

## Succession and Governance Across Generations: A Comparative Study of the United States and Italy

Alberto Zanzi  
Colette Dumas

*This comparative study of American and Italian family-owned firms focuses on two key aspects of family business management: succession and governance. This study also explored the impact of generation on these variables. This comparison revealed that nationality seems to be more significant than the generation of the family business in succession and governance decisions and preferences.*

*This article examines the significant differences between the two countries in terms of governance in family-owned firms, particularly around the presence of family members on the board. Study results concerning the resolution of differences over managing the family business indicate that very different styles of conflict resolution are favored by family firms in the two countries. The article concludes with suggestions for future directions in practice and research.*

Italy and the United States are two countries in which family-owned businesses represent a large portion of the economy.<sup>1</sup> Therefore, understanding succession and governance strategies in both countries can be useful in pinpointing successful survival strategies and areas for improvement. Thus far, comparative studies involving different countries are relatively rare in this field. Corbetta and Tomaselli,<sup>2</sup> for example, conducted a study of Italy and Spain. Such studies have tended to focus on two relatively similar countries.

This article seeks to enlarge the scope of comparison to include a larger economy like that of the United States. Its objectives are twofold: to analyze succession and governance strategies across generations in small- to medium-sized family-owned firms in Italy and the United States; and to compare these findings from the two countries to determine where there are similarities and differences in these strategies.

Italy was selected because of the significant vitality and innovation of Italian family businesses in creating business district networks, as well as their important contribution to the national economy. From a more pragmatic standpoint, the opportunity for data collection in Italy was greatly enhanced by the support of a leading business school in Milan, with good introductions to the otherwise closed circle of Italian family businesses. Generalizations about succession and governance will, of course, be limited by the comparison of only two countries. This limitation

will be mitigated by the commonalities of the two countries with other cultures in certain areas such as entrepreneurial spirit, traditional reliance on family business for economic independence, and desire to continue the presence of the family in the business. Findings in succession and governance could then be extended to other emerging economies, particularly in Eastern Europe and Latin America, where the resurgence of entrepreneurial spirit is a relatively recent phenomenon.

### What Is Currently Known

Family-controlled companies are the prevailing form of enterprise throughout the world.<sup>3</sup> By some estimates and, depending on the definition of the family firm used, 90 percent to 95 percent of all businesses in the United States are family-controlled.<sup>4</sup> In Italy, it is estimated that the majority or approximately 63 percent of privately held companies in Italy are family-owned.<sup>5</sup> This is a conservative estimate if we consider that, with the exception of state-owned and international corporations, almost every other private business in Italy is family-based. This includes large concerns such as Fiat, Pirelli, Benetton, and Olivetti. In a study conducted by Corbetta and Tomaselli,<sup>6</sup> for example, 86 percent of their sample of privately owned businesses are family-owned.

Perhaps the most important organizational achievement for the owners of these firms is the continued survival and success of his or her vision.<sup>7</sup> However, evidence of the myriad problems facing family businesses can be found in an examination of family business mortality rates. Dyer<sup>8</sup> has noted that family businesses have short life spans—about 24 years—which is also the average tenure of the founder in the firm. More than 70 percent of businesses do not survive to the third generation.<sup>9</sup> Few family businesses survive beyond the third generation,<sup>10</sup> where the founder represents the first generation. Within the next five years, the leadership of 42 percent of family businesses will change (28%) or begin to shift (14%), as the present CEO retires or semi-retires.<sup>11</sup> This is true in Italy as well, where approximately 30 percent of Italian entrepreneurs are age 50 to 59, and slightly fewer are over 60.<sup>12</sup>

Researchers in the field of family business agree that succession is the most important issue that most family firms face.<sup>13</sup> Succession constitutes the central issue that must be addressed for the family business to survive and

be passed on through generations.<sup>14</sup> Barach and Ganitsky<sup>15</sup> note, "Successful succession of CEOs is a crucial goal for family firms: without the next generation's leadership and direct management, the firm cannot survive as a family firm." Several researchers estimate that less than one-third of family firms survive to the next generation.<sup>16</sup> To keep the firm under family ownership and direction, succession becomes a vital strategic issue. Addressing the issues and concerns raised by succession can be a difficult process.<sup>17</sup> Failure to appropriately prepare for succession has been cited as a major impediment to survival.<sup>18</sup> Other authors contest this perspective, finding no empirical evidence of the connection between written succession plans and family business survival.<sup>19</sup>

