LUISS

Department of Business and Management

Chair of Financial Statement Analysis

Who is the Ultimate Owner? An Empirical Analysis of the Relationship between Firm Performance and Corporate Governance on Italian Family-Owned Listed Companies.

Prof. Saverio Bozzolan

SUPERVISOR

Prof. Barbara Sveva Magnanelli

CO-SUPERVISOR

Bartolo Santarpino
Matr. 718891

CANDIDATE

Academic Year : 2020/2021

ACKNOWLEDGEMENTS

The conclusion of this master thesis represents the end of a cycle and I look forward to seeing what the future holds for my next ones.

I would like to express my deepest appreciation to Professor Bozzolan, who not only accepted to be my Supervisor, but also guided me carefully during the drafting of this empirical master thesis. His genuine passion for Financial Statement Analysis really inspired me into the area I want to proceed in my career.

To my mother, for her mentorship, which allowed me to thrive during this process.

To my father, who always inserted me in the entrepreneurial environment.

To my brother and sister, who share the same passion for education.

To my friends, who gave me all of the support when I faced difficult challenges.

To my relatives for making huge sacrifices to guarantee that I would have the best educational upbringing, and for always making themselves present, even when we were physically distant. I thank you for enabling me to achieve all of my goals, and to follow the path I felt most inclined to. I hope to repay you for the unconditional trust that you have always deposited in me.

INDEX

CHAPTER III – **Empirical Analysis of the Relationship between Firm Performance and Corporate Governance on Italian Family-Owned Listed Companies**

INTRODUCTION

The Family Firms performance, as well as the strength to create value, have been discussed for years (Passeri and Mazzi, 2012; Morresi, 2009; Barontini and Caprio, 2006). The question, which is part of the broader line of investigations that studies the influence of both ownership and governance structures on business outcomes, and the perception of competitive benefits, has interested different inquiries, given the great diffusion of family businesses around the world. They represent the prevailing form of government of the global economic system (Sharma, 2004; Anderson and Reeb, 2003).

The interest of critics in the relationship between family ownership and performance, especially of an economic and financial nature, is also caused by the distinct nature of family businesses, deriving from the interaction between the family and market systems, from which it arises. A complex of unique and non-replaceable sources, which can be summarized in the theory of familiness (Habbershon and Williams, 1999). Habbershon et al. (2003), specifically, speak of peculiar and constrictive familiness, referring, in the first case, to the positive influence that the familiarity of the company has on business results (Villalonga and Amit, 2006); in the second instance, to a deformity of the family effect on performance, due to the higher complexity that defines family business (Milton, 2008) affecting the processes of value creation.

This latter can be defined as the *dark side* of the Family Firms System (Lubatkin et al., 2005). Starting from such contrasting consequences that, in the business reality, the presence of family members in the ownership and governance of the corporation could generate on company performance, this work aims to plan and review the results achieved by the studies so far. Conducted on the topic, in an attempt to define the current state of the art and provide indications for future research developments.

Anyway, Family Business represents the majority of organizations all around the world (Sharma, Melin and Nordqvist, 2014). As such, they play a key role in the economy, significantly contributing to the creation of new jobs and the development of communities and countries. According to researchers in this field, 60% to 90% of businesses worldwide are family-owned or family-controlled (Martinez and Aldrich, 2014). Family businesses have been traditionally associated with SMEs. Yet family companies range from family members to large multinational enterprises (Lansberg, 1983). Family Firms Industries not only own small and mediums sized firms, but they also control a large share of large businesses. The most prominent feature of family enterprises is that they are composed of families who are the engines in creating companies and making them grow (Aldrich and Cliff, 2003), and whose combined ownership constitutes an important determinant because families have the power to decide and to make things happen their way.

The family business handles simultaneously typical business issues, such as growth and competitive advantage while dealing with a “complex set of social and emotional relationships” (Fletcher, 2002, p. 4), derived from their coincidental systems, the family and the business (Lansberg, 1983). Recent studies highlight the heterogeneity of family firms (Corbetta and Salvato, 2004; Wright, Chrisman, Chua, and Steier, 2014), pointing out the differentiating agents, like culture, the ways of managing the company, their diverging aims, mission and strategy that constitute idiosyncratic resources, getting to distinctive results (Lansberg, 1983).

Recent investigations, however acknowledge that family firms outperform their non-family counterparts because they “leverage entrepreneurial experience and knowledge that can shape local economic development” (Westhead and Howorth, 2007, p. 405), they are able to better configure their governance choices in a more balanced way, and they have a unique bundle of resources that allow them to achieve competitive advantage (Habbershon and Williams, 1999).

So, there is ‘a clear need to focus research efforts on the uniqueness of family firms which differentiates them from other organizational forms’ (Gomez-Mejia, Cruz, Berrone, and De Castro, 2011: p. 695). For this reason, the dissertation tries to study many important sectors like the governance, the resource-base of family businesses, or performance. About family industry, many efforts have been mainly done towards theoretically developing the concept of *familiness* (e.g. Habbershon and Williams, 1999; Habbershon, Williams and MacMillan, 2003). As regards the Family Firms professionalization, it is extremely important to take into consideration contingent factors such as family characteristics, business characteristics, and managerial approach. From an accurate examination of the studies, collected through a review process of the literature (Tranfield et al., 2003), the dissertation investigates the positive effect of the family nature of the company on performance. This evidence leads to the formulation of research hypotheses which, tested through the meta-analysis technique and the application of meta-regression, allow to statistically integrate the measure of the effect, reliably estimating its strength, and to recognise the causes of heterogeneity. The thesis presents a survey of the literature and, through the examination of the existing theoretical and empirical knowledge, reaches the definition of the research hypotheses. Subsequently, it describes the process of systematic collection of studies and the application of the meta-analysis technique. It, therefore, proceeds to order and statistically integrate the different results of the empirical-quantitative studies (Rutherford et al., 2008; Sharma, 2004) and to verify the existence of heterogeneity between the results through statistical diagnostics. Finally, the work discusses the possible moderation variables to be considered in future studies on the subject.

Hence, the interesting question worth exploring, and investigated by the thesis is: *Who is the Ultimate Owner in Family-owned listed companies?*. One of the main difficulties facing family firms is to perform a balance between family and non-family employees in the workplace. Family and non-family employees have the potential to offer a different supply to the firm, which makes the performance of equity between them considerably complex. The dissertation tries to examine the reason why family business decision-makers and advisors should promote fair practices in the family business workplace. The exposition first introduces a process model as a possible solution for family businesses to benefit from developing fairness in the workplace for achieving long-term family business success.

So, the investigation focuses on the corporate governance of family firms, as regarding ownership, the board of directors and management, to identify the most important areas of intervention to support their performance. A great part of Italian firms is family-owned, where ownership, the board of directors and management are controlled by the so-called *ultimate owner,* that is a unique member, one family or two at most. This type of firm is defined as "*closed*", where the cultural and socio-emotional preferences can form the decision-making and behaviour of family firms. Family firms are particularly concerned about the protection of their socio-emotional benefit, and for this reason, they perceive the involvement of non-family parties in governance as a threat to its maintenance.

On the other hand, education has got great importance as it affects performance and innovation as well. Firm leaders with a higher level of education are associated with family firms that exhibit more open management. Therefore, the openness of governance structures is important for performance and innovation. Family firms play an important role in the Italian economy, so the dissertation investigates the dimension of managerial board-structure and skills as they express a relevant key-point for Italian productivity.

The thesis, in all its sections, is guided by a quantitative research approach, following selected data, to demonstrate the main variable measurements occurred. Quantitative methods are appropriate to study phenomena that release over time, as a way to complement the dominant quantitative works, by capturing "*the specific complexity and dynamics unique to family businesses*" (Nordqvist et al., 2009). Using quantitative research the analysis can explain the heterogeneity of family businesses by taking into account the specific data collection taken by Institutes concerning this context studies. This approach provides a solid basis for understanding dynamic processes within organizations and is also an important instrument for theory-building that can move the field of the family business foremost. Quantitative methods are proper to better understand some complementary aspects of this remarkable field of study.

The dissertation has taken into consideration several publications and data collection, right for assuming what theories have been developed by the Family Business sector and which are the main features having great importance about Family Firms to go public. The foremost tool of the investigation was made up of publications, books and articles focused on keywords research like "*family firms*" or "*Family Italian Ownership Business*" also taking into account a specific time border covered by the data collection (2010-2019). The analysis is particularly focused on some critical aspects: literature, methodological issues, theoretical framework, and the main conclusions of the theme investigated. The papers and publications reviewed are focused on the approach of family businesses to market control, and particularly on the most important elements of family entrepreneurship, such as the *"familiness"* (Merino et al., 2015). Many studies have paid great attention to the influence of the family presence within the firm, considering its effect both on the ownership and on the management (Piva et al., 2013).

As far as the methods of the dissertation, the greatest part of the studies has opted for a quantitative analysis, concerning research subjects and presenting the strategies adopted by the family firms in the market control process. The main objective of this thesis, therefore, is to analyse the economic-financial context of Family Firms Business and all the determinants that have allowed it to grow at such a dizzying pace. After carrying out this analysis, particular attention has been paid to define the real value of the Family Firms Framework. The exposition is divided into three chapters; from an initial analysis of the Family Firm Entrepreneurship development and business model, the report investigates the main processes involved in this field, while in the third section there is a data collection taken by Consob and Borsa Italiana official papers.

The first chapter, starting from a literature overview regarding the specific sector proposes a conceptualization of Family Entrepreneurship, examining the family unit itself and highlighting the main determinants in Family business which are autonomy, innovativeness and competitiveness. This section also focuses on the market control by family and non-family firms, taking into account the particular factor of socio-emotional wealth (SEW) and brand reputation.

In the second chapter, the thesis studies the specific issues of ownership, governance and performance involved within the Italian Family Firms dynamics. This part also defines the concept of Corporate Governance, investigating its recent legal developments, through the Consolidation Act and the Consob institution. Then it focuses on the structure of the Board of Directors in Family Firms, describing the tasks admitted to insiders, affiliates, and independents. The chapter offers an inquiry of Agency and Stewardship Theories, and a definition of the main components of Family Business Performance, explaining also the elements of the Socio-Emotional Wealth setting and providing a qualitative comparative analysis.

In the relationship between the Board of directors and Firm Performance, there is great importance accorded to the innovation factor in the Family Ownership System, presented by some successful models. Another relevant key-point in the chapter is also the investigation of the reason why Italian Firms decide to go public and get listed. Finally, the section offers a focused analysis on Covid-19 impact on Italian Firms.

The third chapter reviews the Italian market, according to data collection, and advances an empirical analysis of the structure, paying attention to the essential variables for Family Firm Industry, its control and value. The part is led by the study of the variable measurements taken by Consob Data collection and the companies listed on *Borsa Italiana,* within the period 2010-2019. In the last part of the chapter, there are some considerations about the main results, discussion and conclusions about all the family firms industry.

As concerning the contributions, this exposition aims to investigate the family business field by exploring family industry from a contingency perspective. In doing so, this investigation tries to recognise the complexity, heterogeneity, and nuances that characterize family business. The main theme of the dissertation concerns how family businesses change and renew processes over generations. It is based on studies and data collection focused on the dynamic composition of families, and the way resources might be reconfigured for adapting to market control.

As complexity increases the family-owned firm can be supported by the development of the Entrepreneurial Family Teams, which allows the improvement of governance structures. Many studies have confirmed that both the personality of the entrepreneur and the family model greatly characterise the business foundation. Thus, Family Business represents a highly relevant system that is affected by specific critical aspects. The aims of this study are focused on exploring this institutional overlap in the Italian family industries and to assess the role played by the "*family business culture"* (Dyer, 1989), intended as the specific cultural traits of the whole integrated system that comprises the family firms sector. Some of the most important key-points of family businesses are the familiness, the importance of the identity and the status, the identification and the emotional attachment of family members to the firm. There are also some negative aspects: the excess of safeguard or internal direction that can lead to stagnation, the capital and managerial constraints, which are sources of competitive disadvantage or the uncertainty due to the generational changeover that can undermine the resources of the firm and affect its competitiveness (Miller et al., 2006). The balance between positive and negative aspects can lead to different solutions and realities. Nevertheless, the family is still covering important roles within the Italian business sector, carrying out different activities that concern the strategic choices, the management and the communication channels of the firm, but also the innovation in the performance. So, the family can still give a great contribution to the firm, acting following the best of the enterprise.

CHAPTER I

FAMILY FIRMS: LITERATURE REVIEW

There is no doubt about the relevance of the economic impact of family businesses and their contribution to job creation and wealth generation. Nowadays, the role of family businesses is vital because these firms represent two-thirds of all businesses around the world. That's why, in the last decade, several theoretical and empirical studies have been produced throughout the international business literature about entrepreneurship and family business.

