

Influence Of Non-Family Officials On The Development And Continuity Of Family Businesses In The Province Of Santa Fe, Argentina, 2021 – 2022

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Abstract

The present study deals with the influence on the development and continuity of family businesses exercised by non-family officials working there. The research was carried out in the Province of Santa Fe, Argentina, in the years 2021-2022, taking a convenience sample of 20 family businesses of different categories and sizes. For this purpose, a research is carried out following the scientific method with a mixed approach, which aims to determine the influence of non-family officials on the development and continuity of Family Businesses in the Province of Santa Fe, Argentina, during the period 2021-2022, with the hypothesis that non-family officials influence the development and continuity of family businesses in the Province of Santa Fe, Argentina. Subsequently, a T-student statistical analysis is carried out using the SPSS Statistics version 2 statistical package. The results provide valuable information that could encourage family businesses to professionalize through the incorporation of non-family officials, lay the foundations of knowledge at the provincial level and open the way for further research. The contribution and innovation of this work aimed at establishing a framework of cooperation between researchers and intermediate entities, bringing this type of research closer to non-governmental institutions that associate family businesses in Argentina.

Keywords: family business, employees, professionalization, development, continuity.

Introduction

This paper is developed within the theoretical approach of administration, according to which it will undertake studies focused on the material issues involving the family business, such as life cycle, crisis, strengths and weaknesses, succession and professionalization, among others. From the perspective of critical theory, the approaches of the theories of entrepreneurship, rationality, interest and power provide conceptual support to this research. In this sense, for the development of this study, two theoretical lines were articulated: the functionalist and the critical. However, the more traditional and orthodox functionalist theory, academically more sedimented and solidified, proved insufficient to explain with the necessary depth the phenomena presented in the research, such as the influence of non-family officials in the development and continuity of family businesses.

Thus, it was necessary to use critical theory, which represented another vision of explanation and understanding of these phenomena. Therefore, it is worth emphasizing the importance of using these two theoretical lines since it was through their articulation that it was possible to obtain the necessary theoretical basis to explain the phenomena observed in the research through a more consistent and deeper analysis. This research explores the influence that non-family officials have on different aspects related to managing family businesses in the Province of Santa Fe, Argentina, in the period 2021 - 2022, as explanatory determinants of their development and continuity.

First, a research instrument was developed capable of investigating certain factors and, based on the results obtained, performing statistical analyses to verify whether they influence the development and continuity of family businesses.

The results obtained contribute to the current knowledge base oriented to non-family officials' influence in these aspects of family businesses, contributing to their development and continuity. Therefore, its general objective is to determine the influence of non-family officials in the development and continuity of Family Businesses in the Province of Santa Fe, Argentina, from 2021 to 2023. The specific objectives are: a) to analyze the organizational development within family businesses; b) to determine the contribution of non-family officials in the growth and maintenance of the finances of family businesses that favor their continuity; and c) to determine the contribution of non-family officials in the coordination and professionalization structures necessary for the continuity of family businesses.

Theoretical Framework

Family-owned companies

Family businesses have been the backbone of ancient economies and civilizations and played an important role in the development of Western civilization. In Greek civilization, economic activities were mainly controlled by members of one family. These circumstances did not change significantly during the time of the Roman Empire and later in the Middle Ages and the Age of Discovery (Bertrand et al., 2018). In pre-industrial society, family and work were two intertwined “set”. The confluence between work and family promoted strictly family activities and productive and professional activity. Since the 1990s, academic, economic, social and political interest in family businesses has grown in several countries. In Europe and the United States, research with greater scientific rigor was being carried out at the academic level, and PhDs in family businesses were being initiated. In Europe, the numerical size of family businesses justified the creation of two international organizations: the Family Business Network (FBN) and the European Group of Family Enterprises (EGFE). The FBN was founded in 1990 to develop, stimulate and disseminate knowledge on management and topics of interest to family businesses. FBN is an international network with chapters in 25 countries and over 3,200 members.