Does research reveal similar challenges facing Italian family firms? Significant research on family firms in Italy is relatively recent. In particular, studies of succession patterns have been mainly centered on conceptual models. Preti's model<sup>20</sup> relates different succession matrixes to son's and father's expectations of the process. However, there has not been substantial empirical research on succession and governance issues in Italy until recently. The most complete work to date was conducted by the Bank of Italy with a sample of over 1,200 industrial firms with at least 50 employees.<sup>21</sup> This research revealed that 46 percent of Italian industrial firms are directly controlled by an entrepreneur or by a few people related by family ties. Direct control by the entrepreneur or by his or her family members is more widespread in small- to medium-sized businesses, in those that deal with the traditional sectors (e.g., textiles or clothing) or in the specialized sectors (e.g., mechanics). Barco, Bianco, and Cannari<sup>22</sup> analyzed 300 businesses with a number of employees ranging from 20 to 500. The businesses controlled directly or indirectly by an entrepreneur or by his or her family members represented almost 80 percent of the total.

Most Italian businesses are family firms where "legal control of voting stock is held by one or a few families who are either related in some way, or share a certain degree of affinity or alliance."<sup>23</sup> According to the Bank of Italy survey,<sup>24</sup> 58 percent of those companies are directly owned by one person, by a group of family members, or by a few shareholders who are mutually bound by agreements. One-third of those companies are indirectly controlled by parent companies, and at least half of them are estimated to be owned by families.<sup>25</sup> In addition to owning the businesses, these families manage the businesses and participate in governance in some way (e.g., serving as a board member). The same patterns of ownership are reported in Spain,<sup>26</sup> indicating that the findings presented here could be extended to other Latin countries with similar cultural characteristics.

Concerns about governance issues in Italy and the United States have centered on the overlap of ownership, governance, and management roles and how this can limit

the board of directors in its decision-making role. Current thinking and research indicate that it is important for the board of directors take a more active role in corporate management issues. An active board of directors can play a key role in the future development of the business.<sup>27</sup> In addition, the board plays a strong role in creating a successful management succession transition.<sup>28</sup>

A study by Barca, Bianco, and Cannari<sup>29</sup> revealed that in 300 firms having between 30 and 500 employees, there are boards of directors in 69 percent of these firms. In a survey of 73 Italian family-owned businesses, Corbetta and Tomaselli<sup>30</sup> found that 88 percent of the firms had a board of directors, and 84 percent considered them useful. There was evidence of a strong correlation between the presence of a board of directors and the firm's competitive position. In the majority (60%) of these firms, the boards are made up of inside members, mostly family members. In the rest (40%), there are outside members on the board, sometimes more than one outsider. These results are similar to those found by Schwartz and Barnes,<sup>31</sup> while Ward and Handy's sample<sup>32</sup> revealed a much higher incidence of outside boards.

According to a study conducted by Corbetta and Tomaselli,<sup>33</sup> outside directors appear to be involved in "operational" boards of directors, where business issues are addressed. Their involvement is less frequent in parent company boards, such as family-type holdings, where the key issue is the family-firm relationship. The same study found that the owning families controlled nearly half of their family firms by means of a parent company, and not directly. Often, the owning families controlled a number of firms through one parent company. This form of hierarchical group is widespread in Italy because of its financial advantages.

The same study also found that, in terms of the size of the board, 19 percent of the 63 family firms with a board of directors had two or three members. Most family businesses (60%) have boards made up of four to seven members, which is considered a good number to represent the shareholders' various interests and to guarantee the best working conditions.<sup>34</sup> In the remaining 21 percent of the family firms, the board of directors was made up of more than seven members. Larger boards were more prevalent in larger firms (83% of boards with more than seven members are found in those firms with more than 250 employees), and also when outside members are present (83% of boards with more than seven members were found in firms with outside directors). Such a correlation between board size and the size of the firm, and between the board size and the presence of outside directors, has also been identified in other studies.<sup>35</sup> The similarities of these factors between the United States and Italy are further reinforced by the parallel historic evolution of family business, with a large number of new companies founded in the boom years of the 1950s and 1960s.

## The Study

This study identifies key variables affecting succession and governance strategies in family firms in the United States and Italy. It was constructed around the assumptions and hypotheses presented below.