By the way, entrepreneurship can be considered as the *focus* of the family business, so it cannot be denied that the family influences the economic and social strategies of its members. Right for this, family can be considered the oxygen feeding the fire of entrepreneurship.

Additionally, family business entrepreneurs try to build businesses that are also family institutions, right for this, family forces on entrepreneurship, but also entrepreneurial orientation, corporate entrepreneurship, innovativeness and entrepreneurial risk taking, are the most important topics in family business research.

However, some questions remain unresolved such as whether family firms are more or less entrepreneurial than non-family ones, or the extent to which corporate activities in family firms can be considered a good value creating tool. Recently, the concept of family firm as a research field analysing entrepreneurial behaviors of family business and its members explores this sector by taking into account the possible interplays occurring among the individual, the family, and the family business, in order to offer a conceptualization of this specific field economic area. This conceptualization is based on the premise that the field can be analyzed by taking into consideration the presence of different actors and levels of analysis. We can identify some important factors in this system such as individual, family, family business, and the dynamics among them.

1.1. A conceptualization of Family Entrepreneurship

Family business can be considered a dynamic area of growing interest among researchers and policymakers, and the most common form of business entity and an important source of economic development and growth (Family Business Year Book 2014, Zahra et al., 2004). Family firms have distinct features compared to their non-family competitors, so entrepreneurial activity is a common characteristic of many family businesses (Berrone et al., 2012). Today, in a global system of uncertainty and of rapid change, it is essential to find even new opportunities to enhance entrepreneurship. It is really necessary to understand the importance of entrepreneurially oriented family firms, in order to analyse the conflicting literature dealing with this topic.

The first step is to illustrate what is intended for family business and also the most relevant dimensions for the entrepreneurial orientation system, considering both theoretical frameworks and empirical studies. After this, it is possible to present an empirical analysis of the Italian economics context, aiming at investigating the existent connection between the non-economic pursuit and attitude of family businesses within the entrepreneurial process (Berrone et al. 2012).

Chua et al. (1999) analyse the problem of a clear definition of a family business, proposing a theoretical consideration based on behaviours. In this perspective, the family business can be seen as an activity controlled and/or managed with the intention to pursue the theories of the business owned by a dominant group. This latter is controlled by members of the same family, or a reduced number of families. This type of business can be defined as unique, where the system of ownership, governance, management and succession effectively influences the activities' purposes, strategies and structure itself.

According to Zahra (et al. 2002), family firm is a kind of business based on a share of ownership characterized by at least one family member, but having different generations in leadership positions. Evenmore, the family businesses can be considered a great range of activities in which an entrepreneur, and one or more family members manage to influence the firm itself, thanks to their managerial or board participation, the ownership control, or by their strategic preferences of family's culture and values (Poza, 2013).

According to Poza (2013), if the three outlined systems are considered in their extreme aspects, it leads to a strict categorization of family businesses based on their propensity to have a family-first, ownership-first or management-first vision and directions. Family-first businesses are centred on the importance of the family, so the members belong to the same generation and receive equal payments regardless of merits, results or responsibility. These kinds of companies are characterized by a lack of transparency, where the business becomes part of the lifestyle. In management-first business, the employment is based on qualification where family members and performances are equally reviewed between family and non-family employees, with compensations based on their responsibilities and performance levels. In this context of action, the business prevails over family issues. In ownership-first business, the most significant issues are investment time and perceived risks. This kind of business may have shorter time frames in which financial results are evaluated, so the patient capital, which is one of the keys to achieve competitive advantage, may disappear.

The family business system has a great complexity deriving from the different goals and operating factors that characterizes each subsystem and so they are linked to the consequences of boundaries among the family, ownership, and management subsystems as well.

Usually, family rules may prevail over traditional firms' rules, so the emotions can become important issues to be taken into account. Following the theories exposed by Habbershon and Williams (1999), a family business is distinguished by an idiosyncratic bundle of resources, concerning the family and organizational processes, which holds the potential results for performance advantage.

In this context, the firm can set together all the elements making them get connected in a systemic interaction between the business entity and the individual family members, also taking into consideration the ownership structure, customers and market fields, according to the desire to protect the family name and reputation. All these factors are at the basis of the firm's competitiveness and performance results (Poza 2013).

Family firms are characterised by distinctive features making them differ from non-family firms. Gómez-Mejía et al. (2011) stress the importance of non-economic factors in the control of the firm as the key distinguishing element. They consider the strong emotional component, focusing on the identity of family members which is strictly linked to the firm. Evenmore, the outside perception of the business directly affects the image and reputation of the family itself. It is also really important the ability of family members to exercise authority over the business, that is relevant for getting emotional satisfaction. There is also a strong desire to introduce the family values within the business, consequently influencing the development of the firm culture. These elements can be considered along with the concept of *socioemotional wealth,* SEW, as indicated by Gómez-Mejía et al. (2007).

By SEW they refer to non-economic key-points of the firm that match the family's affective desires, that are the identity of the firm, the ability to exercise family influence and carry on the family dynasty.

This theoretical model, advanced as an extension of the Behavioural Agency Theory (Wiseman & Gomez-Mejia, 1998), tries to indicate the complex of affect-related value that a family takes from its controlling position in a particular firm, requiring a closer identification with the firm which can usually been identified by the family's name.

The value of SEW is intrinsic for the family, and for this reason, its preservation is deeply anchored at a psychological level among family owners. SEW preservation is the fundamental reference point of firm strategic choices (Gómez-Mejía et al., 2007). Berrone et al. (2012) consider SEW as a multidimensional concept, so in their study they try to find a link between SEW and the entrepreneurial process.

Entrepreneurial family businesses continuously look for organizational renewal, innovation, constructive risk-taking and new market opportunities, thus they play a relevant role in leading global economic growth (Zahra, 2003).

Berrone et al. (2012) suggest to point out how socioemotional factors can influence either strategic choices and the performance outcomes. They also demonstrate that it is essential to focus on family firms which are more likely to have considerable impact on entrepreneurial activities and firms' performance, also considering the entrepreneurial orientation system as an important framework for research into this type of business entrepreneurship. So, the *socio-emotional* perspective can help to better realize why family firms have a specific entrepreneurial strategic construct.

1.1.1. Family as a Unit of Analysis

The Family firm has its sources and history linked to a family (Bernhoeft et Gallo, 2003) or it is identifiable with a family for at least two generations (Donelley, 1964). According to Davel et al. (2000), a family firm gathers four important components, that can be designated as:

a) The family entrepreneurship must have ownership and this can hold the total, major or minor control on all the activities;

b) The family firms must influence the definition of the company's strategic management constructs;

c) The firm's values can be identifiable and influenced by the family's entrepreneurships;

d) The family businesses should indicate the succession process of the company itself.

For classifying a family firm, the main criteria are connected to the ownership of business, the family values and traditions, but also the family's control and its influence on the succession process. In the family firms, one or more families have ownership control and can participate in the management of the company. The most relevant difference for family firms lies in the close connection with a family members group that can directly influence both its governance and management (Colin et Colin, 2008).

So, this recognizes that the family company must comply with three important requisites:

a) family entrepreneurships should be able to get shareholders control over the company, since they have the majority of the votes or because they have the power to influence and guide the governance of the company in some important aspects;

b) family businesses have a great presence in the governing contexts of the company;

c) there should be constant and direct participation of a member of the family in the top management of the firm itself.

In this conception, the firm with its family specificity is a qualitative variable, namely the assurance of generational continuity stems to get the ownership control, governance and management in the company (Floriani, 2007).

Family firms are fundamental in the economic activity as underlined by their participation in creating wealth and employment throughout the world, also driving entrepreneurial activities and contributing to innovation processes. Today, family firms can assure the continuity of succeeding generations, can increase their dimension by professionalising their management, and improve technological systems of innovation (Carlock et Ward, 2010).

Family company investigations have focused on the business system almost forgetting the most significant family variables (Bertrand and Schoar, 2006; Danes, 2014), characterizing the distinguishing feature from other forms of organization and specific family firms' heterogeneity. (Sharma et al., 2014).

Furthermore, the family is considered as a transferor of distinct forms of capital, that are social, cultural, financial, and human (Danes, 2014; Sorenson, 2014), requiring a wider perception of how this displays. Family business dynamics highly depend on the system of each family organisation (Corbetta and Salvato, 2004; Nordqvist et al., 2014). Martinez and Aldrich (2014) describe the high recognition families have in sociology for different purposes, that are their capacity to produce social and geographical mobility and to socialize children and adults (Parsons and Bales, 1955).

Families are really necessary for the construction of their generations (Parsons and Bales, 1955) as they carry values concerning business growth. This is an important issue to consider in the study of the family business field, because the way a family works will determine the family company dynamics (Nordqvist, et al., 2014), and also the future behaviour of generations toward family enterprises.

Preceding studies have observed that entrepreneurial parents enhance the probability to be self-employed in the next generation (Scott and Twomey 1988; Arum and Mueller 2004), as the presence of powerful relationships can positively lead to the start of a business (Sequeira, et al., 2007). Cohesion within entrepreneurial families is helpful, but it can also prevent the capacity to innovate (Sequeira and Rashhed, 2006).

While some attempts have been taken to analyse the family variable in family enterprise studies, the way families operate and its impact on the business should be better examined, right to reveal how a family acts and how the family members handle their position, also modifying the way children behave toward the family company.

Early investigations suggest that entrepreneurial parents convey entrepreneurial values and purposes (Miller and Swanson 1958), yet high levels of resources do not inevitably lead to a capacity to create businesses (Kim et al. 2003). Parenting methods may demonstrate why this happens. This is why property and family complexity are unpredictable variables.

1.1.2. Ultimate owner: an individual or a family

The space that family firms handle in today's market claims to understand the decision-making process in these kinds of companies, particularly the process that rises within the family structure and guides the firm. To explain these rules it is important to comprehend the relationship between the family's resources and the method to perform the business itself.

Family firms have enhanced an important range of study in the last 20 years. The expanding function of these firms in the modern marketplace has attracted the consideration of academics. Notwithstanding the jargon used to name these firms, academics are now conscious that there is very little information about these searches that represent some of the most important driving strengths of today's market. Family companies can be interpreted as the chain of personal and structural relationships, between people belonging to the same family concerns, which impact corporate governance.

These systems include four determinants: effective, financial, informative and political, but all of them change in each company. The weight of each trait in every family firm's system defines the level of control for corporate governance in the business. Family firms administer flexible control methods to solve their internal disagreements (Hirigoyen, 2002). Corporate Governance can be considered as a set of legal and institutional mechanisms having the aim to protect the shareholders' interests and to reduce the agency costs due to the separation between ownership and control (Rezaee, 2002). Corporate Governance can be considered as the set of mechanisms that influence the decisions made by managers when there is a separation of ownership and control (Larcker at al., 2007). Corporate Governance can be considered as a "*bundle*" of internal and external processes, aiming to reduce the interests' misalignments among the firm and the different stakeholders who have relationships with the firm itself (Hanson and Song, 2006). The differences in CG systems are mainly due to the dissimilar institutional and cultural contexts (Daniels and Morck, 1995; Roe, 1993). The efficiency of CG mechanisms in solving corporate agency problems and conflicts of interests depends mostly on the type of corporate governance system adopted by the firm (Franks and Mayer, 1996; Shleifer and Vishny, 1997). Corporate Governance studies how shareholders, owners of the shares, nominate and control directors who are in charge of monitoring and regulating the company's activities. A manager is a person who is in charge of the specific unit or department of the organization and is responsible for its performance. Managers could be directors and the ones who concretely manage the company. Comparable to other extended organisational compositions, family businesses' also produce a set of theories, beliefs and practical guidance, to stand and improve themselves in their field, as well as to control their method of performing and their extension. Firms produce different artefacts and corporate compositions to strengthen family balance, ownership and power, the protection of their capital, as well as to transmit a legacy for forthcoming generations, and thus to bolster family governance (Carlock et Ward, 2010). Although there is an indication of these artefacts and corporate arrangements, there seem to be very scarce reflections about family businesses' style. The examination of family businesses' performance presumes understanding the connection between family members. Then, it needs the examination of how family members distribute their distinct positions and advantages, which can be personal, family and business, and that are sometimes opposing. Consequently, it expects the review of the family's system of connections and how they succeed to overlap or combine their different functions and interests. According to Rodrigues (2008), this is realised through the selection of a "family businesses system" that maintains the stability between its affiliates. These schemes usually expect that members taking a place in the firm's groups do not collect different roles. This permits the agents to act more deliberately and to guarantee more clearness in the performance of the firm's statements. In family firms there is a coincidence of figures of control and bodies of performance, having each one a different system. There are nevertheless variations in the governance of family companies that focus basically on having explicit rules about the family's business and how to lead the family firm in an accountable style that preserves and coherently handles its heritage with the family firm's past, present and perception of the future.

