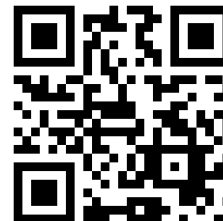


Management Dynamics and Global Strategy in Family Enterprise Strategy



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ABSTRACT: The aim of this research is to emphasize how crucial it is for family companies to grow internationally. Despite the large amount of research that has been done in this field, there are still problems and chances for more study. This study includes six publications that use a variety of approaches, including qualitative case studies, fsQCA, and quantitative analysis of secondary data, to investigate the internationalization of family companies. The study examines the function of the board of directors in global strategy, the dynamics within the top management team between family owners and managers and non-family managers, the impact of financial resources and governance on internationalization strategy, and the influence of historical and contextual factors on internationalization choices. This study offers models and insights into how family firms adapt to shifting institutional and market conditions. and strategies to strengthen their global expansion efforts. The authors recommend conducting comparative studies between family and non-family businesses to identify their respective strengths and weaknesses in the context of internationalization.

KEYWORDS: Family Business, Global Expansion, Socioemotional Wealth (SEW)

I. INTRODUCTION

A thorough grasp of the tactics and approaches used in family enterprises is essential while researching the field of family company management. Bettinelli et al., (2023), claim that family businesses frequently have an edge when it comes to managing foreign corporations. When international businesses enter the global market, they can significantly benefit from pairing skilled personnel with local partners. Family businesses have a lot of room to develop and are skilled at establishing lasting partnerships. Family companies are crucial because of this.

Look into Prior research conducted by Arregle et al. (2024a) focused on the challenges faced by multinational corporations in trying to integrate into the global market. However, after a few years, the researchers began to focus on the position of family businesses in the global economy. However, there are still a few issues that need to be resolved, such as the somewhat flawed research technique that hinders students' ability to understand the phenomena they are currently studying. The latest study by Botha & Steyn (2023), focuses on the integration of family business with IB research.

Pont & Simon (2024), success in the global marketplace, such as strong loyalty and a positive reputation, can be attributed to emotional intelligence held by businesses with employees and other stakeholders. This also has a significant impact on employee morale and company reputation. Chen et al. (2023), states that a company's reputation has a significant impact on its reputation and work performance. As per Hwang & Hoque (2023), kinerja bisnis dapat meningkatkan emosional hubungan. An important factor in boosting work productivity and reputation on the international stage is the emotional rift between employees and business owners.

Second, family social capital is defined as the shared norms and values (Gunawan & Koentjoro, 2023). Social capital developed by family businesses includes a robust network of business relationships, trust, a positive reputation with partners and clients, and the flexibility to adapt in a changing business environment. The owner-managers, many of whom are related, come in third. The goal of Järleström et al. (2023), Hossain, (2023), Widagdo & Sa'diyah (2023), Qiu (2024) is to promote decision-making that demonstrates commitment to the firm's long-term profitability while upholding the firm's vision and purpose.

Fourth, in addition to being driven by financial gain, managers also have a great desire to create something meaningful and long-lasting for their family Gómez-Mejía & Herrero (2022). Stirpe, (2023), emphasizes that family businesses are impacted not just by financial benefits but also by a variety of emotional factors. These elements consist of the company's mission, the desire

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to preserve the family name, and other elements. The various obstacles that family businesses must overcome, such as keeping up with the quick advancements in technology, are now a crucial part of global business strategy. To optimize the trade-off between financial gain and long-term social effect, multinational corporations need to strike a balance between economic success and the social and governance implications of their commercial activities Bornhausen & Wulf (2024); Difa Nuresa et al. (2024). Family firms often have unique aims that may be seen in two ways, according to international strategy and performance. The incorporation of findings into non-economic objectives comes first. A long-term perspective of the family business enterprise comes in second Simion & Avasilcai (2023), Amadi (2023), assert that there are influencing variables, such as the effect of family enterprises, in an unstable and dynamic business environment. Of course, elements like governance and environment have an impact on the volatile and constantly shifting corporate environment.