### Succession Patterns

Succession strategy for family business involves numerous steps, from the selection, grooming and training of heirs to "pacifying the excluded."<sup>36</sup> This study concentrated on three aspects of succession: intention, encouragement, and succession planning (including estate planning), since these are the most determinant and recurrent elements at the early and final state of the succession process and those most influenced by cultural values. It was expected that Italian family firms would be more inclined to pass the business on to family members than would firms in the United States. Families tend to be tighter knit in Italy,<sup>37</sup> and extended families are the norm. Family life in the United States, meanwhile, tends to revolve around the nuclear family, not the extended family. In addition, finding managerial jobs outside of the family business is more difficult in Italy than in the United States (unemployment in Italy is 11.5%—and even higher among young people in their 20s, while it is only 4.5% in the United States). Therefore, family members tend to stay in the family business in Italy to have a career.

The generation of the firm was expected to play an important role in the attitude towards succession because the concerns and interests of the entrepreneur change with each successive generation. This would, therefore, affect succession and estate planning patterns in both countries.

It was also expected that early generations in both countries would encourage family members to join and participate in the business to greater degree than later generations. When the business is started and the family is still young, there are fewer candidates among family members to work in the business and help out. The company still has to be built, and the owner is less selective about whose help he or she receives. Later on, when the company has been built, is larger and more stable, and the family may be larger, there is room for a more exclusive perspective. Employing family and nonfamily members who have the necessary skills to help the business grow becomes of primary importance. Employment in the family firm will, therefore, become more selective as the company grows older.

### Hypotheses Regarding Succession

**H1A: The intent to pass ownership to the next generation will be stronger for Italian family firms than American family firms.**

**H1B: The intent to pass on ownership of the family firm will be stronger in the earlier generations than in later generation for both the United States and Italy.**

**H1C: Italian firms tend to encourage more participation in the business from family members than do U.S. firms.**

**H1D: Early generations in both countries would tend more to encourage family members to join and participate in the business compared to later generations.**

**H1E: Italian firms would tend less to have a formal written succession plan than would U.S. firms.**

The legal and fiscal requirements in the United States seem to be more demanding and complex than in Italy—there is more incentive in the United States to carefully plan for your estate in order to take full advantage of financial loopholes. In Italy, particularly among entrepreneurs, the culture is traditionally more oriented toward secrecy and keeping family decisions private. The presence of closely knit extended families and the general propensity to avoid, if not evade, taxation further reinforce the tendency toward less formal succession arrangements.

**H1F: The propensity to have a formal succession plan will increase with each successive generation.**

With subsequent generations, more successors are available. Therefore, there is a greater need and opportunity to select the most qualified and appropriate successor(s), as previously discussed. The size of the business itself may contribute to this formalization of the business via a business plan. In addition, when there is more wealth available, the need to formally indicate who will get what increases. Also, increased size, wealth, and age of the business augments the pressure to respond to the more complex needs of the business via specialized roles or functions. This requires formally specifying who will do what in the business.

### Governance Patterns

This study of governance aspects of family business focuses on two key aspects of family business. The first is the more formal aspect of the presence and composition of the board. The second issue is the more informal question of how differences in managing the business are resolved.

It was assumed that the presence of a board of directors would be higher in the United States than in Italy. This assumption was based on the fact that family firms in the United States have been advised to create a board of directors for the past 20 to 30 years by an ever-growing cadre of consultants and advisors to family firms. The presence of consultants and advisors who advocate such formalized governance structures is a more recent phenomenon in Italy.

It was also assumed that differences in managing the business would be handled in a straightforward manner in the United States. Americans have a reputation for being pragmatic and putting business first. Italians, on the other hand, would tend to place family values first over business. Hence, when faced with differences of opinion, it was assumed that Italians would tend to act in a way that would keep the family harmony intact.

### **Hypotheses Regarding Governance**

**H2A: The presence of the board of directors would tend to be higher in the United States than in Italy.**

**H2B: The number of board members will increase with each successive generation both in Italy and in the United States.**

**H2C: The number of family members on the board is expected to be higher in Italy than in the United States.**

**H2D: Due to the closeness that exists among family members in Italy, a less confrontational method of resolving differences in the business would be the predominant choice.**

### **Sample**

The survey in the United States was initiated by MassMutual Insurance Company<sup>38</sup> in Boston and was conducted by the Gallup Organization. The Italian survey was initiated and conducted by a major business school in northern Italy and a university in the northeastern United States. The Italian study was translated from the MassMutual survey, with the objective of comparing results of the surveys from the two countries.

