

COVID-19 Experienced by Small and Medium-sized Family Businesses and Future Growth Prospects: Results from A Pilot Study

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Abstract

The challenges that small and medium-sized family businesses face today are diverse and made even more serious by the current period of health emergency. Family businesses represent the “backbone” of industrial systems and they do not constitute a critical issue but rather they have organizational flexibility and decision-making speed that are difficult to find in more structured companies. The main aim of this study is to highlight the main characteristics of individual family businesses: business longevity, organizational structure, accounting characteristics, the mood of relationships experienced by business employees, their willingness to internationalize and to find out if these features have changed due to COVID-19. After a theoretical investigation of the “family business” construct, the geographical context of the survey will be defined. The main method was an online interview among family businesses. The results were interesting as the pilot study found that even in a limited geographical area of Southern Italy and in a period of generalized crisis, family businesses not only continue to capitalize, but also continue to launch more and more internationalization processes, confirming them as the engine of entrepreneurial development.

Keywords: Family Business, COVID-19, Growth Drivers, Pilot Study.

1. INTRODUCTION

Family businesses play a fundamental role as generators of wealth and jobs, making a substantial contribution to global economic growth (Hadrys-Novawak, 2018). In Europe, family businesses represent a significant percentage of the market (especially small and medium-sized ones) and they are collaborators in economic processes, even if not always innovative in nature, but certainly a guarantee of stability (Lattanzi, 2014). These businesses are present in all sectors of the economy: in some countries they are more widespread in traditional sectors, in others, there is a more marked and evident transition towards modern and digitized industry (Fabuss, 2018; Mariotti et al., 2021).

The family business is the most usual form of enterprise spread across Europe (European Commission, 2022). Starting from the nineteenth century up to after the Second World War, it assumed the role of driving force in the industrialization process in response not only to the conditions of high market uncertainty, but also due to the assumption of considerable importance in the growth process which has driven the modern economic structure (Colli, 2006; O’Boyle et al., 2012).

The scientific literature on the subject shows how from a theoretical point of view, the typical organizational model of the family business is especially suitable for small or medium-sized economic realities (enterprises and companies). Instead, from a real point of view, entrepreneurial "economy" has highlighted how the family business, in some cases, grows even reaching considerable dimensions or even the form of multinational conglomerates capable of controlling entire sectors (Baschieri, 2014; Perez-Lopez et al., 2018; Madondo, 2021).

The prevalent presence of family businesses, especially in the Italian context, indeed identifies small entities, but they are not the only observable realities.

The report published by ISTAT in 2020 highlights, the typical characterization of the Italian production system: three out of four companies controlled by an individual or a family. In other words, family businesses represent 75.2% of Italian production units with at least 3 employees (777,398 businesses out of a total of 1,033,737), 78.2% of micro-enterprises (3-9 employees), 65.6% of small enterprises (10-49 employees), 51.0% of medium-sized enterprises (50-249 employees), to reach 37% of large enterprises (250 employees and over), with a trend very similar to that of the previous reference decade.

The survey also highlights how there has been an evolution in the dimensional structure of the businesses, also in terms of employment. In particular, a decrease in the number of micro-enterprises and an increase in the number of employees was noted, both in absolute and relative terms (e.g., considering the micro-enterprises on the whole of enterprises). This dynamic, opposite to that of the previous decade of observation, highlights a recent trend towards a greater average size of the companies identified in the Italian production system (ISTAT, 2020).

The most common mistake in dealing with the subject, therefore, is to identify and assimilate the family business exclusively to the small and medium-sized enterprise (Santovito, 2020).

This thesis is also confirmed by the AUB Observatory and promoted by the Italian Association of Family Businesses (AIDAF), X edition, which takes into consideration other survey parameters including GDP, turnover, employment incidence, profitability, generational change at the top and the benchmark. The analysis conducted by AIDAF, provides a snapshot of the Italian economy system in which family businesses with a turnover of more than twenty million euros, represent 65% of the total number of Italian businesses, around 60% of the companies on the Italian stock market, which sees a total of 290 companies listed. Furthermore, in terms of the percentage incidence of family businesses, the Italian context appears to be in line with the European one: the incidence in France is 80%, in Spain it is 83%, in Germany it is 90%, demonstrating the fact that the high diffusion of family businesses is not an exclusively Italian phenomenon. The only differential element is the tendency for less recourse to external managers by the entrepreneurial families of the countries mentioned compared to Italy (Colli et al., 2003; Cucculelli & Bettinelli; 2016).

In this regard, some anomalies found in the Italian family businesses context have been mentioned, which have particular characteristics compared to all other developed economies, both for their small size and for the quantity of resources available.