Although, in general, the primary objective of the entrepreneur is to generate a company and then be able to pass it on to his descendants, one of the greatest challenges in family businesses is to achieve continuity over time. According to the “Argentine Family Business Clu” (Club Argentino de Negocios Familiares-CANF, 2017), only about 4 % of the companies reach or exceed the third generation, with mortality being higher in those business organizations that have a family business conformation. As can be expected, there are various problems faced by family businesses, according to the research conducted by Pérez Molina and Gisbert Soler (2012), who highlight reasons for the same business operation in addition to conflicts related to the succession of power. Likewise, a large part of the failures of family businesses are caused by the failed attempt at a succession of power, and for this reason, studies related to succession are the most extensive in this area, but there are also, as mentioned above, a series of factors that contribute to or threaten the possibility of family businesses lasting over time. Among these is the influence exerted by non-family employees in terms of the contribution to the continuity of these organizations, who not only contribute to the company itself, but also impact the different companies that share the characteristic of being a family business. Therefore, this research is

focused on empirically proving that the influence of non-family employees contributes to the continuity of this type of organizations.

Control in organizations

There are several definitions of control in organizations, and the most current idea is the concept of domination of an individual or a group of individuals through the exercise of power. Another line of meaning emphasizes the idea of regulation and monitoring of activities. For Ouchi (1979), control is a matter of information flow in which the central point is to define what rules and monitoring mechanisms should be used for the company to achieve its objectives.

In fact, according to Hatch and Cunliffe (2013), control can take place from the following mechanisms:

Coercive: involves threats or the use of physical control over others;

Normative: normative that implies, formalized or not, that must be followed by the members of the group;

Compensation: which rewards members for having behaved in a desirable way.

For Emmanuel et al. (1990), four conditions are necessary before a process can be under control: the objectives of the process need to exist; the results of the process must be measurable; a predictive template of the process is needed so that it is possible to identify points of failure; and it must be able to act to adjust any points of error. On the other hand, Flamholtz (1983) suggests that control systems can take on different dimensions. The most central dimension would be the dimension of the control system itself, similar to the cybernetic vision; the second dimension refers to the organizational structure and influences the behavior and decision-making process of individuals and groups; the third component of the control system is the organizational culture, with its norms, beliefs and values; and finally, the fourth dimension is the environment in which the company is inserted.

Thus, the integration of the central control system with the structure, aspects, culture and environment forms a broader perspective of control associated with the concept of behavioral control that leads to the understanding of control as the attempt to regulate the behavior of individuals or groups, through mechanisms, to ensure that they contribute to organizational objectives. Control mechanisms can be classified into formal and informal. Formal controls include rules, standards and goals that are measurable and

implementable by centralized management. Such a control feature has two subtypes: outcome, which involves aspects of task performance and integrity, and behavioral control, which deals with desired behaviors from defined and controllable processes.

Informal controls are not explicitly designed and, in general, are derived from cultural aspects of the organization and involve mechanisms for creating common objectives and self-monitoring, addressing personal aspects of self-control, empowerment and autonomy. Contrary to the formal dimension, in which the outcome of a task must be known and measurable or rules and procedures must be followed, the informal dimension does not present specified behavior and outcomes: acceptable behaviors are defined through a set of beliefs, shared values and social norms. Thus, compliance with process norms can maintain integrity and compliance with standards shared by group members.

In addition, the self-control mechanism, also associated with organizational control, has a personal aspect, self-imposed norms and motivation, making it difficult to implement or enforce in a context deliberate control tools. Thus, from the proposition, control mechanisms have greater efficiency when implemented. In the context of family businesses, Emmanuel et al. (1990) demonstrated that organizations can continue to operate for long periods without implementing control mechanisms. However, the same authors preached the need for implementing these mechanisms since they recognized that their use was fundamental for the growth and longevity of the organization. Moreover, the implementation of control mechanisms in companies depends on contingent factors such as the willingness of the actors (subjective factor), the technical quality of the tools to be used (objective factor) and the urgency of management control (contextual factor).

Therefore, creating control mechanisms is an important task that even serves to direct the creation of performance indicators, financial or otherwise, for the organization to achieve short-term and long-term strategic objectives.

Organizational strategy

The strategy can forge an organizational scope enabling the organization to take advantage of a constantly changing environment. For Mintzberg and Waters (1985), organizations must have precise intentions articulated at a relatively concrete level of detail. In this direction, the strategies carried out are those in which the intentions are implemented, just as all the desired consequences are foreseeable. However, due to internal factors, such as not

understanding the strategy by managers, or external factors, such as the environment in which the organization is embedded, not all intended strategies are carried out, and consequences are not considered.