To conduct the Italian survey, 4,100 questionnaires were sent to CEOs of manufacturing firms with more than 10 employees and with revenues between 5 and 300 billion lire (from \$3 million to \$180 million). The list of firms was randomly compiled from Dunn and Bradstreet directories. Of the 269 firms which responded, 252 were family-owned. The MassMutual survey had to be adapted to eliminate some U.S. specific questions.

The American sample was drawn from comprehensive lists maintained by Survey Sampling, Inc. Businesses were screened for family ownership and were then selected on a random basis from lists of business owners when they met the criteria of having 10 or more employees, annual revenues exceeding \$2 million, and having been founded 10 or more years ago.

The Italian and American samples were determined to be statistically homogeneous in terms of size (chi square = 0.766), and in generational distribution (chi square = .064). Data on the specific industry in which the company operates were not considered relevant for the purpose of this study

and were not collected in the MassMutual original survey. They are small- to medium-sized businesses, with very few exceeding \$50 million in revenue. They are composed of family-owned firms that conform to the following definition of a family firm. That is, firm which meets any one of the following criteria:

1. Other family members work in the day-to-day operation of the business.
2. The owner intends to pass on his or her ownership position to a close relative(s).
3. The owner considers the firm to be a family business (self-described).

### **Methodology**

Using the results of the two surveys, the researchers conducted a descriptive and a comparative analysis of the two samples. The determination of statistically significant similarities and differences was based primarily on the use of chi square analysis, given the discrete nature of the data collected.

### **Results**

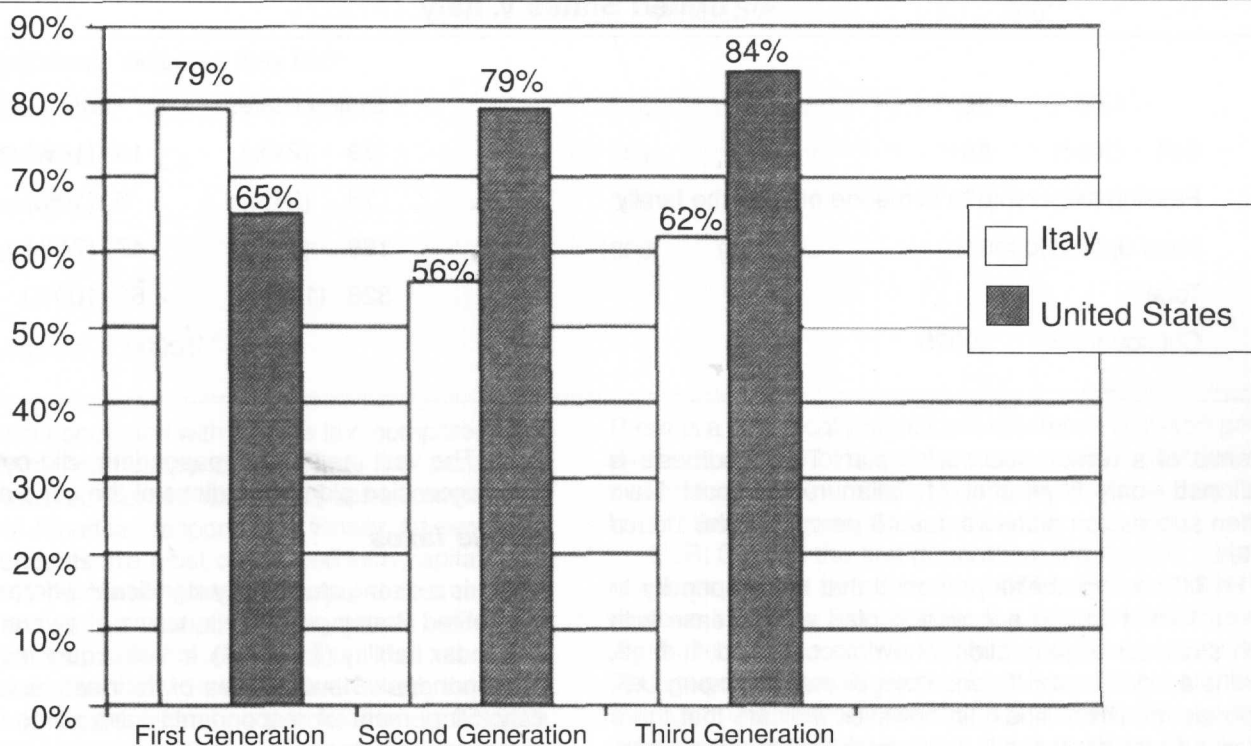
Three aspects of succession—intention, encouragement and succession planning (including estate planning—were examined.