In the main world economies, family businesses represent the central nucleus around which the economy and society develop. In the "To have and to hold" report published in the "The Economist" journal in 2015, it is underlined that family-owned businesses represent more than 90% of all businesses active in the world, present in sectors they require less investment and technological development, such as in trade and primary sectors (Zachary et al., 2015).

The goal of the *excursus* shown below is to underline which factors are highlighted from a theoretical point of view and which strength and weakness of family businesses can also be found at an empirical level regardless of the company size (Baschieri, 2014). Therefore, family businesses are not distinguished only by size, which remains a qualifying factor of the company, as are also the age of the company, the sector, the personnel employed, the accounting method,

the composition of the governance and the management, but the element that more than any other characterizes the family business is the symbiotic coexistence of an inseparable duo that combines the needs and prerogatives of "doing business", such as the purpose of profit and the economic method with family values (Poza, 2013; Chandler, 2021). This combination is also highlighted in the scientific literature, identifying the existence of peculiarities not always found in similar family businesses (Baschieri, 2014; Pounder, 2015).

To date, it is difficult to accurately estimate the exact number of family businesses in the world. The lack of a single, precise definition of family business makes it difficult to determine their percentage value out of all businesses and the different definitions adopted can lead to different statistical results (Masciarelli & Prencipe, 2010).

The main aim of this work is to highlight the characteristics of individual family businesses from different points of view: from longevity to the business organization, from the need to protect acquired assets, to the internationalization. Before tackling the pilot study, a unambiguous definition of what a family business is, was provided, first going through the analysis of the elements that distinguish it and by treating the economic-business concept through an overview summary of the different defining criteria of the construct.

The paper is structured as follows. After a theoretical explanation of the "family business" construct, the geographical context of the investigation, the materials and method, the main results of the pilot study and finally the discussions and conclusions will be defined.

2. THEORETICAL FRAMEWORK

The corporate economic concept of family business is far from easily identifiable in the literature due to the different definitions of the construct. Indeed, the literature does not agree on a single definition since the family business is an entity recognizable between the sole proprietorship and the corporate form. Despite family business is a very common form of business, understanding and precisely defining its distinctive characteristics is a difficult task. The literature has attempted on several occasions to decline a harmonized and universally accepted definition by all scholars (Zachary, 2011; Bannò & Pisano, 2017). In particular, the corporate literature on the subject distances itself from the concepts of a legal nature defined within national and international legal systems and this hinders the achievement of a unanimous consensus on the definition of family business (Baschieri, 2014).

In 2009, the Family Business Group, an entity of the European Commission, identified a precisedefinition of family business. The first time that a relevant entity has exposed itself in such an explicit and clear manner. Based on what was proposed in 2006 by the Ministry of Trade and Industry of the Finnish government, the European entity has elaborated the following definition:

"A firm, of any size, is a family business, if: (1) The majority of decision-making rights is in the possession of the natural person(s) who established the firm, or in the possession of the natural person(s) who has/have acquired the share capital of the firm, or in the possession of their spouses, parents, child or children's direct heirs; (2) The majority of decision-making rights are indirect or direct; (3) At least one representative of the family or kin is formally involved in the governance of the firm; (4) Listed companies meet the definition of family enterprise if the person who established or acquired the firm (share capital) or their families or descendants possess 25 per cent"(European Commission, Directorate-General for Enterprise and Industry, Final Report of the Expert Group. Overview of family business relevant issues: research, networks, policy measures and existing studies. p. 10).

From a careful analysis of what is stated by the European entity, a peculiar element can be identified, the so-called "familyness" to which three distinct contexts pertain in diverse ways and extents: the kinship degree; the extension of family involvement in the business management; the potential generational transfer of decision-making power. However, the corporate concept of a family business is not easily defined.

Several times, the literature has tried to decline a harmonized and universally accepted definition by all scholars (Bannò & Pisano, 2017). In particular, the corporate literature distances itself from the concepts of a legal nature defined within the national (and supranational) legal systems and this hinders the achievement of a unanimous consensus on the definition of family business (Baschieri, 2014, pp.11-12).

As such, many have concluded that it is a very heterogeneous phenomenon that includes an infinite range of entrepreneurial forms (Bianco et al., 2012).

Indeed, many scholars have come to the conclusion that it is an "*extraordinarily heterogeneous phenomenon*" which includes the small retail store, the multinational listed on the stock exchange and, furthermore, an infinite range of intermediate entrepreneurial forms (Bianco et al., 2013).

This heterogeneity makes any form of classification through a single defining criterion difficult, and due to the heterogeneity it would be appropriate to start from the consideration that most of the studies have focused on a type's dichotomous comparison: "family businesses" vs. "non-family businesses".