Certain family businesses tend to favor expanding into markets that are aligned with their family values, according to Nakpodia. markets that align with their family values, according to Nakpodia (2023); Thaller et al. (2023), non-economic qualities such as family pride, family identity, and the continuation of the family legacy, known as socioemotional wealth (SEW), play an important role in family business decision-making. In family business decision-making. Values such as family pride, family identity, and the continuation of family legacy are all related to family influence in business. Referring to Saleem & Graves (2024), these factors are becoming a key determinant of family business strategy in. Non-financial objectives in the globalization of family business ventures can help understand how SOEs make strategic decisions influenced by family firm factors. This suggests commonalities, such as the importance of non-economic goals. Research on how family businesses reconcile differences in perceptions and connect past, present and future interpretations is essential. International business (IB) researchers also recommend using history to understand the past, present and future phenomena of internationalization. Michiels et al. (2024), emphasize that the investigation.

This research is defined and improved by three fundamental pillars: management relevance, theoretical rigor, and methodological rigor. Thorough study of causal linkages and methodological rigor are important ways to improve the operationalization of family business enterprises. Furthermore, a prediction of the major obstacles that will arise during the next global upheaval has to be made. Guerrero Calle et al. (2024), state that family businesses, which comprise the bulk of multinational corporations, have a variety of backgrounds, which influences how they approach the topics under study

II. LITERATURE REVIEW

Five theories were put out in the study of the globalization of family company operations. A novel theoretical paradigm emphasizing family enterprises has surfaced recently. Family companies prioritize non-financial assets such as social relationships, family identity, and history—a concept known as SEW (Socioemotional Wealth). Various concepts pertaining to family ownership, control, and legacy, as well as their impact on the globalization of commercial organizations, were emphasized by Kuttner & Fürthner (2024)

Five theories are suggested for studying the internationalization of family business ventures. A distinctive theoretical framework has emerged recently, emphasizing family firms. This construct, known as SEW (Socioemotional Wealth), encompasses non-monetary values cherished by family firms, including social ties, familial identity, and legacy. Kuttner & Fürthner (2024) highlight various theories concentrating on family ownership, control, and heritage, and their impact on the internationalization of corporate enterprises.

A. Theory Agent Restriction

In light of globalization in particular, this idea highlights the value of family support in settling disputes between managers and staff as well as between managers and owners. The value of the company's chain of command may be increased and subpar agent performance can be decreased with teamwork.

B. Theory Family Ownership and Control and Agent-Structure

Domination and Ownership in the Family This topic examines how family ownership affects corporate strategy and control, particularly decisions about internationalization. The primary focus of the conversation is the dynamics of power and control between family members and senior management. The theory considers the complex interactions between the actor (managers) and the structure (family ownership) that influence company decisions and behavior. influence on decisions and actions made by businesses, particularly those pertaining to internationalization.

C. Theory Resources and Capabilities

This idea highlights the impact of resources, such as family control, on a company's ability to conduct business internationally. A significant component of this research is examining how family ownership affects businesses' capacity to get the assets and instruments required for international expansion.

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D. Theory Family Growth Theory

This idea explains how family businesses transform across generations, especially when expanding overseas. Expansion decisions are influenced by internal family dynamics. Compared to non-family firms, family businesses have specialized accounting procedures. Arregle et al. (2024a), emphasize that these unique characteristics give them a competitive advantage in globalization. Dolar & Biloslavo (2023), argue that all businesses can achieve competitive advantage without having to rely on common resources.

III. METHOD

The approach used in This study is comprehensive which includes various types of measures such as family control ownership, involvement of family members in management decision-making, family culture and values. This research this research uses a qualitative approach with a case study method. Data analysis method data analysis used qualitative fuzzy set analysis (fsQCA).