Thus, Mintzberg and Waters (1985) consider that a strategy is fully deliberate as one in which all events involving the organization must be foreseen and that it must be implemented in all its details, with the development and implementation of successive strategies identical to the previous cycle. Also along these lines, these authors state that a perfectly emergent strategy is one in which it appears on the scene without prior intention and requires order and coherence in the actions over time. In turn, the absence of strategies and actions with a total lack of intention are difficult to imagine, just as mentioning strategies that emerge perfectly also seems unrealistic.

Finally, Frigotto et al. (2013) assert that organizational strategy is primarily conceived as a long-term plan with the intention of creating value and that control systems are the result of the proposed strategy. Indeed, this contingent relationship between strategy and control systems goes back to the origins of the contingency view and is reflected in the formulation and implementation of organizational strategy. From the comparison of planned strategies with realized strategies, it is possible to distinguish between deliberate strategies, realized according to how they were planned, unfulfilled strategies and emergent strategies, which are configured as consistent decision patterns occurred, even if they were not previously intentional (Mintzberg; Waters, 1985).

The combined use of deliberate and emergent strategies in the context of companies is pointed out by Wiesner and Millett (2012), who note that companies of this type, which use strategic approaches, even if they are informal, have better performance. The same authors also point to formalizing organizational strategies in medium versus small companies. Therefore, medium-sized companies use more deliberate strategies than emerging strategies.

Corporate governance

Corporate governance is a concept related to the power to control and manage companies. The control and direction handled by corporate governance arises when the organizational structures of ownership and management are separated. In the past, managers and owners formed a single entity, but organizational changes, such as the opening of the market and the participation of shareholders in the ownership group, led to the separation of management and

ownership, with the result that the owner, or group of owners, of the company is no longer the manager.

Historically, the potential problems arising from the expropriation of shareholder wealth by the company's directors made it necessary to use corporate governance mechanisms. Despite the fact that managers have been hired to make decisions to maximize shareholder wealth, they make decisions with the objective of maximizing their personal utility, impacting corporate value. The agency problem and possible solutions for its mitigation have been studied for several decades. However, Silveira (2004) already glimpsed concrete evidence that, despite being present in most advanced market economies, the tools presented did not optimally solve the problem of corporate governance.

In order to make it more difficult for organizations to manipulate financial information, several measures have been adopted around the world, especially in countries where the economy has a strong shareholder base. Among the measures in this direction are the Sarbanes-Oxley Act in the United States and the Basel II agreement specific to the banking sector. To comply with international agreements and legal requirements, Lunardi (2008) proposed basic principles of corporate governance:

Transparency: more than the obligation to inform, the administration must cultivate the desire to inform;

Fairness: fair and equitable treatment must be guaranteed to all groups, including minority shareholders or other interested parties;

Accountability: given that government agents are accountable to those who elected them, in the case of public administrators, or those who hired them, in the case of the private context, and are fully accountable for all the acts they perform during their terms of office;

Corporate responsibility: since directors and executives must ensure the long-term vision and sustainability of the organization.

Thus, it is possible to take the concept of corporate governance to a higher level than that restricted only to disciplining the organization's relations with external agents and between its different areas. Good governance practices allow for more professional management, transparency, better access to information and reduction of information asymmetry, thus addressing the core problems of the agency so that the interests of the parties involved can converge at a central point. However, it is common in the literature to pay special attention to control practices, although

different theoretical approaches consider governance as an analytical category associated with concepts of participation, partnership and collective learning.

From the latter perspective, two possible theoretical strands can be perceived in the corporate governance literature:

The one that pays special attention to control practices and the definition of roles has the assumptions of agency theory as its theoretical basis.

The line does not reject the notion of control but addresses corporate governance as a form of exercising power in the organization.

Contemplating these two currents, Amran et al. (2014) define corporate governance as the institutional arrangements that affect the organizational decision-making process. Furthermore, governance is the set of processes and structures used to guide the organization's affairs in the direction of better results with the ultimate goal of increasing the company's long-term value for stakeholders. However, when the context addressed is that of family businesses, corporate governance is focused on the roles of the owners and the management team of directors and senior managers.