In this context, Sirmon and Hitt (2003), have highlighted a series of nuances and elements that distinguish family businesses from non-family ones. First of all is the human resources element, characterized by a dual relationship: the parental one, the result of emotional relationships within the family, and the working one, which is established through the roles and relationships within the business. The result of this relational interweaving extremely complicates the conditions of a context, which is already complex, despite offering the valuable possibility of having a stable and faithful base of human resources available. Furthermore, it must be taken into consideration that these human resources may not be qualitatively excellent (Dawson, 2012; Dekker et al., 2015). Often, in fact, subjects find employment in the business only because they are family members, regardless of their preparation and competence and the assessment that they are up to the role covered in the organization.

Furthermore, the level of conflict that can arise between the various subjects must be considered; the reasons can be attributed to a series of problems that can emerge at the parental level, deriving from the will of children to surpass their parents, or of young people to show themselves more capable than others (Astrachan et al., 2002; Basly & Saunien, 2020). Such conflicts clearly have negative effects on corporate performance and long-term survival of the firm, hindering the transfer of corporate assets to future generations (Mbaya et al., 2021; Metreveli & Dolidze, 2022).

Another typical feature of family businesses is limited access to external capital (De Visscher et al., 2011). The reluctance of households to sell shares of ownership to the outside that could undermine the maintenance of full internal control of the firm distinguishes them from non-family businesses (Calabrò et al., 2019). The latter, in general, are more inclined to undertake broad and varied expansion choices since they have greater economic and financial resources than most family businesses (Bannò & Pisano, 2017).

Therefore, if the number of studies on issues related to the survival of the family business and on the problems of the so-called "passing of the baton" is considerable, the existing literature lacks attention to the fundamental role played both by human and social capital (Colli, 2006; Wang, 2010; Cesaroni & Sentuti, 2010).

Share capital is considered an important asset for the company, it tends to accumulate over time and is difficult to transfer to subsequent generations. It is formed by nurturing not only individual relational skills, but also the constant care of the relationships that exist with the external environment, capable of making the company acquire cognitive, technological, managerial, and economic resources (Yang et al., 2022; Salvioni & Gennari, 2016). Family businesses characterized by continuity and pursuing long-term objectives cannot disregard the enhancement of intangible assets and their strategic importance, such as human and social capital, since they

are the only and inimitable resources capable of constituting an undoubted competitive advantage (Masciarelli & Prencipe, 2010).

As regards the criteria for defining the construct of "family business", the conceptual model proposed by Tagiuri & Davis (1992) has particular importance. At the basis of the concept, which also constitutes the common foundation of the construct of heterogeneity highlighted above, there is the fact that, examining the nature of family businesses, two diverse types of systems are always identified with a tendency to overlap: the family and the enterprise. Depending on the type of family business observed, the overlapping or, better, according to the perspective of Tagiuri & Davis, the alignment of the objectives and interests of the two systems will also be different. Specifically, the degree of influence exercised by the family in determining strategic choices will be different (Bannò & Pisano, 2017).

Each system has its own autonomy, its own rules, its own values, and its own organizational structure (Whetten et al., 2014). The difficulties arise because, as often happens, the same individuals have obligations both in one system and in the other, due to the fact that the company must operate following the typical activities and the principles that are typical of the business, but, at the same time, it must also meet the needs of the family. Tagiuri & Davis (1992) also observed that in the setting of many family businesses there is a clear distinction between ownership and management. Some family members are owners but do not participate in the management of the business, others manage the business but are not owners (De Massis et al., 2018). Consequently, the distinction between ownership and management could be even more characteristic than that between family and business.

3. THE LOCAL CONTEXT

The statistical-demographic dimension of the companies located in a geographical context is a crucial tool for acquiring awareness and in-depth knowledge of one's own territory, both for policymakers who have to implement economic and regional development policies, but also for all other stakeholders (Kretinin et al., 2019). The survey is a useful quantitative and qualitative measurement tool, but also a temporal one, since it provides a transversal vision of the situation of businesses in their local area, with reference to the past (where they come from), to the present (where they are located and the current context), and to the future (in which direction they are going).

The Istat report (2020), which has involved a sample of 15,284 companies in the Apulia region, provides an overall perspective of the phenomenon. In general terms, it can be argued that the regional situation reflects the national one. The size distribution of enterprises in Apulia region shows a more marked presence of micro and small enterprises. Apulian companies make up 5.6% of the total number of companies nationwide, employing 4% of the workforce available in Italy. Almost a third of Apulian companies are located in the Bari area (35%), more than a fifth in the province of Lecce, more than an eighth (13%) in the province of Foggia, while the weight of the provinces of Taranto and Barletta-Andria-Trani is almost identical (about 11%), followed by the province of Brindisi.

