

## Editorial for the special section: transgenerational entrepreneurship in the global world

I am delighted to offer this special session for readers of *Cross-Cultural and Strategic Management* and the academic community at large. First of all, families and the ventures and businesses they created are the dominant form of business organisation worldwide (Basco *et al.*, 2018; La Porta *et al.*, 1999). In recent years we see increasing attention from researchers, and family business research can be said to be moving into the main-stream when increasing number of papers appear in leading journals. New journals have also emerged as platforms for family business researchers to exchange ideas and accumulate knowledge. Meanwhile, more and more journals have devoted special issues related to different aspects of FB. As a case in point, Chrisman *et al.* (2018) announced that their recent issue “Governance Mechanisms and Family Firms” is actually the 14th special issue on theories of family enterprises published in *Entrepreneurship Theory and Policy*.

When preparing the call for this special issue, I searched past papers published in *Cross-Cultural and Strategic Management* (and its precedent, *Journal of Cross-Cultural Management*). It is not too surprising to find that a few of the “family” papers are related to work-and-family conflict, and those few “entrepreneurship” papers are concerned with startups or new ventures. There are only two papers that may be categorised as related to family enterprise. Camuffo *et al.* (2012) studied competence portfolio of entrepreneurs of small family businesses in Northern Italy. It showed how different competences of entrepreneurs in these small firms influenced the firm performance. Although this study made observations on family businesses, it hardly considered them as theoretical significant. Saeed *et al.* (2017) examined female directorship of family ownership with a focus on governance. It is a rare paper in *CCSM* in which family business is the subject. Thus, my quick search found only at most two family business papers. It supports my observation that family business and entrepreneurship have not attracted much interest from *CCSM* editors and its readers. Since the academic community has placed more attention into family business now, I hope that the call and the publication of this special section can arouse more interest from existing readers of *CCSM* and draw more submissions from researchers to our journal.

Another reason I am delighted to see this special section is because the call has a dual focus on transgenerational entrepreneurship and global world. Transgenerational entrepreneurship can be defined as two or more generations of family members driving for new business activities, strategic renewal and innovation (Habbershon *et al.*, 2010; Habbershon and Pistrui, 2002). It is the theme of a global research consortium called Successful Transgenerational Entrepreneurship Project (STEP) which devoted to the understanding and promotion of family business research. Their endeavour is meaningful to family firms because strategic renewal and innovation increase the likelihood of survival across generations (Jaskiewicz *et al.*, 2015) which sits at the core of family firms’ vision for continuity and transgenerational succession (Chua *et al.*, 1999).

In the past decade, this consortium has expanded and facilitated many of its member universities to start their family business research and connect their faculties to colleagues around the world for exchange and collaboration. For instance, I was able to set up the Pacific Asia Regional Group only with the support of Tim Habbershon (STEP chairman then), and the Group rallied to produce a first collection of systematic case studies of the region after its



first meeting (Au *et al.*, 2011). Members were also stimulated and empowered to publish more on family business (e.g. Irava and Moores, 2010; Yusof *et al.*, 2014), and subsequently took the advantage of its global membership to write longitudinal and comparative case studies of family business, resulted in book volumes (e.g. Sharma *et al.*, 2015) and journal articles (e.g. Diaz-Moriana *et al.*, 2018; Sieger *et al.*, 2011). *CCSM* promotes and publishes cross-cultural and international studies on management. More STEP researches should help to achieve its goals. Particularly, although family firm research is increasingly popular, comparative and large-scale international studies are still quite rare. The rich case database STEP members collected together could be a gold mine to interested researchers. In addition, the data collected by a global survey of family firms by STEP could result in renewed interest to explore cultural and institutional influences on families and family firms (e.g. Basco *et al.*, 2018). I hope that this special section could give a boost on this progress.

Below I will introduce the papers in this special section and then express some of my observations and reflections after putting the section together. The call went out in 2016 and had drawn eight submissions. The number probably reflects that this subject was a first trial for *CCSM*. Nonetheless, we were able to take in four high quality papers; among them, three of them are empirical. One of them is qualitative using STEP cases while the other one used STEP global survey data in a cross-level analysis.