Whereas, administration, in family companies, is managed directly by the shareholders or part-owners. They practice distinct governance devices that do not admit the intervention of family problems in the family firm's plans. The investigation of family businesses is still quite restricted to some bounded fields and geographical posts and the introduction to knowledge depends largely on the connection between the researchers and family affiliates. Hence, it is not unexpected that the review of these companies is developing as small lines of a larger issue that will eventually be possible to get together to have a more complex prospect of this subject.

Thus, it is relevant to display a global exploratory about the governance groups of family firms providing a framework to determine the specificity of family entrepreneurship, and focusing on the distinction between family firms and family affairs. In this perspective, the family businesses' balance needs to divide the family's patrimony and the family's business heritage, that is, the family's inheritance which is allocated for the company (Leach 2011).

Family enterprises can be distinguished as a group of people with family connections promoting the expansion of competitive improvements in business they manage, based on the premise that these firms are a source for generating profit for themselves (Floriani, 2007; Zapatero et al., 2012). Nevertheless, most of the changes and crises in these firms originate from involuntary factors, as a result of uncontrolled complexity that derives from the system of alliances between the company itself and the family element, in which family parts play different roles.

Over time pressures may lead to a progressive loss of business competitiveness and eventually the firm may no longer be able to get profits in the marketplace (Kets de Vries et al., 2008; Tondo, 2008). Crises may not only mean the loss of family property, but sometimes they drive to the degeneration of family bonds. According to some researchers, such as Kets de Vries et al. (2008), and Leach (2011), all the businessmen that achieve success in their companies and want to keep ownership, the management and the control of the firm in the following generation should take the opportunity to enter the process of change of the family enterprises, contrarily, this change may signify a menacing point.

According to the critic, when a company cannot achieve profit in the long term it concerns not only the family members, so the owners, but also the other organisational parts, that are the employees, the suppliers, the clients, the financial system, etc. The process of transformation of the family enterprises is, commonly, progressive and structured. It involves the investigation, evaluation, interpretation and implementation of several activities to:

a) Guarantee the competitiveness of the firm and its continuity as a reference to the financial well being of the family, by performing good methods of control and corporate governance of family-owned companies. Some of these firms are engaged in extremely aggressive markets with important risks including the rise of new products and new forms of competitiveness, that have repercussions on the firm's performance. Nonetheless, we can indicate the Porter's five key-points which are the competitive rivalry, the supplier power, the buyer power, the threat of substitution and threat of new entry;

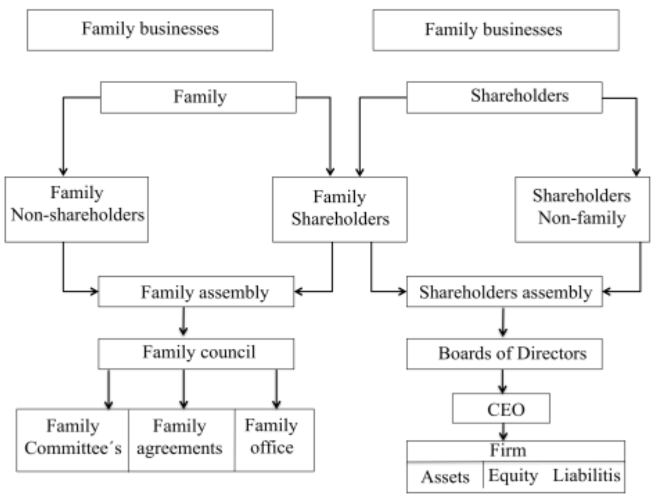
b) Create and/or support the family as part of the work organisation. For the family business to achieve consistent profits it's important to preserve the family, that is, a faction of people with the same values, goals and rules concerning the firm they hold. Consequently, the family must be united to the family's project about the company; provided for the functions that they will have to perform, and empowered, to limit and withdraw the crises and risks for the family business.

The uncertainties for family firms are relevant as integrating new associates, concerning credit rating, the stock market insertion, the asset restructuring. Therefore, the sharing of the family in the formulation of a family order helps begin the process of innovation, but the protocol does not protect the family and the firm from its disagreements or crises (Bernhoeft et Gallo, 2003; Bornholdt, 2005). Nonetheless, the existence of an obligation provides the family and the firm to manage the difficult situation and also to deter them from happening. In the long term, the durability of family business needs not only proper systems of financing but also the consistent support of moral values upon which the family's property was created in its preceding generations. The development of these firms and the necessity to manage the growing complexity of both family and firm also claims the formulation of family protocols. Family firms face the same difficulties as publicly traded businesses combined with the problems concerning the family (Colin et Colin, 2008). Related to any other company, it is common to encourage people, to negotiate and control them in fulfilling the company's purposes, to dismiss them if they don't comply with the job's demands or the firm's aims, and so ahead.

The distinction for a family-owned company is that these resolutions concern members of the family which increases their importance and influences the family businesses. These consequences depend on family businesses' performance and on how they interact and their values. Most family businesses handle these methods without great problems because they have organizational cultures and values that empower them to solve disagreements and to create consensus. Other family companies don't have any dispute and avoid

Figure 1

Structures and Complexity Of Family businesses.



Rodrigues, J., André Marques, M.A. and Gomes Ramos, M.E. (2013). Governance bodies of family business. *Revista de Empresa Familiar, 3*(1), 47-58.

opposition. Notwithstanding family businesses' decisions in managing their problems, there is a method to reduce the consequences of these problems, that is to ascertain a form of organisational governance for every subsystem (*Figure 1*).

In family companies, the division between the public and private field seems to be open in the firm's formal discussion but in the application, it looks difficult to fulfil. For both subsystems to get synchronised, the overlapping of functions performed by associates of the family businesses should be withdrawn.

1.2.Key-points in Family Firms: autonomy, innovativeness and competitiveness

The family business gives great importance to the organizational knowledge for value production, in fact, they are typically marked by a stress on social control and the centrality of their founder. Hence, the organizational cultures may be of great significance for family firms (Zahra et al. 2004). The supervising family's power, decisions and values have dominant influence, they are combined to the aims and purposes set for the company and to the strategy and control processes performed to fulfil those purposes (Sharma et al., 1997), values and concerns that are at the source for the organisational practice.

If we examine the family ownership inside the firm, the fact that family affiliates are part-owners is essential to practice their opinion by restricting or undermining radical innovations that might improve their company's charge and strategic management (Zahra, 2005). Zahra (2005) marks also the effect of the engagement of family parts within the company. Outcomes from recent research determine that an ongoing family, particularly if many generations are examined, can produce further experiences in developing the entrepreneurship approach. Besides, entrepreneurship in small medium-sized family companies is strictly correlated to the bond between family and firm itself, ownership composition, governance and organisational components (Salvato, 2004). These sets of relations range from one model of the family firm to another, according to distinctive properties. Salvato maintains that, freely from every sort of family firm, holding various entrepreneurial concepts and establishing a policy based on these designs rather than on the possible devices will heighten entrepreneurship, which can be raised using distinct advantages depending on the particular setting (Salvato, 2004), including the attention to cultural dimensions that promote active and practical rejoinders to environmental transformation and new possibilities (Zahra et al., 2004). The cultural impact gives the family business uniqueness and it influences the performance of organizational and entrepreneurial ventures (Zahra et al., 2004). The possible benefit is accomplished when the concepts of culture guide the company to be more entrepreneurially determined (Miller, 1983; Zahra et al., 2000). The literature emphasises the significance of Entrepreneurial Orientation features in family businesses and their connection with the culture dimension.

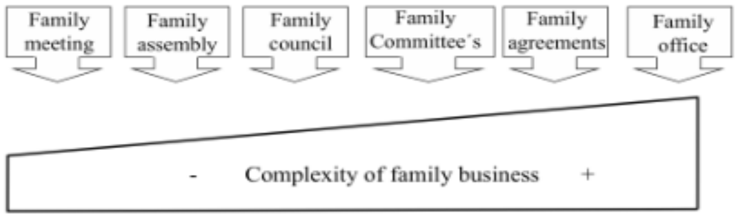
Considering risk-taking and proactiveness it is also important to focus on the characteristics of *innovativeness* (the quality of being innovative), competitive aggressiveness and independence. Innovativeness is central and necessary for entrepreneurship. Following a literature viewpoint, it is possible to convey that family firms may convert to conservative and resistant to take the risks linked to entrepreneurship (Solow et al., 1989); they may incentivize the safekeeping and maintenance of family property (Poza, 2013); they could not discern possibilities in their settings (Salvato, 2004); they could aspire to sustain the *status quo* (Gersick, 1997) and the associated family concerns and affairs can limit their strategic competitiveness (Ward, 1988).

According to the Resource-Based View approach, organizational practice can be a decisive source that produces a sustainable aggressive benefit when it is estimable, unique and difficult to get repeated (Barney, 1986). Italy is a country that is principally marked by family firms. Examining the Italian culture, it is possible to recognise distinct accounts and related traits for each cultural factor.

Figure 2 displays the amounts for each part.

Figure 2

Complexity of the family bodies.



Rodrigues, J., André Marques, M.A. and Gomes Ramos, M.E. (2013). Governance bodies of family business. *Revista de Empresa Familiar*, *3*(1), 47-58.

Providing that the research recognises EO as a fundamental feature in developing the strategy of a company, it is important to realise how the distinct levels of each factor may affect decision-makers. As family firms' plan must include family concerns into its structure (Sharma et al., 1997; Ward, 1988) it is especially interesting to comprehend how EO influence the delineation of purposes and consequently the approach performed by the company. After outlining what is meant by strategy it is important to accept among the references of value which one produces a powerful plan in family businesses, the product, the organisational aptitudes and the family section. Admitting that the subsystem designed by the family could be supported and preserved by competent governance (Poza, 2013), it is essential to understand the intersection between governance and EO. The value of a policy that fosters innovation is broadly accepted and researchers have investigated many traits and features linked to this idea, but just some entrepreneurship researches focus on linking the key notions of EO and outcome innovativeness.

Lumpkin and Dess (1996) recommend that the EO can be considered as a fount of competitive power or important renovation. Efficient EO may be an instance of high-grade strategic control and it reveals the good organizational method and decision-making behaviour of a firm, designing the process perspective of entrepreneurship. Hence it echoes the issue of how new risks are undertaken. EO can be managed by key decision-makers to determine their firm's organizational mission, generate an aggressive advantage and consequently, it may be seen as a means to develop the entrepreneurial strategy-making plan (Rauch et al., 2009).

Following Hart research(1992), strategy planning is an organization-wide aspect that includes outlining, review, decision making, and many features of an organization's knowledge, value policy and purpose. A firm's strategy-making method may be surveyed also as incorporating the whole range of organizational ventures that affect planning, decision making and strategic administration (Lumpkin & Dess, 1996).

Furthermore, strategic administration signifies that aims are being proceeded, a strategy meant to accomplish those purposes and devices in place to perform the strategy and guide the firm's advance to the success of its intentions (Sharma et al., 1997). The literature confirms that the EO factors influence the determination of purposes and consequently the complete strategy of the company. The content of the business-level plan is determined in terms of the firm's overall combination of business methods and competing tactics that are the demonstration of fundamental strategic management. These combine resolutions associated with such topics as financing options, personnel systems, production or work policy, pricing strategy, customer service methods and various others. They are the specific averages through which entrepreneurial attitude and mission policy are fulfilled (Covin & Slevin, 1991). Then, the degree to which an entrepreneurial procedure to strategic planning is valuable will generally be linked to the organizational or environmental circumstances under which the before-mentioned determinations are produced (Lumpkin & Dess, 2001).

In the field of the family firm, the procedure changes from other sorts of companies because it is more suitable to be based on various, complex and developing aims rather than a singular, uncomplicated, and regular purpose and it must include family matters into its structure (Sharma et al., 1997; Ward, 1988). Poza (2013) estimates that its devising is essential for value production and the increase of competitive position. Strategic devising can help both, business and family, to increase the family initiative and improve its lifespan, producing motivation that can support the firm through unavoidable variations in individual viewpoints between the family and the company themselves. Good devising provides power that the family can apply to accomplish the aspiration of many family enterprises, which is sustaining a strong family business for the next generation (Ward, 1988). In family firms, the perfect opening feature for the planning method is the family itself, which has to confirm its level of responsibility to the future of the company (Ward, 1988).

