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Special Issue of *Small Business Economics: An Entrepreneurship Journal*

The “open family firm”: Social capital, networks, collaborations and the formation of business and entrepreneurial ecosystems in the family business context

Frank Lambrechts, Hasselt University

frank.lambrechts@uhasselt.be

Alfredo De Massis, Free University of Bozen-Bolzano and Lancaster University

alfredo.demassis@unibz.it

Jolien Huybrechts, Maastricht University

j.huybrechts@maastrichtuniversity.nl

Erik E. Lehmann, University of Augsburg

erik.lehmann@wiwi.uni-augsburg.de

Overview

“Openness”, which we broadly refer to as any activities by which a firm interacts, exchanges and shares resources with external parties, has become an established norm in the contemporary business environment. Increasingly, family firms engage in different types of collaborations and networks on different scales and levels. Even as family firms differentiate from one another, they are highly interdependent with other external parties (e.g., customers, suppliers, competitors, specialized knowledge centers, universities and governmental agencies) that make up their ecosystem to create value. Creating value may encompass forms of collaborative (Feranita, Kotlar, & De Massis, 2017) and open innovation (Casprini, De Massis, Di Minin, Frattini, & Piccaluga, 2017; Lambrechts, Voordeckers, Roijackers, & Vanhaverbeke, 2017), and knowledge sharing and joint systemic learning (Lambrechts, Taillieu, Grieten, & Poisquet, 2012), that may be unique to the collaboration. Thus, as an organizing principle, openness fundamentally changes what organizations are, how they function and how they interact with their environments, which makes this special issue focus on the “open family firm” particularly timely and important.

Family firms, similar to other firms, increasingly open up their boundaries and collaborate with external parties to ensure requisite variety (Seidl & Werle, 2018). That is, to understand and master a complex environment, the sources of variety/complexity that an organization take part in have to equal the complexity of that environment. Or, as Weick (1995, p. 89-90) puts it, “It takes a complex sensing system to register a complex object.” Some family firms engage in collaborative efforts when faced with in-house constraints in expertise, resources and capacities (a deficit-driven focus) while others seek collaboration to combine and align strengths to form new powerful constellations (a strengths-driven focus). However, some family firms are better at collaborating with external parties than others (Casprini et al., 2017; Lambrechts et al., 2017).

Engaging in boundary-crossing collaboration poses many challenges to family firms. These firms have “to learn how to thrive in the fluid and rapidly changing business ecosystems in which they participate, while preserving their identity as a business as well as their cohesion and values as a family” (Beelen & Whitmore, 2018, p. 4). Understanding the role played by the characteristics of the business and/or entrepreneurial ecosystem (Clarysse,

Wright, Bruneel, & Mahajan, 2014) in shaping behaviors and outcomes in the open family firm is an important, yet still overlooked research area.

Family firms, similar to other firms, must also manage the tension between “the need for requisite variety in order to understand complexity and the danger of introducing more complexity than can be handled” (Seidl & Werle, 2018, p. 835). In other words, while working together with external parties increases requisite variety, collaborating across boundaries may also come with significant coordination and sense-making challenges (Maitlis & Sonenshein, 2010). However, we have no knowledge about the interaction strategies that organizational members in the family business use to handle this complexity and variety.

A further major challenge is productively handling the communicative and relational nature of collaborating itself. As Senge, Lichtenstein, Kaeufer, Bradbury and Carroll (2007, p. 47) argue, “Success in any collaboration ... rests on the quality of relationships that shape cooperation, trust, mutuality and joint learning.” Social capital resources (e.g., trust) indeed stem from high-quality interpersonal relationships among individuals (Bolino, Turnley, & Bloodgood, 2002; Andersson et al., 2018). However, the family business literature has offered contrasting perspectives on family firms’ *ability* and *willingness* to build and maintain social capital with external partners. On the one hand, scholars suggest that the pursuit of family-centered, noneconomic goals (such as preserving tight family control or growing the prestige and reputation of the family in the community where the family firm operates) and particularistic strategies by the family may lead to uncertainty and alignment problems with “outsiders” (Chrisman, Memili, & Misra, 2014). On the other hand, other scholars argue that family firms, because of their long-term orientation, tend to form close internal communities and enduring external connections with outside parties (Huybrechts, Voordeckers, Lybaert, & Vandemaele, 2011; Miller & Le Breton-Miller, 2005; Miller, Lee, Chang, & Le Breton-Miller, 2009), which result in higher embeddedness in local communities (De Massis, Audretsch, Uhlaner, & Kammerlander, 2018).

Another challenge relates to how open/closed family firms are able and willing to organize across their borders. We observe that some family firms open up their boundaries, take the lead as orchestrators or gatekeepers, are the driving forces of the local ecosystems in which they participate (Casprini et al., 2017; Lambrechts et al., 2017), while others operate more in the background, keeping their boundaries firmly closed. We feel we are in great need to understand this family firm heterogeneity as it relates to collaborating with external parties.

