dependence and stewardship theories by illustrating the way external financing and ownership jointly construct strategic behaviour among several SMEs. Additionally, the research outcomes improve family business studies by emphasizing governance development as a dynamic system compared to a constant framework. The findings highlight hybrid governance approaches, showing that family influence can coexist with professional board oversight to achieve strategic agility and long-term growth.

This study advances SME governance theory by integrating ownership dynamics with mechanisms that accelerate growth. It extends stewardship theory by demonstrating that owner-managers can simultaneously pursue stability and innovation when supported by adaptive governance structures. It also enriches resource dependence theory by highlighting the conditional role of venture capital in shaping strategic behavior.

The extended discussion strengthens the study's theoretical contributions by highlighting governance adaptability as a dynamic capability. Rather than treating governance as a static structure, the findings conceptualize it as an evolving system responsive to internal and external stimuli. This perspective bridges gaps between stewardship theory, agency theory, and resource dependence theory, offering a more integrated framework for understanding SME growth. Moreover, the research contributes to theoretical understanding of intergenerational dynamics, illustrating how generational involvement and family cohesion moderate the effectiveness of governance practices in shaping strategic outcomes. The study thus contributes to theory by emphasizing relational and contextual dimensions of governance. Finally, by situating these findings within Finnish SMEs, the study offers context-specific insights, demonstrating how socio-cultural, institutional, and market conditions interact with governance mechanisms to enable growth, innovation, and sustainability.

5.12 Practical Implications for Finnish SMEs

From a practical perspective, the outcomes provide actionable insights for policymakers, board members, and SME owners. In these circumstances, owners are stimulated to incorporate governance structures and flexible ownership that leverage innovation and agility. SMEs can benefit from hybrid governance models that balance family influence with professional oversight, enabling both strategic agility and risk mitigation. Therefore, policymakers tend to acknowledge establishing funding and advisory models that offer venture capital association without declining family control. Moreover, boards need to prefer strategic anticipation, expertise, and diversity to leverage long-term growth. Practical attention to succession planning and intergenerational involvement ensures continuity of governance practices and long-term growth, reducing conflicts during leadership transitions. In the managerial landscape, the discussion emphasizes the significance of governance literacy among several SME owners. Furthermore, assessing governance choices allows reported decision-making about "financing strategies, board appointments, and ownership restructuring." Venture capital and external advisory boards can provide SMEs with access to professional networks, market insights, and accountability mechanisms, enhancing strategic decision-making while respecting family governance values. Finally, the research findings indicate that policymakers lead to possess a supportive influence by facilitating governance advisory facilities and assisting the board's expertise. Policymakers can further support SMEs by designing regulatory frameworks that encourage transparency, formalized governance processes, and sustainable growth practices without compromising ownership autonomy. These involvements lead to SME progress intention without declining the ownership autonomy. Overall, the integration of structured governance, flexible ownership, and targeted external support provides a roadmap for SMEs to enhance innovation, strategic agility, and sustainable growth within the Finnish context.

5.13 Summary of the Discussion

Lastly, the discussion portion interpreted the empirical outcomes of the research in detail, explaining that “external financing,” “governance structure,” and “ownership control” jointly construct quick growth in Finnish SMEs. The findings illustrate that internal governance mechanisms, such as ownership control and board composition, interact with external factors, including venture capital and advisory networks, to collectively enable growth acceleration. “Long-term growth, innovation, and strategic agility” are connected outcomes fostered by board robustness and ownership dynamics. This governance-centric approach not only explains growth patterns but also offers actionable insights for SME owners, managers, and policymakers seeking to enhance competitiveness and sustainability. Therefore, the discussion section develops an effective basis for the summary section, where applications, future study direction, and limitations of the study have been mentioned. The discussion further emphasizes that growth acceleration in Finnish SMEs seems to be a governance-based system constructed by “board robustness, strategic agility, ownership control, and innovation capacity.” The research outcomes also underscore the significance of an adaptive governance framework that changes firm growth, allowing SMEs to stable the heritage with transformation. Adaptive governance functions as a dynamic capability, enabling SMEs to respond to market fluctuations, technological disruptions, and intergenerational transitions while maintaining long-term stability. Such a discussion offers a complete initiative for the summary section, which leads to creating major perspectives, highlighting limitations, and offering suggested future study directions. These insights provide a foundation for identifying limitations in current governance models, such as underutilization of external expertise, succession planning challenges, and varying risk tolerance, which can guide future research agendas.

Finally, the discussion strengthens the key criticism that “growth acceleration” Finnish SMEs seems to be a completely governance-based viewpoint. Whereas “strategic orientation, board composition, and ownership control” effectively communicate to construct the growth results. Therefore, such prolonged discussion facilitates an effective basis for the summary chapter and further study directions by developing the explanation and contextualizing.

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