Poza (2013) asserts that the essence of this specific cooperation between the company and the family composes an unusual competency and reference of value that is undeniably associated with powerful control and governance systems for these family-owned and family-controlled companies. This synergy between family and company is indeed based on the before-mentioned SEW, one of the key points that differentiate family firms from other industries. According to Gómez-Mejía et al. (2007), the protection of the socioemotional ability is decisive through the construction of the policy and it converts into the principal source point for leading managerial decisions. Whenever there is a menace to that factor or the possibility to increase it, the family is ready to undertake choices that are not motivated by business reasoning. This theory is even approved by Cennamo et al. (2012) who assert that SEW matches the family principals' framework of reference for practising strategic determinations that are of both effective and regulating reasons, intrinsically bound to the construction and maintenance of SEW.

Ward (1988) recommends that this weaving coincidently of company and family views describes the particular challenge for the family company because it implies that the business and the family systems are deeply interdependent. The system of the business needs the family to define the amount of its responsibility to the company and that responsibility depends on the chances for the firm that the devising process unfolds.

As a result, the family cannot divide strategic business plan from family strategic devising. It must engage both in a combined and synchronous policy. Many companies, both family firms and non-family firms, prefer to keep the status quo, but then this attitude does not support them to generate value for clients and to recognise their essential competitive support. The principal causes of value in family companies recognised by Poza (2013) are financial sources, physical assets, the product and its value and administration, brand equity, organizational skills, customer-supplier combination and a positive family–business alliance. Joining these seven references of value in different ways and consolidating them with the endowment's protection will provide a unique firm model that portrays family businesses.

As respects innovation, Schumpeter (1934) defines it as the financial juxtaposition of something new in terms of outcome, method, the process of production, new business, a new source of supply or a new organization of any enterprise. He maintains that this new compound of devices builds up the business and that it is an imperative trait for defining entrepreneurship. Damanpour and Wischnevsky (2006) distinguish between the generation and the approval of innovations. The generation of innovation introduces situations where a company generates a product, process or technology that was previously unexplored by the market in which the business works. If a firm assumes innovation it absorbs experience and technologies that have been developed outside, so it gets or imitates others' discovery.

Innovation, both generation and endorsement, is essential for companies to attempt sustaining growth and the durability of the whole market system. Promoting innovation represents nowadays an important challenge for business managers to be productive and defeat competitors. According to Miller and Friesen (1982), innovation is not a natural process in every company. It has to be aroused by environmental summonses and menaces and, as a result, decision-makers necessitate to verify the information and require to be part of a selective composition that guides them to generate a satisfactory capacity to innovate. The level of innovation of a business can be identified and estimated in distinct ways according to the particular setting in which the firm operates. Researchers usually manage to rate innovation regarding the number of new goods or processes produced and inserted into the market (Saleh & Wang, 1993; Gebert et al., 2003; Avlonitis & Salavou, 2007; Renko et al., 2009; Pérez-Luño et al., 2011). Consequently, the complete decision-making method of a firm is affected by the approval of a conventional or an entrepreneurial approach and this theory could be implemented also for family companies.

The value of innovation in the expansion of new goods, methods and services for the business is broadly recognized. In Schumpeter's illustration, innovativeness animates economic expansion and is the generator of corporate extension and wealth production. Since the term entrepreneurship relates to the creation of new means combinations that did not previously exist, innovation and development are recognised as the origin of an entrepreneurial procedure (Saleh & Wang, 1993). Within family companies, some families' parts present innovative actions across generations while others exhibit such inclinations in only one generation. In other circumstances, innovative inclinations are lacking in both generations (Litz & Kleysen, 2001). Consequently, in today's competitive and fast-changing situation any sorts of businesses have to explicitly combine a strategy to produce innovative enterprises.

1.3.Distinctive and constrictive familiness elements

Crosswise Europe, a great number of definitions for *family business* continue to be indicated, which mainly demand major family impact on ownership and management strategic direction. Other features applied to distinguish family firms from non-family businesses are the dynamic involvement of family parts in the venture's everyday projects, the enterprise's enrichment to the family's profit generation, and intergenerational factors. The greatest of the prevailing interpretations concern as far as the term "family" is regarded, but also consider the strategic/managerial government. In various countries, family businesses are generally related to Small and Medium-Sized Enterprises, SMEs, in public and policy considerations. In Italy over the last few decades, there has been a relevant extension in the volume of interest being provided to the theme of family companies and the generational transition within them. The growing recognition for family businesses is chargeable to the economic increase that has characterised post-war Italy and Europe, during which many companies have been carried. These family businesses are currently experiencing a generational evolution. The driver for this enhanced awareness is also greater recognition of the participation of family businesses in economic and social evolution, as well as a greater proportion of academic attention in the matter. Family businesses are more commonly described as firms *run and owned by a family*.

There is no doubt that the decision making outcomes determine the performance of family firms. The unique aspects of family companies may occur in higher productivity and greater profitability than firms owned by different shareholders. On the other hand, as before-mentioned, potential disagreements between the family and the company can control firm performance. The corresponding value of the family impact on firm performance is a relevant empirical point as confirmed by the study of Eddleston, Kellermanns and Sarathy (2008). It explains that the performance of family companies cannot be fully assumed if the psychodynamic influences of family relationships are not recognised. Therefore, particular family sources and complementary altruism could encourage family firms to achieve good results. Further, researchers have maintained that as family firms develop, their performance improvement persists only if the professionalization of the administration of the firm has been completed and a board that shows advice and autonomous oversight is present (Poza, 2013). In addition, there is conspicuous testimony that family firms exceed non-family firms and this is proved by many reflections on the topic. In Spain, the performances of 8000 large and medium-sized family and non-family companies have been analysed in research directed by Menéndez-Requejo (2006).

Spanish family companies perform better in terms of return on assets than their non-family equivalents of the same size and the same business. Another research produced in Latin America examines the performance of 100 family firms with that of 75 non-family businesses throughout the 10 years between 1994 and 2003 and discovers that family firms exceeded their counterparts in return on assets and return on investment (Martínez, Stöhr, & Quiroga, 2007).

The literature confirms that, generally, family companies operate better than their non-family competitors. The impact of the family and individual family parts is essential in forming the performance's effects of a firm, it can be judged more positively concerning the enterprise entity (Habbershon, Williams, & MacMillan, 2003) and it changes depending on the structure of family company (Miller et al., 2007). It is also important to select among family governed, owned or managed companies.

Many studies focus on the production of family firms and the performance of the entrepreneurially oriented company, but just a few of them connect the two notions and analyse how the capacity of a family business to be entrepreneurially oriented influences the performance.

Some researchers suggest that a greater level of EO negatively impacts the firm performance, while others maintain the contrary. A negative association is confirmed by Naldi et al. (2007), who declares that family firms frequently exhibit a great propensity for risk-taking, but this has negative connections for their performance. In addition to that, there is an indication that these sorts of companies can be prosperous over time even if they have reduced levels of overall EO (Zellweger & Sieger, 2012). Nevertheless, Chirico et al. (2011) propose that the most powerful performance outcomes are accomplished only by those family companies that can combine high levels of EO, generational engagement and participative approach.

The studies regarding family firm performance and the correlation between EO and company performance are really broad. It would be unusual to move forward in this field to better explain controversial issues exposed by the empirical researches and to recognise how the results of an entrepreneurial procedure might influence business performance.

1.4. Strategy-making processes in Family Firms

According to several researchers(Shleifer and Vishny 1986; DeAngelo and DeAngelo 2000; Anderson and Reeb 2003), one important feature to determine the administration of businesses is that of risk profile. Even though very few empirical analysis has revealed something on this topic, the scanty quantity of existing experimental investigation proposes that the features of family-owned firms could be a potential cause for family business risk objection and the supply of capital composition. DeAngelo (2000) claims that the risk nature of family companies gained through joining lower risky ventures that support net existing value by large and undiversified sharers might require charges to well-diversified stockholders with minority control. Approximately 65%–80% of companies around the world are controlled by one or more families, and generate nearly 70%–90% of the entire domestic goods. Neubauer and Lank (2016) calculate that family-owned firms generate around 70%–80% of employment every year.

Meantime, confirmation from the European Family Businesses (2012) indicates that throughout the world, 85% of company startups are family orientated. The fundamental basis for the stated research using Spain as the matter is due to the characteristics of the Spanish operation being built by approximately 90% family-oriented businesses giving to 60% of the country's GDP. Family-oriented companies create over two-thirds of the total work, and often these businesses are thought to be small and medium-sized (Pérez and Lluch 2015; Pison et al. 2014; European Family Businesses 2012). Although little consideration has been granted to the financial well-being of the company about capital composition and leverage.

A survey of both management and finance experimental data concerning the risk profile of family firms brings out that family-oriented companies have lower purchase and lower uncertainty, which could help the company through times of financial downturn. Thus, from a business viewpoint, family orientation, and generational succession can be considered potential causes for family business risk objection and the selection of capital structure for medium and small oriented family businesses.

Subsequently, March and Shapira (1987) estimate decision property as the proceeding between expected results and risk. Masulis recommends that "*managers in both family and non-family businesses will prefer having less leverage than shareholders in order to reduce the risk of their undiversified investment in the company"* (Masulis 1988, pp. 14−16) Compatible with this representation, Grossman and Hart (1986) claim that increased purchase diminishes the business cost, connected with managerial responsibility and managers' caution over corporate judgments. A more recent study proposes "*that risk is an unavoidable part of life, including business life and therefore, it exists in the context of uncertainty*" (Garland 2003, p. 4). Moreover, "*it is no surprise that predicting the future is an uncertain task, involving, at best, probabilities, and inferences since the memory of the past are sometimes flawed and our knowledge of the present is incomplete*" (Garland 2003, pp. 4–5). Hollenbeck et al. (1994) observe that risk represents a dynamic constituent because the future brings its possibilities as well as its risks. They continue that the *"perspective of change in value rather than total value to evaluate a decision and to separate gains but not losses from initial outlay*" (Hollenbeck et al. (1994, p.7) are favoured by most risk judgment managing risk as a powerful factor. Besides, Bernstein and Bernstein (1996) figure that the type of risk has been obvious by the time horizon. May (1995) asserts that the reason behind administrators applying only relative time structures in their devising rather than the exact time estimate is chargeable to the individual risk when reaching decisions concerning companies risk.

De Vries (1993) append that family business produces a longer-term prospect than non-family businesses, which may "*improve decision-making resulting in higher earnings and dividends. After controlling for a variety of factors that affect cross-sectional debt levels among all firms*", (Mishra and McConaughy 1999, p.14) assuming that family-controlled companies practice more limited debt. This is certainly true because the practice of less accounting constitutes the founding family's objection to the risk of failure of control.

1.4.1. Market control: Family and non-Family firms perspective

Family control companies have been discussed over time by preceding investigations that enhance family firm value. The classical academic analysis demonstrates that the control systems in family owned firms generate situations for oppositions of interest between directors and shareholders.

This can decrease the value of the company because directors of such companies are more concerned about the maximization of individual interests at the account of the owner of the businesses.

Other investigations maintain that the most proper means to adjust the effect of such dangerous management practice is by concentrating control (Ntoung et al. 2017, p. 127). For instance, maintaining that division between ownership and management can require important charges and difficulties for shareholders. One way to solve the opposition of interest between shareholders and directors is to raise the dimension of shares for the controlling part-owner. Similarly, Schulze et al. (2001) consider the importance of the altruism theory and claim for controlling shareholders and their influence in the level of family company's performance. They declare that family businesses with concentrated ownership are less subdued to agency risk. Chrisman et al. (2004) assume that agency cost influences the performance of the family firm. Researches in Austria, Italy, and Spain display a position and consistent relationship between motivation and performance (Ntoung et al. 2016b). Meantime, Yang et al. (2018) assume that to perform risk management in a way that will ensure a competitive position in the business context, the top directors necessitate possessing enough financial abilities. Eventually, "*their findings suggest that these characteristics of family firms do influence their performance. [...] family firms with a founder or descendants as CEO or Chairman outperform other firms. However, family firms with a founder as CEO outperform family firms with descendants as CEO. Also, if no member of the family is involved in the management (passive), then the firms perform worse*" (Ntoung et al. 2017, p. 125).

Moderately focusing on the level of family business internationalization as in previous investigations, Pongelli, Cucculelli, and Caroli (2016) examine how family ownership affects the foreign market approach. They examine ownership according to the level of family power and the owners' status and investigate entry style by the level of control the group prefers, i.e., whether they take a property position in a foreign enterprise and whether it requires a cooperative partnership with a foreign participant. Pongelli et al. rely on the experience and compliance structure. They propose that family companies with different ownership forms (founders, multiple family members, various families), will observe the value of socioemotional resources differently and that their capacity to operate following their choices will be a function of the family's heritage of ownership of the company. Pongelli et al. suggest that a request for socioemotional wealth protection reveals a long-term adjustment and a request for family government, which drives a choice for foreign market entrance methods including equity ownership without associates. Nevertheless, these determinants become less relevant as the amount of partners advances and their family bonds become more limited.