The first paper was by Bhatnagar *et al.* (2018) that used multiple indepth case studies to understand new venture formation among family business groups in India. The subject of venture formation is central to family entrepreneurship and essential to long-term survival of family firms. They found that there were four distinctive stages for new venture creation in Indian family firms, and that the familial socio-political dynamics and leadership influenced how new ventures unfolded in the process. Thus, family entrepreneurship is “built not only on the techno-economic feasibility of a business opportunity but also the socio-political considerations in the family”. This paper expands our knowledge on how to promote transgenerational entrepreneurship in India and also has implications for family firms beyond.

Feng (2018) took up the “twin agency” perspective to understand R&D of listed family firms in mainland China. Family firms are influenced by the internal governance factors and by external governance factors (i.e. quality of government) especially significantly in China. Its main finding is that in areas with a higher quality of government, greater R&D output for family firms depends on greater family control rather than family management. What is unique about the paper is that it reveals the interactive influence of inside (firm-level) and outside (state-level) agency problems in family firms in general and their R&D output in particular. It shows that output of R&D is related to innovativeness of family firms and thus their continuous growth and long-run survival in different cities of China.

Au *et al.* (2018) studied how family firm characteristics, family CEO and multigenerational presence, affect the dominant logic of a firm and in turn its strategic renewal. While the firm context is of theoretical interest, what’s unique of the study is its theory and empirical testing of two national cultural dimensions, power distance and uncertainty avoidance, as a cross-level moderator of the firm-level relationships. They took advantage of the cross-level data from family firms of 26 countries collected by the global STEP survey. The findings show that family CEO is negatively related to renewal across cultures, and this relationship is attenuated by uncertainty avoidance and power distance. In addition, multigenerational involvement is positively related to renewal, and this relationship is enhanced by the two cultural dimensions. Their study opens new avenues to theory and empirical test regarding how institutional and cultural factors affect family firms. This helps to account for variations of family firm behaviours across the globe.

The last paper is a theory piece. Shen (2018) proposed a dynamic socio-emotional wealth (SEW) model drawing upon the prospect theory. SEW is related to diversification and innovation of family firms but the findings of existing studies are not very consistent.

Shen argued that it lies in the fact that SEW can be framed as a loss or gain. A shift in reference point can change the value of SEW in different situations and turn a family firm to see things in a loss frame rather than a gain frame, and vice versa. Thus, the family firm would change its strategy to diversify. Her model proposes a view to renew our interpretation of existing findings and has the potential to explain R&D behaviour and IPO under-pricing of family business firms.

In reflection after the editorial work, I regard the purpose of editing this special section half finished. The editorial team of the special section set off in the call to seek papers in the broader context of transgenerational entrepreneurship and encourage scholars of different disciplines to submit a manuscript. I think the breadth of the above papers has partially fulfilled this goal, as the papers cover management, cultural, innovation and governance issues. Yet the submitting authors seem to be management scholars with a diversity in their disciplines. On the other hand, the papers cover multiple aspects of transgenerational entrepreneurship, but apart from Han, Au and Chung, they did not show a clear cross-cultural comparison or take on much of a global perspective. Feng and Bhatnagar, Ramachandran and Ray cover only a single country, even though its implications could be global. Shen's paper is a theory piece; although it could have broad implications, her paper falls short of giving a good explication of its global application. I guess we cannot achieve all the goals in one go. But I do look to the future and wish to see more papers both in *CCSM* and other outlets that would carry unique specific characteristics for carrying our field forward. It is my wish that future papers should continue to globalise family business research from conceptual and empirical ends. If possible, these studies should be comparative or multi-level in nature that cover nations, firms, or individuals. In addition, these papers should draw collaboration of scholars from different nations and disciplines, with the aims of collecting unique, large-scale data set as well as bringing multiple perspectives together.

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### Further reading

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