MASTERARBEIT | MASTER'S THESIS

Titel | Title

Social Capital as a means to overcome geopolitical complexities: A single case study in the Russian context

verfasst von | submitted by

Iuliana Starodumova

angestrebter akademischer Grad | in partial fulfilment of the requirements for the degree of

Master of Science (MSc)

Wien | Vienna, 2024

Studienkennzahl lt. Studienblatt | Degree programme code as it appears on the student record sheet:	UA 066 914
Studienrichtung lt. Studienblatt | Degree programme as it appears on the student record sheet:	Masterstudium Internationale Betriebswirtschaft
Betreut von | Supervisor:	Univ.-Prof. Maria Emmanouela Plakogiannaki PhD
Mitbetreut von | Co-Supervisor:	Dott. Dott. mag. Dott. ric. Francesco Debellis

1. Abstract 3
2. Introduction 3
3. Literature Review 5
3.1. Social Capital Theory 5
3.1.1. Dimensions of social capital 6
3.1.2. Social capital in the context of internationalization 8
3.1.3. Social Capital in Family Firms 9
3.2. Network Theory 10
3.2.1. Types of Networks 11
3.2.2. Trust in Networks 12
3.3. Connection between Social Capital Theory and Network Theory 13
3.4. Internationalization of Family Firms 14
3.4.1. Unique characteristics of family firms 15
4. Methodology 17
4.1. Research Philosophy 17
4.2. Single-firm case study approach 17
4.2.1. Process of qualitative single case study 18
4.3. Data Source 19
4.3.1. Sampling strategy 20
4.3.3. Industry-specific information 21
4.3.4. International presence 21
4.2.5. Russian Context Relevant for The Research 23
4.4. Qualitative Data Collection 23
4.5. Qualitative Data Analysis 25
5. Findings 28
6. Discussion 50
7. Contribution(s) to theory and practice 52
7.1. Contribution to the theory 53
7.2. Contribution to practice 54
8. Limitations, ethical issues, and recommendations for further research 55
Reference List 58
Appendix 70

1. Abstract

This thesis examines the influence of social capital on the internationalization of family firms amid the geopolitical challenges such as the Russia-Ukraine conflict. Initially, the pandemic posed significant challenges to business operations, which were further compounded by the war conflict and subsequent sanctions against Russia, creating obstacles for conducting business both internationally and within the country. Through a qualitative case study of a Russian family firm, the research investigates the development of social capital and its impact on overcoming geopolitical hurdles. The findings suggest that both informal and formal social capital are crucial for expansion. Informal networks within the organization bolster internal strategies, while formal relationships with external parties enable market penetration and growth. The study underscores the significance of social capital for family firms in turbulent geopolitical climates, indicating that adaptive social networking can lead to successful international ventures. It highlights how family firms can harness both existing and new social networks to advance their internationalization ambitions, even when traditional means are disrupted.

2. Introduction

Social capital in family firms represents an essential element for creating connections and expanding into the international market. In particular, prior literature has shown that family businesses leverage a distinct nexus of social capital characterized by trust, communication, and a network of relationships that are both internally and externally focused (Arregle et al., 2021; Debellis et al., 2021). Such firms operate within unique professional and familial dynamics that contribute significantly to their longevity and economic impact (Chua et al., 1999). Family firms are characterized by distinctive traits that influence their approach to expansion, with social capital playing a crucial role in shaping their strategies. This social capital is rooted in the family, fostering interactions, commitment, and a strong sense of unity (Carr et al., 2011; Pearson et al., 2008). These factors include open communication, the ambition for legacy, and emotional ties, as outlined by Cabrera-Suárez et al. (2015).

However, the conditions of the international context in which the company operates are fundamental. In particular, when the geopolitical scenario becomes hostile, the commercial consequences for the firms can be very harsh. Therefore, it is necessary to investigate how family businesses can, through their social capital, manage to overcome such complexities.

With the onslaught of the COVID-19 pandemic followed by the Russia-Ukraine conflict, family firms in Russia are encountering unprecedented geopolitical complexities that disrupt business as usual, both domestically and internationally. This study seeks to explore how family firms utilize their inherent social capital to overcome these geopolitical challenges. As global events reshape the business landscape, delving into how family firms' unique dynamics can pivot to address and adapt to these changes is of utmost importance.

To this end, in this thesis, I develop an in-depth qualitative analysis of a family firm in the unique context of Russia. Due to the current conflict with Ukraine and the consequent geopolitical tensions with the US and EU, Russia represents an extreme case of international market challenges for local family firms. The findings of my thesis suggest that both informal and formal social capital are crucial for expansion, with internal networks bolstering strategies and external partnerships enabling market growth (Yin, 2017). The research is designed to offer a deep dive into the formation of social capital in its natural business environment, thereby contributing to a more nuanced understanding of its influence in the face of geopolitical challenges. This thesis will examine both primary and secondary data, investigating how structured and organic interactions within social networks contribute to the firm's strategic maneuvers through geopolitical barriers.

This study contributes three main points to the literature on family firm internationalization. It elucidates the intricate interplay between social capital and network theory in the context of family firm internationalization, exploring how family-specific networks intertwine with broader social networks to shape internationalization pathways (Burt, 2001; Dymitrowski et al., 2019). It examines the influence of family goals, values on internationalization strategies, and the prioritization of social-emotional wealth preservation on the global expansion of family businesses (Arregle et al., 2017; Gomez-Mejia et al., 2007). Furthermore, it delves into the complexities of family firm internationalization by investigating how these firms navigate entry patterns, managerial competence, and institutional distance, offering practical implications for family firm practitioners and policymakers alike (Chandra et al., 2020). In general, this research endeavors to contribute to the current understanding of how family firms exploit social capital as a strategic resource in times of geopolitical disruptions. By delving into the creation, maintenance, and application of social capital within the fabric of a family business, it elucidates the mechanisms through which such firms can transcend the limitations often associated with internationalization, thereby offering a nuanced perspective to scholars and practitioners alike in the realm of international business.

3. Literature Review

3.1. Social Capital Theory

Social capital, much like other forms of capital, is an enduring resource that can be invested in with the expectation of future benefits, though uncertain. By expanding external relationships, individuals and groups can increase their social capital, leading to advantages like improved access to information, power, and solidarity. Likewise, investing in internal relations within groups strengthens their collective identity and ability to work together. Some argue that social capital in larger social settings is an inherent endowment with deep historical roots (e.g., Putnam, 1995), while others suggest it can be deliberately constructed under specific circumstances (Evans, 1996; Sabel, 1993). It's important to note that, similar to other forms of capital, social capital can have both positive and negative consequences for individuals and groups, which will be discussed in a subsequent section.

First, in a similar vein to other types of capital, social capital exhibits characteristics of both being "appropriable" (Coleman, 1988) and "convertible" (Bourdieu, 1985). Just as physical capital can often be repurposed for different uses, albeit not always with equal efficiency, social capital can be appropriated in the sense that an individual's network of friendships, for instance, can be utilized for alternative objectives, such as gathering information or seeking advice. Furthermore, social capital can be "converted" into other forms of capital, meaning that the advantages stemming from one's position within a social network can be transformed into economic or other types of benefits.

Second, among the various types of capital delineated by Bourdieu, economic capital is the most liquid, readily translatable into human, cultural, and social capital. In contrast, the "convertibility rate" of social capital into economic capital is comparatively lower. This discrepancy arises from the fact that social capital is less fluid and tends to be more persistent or "sticky" (Anheier et al., 1995; Smart, 1993).

Third, similarly to other types of capital, social capital can either serve as a replacement for or work in harmony with other resources. In cases where it functions as a substitute, individuals can occasionally compensate for a deficiency in financial or human capital through their extensive network connections. However, more frequently, social capital complements other forms of capital. For instance, it can enhance the effectiveness of economic capital by diminishing transaction costs (Lazerson, 1995).

Fourth, similar to physical and human capital, but differing from financial capital, social capital demands ongoing maintenance. Social connections must undergo periodic renewal and reaffirmation; otherwise, they lose their effectiveness. Unlike physical capital but akin to human capital, social capital doesn't follow a predictable rate of depreciation. This is for two primary reasons. First, although it may diminish when left unused or subjected to misuse, it doesn't deteriorate with regular use. Like human capital and certain types of public goods, social capital usually grows and matures through utilization. For example, trust, a significant source of social capital, tends to reciprocate and strengthen over time when demonstrated today. Second, while contextual changes can occasionally render social capital obsolete (Sandefur & Laumann, 1998), the rate at which this occurs is typically uncertain. Consequently, even conservative accounting principles cannot accurately estimate a meaningful depreciation rate.

Fifth, unlike many other forms of capital, some social capital resembles "collective goods," not private property (Coleman, 1988). This is notably true for internal, bonding social capital, which doesn't diminish in value when used by one person. However, unlike pure public goods, it can be controlled and limited, excluding some individuals from a specific network of relationships (Hechter, 1987). This dual nature of social capital presents challenges, including free-rider issues and the potential for a "tragedy of the commons."

Sixth, Coleman (1988) has contended that social capital stands apart from other forms of capital because it is situated not within individual actors but rather within their relationships with other actors. In the realm of social capital, no single player possesses exclusive ownership rights. Burt (1992) said: "If you or your partner in a relationship withdraws, the connection dissolves with whatever social capital it contained." Building social capital necessitates mutual commitment and cooperation from both parties, and its integrity can be compromised by the defection of even one party.

Lastly, social capital sets itself apart from other assets referred to as "capital" by economists because investments made in its development don't appear to be quantifiable or measurable, even in principle (Solow, 1997). Even if we can measure the benefits arising from social capital, labeling it as "capital" should be viewed metaphorically, especially when we cannot quantify the effort expended in creating social networks.

3.1.1. Dimensions of social capital

Social capital is commonly examined through three dimensions: cognitive, relational, and structural (Nahapiet and Ghoshal, 1998). The cognitive dimension encompasses resources that foster shared representations, interpretations, and systems of meaning. These shared values and norms encourage actors to prioritize mutual benefits and long-term collaboration over immediate self-interest. The relational dimension focuses on the relationships that form within a network through social interactions, involving elements like trust, obligation, and reciprocity between actors. The structural dimension pertains to social capital derived from the network's structural configuration, which facilitates socialization and generates collective benefits.

Cognitive social capital represents a facet of social capital that pertains to resources fostering shared understandings, interpretations, and systems of meaning among individuals (Nahapiet and Ghoshal, 1998). It encompasses the cognitive frameworks and systems of meaning that manifest through common language and narratives (Davenport and Daellenbach, 2010). Cognitive social capital comprises the shared vocabulary and codes that underpin effective communication (Gooderham, 2007). Originally, Nahapiet and Ghoshal (1998) associated cognitive social capital with shared language and shared narratives. However, other scholars have expanded its definition to encompass shared goals or vision, as well as shared culture (Inkpen and Tsang, 2005). Unlike the structural dimension of social capital, which is observable through tangible relationships, roles, rules, and procedures, the cognitive dimension is intangible, focusing on the interpretations of a shared reality. This dimension can be related to Bourdieu's theory of habitus (Bourdieu, 1986), which encompasses the dispositions, reflexes, and behavioral patterns acquired through social interaction. It can also be connected to Habermas' theory of lifeworld (Sitton, 2003), referring to the background environment of competencies, practices, and attitudes that shape one's cognitive perspective. Cognitive social capital is often manifested through the use of specific language and codes. For instance, certain terms or phrases within an organization may hold different meanings or have no relevance outside of that specific context (Ansari et al., 2012).

Relational social capital constitutes a dimension of social capital that concerns the attributes and qualities inherent in personal relationships, including elements like trust, obligations, respect, and even friendship (Gooderham, 2007). Within the relational dimension of social capital, crucial components encompass trust and trustworthiness, social norms and sanctions, obligations and expectations, as well as identity and identification (Nahapiet and Ghoshal, 1998).

This dimension of social capital pertains to the nature and quality of relationships that have evolved over a history of interactions (Lefebvre et al., 2016). It manifests through behavioral attributes such as trustworthiness, shared group norms, obligations, and identification (Davenport and Daellenbach, 2011). Relational social capital primarily addresses the emotional aspects of relationships by describing them in terms of interpersonal trust, the presence of shared norms, and a sense of belonging with other individuals. It delves into the characteristics and quality of networks or relationships (Cabrera & Cabrera, 2005). Nahapiet and Ghoshal (1998) identified key components of relational social capital, which encompass trust and trustworthiness (Fukuyama, 1995; Putnam, 1995), norms and sanctions (Coleman, 1990; Putnam, 1995), obligations and expectations (Burt, 1992; Coleman, 1990; Granovetter, 1985), and identity and identification (Hakansson & Snehota, 1995; Merton, 1968).

Structural social capital constitutes a facet of social capital that pertains to the characteristics of the social system and the overall network of relationships (Nahapiet and Ghoshal, 1998). This term encapsulates the impersonal arrangement of connections between individuals or units. It encompasses the layout and arrangement of connections between people, including the roles, regulations, established practices, and procedures that manifest from this arrangement (Uphoff & Wijayaratna, 2000). Unlike other dimensions of social capital, structural social capital is tangible and can be more readily observed. Structural social capital denotes the network of individuals known to an individual, upon whom they can rely for benefits such as information and assistance. It typically involves considerations of the density, interconnectedness, hierarchy, and accessibility of the network of relationships within a specific context, such as a group, organization, or community (Davenport and Daellenbach, 2011). Key aspects of structural social capital include the number of connections a person possesses, the identity of these connections, and the strength of these ties (Taylor, 2007). Researchers often employ a network approach to study structural social capital, which involves plotting the frequency of interactions and resulting social distances among actors in a particular firm or organizational field to create a diagram illustrating patterns of actor interaction (Edelman et al., 2002). It has been examined from various angles, including tie strength, centrality, network stability, and size (Lefebvre et al., 2016).

Overall, the perspective of social capital is particularly insightful for studying family firms and has provided valuable insights into the unique behaviors associated with family governance (Carr et al., 2011).

3.1.2. Social capital in the context of internationalization

For family enterprises, social capital enhances the internationalization journey by impacting the acquisition of overseas market insights and financial support. This impact is channeled through three social capital facets: cognitive, which relates to understanding and shared narratives; structural, which is tied to the knowledge gleaned from network interactions; and relational, which involves trust-based personal connections (Doornich, 2018). Such capital is shaped by a framework of behavioral norms like trust, values, and reciprocity, and by governance systems, providing the credibility essential for tapping into network resources (Bourdieu 1986; Adler and Kwon 2002).

The know-how critical for international expansion is underpinned by these social capital elements. A notable paradox is that high trust in established networks can dampen the motivation to seek new information, thus hindering the acquisition of novel insights (Doornich, 2018). Literature underscores a distinction between strong (relational-cognitive) and weak (structural) ties, highlighting weak ties' pivotal role in the nascent stages of international growth (Pirolo & Presutti, 2010; Han, 2006). Additionally, Evald et al. (2011) delve into how social capital shapes export ambitions, discovering that an entrepreneur's network and their social and human capital sway export considerations, rather than risk aversion.

In the realm of international business activities, social capital is indispensable, offering information benefits like foreign opportunity awareness, learning from experience, and trust-based relationships (Doornich, 2018). Gregorio et al. (2021) contend that social connections and the stockpile of social capital bolster both the recognition and development of opportunities, with a more pronounced effect on the former. Conversely, Filser et al. (2020) argue that entrepreneurs leveraging their social networks' capital tend to excel in developing these opportunities. Within this debate, weak ties are often seen as crucial for recognizing new prospects (Filser et al., 2020).

3.1.3. Social Capital in Family Firms

In family businesses, social capital serves as a pivotal intangible resource, enhancing their ability to navigate international markets (Arregle et al., 2007; Herrero, 2018). It empowers firms to leverage otherwise unattainable resources (Nahapiet & Ghoshal, 1998) and significantly supports their global ventures (Prashantham & Dhanaraj, 2010; Puthusserry et al., 2020). Bridging social capital, which is external, includes the collective knowledge and expertise of both family and non-family directors that aid in resource acquisition in international arenas (Burt, 1992; Sundaramurthy et al., 2014). It allows for acting as brokers to garner external insights, navigating global operational barriers (Kirkels & Duysters, 2010), and bringing organizational-specific expertise (Wagner et al., 1998).

Bonding social capital, the internal counterpart, is rooted in the interrelations among family and non-family executives, aligning individual efforts for the firm's collective benefit (Arregle et al., 2007; Barroso-Castro et al., 2016; Burt, 2000). Family structural capital, embedded within the family hierarchy, is harnessed to pursue corporate objectives (Cabrera-Suárez et al., 2015). Enhancing this capital through professional advancement and integrating multi-generational family members into the business promotes firm goals (De Massis et al., 2015; Jaskiewicz et al., 2015).

This capital cultivates familial interaction patterns and unity (Carr et al., 2011; Pearson et al., 2008), with Cabrera-Suárez et al. (2015) highlighting the importance of communication, generational engagement, and emotional cohesion. These factors foster a common understanding and meaning, crucial for intra-firm knowledge flow.

Family structural capital is aligned with family firms' inclination towards generational knowledge continuity and opportunity pursuit, potentially refining the effectiveness of entrepreneurial strategies (Hayton et al., 2011). The role of this capital as a novel knowledge source varies as family firms evolve, with dynamics shifting between risk aversion and risk-seeking behaviors influenced by performance and generational transitions (Berrone et al., 2012; Gomez-Mejia et al., 2010), particularly concerning R&D and external knowledge absorption (Chrisman and Patel, 2012). The diversity of knowledge is a key factor to consider for sustaining long-term familial strategies (Patel and Fiet, 2011).

3.2. Network Theory

The social network theory of internationalization, which evolved from the Uppsala model, argues that a business environment where a firm operates is not merely a simple neoclassical setting with independent customers and suppliers. Instead, it constitutes a network of relationships. Leveraging its existing relationships, a firm can tap into the external resources of its partners, uncover new business opportunities, and enhance its international presence by developing competences and capabilities with external support (Morrish & Earl, 2020).

The network approach delves into the internationalization processes of firms by examining the relationships established by the firm, its entrepreneurs, or employees with other actors. It also considers internal relationships among the firm's actors (Dymitrowski et al., 2019).

Within the literature on network theory, three predominant approaches are commonly used to define networks. Firstly, networks are viewed as a "system of interrelated actors," which can include the firm's customers, suppliers, competitors, as well as the entrepreneur's family members or friends. Secondly, networks can be defined based on the purpose of the relationships, whether they are business or social in nature. Thirdly, some authors define networks based on their structural characteristics, considering a network as a collection of two or more interconnected relationships (Idris & Saridakis, 2018).

In line with Idris & Saridakis (2018), Wasdani & Mathew (2014) elucidate that networks encompass three key elements: content, governance, and the pattern of exchanges among members. Moreover, networks can exhibit reputational or signaling content, and their patterns can involve direct or indirect connections. The governance of a network hinges on the level of trust among the parties involved (Wasdani & Mathew, 2014).

