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Internationalization Strategies of Family Firms: Challenges and Perspectives

Editorial Notes

Dear Readers,

We are pleased to have the Special Issue on "Internationalization Strategies of Family Firms: Challenges and Perspectives" addressing timely topics that family firms are facing as globalization continues to present opportunities and challenges. This is in conjunction with the Family Enterprise Research Conference (FERC) held in June of 2017 in Asheville, North Carolina, Dr. Dianne Welsh, Academic Chair.

The aim of this special issue is to broaden discussions on family firms' internationalization strategies. These firms represent the backbone of the countries' economies and their stability is critical to global economic growth. (Hacker & Dowling, 2012; Hoy & Sharma, 2010; Ramadani & Hoy, 2015; Welsh, Memili, Rosplock, Roure, Seguardo, 2013). The prevalence of family firms documents both the economic and social impact they have (Brigham, 2013; Ramadani, Bexheti, Rexhepi, Ratten, & Ibraimi, 2017). To keep their dominance and relevance in economy and society, is the internationalization of their activities (Ratten, Dana, & Ramadani, 2017).

Internationalization is related with the process in which firms operate in international markets (Dana 2004; Rammal, 2005; Rexhepi et al. 2017). Family firms' owners are continuously looking for models and strategies to successfully internationalize their businesses. Many studies had shown that usually entrepreneurs need different approaches and strategies in reaching this markets in comparison with those used in domestic markets (Dana, Hamilton, & Wick, 2009; Ratten, Dana, Han, & Welpe, 2007; Ratten et al. 2017). Internationally, family firms operate in environments with very different rules and practices from those of domestic markets. Family business entrepreneurs need to analyze in detail every difference that they can face with. They need to consider details, such are those related to general strategy, human resources strategy, consumers' behavior, local rules and regulation, policies, location, brand recognition by locals and internationally, etc. The success will depend from the entry models and entry strategies that they select (Ratten & Dana, 2015; Rexhepi, Ramadani, Rahdari, & Anggadwita, 2015).

Some family firms are less interested in international markets because of their risk aversion, which means that a small number of family firms will be resistant to international opportunities because of the perceived inflexibility of the global marketplace (Sharma, Chrisman and Chua, 1997). In addition, the disparate family goals and values of some firms make it difficult to focus on internationalization efforts (Ward and Dolan, 1998). Some other family firms facilitate growth by quickly focusing on international opportunities. This can be difficult for some family firms as the international market can be a hard process that is complemented by large resource requirements needed to achieve success (Ratten et al., 2017).

The Special Issue contains six articles that focus on different aspects of internationalization strategies. The first article addresses if family firms should consider going international in the first place and is entitled, "Should family firms internationalize? Evidence from the Survey of Business Owners" by Mark Heileman and Timothy Pett. The article explores the characteristics and performance of family-owned businesses that go international. The next article looks at antecedents of successful internationalization. The article is entitled, "Antecedents of successful internationalization in family and non-family firms: How knowledge resources and collaboration intensity shape international performance" by Philipp Stieg, Beate Cesinger, Gerhard Apfelthaler, Sascha Kraus, and Cheng-Feng Cheng. The article examines the differences in antecedents of international performance between family and non-family firms drawing from the revised Uppsala model of internationalization from 2009 and socio-emotional wealth literature. This article is followed by "Internationalization propensity in family-controlled public firms in emerging markets: The effects of family ownership, governance, and top management" by Chiung-Wen Tsao, Miao-Ju Wang, Chia-Mei Lu, Shyh-Jer Chen, and Yi-Hsien Wang. The authors develop a conceptual framework that draws on socio-emotional wealth and upper echelon perspectives to examine the association among family heterogeneity, top management, and international propensity in publicly traded companies in Taiwan. The fourth article look at a case in Thailand and is entitled, "Innovativeness in Thai family SMEs: An exploratory case study." The authors, Pongsakorn Pitchayadol, Danupol Hoonsopon, Achara Chandrachai, and Sipat Triukose look at the link between innovation and familiness in small-medium family businesses to illustrate the role of the family in business innovation and how to bring a competitive advantage to family firms. Our fifth article is entitled, "How entrepreneurs anticipate the future market: An initial approach of a future market anticipation model for small businesses" and is authored by Maria R. Rita, Sony H. Priyanto, Roos K. Andadari, and Jony O. Haryanto. The article presents a new model of how entrepreneurs predict future markets, concentrating on start-ups. The article fills the gap concerning the lack of models on future market anticipation by providing a new framework. The last article by Jeffrey Shields, Dianne H.B. Welsh and Joyce Shelleman examines sustainability reporting as global performance metric for family businesses and is a new topic yet to be published. The article explains why family businesses should be concerned with environmental sustainability and what is required for competing in the international marketplace to take a leading position. The paper covers reporting frameworks that family businesses can use to get ahead of the curve on sustainability reporting.

We hope you enjoy the special issue and find ideas for future research!

Sincerely,

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