

CALL FOR PAPERS
Journal of Ethics and Entrepreneurship (JEE)
ISSN: 2326- 3776 (Print) ISSN: 2326- 3806 (Online)

Special Issue

Ethics and Business in Family Firms in Latin America

Guest Editors

Claudio G. Muller

Universidad de Chile, Chile

Allan Discua Cruz

Lancaster University Management School, UK

Pedro Vazquez

Universidad Austral, Argentina

Family firms are the most common form of organization around the world (La Porta et al., 1999; Sharma et al., 2014) and account for the majority of firms in most economies (Howorth et al., 2010; Martinez & Aldrich, 2014). They contribute considerably to the socioeconomic development of regions, nations, and local communities (Colli et al., 2003; Basco, 2015) and such contribution is reflected in GDP as well as employment (Heck & Stafford, 2001; Mandl, 2008). In Latin America, family firms are the dominant and most enduring business organization (Gupta et al., 2008), providing between 70 to 90 percent of employment (Global Family Business Index University of St Gallen, 2015).and contributing to about 60 percent of the GDP (IFERA, 2003). The oldest family businesses in Latin America are in Brazil (Katz, 2001; Poza, 1995; Aguilera et al., 2017). The dominance of family firms in Latin America is considerable: in Mexico, 95 percent of all business organizations are family businesses, with other countries showcasing similar percentages (Poza, 2010; Tapies, 2011; Fernández Perez & Lluch, 2016).

There is a complex relationship between family firms, entrepreneurship and ethics. Entrepreneurship relates to individuals or teams who engage in a process where entrepreneurial opportunities can be constructed over time or identified and pursued systematically (Ramoglou & Tsang, 2016; Discua Cruz et al., 2013; Shane & Venkatamaran, 2000). Family entrepreneurs adhere to ethical frames in the process of constructing, creating, developing and ensuring survival of their firms over time. Ethical commitments may support or constraint the pursuit of entrepreneurial objectives by creating emotional or familial obligations to wider socially related interests. While ethical considerations may provide some family entrepreneurs with a compass and sound guidelines when creating, managing or acquiring new firms, others may overlook ethical norms and deliberately engage in questionable ethical behavior and practices. Therefore, it is important to consider the ethical frames that can affect entrepreneurial engagement, especially in contexts where family firms may have diverse or contrasting ethical inclinations towards social issues (Vazquez, 2016).

Understanding the complex ethical behavior of Latin American family firms is warranted. In Latin America, large domestic conglomerates, known as “Grupos Económicos”, dominate the economic landscape ((Parada et al., 2016; Fernández Perez & Lluch, 2016). Most of these conglomerates started during in the 20th century due to diverse factors. Government interventions (e.g. import substitutions, privatization) supported the emergence of the Grupos, which gradually engaged in (1) expansion based on natural resources, e.g., mining, oil, forestry, agriculture, and energy; (2) growth based on industrial diversification; (3) acquisition of financial, construction, and service firms, and; 4) state privatization reforms. Such processes, occurring in most Latin American countries at different points in time, fueled the growth of large domestic conglomerates. Large domestic conglomerates in Latin America are represented by families controlling long established firms e.g., Rocca and Braun (Argentina), Luksic, Matte and Solari (Chile), Romero and Brescia (Peru), Cisneros and Mendoza (Venezuela), Gutiérrez (Guatemala), Camargo and Moraes (Brazil), Slim and Bailleres (México). These diversified conglomerates are led by members of founding (47%), second (29%), or third generation or older (10%). The top ten family businesses generated approximately US\$290 billion out of Latin America’s US\$5.3 trillion GDP (Katz, 2001; Poza, 1995; Aguilera et al., 2017). In a recent study on the 500 largest Latin American companies, family firms were found to provide more jobs than other organizational forms (Vazquez, 2017). Such development of family firms and its importance for Latin American societies suggest that further insights into the ethical and entrepreneurial behavior of family firms in Latin America is needed.

