

## **Family Identification and Internationalization Process: A Historical Case of Thai Multinational**

Kannapa Chartiyanon, [bn14kc@leeds.ac.uk](mailto:bn14kc@leeds.ac.uk)

Emmanuella Plakoyiannaki, [e.plakoyiannaki@leeds.ac.uk](mailto:e.plakoyiannaki@leeds.ac.uk)

Hanna Gejewska De-Mattos, [hgdm@lubs.leeds.ac.uk](mailto:hgdm@lubs.leeds.ac.uk)

Leeds University Business School, UK

### **Extended Abstract**

“What makes family business internationalization unique?” is still a central question for both family and non-family scholars. There have been flourishing attempts to bridge the link between family firm and internationalization process literature in the past decade (Kontinen & Ojala, 2010; Gomez-Mejia, Makri & Kintana, 2010; Pukall & Calabro, 2014; Reuber, 2016; De Massis, Frattini, Majocchi & Piscitello, 2018). These recent insights advocate the importance of understanding “family” which plays a central role in internationalization. Nevertheless, there is not enough empirical study that provide an in-depth account of family firm internationalization process. Most study focus on family decision-making e.g. motivation, location choice, and entry mode (De Massis et al., 2018). Literature does not provide a full account of the sequence, dynamism, causation and outcome of the initial internationalization.

The failure to address complete process explanation is that there is no specify empirical nor theoretical study of the lower level of the phenomenon i.e. examination at the family level. While previous studies such as Gomez-Mejia et al. (2010), Pukall & Calabro (2014) recognize the importance of socio-emotional wealth (SEW) preservation of family business in internationalization i.e. families are prone to preserve their SEW when making international decisions over potential financial benefits from expanding beyond domestic scope, most study ignore the mechanisms of choices, action, and interaction of individuals which determine the internationalization process. Given that family is inherently an evolving social constructed unit, their development inevitably determines the international approach.

On the contrary, internationalizing context can also de-stabilize established family routines and logics. In line with Pukall & Calabro’s (2014) conceptualization on SEW renewal in the internationalization process, Reuber (2016) further argues that internationalization can triggers family business due to several reasons such as geographical distance that influence on communication within family, unequal awareness of change required, and increased reliance

on non-family network or partners. These recurring factors urge family to realign their existing routine to response to the changing context they are embedded in.

Therefore, we investigate the “family identification with firm” as it is one important dimension family firms employ to define “who they are” as a family. Thus, understanding the interdependence between family identification with firm and internationalization over times will help explaining the uniqueness family firms’ internationalization process.

With the purpose to investigate “*how does change in family identification with firm drives the internationalization process of family firm*”, we followed Dyer and Wilkin’s (1991) approach to develop “a good story” over “good constructs” to empirically investigate a single case due to three reasons. First, it allows the researcher to have a clear understanding of the richness of the context to explain the phenomena. Second, is accounted for a longitudinal in-depth perspective of an investigated unit. Third, it facilitates a conceptualization through theoretical lens drew in the research. A good story following Dyer & Wilkin’s (1991) approach has a value in enhancing explanatory power of the theory.

Under a constructivist philosophical approach, we believe that the data is co-constructed between the researcher and the researched. Data collected from different archival sources, interviews with relevant parties as well as research notes allow us to create a historical case of the company at the initial stage of analysis. We then zoomed in to investigate events that bridge family identity and internationalization. The internationalization episodes were chronological constructed into 3 stages. The time slack varied in each period. The outcome of the prior stage lead to consequences in later stages of internationalization i.e. there is a causation between previous stage of internationalization and subsequent internationalization. Each stage was triggered by social interactions (i.e. triggering attention, critical thinking, and consensus building) between involved participants. These process of developing a model allow us to distinguish “what they think happened” and how these events lead to the decision that explained “what actually happened”. We reiterated between data and theory and developed a process-model to explain change in family identification underlying internationalization process of family firm.

This study contributes to the intersection of international business and family business research in several ways. First of all, while the field recognizes the inadequate explanation of linear internationalization process (Welch & Paavilainen-Mäntymäki, 2014), this study has shed lights on the internationalization “process” of firms by illustrating that internationalization is not a single, linear process, rather, it is a process which was driven by firm’s desire to

preserve their identification with firm in the internationalizing context. Meanwhile, the persistence to change in business routine and operational logic account for discontinuity in the internationalization process of family business. Misalignments between family desire for family identification with firms and changes required by international context creates dissatisfactions for the initial internationalization outcome. Tensions between the two processes have constantly resulted in the internationalization approach, from initial internationalization, de-internationalization and re-internationalization which is a natural process of many family firms in the world.

Second, we have also move beyond firm-level data in the internationalization process to family-level influences on the internationalization process. Our findings support Reuber's (2016) conceptualization that international context prompts family to change their business routine and logic in operating their business at international level. Nevertheless, we also found that the awareness is only developed at family change agent, and not recognized by majority family member. If the individual fail to acknowledge the need to change to the larger group of family managers, it is likely that the internationalization process may discontinue unless they become aware and take immediate actions to response to international environment.

The limitation of this study lies in understanding other socio-emotional wealth dimension of family business internationalization. We acknowledge that family identification with firm and succession play crucial roles in international business activities. Nevertheless, future research can advance our study by exploring other non-economic rationales e.g. emotions and engagement with social capital that may influence how family behave to fit in their respective host countries environment.