To be effective, corporate governance must have relationships with the most diverse areas of the organization, determining mechanisms of action, including human, financial and physical assets, being a point to highlight the relevance of the existence of governance mechanisms for the technology area. Indeed, governance in small companies can be defined as an approach that aims to manage resources in a way that maximizes profits for shareholders.

In these companies, the concentration of decisions in the hands of a few shareholders or even a family group means that this group is called top management. This top management, proposed by Gubitta and Gianecchini (2002), can have an open composition when it is formed by couples who do not have any family relationship, or a closed composition, in which the members of a family share the management of the company. Both compositions mentioned above are subject to abuse and deviation, although closed composition firms are more prone to abusive behavior. This deviance is what corporate governance aims to reduce, particularly, problems related to the behaviors of the organization's governing family members that can confuse the family role with the professional role.

Abor and Adjasi (2007) interpret that a management committee, which can evaluate management actions, is an important corporate governance mechanism that includes family businesses. They further argue that some issues are of great importance, such as:

Adequately separate management and the steering committee;

Ensure that the steering committee is composed of internal and external directors;

Establish the independence of the external audit, including the actions of the Steering Committee.

The corporate environment in the family business environment is relevant, as companies need improvements in this type of process, such as increasing transparency, facilitating the use of resources and contributing to organizational longevity. In addition, using corporate governance practices allows for greater confidence in organizational decisions, improving the image with third parties and ensuring that the policies established by the organization are fair to its stakeholders. Furthermore, even in situations where ownership and management are concentrated in one person, in the context of enterprises, corporate governance is directed to the roles of the management team, including the roles of the IT management team.

Methodology

The research presents a qualitative/quantitative approach, which according to Hernández et al. (2010), measures phenomena through hypotheses that are tested with statistical techniques, whether they are numerical variables or not. Subsequently, the results are subjected to statistical analysis, t-student to compare variances, perform the analysis of covariance, and apply Pearson's correlation coefficient. For this purpose, the SPSS Statistics version 2 statistical package is used to arrive at conclusions allowing to prove or reject the initial hypotheses.

General hypothesis

This research explores the influence of non-family officials on the development and continuity of family businesses, considering the number of families that do not achieve continuity over time and suffer an early disappearance because they fail to achieve professionalization. Therefore, the above-mentioned background has made it possible to relate the development and continuity of family businesses with the participation of officials outside the family that

runs them, which makes it possible to state the following research hypothesis:

H: Non-family officials influence the development and continuity of family businesses in the Province of Santa Fe, Argentina.

H₀: Non-family officials do not influence the development and continuity of family businesses in the Province of Santa Fe, Argentina.

Specific hypotheses

H1: Non-family officials carry out actions that promote a cultural change in the training of the successor and increase the development and continuity of family businesses

H₁₀: Actions taken by non-family officials do not favor the successor's training or increase the development and continuity of family businesses.

H2: Non-family officers implement financial management actions that contribute to the further growth of the family business.

H₂₀: Financial management actions implemented by non-family officers do not bring further growth to the family business.

H3: The changes made by non-family officials in the coordination structures of family businesses increase their professionalization.

H₃₀: The changes made by non-family officials in the coordination structures of family businesses do not represent improvements in terms of their professionalization.

Population and sample

In Argentina, as in various places in the world, there is no formal registry in Public Bodies of family businesses, which makes it difficult to know the exact number of existing family businesses, although it is estimated that these reach 93% of the 519,425 currently accounted for at the national level (Sticco, 2021). According to data provided by the Ministry of Productive Development (2017), 9.2% of Argentine companies are centralized in the Province of Santa Fe. Therefore, it is estimated the existence of 47,787 companies in the Province of Santa Fe, of which 44,400 constitute 93% that would be represented to family businesses. The results obtained are part of a pilot study on a sample of 20 companies, which meet the characteristics detailed below, which seeks to test the validity of the methods and procedures used and allow the collection of data on the variables from the design and application of a questionnaire, chosen as an instrument of the research:

Table 1 Characteristics to be completed by the Companies

Society	Features
Typology	Companies organized under any type of corporate form
Corporate Headquarters	Located in the Province of Santa Fe, Argentina.
Majority stockholders	Belonging to the same family
Management of the Company	Exercised by the same owner family
Continuity	Intending to keep the company in family hands

Source: Own elaboration

Results**Characteristics of the ownership and management structure**

The characteristics of family businesses result from a relationship between the participation (direct or indirect) of a family or family group members in the business. From the point of view of the company's ownership, the following table shows the percentage of ownership control (capital stock) held by the family group members.