Consequently, founder-owned companies are supposed to prefer non-cooperative approach styles while

businesses owned by many families are assumed to favour cooperative, non-equity insertion forms.
Employing a sample of family SMEs settled in Italy, Pongelli et al.'s (2016) theories are generally sustained. Founders are especially attached to foreign market listing including equity ownership and they avoid cooperative networks. The presence of a non-family CEO largely solidifies the preference of family firms for non-cooperative, equity entry methods. Pongelli et al.'s (2016) researches demonstrate that if family ownership can be regarded as a sort of governance then it is obvious that the volume of control defines the area to which the family can proceed its purposes. Yet, if one considers that strategy reveals aims, then Pongelli et al.'s examination point that the intentions of owners who guide the plans of different kinds of family companies are not similar and that the presence of great non-family participants can have a great influence as well.
Although these judgments are, in some esteem reasonable, there are significant investigations concerning family business that consider ability always followed by compliance and by the non-economic purposes that guide to socioemotional wealth (cf., Chrisman, Fang, Kotlar, and De Massis, 2015; König et al., 2013; Vardaman and Gondo, 2014). Nonetheless, while Pongelli et al. furnish an important enrichment to the survey by defining how purposes and governance drive to separate strategic behaviours, there still is the problem of how resources fit in. Thus, although it is significant to learn what a firm requires to do and how it will perform it, it is also important to get better recognition of what a company can produce and how the engagement of a family impacts such capacity.

1.4.2. Socio-emotional Wealth and Brand reputation

Newly, there has been an abundant development in the number of books and papers examining family companies to learn deeper about their performance (Chrisman, Chua, & Sharma, 2005; Lopez-Fernandez, Serrano-Bedia, & Perez-Perez, 2016; Nordqvist & Melin, 2010; Sharma, Chrisman, & Gersick, 2012). There are three causes for this interest. First, family companies are the most common sort of business worldwide (Hiebl, Quinn, Craig, & Moores, 2018; Masulis, Pham, & Zein, 2011; Poza & Daugherty, 2013).
The second feature is that family businesses are liable for a large portion of the economic increase and well-being of several countries (Jaśkiewicz, Combs, & Rau, 2015; Pejic Bach, Aleksic, & Merkac-Skok, 2018). The third factor is connected to the fact that a family firm is the kind of business generating a high level of employment (Chang, Memili, Chrisman, Kellermanns, & Chua, 2009; Fan, Wei, & Xu, 2011; Matthews, Hechavarria, & Schenkel, 2012). The family business owns various definitions, so it is challenging to reach an agreement on how to provide a generally accepted determination. Notwithstanding, two peculiarities are common to most definitions of the family firm and the first is connected to the ownership of capital (Franco & Prata, 2019). In family companies, most part-owners belong to one or more family parts. The second key point is linked to management. In family businesses, various members of the family partake in the administration of the business (Kallmuenzer, Hora, & Peters, 2018). Examining family firms is quite difficult

because of the extended variation of family firms existing (Cennamo, Berrone, Cruz, & Gomez-Mejia, 2012; Llanos-Contreras, & Santos, 2018) as a sequence of different levels of family engagement in the company (Samara & Berbegal-Mirabent, 2018). Many firms, including family businesses, support or even increase their competitiveness by attempting to expand their venture beyond home edges (Autio, Sapienza, & Almeida, 2000; Sapienza, Autio, George, & Zahra, 2006), through decreasing their addiction to domestic or national markets (Ciravegna, Majano, & Zhan, 2014). In this global estimation, it is also relevant to take into consideration socioemotional wealth, as it is a key constituent in family company entrepreneurship (Kellermanns & Eddleston, 2006), also considering the interplay between the company and the family (Franco & Prata, 2019). Socioemotional wealth contributes to new research viewpoint on non-economic features of family firms (Gomez- Mejıa, Cruz, Berrone, & De Castro, 2011), and it has become a consistent constituent in defining the performance of family firms (Berrone et al., 2012; Chua, Chrisman, & De Massis, 2015; Gomez-Mej ıa et al., 2007; Martınez-Romero & RojoRamırez, 2016; Miller & Le Breton-Miller, 2014).

The socioemotional wealth strategy proposes that family companies have non-economic aims (Berrone et al., 2012; Martınez-Romero & Rojo-Ramırez, 2017) that influence their essentially economic aspirations (Chrisman & Patel, 2012). From a socioemotional wealth prospect, it is proposed that family firms perform choices to preserve their socioemotional property, even if these judgments involve financial disadvantages (Berrone et al., 2012).

Consequently, socioemotional wealth gives a complete theoretical core that permits interpretation of several features of the family firm (Kabbach de Castro, Crespi-Cladera, & Aguilera, 2016). Socioemotional wealth also impacts the entrepreneurial direction of the family company by supporting the family to fulfil its non-economic purposes of enhancing its reputation, ensuring the job for family parts and obtaining the family government through generational renovation (Alonso-Dos-Santos & Llanos-Contreras, 2019; Gomez- Mejıa et al., 2011).

The rising globalisation and competitiveness of the business sector get organisational administration a key matter for companies (Ferreira, Fernandes, & Ortiz, 2018). In the case of family businesses, performance is still a key analysis domain (Franco & Prata, 2019). The principal purpose of the investigation is to define the international administration of family firms, also taking into account the entrepreneurial bearings and socioemotional wealth.

Two analytical structures confirm the importance of socioemotional determinant in family firms performance. The first is the assumption of dynamic abilities (Makadok, 2001; Prahalad & Hamel, 1990; Teece, Pisano, & Shuen, 1997), which is relevant because the entrepreneurial direction is an ability that supports companies to conform to modifications, to continue being competitive (Hernandez-Perlines et al., 2017; Jaskiewicz et al., 2015). The second frame is that of socioemotional wealth, which involves the notion of non-economic features concerning the family firm (Chrisman & Patel, 2012; Gomez-Mej ıa et al., 2011). According to this technical method, the decision-adoption method in the family firm turns around preserving its socioemotional wealth (Berrone, Cruz, GomezMejia, & Larraza-Kintana, 2010; Cennamo, Berrone, Cruz, & Gomez-Mejia, 2012;

Glover & Reay, 2015), even if provoking some financial risks (Berrone et al., 2012). It is remarkable to contemplate that socioemotional wealth defines entrepreneurship in the family firm by encouraging the family to fulfil its non-economic goals such as promoting its reputation, ensuring the job of family affiliates and securing the family power of the firm through generational renovation (Gomez-Mej ıa et al., 2011).

The number of publications investigating the function of emotions in firm performance is developing (Rizvi & Oney, 2018). In family companies, the family, ownership and management need to work synergically, moving toward a unique decision-making method (Kallmuenzer, Hora, et al., 2018). The performance of the family business is defined by non-economic family purposes that generate socioemotional wealth (Chrisman & Patel, 2012) and emotional power when concentrated on the family (Zellweger, Kellermanns, Chrisman, & Chua, 2012). In family companies, the affiliates of the family feel an emotional devotion to other family members, which is frequently regarded as an increase of the family power (Kallmuenzer, Hora, et al., 2018). The entrance of the socioemotional wealth factor gives a way of explaining non-economic family intentions. This theoretical option is based on the principle of *behavioural agency* (Chrisman & Patel, 2012) and is satisfied by the research of the family firm as it combines family, personal and organisational aims (Llanos-Contreras & Santos, 2018). The theory of socioemotional wealth was issued by Gomez-Mej ıa et al. (2007), who described socioemotional wealth as '*the group of non-financial aspects from the company that satisfy affective needs of the family, such as identity, capacity of exerting family influence and perpetuation of the family dynasty*' (Gomez-Mej ıa et al. 2007, p.5). Socioemotional wealth is correlated to the judgments the family firm selects to preserve its socioeconomic wealth, even if these choices guide to a risk (Berrone et al., 2012; Gomez-Mej ıa et al., 2007; Naldi et al., 2013). Jaskiewicz et al. (2015) declare that socioemotional wealth is one of the most appropriate agents to define entrepreneurship in family firms.

CHAPTER II

OWNERSHIP, GOVERNANCE AND PERFORMANCE IN ITALIAN FAMILY FIRMS DYNAMICS

Family companies are firms in which the majority of the assets are held by one, or few, families related to ties of relative, affection or solid associations. They still embody the prevailing industry model all over the world. In Italy, they account for nearly 83% of the amount of medium and small capital firms (Corbetta et al., 2002); comparable percentages can be observed all around the world. Nevertheless, this is not an aspect that affects only small firms: in fact, 175 of Fortune 500 US organizations are family-controlled (Anderson and Reeb, 2003). Family companies are liable for 50% of the U.S. entire domestic product. They produce 60% of the country's work position and 78% of all different job creation (Perman, 2006). These data help to recognise the value of family-owned industries in business activities all over the world.

Family firms have converted into a relevant field of research in recent years since the widening function of these industries in the modern market has attracted the attention of researchers. These latter are also aware that there is very little information about this sector which is the most important driving capability of today’s market. Family businesses can be perceived as the chain of personal and organic relations, between people belonging to the same family companies, which affect corporate governance. These networks include four relevant features, effectiveness, but also the financial, informative and political fields, which change in each company, characterizing the degree of influence of corporate governance in the company itself (Hirigoyen, 2002).

For instance, the distribution of power recommended to the governance structure should help to overwhelm and/or facilitate specific concerns such as the succession for family firms’ ownership administration of the capital, the legitimacy of that unity and the financial viability. Comparable to other organisational compositions, family companies also create a system of procedures, policies and practical references, to position and develop themselves in their area, as well as to manage their style of performance and their improvement.

Firms create various artefacts and corporate compositions to reinforce family agreement, ownership and authority, as well as to leave a legacy for later generations and to reinforce family governance (Carlock et Ward, 2010). Although there is confirmation of these artefacts and corporate systems, there appear to be very few investigations about family firms’ behaviour.

2.1. Ownership and control structure

The investigation of family firms' behaviour considers explaining the relationship between family members. It deserves the examination of how family parts distribute their distinct positions and advantages which are sometimes opposing. Consequently, it entails the study of the family's system of relationships and how they succeed to project or combine their different positions and concerns. According to Rodrigues (2008), this is achieved by the choice of a family firm system that controls the symmetry between its affiliates. These schemes usually necessitate that constituents that get a place in the firm's organizations do not acquire different roles. This allows the affiliates to behave more deliberately and to ensure more clearness in the performance of the firms' financial statements. It also permits members to cooperate unobstructedly in establishing new variations or developments that have to be implemented. In family companies, there is a conjunction of groups of control and figures of performance.

The principal criteria used to define companies as family firms (Gersick et al., 1997; Dyer, 1983) are connected to the ownership of the group, the family values and beliefs, the family's government and the influence of family interests in company administration and the direction of the succession system. The family firm can be examined as a group in which one or more families have control and governance and also cooperate in the administration of the company. As an economic organisation, the family firm has the same features as any other business. The major distinction lies in the close association to a family organisation that has direct control over its governance and administration (Colin et Colin, 2008). From a financial and juridical viewpoint, this suggests that the family firm must comply with three necessities: a) family firms should be qualified to handle shareholders power over the business, either because it has the majority of the votes or because it has the title to guide the governance of the society;
b) family members should have a relevant part within the executive frames of the company; c) there should be direct sharing of a member of the family in the top administration of the business. Nevertheless, what gives the company its true family specificity is a qualitative variable, that is the assurance of generational succession as a decisive purpose of the group.

The generational progression derives from the necessity of founders to keep ownership, administration, governance and control in the family (Floriani, 2007). In any established economy, family companies are necessary for economy enterprise as confirmed by their cooperation in creating prosperity and employment. Their growing influence is demonstrated by their position in directing entrepreneurial projects, in their ability to offer a relevant contribution to innovation. Family firms have to handle some important difficulties (Steinberg et Blumenthal, 2011): which are to ensure the sequence of succeeding generations; to improve their dimension; to professionalize their administrators; to promote technological and innovative industrial systems, and to internationalize the company. To pass these tests family companies must be prepared to appropriately examine their discerning determinants of achievement.

These can be joined to the following elements (Carlock et Ward, 2010): company concept; strategic long-term outlining; coordination and adaptability that's given by the organization of ownership; the determination of primary decisive directives; the unfolding of social accountability; the quality of goods and services.

While the complexity of the family company grows, the more complex the family firms become. It is consequently required to generate formal processes of interaction, planning and management of family meetings.