The Network Theory elucidates how companies expand internationally by consistently broadening their network connections with foreign individuals and firms (Johansson and Mattson, 1988). Networking plays a crucial role in initiating internationalization because both formal and informal networks enable businesses to acquire resources that facilitates their global expansion (Musteen et al., 2014).

3.2.1. Types of Networks

In his study, Birley (1985) delineates the network types accessible to entrepreneurs, differentiating between structured, formal linkages and more organic, informal ones. The latter are sub-divided into two distinct groups: those that are internal to the organization, signifying the bonds between colleagues, and those that are external, which span beyond the company to include a variety of stakeholders. It's important to highlight, as Dymitrowski et al. (2019) observe, the substantial influence that these external informal networks exert on a company's ability to navigate and succeed in the international marketplace.

According to Birley (1985), formal networks are those established with entities like banks, accountants, or lawyers. Onsociet the other hand, informal networks encompass connections with the entrepreneur's family, friends, and business contacts. In this context, formal networks are essentially synonymous with business relationships, while informal networks pertain to interpersonal relationships (Dymitrowski et al., 2019).

Home-based social networks are formed by individuals who share close social bonds and are not primarily influenced by the formal structures of business relationships (Zhou et al., 2007).

- Formal Networks: These networks are primarily geared toward fulfilling specific requests but are less effective in diagnosing needs, a task often handled by informal networks. Formal networks can be hindered by excessive bureaucracy, and reliance on them may inadvertently recreate patterns from the entrepreneur's previous employment (Birley, 1985). Idris & Saridakis's research findings in 2018 suggest that only formal networks exhibit a significant positive impact on SMEs' export activities.
- Informal Networks: Informal networks exert a positive influence on various aspects such as sales, recruitment efforts, and selecting business locations. In contrast, formal networks primarily serve financing purposes (Birley, 1985). Informal networks are characterized by their flexibility, making them more adaptable and responsive (Dymitrowski et al., 2019; Idris & Saridakis, 2018). Entrepreneurs often value and heed the advice provided by informal networks, particularly regarding business activities, even though these networks may not possess comprehensive knowledge of all current market opportunities. Consequently, the information acquired through informal networks can sometimes be duplicative (Idris & Saridakis, 2018).

3.2.2. Trust in Networks

The concept of trust is fundamental within network theory, particularly in its application to international business, as it diminishes the imperative for stringent control measures. The development of networks is a gradual process, founded on a commitment to cultivating mutual trust, which is crucial for navigating the uncertainties inherent in international transactions, according to Shirokova & McDougall-Covin (2012). Informal ties, in particular, are instrumental in the cultivation of trust, as noted by Dymitrowski et al. (2019).

In the sphere of international expansion, small enterprises often lack the extensive resources that their larger counterparts possess. Consequently, they turn to a diverse array of resources, including both their formal and informal networks. This reliance becomes particularly critical in the volatile markets of emerging economies, where institutional frameworks may lack effectiveness, as discussed by Felzensztein et al. (2015).

The significance of personal networks is echoed across various cultures, with notable examples being 'guanxi' in China, 'kankei' in Japan, 'immaek' in Korea, and 'blat' in Russia, each representing a system of social networking founded on mutual trust and reciprocity (Zhou et al., 2007). In China, for instance, 'guanxi' is not merely a networking tool but a societal mechanism that arises from market unpredictability, scarce information, and a general mistrust of governmental decision-making. It effectively replaces institutional support, creating value through a web of interpersonal reliance (Zhou et al., 2007).

3.3. Connection between Social Capital Theory and Network Theory

Social capital relies on social networks, but it's important to clarify that these two concepts are not synonymous. Social networks serve as a fundamental prerequisite for obtaining and utilizing embedded resources. Without these networks, the acquisition of embedded resources would be unfeasible. However, it's crucial to recognize that networks and their characteristics do not directly equate to the resources themselves. Instead, variations in network structures and features can either enhance or diminish the likelihood of accessing a specific quantity or quality of embedded resources.

Hence, it is imperative to view network features as vital and external factors contributing to social capital. For instance, within a given network, the density or interconnectedness of relationships can promote resource sharing among participants, both as individuals and as a collective (Bourdieu, 1986; Coleman, 1990). Conversely, sparser or more open networks may facilitate access to superior or more diverse resources, information, as well as control or influence (Burt, 2001; Lin, 1999).

Therefore, it's a mistake to consider networks as the same as social capital. Also, labeling dense or closed networks as having more social capital is not a sound concept. What we should do is outline the situations in which particular network characteristics, like density or openness, result in acquiring specific resources that bring about specific benefits (Burt, 2001).

The network-based theory of social capital highlights significant patterns in social relationships. These patterns differ in terms of the depth and mutuality of connections between individuals. Lin (1986) describes three tiers of social relationships that distinguish these levels of depth and reciprocity:

- The innermost tier is characterized by close and confidential connections: ties that share emotions and provide each other with mutual support. Typically, these ties engage in highly reciprocal and intense interactions, often found in tightly-knit networks (for instance, among family members and close friends). These relationships are binding because there's an obligation for ties to reciprocate exchanges and provide services to each other.

- The middle tier consists of ties that generally exchange information and resources, but not all members within this tier necessarily have direct interactions with one another, nor do they maintain equally strong and reciprocal relationships with everyone else in the group. These relationships, which are typical in most social networks and include a mix of stronger and weaker ties, or direct and indirect connections, are still considered bonding. Shared interests and characteristics keep these ties connected within a "social circle."
- The outermost layer is defined by a common membership and identity, regardless of whether the members directly interact with each other. In this context, a collective entity or institution, like a church, clan, or club, serves as the foundation for this membership and identity. These connections, facilitated through the collective entity, offer members a feeling of being part of a group or community.

Exploring the concept of social capital, researchers in the field of social networks have played a significant role in shaping much of this research (Fang et al., 2011). As Lin (1999) pointed out, social capital relies on the supportive network characteristics that facilitate the mobilization and utilization of resources. Establishing trust, the relational aspect, and shared meaning, the cognitive aspect of social capital (Nahapiet & Ghoshal, 1998), also hinges on the strength of connections. In fact, the strength of these connections has been regarded as a crucial network structure for accumulating social capital (Fang et al., 2011).

In terms of business relationships, Johanson and Vahlne (2011) explained that business network relationships, characterized by continuous interactions among strong ties built on trust and commitment, have the potential to yield positive outcomes. Building on McFadyen and Cannella's (2004) discovery that the strength of connections has a more pronounced impact on opportunity creation, Batt (2008) suggested that researchers should persist in investigating the idea of social capital through the lens of network ties.

3.4. Internationalization of Family Firms

Family firm is a firm, managed by individuals from the same family or a few families, operates in a manner that could potentially be sustained across multiple generations of the involved family or families (Chua et al., 1999). These firms possess distinctive characteristics that shape their internationalization efforts in unique ways (Arregle et al., 2017).

The process of internationalization introduces family firms to intricate decision-making procedures and significant commitments in terms of knowledge, resources, and governance capabilities (Rondi et al., 2022). Venturing into diverse markets presents family firms with organizational and managerial complexities, necessitating deviations from conventional practices to align with unique local institutions. This, in turn, amplifies both external and internal governance challenges (Arregle et al., 2018). Consequently, expanding the geographic scope of foreign investments by family firms, which refers to the number of countries where they have invested (Lu & Beamish, 2004), poses a distinct set of difficulties. Family firms may rapidly deplete their available managerial resources if they rely solely on family members' networks and skills.

3.4.1. Unique characteristics of family firms

In contrast to other organizations, family firms encounter a "mixed gamble" during decision-making, where they assess potential gains and losses in two non-interchangeable currencies: financial wealth and social-emotional wealth (SEW) (Alessandri, Cerrato, & Eddleston, 2018; Gómez-Mejía, Patel, & Zellweger, 2018). The coexistence of economic and non-economic considerations in their decision-making process significantly influences the international expansion of family firms and offers opportunities to challenge and enrich established theories in the field of international business (Debellis et al., 2021).

Family firms are characterized by the family's ability to shape the business's vision and intention to transfer it across generations (De Massis et al., 2014). Additionally, the internationalization of family firms varies across countries due to the influence of both formal and informal institutions (Arregle et al., 2017). The "mixed gamble" faced by family firms, involving the consideration of financial wealth and SEW in their strategic choices, can lead to different outcomes depending on the family's goals.

Research on family firm internationalization reveals that the heterogeneity among family firms significantly impacts their internationalization processes and choices in foreign markets (Arregle et al., 2017, 2021). Not all family firms follow similar internationalization strategies, as they vary in their approaches (Aguzzoli et al., 2021; De Massis et al., 2018).

The traditional stepwise internationalization process of family firms can be attributed to a multitude of factors at the organizational, family, individual, and environmental levels. Organizational factors encompass the need for resources, capabilities, human capital (Pino et al., 2021), as well as strategic and social networks (Calabro et al., 2016).

Under a familiness resource-based reasoning, the family's goals, values, and norms, along with social capital, become integral components of the family firm's resources and competencies, setting the firm apart from its competitors and generating a competitive advantage (Habbershon et al., 2003). Family members actively play a role in transferring their goals, values, and norms to the family firm, exercising control and influence to preserve its reputation and longevity (Madison et al., 2016).

Furthermore, family members prioritize the corporate reputation and foster strong relationships with local stakeholders (Zellweger et al., 2012). This social capital contributes to the familiness of the family firm, granting access to a specialized bundle of resources and capabilities created with local stakeholders (Barney, 2018).

The presence of familiness is evident through family members' involvement in the internationalization pathways of family firms (Graves and Thomas, 2008). However, family firms often face challenges in overcoming resource constraints, lack of international competencies, knowledge, and experience, due to their strong reliance on the family. This exacerbates the liabilities of foreignness and outsidership in distant markets, leading family firms to adopt a cautious, traditional internationalization process (Kraus et al., 2016). As foreign investment commitments increase, new family and organizational challenges may arise, such as lower preservation of family harmony and the need to create external relationships and search for competencies and resources (Stieg et al., 2018).

Recently, family firm internationalization decisions have been examined through the lens of SEW invested by the family in the firm (Gomez-Mejia et al., 2007). According to the SEW perspective, family decision-makers prioritize preserving non-financial aspects of the firm, such as family control, identification of the family with the firm, emotional attachment, and the desire to transfer the family business to future generations (Pelaez-Leon and Sanchez-Marín, 2022).

Regarding internationalization, family decision-makers make choices (e.g., market entry modes, international market targeting, partner selections, divestments) based on their potential impact on the accumulated SEW. If internationalization choices risk compromising SEW preservation, family decision-makers will opt for less risky choices to avoid losses. For instance, they may prefer regional markets (Banalieva and Eddleston, 2011), entry modes with full control (Boellis et al., 2016; Pongelli et al., 2021), and avoid joint ventures with foreign partners to protect their reputation (Debellis et al., 2021; Loehde et al., 2020). However, when family firms engage in international joint ventures, success is more likely when adequate governance mechanisms are implemented (Debellis et al., 2021).

4. Methodology

This chapter discusses the research methodology adopted in this study. In particular, I will explain the research philosophy, the sampling strategy, and the data analysis, in order to guarantee credibility and reliability of findings. Finally, the quality criteria and the ethical considerations are presented and discussed.

4.1. Research Philosophy

Case studies are widely favored in qualitative research due to their potential for generating groundbreaking theoretical insights into various phenomena (Piekkari, Welch, & Paavilainen, 2009). Wilson (2014) emphasizes the importance of understanding the research philosophy as it forms the basis of the research approach. In this case study, I employ a social constructivist perspective, recognizing that reality is socially constructed and context-dependent. The social constructivist approach seeks to understand and interpret phenomena by considering them as dynamic constructs shaped by social interactions and cultural contexts (Stake, 1995). Since this study examines social capital utilization, the social constructivist approach is deemed appropriate.

4.2. Single-firm case study approach

This investigation employs a case study methodology, as outlined by Yin (2017), who advocates for its use in empirical research aimed at examining phenomena within their natural contexts. According to Yin, this methodology is particularly effective for addressing "how" and "why" queries, especially when the investigator's control over the events is minimal and the emphasis is on contemporary occurrences. These conditions are met in the present study, facilitating a thorough examination of a specific instance to unravel the intricacies of the organizational and managerial dynamics at play. The case study method is not merely a tool for gathering data; it provides a holistic view by integrating contextual factors pertinent to the case in question (Yin & Davis, 2007).

The rationale for focusing on a single case, specifically a family-owned business, stems from the unique opportunity it presents to delve into distinct attributes detailed in the subsequent section. Investigating this particular type of firm unveils the intricate web of relationships and the organizational dynamics influenced by social capital. This level of detail and insight is challenging to achieve when multiple entities are under scrutiny (Yin, 2017). By concentrating on one firm, it becomes possible to access critical information and engage with key individuals, thereby enriching the understanding of the organization's networking strategies.

4.2.1. Process of qualitative single case study

The case study embarked upon a methodical approach that bridged theoretical understanding with empirical investigation, a process adapted from the guidelines set forth by Yin (2009) and enhanced by the practical insights of Yeung (1995). This structured journey from conception to dissemination is delineated across five pivotal stages, each serving a distinct purpose in the quest to understand how social capital facilitates the internationalization process of family firms at the times of geopolitical disruptions.

During the planning phase, the research was guided by the question: "How can social capital be used to navigate geopolitical complexities in a family business context in Russia?" The case study method was selected for its ability to provide an in-depth exploration of the firm's specific experiences. The strengths of this approach, alongside its potential limitations, were carefully weighed. The research's boundaries, along with ethical considerations and suggestions for future studies, will be thoroughly addressed in a dedicated limitations section.

During the design stage, the research was conceptualized as a single case study. The study involved 10 qualitative interviews with board members, inclusive of family members, and managing directors of foreign offices. The utilization of video conferencing tools for interviews was necessitated by the physical distances between participants, ensuring the research maintained high quality despite geographical challenges.

In preparation for data collection, meticulous protocols and questionnaires were developed. The necessity for transparent communication with the participants was paramount, as was securing their informed consent regarding the study's scope, their role within it, and the practical implications of their involvement.

The data collection stage, or interview stage following Yeung (1995), entailed the execution of these protocols and the gathering of evidence through semi-structured questionnaires. This approach facilitated the acquisition of in-depth, context-rich data while allowing flexibility during the interviews. Open communication was actively encouraged to capture the respondents' perspectives and rationales.

The analysis and verification of data were conducted according to theoretical propositions and employed a range of analytic techniques. To present data separately from interpretations, the study explored alternative explanations, all the while aiming to fortify its construct validity, internal validity, external validity, and reliability as outlined by Edmonds and Kennedy (2012). The thorough understanding of the interviewees' responses, obtained through interviews lasting 20-80 minutes each, enriched the validity of the data, which was further ensured by the integration of direct quotations from respondents for reliability.

The culmination of the study is reflected in the presentation of results and findings within the subsequent sections of the research report, delineating the empirical evidence collected and analyzed throughout the study.

4.3. Data Source

This study aims to explore how social capital facilitates the internationalization process despite of geopolitical complexities of family firms by using social capital and the underlying mechanisms that drive this relationship. A comprehensive literature review established that the connection between social capital and the internationalization of family firms is significantly influenced by path dependencies and contextual factors. However, the specific functions and directions of these effects in the context of international family firms remain uncertain. Additionally, the existing literature does not provide a clear explanation of how social capital resolves the challenges related to family firm's internationalization. As a result, there is a need to further investigate and shed light on these aspects to enhance our understanding of this complex relationship.

This study focuses on determining the units of analysis for examining the role of social capital in the internationalization process of family firms. The "what" in this research pertains to social capital and its utilization, while the "whom" refers to family firms. As per Fletcher et al. (2018), the social unit of analysis includes individuals, groups, organizations, communities, or social interactions, making the unit of analysis in this study social in nature.

Given the challenge of quantifying social capital and the need for a comprehensive understanding of various factors and the unique experiences of each company, a qualitative case study method was chosen as the most suitable approach.

This investigation involves conducting case study research using qualitative interviews as the primary data source. The data was gathered through personal interviews with managers and family owners of an international real-estate firm. By adopting this method, the study aims to gain valuable insights into the influence of social capital on the internationalization strategies of family firms.

4.3.1. Sampling strategy

Established in the year 2000 and headquartered in Tyumen, Russia, MAIN has emerged as a pivotal multinational entity within the realm of the real estate agency sector. MAIN, as a second-generation family-owned enterprise, epitomizes the profound integration of social capital within its operational and strategic fabric. The leadership baton, passed from the founding mother to her son, with another family member serving on the board, underscores a seamless blend of family and business realms.

The organization's expansive operations, encompassing 243 cities across a diverse range of 20 countries, exemplify its substantial market presence and the broad scope of its business activities. With a workforce surpassing 20,000 people, MAIN's human capital resources underscore its capability to navigate and influence extensive market segments. The company's strategic trajectory through international expansion is characterized by an adaptive approach to diverse market conditions, underscored by strategic alliances aimed at rectifying initial setbacks in market entry. This strategic flexibility, coupled with the company's alignment with knowledgeable local partners, highlights MAIN's resilience and strategic depth, making it an exemplary case for examining market expansion strategies within the context of this research.

Entrepreneurial practices in Russia are deeply influenced by historical precedents set during the Soviet era. In those times, the nation was typified by a general distrust in public dealings, leading individuals to depend on 'svyazi' and ‘znakomstva’ (=personal connections) to procure items that were otherwise hard to come by (Shirokova & McDougall-Covin, 2012). Present-day Russia, with all the geopolitical distinctions, still sees trust as a commodity generally confined to familiar circles — within families, amongst friends, or between colleagues — while skepticism prevails outside these groups. The political structures inside the country oppose everything unfamiliar to the society. This means that in environments riddled with uncertainty, Russian businesspeople tend to place a greater emphasis on their social networks over formal business relationships.

What sets MAIN apart as a case study is the aftermath of the Russia-Ukraine conflict and the resulting challenges, which underline the firm's reliance on its robust social capital to confront and adapt to external pressures. This fact places MAIN in a unique position to be analyzed for how deeply social capital is rooted within a low-trust society—reflective of Russia's Soviet legacy where 'connections' or 'svyazi' were crucial—are leveraged to mitigate uncertainty and sustain business operations amid geopolitical turbulence. Thus, MAIN is an excellent case for studying how a company's social connections can serve as both protection and a strategic answer to big changes in the world.

4.3.3. Industry-specific information

In the real estate sector, where MAIN operates, trust and credibility are not mere attributes but foundational pillars crucial to sustaining business operations and fostering client relationships. This industry, historically tarnished by the shadow of fraudulent practices, particularly in Russia with the pervasive issue of "black realtors," positions trust at the apex of customer priorities.

The study of MAIN, therefore, offers valuable insights into how trust and credibility, underpinned by social capital, can serve as strategic assets in industries fraught with skepticism and uncertainty. MAIN's successful leveraging of social capital to build trust and credibility not only sets it apart in the real estate sector but also highlights the nuanced interplay between family values and professional business practices, making it an ideal subject for exploring the intricate dynamics of social capital in a multifaceted setting.

