Editorial

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Biographical notes: Peter-Jan Engelen is an Associate Professor of Corporate Finance at Utrecht University, the Netherlands. He holds a PhD in Economics, an MSc in Finance and Tax Management, and an MSc in Economics. He was also reading law, obtaining an LLB and LLM. Some recent research topics include real options, law and finance, IPOs, insider trading, reputational penalties, securities regulation, and the ethics of financial markets. In 2002 he was awarded with the prestigious European Joseph de la Vega Prize, and in 2006, he was awarded as Best Researcher in Economics at Utrecht University. He has published in several journals including the *Journal of Banking and Finance*, *Research Policy*, the *Journal of Business Finance and Accounting*, the *Review of Law and Economics*, the *European Journal of Law & Economics* and the *Journal of Business Ethics*.

Family firms are increasingly becoming an important research field in economics, business and finance. It is clear that the financial architecture of firms in corporate finance and other fields cannot be applied uniformly to all types of businesses. On the contrary, the image of a large company with a dispersed ownership structure, actively traded securities on well-developed capital markets and easy access to external finance is in fact the minority of business forms around the world. In reality, there exists a wide range of companies that does not fit the standard text-book financial architecture. A family firm is one of this business forms and it is even an important one in many countries. This special issue elaborates on several aspects of the unique dynamics of family firms and covers a wide range of countries such as Sweden, Germany, Belgium, Finland and South Africa.

The special issue starts with three papers on succession issues. Vikstrom conducts an empirical study of successful succession in small Swedish family firms. They examine how leadership succession factors associated to attitudes, norms and perceived behavioural control of leading actors in a small family firm can be related to the effectiveness of the succession process and to the post-transition performance. Laveren and colleagues examine the relationship between the entrepreneur's experience and firm growth in the context of family business successions. This is important since unsuccessful successions are often attributed to successors lacking experience when taking over the company. They discuss the impact of the relationship between experience and growth for family business leaders planning the succession of the family firm. Venter and colleagues investigate how familiness could ensure successful transition of family-capital, by modelling the different evolutionary stages through which the transmission of capital takes place.

Part two focuses on the recent trend of applying corporate social responsibility (CSR) and sustainable management to family firms. Using a survey, Schafer examines some general characteristics of the engagement and the understanding of social responsibility in German family-owned companies, revealing a wide variety of CSR activities and projects of German family-owned companies. The case study research of Boyd concentrates on the sustainable management of family owned builder's providers which are at least in the fourth generation. The resource-based analysis shows how these long-lived family businesses use their sustainable resources and capabilities to stay competitive. Boyd ends with presenting a sustainable management concept for family businesses. While the contribution of Tata and Prasad could also be included in the first part of this special issue, they are focusing on the development and transfer of social capital within family firms. Specifically, they examine the importance of the incumbent's and successors social networks in the succession of a family firm.

In the last part of the special issue, we find two finance related contributions. Mazagatos and colleagues test whether the desire for family control gives rise to financing preferences in line with the pecking order capital structure theory. They find that generational transitions weaken family bonds leading to variations in their weighting of the various financing sources. Niskanen and colleagues investigate the impact of family ownership on loan availability and credit terms in a sample of small and micro Finnish firms. The authors suggest that the agency costs of family ownership influences banks in lending to these firms. Finally, Perry and colleagues compare participation in business associations among family firms based on a firm's level of owning family influence.