Table 2 Capital stock held by members of the controlling family

Capital stock (ownership)	Frequency	Percentage	Cumulative percentage
Up to 25% of	0	0	0
Between 26%-50%.	0	0	0
Between 51%-75%.	18	0,90	0,90
More than 75	2	0,10	1

Source: Own elaboration

The original data allow to determine that the average percentage of ownership of the family group is 70% and that 2 of the family businesses (20%) have an exclusively family ownership structure, with 100% of the capital stock. Therefore, it shows the weak dispersion of capital (ownership), revealing a high concentration of ownership in the family. As with the ownership structure, the participation of family members in the company's management constitutes a link in the relationship between the family and the company.

Table 3 Management roles assumed by family members

% of family members in the board of directors	Frequency	Percentage	Cumulative percentage
Up to 25% of	4	0,2	0,2
Between 26%-50%.	5	0,25	0,45
Between 51%-75%.	3	0,15	0,6
More than 75	8	0,4	1

Source: Own elaboration

The data in Table 3 reveal high participation of family members in management functions, with 80% of the companies in which the management body is composed of more than 75% of the family group members. The participation is even higher when it is verified with the original data that, in the “more than 75” category, family members assume management control exclusively. In addition, the data reveal a high concentration of family management in similar properties. According to the table, the management team, composed of first-level managers (commercial, financial, production manager), is formed by an average of 3.41 managers, of which the average number of family members assuming management functions is 2.41 individuals.

Table 4 Composition of the management team

Composition of the management team	Media	Median / Mode	Minimum	Maximum
Equipment size (number of elements)	3,41	3,00 / 2,00	1	9
Family members with management roles	1,41	2	1	6
External members with management roles	2	0	0	9

Source: Own elaboration

As for the family's participation in the management of the company, its analysis involves the treatment of two different sets of open questions related to the legal form of the companies in the sample. According to Table 5, there is a predominance of corporations (70%).

Table 5 Legal form

Legal form of the company	Frequency	Percentage
Limited Liability Company	5	0,25
Public limited company	14	0,70
Other types of companies	1	0,05

Source: Own elaboration

In corporations, the participation of the members of the family group in the ownership and management is carried out with a different configuration, assuming roles in the board of directors and the executive committee (when it exists). The governance structure of these companies is presented below. The table summarizes the composition of the board of directors of family companies with the legal form of a corporation (40.24%).

Table 6 Composition of the Board of Directors

Composition of the Board of Directors	Media	Median / mode	Minimum	Maximum
Dimension of the Board of Directors	2,57	3	2	6
Administrator and family member	4,28	3	1	6
Executive Administrator	1,63	2,00 / 1,00	0	5
Executive director and family member	3,52	2	0	5
Non-executive director (supervision)	1	0	0	4
External Administrator	0,3	0	0	2

Source: Own elaboration

When analyzing the composition of the board of directors (table 6), the average number of directors is 3.57 directors, varying in size from a minimum of 2 elements and a maximum of 6 people. The observed data confirms the high participation of family members in the executive director functions, with an average number of 2.52

elements. As for the supervisory function, on average, only one assumes this. The data attest to a governance structure controlled to a large extent by the members of the family group. In the corporations in the sample, the board of directors is composed of a single body that articulates the management and supervisory functions, representing a monistic (single-level) structure, as mentioned in the previous chapter. The data collected shows that 29.41% of the public limited companies have a current management body, an executive committee (Table 7), with high presence of family members.

Table 7 Composition of the executive committee

Composition of the board/executive committee	Media	Median / mode	Minimum	Maximum
Executive and family board/committee member	2,7	2	1	5
Board member/executive committee and executive director	2,25	2	0	5

Source: Own elaboration

Similar to what happened with the company's ownership, it is observed that the family members are considerably involved and participate in the company's daily management. Other important data to consider when characterizing family businesses are their age (Table 9) and the distribution of the coexistence of generations in the ownership and management structure of the business.