4.3.4. International presence

MAIN's global footprint, spanning over 20 countries across continents including Europe, Asia, the Middle East, and South America, positions it as a beacon of internationalization within the real estate sector. This extensive international exposure is underpinned by MAIN's strategic diversity in entry modes, notably through Foreign Direct Investment (FDI) and franchising, reflecting a nuanced understanding of global market dynamics and the adaptability required to thrive in diverse environments.

The firm's journey of internationalization traverses a spectrum of cultural and historical landscapes, from regions with shared historical ties and linguistic commonalities, such as the former Soviet republics, to territories characterized by markedly distinct cultural and historical contexts. This breadth of operational terrain offers a rich tapestry for examining the role of social capital in navigating the complexities of international expansion.

In environments with cultural and linguistic affinity, such as the Russian-speaking regions of the former USSR, MAIN's social capital, rooted in shared history and language, serves as a critical asset in establishing trust and credibility. Conversely, in regions with starkly different cultural backgrounds, the firm's strategic deployment of social capital involves bridging cultural divides, adapting business practices, and building new relational networks that resonate with local market norms and expectations.

The dichotomy of MAIN's internationalization experience, spanning familiar and entirely foreign settings, renders it an exemplary subject for exploring how social capital can be both a bridge and a catalyst for international expansion. MAIN's adeptness at navigating the variegated landscapes of global real estate markets, leveraging social capital to surmount cultural, linguistic, and regulatory barriers, highlights the transformative potential of social capital in international business strategies.

Studying MAIN's international presence and the role of social capital therein provides invaluable insights into the mechanisms through which family-owned firms can harness the power of social capital to enhance their global competitiveness and foster sustainable international growth. This exploration sheds light on the multifaceted applications of social capital in internationalization, making MAIN a quintessential model for understanding the dynamics of social capital in global business expansion.

This section provides details about the chosen company for the case study and the context relevant to the paper's underlying phenomenon. To maintain anonymity, the company will be referred to as MAIN throughout this paper. As a second-generation family-owned business, the company's CEO inherited the reins from his mother, and the CEO's brother is also part of the board of directors, which makes MAIN a family firm.

MAIN has employed various entry modes during its internationalization journey, adapting to the specific preconditions and barriers encountered in each market. After facing several unsuccessful expansions, the company realized that suitable partners possessing valuable knowledge of foreign markets could rectify the mistakes. This makes MAIN an ideal candidate for the case study since crucial data can be gathered to address the research question.

In terms of clientele, MAIN primarily serves two segments: individual customers and developing companies. Their platform facilitates real estate transactions, allowing customers to buy or rent properties from private individuals or developing companies. The listings are curated by real estate agents responsible for expanding the database by finding potential sellers and property owners.

However, MAIN's home market in Russia has suffered from a negative reputation in the real estate industry due to the presence of fraudulent "black realtors" since the early 1990s. To counter this, MAIN's strategy is built on principles of transparency, customer benefits, fairness, and personalized services.

MAIN's internationalization strategy involves either creating subsidiaries from scratch or collaborating with franchisee partners. It is common for the headquarters to gradually acquire a portion of a successful franchisee office. However, MAIN faces complexities in its international expansion due to institutional barriers, such as sanctions stemming from Crimea's annexation and the war in Ukraine. Moreover, the platform's adaptation primarily caters to Russian laws and regulations, and language barriers persist among employees, including the board of directors, who lack sufficient proficiency in foreign languages, including English. Consequently, MAIN's approach focuses on seeking partners with both market knowledge and adequate financial resources to undertake the risks associated with internationalization.

4.2.5. Russian Context Relevant for The Research

In the context of this research, the unique backdrop of global and geopolitical shifts, particularly the COVID-19 pandemic and escalating geopolitical tensions, presents a compelling landscape for examining MAIN's strategic responses. This scenario, fraught with challenges, also unveils opportunities for resilience, adaptability, and strategic innovation, making it an invaluable study context.

The COVID-19 pandemic dramatically reshaped the terrain of international business, imposing unprecedented constraints on mobility and operations. Additionally, the expansion of the "unfriendly countries" list following the Ukraine invasion in February 2022, along with the significant brain drain experienced by Russia, further colored the geopolitical and demographic landscape. These developments not only influenced business strategies but also highlighted broader socio-economic shifts impacting the talent pool and operational frameworks for Russian businesses.

Considering these complex dynamics, understanding the specific context in which MAIN operates is crucial to appropriately assess the relevance and applicability of the research findings.

4.4. Qualitative Data Collection

The exploration of social capital's role in MAIN's internationalization was approached through a data collection strategy, encompassing both primary and secondary sources to ensure a rich and nuanced understanding of the phenomena under investigation.

The primary dataset was derived from a series of ten semi-structured interviews, conducted with a diverse array of MAIN's personnel directly involved in the firm's international expansion. The initial quartet of interviews was held in-person at the company's headquarters in Tyumen, offering a direct engagement that allowed for the observation of non-verbal cues, enriching the depth of the qualitative data. The subsequent six interviews were conducted via Google Meets, with video enabled to preserve the ability to observe interviewees' expressions and gestures, ensuring a comprehensive understanding of their responses.

The participant pool included a strategic mix of one family member and nine employees spanning from management to middle-level roles within departments crucial to MAIN's internationalization, such as international marketing, sales, franchising, and HR. This selection was guided by the intent to capture a broad spectrum of insights, from strategic decision-making to operational execution.

The semi-structured interview format was chosen for its flexibility, allowing for the exploration of pre-defined themes while accommodating the emergence of new insights. The interview guide was developed through an extensive literature review and tailored to align with MAIN's specific context and the overarching research question, ensuring relevance and depth in the inquiries made.

I diligently adhered to research ethics while collecting data for the case study. Interviews were conducted with employees from MAIN, operating in a highly competitive industry with sensitive information. Prior to each interview, verbal permission was sought to record the conversation. Participants were assured that they could answer only the questions they felt comfortable with and were free to skip any they preferred not to answer. To protect the confidentiality of the individuals and the company, all names were anonymized, ensuring no identification or information leakage. The insights shared by the participants were handled with utmost care. As a result, in the subsequent findings and discussion, the family firm is referred to as "MAIN" while the participants are identified numerically, preserving their anonymity and safeguarding their data.

Complementing the primary interviews, a thorough examination of secondary sources was conducted. This included an analysis of an autobiography by MAIN's CEO, providing invaluable insights into the company's ethos and strategic direction. The company's official website, personal experiences from a year-long work within MAIN, and relevant news articles further enriched the contextual backdrop against which the primary data were interpreted.

Interview recordings were transcribed manually, with key findings translated into English to accommodate linguistic nuances and ensure accuracy in the portrayal of participants' perspectives. The transcription and analysis spanned a three-week period, with interview durations ranging from 23 to 78 minutes, reflecting the depth and breadth of the discussions.

The data analysis adopted the Gioia methodology, facilitating a systematic derivation of themes from the raw data through a process of coding and abstraction. This methodological rigor, combined with a deductive strategy informed by the study's theoretical framework, ensured a structured and reliable analysis of the data.

To ensure credibility and trustworthiness in qualitative research, scholars emphasize systematic planning, detailed transcription, and systematic and accurate coding (Gunawan, 2015). In this particular study, meticulous transcription of the interviews was ensured. The interviewees were informed that their responses would be anonymized during the study's elaboration, fostering a sense of confidentiality, and encouraging genuine and reliable information sharing. Additionally, the interviews were conducted voluntarily, further promoting the authenticity of the data. To avoid biased data collection, the questions during the interviews were formulated as non-leading as possible. These comprehensive measures contribute to the overall credibility and reliability of the study's findings.

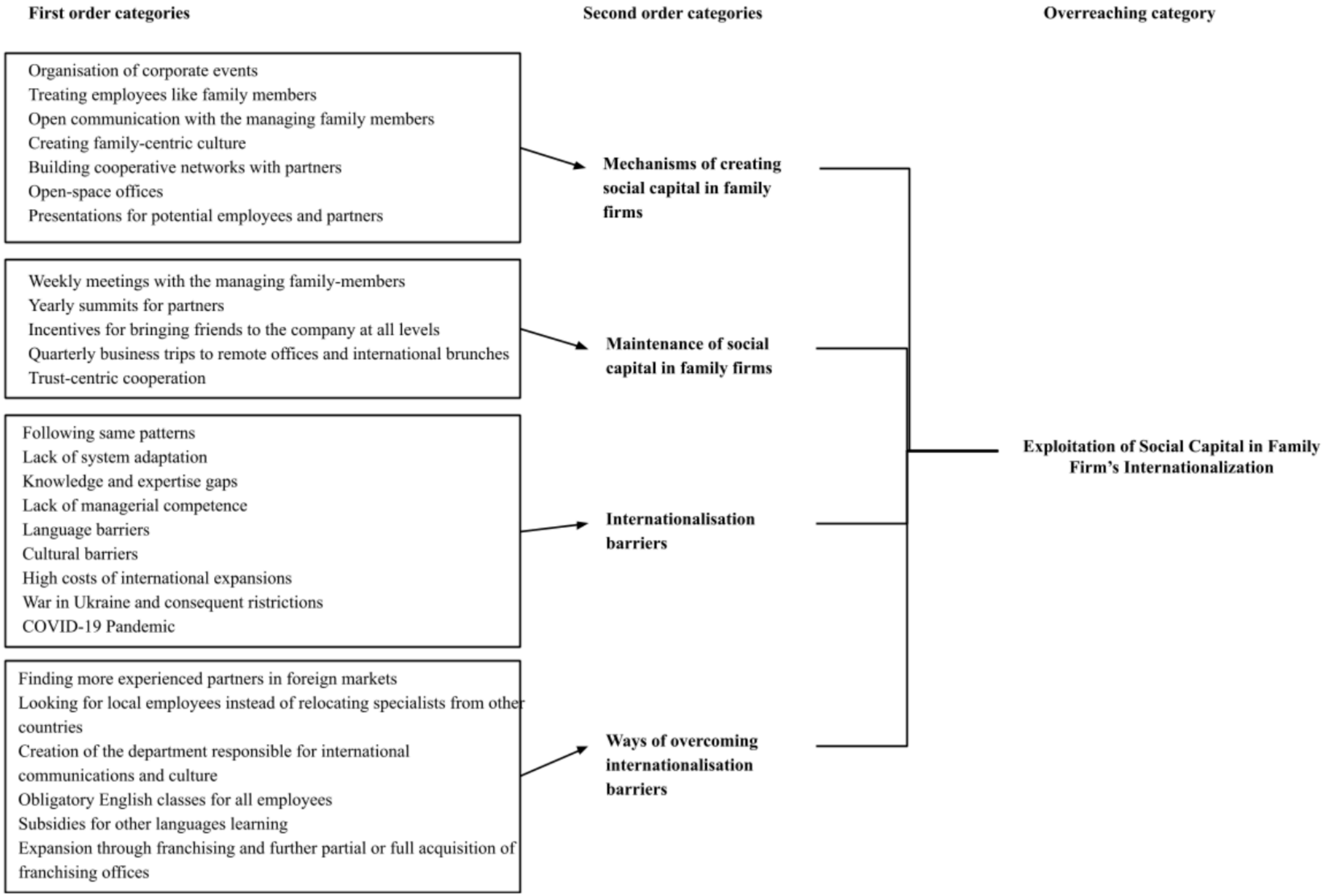
4.5. Qualitative Data Analysis

This section elucidates the qualitative analysis framework employed in the examination of semi-structured interviews, drawing upon the interpretative methodologies previously articulated by Shinkle and Spencer (2012). The objective of this study is to elucidate how social capital can be implemented by family firms for internationalization. Contrary to quantitative methodologies that quantify data, qualitative analysis endeavors to distill and deconstruct textual data into comprehensible units. This process entails an initial phase of deconstruction, whereby the textual data is dissected, diminished, and reorganized, facilitating the derivation of theoretical constructs and inferential conclusions (Spiggle, 1994). Proper documentation of qualitative data is imperative for this process. In the context of interviews, this necessitates the transcription of audio recordings into written format and, if necessary, their translation into English. Subsequent manipulations of this data underpin the theoretical and conclusionary developments (Spiggle, 1994). A thorough engagement with the transcribed materials is crucial, requiring repeated reviews to fully grasp the nuanced perspectives of each respondent regarding the subject matter.

Adopting the methodology proposed by Gioia, Corley, and Hamilton (2013), the analysis begins with the identification of first-order categories, which are constituted by interviewee quotations that exhibit thematic congruence. These categories are subsequently synthesized into more abstract second-order themes, which carry particular relevance to the researcher's inquiry. Through iterative abstraction, these themes evolve into overarching dimensions, signifying the theoretical contribution of the research as an incremental process (Gioia et al., 2013).

The coding process was guided by a deductive strategy, informed by a pre-established framework derived from the interview guide, which was itself rooted in the comprehensive review of extant literature.

Figure 1. Gioia’s Method Coding



5. Findings

The initial phase of interviews confirmed the shared understanding that the examined company is indeed a family business. At the onset of the interviews, participants responded to inquiries such as *"How would you characterize MAIN as a family business? What does the concept of a family business signify to you, and how is it manifested at MAIN?"* Noteworthy quotes from these discussions included:

> *“If we are talking about the structure of the firm, the firm was built by the mother of the current owner, his brother is also on the board of directors and the owner has already announced the plans for future succession.” (Interview 1)*
>
> *“Certainly. MAIN demonstrates clear signs of being a family firm, especially in terms of succession planning. The owner's proactive approach to announcing succession plans is a key indicator. This long-term vision and commitment to passing the baton within the family highlight a crucial aspect of family-owned businesses. It's not just about the present; it's about building a legacy for the future.” (Interview 7)*

Interviews reflect a clear familial structure at MAIN's core, with the founding lineage actively involved in leadership roles and future succession openly planned and communicated. As one interviewee noted, the firm's origins and leadership are rooted deeply in the family, with succession being a publicly addressed topic, pointing to a characteristic foresight and legacy-building of family firms.

> *“Over the years, I've witnessed a strong sense of familial connection among employees. The work culture here is like a close-knit family, and there's a genuine care for each other's well-being. It's not just about the blood ties; it's the familial atmosphere that makes MAIN truly a family-oriented workplace.” (Interview 3)*
>
> *“Even as a new employee, it's clear that MAIN operates like a family firm. The onboarding process was incredibly warm and personal…It feels like I've joined not just a company but a family.” (Interview 5)*
>
> *“No doubt about it, MAIN is like a family that invests in its members. There's a genuine interest in our growth, not just professionally but personally too…it's a place*

where everyone's encouraged to learn, grow, and become the best version of themselves, just like in a family." (Interview 8)

A recurrent theme across the interviews is the familial atmosphere that extends beyond blood ties, encapsulating a work culture that resembles a close-knit family unit, concerned with the holistic well-being of its members. New hires are enveloped in warmth, reinforcing the family firm ethos that permeates the company, as expressed by multiple interviewees.

The family's influence is palpable in the decision-making processes, where a personal touch is evident in strategic choices. This dynamic, as highlighted by the employees, adds a distinctively personal element to business decisions that could be both beneficial and challenging, demonstrating a balance between professional considerations and familial influence:

"The decision-making process is influenced by a strong family presence on the board. This not only adds a personal touch to strategic decisions but also creates a unique dynamic." (Interview 4)

"The owner's involvement is hands-on, and decisions aren't just made in boardrooms; they're made with a personal touch." (Interview 1)

"Being a family firm has both pros and cons for our international growth. On the positive side, it brings a sense of trust and commitment to the table... However, there are challenges too; sometimes, decisions are influenced by personal factors rather than purely professional ones." (Interview 4)

"The owner's occasional mood swings aside, the overall approach is to safeguard the company's interests…It's a smart approach that shows they value stability over impulsive expansion." (Interview 10)

Lastly, MAIN's approach to international growth and expansion is deeply intertwined with trust and relationships. Decisions to enter new markets are made with deliberation and a trust-centric philosophy. The expansion is seen as an extension of the family ethos, relying on the trustworthiness and investment of new partners who believe in and buy into the MAIN brand, rather than aggressive market conquest:

"It's not about rushing into new markets; it's about thoughtful consideration…The family approach ensures we don't take unnecessary risks.

Moreover, we expand when someone, whether a friend or a new face, trusts the MAIN brand enough to invest in." (Interview 6)

"MAIN's international strategy is unique—it's all about trust. The expansion happens when someone believes in MAIN enough to buy into the family. It's not about aggressive marketing; it's about building relationships." (Interview 3)

"MAIN being a family firm adds a personal touch to our partnership. It's not just about contracts and numbers; it's about building a relationship." (Interview 7)

4.1. Social Capital in Family Firms

Examining the development of social capital within the family firm reveals two primary categories: mechanisms for creating social capital and mechanisms for maintaining social capital. The findings indicate substantial endeavors within the family firm to enhance team development and engagement. An illustrative example includes the organization of corporate events in informal settings:

"Annual events bring our entire partner network together, not just for educational purposes, but as a platform for networking and relationship-building." (Interview 5)

"We meet with all the partners at least once a year. This year we went to Sochi for a conference. Of course it's important to attend the educational and the networking part of the conference. But the best connection happens later in a bar." (Interview 9)

The firm prioritizes annual events as a strategic initiative to strengthen its partner network, emphasizing the significance of networking beyond mere educational objectives. The approach aligns with the understanding that networking, as emphasized in the literature, is pivotal for businesses venturing into internationalization (Musteen et al., 2014). The annual gatherings not only serve an educational purpose but, more importantly, create a conducive platform for networking and relationship-building among partners. The recognition of the networking potential extends beyond the formal conference setting, emphasizing the value of informal interactions such as those occurring in a bar after the conference. Moreover, the working spaces are organized in a way to improve communication between employees:

“You can not NOT feel like a family, when you basically see your colleagues in your open space office 8 hours every day. This is more than seeing my own one.” (Interview 2)

“First I found it strange that all of the managers, members of the board and the family owners don’t have private offices and sit in the common area. But now I feel that it’s not about controlling. It’s about sharing ideas and helping each other.” (Interview 10)

The firm consciously embraces open space offices as a deliberate strategy to foster a familial atmosphere among its employees. The choice aligns with the theoretical framework proposed by Cabrera-Suárez et al. (2015), which identifies open communication, intergenerational attention, and emotional cohesion as pivotal dimensions contributing to a family-like work environment. The adoption of open space offices is reflected in the sentiment expressed by one employee who highlights the intense daily interaction in the open workspace, emphasizing the significance of spending extensive time together (Interview 2). This approach promotes a sense of closeness among colleagues, cultivating a familial connection that goes beyond the conventional boundaries of a professional relationship. The acceptance of open space offices is further emphasized by an interviewee who initially found the absence of private offices for managers and family owners unusual. However, the realization struck that the design is not about control but rather about shared ideas and mutual support (Interview 10). In essence, the open space office concept serves as a tangible manifestation of the firm's commitment to open communication, intergenerational attention, and emotional cohesion, reinforcing the familial atmosphere within the organization.

