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## Editorial

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### Thomas V. Schwarz

Rick Muth Family Chair in Family Business,  
Mihaylo College of Business,  
California State University, Fullerton,  
P.O. Box 6848,  
Fullerton, CA 92834-6848, USA  
Email: [tschwarz@exchange.fullerton.edu](mailto:tschwarz@exchange.fullerton.edu)

**Biographical notes:** Thomas V. Schwarz is currently Professor and Rick Muth Family Chair in Family Business at California State University Fullerton. Previously, he served as Director of the Family Owned Business Institute and the Center for Entrepreneurship at Grand Valley State University in Grand Rapids, Michigan, USA. He is the founder of the FOBI Research Scholars Program – The FOBI Awards. He was a tenured Professor of Finance at Southern Illinois University at Carbondale. He is co-editor of the recent release of an 11 volume set entitled *Culturally-Sensitive Models of Family Business: A Compendium using the GLOBE Paradigm*.

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Family businesses have been with us practically ever since families have existed. Research on family business on the other hand is barely three decades old, and that which does exist is extensively focused on Western societies. Yet, family businesses continue to grow and proliferate throughout the world and across cultures. This special issue of the journal serves to help stimulate and encourage continuing research beyond the mainstream and to highlight the diversity and progress of these family businesses. Six papers have been selected for their special insights provided into areas often not seen in the mainstream. Several of these papers were part of a special conference of the International Family Enterprise Research Academy (IFERA) held January 2010 in Zhuai, China.

First paper by Jess Chua and James J. Chrisman (An overview of research issues on family businesses in China) provides us with a rare insight into issues associated with the re-emergence of family enterprise in the world's most populous country, China. Under Communist rule following the Revolution, private ownership, and therefore family businesses were severely restricted. With the re-establishment of private property rights, economic enterprise and family businesses have flourished; yet not without challenges. Key among these is China's one child policy and its practical implications for leadership succession within the family business. Chinese culture is millenniums in the making and Confucianism continues to live within the families and their value systems. Insights into special challenges in the new society are shown to significantly impact family business which helps illustrate how family businesses re-emerge within this complex situation. One likely implication of the current condition is that family businesses in China may be limited in terms of growth.

Second paper by Jing Ye, Melissa A. Parris and Dianne Waddell (Challenges of inter-generational succession in the Chinese Australian family business) also gives a unique look into the formation and growth of family businesses in a society where they have not

been pre-eminent; the Australian immigrant Chinese family business. Only in the past few decades has Chinese immigration into Australia been permitted on a wide scale basis, thus providing a unique laboratory to examine the start of family businesses in a society not their own. As strangers in a strange land, most Chinese family businesses in Australia are relatively short-lived, rarely extending beyond one generation. This paper allows us to see initial motivations and struggles in the early stage of development. The role of social capital and its importance for immigrant family businesses is highlighted. The authors conclude that social capital plays a major role in developing interdependent relationships between family and business, as well as in building viable relationships with the external environment to aid the Chinese family business' survival and success. The authors draw our attention to specific family cultural patterns that provide a sufficient distinction among traditional Chinese families, Anglo-Australian families and transnational Chinese-Australian families.

How do family businesses expand internationally and across cultures? One mechanism is the joint venture process. In third paper, authors Britta Boyd, Toshio Goto and Svend Hollensen (Internationalisation of family businesses – evidences from joint venture formations at Danfoss) discuss four actual cases of international joint venture by the Danfoss family business. The reasoning behind Danfoss' decision to cooperate with two competing family businesses in Japan and China as well as two non-family businesses in Canada and Britain is analysed. In-depth qualitative interviews reveal the driving forces on both sides and show how the psychic distance can be reduced between the different parent firms including the joint venture child. The study indicates which core competences of a family business matter when cooperating in equal split joint ventures. Different characteristics of family businesses are identified that hinder or encourage cooperation. It is revealed that shared values and goals can bridge cultural barriers, but family businesses have to develop a positive and realistic attitude towards their own capabilities and risk propensity when entering such cooperation.

Evolving family businesses are examined in a contrasting Nigerian context by authors Satwinder Singh, Chima Mordi and Chinonye Okafor in fourth paper (Family legacy and female entrepreneurs: insights from Nigeria). The paper investigates if female entrepreneurs originating from households in which parents are self-employed display characteristics that are different from those originating from households in which parents are in paid employment. A family legacy factor comes out as important since many seem to choose the business not only because it is peculiar to their family but also because it will enable them to be involved in the family decision-making process. For budding family entrepreneurs, the family may offer practical support – support which may then become the source of obligation and reciprocation that forms the basis of Nigerian culture. The availability of these benefits, which can be captured in the concept of 'family capital', helps precipitate women in Nigeria towards the decision to become an entrepreneur. This resonates with other research in the context of Africa where family commitments, particularly a desire to create a better environment for family members emerged as a strong motivating factor towards an entrepreneurial calling.

Turning towards a more macro perspective in fifth paper, authors Linda Glassop and Chris Graves (Family-owned businesses: perspectives on Australian policy) examine the structural differences in the situations faced between European family businesses with those of Australia. This unique analysis provides a rare glimpse of two continents, similar in their Western ideals and culture, but separate in their history and geographic space, given their location on opposite sides of the globe. To what degree do family businesses

from these two continents share development? Seven key areas are specifically examined; political awareness, inter-generational business transfer, financial obligations, balancing business and family, lack of specific education, access to finance for growth, and maintaining a skilled workforce. The authors find that Australian family business policy does not differ markedly to that of Europe. Several policy recommendations are outlined to enhance the recognition of, and provide support to, Australian family-owned businesses.

In the final paper (Constructing a performance measuring model for small and medium sized family businesses), authors Yong Wang and Pervaiz K. Ahmed address a critical universal challenge for all family businesses; better performance measurement. Based on the perspective that family business performance should be assessed from both family and business angles; the focus of this conceptual paper is the elaboration of a performance measurement model aligned with this perspective. A key contribution is the organisation of the latest theories and findings on family business and performance along two axes – leading and lagging performance constructs. Providing both leading and lagging indicators specifically to the family perspective provides additional flexibility and accuracy in assessment, especially when public information is not readily available, which is regularly the case in developing economies.

In summary, we hope that this special issue elevates the academies interest in expanding family business research beyond the traditional Western focus and to help highlight the diversity of family firms around the world. Further, by taking advantage of the special opportunities to observe the nascent stage of family business development in many of these economies, we will be better able to test and expand existing models of family businesses in the West as well. Furthering this work will provide us all with a more comprehensive understanding of family business dynamics and improve our policy recommendations.