Table 8 Age of family businesses

Age of family businesses	Frequency	Percentage
[less than 5]	0	0
[5 a 10]	3	0,15
[11 a 20]	7	0,35
[more than 20]	10	0,50

Source: Own elaboration

In the sample, the youngest company is only 7 years old, and the oldest is 160 years old. It should be noted that 20% of the companies surveyed have existed for 50 years or more. Given the age range, it was found that 60% of the companies were constituted from 1974

onwards, highlighting the 1980s as a beneficial period for creating companies (45%), verifying a decrease in the 1990s for 29%. It is common to find studies that mention that the average life cycle of family businesses is 24 years; the authors argue that it represents the average age that coincides with the average cycle of the founder's term of office (Beckhard and Dyer, 1983). The age of the family firms in the sample, with an average of 38 years, is of great importance in the development that took place in the sample, in the generational handover of the family and in the dilution of ownership and management by successive generations as the years go by. The following figures show the generational evolution of the family members and their involvement in the ownership and management of the company.

Continuity and leadership (succession)

In family businesses, some issues, such as the succession process and the transversality of the members to extend the family commitment to the next generations, are vital for the continuity and longevity of the company. As already mentioned, conflicts arising from the complex family-business relationship can compromise its continuity as a family business. The family protocol is one of the instruments suggested by the literature to mediate potential conflicts and reach a moral compromise that guarantees the continuity of the family business (Amat, 1998; Gallo and Cappuyns, 2004).

Table 9 presents some data related to one of the distinctive areas of family businesses, the intention of generational transition in the ownership and management of the company.

Table 9 Ownership and the future leadership of the company.

Does the company have a family business governance protocol?	
Yes	6 (30%)
No	14 (70%)
Will the company be controlled by the same family(ies) in five years?	
Yes	18 (90%)
No	2 (10%)
Is a change in leadership foreseen in the next 5 years?	
Yes	6 (30%)

No	14 (70%)
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Source: Own elaboration

According to Table 9, only 30% of the companies have a family business governance protocol. However, the small number of companies with a protocol does not mean that family members are not committed to the continuity of the business for generations, but only that they do not have a formal “document” of rules regulating the relationship between the family and the company. In the short term, 90% of the companies intend to maintain ownership control of the business for the next five years. Meanwhile, 30% of companies expect a leadership change in the next five years. For companies anticipating a leadership change in the next five years, Table 10 presents data on the origin of the potential successor (family or external) and the generational phase of the leadership transition.

Table 10 Family-owned companies in a leadership transition phase in the next 5 years

Family members with leadership potential	
1	12 (60%)
2	6 (30%)
3	1 (0,5%)
More than 3	1 (0,5%)
Non-family members with the potential to take the initiative	
1	4 (57,14%)
2	2 (28,57%)
More than 3	1 (14,29%)
Age of companies that are expected to change leadership	
< 5 years	0
5 to 10 years	7 (35%)
10 to 15 years	10 (50%)
15 to 20 years	3 (15%)
Current generation holder of capital stock	

Founder (1st generation)	7 (35%)
2nd generation	12 (60%)
3rd generation	1 (0,5%)
Companies in transition with family protocol	
Yes	5 (25%)
No	15 (75%)

Source: Own elaboration

According to the data in Table 10, the company's future leadership is mostly centered on family members and shared leadership, with the exception of one company that claims to choose only non-family members to assume the company's leadership. It is also verified that 1 company considers choosing one or more members outside the family group to share leadership with family members. Choosing more than one successor can be seen as a way to avoid conflicts and promote competitiveness among members. Among the 10 family firms, the leadership change occurs mostly in family firms aged 10-15 (50%), founded after 1974 and in the 1980s, followed by family firms older than 80 years (20%). In terms of generations, the next leadership change (5 years) occurs in 50% of the companies with ownership rights held exclusively by the founder, followed by companies belonging to the second, third and fourth generation of owners, representing 36%, 12% and 6% of the companies, respectively.