2.1.1. System and classes of shares

The family meeting is the most simplistic method of planning family company encounters (Casillas et al., 2005). In the first degree, the meetings concentrate on the sharing of domestic responsibilities, the payment of study fees and grants for their children, and planning holidays. In this step, the businessman attempts to give the cultural values that form his business enterprise.

When descendants are experienced enough to get their career opportunities or determine their career ways, the family encounters converge on the discussion about the ambitions and purposes of both bodies, that of the businessman and the heirs, about the future of the family company.

Then there is the family assembly which is a representational part of the family firms (Bornholdt, 2005; Carlock et Ward, 2010). It is based on a formal encounter during which all parts of the family own control of the business. Ordinarily, it's the family affiliate that's liable for the governance of the family firm or qualified for the direction and control of the executives' offices that designates the family assembly.

The form the family assembly works should be directed by the family protocol that determines who will chair the meeting; the recurrence of the encounters; the rules to decide, and all the affairs the family firms recognise relevant. The encounters commonly take place once or twice per year. The determinations given in a family assembly regularly concentrate on the distribution policy, the composition and election of the board, the directors' administration evaluation, the purposes of the firm's assets. As the complexity of the family company grows the family assembly converts in an inadequate composition to guide efficiently the network of family and business connections. To prevent this obstacle, family companies should, according to Leach (2011) and Floriani (2007), review the implementation of a family council which is more limited than the family assembly and it symbolises the different parts of the family (Leach, 2011; Floriani, 2007).

It is a rigid composition that meets regularly to examine prevailing firm and family matters. Hence, the family council is a group created to regulate or match the expectations of the parts of the family companies regarding the business. It is also liable for the planning and formalisation of the report that monitors all the exercises and connections within the family firm, and it's responsible for the formulation of the Family Protocol. The family council has also both to protect family values and the firm's wealth, to improve growth, and to manage movable and fixed assets.

The family council tries to maintain stability among the various branches of the family and to determine the best plans for the family business. The family council can conceive specific committees whenever required. The objective of these committees is to propose, study and promote solutions for particular business family concerns (Bornholdt, 2005).

When family firms develop their complexity there is a necessity to determine agreement amongst family parts. The family dealings are exposed in the family Protocol and they express a key means of administration in these sorts of companies (Carlock et Ward, 2010: Leach, 2011). The formulation of a judicially formulated family protocol can be one of the most relevant assets the family transmits to future generations. Nevertheless, firms tend to withdraw every kind of opposition by creating, by consensus, a collection of behaviour guidelines to reduce conflict and bypass wrongful decision making. Therefore, the family protocol works as a precautionary method of resolving difficulties that may occur in the future (Steinberg et Blumenthal, 2011).

The family protocol should be consensual and its formalization is important since it is the source for the principles of behaviour of the company, representing a collection of dictates regarding business, governance and ownership. These rules direct the connection between the family parts and between the family and the company itself. Hereafter, the family protocol determines to manage the corporate structure and the firm relationships (Tondo, 2008). It arises as an answer to direct the ever-present problems in the firms, that are the relationship among capital ownership, governance and succession. Therefore, the family protocol is a formalized and judicial document, signed by all the affiliates of the family enterprises.

The legally necessary aspect of the protocol and the commitment exerted by family members ensures that it will be practiced in peace and harmony. Ultimately, when employed by coming generations it will be standardized as the principles of the family firms. The family protocol should strengthen the responsibility of members in guaranteeing the continuity of the company, the family control and the firm's values (Tondo, 2008). The family protocol can possess severe rules, such as to decide the particular education the descendants must have or the conditions that parts of the family concerns, without specific preparation, must have to be involved in the family business. Even if it’s judged essential to change these precepts, all the members should get the benefits of the presence of a family protocol. Nevertheless, there is no single form of family protocol. Each family determines what is introduced, and managed by the protocol. Consequently, all parts of the family businesses discern what rules they have to continue in the family firm and what they can foresee.

Then there is the family office which is a construct that seems to indicate an organizational composition that incorporates the administration of the family businesses’ property to guarantee its progression between generations (López et al., 2011). Hence, the family office embodies a legal system that is engaged in the planning, preservation and extension of the family businesses’ assets (Wilson, 2012). This is obtained by the global administration of the property; productive allocation of assets; succession plan; financial policy;

education of future generations (López et al., 2011).
The classical theory of family office concentrates on a business that is controlled by one and for one only family companies that aim to gather all the command of the family's common resources. The family office's foremost purpose is to ensure the transference of assets among generations of the family enterprises. Consequently, it invests the family's capital, maintains its assets and pays the parts of the family according to their needs or inquiries (Wilson, 2012).

It provides the family firms with private counselling assistance that concentrates basically on their idiosyncratic concerns about their property. This supposes that the family companies have a long term and transgenerational responsibility to the firm.

2.2. Corporate Governance: a conceptual definition and recent legal developments

Corporate Governance is the system of legal and institutional mechanisms having the aim to protect the shareholders' interests and to reduce the agency costs due to the separation between ownership and control (Rezaee, 2002). The set of mechanisms that influence the decisions made by managers when there is a separation of ownership and control (Larcker at al., 2007).

Corporate Governance is a "bundle" of internal and external mechanisms, aiming to reduce the interests' misalignments among the firm and the different stakeholders who have relationships with the firm itself (Hanson and Song, 2006). The differences in Corporate Governance systems are mainly due to the dissimilar institutional and cultural contexts (Daniels and Morck, 1995; Roe, 1993).

The efficiency of Corporate Governance mechanisms in solving corporate agency problems and conflicts of interests depends mostly on the type of corporate governance system adopted by the firm (Franks and Mayer, 1996; Shleifer and Vishny, 1997). It concerns balancing the interests of a firm's multiple stakeholders, whose main ones are the shareholders, senior management managers, customers, suppliers, financiers, the government, and the society. Corporate governance also gives the structure for succeeding in the company's goals, so it includes effectively every field of management. Governance relates exactly to the collection of rules, controls, policies, and commitments furnished to direct corporate behaviour. The board of directors is central in governance, and it can possess significant implications for property valuation. A company's corporate governance is essential to investors because it displays a company's management. Good corporate governance improves companies and creates trust with investors and society. As a consequence, corporate governance promotes financial viability by generating a long-term financing opportunity for market members. Giving a firm's corporate governance is a fundamental element of society and investor connections. Most companies attempt to have a great level of corporate governance. For many sharers, it is not sufficient for a firm to simply be successful; it also requires proving good corporate citizenship by environmental consciousness, ethical conduct, and proper corporate governance methods, that is, to respect ESG criteria.

Good corporate governance produces a clear range of dictates and commands in which shareholders, directors, and officers have joined purposes. The board of directors is the first direct stakeholder affecting corporate governance.

Directors are chosen by sharers or selected by other board affiliates, and they embody shareholders of the firm. The board is tasked with getting important determinations, such as corporate officer assignments, executive coverage, and distribution policy. In some cases, board obligations develop beyond financial optimization, as when shareholder resolutions ask for specific social or environmental matters to be considered with great priority. Boards are often formed of inside and independent affiliates. Insiders are main shareholders, founders, and executives. Independent managers do not participate in the ties of the insiders, but they are kept because of their skill in managing other large companies.

Independents are supposed to be necessary for governance because they reduce the consolidation of power and help regulate shareholder concerns with those of the insiders. The board of directors must guarantee that the firm's corporate governance arrangements include corporate approach, risk management, accountability, clearness, and ethical enterprise methods.

As concerning Italian Family Firms and systems framework, the extensive research by Bianchi, Bianco and Enriques (1997) reviews the relationship between ownership and control in medium and large Italian companies, both listed and unlisted on the stage of the privatization systems. Italian capitalism in the mid-1990s was marked by:

a) [...] a high concentration of direct ownership both for not listed and listed companies [with] a very limited amount of separation between ownership and control ; b) the analysis of direct ownership and of the identity of owners reveals that a major role is played by families, coalitions, the State but especially by other companies ; the largest share of not listed and listed companies is held by other non-financial or holding companies [...] ; c) this phenomenon is accounted by the fact that more than 50% of Italian industrial companies belong to a pyramidal group: the reason for the adoption of this organizational structure [...] is mainly linked with the possibility of controlling a vast amount of resources with a limited amount of capital [...] hence it is a means for achieving separation between ownership and control [...] ; d) therefore in Italy pyramidal groups led by families, coalitions and the State have substituted other forms of separation [...] this structure, reinforced by cross-ownership and board interlocks, has allowed a stable control [...] with a limited amount of control changes, in particular of hostile takeovers (Bianchi, Bianco and Enriques 1997:2-3).

The organization provides an incentive construction that gives managerial liabilities to each affiliate of the ruling family (Bianchi, Bianco and Enriques 1997:25-6). Support and/or tax profits also reveal the historical evolution of groups. For instance, as concerning the Italian financial context, through the 1970s the government granted support and other advantages to new firms that established their manufacturers in the poor areas of the Country, driving some business people to constitute subsidiaries and to take benefit of these public plans. The institutional structure that promoted the growth of groups also led to a very low level of stability for minority part-owners. In 1992 IRI decided to sell Finsiel, a software firm that is guided by another holding corporation, Stet, which was regulated by the State with only 53% of the parts. Finsiel was underestimated and, as a consequence of this activity, STET divisions lost 20% of their value (Macey 1997).

The low point of division between ownership and authority and the practical lack of the establishment of the public business is strengthened by another statement published in 1995 using data gathered in 1994 (Crisci and Tarizzo 1995). The authors emphasise the fact that:

[...] the boards of the Italian corporations represent the majority shareholders. Their members are - with only some exceptions - generally co-opted by the main shareholder or by the president of the Board (Crisci and Tarizzo 199:608).

Both executive and non-executive managers usually sit on the boards of Italian companies, but the unique function of non-executive administrators is to embody the main shareholder (Bianchi, Bianco and Enriques 1997). According to Consob's data, in 1999 the medium extent of the Board was 10 managers, of whom three are inside administrators. In the matter of the banks, the common number of directors was nearly 14, with 5 inside executives (Consob 1999).

The great number of directors is also connected to the fact that:

Interlocking directorates are a rather common phenomenon among Italian listed companies. The share of directors with multiple positions is approximately 20 per cent. This is preliminary evidence that the Italian system is characterized in a stable way by a strong network of links not only through the ownership structure but also through interlocking directorship (Bianchi, Bianco and Enriquez 1997:31).

A reason for this condition is that individual ties and connections have also been a fitting instrument to withdraw the restrictions of the 1936 Act prohibiting the banks from holding parts of industrial enterprises (Ferri and Trento 1997). According to the Authority on the Stock Exchange (Consob 1999: 25) after 1999, about 30% left of the whole of directors of Italian listed firms held a place on the board of at least one other listed business. So, the busy directors, who sit on more than three committee/BOD, are more experienced and better connected, as they can easily get access to market and bank, than single-firm directors, but also more distracted, as they can dedicate less time. Busy directors are associated with lower governance quality, because they do not dedicate the same amount of time and effort to all boards. The empirical evidence on the trade-off between these two effects on board effectiveness is mixed.

Of course, it depends on the personal characteristics and attitude of directors. Directors decide corporate strategies and need to act in the interest of shareholders, that is the interest of the firm, that is to make profit.

During the first phase of the 1990s the difficulties, dating back to the early 1930s, of the State-owned business system in Italy reached their peak (Zanetti and Arizona 1998). The corporate governance policy is representative of State companies, prioritizing political and social purposes over the productive performance and the potential to produce profits to be reinvested.

The heavy relationship between the political order and the State-owned businesses led to the Ministry of State shareholdings grew up as the structure in which nearly all choices related to the plans of investment and growth occurred, with pressing consequences on the competitiveness of the companies themselves (Amatori 2000). In 1993 the failures of IRI, the main State corporation, seized about 30 billion Euros, leading in a large displacement of public opinion facing the State shareholdings. The state-owned company changed into the expression of inefficiency and was kept largely liable for the financial crisis of the State. In the 1990 report for the Treasury Minister, the requirement of a privatization plan was essentially confirmed by its possible contribution to decreasing the State budget debt (Cavazzuti 1996:21). At the same time, the Italian State suffered one of the most severe financial disasters in its history. The Italian Government was no longer able to limit the money from being devalued (Graziani 1998:154ff). In 1993 GNP increase was negative (Balcet 1997:85-86). Prime Minister Giuliano Amato prepared a financial plan that highlighted a wide privatization project.

First of all, a legislative structure was planned for converting the former public enterprises into stock groups (1992), the shares of which were conferred to the Treasury Minister (Irti 1995).