In line with the rest of the country, also in the Apulia region the productive structure of the private sector is characterized by the main presence of family-controlled businesses. In fact, they represent 77% of Apulian production units with at least 3 employees (about 45,000 companies), a slightly higher data than the national one (75.2%), 79% of micro-enterprises (3-9 employees), 68.5% of small businesses (10-49 employees). Only in the province of Barletta-Andria-Trani does the share of family-controlled businesses fall below 75%, while all the others easily exceed it. Furthermore, the predominantly family-run nature of businesses does not only concern the dimension of control but also that of management. This datum characterizes the Apulian territory. In the size range (10-49 employees) of family businesses, the responsible for business management is in 80% of cases the entrepreneur or main shareholder (sometimes the only one), in 16.1% he/she is a member of the family controlling. The manager entrusts the management responsibility in only 3.8% of companies, a data below the national standard which is 5.8%.

The reluctance towards an external manager, in the context of Italian and Apulian family businesses, is not only a perception investigated through relational and socio-emotional dynamics, but it is also a reality founded on solid statistical bases.

Most Apulian companies see the defense of their competitive position as one of the main strategic objectives. In Apulia Region, in the three-year period 2019 - 2021, the companies that indicate this as the first management objective to be pursued are 84.8%. Secondary objectives are to expand the range of products and services (59%), to increase activity in Italy (52.6%), to increase investments in new technologies (34.6%), to access new segments of market (about 33%). Finally, the expansion of inter-company collaborations is relevant for 26.4%, while the expansion of business abroad is a goal pursued by only 19.6% of Apulian companies. The latter, therefore, are strongly rooted in the local and regional context, more inclined to weave the network of companies and to establish valid collaborations according to the dimensions of regional proximity, less inclined to internationalization processes, although they are directed towards technological innovation.

Another important investment is that relating to human resources. In the period 2016 - 2018, the Apulia region acquired new human resources in approximately 56.6% of its businesses, a slightly lower percentage than the national one (58.1%), but what is interesting to note is how, proportionally to the growth size of the company, there are also very high levels of integration of the workforce, with a probability ranging from 91.3%, in the case in which the company evolves towards the direction of large companies, to 52.6%, in the case of the micro-enterprise.

Furthermore, 71.3% of Apulian companies have employed new employees on permanent contracts, 53% on fixed-term contracts and only a small part of the companies, 3.5%, has employed by framing them according to alternative contractual types, such as supply and collaboration contracts. Many of the problems that hold back new hirings are linked to personnel costs and to problems of mismatch between the demand and supply of labor (in 14.7% of regional companies) which derive from difficulties in finding personnel with technical skills.

This demonstrates that not only companies should pursue the objectives of internal training and education of their personnel, but also that the incentives made available by national and regional institutions to increase the skills of the workforce are insufficient at present favor the acquisition of new human resources.

The census also collected interesting information on non-compulsory corporate training which is conducted in Apulia by 2,758 small and medium enterprises, i.e., around 30% of the total companies in the sample.

The data relating to the Apulian small and medium enterprises segment with internationalization, show that only 1.9% of Apulian companies are partially delocalized abroad (the national average is 2.8%) and the share with the highest delocalization is found in the province of Barletta-Andria-Trani, while the lowest in the province of Taranto.

The data from the province of Barletta-Andria-Trani offers a starting point for research, as it attests to the greater propensity for internationalization in correspondence with the lower percentage of presence of family businesses. This phenomenon could suggest that a trade-off between locality and globality is probably being triggered in perfect correspondence between family business and non-family business.

From the targeted analysis carried out on generational handovers, 16.8% of Apulian companies with more than 3 employees controlled by a family faced or will face the generational handover during the period 2013 - 2023. In first place of the enterprises in this condition there are those of the province of Foggia with 18.6%, followed by Taranto with 18.2%, Bari with 17.6%, Barletta-Andria-Trani with 17.5%, Lecce with 14.4% and Brindisi with 13%. A delicate phase in which it has been estimated that on average only 15-20% of the Apulian companies affected by the critical issues of the generational transition survive.

Among the managers interviewed who had already made the switch, 63% underlined the complexity and delicacy of the event due to important conflicts with family members in 49% of cases, due to inadequate planning of the event in advance in 42% of cases, due to the entrepreneur's incapacity to manage the transition phase in 39% of cases, or due to the inadequacy of the new figure not up to the role covered in 36% of cases.

This brief description of the Apulian business context is essential to provide an overview of the phenomenon and to better understand the results of the empirical investigation carried out.

4. DESCRIPTION OF THE EMPIRICAL STUDY

This study was carried out in order to convert what was stated theoretically into values, evaluating whether what was claimed in the sample is expected or not.