Recently, family firms in Latin America have been overshadowed by large cases of corruption (Stanfill et. al., 2016). The most recent cases were exposed by the Panama Papers, disclosing confidential information for more than 10 Latin American countries about criminal and clandestine activity related to money laundering (De Sanctis, 2017). Most recently, the Odebrecht Case unveiled a Brazilian family-owned firm paying more than \$788 million in bribes across Latin America (The Economist, 2017). This suggests that studies need to consider further ethical issues such as corruption and morality in family businesses. In spite of such scandals, family firms were generally perceived as having higher ethical and social inclination than non-family business counterparts (Vazquez, 2016; Van Gils et al., 2014). As research covering family firms in Latin America has been very scarce (Vassolo et al., 2011) and as “theories in the family business literature are often developed based on particular points of view (e.g. Anglo-American) and tested in developed economies” (Welter, 2011), this special issue aims to unveil similarities and particularities regarding business ethics of family firms in the Latin American context.

In accordance with the above, we invite submissions to a special issue of *Journal of Ethics and Entrepreneurship* titled “**Ethics and Business in Family Firms in Latin America.**” The purpose of this special issue is to publish work that will significantly enhance our theoretical and empirical understanding of Business, Ethics and Morality in family firms in Latin America.

Within the scope of this special issue, potential themes for individual submissions can include, but are not limited to the following:

- Moral aspects that frame family and family business values, norms, and ethics in business.
- Economic and social impact of morally punishable conduct by family firms.

- Role of government policies or intervention that affects free competition.
- Strategies or mechanisms adopted by family firms and business families that prevent/hinder ethical conduct in business.
- Family firm and non-economic performance, including ethical family business goals.
- Issues of internationalization and ethics of family firms.
- The impact of context on shaping values and family business management and governance practices.

We invite empirical, conceptual, methodological, and literature review papers for submission. Manuscripts would undergo a double-blind review process by the *JEE* guest editorial team for inclusion in the special issue. Cabell's acceptance rate is less than 20%. There are no submission fees or any cost whatsoever to be published in *JEE*.

Timeline and Submission instructions

Submissions are due by **August 29, 2019**, should be between 6,000-9,000 words, including references, figures and tables, and follow the manuscript requirement outlined on the journal's website. The expected year of publication for this special issue is 2020. For questions regarding this special issue, please contact any of the guest editors: Claudio G. Muller (cmuller@fen.uchile.cl), Allan Discua Cruz (a.discuacruz@lancaster.ac.uk) or Pedro Vazquez (pvazquez@austral.edu.ar).

JEE articles are discoverable on EBSCO Business Source Complete, ProQuest's ABI/INFORM Complete™, Gale (and other research databases). *JEE* is listed in Cabell's Directory of Publishing Opportunities. There are no submission fees or any cost whatsoever to be published in *JEE*. *JEE* is funded in its entirety by the multimillion dollar John and Linda Godbold School of Business Endowment at Gardner-Webb University.

References

- Aguilera, R., Ciravegna, L., Cuervo-Cazurra, A., and Gonzalez-Perez, M. A. (2017). Multilatinas and the internationalization of Latin American firms. *Journal of World Business*, 52(4), 447-460.
- Basco, R. (2015). Family business and regional development—A theoretical model of regional familiness. *Journal of Family Business Strategy*, 6(4), 259-271
- Colli, A., Fernandez-Perez, P. and Rose, M. (2003). National determinants of family firm performance development: family firms in Britain, Spain and Italy in the 19th and 20th Centuries, *Enterprise and Society*, 4(1), 28-65.
- De Sanctis, F. M. (2017). International Money Laundering Through Real Estate and Agribusiness: A Criminal Justice Perspective from the Panama Papers. *Springer*.
- Discua Cruz, A., Howorth, C., and Hamilton, E. (2013). Intrafamily entrepreneurship: The formation and membership of family entrepreneurial teams. *Entrepreneurship Theory and Practice*, 37(1), 17-46.
- Fernández Pérez, P., and Lluch, A. (Eds.). (2016). Evolution of family business: Continuity and change in Latin America and Spain. *Edward Elgar Publishing*.