Research on network brokerage (Burt, 2005), which describes an activity of a network actor occupying a structural position (bridge) between two or more otherwise-unconnected actors, has grown rapidly in the past decade. Brokerage is becoming increasingly diffused among firms in open environments, for instance because of online social media platforms like Facebook or Twitter that create more and more opportunities to bridge across previously unconnected actors. However, we know virtually nothing about how the antecedents, processes and outcomes of network brokerage may change in the context of family firms.

Moreover, network relationships involving family firms within and across industries, in a national and international context (Audretsch et al., 2018), can be influenced by the characteristics of the industrial sectors where such phenomena take place although the mechanisms through which the industrial sector shapes networking phenomena and the processes through which organizational actors interact with sectors to collaborate with external parties remain largely under-theorized and little understood (De Massis, Kotlar, Wright, & Kellermanns, 2018). Thus, we call for research on industry-specific determinants, processes, and outcomes of social capital, networks, collaborations and the formation of business ecosystems in the family business context.

Finally, recent family business research has argued for the importance of microfoundations to understand macro-level phenomena in terms of the actions and

interactions of lower-level entities (De Massis & Foss, 2018). A microfoundational approach aimed to understand how processes and outcomes in the “open family firm” emerge from the characteristics (e.g., personality traits, psychological biases, heuristics) (Kelleci, Lambrechts, Voordeckers, & Huybrechts, 2019; Freeman, et al. 2018), behaviors, and interactions of organizational members in the family business is another area ripe for future research. The recent special of *FBR* on “Psychological foundations of management in family firms” (https://journals.sagepub.com/pb-assets/cmscontent/FBR/FBR_Call_for_Special_Issues_PFM-1535385564573.PDF) offers some examples of how a microfoundational lens can help advance the family business field.

Given the above and other challenges and knowledge gaps, we call for further research on the antecedents, conditions, mechanisms, micro-processes, outcomes and forms of family firm collaboration with external ecosystem parties.

Research topics

We especially welcome papers focusing on but not limited to the following topics:

- How do different configurations of the family’s ability and willingness affect the behavior and outcomes of the “open family firm”?
- Is “openness” beneficial to family firm performance? How do open family firms differ from closed family firms in their outcomes and performance?
- Collaborative and open innovation in family firms (e.g., the role of family firms’ tradition in open innovation, the mechanisms behind absorptive capacity in family firms)
- What types of leadership roles do family firms take up in the networks/ecosystems in which they participate? Why and under what conditions do family firms take the lead of their networks/ecosystems?
- What types of interaction strategies do family firm actors use to deal with increasing variety and complexity inherent in collaborating with external parties, and what are the outcomes of such strategies?
- How do family firms and their external parties co-shape joint learning on the network/ecosystem level?
- What are the mechanisms by which external social capital is formed in family firms?
- How do different family firm actors extract benefits from the formation and reactivation of social ties with external parties and get access to resources through social relationships?
- How do family firms leverage social capital to establish cooperation with other firms?
- Under what circumstances do families encourage or discourage members to develop ties outside the family system for business purposes?
- How can internal and external social capital be nurtured in the transition from a generation to the next in a family firm? How can the social capital of the senior generation be integrated with the social capital of the new generation? How do intergenerational social capital dynamics unfold?
- How do different types of family embeddedness affect the formation and development of social capital, and vice versa?
- How does network brokerage occur in the family business context? What are the differences in brokering processes, outcomes and antecedents between family and nonfamily firms and among different types of family firms?
- How do network relationships within and across industries influence the development of networking/ collaboration phenomena involving family firms?

- How do characteristics of the industrial sector influence behaviors and outcomes of the open family firm?
- How do the characteristics of the business and/or entrepreneurial ecosystem shape different behaviors and outcomes in the open family firm (e.g., their capabilities to build and maintain relationships with external parties)?
- What are the psychological foundations of family firm actors' choices to undertake network and collaboration activities? How do specific heuristics and/or personality traits of family firm agents affect such choices? Do the typical social issues of family firms (such as trust and loyalty) reinforce the affirmation of some heuristics and/or personality traits?

Key dates

The deadline for submission of papers to the special issue is 30th March 2020. The publication of the special issue is expected by late March 2021.

Paper submission procedure

Submissions to the special issue should be sent electronically to Jolien Huybrechts, Maastricht University (j.huybrechts@maastrichtuniversity.nl) and Erik E. Lehmann (erik.lehmann@wiwi.uni-augsburg.de). All submissions will be subject to the standard review process followed by *Small Business Economics: An Entrepreneurship Journal*. All manuscripts must be original, unpublished works that are not concurrently under review for publication elsewhere. All submissions should conform to the *SBEJ* manuscript submission guidelines available at <https://link.springer.com/journal/11187>

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