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# Spanish Family Businesses: More than a Structure-Conduct-Performance Question

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*In the eighties, the Structure-Conduct-Performance (SCP) model from Industrial Organization (Mason, 1949; Bain, 1959), was the dominant paradigm on competitiveness. In the family business field, this paradigm could be used to identify the reasons for the better results of the family business over the non-family ones detected by different authors.*

*Following the SCP paradigm, seven hypothesis have been defined for a sample of family and non-family firms located in a limited geographical area, the province of Gipuzkoa (Spain).*

*Thereafter, we look into the enterprise to find the sources of their differences in results, using the Resource Based View (RBV) perspective. The RBV opens the door to enter inside the family business and to study the pool of resources, which are in the core of the family business.*

## Distinctive Features of the Family Businesses in Belgium

*Ann Jorissen, Eddy Laveren, Rudy Martens and Anne-Mie Reheul*

*This article analyzes the impact of not controlling for 'demographic sample' differences on research results in the area of comparative family/non-family business research. Using different statistical methods with and without control for 'demographic sample' differences, the results show that controlling for these firm demographics in a bivariate as well as a multivariate framework is very important to discover 'real' differences between family and non-family firms. We found 'real' differences for export, budgeting, variable reward systems, gender, educational degree and tenure of the CEO. Strategy, networking, long-term planning and control systems, perceived environmental uncertainty and management training, classified by prior empirical research as different between family and non-family firms, do not differ.*

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## Internationalization of Spanish Family Businesses

*Susana Menéndez Requejo and Elena Seijo Marcos*

*The aim of this study is to analyse the internationalization of family firms versus non-family firms starting from the Resource-Based Theory and the Agency Theory. The database consists of the Large Spanish Firms for the year 2002, comprising 1,181 firms.*

*We observed a lower level of internationalization for family firms. The technology of the activity sector positively influence the internationalization of both family and non-family firms. The second generation in the firm also positively influence its internationalization. Competition in the sector and firm size favour the internationalization of non-family firms, while the debt level limits the internationalization of family firms.*

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## Women in Italian Family Firms and Professionalization

*Lucrezia Songini and Luca Gnan*

*This article focuses on the role of women in family owned businesses, with regard to control and management positions, and the relationship with professionalization. This study refers to two main theoretical streams: the studies about the role of women in family owned businesses, and the researches on the professionalization of SMEs and family firms. A survey of 198 small and medium enterprises in Italy was conducted, of which 166 were family enterprises. The role of women in the professionalization of Italian family firms was investigated.*

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## Advantages of Professionally Managed Family Firms in Spain

*Antonio Duréndez, Domingo García Pérez de Lema  
and Antonia Madrid-Guijarro*

*This paper studies the specificities of professionally managed family firms. In that sense, we try to identify the characteristics of the family businesses managed by external managers in comparison with family firms whose control and ownership are in hands of the family. With this aim, we get a sample of 952 Spanish manufacturing family companies. According to a theoretical framework and previous studies, we try to test the advantages that family firms obtain when they decide to professionalize the management of the company. The results validate our hypotheses, family companies ran by professionals show a higher size, more innovation capacity, possess a higher management and human resources policies development, and they obtain better performance than the family companies managed by the own family.*

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## Inter-Firm Cooperation and Change in Spanish Metal Manufacturing Family Businesses, 1870s-1970s

*Paloma Fernández-Pérez*

*We propose that the development of important branches of metal manufacturing in Spain took place within such a regional “culture of cooperation” until at least the big shock of the late 1970s, that changed economic and institutional rules-of-the-game. We seek to understand why and how of this development. In particular, research in organizational aspects of some family firms indicates that specialization and diversification fitted well with the entrepreneurial preferences of big Spanish family firms (like general avoidance of external participation in ownership and management to grow, and personal commitment of owners towards clients regarding the quality of products and service).*

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## Strategies of Shareholding Exclusion in Northern Italian Family Workshops

*Simone Ghezzi*

*This article discusses a few different strategies of the transmission of capital adopted by workshop owners. The leader of a small family firm may decide to include or to exclude some kin members from the process of intergenerational succession in order to secure corporate earnings and good performance in the upcoming future. Yet, the choice of share redistribution and ultimately the planning of succession may be a highly contested business decision, at odds with economic rationality, family interest and the jural system; however, this form of unequal transmission of capital, based on gender, may leave penetrating wounds within the family, undermining or even destroying personal relationships and kinship solidarity.*

## Family Business Succession in Portugal

*Carole Howorth and Zahra Assaraf Ali*

*This paper explores the transferability of theoretical constructs developed in an Anglo-American culture to Portugal. Cultural effects on succession are examined within three Portuguese family firms, selected for their ability to generate theory. Much of the extant literature appears to be valid in this context. Notable exceptions include difficulties in applying stages models of the succession process with more than one predecessor and successors at varying stages. Harmonious rather than contentious relationships were commonplace. Daughters were more highly educated than sons, and they were less likely to enter the family firm. Sons joined the family firm with little or no outside work experience and low levels of education. This is highlighted as a concern regarding the ability of Portuguese family firms to compete in the new economy. A conceptual framework is presented as a basis for further research.*

## Creating a Learning Organisation within the Family Business: An Irish Perspective

*Naomi Birdthistle and Patricia Fleming*

*Many theorists and practitioners view the transition to a learning organisation as crucial to enable companies to unlock the learning potential of individuals and groups in order to gain and sustain competitive advantage. The key question this study addresses is “Do micro, small and medium-sized family businesses display the characteristics of the learning organisation at the individual, team and organisational level?” To test the set of hypotheses formulated, a questionnaire-based survey was applied to a sample of 500 Irish family businesses. In total, 121 valid responses were received resulting in a response rate of 24.2%.*

*The tentative evidence from the study suggests that micro family SMEs need to improve their structure, systems and processes so as to have the potential to be learning organisations. Small and medium-sized family SMEs display the majority of characteristics of the learning organisation, however, some improvements need to be made to their systems and processes.*



# Why do Family Companies Matter in South West Flanders (Belgium)?

*Bernard Musyck*

*The regional economy of South-West Flanders is almost exclusively based on the internal dynamics of a dense network of predominantly family-run businesses. This paper analyses the nature of family firms and their function in the regional development process in two parts. In the first, it examines family companies as engines of socialisation and the transfer of wealth, describing the socio-religious background of the traditional South-West Flemish business environment, before analysing the entrepreneurial motivation and the flow of capital typical of its family owned companies. In the second part, this article analyses the organisation of production, which is directly influenced by the distinctive values of local entrepreneurial families. Specifically, the paper illustrates how family practices are often mirrored in the production sphere, where professional and personal relations merge in a mixture of paternalism, respect, loyalty, and solidarity. The paper concludes with a discussion of challenges and opportunities faced by growth-oriented family companies, and indicates a general compatibility of the family-based business environment of South-West Flanders with economic growth.*