#### **Intention in Succession**

H1A: The intent to pass ownership to the next generation would be stronger for Italian family firms than for American family firms. Overall, this hypothesis was not confirmed. It is strong in both countries. This confirms the overall importance of succession in family-owned firms. There is no statistically significant difference in intention to pass on ownership to the next generation between the United States and Italy. However, the respondent's generation seems to affect intention to pass ownership on, as indicated in the results to hypothesis H1B.

H1B: The results of this analysis indicate that in both countries there is a statistically significant difference in the impact of the respondent's generation on intention to transfer ownership to the next generation (Exhibit 1). There is a stronger indication of an intent to transfer ownership to a close family relative among the first generation Italian respondents than in the United States (65% United States versus 79% Italian). However, in the second generation, there is a stronger indication of intent to pass ownership in the United States than in Italy (79% U.S. versus 56% Italian). In the third generation, the intent is stronger in the United States than in Italy (84% U.S. compared to 62% Italy). The tendency in the U.S. sample, therefore, is an increase in the intent to pass on ownership, while the inverse is true in the Italian sample.

**Exhibit 1**  
**Intention to Pass Ownership to Close Relatives:**  
**United States v. Italy by Generation**



In response to the question "Do your plans involve selling the business, passing it on to someone outside the family, or keeping your options open," the researchers found a statistically significant difference between the responses in the Italian sample and those in the U.S. sample. In the United States there is a greater propensity to sell or liquidate (24%), versus 16 percent in the Italian sample. In the U.S. sample, there is also a greater propensity to pass the business on to nonfamily members (24%), while only 10 percent of the Italian sample reflected that intent. Keeping the options open was a popular choice among both U.S. (52%) and Italian (74%) respondents. There was a statistically significant difference between the United States and Italy in terms of the intention to keep options open by generation. The trend increases constantly in Italy, but decreases constantly in the United States (Exhibit 2).

### ***Encouragement in Succession***

H1C: The researchers expected Italian firms, more than American ones, to encourage the next generation of family members to participate in the business. The findings revealed that there is a greater tendency in Italian firms than in American firms to encourage the next generation of

family members to participate in the business. (88% in Italy, versus 79% in the United States) (Exhibit 3).

H1D: It was assumed that early generations would tend more to encourage family members to join and participate in the business than would later generations. The study results, however, indicate no statistically significant difference among generations in the U.S. sample. However, in the Italian sample, there is a significant statistical difference among generations (chi square = .028). Ninety-nine percent (99%) of the respondents in the first generation encourage family members to join and participate in the business; 90 percent in the second generation; and 65 percent in the third.

### ***Succession Planning***

H1E: Italians would tend less to have a formal written succession plan than would U.S. firms because the legal and fiscal requirements in the United States seem to be more demanding and complex than those in Italy. Such legal and fiscal complexity would be added incentive to American family firms to develop a formal written succession plan. The results indicate that there is a very strong statistically significant difference between the United States and Italy

**Exhibit 2**  
**Current Plan for the Future of the Family Business**  
**(in the case where passing ownership to a family member is not contemplated):**  
**United States v. Italy**

|   | <i>United States</i> | <i>Italy</i> |
|---|----------------------|--------------|
| Sell  | 79 (24%)             | 10 (16%)     |
| Passing ownership to someone outside the family | 78 (24%)             | 6 (10%)      |
| Keep options open                               | 166 (52%)            | 47 (74%)     |
| Total   | 328 (100%)           | 63 (100%)    |
| Chi square =                                    | .0025                |              |

in terms of a written succession plan. The hypothesis is confirmed—only 8 percent of Italian respondents have written succession plans versus 45 percent in the United States.