Many employees highlight how the company build family-centric culture:

"From day one, I sensed an unmistakable family vibe here. It's not just about the tasks; it's the shared commitment and care that define us. It's like joining not just a team but a tight-knit family where everyone's success is a collective celebration." (Interview 7)

"In my short time here, the familial essence of this workplace is undeniable. The onboarding wasn't just about policies and procedures; it was about embracing a new

member into a family. It's more than a company; it's a familial ecosystem where everyone contributes to a shared narrative of success." (Interview 9)

As expressed by one team member (Interview 7), the palpable family vibe was evident from their very first day, transcending the mere completion of tasks. The shared commitment and care within the workplace define it as more than just a team – it resembles a tight-knit family where collective success is celebrated. This sentiment is echoed by another employee (Interview 9), who, despite their relatively short tenure, perceives an undeniable familial essence. The onboarding process, in their view, transcended the conventional introduction to policies and procedures; instead, it was an immersive experience of embracing a new member into a family. The company is portrayed not merely as a corporate entity but as a familial ecosystem where everyone contributes to a shared narrative of success.

The creation of a family-centric culture emerges as a strategic organizational factor, emphasizing the significance of shared values, commitment, and care in fostering a cohesive and supportive work environment. Additionally, the cultivation of familial ties contributes to the development of strategic and social networks, a crucial aspect within the organizational landscape (Calabrò et al., 2016). The deliberate emphasis on a family-centric culture is not only a testament to the company's commitment to its employees' well-being but also a strategic choice to enhance cohesion, collaboration, and collective success within the organizational ecosystem. A consequent outcome of this company's strategy is that they treat employees like family members:

"Over the years, I've witnessed a strong sense of familial connection among employees. The work culture here is like a close-knit family, and there's a genuine care for each other's well-being. It's not just about the blood ties; it's the familial atmosphere that makes MAIN truly a family-oriented workplace." (Interview 3)

"Even as a relatively new employee, it's clear that MAIN operates like a family firm. The onboarding process was incredibly warm and personal…It feels like I've joined not just a company but a family." (Interview 5)

The witnessed strong sense of familial connection among MAIN's employees, as described in the quote, aligns with the theoretical framework of familiness resource-based reasoning. The work culture characterised by a close-knit family atmosphere reflects the integration of the family's goals, values, and norms into the fabric of the organization. According to Habbershon et al. (2003), these familial elements, combined with social capital, serve as integral components of the family firm's unique set of resources and competencies. The familial atmosphere described in the quote is a manifestation of how MAIN leverages its familial resources to create a distinctive workplace culture.

The employees and the partners mentioned trust as an important aspect of choosing partners:

> *"MAIN being a family firm adds a personal touch to our partnership. It's not just about contracts and numbers; it's about building a relationship." (Interview 7)*

> *“Selecting partners is a crucial decision, and integrity tops our list. Professionalism and proven results matter, but, above all, partners must uphold high moral standards. In our company, everyone treats the business as their own. For franchise directors, this is especially vital—not just for us, but for their own success. Trust and shared values lay the foundation for enduring partnerships, creating a network.” (Interview 1)*

The first quote highlights the importance of the personal touch added to partnerships due to MAIN being a family firm. It emphasizes that the partnership transcends mere contracts and numbers, focusing on building a relationship. This resonates with the theoretical framework of relational social capital, which underscores the significance of attributes like trust, respect, and friendship inherent in personal relationships (Gooderham, 2007). In this context, the personal touch in partnerships aligns with the emotional aspects of relationships described by relational social capital, creating a foundation for enduring and meaningful business connections.

The second quote further reinforces the emphasis on trust and shared values in selecting partners. It highlights that integrity, professionalism, and proven results are essential, but the pivotal criterion is partners upholding high moral standards. The quote indicates that in MAIN, treating the business as one's own and fostering trust is not only vital for the success of the company but is integral to building enduring partnerships and creating a network based on shared values.

Moving forward, we will delve into how MAIN actively maintains and reinforces its social capital, exploring the strategies and initiatives undertaken to foster enduring relationships within the organization. Maintaining social capital involves consistent efforts, and MAIN employs weekly meetings with managing family members as a proactive approach to sustain connections within the organization:

"We have daily meeting in the beginning of the week with all of the managing family members" (Interview 3)

"Sometimes I feel lazy to go to work on Monday, but the weekly meetings give me emotional resources to work. Cool leadership tool!" (Interview 6)

This regular interaction serves not only as a practical business strategy but also as a valuable emotional resource, contributing to a positive work atmosphere. This practice aligns with the notion that social capital demands ongoing maintenance (Sandefur & Laumann, 1998), emphasizing the importance of sustained efforts in nurturing and preserving valuable connections within the organization. Additionally to weekly meetings, the company organizes annual events for all of the partners:

"The company started organizing yearly summits for all the employees and partners about 4 years ago. Funny though that exactly the next year COVID Pandemic started but the company kept organizing safe events as much as it was possible, also digital, of course." (Interview 5)

"Annual events stand as a testament to our commitment, combining educational sessions with extensive networking. It's more than just knowledge exchange; these gatherings solidify connections. The convivial atmosphere is crucial, as it not only promotes knowledge-sharing but also streamlines cross-border transactions. A friendly network enhances our market share, making international growth an organic outcome." (Interview 8)

Despite facing challenges like the global pandemic, the commitment to hosting these events persisted. The convivial atmosphere is crucial, as it not only promotes knowledge-sharing but also streamlines cross-border transactions. These practices underscore the company's dedication to nurturing relationships and fostering a sense of community among employees and partners. Important is that the family members always allow direct communication with them:

"All directors have the owner's phone number, providing a direct line of communication." (Interview 7)

"Regular one-on-one meetings are conducted with all directors." (Interview 10)

"The owner also frequently travels to various cities and countries, spending quality time with directors." (Interview 4)

This accessibility to direct communication fosters a transparent and inclusive environment within the company. With that the company sustains strong relationships through direct interactions with family members, further contributing to the maintenance of social capital. However, not only is the communication direct, but also less formal:

"While I wouldn't characterize the owner's relationship with directors as friendships, their interactions often transcend the boundaries of work." (Interview 2)

"The owner maintains a professional yet cordial rapport with directors." (Interview 5)

In line with theory, these informal relationships contribute to trust development (Dymitrowski et al., 2019), further solidifying the foundation of social capital within the organization. And this trust creation is also signified by employees:

"Being a family firm has both pros and cons for our international growth. On the positive side, it brings a sense of trust and commitment to the table... However, there are challenges too; sometimes, decisions are influenced by personal factors rather than purely professional ones." (Interview 4)

"It's not about rushing into new markets; it's about thoughtful consideration…The family approach ensures we don't take unnecessary risks.

Moreover, we expand when someone, whether a friend or a new face, trusts the MAIN brand enough to invest in." (Interview 6)

"MAIN's international strategy is unique—it's all about trust. The expansion happens when someone believes in MAIN enough to buy into the family. It's not about aggressive marketing; it's about building relationships." (Interview 3)

"Selecting partners is a crucial decision, and integrity tops our list. Professionalism and proven results matter, but, above all, partners must uphold high moral standards. In our company, everyone treats the business as their own. For franchise directors, this is especially vital—not just for us, but for their own success. Trust and shared values lay the foundation for enduring partnerships, creating a network." (Interview 1)

Trust plays a central role in the company's international strategy, as echoed by several employees. Aligning with theory, the notion of trust is particularly vital in the Russian context, where trust tends to be confined within specific groups, such as family, friends, or colleagues. The preference for social networks over business relations in uncertain environments is a strategic response (Shirokova & McDougall-Covin, 2012). In the case of MAIN, the emphasis on trust within the family-oriented framework not only shapes decision-making but also contributes to the unique and relationship-driven approach to international expansion.

Within the context of MAIN, social capital transcends mere trust and goodwill; it is the bedrock upon which familial relationships fortify the company's structural, cognitive, and relational dimensions of social capital (Sorenson & Milbrandt, 2022). The emphasis on trust and credibility within MAIN's operational ethos is intrinsically linked to the concept of social capital, which in the context of MAIN, is leveraged to transcend mere transactional interactions, fostering long-term relationships and a loyal customer base. The firm's commitment to principles of transparency, fairness, and personalized service is not just a strategic response to industry challenges but a manifestation of the social capital inherent within the family-owned business structure. These principles, deeply embedded in the company's approach, act as conduits through which MAIN strengthens its relational dimension of social capital, enhancing trust and credibility not only among its clientele but also within the broader market ecosystem.

MAIN's adeptness at applying family-derived values of trust and integrity to its business practices makes it a unique entity within the real estate industry. This blend of family-centric social capital with professional operational standards positions MAIN as an exemplary case for studying the multifaceted role of social capital in business. The firm's ability to navigate the complexities of the real estate market, counteracting the industry's trust deficit with its robust social capital foundation, underscores the transformative potential of social capital in redefining market engagement and customer relationships.

The fusion of family and business at MAIN blurs the traditional boundaries observed in non-family firms, fostering an environment where informal interactions among employees are not just common but encouraged. These interactions, often extending beyond formal business settings, cultivate closer communication channels and a robust internal network, mirroring the family's intrinsic values within the corporate culture (Sorenson & Milbrandt, 2022).

At MAIN, the application of family values to business practices is not merely a theoretical ideal but a lived reality, guiding interactions both within the organization and in its external engagements. This alignment ensures a cohesive pursuit of shared goals and expectations, akin to the dynamics observed in cohesive family units (Peters & Waterman, 2004). The interplay between the social capital of the family and that of the firm at MAIN presents a dual social structure, comprising both family and non-family members. While this duality enriches the firm's social capital, it also harbors the potential for conflict, given the differing perspectives and interests that may arise between these groups.

The unique dynamic of MAIN's family social capital significantly influences the firm's overall social capital, accentuating the distinct advantages and challenges inherent in family-owned businesses. This interdependence between family and firm social capital not only highlights the uniqueness of MAIN but also underscores its suitability as a focal point for this study, providing a rich context for exploring the nuances of social capital in family firms.

4.2. Internationalization barriers

Despite a young age of the firm, MAIN has already internationalized multiple times. The complexities by its internationalization could be divided into two major groups: extraneous barriers and managerial complexities.

The most restricting factor for internationalization of a Russian firm is the context in which the company is working now. Managers highlight, that war in Ukraine and consequent sanctions from foreign countries, organizations and private companies has limited lots of foreign operations:

“Not only is it almost impossible to travel abroad, it has also become very expensive. Every international transaction is followed by huge fees. European regulations made it impossible for Russian firms to survive there.” (Interview 1)

“Well, I don’t want to make direct comparisons, but if big companies like Sberbank couldn’t survive in Europe, with all their financial, managerial and even networking resources [meaning connection to the government], we had no chance.” (Interview 3)

As conducting business in “unfriendly” countries, such as European and NATO-member countries became impossible in 2022, MAIN has switched their global strategy to countries, which on the contrary, improved regulations for Russian companies:

"Recognizing the repetitive nature of issues like language barriers and geopolitical complexities [Sanctions and War in Ukraine], we sought solutions rooted in our shared experiences. Now, drawing from this insight, we strategically hire individuals who bring diverse competencies, closing the knowledge gaps that once posed obstacles." (Interview 1)

"After the Ukraine war, MAIN had to rethink its global strategy. We closed offices in sanctioned countries, and the franchise model took center stage. In the UAE, we thrived." (Interview 7)

"Ukraine's aftermath reshaped MAIN's global landscape. With most offices closing due to sanctions, a strategic shift was essential. Enter franchisee directors in UAE and Turkey—strategic pillars. Moving capital abroad became a necessity." (Interview 9)

The internationalization journey of MAIN unfolds against the backdrop of pervasive institutional constraints, a phenomenon extensively discussed in international business literature. The theoretical underpinnings reveal that these constraints act as moderators in the internationalization process, influencing the strategic decisions and pathways chosen by firms (Chao and Kumar, 2010). As articulated by Wilkinson and Brouthers (2006), institutional constraints encompass various factors, including export policies, domestic regulations, market information limitations, entry and exit challenges, intermediary institutions, and inadequate infrastructure.

Another external factor was COVID-19 Pandemic and its restrictions. Employees noted that operations abroad were disrupted, as MAIN's managers used to travel to foreign branches and set the operations on spot:

> *"The COVID-19 pandemic hit us hard on the internationalization front. With lockdowns and travel restrictions, our usual business operations were disrupted. The inability to conduct on-site visits, attend international events, and engage in face-to-face meetings slowed down the pace of our global expansion. It made us rethink and adapt our strategies to navigate this unforeseen challenge." (Interview 2)*

> *"Covid brought a wave of uncertainty that impacted decision-making. With priorities shifting towards business continuity and the immediate challenges posed by the pandemic, our internationalization plans took a back seat. The focus was on managing the crisis, and it became a significant barrier to the steady progression of our global ventures." (Interview 7)*

As an outcome, MAIN started digitalising some of the operations and communication patterns, including conducting online events:

> *"The company started organizing yearly summits for all the employees and partners about 4 years ago. Funny though that exactly the next year COVID Pandemic started but the company kept organizing safe events as much as it was possible, also digital, of course." (Interview 5)*

The employees highlighted that the challenges posed by the COVID-19 Pandemic and the War in Ukraine not only intensified the existing institutional distance but also exacerbated cultural disparities:

Before COVID-19 Crisis:

“It was difficult to work with foreign specialists. We have different corporate cultures. In Russia you work when you have to work, including weekends. Whereas our foreign specialists were unavailable from Friday evening till Monday morning. It was difficult not to take it personally, for me at least.” (Interview 8)

“One challenge we faced in our internationalization journey was the stark difference in work ethics across cultures. In some regions, there's a strong emphasis on individual contributions, while our company thrives on collaborative teamwork.” (Interview 5)

"Expanding internationally meant grappling with cultural differences and human resource challenges... Overcoming these challenges involved investing in cross-cultural training, recruiting local talent, and fostering a more inclusive and culturally sensitive workplace environment." (Interview 9)

Aftermath of COVID-19 Crisis:

"Understanding the mindset of international partners became even more challenging in this context [COVID-19 Pandemic and War in Ukraine]. Additionally, navigating capital movement and document turnover faced heightened difficulties, especially after the war situation." (Interview 6)

Employees on different levels also mentioned language barriers as crucial in conducting business abroad. First, MAIN tried to address lack of language competences by recruiting Russian speaking specialists abroad or relocating specialists from Russia:

"Recognizing the repetitive nature of issues like language barriers and geopolitical complexities, we sought solutions rooted in our shared experiences." (Interview 1)

“We were hiring Russian speaking specialists because we personally didn’t know English.” (Interview 6)

"Expanding internationally meant grappling with cultural differences and human resource challenges…" (Interview 5)

Hiring specifically Russian speakers narrowed the human resource market, which led to problems connected with knowledge of local operations and nuances:

"It was one of the major shocks, that people in Europe have different purchasing habits. Not just different, almost opposite ones. We were not ready for that." (Interview 1)

"We had to pay a lot of fines for not following some of the bureaucratic standards." (Interview 2)

Consequently, MAIN had to face high costs of internationalization:

Moreover, we had to pay fines for not paying fines, because they came per post and in Russia everything comes to the company email address. We hadn't been checking mail boxes for ages." (Interview 2)

"Expanding beyond borders comes with a hefty price tag. There's the initial investment in establishing a presence – setting up offices, hiring local staff, and navigating legal requirements. This upfront cost is a significant barrier, especially for a family firm like ours, where financial decisions are scrutinized for their long-term impact." (Interview 4)

"It's not just about starting up; ongoing operational expenses can skyrocket. Adapting to different markets requires resources – from tailoring marketing strategies to conforming to local regulations. The need for market research, hiring local experts, and adjusting our offerings all contribute to the high costs of international expansion. It's a complex puzzle that demands financial resources." (Interview 6)

Apart from that, those crises signified the importance of improving managerial skills and shifted focus on the internal processes, as international actions were limited due to healthcare and geopolitical challenges. Previous research emphasizes the critical role of managerial competence in identifying and pursuing international opportunities (Oktemgil and Greenley, 1997). Additionally, studies highlight that a lack of managerial competence can act as a significant hindrance to a firm's internationalization efforts (Manolova et al., 2002; Reuber and Fischer, 1997):

> *"Covid brought a wave of uncertainty that impacted decision-making. With priorities shifting towards business continuity and the immediate challenges posed by the pandemic, our internationalization plans took a back seat. The focus was on managing the crisis, and it became a significant barrier to the steady progression of our global ventures." (Interview 7)*

> *"Most of our managers never had experience of working with and in international teams. It caused a lot of time and financial losses." (Interview 3)*

> *"It happened a lot that we got mistaken with our partners. Some of them were very ambitious to run subsidiaries but didn't have enough skills to do that." (Interview 7)*

> *"The international growth is a mix of professionalism and the owner's instincts. It's like, on one hand, we've got these solid business plans and strategies, and on the other hand, there are days when decisions seem to depend on the owner's mood. It's a rollercoaster, but that mix somehow contributes to our global presence." (Interview 2)*

The initiation of MAIN's international expansion itself is indicative of the precedence of personal connections over formal managerial strategies. This is exemplified by the narrative of how the company's growth first took shape, rooted in interpersonal relationships rather than calculated executive planning. One interviewee recounts the origin:

> *"I guess it all started from the way the company started to expand. A friend of the owner first suggested starting a franchisee office in another Russian city. And then with that idea started the internationalization to Kazakhstan. So basically it all started with friends, but friends, as we know, are not always the best workers. " (Interview 9)*

The family-centric nature of MAIN introduces a unique dynamic to decision-making, as noted by employees who highlighted occasional biases in the process:

"Occasionally, personal preferences of the owner play a role in the decision-making process." (Interview 9)

"The ultimate decision rests with the board of directors, presided over by the business owner." (Interview 10)

"Being a family firm has both pros and cons for our international growth. On the positive side, it brings a sense of trust and commitment to the table... However, there are challenges too; sometimes, decisions are influenced by personal factors rather than purely professional ones." (Interview 4)

These insights collectively underscore the vital role of managerial competence and the multifaceted nature of decision-making processes in the context of a family-owned company pursuing international growth. This aligns with established research suggesting that family-owned firms may lean towards less risky internationalization choices to safeguard their socioemotional wealth (SEW), potentially favoring regional markets, maintaining full control in entry modes, and avoiding joint ventures to protect their reputation (Banalieva and Eddleston, 2011; Boellis et al., 2016; Pongelli et al., 2021; Debellis et al., 2021; Loehde et al., 2020).

