INTERGENERATIONAL TRANSFER OF SOCIAL CAPITAL IN TRANSNATIONAL ENTREPRENEURSHIP (SUMMARY)

Mike Mustafa
Macquarie University, Australia, michael.mustafa@nottingham.edu.my

Stephen Chen
Macquarie University, Australia

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SUMMARY

INTERGENERATIONAL TRANSFER OF SOCIAL CAPITAL IN TRANSNATIONAL ENTREPRENEURSHIP

Mike Mustafa, Macquarie University, Australia
Stephen Chen, Macquarie University, Australia

Principal Topic

Both the Sociology and entrepreneurship literatures have long recognised that “involvement and participation in groups can have positive consequences” for individuals (Portes, 1998). Similarly the international entrepreneurship literature has also concluded that patterned relationships generate social capital which helps enterprises overcome the liabilities of newness and foreignness (Chetty & Campbell-Hunt, 2003). Recently scholars have directed their attention towards the phenomenon of transnational enterprises and social capital (Wong and Ng, 2002). For example Light and Gold (2004) found that, such enterprise enjoyed “linguistic and social capital” in international commerce. Yet our understanding regarding transnational enterprises and social capital has largely centred on initial foreign market entry and post-internationalization activity.

However from a long-term continuity perspective, the value of such social capital can only be fully realized when it is effectively transferred and managed. Yet only a few studies have examined the transfer and management process (Steier, 2001; Carberra-Sueraz et al., 2001). This suggests a greater need to understand this process at not only the local but also at the transnational level. Accordingly, this research seeks to bridge this gap through exploring the dynamic process of post-internationalization social capital development among transnational family enterprises.

Methodology

Using a qualitative methodology (Yin, 1992), nine transnational family enterprises from Malaysia and Singapore were identified. Data collection was through a series of in depth interviews with both generations of entrepreneurs focusing on the key themes of how transnational ties are transferred between generations along with the issues arising from the process.

Results

Like Rusinovic (2008) and Levitt and Waters (2003) we also found that the transnational social capital of family enterprises represented a strategic resource for both generations. However, transferring such strategic resources between generations remained a complex process (Steier, 2001; Carberra-Sueraz et al., 2001). Four phases, introduction to routines, introductions to key family and non-family, working directly with transnational ties, reconfiguring and optimizing transnational ties, were identified during the process. Our research also revealed that successor socialization patterns and the willingness of founders to disengage from the enterprise affected transition between phases. Additionally, the reconfiguration of both the structure and content of existing ties tended to be a problematic process often fraught with generational conflict.

CONTACT: Mike Mustafa; michael.mustafa@nottingham.edu.my; (T): +65 961 800 42; Macquarie University, Sydney, NSW, Australia, 2109.