The purpose of the privatization method was not only the growth of State fundings but the increase of the financial profitability of the businesses, the opening of more industrial strife, the expansion of the stock exchange and the internationalization of the Italian manufacturing system (Malgarini 2000:91). From the origin, the method of privatization was both analysed also taking into account various causes (Cavazzuti 1996). One cause was that the Italian administrative policy would be powerless to perform a long-term strategy of privatization, due to the high degree of governments' turnover (Macchiati 1999).
Nonetheless, the privatization plan went onward, and a great number of laws were designed concerning the allocation and practices of investments and corporate governance, including a five per cent border on the dimension of total assets that a private investor could hold (Macchiati 1999).

The privatization was highly prosperous as regards the financial profits: according to the Treasury's data, from 1992 to 1999 the entire interests of about 90 billion Euros symbolized 12% of 1992 GNP and the most capital accumulated by worldwide privatization (Malgarini 2000:95-100).

The economic difficulties of State-owned firms encouraged the privatization method. Italy required to be a major performer in the system of European economic and political combination, starting with the Maastricht Treaty, concerning the participation of the State in the economic practice and the exclusion of monopolistic ranks of, for example, public services (De Benedetto 2000). The privatization means and the ownership profile of the newly-privatized groups were fundamental issues in the discussion investigating the modernization of Italian industrial markets (Pansa 2000) and had a further impact on the judicial and economic systems that surfaced during the late 1990s to control the development of the Italian capitalism.

Throughout the past years, the Italian equity market underwent important variations in its extent, structure and function in the entire national financial system, combined with the unfolding of the new administrative and institutional framework and the rules of privatization and globalization of the nationwide economy (Borsa Italiana Spa 1999b). While the number of the latest listings on the Milan Stock Exchange (MSE) was reduced from 1986 till the end of the 1990s (see IRS 1999), a significant increase was inaugurated in 1994.

Moreover, from a European viewpoint, the Italian Stock Exchange still keeps a low outline, it is important to underline the fact that its degree of extension is currently among the most distinguished in the world (Financial Times 1999). During 1998, the Milan Stock Exchange (MSE) developed more than 40% in the Italian stock market, a percentage that was twice the world and European standards (IRS 1999: 5). Nonetheless, it should be known that the sectoral structure of the MSE's stock-market capitalization reveals the deficiencies of the national manufacturing order with its substantial connection to easy industries and services.

The revitalization of the Stock Exchange led to the much more common use of commercial markets by the newly founded businesses. Due to the effect of the privatization, the number and value of initial public offerings (IPOs) grew during the 1990s (Cesarini and Gualtieri 2000). Although the inclusive number of IPOs also developed regularly: during 1999, new companies entered the MSE, and in the same year, the entire number of businesses listed in the Official Market, Nuovo Mercato and Mercato Ristretto reached the new point (Borsa Italiana Spa 1999).

The extension of the Italian Stock Exchange is also due to the issuing of new assets by the old-established and listed companies to produce financial stocks for takeovers (Consob 1999). In 1990 the Amato Banking Act, n. 218/90[1], as the name of the Treasury Minister, Giuliano Amato, was declared by Parliament following a long discussion (Cavazzuti 1996:45ff). The first action was the conversion of the main banks into joint-stock corporations (Affinito and Reviglio 1998). The object of the new enactment was the development of the banking policy created step by step with its privatization so that while the principal banks started to be embodied in the stock ownership of manufacturing companies, the most influential industrial societies of the country acted in the same way by getting shares of the banks (Affinito and Reviglio 1998). Nonetheless, the impact of the banking policy on the internal framework of corporate governance is likely relevant, particularly because other institutional investors possess connections to the banks (Affiniti and Reviglio 1998). According to Consob's data, the banks are the foremost stockholders in national mutual funds. In the final years of the 1990s, the allocation of stock ownership in Italy was distinct from that of the other advanced countries. Similarly deserving of particular attention is the almost high dimension of stocks owned by organizations, the relatively low dimension taken by financial systems in general, and the very poor dimensions held by national institutional investors (Affinito and Reviglio 1998).

---

[1] Law no. 218 dated 30 July 1990, also known as the *Amato law*, was passed along with the relevant implementation decrees, among which d.lgs. n. 356 in 1990. Therefore, in accordance with this law, the Savings Banks transferred their banking activities to ad-hoc joint-stock banking companies. (the new Savings Banks). Once this transfer had taken place, the original Savings Banks were converted to Foundations assuming all the socially-oriented and charitable tasks provided for by the statutes of the Savings Banks. The new joint-stock Savings Banks are business enterprises governed by the civil code and the banking laws. They operate on an equal footing with all other banks operating in the credit sector. Around twenty of them have kept their names. Other Savings Banks, on merging with other banks, changed their original names giving rise to some of the leading Italian banking groups.

Companies Ownership Structure:

percent

	United States	Japan	Germany	Italy	UK
Financial Institutions	**48.3**	**42.9**	**37.2**	**10.4**	**51.2**
of which :					
Banks	0.3	21.8	11.1	3.4	4.3
Insurance Companies and pension funds	29.5	11.1	14.7	2.7	35.3
Mutual Funds	15.8	2.0	11.4	4.0	11.5
Non Financial Institutions	**51.7**	**57.1**	**62.8**	**89.6**	**48.8**
of which :					
Non Financial Companies	--	25.6	30.9	20.5	3.5
Government	0.6	0.2	2.9	8.1	0.1
Families/Individuals	44.3	19.4	16.8	48.1	27.7
Foreign property	**6.8**	**11.9**	**12.2**	**12.8**	**17.5**
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source : IRS 1999 : 68, Table 2.13

According to current investigations, the ownership structure of the listed firms got a great concentration in 1999 while there was an expansion in the use of shareholders and other methods to guarantee the durability of corporate ownership. The most distinguishing characteristic in the development of the Italian corporate governance framework was the privatization (IRS 2000).

The increase of public organizations opened the difficulties of the responsibility of administration and the exercise of corporate power (Pansa 2000). It was authorized to small minorities, through financial planning, to exert *de facto* authority over the privatized businesses.

The determination to rely principally upon the device of the public company in the privatization process of the most powerful State firms stimulated a revision process of the dictates directing financial businesses. The increase in the performance of financial markets happened in two directions: on the one way, by enhancing market transparency with a set of rules changing from the exposure and control of shareholders' transactions to the assurance of small sharers, while on the other view, by expanding the extent of the stock businesses and financial transactions more commonly. According to Borsa Italiana Spa, the privatization process had a resolute impact on the national stock exchange, expanding the number of individual investors, decreasing the level of capital concentration in the main companies, and developing their capital (Borsa Italiana Spa 1999b).

Most relevant Italian State-Owned Businesses:

(millions Euros)

Company	Activity	Date	Value	Privatized share of capital	Way
Enel	Electricity	X.99	16550	31.7	SPO
Telecom	Telecommunications	X.97	9778	32.9	SPO and inst. Inv.
ENI 3	Energy	VI.97	6805	17.6	SPO and Inst. Inv.
ENI 4	Energy	VI.98	6594	14.0	SPO and inst. Inv.
ENI 2	Energy	X.96	4582	15.8	SPO and inst. Inv.
Autostrade	Motorways	XII.99	3805	48.0	SPO
ENI 1	Energy	XI.95	3254	15.0	SPO and inst.inv.
BNL	Banking	XI.98	2620	64.7	SPO and inst inv.
INA	Insurances	VI.94	2340	47.2	SPO and inst inv.

Source : Consob 2000b : 16, Tav. I.6 ; Zanetti and Alzona 1998 : 92-3

2.2.1. The Consolidation Act and the Consob

According to recent investigations, the Italian policy of corporate governance is marked by the lack of workforce relationship in the company's strategic resolutions. In the first phase of the 1990s, with the introduction of technicians to political authority, industrial relationships became more participating as some significant alliances between organizations and companies.

In 1992, the Ministry of Labour worked in announcing an alliance that combined the wages systems to manufacturing and financial plans, consequently producing a more consistent path for handling inflation. In Italy, this sort of negotiation was named *concertazione.* This latter was not approved by law and the labourers' delegates were not elected to corporate boards (Mascini 2000). Thus, stock titles have been included almost recently in different important Italian companies.

The Italian privatization produced demands for a review of corporate law to provide more severe attention to the security of the rights for minority shareholders. Given the common system of Italian capitalism, the corporate law did not resolve the agency difficulty created by the presence of principal managing stockholders; the conventional method was to establish the control thanks to the owners who held the majority of the shares as opposed to the stability of the small sharers (Melis 1999). Thus, within a firm the shareholders (principals), buying shares, are the owners of the company and their goal is the maximization of the share value and value creation for the company. While managers (agents) run the company and their goal is the reinforcement of their position, their power, remuneration and benefits.

The manager, acting as the agent for the shareholders, or principals, is supposed to make decisions that will maximize shareholder wealth even though it is in the manager's best interest to maximize his own wealth.

By the end of the 1990s, there was a reform of Italian corporate law, based on a demand to increase the national stock market by formulating new statutes and much more clearness both for individuals and institutional investors, by persuading foreign institutional investors to join the market thanks to the protection provided to minority shareholders, moreover, the political field was positive to the reformation of corporate law, and the cultural milieu sustained the concept of responsibility of control and industrial democracy (Disiano Preite 1997).

The reformation of corporate law was not undertaken by Parliament but by an official of the Treasury Ministry, MIT-trained statistician Mario Draghi. At the beginning of 1998, the Draghi Laws became practical. The Bill tried to develop the stability for minority stockholders by limiting handling of shareholder alliances (Belvedere and others, 2000). The Draghi bill introduced a representative of the minority sharers to be elected to the board of auditors as a supervisory board (Trequattrini 1999).

Besides its influences on the organization of commercial markets and corporate governance, the privatization process also began the political action of planning both independent offices and authorities that could apply a regulatory power over companies and markets (Piacentino 2000).

The conception of the Antitrust Authority, back to 1990 (De Benedetto 2000:54ff), was followed in the same years by other offices such as the Energy Authority formed as an outcome of the market liberalization. As regards the stock markets, the fundamental governing agency is Consob, National Commission for Quoted Companies and the Stock Exchange. Created in 1974, even if it was active from the mid-1980s, Consob, together with the Bank of Italy and the Treasury Minister, exerts regulatory power over listed firms (La Spina and Majone 2000). By the reforms advanced by Legge Draghi, and the subsequent commercial consolidation act, Consob got the right to ensure market transparency and the required data to withdraw insider trading (Spaventa 1999). At the end of 1999, a committee of specialists introduced the Best Practice Code for listed businesses, guaranteeing control and disclosure over administration (Comitato 1999).

As a consequence, combined with the privatization of the Stock Exchange, the governing policy of the Italian stock market was structured with the responsibility of State-controlled authorities (Consob, Bank of Italy and the Treasury Minister).

2.2.2. The Board of Directors in Family Firms: Insiders, Affiliates, and Independents

The family firm board of directors and its relation to company performance have long represented a basic topic for both study and corporate practice (Huse, 2000). Despite the identification of the model of a single and all-powerful manager in some held family companies (e.g. Ford, 1992), the large majority of family firms investigations have shown the requirement of more extensive, and external boards, even in family enterprises.

Developing part-owner activism in different countries will improve public and market approval toward those administrators who are ready to include outside administrators and open themselves to the resulting productive review (Huse, 1995). Furthermore, the open-ended trend to increase board offices within publicly listed businesses will enlarge its consequences to family enterprises.

Besides, internationalization methods will necessarily affect family companies, opening them to unconventional governance policies, and therefore developing the influence to open directing parties (Charkham, 1995). Lastly, variations in the connection between banks and businesses deriving from new supranational transactions should also support the spread of aggressive and external committees. The individual power in family companies will be able to remain and perform meanwhile it is a component of reliable governance practice.

Otherwise, there is a broad recognition among critics that no single corporate governance organization can fit the multifaceted requirements of businesses involved in extensively different cultural, traditional, and institutional contexts. Practices of corporate governance, by which firms are guided and managed, are country-specific, varying from the “market-oriented” structures identifying Anglo-Saxon areas, such as the United States and the United Kingdom, to the “network-oriented” systems predominating in Japan and Latin contexts such as Italy and France (Weimer & Pape, 1999).

Cultural elements and other systemic exigencies justify why publicly listed companies in the United States are designated by active, external boards of managers, while in their counterparts the board is essentially formed by internal assignments (Charkham, 1995). The effective role of the board of directors in family companies will increase their durability and profit forecasts only if sustained by a solid perception of the governance demands by different family firm standards. Therefore, one of the main duties handled by researchers is to investigate and discover the environments where they are employed (Daily, Dalton, & Cannella, 2003).