During the regional-centered time in the company's history [the aftermath of COVID-19 pandemic], MAIN re-assessed their internationalization patterns and in successful and failed expansions. One of the conclusions were that the firm tended to follow same patterns that partially led to failures:

"I would say that our biggest flaw is that the company is going only in familiar ways. After expanding in Russia, we started expanding to Russian speaking countries. Luckily, it didn't require much adaptation because of the shared Soviet past. However, that habit of using the same tools all the time brought us a lot of problems when expanding in Europe." (Interview 2)

"Well, we even hired only Russian speaking specialists abroad, because we were so used to having meetings in Russian." (Interview 8)

"Recognizing the repetitive nature of issues like language barriers and geopolitical complexities, we sought solutions rooted in our shared experiences. Now, drawing from this insight, we strategically hire individuals who bring diverse competencies, closing the knowledge gaps that once posed obstacles." (Interview 1)

“We had very tough times when first expanding to Europe, as we learned that everything we knew about internationalization was wrong. The incredible financial losses we had made us change our strategy.” (Interview 4)

The observed tendency of MAIN to follow familiar routes, initially expanding to Russian-speaking countries after success in Russia, revealed a pattern that proved challenging during European expansion. The reliance on similar tools and hiring predominantly Russian-speaking specialists abroad reflected a habitual approach that presented difficulties when entering culturally distinct markets. The recognition of these challenges led to a strategic shift in the company's approach. The internationalization patterns of a company, often termed as its approach to entering foreign markets, play a crucial role in determining the success of global ventures (Jones and Coviello, 2005). Notably, firms may unknowingly fall into the trap of replicating familiar entry patterns, especially when faced with challenges and uncertainties. Connected to patterns, the systems and software that MAIN used in home market were slightly or barely adapted for foreign markets, which also caused complications:

“We are not only a real-estate agency. We have an IT-subsidiary that makes software products exclusively for our company. So technically, none of that software had ever even been translated into English before the big crash in Europe.” (Interview 6)

“It might sound funny, but there was a time when our HR-Ads abroad had Russian phone numbers. So potential partners and workers had to first pay a lot of money for roaming in order to find a job.” (Interview 10)

For MAIN, the pandemic's impact was twofold: it not only necessitated a rapid reassessment of global operations due to travel restrictions and safety regulations but also highlighted the firm's capacity for agile adaptation in the face of global crises. The divergent international reception of Russia's "Sputnik V" vaccine introduced an additional hurdle, particularly in European markets where MAIN operates, such as the Czech Republic, Latvia, and Germany. These challenges, while heightening operational complexities and costs, underscored MAIN's resilience and the critical role of strategic foresight in navigating the pandemic's turbulent waters.

Simultaneously, the geopolitical landscape, especially the conflict in Ukraine, further compounded the intricacies of international business for Russian firms. Sanctions imposed by Western countries not only targeted the Russian government but inadvertently impacted the business ecosystem, affecting entities like MAIN. These sanctions, coupled with the challenges in securing Schengen visas and the Russian government's listing of "unfriendly countries," crafted a labyrinth of operational and strategic challenges. Yet, within this labyrinth, MAIN's responses to navigate through these hurdles illuminated the firm's strategic agility and the nuanced understanding of geopolitical dynamics.

4.3. Overcoming Internationalisation barriers:

In response to the complexities and challenges posed by international expansion, MAIN has strategically shifted its entry mode to minimize risk and preserve its socioemotional wealth (SEW). The recognition of potential risks, especially in the context of existing barriers and geopolitical complexities, has led to a reevaluation of the company's internationalization strategy. The company opted to another entry mode in order to diversify capital risks:

> *"While the markets are undoubtedly larger, the existing barriers and complexities pose challenges for a Russian company looking to expand its franchise beyond the borders." (Interview 2)*

> *"The business owner and the board of directors acknowledge the necessity of capital diversification in the current political climate." (Interview 6)*

MAIN's acknowledgment of the challenges in expanding the franchise beyond borders demonstrates a nuanced understanding of the risks associated with different entry modes. The shift in strategy indicates a commitment to selecting entry modes that align with the preservation of socioemotional wealth. The recognition of the necessity for capital diversification in the current political climate underscores MAIN's commitment to navigating international expansion with a prudent approach. By diversifying capital and exploring partial or full acquisition of franchising offices, the company aims to mitigate potential risks. This aligns with the idea that family firms make choices based on their potential impact on SEW preservation, opting for less risky choices in the face of uncertainties (Boellis et al., 2016; Pongelli et al., 2021).

The overarching theme here is MAIN's strategic shift towards entry modes that minimize risks and align with the preservation of socioemotional wealth, reflecting a thoughtful approach to internationalization in challenging contexts.

Overcoming the barrier of following the same internationalization patterns, MAIN has strategically embraced a culture of learning from past experiences:

"Our current strategy for further international growth centers on learning from past experiences and sharing knowledge with each other." (Interview 6)

"Our growth trajectory has been shaped by a blend of meticulous planning and learning from past experiences. The highs and lows of our journey, from the triumphs in Turkey to the setbacks in the Czech Republic, have been instrumental in refining our approach. The failures have not deterred us; instead, they've become invaluable lessons. Each misstep serves as a compass guiding us toward smarter, more calculated decisions." (Interview 9)

By leveraging these experiences, the company endeavors to break away from repetitive patterns, demonstrating a commitment to continuous improvement and adaptability in their internationalization endeavors. This approach aligns with the notion that learning from past mistakes is crucial in fostering effective internationalization strategies (Coviello and Munro, 1995; Zahra et al., 2000).

To address the knowledge and expertise gap, MAIN has implemented strategic solutions, recognizing the importance of local insights and experienced partnerships.

- Looking for Local Employees:

"Now the foreign offices have the majority of local employees." (Interview 1)

"Some of our new specialists can barely talk to us because of the language barrier, but they are star-workers." (Interview 3)

"Language barriers and geopolitical complexities were viewed not just as corporate obstacles but as personal puzzles to solve. Many employees proactively engage their personal networks, connecting with friends, or even family members abroad to seek insights and solutions." (Interview 10)

By prioritizing local talent, MAIN has not only bridged language gaps but also tapped into the cultural and contextual nuances of different markets. This approach aligns with the idea that employing locals enhances understanding and responsiveness in international ventures (Ghemawat, 2001; Inkpen and Tsang, 2005).

- Finding Experienced Partners:

"Our approach to overcoming internationalization barriers has been strategic. Finding more experienced partners in foreign markets has been a game-changer." (Interview 4)

"It's not about rushing into new markets; it's about thoughtful consideration…The family approach ensures we don't take unnecessary risks." (Interview 6)

"The process of selecting managers for our subsidiaries starts with our network development experts." (Interview 9)

"Numerous interviews are conducted with specialists at various levels." (Interview 9)

Collaborating with experienced partners provides MAIN with valuable insights and shortcuts the learning curve in new markets. This strategy aligns with established research that emphasizes the role of experienced partners in facilitating successful internationalization (Madura, 2000; Brouthers and Nakos, 2005).

To surmount the challenges of internationalization, such as cultural and language barriers, MAIN has strategically invested in the creation of a dedicated department responsible for international communications and culture. This proactive step has proven instrumental in fostering a cohesive global environment.

- Creation of International Communications and Culture Department:

"In response to the growing complexity of international business, we established a dedicated department focused on international communications and culture." (Interview 8)

"Recognizing the need for a dedicated focus on international interactions, our company initiated the creation of a specialized department." (Interview 10)

"This move was pivotal in bridging gaps across borders, ensuring seamless communication, and fostering a shared global culture within the company." (Interview 8)

The establishment of this department signifies MAIN's commitment to addressing the nuanced challenges posed by diverse cultural and linguistic landscapes. By prioritizing effective communication and cultural integration, MAIN ensures that its global workforce operates cohesively, aligning with recommendations in the literature (Welch and Welch, 2008; Doh and Quigley, 2014).

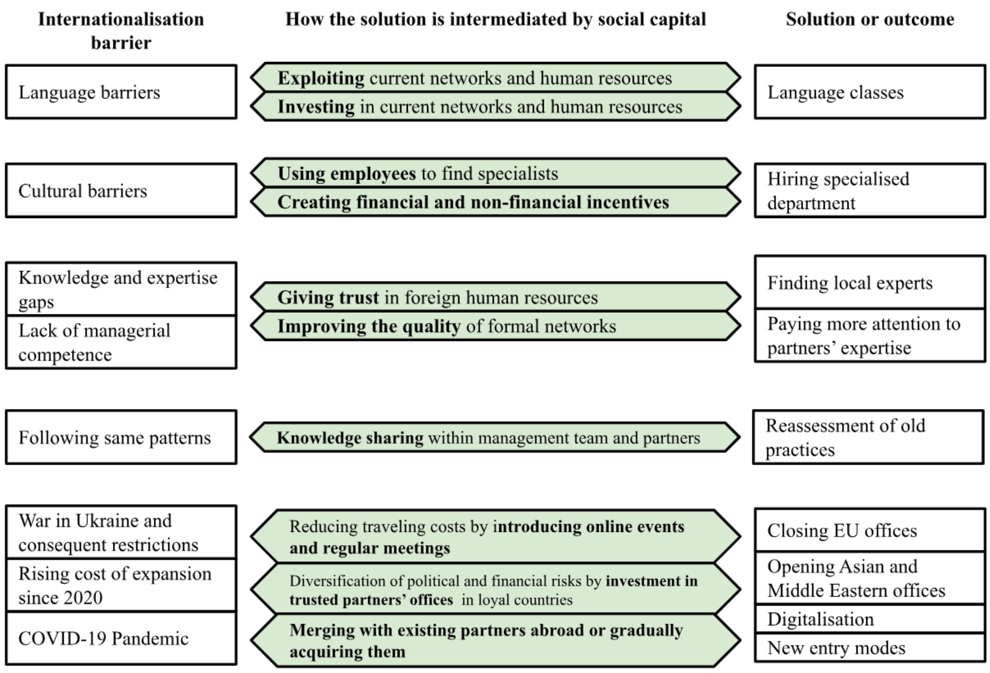
Important to notice is that because of the family-oriented corporate culture, employees address HR difficulties as their personal ones and use their personal networks in overcoming them:

"As a family firm, the challenges in our international journey felt personal to many of us. Many employees took it upon themselves to tap into their personal networks, seeking assistance from friends and acquaintances with expertise in foreign markets." (Interview 5)

The involvement of employees in leveraging their personal networks demonstrates a bottom-up approach to overcoming internationalization barriers. This aligns with the idea that individual initiatives and personal connections play a crucial role in navigating complex international landscapes (Inkpen and Ramaswamy, 2006). This grassroots effort further strengthens the familial bond within the company.

The overarching categories indicate that MAIN consistently turned to social connections to tackle the challenges of going global. Whether it was dealing with language barriers, adapting to different cultures, or navigating the complexities of the COVID-19 Pandemic and geopolitical shifts, social capital emerged as a key player. MAIN cleverly used its networks, built trust, and tapped into external knowledge to navigate the complexities of international business. From forming specialized departments for global communication to hiring locals through personal connections and partnering with experienced allies, MAIN showcased its ability to use social connections as a crucial tool in its global journey. This recurring theme highlights MAIN's knack for adapting and strategically using social capital to become a globally resilient business.

Figure 2. MAIN’s Internationalization Barriers and How Social Capital Intermediates the Approaches to Them



6. Discussion

Elaborating on an in-depth single case study for this master's thesis, I investigated how social capital can be used in a family firm's internationalization to overcome barriers connected with geopolitical obstacles in the Russian context.

Drawing upon the in-depth analysis of a Russian family firm, this discussion synthesizes how social capital, both intra- and inter-organizational, underpins the firm's internationalization process.

Intra-organizational social capital is seen as a critical asset within the family firm, facilitating direct approaches to overcome internationalization barriers (Pearson et al., 2008). Within the organization, social capital manifests through the collaborative spirit fostered by familial connections. In the context of language barriers, for instance, employees with multilingual capabilities become invaluable assets. Their ability to communicate across linguistic divides is not just a skill—it's a form of social capital, shared generously across the firm. This sharing culture is deeply ingrained, with employees readily offering language training or translation assistance to their colleagues. Such peer-to-peer learning reinforces the company’s cohesive fabric and equips it to handle international communication more fluently.

Market knowledge is another area where intra-organizational social capital is leveraged. Employees with international experience are treasure troves of information, sharing nuanced insights into local customs, consumer behavior, and business etiquette. These insights enable the firm to avoid faux pas and tailor strategies to each unique market. Regular sharing sessions, perhaps as part of scheduled meetings or through informal knowledge networks, ensure that the firm's collective wisdom is constantly updated and relevant.

Inter-organizational social capital, however, serves as an indirect yet potent mechanism for overcoming barriers to internationalization. Beyond internal borders, social capital extends to forge connections with external entities that can facilitate a firm's international growth. In navigating the complex regulatory landscapes of foreign markets, social capital becomes the bridge to understanding and complying with local laws and regulations. Relationships with legal experts and government officials, nurtured over time, provide a pipeline for crucial information that can mean the difference between success and failure in new territories.

Access to industry networks and associations, fostered through inter-organizational social capital, opens doors to market intelligence and strategic alliances. These relationships are often cultivated through attending industry events, participating in trade associations, and building a presence in industry forums. The firm's reputation as a trustworthy and committed partner paves the way for strategic collaborations that can indirectly contribute to overcoming expertise gaps.

Challenges in developing intra-organizational ties are multifaceted. When compared with non-family firms, the depth of trust and open communication within family businesses becomes even more pronounced. The inherent familial bonds extend into professional realms, creating a unique organizational fabric that non-family entities might find challenging to replicate. This distinction is particularly evident in how family firms, despite daunting challenges such as the global disruptions from the COVID-19 pandemic and geopolitical tensions from the war in Ukraine, leverage their strong social capital to maintain resilience and adaptability. Yet, with the strategic support of higher management and the allocation of financial resources, these intra-organizational networks can be fortified. This shift, while providing new avenues for connection, can dilute the richness of interpersonal exchanges. Moreover, spatial separation and entrenched internal networks might create silos within the firm, necessitating concerted efforts from management to encourage a more interconnected and transparent internal culture (Pino et al., 2021).

On the inter-organizational front, informal ties pave the way for more personalized and substantive professional relationships. Family members and employees utilize pre-existing networks to enhance external stakeholder engagement, employing tactics such as invitations, workshops, and gift-giving to build and solidify these relationships (Inkpen and Tsang, 2005). Financial and managerial support from higher levels within the firm is crucial in nurturing these intra-organizational networks. Investment in team-building activities, training programs, and social events can revitalize the firm's social capital and foster an environment conducive to sharing and collaboration.

International partnerships stand as a testament to the strength of social capital. With an emphasis on personal meetings and the establishment of long-term collaborations, the family firm can forge sustainable and valuable connections, particularly with other family businesses and regional partners (Cabrera & Cabrera, 2005). Looking ahead, the firm plans to increase face-to-face engagements with international partners, recognizing the irreplaceable value of personal interactions in deepening business relationships. Such interactions are particularly strategic when dealing with family firms and regional partners, where trust and long-term commitment are prized. Here, social capital is the currency of trust, facilitating not just transactions, but enduring partnerships that can withstand the vicissitudes of international markets.

The firm's strategy for international expansion thus relies heavily on the social capital drawn from both family and non-family managers (Arregle et al., 2007). These managers are instrumental in navigating the complexities of global markets. The findings reveal an intent to increase face-to-face interactions with international partners, suggesting a forward-looking approach to deepen these crucial relationships.

7. Contribution(s) to theory and practice

This thesis aimed to answer the following question: "*How can social capital be used to navigate geopolitical complexities in a family business context in Russia?*"

After analyzing the interviews of employees of a Russian family firm, the results show that social capital can be used in various aspects when overcoming internationalization barriers connected with geopolitical complexities, both directly and indirectly.

Intra-organizational social capital within the family firm plays a pivotal role in directly addressing expertise gaps associated with internationalization. Through strong internal networks and relationships, employees engage in collaborative problem-solving, knowledge exchange, and skill-sharing. This collaborative ethos fosters an environment where individuals can seek assistance and insights from colleagues, harnessing the collective intelligence within the organization to navigate specific challenges. For instance, when confronted with language barriers or unfamiliar market dynamics, employees tap into the diverse expertise within the family firm, ensuring that knowledge gaps are promptly filled.

Examples:

- Language Barriers: Intra-organizational social capital enables employees proficient in foreign languages to assist colleagues facing challenges in communication with international partners.
- Market Knowledge: Team members with prior experience in specific international markets share insights and best practices, contributing to a more informed and strategic approach.

Beyond the immediate challenges, social capital within family firms indirectly aids in overcoming internationalization barriers. The relationships built within and outside the organization serve as conduits for accessing external knowledge, expertise, and opportunities. When facing complex regulatory environments or unfamiliar business landscapes, the family firm leverages its social capital to connect with external stakeholders, industry experts, or government officials. This external social capital acts as a bridge, facilitating the acquisition of valuable information and insights necessary for successful international ventures.

Examples:

- Navigating Regulatory Challenges: Social capital with legal experts and government officials helps the family firm understand and comply with complex regulatory frameworks in foreign markets.
- Accessing Industry Networks: Collaborative relationships with industry associations and networks provide valuable market intelligence and strategic guidance, indirectly aiding in overcoming expertisegaps.

In summary, the family firm's social capital not only serves as a direct resource for addressing difficulties in internationalization process within the organization but also acts as a catalyst for building external connections that contribute to a more comprehensive understanding of internationalization challenges. This dual role highlights the multifaceted nature of social capital in facilitating the internationalization process for family firms.

7.1. Contribution to the theory

This thesis enhances the understanding of social capital theory by examining how it enables family firms to overcome geopolitical complexities, particularly within the Russian context. Through in-depth qualitative research on a Russian family firm, the study expands the theoretical framework of social capital by illustrating its diverse applications in navigating the geopolitical landscape.

A key theoretical contribution is the discernment between intra-organizational and inter-organizational social capital. This differentiation is vital for understanding how the familial ties within the firm complement relationships in the broader business environment, forming a comprehensive model for grasping social capital's critical function in confronting geopolitical challenges.

The research narrows the gap between abstract theory and concrete application by providing real examples of social capital in action. It details how Russian family firms deploy social networks to circumvent geopolitical barriers, adding depth to the theoretical narrative and offering practical guidance for companies facing similar hurdles.

Additionally, the study delves into the strategic use of social capital to bridge knowledge gaps, illuminating indirect methods for knowledge exchange that bolster strategic flexibility in a volatile global market.

By contextualizing the study within the specific milieu of a Russian family firm, this thesis enriches the social capital discourse, taking into account the unique cultural, regulatory, and geopolitical influences. This contextualization proves crucial, emphasizing the need to tailor social capital strategies to the local business ecosystem.

In conclusion, this master's thesis pushes the boundaries of social capital theory by providing a nuanced understanding of its role both within the family firm and in the wider business sphere, substantiating theoretical concepts with empirical evidence, outlining strategic approaches, and situating these within the Russian business arena's particularities. These insights not only advance the scholarly dialogue on social capital but also lay a robust theoretical groundwork for further investigation into the intricate interactions between social capital, family businesses, and geopolitical navigation.

