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Locality and internationalization of family firms

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Family firms are often torn between their local roots and their desire and need for growth and internationalization (Graves and Thomas 2008). This special issue seeks to understand, among different topics, how (whether) local growth and internationalization impacts both the family and the firm and to understand how (whether) family firms balance their identity and local character while venturing in the global marketplace. The challenge posed by this call of papers is obviously to bring diverse perspectives and encourage multidisciplinary approaches to (1) advance our understanding of the distinctive opportunities and challenges prompted by the duality between being deeply rooted in local communities, cultures, and networks while exploring new opportunities for expansion and entrepreneurship in the global marketplace; and to (2) help family owners and managers, as well as policy makers and professionals engaged with family firms to effectively manage the nexus between locality and internationalization to build competitive advantages and sustain firm growth and performance across generations.

We invite authors to investigate the paradox faced by family firms of being deeply rooted to their origins, tradition and local communities, while, at the same time, exploiting international opportunities in the global marketplace to stay competitive, along three avenues.

Family firms' local roots and how they impact the local economy

The special issue seeks for a better understanding of the relationship between family firms and their local economy (Block and Spiegel 2013; Stough et al. 2015). It is often assumed that family firms have a strong connection to their home regions (Bird and Wennberg 2014). The family firm is often seen as the family itself, and the family and company reputations are hardly separable (Zellweger and Nason 2008). It derives a profound sense of engagement with the local community in terms of community citizenship (Berrone, Cruz, and Gomez-Mejia 2012) that favours the initiation of community development activities and philanthropy (Campopiano, De Massis, and Chirico 2014). Nonetheless, so far, little empirical research exists on this topic. To advance understanding diverse theoretical perspectives and methods

can help researchers to focus on to the local context and unveil the interplay between family firms and their local roots (Basco 2015; Fletcher 2011; Hindle 2010).

Exemplary research questions are the following

- How do family firms and their leaders care about the local economy? How does this connection to the home region develop over the generations?
- What is the role of family firms in regional economic environments and how do they contribute to regional economic growth and development?
- Which role does the family and the family tradition play to create a link between the family firm and the region in which the family firm is located?
- How can policy makers create an environment such that family firms become a cornerstone of regional development?
- How do family firms face economic crises and how does this impact the local labor market?

These and other related questions from the perspective of regional economics or regional development are of high importance for (regional) policy-makers and other stakeholders of family firms.

Family firms' local roots and how they influence firm strategy

Being local can be an advantage and disadvantage at the same time (Bird and Wennberg 2014). The special issue seeks to contribute to a better understanding of how the local roots of family firms influence strategy at both the firm and the family level, and how family firms can turn their local roots and regional embeddedness into a competitive advantage resulting in superior performance. The context where family firms develop local roots may exhibit long established or growing localized capabilities, based on tradition and know-how, which can strengthen/weaken competitive advantages, (Johannisson et al. 2007). Firms that develop strong local roots may benefit from diverse resources (e.g. human, social capital, governance) (Sirmon and Hitt 2003). Furthermore, locations are neither homogenous nor static (Iammarino and McCann 2013). Locations do vary in terms of industrial clustering (Porter 2000), technological bases (McCann and Ortega-Argilés 2015), resources (Florida, Mellander, and Stolarick 2008; Korsgaard, Ferguson, and Gaddefors 2015) and display different growth (or un-growth) patterns (McCann and Folta 2008). Such location-based characteristics can be important enablers (and inhibitors) of family firm's strategic development.

Exemplary research questions are the following

- How do local roots and embeddedness of family firms influence firm strategy and firm performance?
- How do local roots shape family strategies? And how do families leverage regional cultures, networks and embeddedness in their strategies?
- How do customers, suppliers and other (external) stakeholders value the local roots of family firms?
- How do local roots and traditions shape the international identity of family firms?
- How do location-based characteristics, e.g. industrial clustering, technological specialization, urbanization, influence the strategic development of family firm?

These and other related questions from the perspective of strategy, internationalization, and performance research are of high importance for family firms and their leaders in order to understand their unique competitive (dis)advantages resulting from their local roots.

Family firms and their development from local to global firms

Describing the process by which family firms strongly rooted in their local context engage in internationalization, become and remain internationally active merits further attention. There is a need for studies that provide a comprehensive understanding of family firms that have expanded operations across the world as well as the pitfalls that have prevented or hinder such process. Understanding family firms going from local to international calls to appreciate the strategies of entrepreneurial families in business (Hamilton, Discua Cruz, and Jack 2017; Nordqvist and Melin 2010). Entrepreneurial families may be pushed or pulled to go global, and in doing so they have to balance family and business objectives influencing either the expansion of the firm into both local and international markets or foster the creation or acquisition of ventures gradually shaping a portfolio of businesses or a business group (Michael-Tsabari, Labaki, and Zachary 2014; Rosa, Howorth, and Discua Cruz 2014). The appreciation of the entrepreneurial family in business in taking a business from local to global calls to pay close attention to the entrepreneurial household (Alsos, Carter, and Ljunggren 2014), the influence of family in internationalization (Graves and Thomas 2008), entrepreneurial orientation (Randerson 2016), emotional dynamics (Shepherd 2016), professionalization waves (Howorth et al. 2016), learning about continuity (Konopaski, Jack, and Hamilton 2015) and the influence of legacy (Hammond, Pearson, and Holt 2016) among others.

Exemplary research questions include, but are not limited to, the following

- How do the local roots of family companies affect their internationalization process?
- How do family firms and the families behind them change when they develop from a local to global company?
- When do local roots become a liability for internationalization and what can be done about it?
- How can family firms internationalize and still stick to their local roots and traditions?
- How do family firms differ from other firms in their internationalization and market entry strategies? What is the role of the family and its involvement in management and ownership in this regard?

These and other related questions from the perspective of international management, entrepreneurship, strategy, sociology, economics research are of high importance for family firms and their leaders to determine their internationalization and growth strategies.

Dates and deadlines

The Special Issue is scheduled to be published in early 2020. The following timetable/deadline dates are given for your information: (1) Submission of the full papers – by 30 October 2018. (2) First feedback from reviewers – by February 2019. (3) Submission of the revised papers – by May 2019. (4) Second feedback from reviewers – by July 2019. (5) Submission of the revised papers – by September 2019. (6) Notification of acceptance – by November 2019. (7) Publication of the special issue – January 2020.

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