From a geographical point of view, the analysis focuses on the Apulia region and the family businesses investigated all operate in the Apulian context, with more or less evident cases of internationalization or in the initialization phase. Usually, scientific studies have shown that large companies are analyzed leaving out the smaller ones. On the other hand, in this study the subjects are micro, small, and medium-sized family enterprises, despite the fact that it has often been difficult to find reliable information from them.

The Apulian productive industrial sector is rich in family micro-enterprises and not considering them would have generated a partial story of reality. The Apulia region has only 1.4% of large companies (ISTAT, 2020) and that is why it was considered correct not to include them in the statistical sample, since they do not respond to the research objective.

The main aim of this work is, thus, to highlight all the characteristics of individual family businesses from different points of view: from longevity, to organization, from the need to protect acquired assets, to the need to internationalize. This was performed in order to describe one of the most widespread forms of enterprise in Apulia region, in Italy and in the world.

5. METHODOLOGY

A pilot study was conducted to test the responsiveness of family businesses, on a sample of 105 family businesses, ranging in size from micro (with less than 10 employees) to medium (with less than 250 employees), and examined over the period October – December 2022. Since the sample interviewed was small compared to the number of existing family businesses, reference was often made to authoritative sources such as the Istat censuses, the Aidaf website, the Asia database, the AgenziadelleEntrate, to find more data and information. The investigation method was carried out using both qualitative and quantitative techniques. Qualitative analysis has been used to understand the phenomenon in general and has involved the analysis of data that cannot be quantified. This type of data is related to understanding the properties and attributes of objects (in the study, the survey participants). Furthermore, qualitative analysis has allowed to obtain a deeper understanding of “why” a certain phenomenon occurs.

Unlike quantitative analysis, which is limited by certain classification rules, the analysis of qualitative data has made it possible to obtain broader and more multiform results.

The quantitative analysis used in the present study was based on a type of research structured in such a way as to give statistical representativeness of a sample representatives of an entire population under investigation. Therefore, the quantitative analysis assessed the number of family SMEs spread throughout Italy, the sectors they belong to, and the number of strategic internationalization choices adopted.

To determine the size of the company, the variable number of employees was used, since, having also interviewed companies that are not obliged to draw up financial statements by virtue of their legal status, it was not possible to also refer to turnover.

The territorial area of reference is certainly rich in peculiarities, and, for this reason, a strong concentration of family businesses can be found in the Apulia region also due to the patriarchal culture and the ties between family members.

From a sectoral point of view, the interview was addressed to companies that carry out different activities, this is to confirm that there is not a particular sector where the family business appears to be prevalent as this phenomenon is valid for several sectors. The Apulian productive structure is, in fact, characterized by a strong prevalence of service companies compared to industrial ones. They are active in the industrial sector such as 29% of companies and the outsourcing process is more marked in the provinces of Taranto and Foggia (ISTAT, 2020). Service enterprises represent about 71% of the total enterprises in the region. Firms employed in the tourism sector also occupy an important slice of the market, around 16%, by proving the importance of the sector for the entire Region.

The period in which the survey was carried out is a period characterized by uncertainties. The COVID-19 pandemic that has hit the country has made it necessary for the government to issue a series of restrictive measures on the movement of people and the suspension of economic activities defined as non-essential. For this reason, strong concerns and a mostly pessimistic attitude towards the future emerged during the interview, the data are read considering this main issue.

5.1 Data Collection

Data collection lasted two months. The data was collected taking into account the principles and procedures for transferring personal data, in compliance with the provisions of the European Council 2016/679, on the protection of personal data (GDPR).

The interview was conducted online by using a structured questionnaire. The questionnaire was based on closed and open-ended questions and all of them were not drawn from previous studies. The criteria used to select the sample were based on the family nature of the business, using the surname as the search variable and the wording "brothers" inserted in the name of the business. The interview concerned only the micro, small and medium-sized Apulian family businesses based on the number of employees and without favoring a specific sector.

The subjects involved in the interview were sent a link via email to access the questionnaire.

Anonymity was guaranteed to all users who participated in the research in order to receive answers not influenced by any aspect. Examples include: "*Do you think working in a family business is an advantage or a disadvantage?*" or: "*Do you think he/she would have gotten better pay by working outside the family business?*". In this way, obstacles in providing real answers were avoided, especially when these assumed negative connotations.

A total of 30 questions were asked, which involved several areas and typical aspects of the company, from the internal climate to the propensity for internationalization.

Below results classified according to the following areas are presented: characteristics of the businesses; relationships within the business; internationalization.

6. RESULTS

105 out of 150 companies contacted have replied to the qualitative survey. Thus, the percentage of data obtained was suitable for being able to proceed with the evaluation and interpretation of the data. All participant contributions were provided on an individual basis and do not necessarily represent the broadly held opinion at the regional level.