- Heck, R. and Stafford, K. (2001). The vital institution of family business: economic benefits hidden in plain sight, in McCann, G. and Upton, N. (Eds), *Destroying Myths and Creating Value in Family Business*, Stetson University, DeLand, FL.
- Howorth, C., Rose, M., Hamilton, E., and Westhead, P. (2010). Family firm diversity and development: An introduction. *International Small Business Journal*, 28(5), 437-451.
- IFERA (2003). Family businesses dominate. *Family Business Review*, 16(4), 235-240.
- Katz, J. (2001). Structural reforms and technological behaviour: the sources and nature of technological change in Latin America in the 1990s. *Research Policy*, 30(1), 1-19.
- La Porta, R., Lopez-de-Silanes, F. and Shleifer, A. (1999). Corporate ownership around the world. *The Journal of Finance*, 54(2), 471-519.
- Mandl, I. (2008). Overview of family business relevant issues – final report. Available at: http://ec.europa.eu/enterprise/policies/sme/files/craft/family_business/doc/familybusiness_study_en.pdf
- Martinez, M. and Aldrich, H. (2014). Sociological theories applied to family businesses. in Melin, L., Nordqvist, M. and Sharma, P. (Eds), *SAGE Handbook of Family Business*, Sage, London, pp. 83-99.
- Neubauer, F. and Lank, A.G. (1998). *The Family Business – its Governance for Sustainability*, MacMillan Business, London.
- Parada, M. J., Müller, C., and Gimeno, A. (2016). Family firms in Ibero-America: an introduction. *Academia Revista Latinoamericana de Administración*, 29(3), 219–230
- Poza, E. (2010). *Family Business*, (third ed). South Western Cengage Learning, Mason, OH.
- Poza, E. J. (1995). Global Competition and the Family-Owned Business in Latin America. *Family Business Review*, 8(4), 301-311.
- Ramoglou, S., and Tsang, E. W. (2016). A realist perspective of entrepreneurship: Opportunities as propensities. *Academy of Management Review*, 41(3), 410-434
- Shane, S., and Venkataraman, S. (2000). The promise of entrepreneurship as a field of research. *Academy Of Management Review*, 25(1), 217-226.
- Sharma, P., Melin, L. and Nordqvist, M. (2014). Future of family business studies. In Melin, L., Nordqvist, M. and Sharma, P. (Eds), *The Sage Handbook of Family Business*, Sage Publications Ltd, London, pp. 1-22.
- Stanfill, B. A., Villarreal, A. D., Medina, M. R., Esquivel, E. P., de la Rosa, E., and Duncan, P. A. (2016). Beyond the Culture of Corruption: Staying Ethical While Doing Business in Latin America. *Journal of Organizational Culture, Communication and Conflict*, 20(1), 56-80.
- Tàpies, J. (2011). Empresa familiar: un enfoque multidisciplinar, *Universia Business Review*, 32(1), 12-25.
- The Economist (2017). The Odebrecht scandal brings hope of reform. Print edition, Feb 2nd, 2017.
- Vassolo, R. S., De Castro, J. O. and Gomez-Mejia, L. R., 2011. Managing in Latin America: Common issues and a research agenda. *The Academy of Management Perspectives*, 25(4), 22-36.
- Vazquez, P. (2016). Family Business Ethics: At the Crossroads of Business Ethics and Family Business. *Journal of Business Ethics*, 1-19.
- Vazquez, P. (2017). Socioemotional Wealth and Corporate Social Performance: Do Family Firms employ larger Workforces?. In *Academy of Management Proceedings* (Vol. 2017, No. 1, p. 11620). Academy of Management.

Welter, F. (2011). Contextualizing Entrepreneurship: Conceptual Challenges and Ways Forward.
Entrepreneurship Theory and Practice, 35(1), 165–184.