H1F: This hypothesis proposed that the propensity to have a formal written succession plan will increase with each successive generation was not confirmed. Indeed, there is a significant difference by generation among U.S. respondents. These findings, however, indicate that there is a significant decrease in the percentage of written succession plans in the U.S. sample, especially between the second and third generations (from 47% to 37%). The direction of this trend is the opposite of the prediction. The researchers thought that the older the generation, the greater would be the need or inclination to have a formal succession plan. In the U.S. sample, 51% of the respondents in the first generation had a formal succession plan. Forty-seven percent had one in the second generation; and only 37 percent in the third. In the Italian sample, there was no statistically significant difference among genera-

tions. The vast majority of respondents did not have a formal succession plan, regardless of the generation.

#### **Estate Taxes**

There is a strong statistically significant difference between the United States and Italy in terms of awareness of their estate tax liability (Exhibit 4). In both countries, 15 percent of respondents have no idea of their estate tax liability. In Italy, 50 percent of respondents have some idea of their estate tax liability, while only 26 percent of respondents in the United States have some idea. Finally, 35 percent of respondents in Italy have a good idea of their estate tax liability, while 59 percent of American respondents have a good idea. There is no statistically significant difference among generations, in the United States or in Italy, in the awareness of estate tax liability.

Findings to the question as to which tax (income tax, capital gains tax, and estate taxes), most concerns respondents, showed no statistically significant difference between the two countries' responses. In Italy, 53 percent of respon-

**Exhibit 3**  
**Encouragement/Discouragement of Children Participation**  
**in the Family Business:**  
**United States v. Italy**

|                                | <i>United States</i> | <i>Italy</i> |
|--------------------------------|----------------------|--------------|
| Strongly / somewhat encourage  | 662 (79%)            | 79 (88%)     |
| Strongly / somewhat discourage | 178 (21%)            | 11 (12%)     |
| Total                          | 840 (100%)           | 178 (100%)   |
| Chi square =                   | .045                 |              |



**Exhibit 4**  
**Awareness of Estate Tax Liability:**  
**United States v. Italy**

|                                 | <i>United States</i> |        | <i>Italy</i> |        |
|---------------------------------|----------------------|--------|--------------|--------|
| Respondents indicated they had: |                      |        |              |        |
| No idea                         | 152                  | (15%)  | 32           | (15%)  |
| Some idea                       | 261                  | (26%)  | 108          | (50%)  |
| Good idea                       | 569                  | (59%)  | 76           | (35%)  |
| Total                           | 1009                 | (100%) | 216          | (100%) |
| Chi square = .00001             |                      |        |              |        |

dents are most concerned with income tax, compared to 48 percent of American respondents. Thirty-five percent of Italians are most concerned with estate taxes, compared to 35 percent of American respondents. Finally, 12 percent of Italian respondents are most concerned with capital gains taxes, while 17 percent of American respondents made this choice. There is no statistically significant difference between generations in the choice of tax that most concerns respondents in Italy. In the United States, there is a statistically significant difference across the generations. Income tax as a concern stays constant across generations, (35% first generation, 36% the second, 29% the third). Capital gains as a concern decreases across generations, with 41 percent the first generation, 28 percent the second, and 31 percent the third. Finally, estate tax as a concern increased across the generations, with 25 percent the first, 29 percent the second, and 38 percent the third.

### **Governance**

The researchers examined whether these family firms had a board, the size of the board, the number of family members compared to nonfamily members on the board, and how these family firms manage conflict over governance issues.

H2A: First, the researchers found no statistically significant difference between Italy and the United States in terms of whether they have a board of directors. Seventy-one percent of Italians responded yes, they have a board of directors, and seventy-four percent of American respondents have a board of directors. The existence of a board of directors is not affected by the generation of the business in either country. However, in the first generation of family firms in Italy, fewer firms have a board (64%), compared to 75 percent in the second generation, and 73 percent in the third. In the United States, the numbers are almost identical across generations (71%, 74%, and 75%).

There is a statistically significant difference between generation and number of board members in both countries, with a trend for larger number of board members as they move toward the third generation and above.

H2B: Beyond the first generation, the number of family members on the board in the United States and in Italy tends to increase. Significantly, the first generation is usually limited to one or two family members. However, after the first generation, these numbers increase substantially.

H2C: The researchers found a statistically significant difference between the two countries in terms of the number of family members on the board. However, they were unable to determine a clear direction in the trend. They did find that the median number of family members who are board members is three family members, regardless of generation of the business.