7.2. Contribution to practice

This master's thesis provides practical insights for family firms grappling with geopolitical complexities in their quest for international expansion. Through the examination of a Russian family business, it unveils strategies informed by social capital that could serve as a guide for family businesses globally.

A crucial practical insight of this research is the identification of strategies that enable family firms to utilize social capital to tackle geopolitical challenges. Based on the real-world experiences of the case study firm, this thesis presents a set of practical strategies, including the development of strong internal networks and the cultivation of strategic external partnerships, to ease market entry and sustain operations abroad.

Moreover, the study reveals the subtle but significant indirect influences of social capital on international expansion. It outlines how relationships and collective learning drive innovation and strategic thinking, offering family firms an intricate view of how to apply social capital in various aspects of internationalization.

A key insight is the need for contextual adaptation of social capital strategies. The specific example of a Russian family firm's response to its cultural and geopolitical environment provides a model for other family businesses to customize their strategies accordingly. This adaptable nature of social capital demonstrates its utility across different business and regulatory contexts.

Leadership emerges as a pivotal factor in this practical guide. It is the role of family business leaders to forge and maintain the social capital that underpins these strategies, promoting a culture that prizes social bonds and communal engagement.

In conclusion, the practical contributions of this thesis offer a toolkit to family business leaders, replete with strategies and considerations anchored in social capital. These insights aim to empower family firms to navigate the complexities of the global market with resilience and foster sustained growth.

8. Limitations, ethical issues, and recommendations for further research

This study's focus on a single Russian family firm outside the capital city presents a limitation in terms of sample size and diversity. The unique business environment of Tyumen, as opposed to the more cosmopolitan Moscow, may have influenced the insights derived from the research. A broader study encompassing firms from various Russian cities, especially from the capital, might reveal different dynamics of social capital acquisition und use due to the diverse business cultures and practices within the country.

The geographical limitation to a Russian context, particularly given the country's current international standing and the imposition of widespread sanctions, provides a unique backdrop to the study. While this context enriches the research with specific insights into navigating internationalization under such conditions, it also limits the generalizability of the findings. Comparative studies involving family firms from different geopolitical environments could offer a more comprehensive understanding of social capital's role in internationalization.

The mixed modality of data collection, combining in-person and online interviews, and the time constraints faced by some participants may have impacted the depth of insights gathered. Additionally, the potential for reticence among respondents, possibly due to unfamiliarity with the researcher or concerns about anonymity despite assurances, might have influenced the honesty of their responses. While qualitative interviews were instrumental in capturing nuanced data, these constraints highlight the need for methodological diversification in future studies.

Conducting the research during a period of heightened political and economic turbulence for Russia provided valuable insights into how family firms navigate internationalization under such conditions. However, as the conditions change almost every month, further research after some time is recommended.

Ensuring the ethical integrity of this study involved a rigorous process to secure the consent and maintain the anonymity of all participants. Prior to the commencement of each interview, participants were informed about the research objectives and their verbal consent was obtained for recording the sessions. To further safeguard anonymity, no personal or identifiable information was used during the interviews or in any part of the research documentation. Despite these precautions, the distinctive nature of the case firm posed a challenge to complete anonymity, especially within the local context where the firm's identity could be surmised by those familiar with the industry. This inherent limitation underscores the complex balance between providing rich, contextual insights and protecting participant confidentiality in case study research.

The potential for bias and subjectivity emerged as a significant ethical consideration, particularly given the study's focus on internationalization barriers. Many participants, being integral to the firm's international expansion efforts, found it challenging to dissociate their personal experiences and responsibilities from the broader organizational strategies and outcomes. This introspective aspect of the interviews required a careful navigation to mitigate the influence of individual perspectives on the overall analysis, ensuring that the findings remained reflective of the firm's collective experiences rather than individual viewpoints.

The research did not involve the collection or analysis of sensitive information, mitigating concerns related to the ethical management of such data. This absence of sensitive content streamlined the ethical considerations to focus predominantly on consent, anonymity, and the minimization of bias within the study.

Future studies might explore more robust anonymization techniques, especially in cases where the distinctiveness of the subject firm could lead to inadvertent identification. Additionally, employing strategies such as triangulation, where data from multiple sources or perspectives are compared, could help in mitigating bias and enhancing the objectivity of the findings. Researchers should also consider the dynamic and reflective nature of qualitative interviews, where the researcher's awareness and adaptability can play a crucial role in navigating the ethical complexities inherent in exploratory case studies.

During the course of this research, the theme of outsourcing as a potential strategy to navigate internationalization barriers emerged sporadically from the discussions with respondents. Although intriguing, the insights gathered were too inconclusive and divergent to be fully integrated into the study's core analysis without broadening the scope beyond its current focus. Future research could delve deeper into this aspect, exploring how family firms, particularly those akin to the case firm in this study, might leverage outsourcing as a strategic tool to overcome the challenges associated with international expansion. Such an inquiry would not only broaden the discourse on internationalization strategies but also provide a nuanced understanding of the decision-making processes within family firms facing global market entry barriers.

The findings from this study suggest that the incorporation of hypothetical scenarios and respondent-generated illustrations could enhance the depth and clarity of qualitative data. Future studies might benefit from integrating these techniques into their methodological framework, facilitating a richer exploration of respondents' perceptions and experiences. This approach could foster a more interactive and immersive interview environment, allowing respondents to articulate their viewpoints more vividly and researchers to gain a more profound understanding of the complex interplay between social capital and internationalization in family firms.

Building on the findings of this study, there is a significant opportunity for comparative research that examines similar dynamics in different types of businesses, industries, and cultural contexts. Investigating family firms across various sectors and countries, particularly those with a longer generational history, could illuminate how diverse contextual factors influence the deployment and efficacy of social capital in internationalization efforts. Such comparative studies would contribute to a more global perspective on family firms' internationalization strategies, enriching the academic discourse with cross-cultural insights and potentially uncovering universal principles or distinct regional variations.

This research has underscored the critical role of context in shaping the internationalization processes of family firms. Future scholarly work could further elaborate on this finding by examining how specific contextual factors—ranging from geopolitical conditions to cultural norms—affect the mobilization of social capital and networks in family businesses venturing into foreign markets. This line of inquiry would significantly enhance the theoretical frameworks surrounding social capital, network theory, and internationalization, providing deeper insights into the contextual dependencies of these concepts when applied to the unique ecosystem of family firms.

Through these recommended avenues of research, the academic community can build upon the foundational insights provided by this study, expanding the understanding of social capital's role in the internationalization of family firms and exploring new dimensions of this complex and multifaceted phenomenon.

Reference List

- Adler, P. S., & Kwon, S. W. (2002). Social capital: Prospects for a new concept. Academy of management review, 27(1), 17-40.
- Aguzzoli, R., Lengler, J., Sousa, C. M., & Benito, G. R. (2021). Here we go again: a case study on re-entering a foreign market. British Journal of Management, 32(2), 416-434.
- Alessandri, T. M., Cerrato, D., & Eddleston, K. A. (2018). The mixed gamble of internationalization in family and nonfamily firms: The moderating role of organizational slack. Global Strategy Journal, 8(1), 46-72.
- Almeida, P., & Kogut, B. (1999, July). Localization of Knowledge and the Mobility of Engineers in Regional Networks. Management Science, 45(7), 905–917. https://doi.org/10.1287/mnsc.45.7.905
- Anheier, H. K., Gerhards, J., & Romo, F. P. (1995, January). Forms of Capital and Social Structure in Cultural Fields: Examining Bourdieu's Social Topography. American Journal of Sociology, 100(4), 859–903. https://doi.org/10.1086/230603
- Ansari, S., Munir, K., & Gregg, T. (2012). Impact at the 'bottom of the pyramid': The role of social capital in capability development and community empowerment. Journal of Management Studies, 49(4), 813-842.
- Argote, L., & Ingram, P. (2000, May). Knowledge Transfer: A Basis for Competitive Advantage in Firms. Organizational Behavior and Human Decision Processes, 82(1), 150–169. https://doi.org/10.1006/obhd.2000.2893
- Argote, L., Beckman, S. L., & Epple, D. (1990, February). The Persistence and Transfer of Learning in Industrial Settings. Management Science, 36(2), 140–154. https://doi.org/10.1287/mnsc.36.2.140
- Arregle, J. L., Chirico, F., Kano, L., Kundu, S. K., Majocchi, A., & Schulze, W. S. (2021). Family firm internationalization: Past research and an agenda for the future. Journal of International Business Studies, 52(6), 1159-1198.
- Arregle, J. L., Duran, P., Hitt, M. A., van Essen, M., & Benavides-Velasco, C. A. (2017). The role of family ties in agency contracts. Academy of Management Journal, 60(5), 1668-1695. https://doi.org/10.5465/amj.2015.1060
- Arregle, J. L., Hitt, M. A., Sirmon, D. G., & Very, P. (2007). The development of organizational social capital: Attributes of family firms. Journal of Management Studies, 44(1), 73–95. https://doi.org/10.1111/j.1467-6486.2007.00681.x
- Autio, E., Sapienza, H. J., & Almeida, J. G. (2000). Effects of age at entry, knowledge intensity, and imitability on international growth. Academy of management journal, 43(5), 909-924.
- Banalieva, E. R., & Eddleston, K. A. (2011). Home-region focus and performance of family firms: The role of family vs non-family leaders. Journal of International Business Studies, 42, 1060-1072.
- Barney, J., Wright, M., & Ketchen Jr, D. J. (2001). The resource-based view of the firm: Ten years after 1991. Journal of management, 27(6), 625-641.
- Barney, J. (1991). Firm resources and sustained competitive advantage. Journal of management, 17(1), 99-120.

- Barney, J. B. (2001). Resource-based theories of competitive advantage: A ten-year retrospective on the resource-based view. Journal of management, 27(6), 643-650.
- Barney, J. B. (2018). Why resource-based theory's model of profit appropriation must incorporate a stakeholder perspective. Strategic Management Journal, 39(13), 3305-3325.
- Barroso-Castro, C., Villegas-Periñan, M. D. M., & Casillas-Bueno, J. C. (2016). How boards' internal and external social capital interact to affect firm performance. Strategic Organization, 14(1), 6-31.
- Batt, P. J. (2008). Building social capital in networks. Industrial Marketing Management, 37(5), 487-491.
- 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.
- Birley, S. (1985, December). The role of networks in the entrepreneurial process. Journal of Business Venturing, 1(1), 107–117. https://doi.org/10.1016/0883-9026(85)90010-2
- Boellis, A., Mariotti, S., Minichilli, A., & Piscitello, L. (2016). Family involvement and firms' establishment mode choice in foreign markets. Journal of International Business Studies, 47, 929-950.
- Bourdieu, P. (1986). Ökonomisches Kapital, kulturelles Kapital, soziales Kapital. In: R. Kreckel (Hg.) Soziale Ungleichheiten, Göttingen, Soziale Welt Sonderband 2 (pp. 183–198).
- Bourdieu, P. (2011). The forms of capital.(1986). Cultural theory: An anthology, 1(81-93), 949.
- Brouthers, K. D., Nakos, G., & Dimitratos, P. (2015). SME entrepreneurial orientation, international performance, and the moderating role of strategic alliances. Entrepreneurship theory and practice, 39(5), 1161-1187.
- Buckley, P. J., & Casson, M. (1976). A long-run theory of the multinational enterprise. In The future of the multinational enterprise (pp. 32-65). Palgrave Macmillan, London.
- Burt, R. S. (1997, October). A note on social capital and network content. Social Networks, 19(4), 355–373. https://doi.org/10.1016/s0378-8733(97)00003-8
- Burt, R. S. (2001). Attachment, decay, and social network. Journal of Organizational Behavior: The International Journal of Industrial, Occupational and Organizational Psychology and Behavior, 22(6), 619-643.
- Cabrera, E. F., & Cabrera, A. (2005, May). Fostering knowledge sharing through people management practices. The International Journal of Human Resource Management, 16(5), 720–735. https://doi.org/10.1080/09585190500083020
- Calabrò, A., Brogi, M., & Torchia, M. (2016). What does really matter in the internationalization of small and medium-sized family businesses?. Journal of Small Business Management, 54(2), 679-696.
- Cardoza, G., Fornes, G., Farber, V., Duarte, R. G., & Gutierrez, J. R. (2016). Barriers and public policies affecting the international expansion of Latin American SMEs: Evidence from Brazil, Colombia, and Peru. Journal of Business Research, 69(6), 2030-2039.

- Carr, J. C., Cole, M. S., Ring, J. K., & Blettner, D. P. (2011). A measure of variations in internal social capital among family firms. Entrepreneurship theory and practice, 35(6), 1207-1227.
- Chandra, A., Paul, J., & Chavan, M. (2020). Internationalization barriers of SMEs from developing countries: a review and research agenda. International Journal of Entrepreneurial Behavior & Research, 26(6), 1281-1310.
- Chao, M. C. H., & Kumar, V. (2010). The impact of institutional distance on the international diversity–performance relationship. Journal of World Business, 45(1), 93-103.
- Chrisman, J. J., & Patel, P. C. (2012). Variations in R&D investments of family and nonfamily firms: Behavioral agency and myopic loss aversion perspectives. Academy of management Journal, 55(4), 976-997.
- Chua, J. H., Chrisman, J. J., & Sharma, P. (1999). Defining the family business by behavior. Entrepreneurship theory and practice, 23(4), 19-39.
- Coleman, J. S. (1988). Social capital in the creation of human capital. American journal of sociology, 94, S95-S120.
- Collis, D. J. (1991). A resource-based analysis of global competition: the case of the bearings industry. Strategic management journal, 12(S1), 49-68.
- Darke, P., Shanks, G., & Broadbent, M. (1998). Successfully completing case study research: combining rigor, relevance and pragmatism. Information systems journal, 8(4), 273-289.
- Davenport, S., & Daellenbach, U. (2010, September 15). 'Belonging' to a Virtual Research Centre: Exploring the Influence of Social Capital Formation Processes on Member Identification in a Virtual Organization. British Journal of Management, 22(1), 54–76. https://doi.org/10.1111/j.1467-8551.2010.00713.x
- Debellis, F., De Massis, A., Messeni Petruzzelli, A., Frattini, F., & Del Giudice, M. (2020). The role of dynamic capabilities in achieving ambidexterity in family firms' internationalization. Journal of Business Research, 120, 188-198. https://doi.org/10.1016/j.jbusres.2020.09.022
- Debellis, F., De Massis, A., Petruzzelli, A. M., Frattini, F., & Del Giudice, M. (2021). Strategic agility and international joint ventures: The willingness-ability paradox of family firms. Journal of International Management, 27(1), 100739. https://doi.org/10.1016/j.intman.2020.100739
- De Massis, A., Frattini, F., Pizzurno, E., & Cassia, L. (2015). Product innovation in family versus nonfamily firms: An exploratory analysis. Journal of Small Business Management, 53(1), 1-36.
- De Massis, A., Kotlar, J., Chua, J. H., & Chrisman, J. J. (2014). Ability and willingness as sufficiency conditions for family-oriented particularistic behavior: implications for theory and empirical studies. Journal of Small Business Management, 52(2), 344-364. https://doi.org/10.1111/jsbm.12044
- Dess, G. G., Gupta, A., Hennart, J. F., & Hill, C. W. (1995). Conducting and integrating strategy research at the international, corporate, and business levels: Issues and directions. Journal of Management, 21(3), 357-393.

- DiGregorio, D., Musteen, M., & Thomas, D. E. (2014, January). “Alertness to International Business Opportunities: Firm Characteristics, Experience & Networks.” Academy of Management Proceedings, 2014(1), 17090. https://doi.org/10.5465/ambpp.2014.17090abstract
- Di Gregorio, D., Musteen, M. C., & Thomas, D. (2022). International business opportunity recognition and development. International Journal of Entrepreneurial Behavior & Research, 28(3), 628-653.
- Doornich, J. B. (2018). Managerial learning from social capital during internationalization. International Business Review, 27(4), 877-892.
- Doornich, J. B. (2018). Managerial learning from social capital during internationalization. International Business Review, 27(4), 877-892.
- Doz, Y. L. (1996). The evolution of cooperation in strategic alliances: initial conditions or learning processes?. Strategic management journal, 17(S1), 55-83.
- Dymitrowski, A., Fonfara, K., & Deszczyński, B. (2019, June 3). Informal relationships in a company’s internationalization process. Journal of Business & Industrial Marketing, 34(5), 1054–1065. https://doi.org/10.1108/jbim-11-2018-0363
- Edelman, Linda F., Mike Brensen, Sue Newell, Harry Scarbrough, and Jacky Swan. 2002. “The Darker Side of Social Capital.” in the 3rd EUropean Conference on Organisational Knowledge, Learning and Capabilities.
- Edmonds, W. A., & Kennedy, T. D. (2016). An applied guide to research designs: Quantitative, qualitative, and mixed methods. Sage Publications.
- Evald, M. R., Klyver, K., & Christensen, P. R. (2011). The effect of human capital, social capital, and perceptual values on nascent entrepreneurs’ export intentions. Journal of International Entrepreneurship, 9, 1-19.
- Evans, P. (1996). Government action, social capital and development: reviewing the evidence on synergy. World development, 24(6), 1119-1132.
- Evers, N., & O’Gorman, C. (2011). Improvised internationalization in new ventures: The role of prior knowledge and networks. Entrepreneurship & Regional Development, 23(7-8), 549-574.
- Family Firm Institute. (2017). Global data points.
- Fang, R., Duffy, M. K., & Shaw, J. D. (2011). The organizational socialization process: Review and development of a social capital model. Journal of management, 37(1), 127-152.
- Felzensztein, C., Ciravegna, L., Robson, P., & Amorós, J. E. (2015). Networks, entrepreneurial orientation, and internationalization scope: evidence from Chilean small and medium enterprises. Journal of Small Business Management, 53, 145-160.
- Filser, M., Tiberius, V., Kraus, S., Zeitlhofer, T., Kailer, N., & Müller, A. (2020). Opportunity recognition: Conversational foundations and pathways ahead. Entrepreneurship Research Journal, 13(1), 1-30.
- Fletcher, M., Harris, S., & Richey, R. G. (2013). Internationalization Knowledge: What, Why, Where, and When? Journal of International Marketing (East Lansing, Mich.), 21(3), 47–71. doi: 10.1509/jim.12.0121

- Fletcher, M., Zhao, Y., Plakoyiannaki, E., & Buck, T. (2018). Three pathways to case selection in international business: A twenty–year review, analysis and synthesis. International Business Review, 27(4), 755-766.
- Fukuyama, F. (1995). Social Capital and the Global Economy. Foreign Affairs, 74(5), 89. https://doi.org/10.2307/20047302
- George, G., Wiklund, J., & Zahra, S. A. (2005). Ownership and the internationalization of small firms. Journal of management, 31(2), 210-233.
- Gioia, D. A., Corley, K. G., & Hamilton, A. L. (2013). Seeking qualitative rigor in inductive research: Notes on the Gioia methodology. Organizational research methods, 16(1), 15-31.
- Gómez-Mejía, L. R., Haynes, K. T., Núñez-Nickel, M., Jacobson, K. J., & Moyano-Fuentes, J. (2007). Socioemotional wealth and business risks in family-controlled firms: Evidence from Spanish olive oil mills. Administrative science quarterly, 52(1), 106-137.

