
Editorial

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Biographical notes: Susanne Royer is Professor for Business Administration and Director of the International Institute of Management at the University of Flensburg, Germany. She received PhD at the faculty for business administration and economics of the University of Paderborn, Germany. Professor Royer's research interests include strategic alliances, succession in family businesses as well as strategic issues of e-business.

I am delighted to present this second issue of the *International Journal of Globalisation and Small Business* (IJGSB). The goal of IJGSB is to explore opportunities and threats of globalisation for small businesses as well as small businesses' strategic options in an increasingly global world. Further, the objectives of the journal are directed to establishing an effective channel of communication between policymakers, government agencies, academic and research institutions, and persons concerned with the complex role of small business in society. The international dimension is emphasised in order to overcome cultural and national barriers and to meet the needs of accelerating technological and other changes in the global economy from the perspective of small businesses.

This second issue of the journal consists of five interesting papers from the field of small business in the context of globalisation and a book review of a book on *Entrepreneurship and globalisation*. The papers selected for this issue mainly deal with internationalisation issues of small- and medium-sized businesses. Four of the five papers deal with the challenges, opportunities, and risks of internationalisation in the context of SMEs in Southern Europe. Thereby this issue gives in-depth insights into this topic. The fifth paper then selects a different issue to address, which is not of less relevance. It deals with the impact of globalisation on the necessity for smaller firms to implement professional performance measurement systems. With these papers this issue of IJGSB once again wants to deliver a basis for further discussion of current problems of SMEs worldwide.

The first paper addresses the issue of internationalisation for Spanish family firms. In her paper titled 'Growth and internationalisation of family businesses' Susana Menéndez-Requejo analyses strategic differences between family and nonfamily firms with regard to growth and internationalisation decisions. Building on the resource-based view combined with insights from agency theory and altruism perspective internationalisation decisions in family firms are examined. On the basis of an empirical

study of Spanish family firms for the years 2001 and 2002 Susana Menéndez-Requejo gives answers to the posited research questions. She reaches the main conclusion that family firms are not especially disadvantaged compared to nonfamily businesses with regard to internationalisation in terms of necessary resources and capabilities. However, her results indicate that size is a critical factor. Altruism seems not to be a relevant factor regarding family business internationalisation. Finally, it is shown that second generation family firms show a positive attitude with regard to international activities. This can be seen as the main implication of the paper for family businesses. In this context it is seen as relevant to build on this attitude.

Internationalisation of Spanish family businesses is also in the centre of attention of the second paper of this issue of IJGSB. The focus of the authors, José C. Casillas and Francisco J. Acedo, in this context is on the role of family involvement so that it can be seen as complementing the paper by Susana Menéndez-Requejo. Casillas and Acedo, however, take a different path to address the inherent problems of family business internationalisation. The authors want to adapt current perspectives from the field of international business to small- and medium-sized family firms in Spain. Building on this they develop a causal explanatory model in which the dependent variable is the firm's level of internationalisation. Independent variables at the individual as well as the firm level are considered. Casillas and Acedo test their model in an empirical study with 222 Andalusian firms (Spain) by using a structural equation modelling technique (Partial Least Squares). They come to results showing how involvement of the family plays a mediating role with regard to the international activities of family businesses. Thereby they come to conclusions that enlarge our knowledge on internationalisation opportunities and threats for SMEs. The developed multidimensional model improves the understanding of the relations between the posited variables and, with family involvement a formerly neglected variable in the field, is introduced and described. The reached results promise to have potential for public agencies fostering SME internationalisation in terms of showing relevant differences between family and nonfamily firms to be taken into account with regard to the design of adherent policies.

The third paper deals with industrial districts and delocalisation processes in Italy. The main question is how cultural diversity can be managed. In this paper Francesco Schiavone focuses his analysis on the handling and solving of possible cultural diversity problems caused by increasing delocalisation processes of Italian industrial district firms. The aim of Schiavone is to examine the possibilities for decreasing cultural distance between partners in terms of sharing and exchanging knowledge and fostering interorganisational learning processes in order to spread human capital on the corporate level and social capital on the macro level. The argumentation behind this lies in the fact that spreading human capital makes the reduction of inter-firm distance possible while the diffusion of social capital improves the abilities of Italian firms in terms of their new hosting localities. The paper is a theoretically conceptual one. However, many examples illustrate the arguments made and give insights into the practical implications of the results. As the main result Schiavone develops a four-step managerial process based on intangible factors for mitigating cultural differences that should be a starting point for managers to systematise the outlined process.

Cristiana Compagno, Daniel Pittino, and Francesca Visintin are the authors of the fourth paper titled 'Corporate governance and advanced forms of internationalisation in Italian SMEs'. So this paper complements the insights of the previous papers by addressing the challenges of internationalisation for small- and medium-sized firms in

Southern Europe. The starting point is that many SMEs lack the necessary resources and competencies for advanced international strategies and global business activities. Low-risk propensity and the lack of international business culture are further outlined by the authors as relevant factors that could be barriers for SMEs with regard to advanced internationalisation. Compagno *et al.* show that for these reasons international strategies of SMEs are often limited to indirect export activities and that smaller firms have to deal with considerable barriers in terms of their possibilities of international partnerships, joint ventures, and foreign direct investments. In the latter activities SMEs are more likely to fail than large firms. In their paper, the authors therefore analyse the consequences of this situation on the basis of the results of an empirical study. In this quantitative study of Italian SMEs the role of a corporate governance system to provide such firms with resources and competences is investigated. Further changes in the entrepreneurial culture which are necessary to pursue advanced internationalisation strategies are analysed. Their results indicate that the governance system is highly relevant with regard to the cooptation of new members in the strategic decision-making groups of the firm. The results further suggest that the environmental context can also be a relevant moderating variable in the relationship between corporate governance and internationalisation.

Milind Kumar Sharma, Rajat Bhagwat, and Govind Sharan Dangayach finally give interesting insights into the 'Practice of performance measurement' by presenting experiences of Indian SMEs. They build on the fact that effective performance measurement systems play a crucial role regarding the competitiveness of firms in our global business world. Globalisation also forces SMEs to understand and acknowledge the importance of performance measurement systems to successfully stay in business in the long run. However, quite often SMEs – again because of lacking resources and competencies – fail to pay enough attention to this issue. Kumar *et al.* therefore undertake a survey of 147 Indian SMEs to gain a clearer image of performance measurement in the context of smaller firms. The authors in their empirical study find the absence of systematic performance measurement systems as a typical characteristic of SMEs with the already outlined consequences regarding the long-term success of SMEs. Kumar *et al.*'s findings suggest that even though SMEs understand and acknowledge the importance of performance measurement systems, they still lack the competences and resources to effectively implement and exploit such system. With these results the authors bring attention to a topic very relevant for the future competitiveness of SMEs, which should be firmly anchored in the strategic mindset of decision makers in such firms. That there are at least beginnings of such a thinking in Indian SMEs is underlined by the result that most responding SMEs at least once a year undertake some activities regarding performance measurement.

The last pages of this second issue of the *International Journal of Globalisation and Small Business* contain a book review of an interesting book from the field. Britta Boyd reviews the book *Globalisation and entrepreneurship: policy and strategy perspectives* edited by Hamid Etemad and Richard Wright.

Hopefully you will enjoy this second issue of the *International Journal of Globalisation and Small Business* as much as the first one. We would be grateful not only for interesting papers submitted to the journal in the future, we also welcome helpful comments and suggestions concerning our new journal, *e.g.*, with regard to relevant topics for future special issues. Thanks go to the reviewers for their efforts with regard to this issue of IJGSB.