H2D: There is a statistically significant difference between Italy and the United States in the way in which the family group resolves differences over managing the business (Exhibit 5).

Not only does the overall chi square indicate a difference, but in addition, the researchers detected substantial differences in the response "discuss the issue and the owner decides how to handle the matter." This response is more frequently chosen in the United States, whereas "overlook the differences and wait for things to work out on their own" and "accept the differences and learn to live with them" were more frequently chosen in Italy. This finding would confirm a more conciliatory and less confrontational attitude in the Italian sample.

### **Summary and Conclusions**

In this comparative study of Italy and the United States, two aspects of family business functioning were examined: succession and governance. The impact of generation on these variables was also explored.

**Exhibit 5**  
**Resolution of Differences over Managing the Business**  
**(Comparison of Responses in %):**  
**United States v. Italy**

|  | <i>United States</i> | <i>Italy</i> |
|--|----------------------|--------------|
| Discuss the issue and reach an agreement by consensus    | 48                   | 46.5         |
| Discuss the issue and vote on a resolution               | 6                    | 8.5          |
| Discuss the issue and owner decide                       | 34                   | 22           |
| Overlook the differences and wait for things to work out | 2                    | 5            |
| Accept the differences and learn to live with them       | 6                    | 18           |

Chi square = .0366

Some significant differences and similarities were detected with regard to succession. The intention to pass ownership to the next generation is, overall, the same in the United States and in Italy. However, Italians are more inclined to have this intention in the first and third generations. Another significant finding is that Americans are more amenable to selling or to passing the business on to nonfamily members. Americans also have a greater tendency to plan for succession. As far as estate taxes are concerned, Americans are far more aware of their tax liabilities than are Italians in family firms.

This study of governance indicates there are significant differences between the two countries. The differences arise around the presence of family members on the board, but not on the existence of the board itself. In looking at the issue of resolving differences over managing the family business, Americans were more inclined to discuss the matter and let the owner decide, whereas Italians were more prone to overlook the differences and wait for things to work out by themselves.

Overall, throughout the study, nationality seems to be more significant in succession and governance decisions and preferences than does the generation of the family business. The fact that this study was limited to the United States and Italy makes it difficult to generalize the findings on succession and governance of family business to other

countries. However, since nationality seems to play an important role, the findings could be tentatively extended to other cultures with similar characteristics. For example, given the strong family unity component of Latin cultures, the higher tendency of Italian family businesses to encourage the next generation to take over, or the more conciliatory way of resolving differences could be extended to other Mediterranean and Latin American countries. This could be particularly valuable for American companies and professionals trading or operating with family business counterparts in these geographical areas.

This study was a first attempt at comparative research on family businesses across different cultures. Therefore, several directions can be suggested for future research. The research could be extended on a longitudinal basis, following up with similar data collection at regular intervals of two to three years. This would allow researchers to detect possible trends and variations on the same issues. The sample could also be more accurately stratified by size (small versus medium and large companies) to assess potential differences in succession and governance patterns.

Finally, the same variables could be more accurately investigated by adding more questions concerning, for example, selection criteria for heirs, and the use of family councils and retreats to resolve differences and conflicts among family members.

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**Alberto Zanzi** is an associate professor of management at Suffolk University. He teaches in the areas of family business, organizational behavior, international business, and management consulting. Dr. Zanzi received his B.S. and MBA from Utah State University and his Ph.D. from the University of Southern California. He has been a research scholar at the Harvard Business School, a graduate of the NTL Institute and a visiting professor at Bocconi University in Milan, Italy. His work has appeared in the *Journal of Management Studies*, *Journal of Organizational Behavior*, *Business Forum*, *Journal of Management Education*, and *Journal of Management Issues*.



**Colette Dumas** is an associate professor of management at Suffolk University. She received her Ph.D. from The Fielding Institute in Santa Barbara, California. Dr. Dumas's book *Counseling the Entrepreneur* was published by the Institute of Canadian Bankers in Toronto, Canada. She has been awarded major grants from research funding agencies, including the prestigious Social Sciences and Humanities Research Council of Canada, to study the challenges faced by family-owned businesses. Her numerous articles have appeared in *Family Business Review*, *Journal of Leadership Studies*, *International Journal of Value Based Management*, *Entrepreneurship Theory and Practice*, *International Journal of Economic Development*, and *Journal of Humanistic Psychology*.