6.1. Businesses' Characteristics

All the Apulian provinces were involved, specifically: Province of Foggia (19 companies), Province of Barletta-Andria-Trani (20 companies), Province of Bari (42 companies), Province of Brindisi (10 companies), Province of Lecce (9 companies), Province of Taranto (5 companies).

The sectors in which the companies involved in the survey operate are: agricultural (30%), tourism (20%), commercial (12%), catering (10%), industrial (8%), services (13%), construction (7%).

The question: "*The company can be considered family-owned because the family members are.*" was included in the questionnaire to understand the real degree of family involvement in the company. 64% of the sample declared that the subjects belonging to it are owners, 28% declared that the company was founded by parents, grandparents or other relatives. This is a fact that confirms the propensity of these companies for family succession and the desire to pass on the property to the heirs. Only 8% declared that family members are actively involved in the management of the company while no one highlighted the option according to which family members, while not working in the company, contribute to the decision-making process.

The following question: "*In 2021 which generation ran the business?*" was included because is important for the analysis' purposes, so that some hypotheses could be moved in response to the attitudes more or less inclined to start internationalization processes rather than to accept external managers. For 58% of the companies interviewed, the first generation is present in the company, for 36% the second, and only for 6% the third.

As regards the presence of multiple branches in Apulia or in other areas of Italy, rather than abroad, 79% of the sample declared that they do not have other branches other than the one where business activities are carried out on a permanent basis; instead, 21% of respondents declared that they have at least two branches in which they carry out their business on a daily basis.

Furthermore, only 21% of subjects who communicated that they have other branches were able to answer this question. 62% said they have other offices in Italy, 38% in Europe and no family business claims to have branches outside the European area. This attitude can make one think of the difficulty, inherent in internationalization, of moving to areas that are too distant, both in terms of different places and cultures.

6.2. Relationships within the Business

The question "*Describe the relational mood experienced within the company*", helps to understand that internal relationships are serene for 78% of the respondents, only 16% of the respondents think they attribute the adjective "*stormy*" to internal relations, while 6% do not express a clear vision, considering an indifferent mood.

The question "*Do you think that by working outside the family business you would have achieved more success, better pay and satisfaction?*" is connected to the hypothesis that being placed in a context of this type can, even minimally, be transformed into an employment relationship in which some rights are not recognized, expendable in the name of the family, but capable of creating discontent. In this specific case, 42% answered "no", thus considering their degree of general satisfaction adequate. 26% answered "yes", therefore believing that they have potential that is not adequately repaid. Finally, 32% feel undecided, unable to express a definitive judgment on the matter.

As already examined in the theoretical framework, very often there has been talk of family altruism, or that attitude of attributing prestigious roles to subjects without real skills, just because they are part of the family nucleus. In this regard, the result of the survey certainly highlighted the psychological safety of subjects operating in family businesses. 53% of the sample believes that, even externally, they would have occupied the same professional roles. On the other hand, 32% believe that they cannot fully exploit their potential, strongly believing that outside the family business, they could have occupied different, more prestigious roles and carried out different activities. Finally, 15% believe they hold an overrated role in the company and are convinced that they would have performed less prestigious tasks outside.

The question "*Would you leave the family business to start an identical, but non-family business?*" it was considered by the respondents to be an "uncomfortable" question, but the logic followed in developing the questions was designed by inserting control questions to ascertain the veracity of the previous answers. Indeed, considering that the subjects interviewed declared that they perceive the atmosphere within the company in a serene way and that they are satisfied with the roles they hold, they should probably not feel the need to leave the company. In fact, the result obtained confirmed that 48% would not be inclined to leave the family business to move to a non-family business, 31% would do so, 21% is undecided.

6.3. Internationalization

In the analysis of internationalization, it has been discovered that different local family businesses have relationships with foreign countries. In fact, 48% stated that they have relations with foreign countries, 26% maintain relations with foreign countries and these are based on imports and exports, 15% on exports alone, and 10% declare that they do not have foreign trade relations.

Furthermore, of particular interest is that none of the subjects interviewed declared that they have relations with developing countries. Almost all of them are aimed at European markets (86%) and the remainder at countries outside the European borders (14%). To the question "*Do you think the foreign market is essential to achieve better performance in terms of profit?*", 54.2% answered that they see the foreign market as an excellent source for obtaining better performance in terms of profit, 29.2% see only an intermediate advantage in these transactions, while 16.7% see no advantage deriving from such relationships. In this perspective, the role of the "Made in Italy" brand is considered relevant for internationalization processes by 82% of the interviewees. The other respondents did not know (18%).

On the other hand, companies that do not have commercial relationships with foreign countries declared that 46% are active at a regional level, 27% at a local level and the same percentage was also found for those who trade at a national level.