## **References**

- Aldrich, H. E., & Cliff, J. E. (2003). The pervasive effects of family on entrepreneurship: Toward a family embeddedness perspective. *Journal of business venturing*, 18(5), 573-596.
- Basco, R., & Pérez Rodríguez, M. J. (2009). Studying the family enterprise holistically: Evidence for integrated family and business systems. *Family Business Review*, 22(1), 82-95.
- Berrone, P., Cruz, C., & Gomez-Mejia, L. R. (2012). Socioemotional wealth in family firms: Theoretical dimensions, assessment approaches, and agenda for future research. *Family Business Review*, 25(3), 258-279.

- Carrigan, M., & Buckley, J. (2008). 'What's so special about family business?' An exploratory study of UK and Irish consumer experiences of family businesses. *International Journal of Consumer Studies*, 32(6), 656-666.
- Chua, J. H., Chrisman, J. J., & Sharma, P. (1999). Defining the family business by behavior. *Entrepreneurship theory and practice*, 23(4), 19-39.
- Claver, E., Rienda, L., & Quer, D. (2009). Family firms' international commitment: The influence of family-related factors. *Family Business Review*, 22(2), 125-135.
- Daspit, J. J., Holt, D. T., Chrisman, J. J., & Long, R. G. (2016). Examining family firm succession from a social exchange perspective: A multiphase, multistakeholder review. *Family Business Review*, 29(1), 44-64.
- De Massis, A., Frattini, F., Majocchi, A., & Piscitello, L. (2018). Family firms in the global economy: Toward a deeper understanding of internationalization determinants, processes, and outcomes. *Global Strategy Journal*, 8(1), 3-21.
- Dyer Jr, W. G., & Wilkins, A. L. (1991). Better stories, not better constructs, to generate better theory: A rejoinder to Eisenhardt. *Academy of management review*, 16(3), 613-619.
- Dyer, W. G. (1989). Integrating professional management into a family owned business. *Family business review*, 2(3), 221-235.
- Epp, A. M., & Price, L. L. (2008). Family identity: A framework of identity interplay in consumption practices. *Journal of consumer research*, 35(1), 50-70.
- Gomez-Mejia, L. R., Makri, M., & Kintana, M. L. (2010). Diversification decisions in family-controlled firms. *Journal of management studies*, 47(2), 223-252.
- Graves, C., & Thomas, J. (2008). Determinants of the internationalization pathways of family firms: An examination of family influence. *Family Business Review*, 21(2), 151-167.
- Hall, A., & Nordqvist, M. (2008). Professional management in family businesses: Toward an extended understanding. *Family Business Review*, 21(1), 51-69.
- Herrmann, P., & Datta, D. (2002). CEO Successor Characteristics and the Choice of Foreign Market Entry Mode: An Empirical Study. *Journal of International Business Studies*, 33(3), 551-569. Retrieved from <http://www.jstor.org/stable/3069530>
- Holt, D. T. (2012). Article Commentary: Strategic Decisions within Family Firms: Understanding the Controlling Family's Receptivity to Internationalization. *Entrepreneurship Theory and Practice*, 36(6), 1145-1151.

- Verbeke, A., & Kano, L. (2016). An internalization theory perspective on the global and regional strategies of multinational enterprises. *Journal of World Business*, 51(1), 83-92.
- Khanna, T., & Palepu, K. (1997). Why focused strategies may be wrong for emerging markets. *Harvard business review*, 75(4), 41-43.
- Kontinen, T., & Ojala, A. (2010). The internationalization of family businesses: A review of extant research. *Journal of Family Business Strategy*, 1(2), 97-107.
- Langley, A. N. N., Smallman, C., Tsoukas, H., & Van de Ven, A. H. (2013). Process studies of change in organization and management: Unveiling temporality, activity, and flow. *Academy of management journal*, 56(1), 1-13.
- Micelotta, E. R., & Raynard, M. (2011). Concealing or revealing the family? Corporate brand identity strategies in family firms. *Family Business Review*, 24(3), 197-216.
- Miller, I. W., Ryan, C. E., Keitner, G. I., Bishop, D. S., & Epstein, N. B. (2000). The McMaster approach to families: Theory, assessment, treatment and research. *Journal of Family Therapy*, 22(2), 168-189.
- Minichilli, A., Nordqvist, M., Corbetta, G., & Amore, M. D. (2014). CEO succession mechanisms, organizational context, and performance: A socio-emotional wealth perspective on family-controlled firms. *Journal of Management Studies*, 51(7), 1153-1179.
- Pukall, T. J., & Calabrò, A. (2014). The internationalization of family firms: A critical review and integrative model. *Family Business Review*, 27(2), 103-125.
- Reuber, A. R. (2016). An Assemblage–Theoretic Perspective on the Internationalization Processes of Family Firms. *Entrepreneurship Theory and Practice*, 40(6), 1269-1286.
- Strike, V. M., Berrone, P., Sapp, S. G., & Congiu, L. (2015). A socioemotional wealth approach to CEO career horizons in family firms. *Journal of Management Studies*, 52(4), 555-583.
- Teal, E. J., Upton, N., & Seaman, S. L. (2003). A comparative analysis of strategic marketing practices of high-growth US family and non-family firms. *Journal of developmental entrepreneurship*, 8(2), 177.
- Van de Ven, A. H., & Poole, M. S. (1995). Explaining development and change in organizations. *Academy of management review*, 20(3), 510-540.
- Welch, C., & Paavilainen-Mäntymäki, E. (2014). Putting process (back) in: research on the internationalization process of the firm. *International Journal of Management Reviews*, 16(1), 2-23.

- Westhead, P., Cowling, M., & Howorth, C. (2001). The development of family companies: Management and ownership imperatives. *Family Business Review*, 14(4), 369-385.
- Yeung, H. W. (2006). Change and continuity in Southeast Asian ethnic Chinese business. *Asia Pacific Journal of Management*, 23(3), 229-254.