Chapter 14
“Glocal” Small Business for Sustainability: What Reporting?

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ABSTRACT

In socioeconomic areas, the “glocal” model, which mediates the characteristics of globalization with those of the more entrenched localization, seems to flourish. Glocalization is a social and economic phenomenon, and has intuitive implications also on the environment. Therefore, it causes sustainability issues. As it is governed by its own principles, it modifies traditional business management systems. When can a business be defined glocal? What are the characteristics of its management? What are the features of its promotional communication? How does its social, environmental, and financial reporting change? Must the many stakeholders always be spectators of a communication imposed by property and regulations, or can they become “prosumers” in the financial statement? These initial reflections will require subsequent empirical verifications.

INTRODUCTION

Faced with the vast and complex phenomenon of globalization, the economic think-tank is located between two virtual extremes: On the one hand, the hypothesis of standardization of lifestyles and, thus, productive assets, investments, and consumption; on the other hand, the ability to accentuate and exalt the differences of customs, and therefore logical processes and procedures for value creation.

The reality has shown a model of production and consumption that seems to fall between the above-mentioned extremes, in which the innovative aspects of globalization are simultaneously combined with local traditions, as a recurrent key factor in successful competitive strategy. This is glocalization.

The causes that lead to this condition are many and complex. Glocalization seems to mediate the characteristics of globalization with those of the more entrenched localization. Certainly glocalization raises questions resulting in new socioeconomic areas, and then specific issues related to business...
communications and public administration. Governed by its own principles, radical mutation leads to a logical management of business and its reports.

This chapter aims to answer the following questions:

**RQ1:** When can a business be defined “glocal”?
**RQ2:** What are the characteristics of management, which is certainly complicated by the simultaneous presence of global, local, and glocal functions?
**RQ3:** How to change the need for effective communication for a business that is simultaneously present in different areas?
**RQ4:** May economic and financial communications be limited to a single financial statement?
**RQ5:** Must the many stakeholders always be spectators of a communication imposed by property and regulations, or can they become “prosumers” in the financial statement?
**RQ6:** Do the principles of glocalism favor the logic of sustainability? And, is glocal small business a typical example of sustainable entrepreneurship?

**BACKGROUND**

The most recent contributions to literature can be distinguished through analysis: Sociological, highlighting group changes in different nations; economic, which instead focuses on the effects of the new social fabric on the global economy; managerial, which is particularly relevant to this study and which emphasizes the effects on the management of the companies of the new actors of the international economic stage (Mourdoukoutas & Ioannidis, 2007).

Glocalization and glocal are neologisms that were coined in the eighties in Japan, then imported into the English language by the British sociologist Roland Robertson (1992, 1994, 1995), and then extensively developed by Zygmunt Bauman (2005) to mediate the demands of globalization with those of local realities.

Among the many sociological studies that followed the first definitions of the phenomenon, surely de Burgh-Woodman’s (2014) research has many interdisciplinary elements between sociology, psychology, and economic implications. This chapter aims to expand current theories of globalisation with a consideration of its impact on the individual. The finding that the Self/Other divide is altered in the current era of globalisation has impact for cultural and marketing theory, since it refocuses attention on the shifting nature of identity and how individuals encounter the Other in their daily existence.

Such a psychological and social approach characterizes Yama’s (2016) contribution. Starting from an analysis of Japan’s typical situation, Yama proposes a comparison between Oriental and Western mentalities as they evolve in relation to globalized and, above all, “glocalized” economic trends: the notions of global and glocal mindset are important for international business.

Different social links and interdependencies between economies also pose serious problems of political representativeness and, thus, question the classical canons of the democracies that characterized the previous century. Chan (2016) firmly states that diplomacy is in trouble. International policy-making suffers from “democratic deficits”. Surprisingly, scholars of international relations have largely neglected the role of cities in global governance. This chapter argues for city diplomacy and glocal governance to fill the theoretical gap.
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