Considering the responses received, it was deemed correct to ask the reasons why the company does not maintain relations with foreign countries. The question had the objective of understanding the main difficulties encountered by micro, small and medium-sized family enterprises, in choosing to develop relationships with foreign countries. Many have identified the high costs associated with this operation as the main obstacle (31%), others have declared that they are afraid to make investments of this type (16%) and also the lack of skills for implementing these processes has been seen as an obstacle by 7% of respondents. Finally, 46% were unable to provide a specific answer.

In addition, 57% of the sample stated that they have partnerships with the foreign countries with which they market. Instead, 43% declare that they manage relations with foreign countries independently, without referring to contractual methods.

When asked "*Do you think you have completed your expansion projects abroad?*", despite the historical moment of relative economic-financial uncertainty, 46% of subjects declared that they have new internationalization operations in progress. On the other hand, 15% believe they have completed this process, against 39% who admit that they have not yet completed this project and have not yet launched new initiatives.

In the current emergency period, it was inevitable to pay attention to the challenges faced, in order to obtain an opinion on the possible obstacles encountered in the export field. 28% said they were not particularly affected by the situation, thus, continuing to export at the same rate as before the emergency. Most of the sample, 62%, answered positively and the remaining 10% believe they have suffered some negative effects due to the situation. Regarding turnover, it was found that 20% of the sample did not obtain a drop in turnover due to the emergency, 70% attribute the cause of the drops to current events, while 10% believe they have experienced huge damages.

7. DISCUSSION

The analysis carried out in this pilot study allows drawing some observations.

The family businesses reflect the definition of enterprise proposed by the scholar Gino Zappa and also confirm the unique facets of their kind (Zappa, 1956). These differences are found in the human capital factor, in the projects envisaged for the future, and in the approach to business activity in general.

In family businesses, the desire to hand down the business to future generations is always evident (Zellweger et al., 2012). Although it is often thought that there is not a positive mood in family business organizations, it has instead emerged that globally, businesses work in a serene manner and there are few cases of discontent (Rosecká & Machek, 2022). This would confirm the quality of the relationships between the parties, mutual fidelity, and the lack of obvious agency problems (Kilincarslan, 2021; Muharam et al., 2021). The Italian legal system has laid the foundations for regulating family businesses (through the Civil Code), also taking care of the not exactly remote possibility of labor exploitation, when this takes the form of work carried out by members of the family head of the enterprise. In this regard, the survey had the objective of investigating, albeit covertly, how satisfied the company's employees felt in family business contexts.

In the cases analyzed, 42% of the sample felt that they were globally satisfied with the results obtained in terms of success, satisfaction, but above all remuneration. Although the solidity of the internal balance of a company cannot be reduced to remuneration alone; this aspect is still considered important also in relation to previous studies that have addressed these issues (Jong & Ho, 2018; Hua & Alam, 2021).

Maslow (2010) argued that everyone aims at his own personal satisfaction and uses his energies to reach the highest steps of the pyramid occupied by the need to obtain prestige, self-esteem, and self-realization. In the absence of satisfaction, attitudes aimed at solving the problem are triggered in a natural way. Ergo, in the case of these companies, unrest within the family working context, with the consequent creation of general unease feeling.

According to what was declared in the survey, those who are actively involved in business activity are satisfied, but above all do not feel the need to change occupation or start their own business, without it having the connotation of familiarity. This attitude certainly denotes a positive opinion regarding work in the family, perceived as an advantage rather than a disadvantage (De Massis et al., 2013).

Another focal point of the pilot study was to understand at what stage the intergenerational transition was. In most of the situations analyzed, the "first generation" of businesses are in charge. This could be an important starting point, able to make people understand the general positive aura present in the interviewees' approach to the company. Ferraro and Cristiano, (2021), stated that the best performances are obtained during the first generation. In subsequent generations, different dynamics could come to be created, since the heirs may not be up to the tasks received or may not want to follow the lines drawn by their predecessors, experimenting with new opportunities. Most of the subjects taking part in this study started generational succession processes, inserting the heirs into the company. This may mean both an opening towards future organizational experimentation, but it could also result in the destruction of the corporate image acquired up to that point and consequent destruction of value, achieving worse performances. The literature mostly supports the second hypothesis (Miller & Le Breton-Miller, 2005; Erdem, 2010; Ward, 2016).

As regards the "generational problem", it is not possible to know whether it will totally and unconditionally occurs in the cases analyzed, but certainly, since the companies have already included the heirs in their workforce, the necessary corrective plans will have to be implemented in order not to run into a possible decline. Solutions to these problems capable of guaranteeing an optimal generational change, can be found in the appropriate training based on the sector, in

the development of the sense of belonging to the organization, in accentuating the feeling of identification in the company in which one works, and in the use of more competent external managers (Cater & Justis, 2010; Munoz-Bullon et al., 2018).