In the latter case, leadership change occurs in companies with experience in these courses. However, only 6% of businesses have a family protocol to regulate the next succession process. The generational commitment to keep the business within the family is measured depending on the previous generation's willingness and the next generation's commitment. Table 11 shows a high desire to keep the business in the family.

Table 11 Perspective of the senior generation versus the junior generation in terms of continuity

To what extent does the senior generation want the company to remain in the family (mean = 4.46)?	
Nothing	1 (0,5%)
Slightly	2 (10%)
A little	2 (10%)

Much	15 (75%)
To what extent is the next generation committed to sustaining the company over the long term? (mean = 3.81)	
Nothing	1 (0,5%)
Slightly	1 (0,5%)
A little	3 (15%)
Much	15 (75%)

Source: Own elaboration

Respondent profile and seniority in the company

The use of open-ended questions in the questionnaire also made it possible to determine measures of central tendency (mean, mode and median). Table 12 summarizes the profile of the respondents.

Table 12 The profile of the respondents.

Seniority in position (years)	Position or function held in the company				
	Partner/Manager/Administrator	Chief Executive Officer	Other function	No response	
[0; 9]	5	2	0	0	
[10; 19]	6	1	2	0	
[20; 29]	2	1	1	0	
Total	13(65%)	4(20%)	3(15%)	0(0%)	
Age/age (years)	Media	Median	Fashion	Minimum	Maximum
Years (defendant)	47,89	47	38	22	86
Time in the company	19,57	19	15	1	65
Time in office	15,44	13	15	1	48

Genre					
Male	19 (95%)				
Female	1 (0,5%)				

Source: Own elaboration

In view of the request that the questionnaire be completed preferably by the person in charge, administrator or manager of the family business, the sample includes 64% of the respondents holding management and administrative positions, followed by managerial positions with 20%, according to the table above. The average length of service in the position is 15.44 years. Of the respondents in the partner/manager/administrator position, 42% have more than twenty years in the position, 37% between ten and nineteen years, and 20% for less than ten years. It should be noted that in the position of general manager/director (4 respondents) and other functions (3 respondents), 20% and 15% have less than ten years, respectively. Interestingly, the average time in the company increases to 19.57 years in relation to the average length of service in the position, which is 15.44 years, indicating that they held other positions in the company before reaching the current position. Pearson's chi-square test was performed to analyze whether there were differences between the "position/function held" and "gender" groups. The results reveal that there is a significant difference between both variables ($\chi^2 \approx 14.753$ gl = 3, $p = .002$), finding that a significantly higher proportion of men (78%) assume the role of partner/manager/administrator while 47% of women hold the position of director/CEO.

Discussion and Conclusion

According to the research hypotheses proposed, the pilot study presented here enables to put into practice the proposed methodology and to draw the first conclusions on the questions raised, which are deepened in the development of the research proposed to complete the Doctoral dissertation.

Regarding the survival of family organizations, it is observed that there is also extinction or death in the same proportion in which family businesses emerge, even in the first year of life. This is due to the lack of experience of the entrepreneurs and the deficient or non-existent organizational structure. For family businesses that have overcome the first succession process, extinction or death occurs due to several factors, including inefficient and sometimes non-existent management of their conflicts. Regarding the general hypothesis, its

assertion is verified by pointing out that the problem of family businesses supports them, and only half survive the second succession process. Studies conducted in Chicago confirm this assertion, showing that, of the two hundred largest family businesses that have existed there for seventy years, only 13% remain under family ownership. The problems that hinder the survival of family businesses are varied, as mentioned above, and are usually related to family conflicts, succession or professionalization. Regarding conflicts, there is a tendency for companies to also seek help in the area of professionalization of the company through the creation of a governance system and the drafting of a family agreement, also known as a family protocol.

It is found that, in the period of change of leadership from the first to the second generation, only one-third of the companies manage to carry out the succession effectively. One of the main causes of this result in succession is related to the typical family business conflicts and the fact that the family and the company have complicated relations. Companies must separate the instances of power, that is, the appropriation of management, and thus define, in the organization, a governance model through the creation of three instances of power: the family council, the company and the executive board. The conflicts of the family business can endanger its survival, and the improvement of this conflictive picture is important for the country's economy to the extent that there is a large participation of family businesses concerning national organizations, and the presence of conflicts characterizes these.

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