- Gómez-Mejía, L. R., Haynes, K. T., Núñez-Nickel, M., Jacobson, K. J., & Moyano-Fuentes, J. (2007). Socioemotional wealth and business risks in family-controlled firms: Evidence from Spanish olive oil mills. Administrative science quarterly, 52(1), 106-137.

- Gomez-Mejia, L. R., Makri, M., & Kintana, M. L. (2010). Diversification decisions in family-controlled firms. Journal of management studies, 47(2), 223-252.
- Gomez-Mejia, L. R., Patel, P. C., & Zellweger, T. M. (2018). In the horns of the dilemma: Socioemotional wealth, financial wealth, and acquisitions in family firms. Journal of management, 44(4), 1369-1397.
- Gooderham, P. N. (2007, February). Enhancing knowledge transfer in multinational corporations: a dynamic capabilities driven model. *Knowledge Management Research & Practice*, *5*(1), 34–43. https://doi.org/10.1057/palgrave.kmrp.8500119
- Granovetter, M. (1985, November). Economic Action and Social Structure: The Problem of Embeddedness. American Journal of Sociology, 91(3), 481–510. https://doi.org/10.1086/228311
- Grant, R. M. (1996). Prospering in dynamically-competitive environments: Organizational capability as knowledge integration. Organization science, 7(4), 375-387.
- Grant, R. M. (1996). Toward a knowledge-based theory of the firm. Strategic management journal, 17(S2), 109-122.
- 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.
- Gunawan, J. (2015). Ensuring trustworthiness in qualitative research. Belitung Nursing Journal, 1(1), 10-11.
- Gupta, A. K., & Govindarajan, V. (2000). Knowledge flows within multinational corporations. Strategic management journal, 21(4), 473-496.
- Gupta, V. K., & Batra, S. (2016). Entrepreneurial orientation and firm performance in Indian SMEs: Universal and contingency perspectives. International Small Business Journal, 34(5), 660-682.

- Habbershon, T. G., & Williams, M. L. (1999). A resource-based framework for assessing the strategic advantages of family firms. Family business review, 12(1), 1-25.
- Habbershon, T. G., Williams, M., & MacMillan, I. C. (2003). A unified systems perspective of family firm performance. Journal of business venturing, 18(4), 451-465.
- Han, M. (2006). Developing social capital to achieve superior internationalization: A conceptual model. Journal of International Entrepreneurship, 4, 99-112.
- Hayton, J., Chandler, G. N., & DeTienne, D. R. (2011). Entrepreneurial opportunity identification and new firm development processes: a comparison of family and non-family new ventures. International journal of entrepreneurship and innovation management, 13(1), 12-31.
- Hechter, M. (1987). Principles of group solidarity (Vol. 11). Univ of California Press.
- Helfat, C. E., & Peteraf, M. A. (2003). The dynamic resource-based view: capability lifecycles. Strategic Management Journal, 24(10), 997–1010. doi: 10.1002/smj.332
- Herrero, I. (2018). How familial is family social capital? Analyzing bonding social capital in family and nonfamily firms. Family Business Review, 31(4), 441-459.
- Herrmann, P., & Datta, D. K. (2005). Relationships between top management team characteristics and international diversification: An empirical investigation. British Journal of Management, 16(1), 69-78.
- Hill, C. W., Hwang, P., & Kim, W. C. (1990). An eclectic theory of the choice of international entry mode. Strategic management journal, 11(2), 117-128.
- Hislop, D., Bosua, R., & Helms, R. (2018). Knowledge management in organizations: A critical introduction. Oxford university press.
- Hitt, M. A., Bierman, L., Uhlenbruck, K., & Shimizu, K. (2006). The importance of resources in the internationalization of professional service firms: The good, the bad, and the ugly. Academy of management journal, 49(6), 1137-1157.
- Hitt, M. A., Hoskisson, R. E., & Kim, H. (1997). International diversification: Effects on innovation and firm performance in product-diversified firms. Academy of Management journal, 40(4), 767-798.
- Hitt, M. A., Hoskisson, R. E., & Kim, H. (1997). International diversification: Effects on innovation and firm performance in product-diversified firms. Academy of Management journal, 40(4), 767-798.
- Hitt, M. A., Tihanyi, L., Miller, T., & Connelly, B. (2006). International diversification: Antecedents, outcomes, and moderators. Journal of management, 32(6), 831-867.
- Hoskisson, R. E., Covin, J., Volberda, H. W., & Johnson, R. A. (2011). Revitalizing entrepreneurship: The search for new research opportunities. Journal of Management Studies, 48(6), 1141-1168.
- Idris, B., & Saridakis, G. (2018, June). Local formal interpersonal networks and SMEs internationalisation: Empirical evidence from the UK. International Business Review, 27(3), 610–624. https://doi.org/10.1016/j.ibusrev.2017.10.010

- Inkpen, A. C., & Tsang, E. W. (2005). Social capital, networks, and knowledge transfer. Academy of management review, 30(1), 146-165.
- Jaskiewicz, P., Combs, J. G., & Rau, S. B. (2015). Entrepreneurial legacy: Toward a theory of how some family firms nurture transgenerational entrepreneurship. Journal of business venturing, 30(1), 29-49.
- Jin, S. H., Jeong, S. J., & Kim, K. S. (2017). A linkage model of supply chain operation and financial performance for economic sustainability of firm. Sustainability, 9(1), 139.
- Johanson, J., & Vahlne, J. E. (1977). The internationalization process of the firm—a model of knowledge development and increasing foreign market commitments. Journal of international business studies, 8, 23-32.
- Johanson, J., & Vahlne, J. E. (1990). The mechanism of internationalisation. International marketing review, 7(4).
- Johanson, J., & Wiedersheim-Paul, F. (1975). The internationalization of the firm: Four Swedish cases. Journal of management studies, 12(3), 305-322.
- Jones, M. V., & Coviello, N. E. (2005). Internationalisation: conceptualising an entrepreneurial process of behaviour in time. Journal of international business studies, 36, 284-303.
- Jonsson, A., & Elg, U. (2006). Knowledge and knowledge sharing in retail internationalization: IKEA's entry into Russia. International Review of Retail, Distribution and Consumer Research, 16(02), 239-256.
- Khanna, T., & Palepu, K. (2000). The future of business groups in emerging markets: Long-run evidence from Chile. Academy of Management journal, 43(3), 268-285.
- Kirkels, Y., & Duysters, G. (2010). Brokerage in SME networks. Research Policy, 39(3), 375-385.
- Kogut, B., & Zander, U. (1992). Knowledge of the firm, combinative capabilities, and the replication of technology. Organization science, 3(3), 383-397.
- Kogut, B. (1988). Joint ventures: Theoretical and empirical perspectives. Strategic management journal, 9(4), 319-332.
- Kor, Y. Y., & Mahoney, J. T. (2000). Penrose's resource-based approach: the process and product of research creativity. Journal of management studies, 37(1), no-no.
- Kostova, T. (1999, April). Transnational Transfer of Strategic Organizational Practices: A Contextual Perspective. Academy of Management Review, 24(2), 308–324. https://doi.org/10.5465/amr.1999.1893938
- Kotabe, M., Martin, X., & Domoto, H. (2003). Gaining from vertical partnerships: knowledge transfer, relationship duration, and supplier performance improvement in the U.S. and Japanese automotive industries. Strategic Management Journal, 24(4), 293–316. https://doi.org/10.1002/smj.297
- Kraus, S., Mensching, H., Calabrò, A., Cheng, C. F., & Filser, M. (2016). Family firm internationalization: A configurational approach. Journal of Business Research, 69(11), 5473-5478.
- Lazerson, M. (1995). A new phoenix?: Modern putting-out in the Modena knitwear industry. Administrative science quarterly, 34-59.

● Lefebvre, V. M., Sorenson, D., Henchion, M., & Gellynck, X. (2016). Social capital and knowledge sharing performance of learning networks. International Journal of Information Management, 36(4), 570-579.

● Lin, N. (1999). Social networks and status attainment. Annual review of sociology, 25(1), 467-487.

● Lindstrand, A., Melén, S., & Nordman, E. R. (2011). Turning social capital into business: A study of the internationalization of biotech SMEs. International Business Review, 20(2), 194-212.

● Loehde, A. S. K., Calabro, A., Torchia, M., & Kraus, S. (2020). Joint (Ad) ventures—Family firms' international entry mode choices for emerging markets. International Journal of Entrepreneurial Behavior & Research, 26(6), 1235-1258.

● Lu, J. W., & Beamish, P. W. (2006). SME internationalization and performance: Growth vs. profitability. Journal of international entrepreneurship, 4, 27-48.

● Lyles, M. A. (1994). The impact of organizational learning on joint venture formations. International Business Review, 3(4), 459-467.

● Madison, K., Holt, D. T., Kellermanns, F. W., & Ranft, A. L. (2016). Viewing family firm behavior and governance through the lens of agency and stewardship theories. Family Business Review, 29(1), 65-93.

● Manolova, T. S., Brush, C. G., Edelman, L. F., & Greene, P. G. (2002). Internationalization of small firms: personal factors revisited. International small business journal, 20(1), 9-31.

● Masiello, B., & Izzo, F. (2019). Interpersonal social networks and internationalization of traditional SMEs. Journal of Small Business Management, 57, 658-691.

● Miles, M. B., & Huberman, A. M. (1994). Qualitative data analysis: An expanded sourcebook. Sage.

● Minichilli, A., Zattoni, A., Nielsen, S., & Huse, M. (2012). Board task performance: An exploration of micro-and macro-level determinants of board effectiveness. Journal of organizational behavior, 33(2), 193-215.

● Moon, C. W., & Lado, A. A. (2000). MNC-host government bargaining power relationship: A critique and extension within the resource-based view. Journal of Management, 26(1), 85-117.

● Morrish, S. C., & Earl, A. (2021). Networks, institutional environment and firm internationalization. Journal of Business & Industrial Marketing, 36(11), 2037-2048.

● Nahapiet, J., & Ghoshal, S. (1998). Social Capital, Intellectual Capital, and the Organizational Advantage. Academy of Management Review, 23(2), 242–266. https://doi.org/10.5465/amr.1998.533225

● Nieto, M. J., & Fernández, Z. (2005). The role of information technology in corporate strategy of small and medium enterprises. Journal of International Entrepreneurship, 3, 251-262.

● Oehme, M., & Bort, S. (2015). SME internationalization modes in the German biotechnology industry: The influence of imitation, network position, and international experience. Journal of International Business Studies, 46, 629-655.

● Patel, P. C., & Fiet, J. O. (2011). Knowledge combination and the potential advantages of family firms in searching for opportunities. Entrepreneurship Theory and Practice, 35(6), 1179-1197.

● Pearson, A. W., Carr, J. C., & Shaw, J. C. (2008). Toward a theory of familiness: A social capital perspective. Entrepreneurship theory and practice, 32(6), 949-969.

● Peláez-León, J. D., & Sanchez-Marin, G. (2022). Socioemotional wealth and human resource policies: effects on family firm performance. International Journal of Entrepreneurial Behavior & Research, 28(1), 109-135.

● Peláez-León, J. D., & Sanchez-Marin, G. (2022). Socioemotional wealth and human resource policies: effects on family firm performance. International Journal of Entrepreneurial Behavior & Research, 28(1), 109-135.

● Peng, M. W., Zhang, S., & Li, X. (2007). CEO duality and firm performance during China's institutional transitions. Management and organization review, 3(2), 205-225.

● Peng, M. W. (2001). The resource-based view and international business. Journal of management, 27(6), 803-829.

● Peteraf, M. A. (1993). The cornerstones of competitive advantage: a resource-based view. Strategic management journal, 14(3), 179-191.

● Piekkari, R., Welch, C., & Paavilainen, E. (2009). The case study as disciplinary convention: Evidence from international business journals. Organizational research methods, 12(3), 567-589.

● Pino, C., Felzensztein, C., & Chetty, S. (2021). Institutional knowledge in latin american smes. Journal of small business management, 59(4), 648-674.

● Pirolo, L., & Presutti, M. (2010). The impact of social capital on the start-ups' performance growth. Journal of Small Business Management, 48(2), 197-227.

● Pongelli, C., Calabrò, A., Quarato, F., Minichilli, A., & Corbetta, G. (2021). Out of the comfort zone! Family leaders' subsidiary ownership choices and the role of vulnerabilities. Family Business Review, 34(4), 404-424.

● Poulis, K., Poulis, E., & Plakoyiannaki, E. (2013). The role of context in case study selection: An international business perspective. International Business Review, 22(1), 304-314.

● Prashantham, S., & Dhanaraj, C. (2010). The dynamic influence of social capital on the international growth of new ventures. Journal of management studies, 47(6), 967-994.

● Presutti, M., Boari, C., & Fratocchi, L. (2007). Knowledge acquisition and the foreign development of high-tech start-ups: A social capital approach. International Business Review, 16(1), 23-46.

● Pukall, T. J., & Calabrò, A. (2014). The internationalization of family firms: A critical review and integrative model. Family Business Review, 27(2), 103-125.

● Puthusserry, P., Khan, Z., Knight, G., & Miller, K. (2020). How do rapidly internationalizing SMEs learn? Exploring the link between network relationships, learning approaches and post-entry growth of rapidly internationalizing SMEs from emerging markets. Management International Review, 60(4), 515-542.

● Putnam, R. D. (1993, January 1). *Making Democracy Work*.

- Putnam, R. D. (1995). Tuning in, tuning out: The strange disappearance of social capital in America. PS: Political science & politics, 28(4), 664-683.
- Reuber, A. R., & Fischer, E. (1997, December). The Influence of the Management Team's International Experience on the Internationalization Behaviors of SMES. Journal of International Business Studies, 28(4), 807–825. https://doi.org/10.1057/palgrave.jibs.8490120
- Rondi E, Debellis F, Bettinelli C, & De Massis A (2022). Family multinationals: A systematic literature review to take stock and look ahead. International Marketing Review . https:// doi.org/10.1108/IMR-01-2021-0025
- Sabel, C. F. (1993). Studied trust: Building new forms of cooperation in a volatile economy. Human relations, 46(9), 1133-1170.
- Sandefur, R. L., & Laumann, E. O. (1998, November). A PARADIGM FOR SOCIAL CAPITAL. Rationality and Society, 10(4), 481–501. https://doi.org/10.1177/104346398010004005
- Shinkle, G. A., & Spencer, J. W. (2012). The social construction of global corporate citizenship: Sustainability reports of automotive corporations. Journal of World Business, 47(1), 123-133.
- Shirokova, G., & McDougall-Covin, P. (2012). The role of social networks and institutions in the internationalization of Russian entrepreneurial firms: Do they matter?. Journal of International Entrepreneurship, 10, 177-199.
- Silverman, D. 1993. Interpreting qualitative data. London: Sage.
- Sitton, J. (2003). Habermas and contemporary society. Springer.
- Smart, A. (1993). Gifts, bribes, and guanxi: A reconsideration of Bourdieu's social capital. Cultural anthropology, 8(3), 388-408.
- Snehota, I., & Hakansson, H. (1995). Developing relationships in business networks.
- Solow, Robert M., 1997, 'Tell Me Again What We Are Talking About', Stern Business Magazine Vol. 4 (1).
- Spiggle, S. (1994). Analysis and interpretation of qualitative data in consumer research. Journal of consumer research, 21(3), 491-503.
- Stake, R. E. (1995). The art of case study research. sage.
- Stewart, A., & Hitt, M. A. (2012). Why can'ta family business be more like a nonfamily business? Modes of professionalization in family firms. Family Business Review, 25(1), 58-86.
- Sullivan, D. (1994). Measuring the degree of internationalization of a firm. Journal of international business studies, 25, 325-342.
- Sundaramurthy, C., Pukthuanthong, K., & Kor, Y. (2014). Positive and negative synergies between the CEO's and the corporate board's human and social capital: A study of biotechnology firms. Strategic Management Journal, 35(6), 845-868.
- Szulanski, G., Jensen, R. J., & Lee, T. (2003). Adaptation of know-how for cross-border transfer. In Governing Knowledge-Processes (pp. 131-150). Gabler Verlag.
- Tallman, S., & Li, J. (1996). Effects of international diversity and product diversity on the performance of multinational firms. Academy of Management journal, 39(1), 179-196.

● Taylor, S. (2007). Creating social capital in MNCs: The international human resource management challenge. Human Resource Management Journal, 17(4), 336-354.

● Terral, H. (2016). Un certain Lefebvre, Pyrénéen et dissident. Le Télémaque, 50(2), 103. https://doi.org/10.3917/tele.050.0103

● Tsai, W., & Ghoshal, S. (1998). Social capital and value creation: The role of intrafirm networks. Academy of management Journal, 41(4), 464-476.

● Uphoff, N., & Wijayaratna, C. M. (2000). Demonstrated benefits from social capital: the productivity of farmer organizations in Gal Oya, Sri Lanka. World development, 28(11), 1875-1890.

● Vahlne, & Johanson, J. (2017). From internationalization to evolution: The Uppsala model at 40 years. Journal of International Business Studies, 48(9), 1087–1102. https://doi.org/10.1057/s41267-017-0107-7

● Verbeke, A., Yuan, W., & Kano, L. (2020). A values-based analysis of bifurcation bias and its impact on family firm internationalization. Asia Pacific Journal of Management, 37, 449-477.

● Wagner III, J. A., Stimpert, J. L., & Fubara, E. I. (1998). Board composition and organizational performance: Two studies of insider/outsider effects. Journal of Management studies, 35(5), 655-677.

● Wasdani, K. P., & Mathew, M. (2014). Potential for opportunity recognition: differentiating entrepreneurs. International Journal of Entrepreneurship and Small Business, 23(3), 336. https://doi.org/10.1504/ijesb.2014.065526

● Wernerfelt, B. (1984). A resource‐based view of the firm. Strategic management journal, 5(2), 171-180.

● Wernerfelt, B. (1984). A resource‐based view of the firm. Strategic management journal, 5(2), 171-180.

● Wilkinson, T., & Brouthers, L. E. (2006, June). Trade promotion and SME export performance. International Business Review, 15(3), 233–252. https://doi.org/10.1016/j.ibusrev.2006.03.001

● Wilson, J. (2014). Essentials of business research: A guide to doing your research project. Essentials of Business Research, 1-376.

● Yeung, H. W. C. (1995). Qualitative personal interviews in international business research: some lessons from a study of Hong Kong transnational corporations. International Business Review, 4(3), 313-339.

● Yin, R. K. (2009). Case study research: Design and methods (Vol. 5). Sage.

● Zaheer, S., & Mosakowski, E. (1997). The dynamics of the liability of foreignness: A global study of survival in financial services. Strategic management journal, 18(6), 439-463.