Data Retrieval, data processing using fuzzy set qualitative comparative analysis (fsQCA). aims to generate more realistic relationships that take into account configuration equivalence, conjunctive causation. Data Analysis, technique data analysis technique using categorization categorization by grouping the data into categories based on the themes that have been identified, with fuzzy analysis analysis (fsQCA). Section includes research design, data collection instruments, participants/sample, the procedure of data collection, and data analysis

IV. RESULT AND FINDINGS

These articles support each other in studying family business internationalization and help achieve the research objectives. Building on studies by Ogundare & van der Merwe (2023), Putri & Hartono (2023) and Sagita et al. (2024) this study investigates the influence of board attributes on the ability of family SMEs to self-organize and participate in international business ventures. Global plans for 328 family SMEs in developed countries were examined using a multivariate theoretical framework based on transaction costs and upper echelon theory. The directors of these firms possess knowledge and expertise that allow them to see beyond rational limitations.

According to research by Arregle et al. (2024b), Deferne et al. (2023), and Nurfarida et al. (2023), collaboration between family owner managers (FOMs) and non-family managers (NFMs) in the top management team (TMT) influences the internationalization decisions of family firms. Identifying the roles of frontiersmen, experts, movers, and administrators helps understand the function of TMT in internationalization. This research emphasizes the importance of formal roles in international decision-making by family businesses.

Research on the complex dynamics and strategic choices faced by family businesses as they withdraw from international markets was conducted by Ding & Wu (2023). They carefully analyzed the global market by examining 1,455 Chinese family subsidiaries to understand how internationalization decisions are affected by cultural, historical, and military conflicts. The results show that while cultural friction tends to reduce the trend of globalization, historical military friction increases the risk of exiting foreign markets. Study Fathallah & Carney (2024), which focuses on four multigenerational business families in Lebanon, emphasizes the importance of families in international business. They propose a three-stage internationalization strategy that uses institutional arbitrage tactics to gain advantage in foreign markets while maintaining ties to the home country at the individual, family and firm levels.

V. DISCUSSION

Michiels et al. (2024) highlight the importance of combining local context with historical perspective in understanding the phenomenon of internationalization. They show that by considering time and place, the use of history as an evaluation tool can enhance our understanding of the global challenges that family firms face. This study confirms that a history-based approach can provide more comprehensive insights into the way family firms respond to global issues and environmental changes. To achieve methodological rigor, it is necessary to improve the operationalization of family businesses, identify causal relationships, and anticipate significant future challenges. This study emphasizes the need for improved operationalization and causal analysis to understand the dynamics of internationalization in family firms, as suggested by Ratten (2023). Theoretical rigor can also be gained by integrating relevant theories and generating new ideas that provide a more comprehensive explanation of the phenomenon.

The conclusions of this study have great relevance for managers in family firms, assisting them in designing successful internationalization plans. For example, the concept of socio-emotional wealth (SEW), which includes non-financial aspects such as heritage, family identity, and social interaction, can be an important resource for family firms in facing the challenges of internationalization and capitalizing on opportunities in foreign markets. Next, family Ownership and Control Are Important.

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Theories like Agency Theory and Family Ownership and Control Theory demonstrate how family ownership affects internationalization strategies and choices. Family ownership is believed to prevent unwanted agent conduct and encourage the accomplishment of long-term company goals. Therefore, a key factor in determining the success of family companies' internationalization ambitions is the ownership and control structures within the family. Consequences for Future Studies, To deepen the understanding of how family firms can grow in a global context, future research could lead to the use of more sophisticated approaches as well as the integration of data from different disciplines.

VI. CONCLUSIONS

A deeper knowledge of the dynamics of family company internationalization is made possible by this study's blending of historical perspective, methodological rigor, and managerial relevance. By using such a thorough approach, future studies can further our understanding of how family businesses can successfully navigate the challenges of internationalization and seize opportunities in the global marketplace.

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