
Editorial

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Biographical notes: Marco Cucculelli is an Associate Professor at the Università Politecnica delle Marche, Italy. He has published in the *Journal of Corporate Finance*, *Research Policy*, *Small Business Economics*, *Economics Letters*, *Entrepreneurship and Regional Development*, *J. of Small Business Management*, *Journal of Cleaner Production*, *Rivista di Politica Economica*, *L'Industria* and other refereed journals. He is the Director of the Giorgio Fuà Foundation, founding member of the Industry Studies Association (USA) and Director-at-Large (2012–2014) at the International Council for Small Business. He is an Associate Editor of the *Journal of Small Business Management* and the *Journal of Small Business and Entrepreneurship*.

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As you prepare to enjoy this special issue of the *International Journal of Business and Globalisation*, we wanted to provide you with an overview of this issue. As many of you will agree, it is widely acknowledged that small and medium size companies (SMEs) and intangible assets are crucial components of the globalisation of the economy. SMEs are found to be a key driver of the internationalisation process as they are endowed with peculiar strategic and organisational assets that support competitiveness. SMEs are usually associated with a flexible organisational structure, high speed decision process, pro-activeness and entrepreneurial alertness, innovation ability and risk propensity. All these features are mainly intangible, and represent the intangible component of the

competitive advantage on which SMEs base their success. However, despite the widespread relevance of SMEs, intangible asset in SMEs have been poorly explored, and much remains to be learned about their role in the globalisation process and their impact on local and national economies.

The idea for this special issue came initially from the discussions surrounding the development of the XIII Conference of the Society for Global Business and Development (SGBED) hosted in Italy at the Faculty of Economics Giorgio Fuà (Ancona) in the summer of 2014. Both the conference and the journal issue were to bring to the forefront the importance of SMEs and intangible assets as engines of globalisation and mechanisms for the creation of new international exchanges.

Globalisation and increased competition are putting new types of pressures on companies and, by extension, on the regions that depend on their success. Flexibility, the ability to immediately adapt to market developments and pro-activism in creating future markets are the earmarks of this new era. In response to increased competition, companies develop 'soft' production factors, i.e., factors related to individual knowledge that can be generically grouped in what is known as intangible assets. Studies are now focusing on understanding relationships between these intangible factors, internationalisation and firm performance. At the firm level, the literature suggests that intangible assets account for a large part of corporate assets, and probably the most relevant for firms' competitiveness. Scholars and policy-makers recognise the role played by intangible assets on firms' investment policy and, specifically, on the internationalisation process. Despite the great difficulties in measurement, firms' accounting data on intangible assets possess real informative content, and unveil positive effects on firm performance as measured by SMEs' international activity. These are the hints and suggestions that informed the preparation of this special issue.

As different parts of the world are experiencing dramatic changes from globalisation, SMEs are responding with new competitive strategies and also the role of non-tangible assets in sustaining the international economic activity have assumed significant importance. This special issue links these two issues from a variety of perspectives, both conceptual and empirical. Below we will provide a short summary of the papers included in this special issue.

Family ownership and management are often indicated as crucial assets in explaining the firm value and performance, as they are normally associated with the use and deployment of intangible assets in business (reputation, family name, favourable conditions in the labour and credit market, family entrepreneurial orientation, etc.). However, the positive impact of family in the business may elapse when the opportunity to expropriate minority exists. The paper by Juniarti provides evidence of a negative impact of family ownership on firm value when the share of majority of family ownership is significant. This makes the performance effect of intangible asset dependent on the financial and corporate structure of the company. The papers by Piia Uusi-Kakkuri and Tiina Brand on leadership behaviour and by P.P. Thampi, Amalendu Jyotishi and Ram Bishu on cultural characteristics of small business entrepreneurs in India delve into the issue of personal traits of managers and entrepreneurs. They can act as a catalyst of the growth process of the company and can leverage the performance effect of intangible asset on which the firm bases its competitiveness. In both the papers, entrepreneurial and managerial capabilities are examined as crucial components of a stock of intangible assets the firms are endowed with. In the same line, the paper by Saquib Yusaf Janjua and Jürgen Mühlbacher presents an assessment of the drivers of change that are expected to

influence business operations and future competitive landscape in manager-run companies. Finally, the papers by Tobias Pehrsson on market entry mode and by Cláudia Ribau, António Moreira and Mário Raposo provide a theoretical analysis on the business internationalisation research and new empirical evidence on the entry mode in international markets.

We hope the reader will find the diversity of the papers published in this issue as both informative and challenging to engage in the study of intangible assets, SMEs and how they impact on globalisation, and trigger further research on the relationship of intangibles, SMEs and international economic activity.