The study also investigated the opinions about the predisposition of the interviewees to internationalize. The percentage of individuals who maintain relations with foreign countries was significant but not so exponential. In this regard, it was important to understand the reasons why some family businesses do not have such relationships. Mainly, the causes of the lack of internationalization are attributed to the high costs connected to the operation, to the fear of starting new investments, and a small percentage of respondents admit that they do not have the suitable skills to start internationalization processes or to maintain them over time (Mitter et al., 2014; Arregle et al., 2017). Those who have permanent relationships with foreign countries do so mainly at a European level, confirming the theory of Bannò and Pisano, (2017) to invest in places that are relatively close in terms of culture, habits, and trends. Furthermore, the interviewees demonstrated that, in 59% of the sample, an external manager deals with these relations with foreign countries, and they also maintain partnerships with subjects located in countries in which they export or import, declaring that they have further internationalization projects.

The propensity to internationalize changes in relation to the sector to which the businesses belong. The farms in the sample are those that internationalize the most and give greater weight to the role of the "Made in Italy" brand, in spite of the commercial ones that are more locally than globally. The latter, in fact, encounter several barriers to entry into foreign markets, including incurring heavy costs. A commercial company, active only locally, will hardly be able to compete with large giants such as Amazon or Zalando which, thanks to the globalization and dematerialization of the store, win the "battle" of global entrepreneurship (Steen & Welch, 2006; Peng, 2022).

Finally, it is evident that the results obtained confirm the trend already identified in the various sources of the literature. As such, the dynamics studied and highlighted in this scientific study led to seeing family businesses as organizations that become very predictable when it comes to issues such as the inclusion of external subjects, marketing abroad, and the propensity to internationalize.

8. CONCLUSIONS

In the light of pilot study dedicated to the analysis of small and medium-sized Italian family businesses and their internationalization processes as a growth lever, a first major theme needs to be clarified.

Family businesses differ from non-family businesses in the following elements: the composition of the organization, the presence of unique intangible resources, the ability to reduce the entity of agency problems and, lastly, in the techniques implemented to carry out the decision-making process (Diéguez-Soto et al., 2015).

Family businesses represent an important slice of the market as they are present on a large scale throughout the national territory (Sułkowski et al., 2018). Like all companies, even those of a family type express a predisposition to dimensional growth in any form, but what distinguishes them from the others is the particularity in the ways and times of implementation of these strategies. In this regard, it was important to analyze what can be achieved following the internationalization process. Broadening one's views beyond national borders is perceived as one of the most complex topics, together with the question of the intergenerational transition. Family businesses are born with the aim of business continuity, and everything is implemented to reach this goal.

The peculiarity of these companies also lies in the belief that the role of the family can generate better performance, all other conditions being constant (Wasowska, 2017). The influence of equity on performance has proven to be strongly related to operational, extra-operational,

financial, and extraordinary management, so as to provide a broad and concrete picture of the company's internal and external dynamics.

Lastly, this study evaluated the reactivity of family businesses located throughout the Apulia region and this operation made it possible to extrapolate the right ideas for understanding, in a practical way, the action of these economic realities. The context examined was the Apulian one which boasts numerous family businesses, and where different cultural peculiarities are present. The results of the survey provided a snapshot of the reality experienced by family businesses. In most cases, they are all first-generation companies while fewer companies have relations with foreign countries, internationalize or make use of external managers to excel in specific sectors.

The number of scientific contributions dedicated to research and the dynamics concerning the internationalization of family businesses have yet to be in-depth explored. Therefore, the future directions of this study should be: to narrow the sample and analyze some specific factors of the internationalization process, like the main reasons why family firms do not go abroad, and, finally, in-depth analyze the internal and external factors related to the extended process of the family business. As such, developing internationalization processes for a micro, small and medium-sized family business in the "New Normal" period requires careful planning and adaptation to the current global business environment. For example, the business should identify potential target markets for business products or services. Analyze market trends, consumer behavior, competition, and any regulatory or cultural factors that may impact the business performance. Utilize digital marketing strategies to reach a wider international audience and showcase business products or services. Study and develop strategic partnerships in order to identify and build relationships with local distributors, retailers, or strategic partners in the target markets. Collaborating with established businesses or leveraging their distribution networks may help the family business to gain market access more efficiently.

In any case, it is necessary to remember that international expansion requires a long-term commitment, careful planning, and a strong willingness to adapt. To this end, it's advisable to seek guidance from international trade organizations, business development agencies, or industry experts who can provide specific insights and support tailored to family business's needs.

The main limitations of the study, on the other hand, concerned the diffidence in providing answers, confirmed by the scarce propensity to open up to the external environment, and the limited geographical area analyzed, characterized by different elements not only from other neighboring geographical areas but also from the more distant ones.

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