● Zellweger, T. M., Kellermanns, F. W., Eddleston, K. A., & Memili, E. (2012). Building a family firm image: How family firms capitalize on their family ties. Journal of Family Business Strategy, 3(4), 239-250.

● Zhang, F., Jiang, G., & Cantwell, J. A. (2019). Geographically dispersed technological capability building and MNC innovative performance: the role of intra-firm flows of newly absorbed knowledge. Journal of International Management, 25(3), 100669.

- Zhou, L., Wu, W. P., & Luo, X. (2007). Internationalization and the performance of born-global SMEs: the mediating role of social networks. Journal of international business studies, 38, 673-690.

Zusammenfassung

In dieser Arbeit wird der Einfluss von Sozialkapital auf die Internationalisierung von Familienunternehmen vor dem Hintergrund geopolitischer Herausforderungen wie dem Russland-Ukraine-Konflikt untersucht. Zunächst stellte die Pandemie eine erhebliche Herausforderung für die Geschäftstätigkeit dar, die durch den Krieg und die anschließenden Sanktionen gegen Russland noch verschärft wurde, wodurch Hindernisse für die Geschäftstätigkeit sowohl auf internationaler als auch auf nationaler Ebene entstanden. Anhand einer qualitativen Fallstudie eines russischen Familienunternehmens wird die Entwicklung des Sozialkapitals und seine Auswirkungen auf die Überwindung geopolitischer Hürden untersucht. Die Ergebnisse deuten darauf hin, dass sowohl informelles als auch formelles Sozialkapital für die Expansion entscheidend sind. Informelle Netzwerke innerhalb des Unternehmens unterstützen die internen Strategien, während formelle Beziehungen zu externen Parteien Marktdurchdringung und Wachstum ermöglichen. Die Studie unterstreicht die Bedeutung des Sozialkapitals für Familienunternehmen in einem turbulenten geopolitischen Klima und zeigt, dass eine adaptive soziale Vernetzung zu erfolgreichen internationalen Unternehmungen führen kann. Sie hebt hervor, wie Familienunternehmen sowohl bestehende als auch neue soziale Netzwerke nutzen können, um ihre Internationalisierungsbestrebungen voranzutreiben, selbst wenn die traditionellen Mittel gestört sind.

Supporting Quotes:

Mechanisms of creating social capital in family firms

- Organisation of corporate events

“Reliability is non-negotiable when selecting partners…Regular meetings and conferences connect directors with specialists from our central office, fostering collaboration. Annual events bring our entire partner network together, not just for educational purposes, but as a platform for networking and relationship-building. Experience has shown that a cohesive network makes market conquest easier. Clients often cross borders to make real estate investments, and when our branches or franchisees have strong relationships, the likelihood of successful deals significantly increases.” Interview 5

“We meet with all the partners at least once a year. This year we went to Sochi for a conference. Of course it’s important to attend the educational and the networking part of the conference. But the best connection happens later in a bar.” Interview 9

- Treating employees like family members

“Over the years, I've witnessed a strong sense of familial connection among employees. The work culture here is like a close-knit family, and there's a genuine care for each other's well-being. It's not just about the blood ties; it's the familial atmosphere that makes MAIN truly a family-oriented workplace.” Interview 3

“Even as a relatively new employee, it's clear that MAIN operates like a family firm. The onboarding process was incredibly warm and personal…It feels like I've joined not just a company but a family.” Interview 5

- Creating family-centric culture

"From day one, I sensed an unmistakable family vibe here. It's not just about the tasks; it's the shared commitment and care that define us. It's like joining not just a team but a tight-knit family where everyone's success is a collective celebration." Interview 7

"In my short time here, the familial essence of this workplace is undeniable. The onboarding wasn't just about policies and procedures; it was about embracing a new member into a family. It's more than a company; it's a familial ecosystem where everyone contributes to a shared narrative of success." Interview 9

- Building cooperative networks with partners

"MAIN being a family firm adds a personal touch to our partnership. It's not just about contracts and numbers; it's about building a relationship." Interview 7

"Selecting partners is a crucial decision, and integrity tops our list. Professionalism and proven results matter, but, above all, partners must uphold high moral standards. In our company, everyone treats the business as their own. For franchise directors, this is especially vital—not just for us, but for their own success. Trust and shared values lay the foundation for enduring partnerships, creating a network." Interview 1

- Open-space offices

"You can not NOT feel like a family, when you basically see your colleagues in your open space office 8 hours every day. This is more than seeing my own one." Interview 2

"First I found it strange that all of the managers, members of the board and the family owners don't have private offices and sit in the common area. But now I feel that it's not about controlling. It's about sharing ideas and helping each other." Interview 10

Maintenance of social capital in family firms

- Weekly meetings with the managing family-members

"We have daily meeting in the beginning of the week with all of the managing family members" Interview 3

"Sometimes I feel lazy to go to work on Monday, but the weekly meetings give me emotional resources to work. Cool leadership tool!" Interview 6

- Yearly summits for partners

"The company started organising yearly summits for all the employees and partners about 4 years ago. Funny though that exactly the next year COVID Pandemic started but the company kept organising safe events as much as it was possible, also digital, of course." Interview 5

"Annual events stand as a testament to our commitment, combining educational sessions with extensive networking. It's more than just knowledge exchange; these gatherings solidify connections. The convivial atmosphere is crucial, as it not only promotes knowledge-sharing but also streamlines cross-border transactions. A friendly network enhances our market share, making international growth an organic outcome." Interview 8

- Incentives for bringing friends to the company at all levels

"The company supports bringing friends and family to work for the company. I actually work with like half of my university friends." Interview 5

"As one of our offices was in trouble, we had to create a whole new department for solving that problem with the Czech Republic. The CEO invited everyone who helped to find the team members for dinner." Interview 4

- Direct communication channels

"All directors have the owner's phone number, providing a direct line of communication." Interview 7

"Regular one-on-one meetings are conducted with all directors." Interview 10

"The owner also frequently travels to various cities and countries, spending quality time with directors." Interview 4

- Trust-centric cooperation

"Being a family firm has both pros and cons for our international growth. On the positive side, it brings a sense of trust and commitment to the table... However, there are challenges too; sometimes, decisions are influenced by personal factors rather than purely professional ones." Interview 4

"It's not about rushing into new markets; it's about thoughtful consideration…The family approach ensures we don't take unnecessary risks. Moreover, we expand when someone, whether a friend or a new face, trusts the MAIN brand enough to invest in." Interview 6

"MAIN's international strategy is unique—it's all about trust. The expansion happens when someone believes in MAIN enough to buy into the family. It's not about aggressive marketing; it's about building relationships." Interview 3

"Selecting partners is a crucial decision, and integrity tops our list. Professionalism and proven results matter, but, above all, partners must uphold high moral standards. In our company, everyone treats the business as their own. For franchise directors, this is especially vital—not just for us, but for their own success. Trust and shared values lay the foundation for enduring partnerships, creating a network." Interview 1

- Less formal communication

"While I wouldn't characterize the owner's relationship with directors as friendships, their interactions often transcend the boundaries of work." Interview 2

"The owner maintains a professional yet cordial rapport with directors." Interview 5

Internationalisation barriers:

- Following same patterns

"I would say that our biggest flaw is that the company is going only in familiar ways. After expanding in Russia, we started expanding to Russian speaking countries. Luckily, it didn't require much adaptation because of the shared Soviet past. However, that habit of using the same tools all the time brought us a lot of problems when expanding in Europe." Interview 2

"Well, we even hired only Russian speaking specialists abroad, because we were so used to having meetings in Russian." Interview 8

"Recognizing the repetitive nature of issues like language barriers and geopolitical complexities, we sought solutions rooted in our shared experiences. Now, drawing from this insight, we strategically hire individuals who bring diverse competencies, closing the knowledge gaps that once posed obstacles." Interview 1

"We had very tough times when first expanding to Europe, as we learned that everything we knew about internationalisation was wrong. The incredible financial losses we had made us change our strategy." Interview 4

- Lack of system adaptation

"We are not only a real-estate agency. We have an IT-subsidiary that makes software products exclusively for our company. So technically, none of that software had ever even been translated into English before the big crash in Europe." Interview 6

"It might sound funny, but there was a time when our HR-Ads abroad had Russian phone numbers. So potential partners and workers had to first pay a lot of money for roaming in order to find a job." Interview 10

- Knowledge and expertise gaps

"One of the main challenges we faced was the language barrier... Another hurdle was the closure of borders within Russia, exacerbated by the COVID-19 pandemic and subsequent restrictions... To address these challenges, we initially had a dedicated international team with an English-speaking leader, legal and corporate law specialists, and experts in international transactions. Their competence and understanding of processes helped us overcome these barriers." Interview 3

"It was one of the major shocks, that people in Europe have different purchasing habits. Not just different, almost opposite ones. We were not ready for that." Interview 1

"We had to pay a lot of fines for not following some of the bureaucratic standards. Moreover, we had to pay fines for not paying fines, because they came per post and in Russia everything comes to the company email address. We hadn't been checking mail boxes for ages." Interview 2

- Lack of managerial competence

"Most of our managers never had experience of working with and in international teams. It caused a lot of time and financial losses." Interview 3

"Being a family firm has both pros and cons for our international growth. On the positive side, it brings a sense of trust and commitment to the table... However, there are challenges too; sometimes, decisions are influenced by personal factors rather than purely professional ones." Interview 4

“It happened a lot that we got mistaken with our partners. Some of them were very ambitious to run subsidiaries but didn’t have enough skills to do that.” Interview 7

“I guess it all started from the way the company started to expand. A friend of the owner first suggested starting a franchisee office in another Russian city. And then with that idea started the internationalisation to Kazakhstan. So basically it all started with friends, but friends, as we know, are not always the best workers. ” Interview 9

"The international growth is a mix of professionalism and the owner's instincts. It's like, on one hand, we've got these solid business plans and strategies, and on the other hand, there are days when decisions seem to depend on the owner's mood. It's a rollercoaster, but that mix somehow contributes to our global presence." Interview 2

- Biased decision making

"Occasionally, personal preferences of the owner play a role in the decision-making process." Interview 9

"The ultimate decision rests with the board of directors, presided over by the business owner." Interview 10

- Language barriers

"Recognizing the repetitive nature of issues like language barriers and geopolitical complexities, we sought solutions rooted in our shared experiences. Now, drawing from this insight, we strategically hire individuals who bring diverse competencies, closing the knowledge gaps that once posed obstacles." Interview 1

“We were hiring Russian speaking specialists because we personally didn’t know English. It turns out, it’s better to hire locals and not be that dependent on the language.” Interview 6

"Expanding internationally meant grappling with cultural differences and human resource challenges... Overcoming these challenges involved investing in cross-cultural training, recruiting local talent, and fostering a more inclusive and culturally sensitive workplace environment." Interview 5

- Cultural barriers

“It was difficult to work with foreign specialists. We have different corporate cultures. In Russia you work when you have to work, including weekends. Whereas our foreign specialists were unavailable from Friday evening till Monday morning. It was difficult not to take it personally, for me at least.” Interview 8

“One challenge we faced in our internationalization journey was the stark difference in work ethics across cultures. In some regions, there's a strong emphasis on individual contributions, while our company thrives on collaborative teamwork.” Interview 5

"Expanding internationally meant grappling with cultural differences and human resource challenges... Overcoming these challenges involved investing in cross-cultural training, recruiting local talent, and fostering a more inclusive and culturally sensitive workplace environment." Interview 9

"Understanding the mindset of international partners became even more challenging in this context [COVID-19 Pandemic and War in Ukraine]. Additionally, navigating capital movement and document turnover faced heightened difficulties, especially after the war situation." Interview 6

- High costs of international expansions

"Expanding beyond borders comes with a hefty price tag. There's the initial investment in establishing a presence – setting up offices, hiring local staff, and navigating legal requirements. This upfront cost is a significant barrier, especially for a family firm like ours, where financial decisions are scrutinized for their long-term impact." Interview 4

"It's not just about starting up; ongoing operational expenses can skyrocket. Adapting to different markets requires resources – from tailoring marketing strategies to conforming to local regulations. The need for market research, hiring local experts, and adjusting our offerings all contribute to the high costs of international expansion. It's a complex puzzle that demands financial resources." Interview 6

- War in Ukraine

"Recognizing the repetitive nature of issues like language barriers and geopolitical complexities [Sanctions and War in Ukraine], we sought solutions rooted in our shared experiences. Now, drawing from this insight, we strategically hire individuals who bring diverse competencies, closing the knowledge gaps that once posed obstacles." Interview 1

"After the Ukraine war, MAIN had to rethink its global strategy. We closed offices in sanctioned countries, and the franchise model took center stage. In the UAE, we thrived." Interview 7

"Ukraine's aftermath reshaped MAIN's global landscape. With most offices closing due to sanctions, a strategic shift was essential. Enter franchisee directors in UAE and Turkey—strategic pillars. Moving capital abroad became a necessity." Interview 9

"Not only is it almost impossible to travel abroad, it also became very expensive. Every international transaction is followed by huge fees. European regulations made it impossible for Russian firms to survive there." Interview 1

"Well, I don't want to make direct comparisons, but if big companies like Sberbank couldn't survive in Europe, with all their financial, managerial and even networking resources [meaning connection to the government], we had no chance." Interview 3

- Covid Pandemic

"One of the main challenges we faced was the language barrier... Another hurdle was the closure of borders within Russia, exacerbated by the COVID-19 pandemic and subsequent restrictions... To address these challenges, we initially had a dedicated international team with an English-speaking leader, legal and corporate law specialists, and experts in international transactions. Their competence and understanding of processes helped us overcome these barriers." Interview 3

"The COVID-19 pandemic hit us hard on the internationalization front. With lockdowns and travel restrictions, our usual business operations were disrupted. The inability to conduct on-site visits, attend international events, and engage in face-to-face meetings slowed down the pace of our global expansion. It made us rethink and adapt our strategies to navigate this unforeseen challenge." Interview 2

"Covid brought a wave of uncertainty that impacted decision-making. With priorities shifting towards business continuity and the immediate challenges posed by the pandemic, our internationalization plans took a back seat. The focus was on managing the crisis, and it became a significant barrier to the steady progression of our global ventures." Interview 7

"Understanding the mindset of international partners became even more challenging in this context [COVID-19 Pandemic and War in Ukraine]. Additionally, navigating capital movement and document turnover faced heightened difficulties, especially after the war situation." Interview 6

Ways of overcoming internationalisation barriers

- Finding more experienced partners in foreign markets

"Our approach to overcoming internationalization barriers has been strategic. Finding more experienced partners in foreign markets has been a game-changer. By teaming up with established players who understand the local nuances, we gained valuable insights, navigated regulatory landscapes, and accelerated our entry into new territories. It's about learning from those who've already paved the way, minimizing risks, and maximizing the chances of success." Interview 4

"It's not about rushing into new markets; it's about thoughtful consideration…The family approach ensures we don't take unnecessary risks. Moreover, we expand when someone, whether a friend or a new face, trusts the MAIN brand enough to invest in." (Interview 6)

"The process of selecting managers for our subsidiaries starts with our network development experts." (Interview 9)

"Numerous interviews are conducted with specialists at various levels." (Interview 9)

- Learning from the past

"Our current strategy for further international growth centers on learning from past experiences." Interview 6

"Our growth trajectory has been shaped by a blend of meticulous planning and learning from past experiences. The highs and lows of our journey, from the triumphs in Turkey to the setbacks in the Czech Republic, have been instrumental in refining our approach. The failures have not deterred us; instead, they've become invaluable lessons. Each misstep serves as a compass guiding us toward smarter, more calculated decisions." Interview 9

- Looking for local employees instead of relocating specialists from other countries

"Now the foreign offices have the majority of local employees." Interview 1

"Some of our new specialists can barely talk to us because of the language barrier, but that are star-workers" Interview 3

"Language barriers and geopolitical complexities were viewed not just as corporate obstacles but as personal puzzles to solve. Many employees proactively engaged their personal networks, connecting with friends, or even family members abroad to seek insights and solutions." Interview 10

- Creation of the department responsible for international communications and culture

"In response to the growing complexity of international business, we established a dedicated department focused on international communications and culture. This move was pivotal in bridging gaps across borders, ensuring seamless communication, and fostering a shared global culture within the company. It's not just about words; it's about creating a language that transcends borders and resonates with the diverse backgrounds of our global workforce." Interview 8

"Recognizing the need for a dedicated focus on international interactions, our company initiated the creation of a specialized department. This team serves as the linchpin for effective communication, breaking down language barriers, and ensuring a harmonious blend of cultures. It's a testament to our commitment to global integration and understanding." Interview 10

"As a family firm, the challenges in our international journey felt personal to many of us. Many employees took it upon themselves to tap into their personal networks, seeking assistance from friends and acquaintances with expertise in foreign markets." Interview 5

- Obligatory English classes for all employees

“Since it’s hard to always look for Russian speaking specialists and partners, we now have English classes for all employees.” Interview 8

"We recognized the importance of a common language in our global endeavors. Offering English classes to all employees was a proactive step. It's not just about communication; it's about breaking down barriers and fostering a shared understanding.” Interview 6

"Making English classes mandatory for everyone was a game-changer. It's not just about linguistic proficiency; it's about creating a workforce that can seamlessly collaborate on the global stage. This investment in language skills has translated into enhanced cross-cultural communication and a more cohesive international team." Interview 3

- Subsidies for other languages learning

“Our employees also get discounts for learning other languages” Interview 8

- Expansion through franchising and further partial or full acquisition of franchising offices

"While the markets are undoubtedly larger, the existing barriers and complexities pose challenges for a Russian company looking to expand its franchise beyond the borders." (Interview 2)

"The business owner and the board of directors acknowledge the necessity of capital diversification in the current political climate." (Interview 6)

Interview Guide

Introduction

- Present the topic and the research question of the thesis.
- Ask for consent to record the interview and let the participant be aware that the interview is anonymous.
- I will ask open-ended questions, so please elaborate your answers as much as possible.
- Do you have any questions before we start?

Background information of the interviewee:

1. Name
2. Can you please describe your background and your role in the company?

1. Family Firm Validation

3. What does the term “Family Firm” mean to you?
4. Do you consider MAIN as a family firm? Why?
5. How being a family firm has affected the international growth of your firm?

2. Complexities by Internationalization

6. Can you please outline the key moments of MAIN's international growth?
7. What have been the major challenges the company has faced in its internationalization path, and how were they addressed?

3. Use of Social Capital in Family Firms Internationalization

8. What are the most important criteria for selecting your partners? How the relationships with partners are maintained and how they affected the international growth of the company?
9. How do you select managers to be placed in your subsidiaries?
10. How are the relationships between the owning family and the subsidiary woven and maintained?

Additional Question (if relevant):

11. How would you describe the relationship between Ildar Borisovich (the CEO and the family member) and subsidiary directors abroad? (Birley, 1985) How did they meet? Who initiated internationalization to one country or another? (Filser et al.,2020)

Last question:

12. What are the opportunities for the further international growth of the firm?