The affiliates of the board of directors are named as insiders or outsiders. Insiders are firm workers, retired agents and/or family affiliates. Outside directors represent either members or independent leaders (Voordeckers et al. 2007). Affiliates are managers that have potential and personal connections with the family or the company (Jones et al. 2008). Among the affiliates, there are lawyers, finance bankers, and experts (Arosa et al. 2010). Autonomous directors are outsiders that possess no social bonds neither with the business nor with the family. Their single connection with the business starts with their directorship. The chief distinction between affiliates and autonomous directors is that the first ones can advance solid social relations with the top management crew. Nevertheless, autonomous managers usually are employed for a more concise period and have less chance to form social links with the management group or the family. While members can perform a consulting function without modifying the recognized authority of the family over the company, autonomous managers can be regarded as a menace to the family's power and decision-making capability (Jones et al. 2008).

2.2.3. Framework analysis: Agency and Stewardship Theories

Examination of the family firm literature on boards of directors shows two principal characteristics. First, the greatest amount of investigations offers information guided by a general agency theory view. Next, other examinations give board specifications and directions to constituents that are used among different family firm models (Mace, 1948). However, study attempts have focused extensively on publicly listed businesses.

The recent investigations in family firm's boards have focused on the agency analytical notions that have guided the discussion on corporate governance over the past decades (Johannisson & Huse, 2000). Directions of useful board features are controlled by recommendations to select nearly extended, current, and outside boards, while non-executive managers should not own individual or professional connections with the family or the company itself (Nash, 1988).

Moreover, empirical analysis often does not have a positive inclination to autonomy placed by agency theory. Thus, as indicated by Ward and Handy: The ideal board consists only of outside directors plus the CEO [...] In this spirit, the CEO has a majority of independent outsiders to provide oversight and also the maximum amount of valuable counsel on key business issues (Ward & Handy, 1988, p. 290).

This bias, nevertheless, may appear in unstable directions, as empirical data on the effectiveness of assigned board compositions is far from being absolute (Dalton, Daily, Ellstrand, & Johnson, 1998). Few considerations are distinct from this prevailing judgment. Ford (1988, 1992) proposes that outsiders decrease the power of the board toward many activities and duties, for their scarcity of information about the company and its context, and shortage of availability to the business. From another viewpoint, Huse (1995) maintains that board structure and its empowerment rely on the family company's background position.

Agency theory has been assumed as the overwhelmingly predominant theoretical attitude in interpreting these proposed board features. Consequently, choosing of dynamic, external boards are commonly justified by family leaders' incapacity to recognise the boundaries of their performance (Alderfer, 1988), by the conflict between purposes and importance of individuals as both family affiliates and administrators (Mueller, 1988), by inside directors' obedience to the family CEO or their restricted concerns (Schwartz & Barnes, 1991), or by the opportunity, the CEO operates of admitting his or her powers and inclinations to extremely influence moral and financial rationality (Gallo, 1993). As a consequence, family business characteristics that may moderate agency obstacles (Corbetta & Salvato, forthcoming) are either completely ignored or downplayed. As underlined by Heidrick (1988):

Although family businesses are free of many of the corporate governance issues confronting publicly owned concerns, the vast majority have yet to add qualified outsiders to their boards (Heidrick, 1988, p. 271).

Agency theory proposes that administrators (i.e. owners) commit some operators (i.e. managers) to manage the company on their account. Agency theory foretells that opposition of interest rises when opportunistic administrators try to fulfil their self-interest to the disadvantage of the benefits of less learned part-owners (Jensen and Meckling 1976). As a solution for this conflict of interest, Fama and Jensen (1983) propose that control operated by autonomous directors can be a good solution to restrain the opportunistic management of agents and to regulate and balance the interests of partners and administrators. When judging whether family companies require autonomous directors to control the administration group research suggests two opposing positions. The first one proposes that family responsibility in control and administration constitutes an automated balance of powers between part-owner and family managers; which decreases knowledge asymmetries and diminishes agency costs (Herrero 2011). Further, driven by the protection of the family's financial resources, family administrators are in great condition and own strong reasons to control the non-family affiliates (Anderson et al. 2009). The incorporation of autonomous managers has been regarded as an added optional cost if the company is family-owned (Fama and Jensen 1983). The second position draws the theoretical limits of agency theory; implying that non-traditional agency difficulties such as asymmetric altruism (Chua et al. 2009) and family entrenchment (e.g. Villalonga and Amit 2006) emerging by opportunistic actions of family administrators(Chua et al. 2009).

When family advising partners employ family affiliates despite their skills, it leads to the presence of an inexperienced management crew and the loss of managerial expertise (Chrisman et al. 2014). This conflict of interest also arises in a multi-family company where several family groups hold the enterprise (Pagliarussi and Rapozo 2011). Recent data propose that this sort of conflict of interest is particularly plausible when business performance declines if the CEO is a family part and whether the firm's founder is no longer included in the group (Martin et al. 2016). Consequently, the presence of autonomous directors on the family business board embodies a fundamental administration device that provides decreased agency costs and for obtaining better firm performance (Bammens et al. 2011).

Alternatively, *stewardship theory* includes different hypotheses on the behaviours of family company employees and the position of autonomous administrators inside the business. Stewardship theory is attached to a humanistic paradigm where all the members are driven to help others. The company is perceived as an association oriented and granting system where shared trust-based connections occur. Organizational affiliates work as a cooperative and perform pro-organizational behaviour (Davis et al. 1997).

When employed in family firms, stewardship theory proposes that connections inside the family company will be controlled by mutual altruism and a participative approach (Corbetta and Salvato 2004b). Because of their emotional and social devotion to the company, family affiliates exercise self-control and prudently examine the consequences of their works on the business (Eddleston and Kellermanns 2007). The use of a collaborative approach that enables workers motivates them to be more involved in the long-term company strategy and to have a higher commitment and urge to work in the firm (Zahra 2003). Investigation reveals that connecting with the family firm and devotion to family company increase and progress are common features of family firm administrators (Davis et al. 2010).

This influences family workers to locate the business purposes first of their own (Salloum et al. 2013b). Stewardship attitude subdues relationship disputes inside the company and improves the level of collaboration, and experience sharing between agents (Eddleston and Kellermanns 2007). This attitude enables family firms to generate an important reference of competitive advantage over their non-family equivalents (Corbetta and Salvato 2004b). Through the stewardship theory perspective, the basic function of autonomous administrators is not to give contractually restricted control, but to produce assistance and guidance to part-owners. Consequently, the presence of autonomous managers is recognised to be an added value for the company (García-Ramos and García-Olalla 2011). When connected, agency and stewardship approaches diverge in their reflection on two elements: the positions of family business workers inside the company and the function of autonomous directors on the board.

2.2.4. Governance contingencies

Entire family ownership of the company indicates that profits and failures arising from the enterprise funds will be right sustained by the family, giving family representatives strong motivations to return altruism when dispensed to them (Demsetz and Lehn 1985; Eddleston and Kellermanns 2007). Furthermore, the principal-principal opposition of interest emerging from the presence of minority part-owners and/or various extended family associations maintaining the company is automatically cancelled.

For instance, the family will immediately benefit from the reinvestment of goods in the company. While, when the company is more limited than 100% family-owned, Anderson and Reeb (2004) propose a danger of a principal-principal conflict of interest between minority shareholders and the majority managing partners. When companies are privately owned, a conflict of interest is possible when many extended families share company control (Pagliarussi and Rapozo 2011). Besides, managers and leaders coming from different extended families will get it difficult to control other family affiliates serving the business. Thus, autonomous managers are not required when a family holds 100% of the company. Following this situation, family affiliates included in the company hold fewer reasons to reveal opportunistic behaviour and more purposes to demonstrate stewardship practices (Herrero 2011). This leads to the perception of autonomous administrators as an added needless cost for the family business; which can consequently restrain firm performance.

Nevertheless, when the family keeps less than 100% of the company, the presence of autonomous managers represents a key point to decrease the potential principal-principal conflict of interest that occurs between separate family groups holding the firm (Villalonga and Amit 2006) and to control the family company management group (Pagliarussi and Rapozo 2011). As all these components grow the family company requires controlled monitoring by autonomous managers to develop an increase of firm performance.

When the company is 100% family-owned and there is great family engagement in administration, family affiliates have reasons to play the role of autonomous directors. Inspired by their plan of the company, family workers have purposes to control other non-family agents (Anderson et al. 2009) and to move on their privileged way to exclusive systems, personal relations (Zahra 2010), and family originated social capital (Arregle et al. 2007) to produce service and advice to the company itself. In this setting, the risk of family workers regarding autonomous directors as out-group affiliates who intervene in their family activities raises (Westphal 1999); which can generate disagreement in the family firm.

Though, low family engagement in administration produces the hazard of begetting uncontrolled non-family workers on the administration group. As family responsibility in management reduces, the capacity to get benefits from the family holding shares diminishes and the demand for monitoring, assistance and guidance by autonomous directors rises (Anderson and Reeb 2004). Conflicts that may result between family affiliates and autonomous managers are also consequently reduced. The presence of autonomous outsiders can generate opposition inside the company; which can consequently drive a contraction in business performance (Jaśkiewicz and Klein 2007). Nevertheless, when family responsibility in administration is low, the menace of conflict of interest between control and administration by non-family workers is restored. Subsequently, the presence of autonomous directors converts into a fundamental key to observe any conflict of interest between ownership and administration (Anderson and Reeb 2004). All these components imply that, when family engagement in administration is low, autonomous managers can catalyze firm production.

2.3. Family Firms: a focus on Performance

Large, widely held companies driven by professional managers have been the essence of economic recent research which has documented that publicly held businesses are nearly absent outside Anglo-Saxon countries. Furthermore, among companies with a strong ownership composition, the most common condition is one where the ultimate owner is either a single individual or a family. For instance, in the US, family businesses represent over 35% of the largest 500 in the S&P Industrials.

Faccio and Lang (2002) report that more than 60% of all listed companies are family firms in Italy, France and Germany.

Given that family businesses draw such a huge percentage of total companies, it is important to estimate their relative (in)ability regarding publicly held enterprises. The academic literature often just finds that family companies are less productive than corporations (Caselli and Gennaioli 2005). Although, even from a merely technical viewpoint, family businesses may hold costs and profits. Families may apply their control over businesses to obtain private interests of control in the matter of minority part-owners. The private profit gathering may display different ways such as the extreme advantage for family affiliates.

Next, families may be very attentive in keeping their control over the firm also with a possible value growing acquirer. When the family controls less than 100% of the parts of the business, it provides extreme importance to private profits of control over protection interests. Another example of the cost for family ownership concerns the family and the relations among its parts. For instance, the founder of a family company may aspire to assign key administration positions to his/her children or relatives also when they are inexperienced just to keep the family agreement. Whereas families indeed possess the power to secure private benefits of administration, they may not hold the reason to use them when private profit is connected with deadweight waste. Families may get a longer investment range concerning other part-owners since the company will be guided by future generations of the family itself, thus being essential long term profit maximizers.

Lately, many essays have started to investigate the performance of family businesses (Anderson and Reeb 2003). Firm performance is estimated both with accounting and market data. The principal judgment is that family companies exceed non-family businesses whatever the performance standard used. Nevertheless, when market data are applied, the effect resists only if family companies have a CEO who does not relate to the family. But other essays get opposite results. For instance, Perez-Gonzales (2001) maintains that in these businesses the successor is determined inside the family in a percentage quite lower than firms where the heir is designated outside the family. Morck et al. (2000) confirm that family direction worsens firm performance. They find that publicly held companies get better performance than family firms.

The most striking judgment in Morck et al. is that they observe no proof of a longer extent in decision making in family firms. They spend less on R&D and possess fewer workers than publicly-held firms.

Amit and Villalonga (2005) observe a demonstration of the excellent performance of family firms exclusively if the founder is the CEO or when he is the Chairman with a family outside the CEO. The benefit of family businesses relies on their capacity to pay more reduced wages in exchange for higher job stability. Barontini and Caprio (2005) have gathered data on listed European family companies. They find that for the majority of non-family companies, the influence of family power on performance is positive. They also notice that there is no indication of underperformance of heir-controlled family companies.

2.3.1. The main features of Family Business Performance

EO indicates the strategy-making methods that give organizations a source for entrepreneurial judgments and behaviours (Lumpkin & Dess, 1996) and it describes one of the fields of entrepreneurship investigation where an increasing amount of information is expanding. Even the researchers studying the connection between EO and firm performance are increasing. Conceptual discussions suggest that EO drives better performance because firms are required to constantly discover new possibilities (Wiklund & Shepherd, 2005) to maintain their competitive position.

Most of the examinations taking into account the correlation between EO and firm performance, confirm that those companies which choose a strong EO, perform better than businesses that do not adopt an EO (Wiklund 2006), indicating an emphatic association of EO and performance. Wiklund and Shepherd (2005) propose that EO, in the determinants of innovativeness and risk-taking, surely affects small business performance. Recent researches have discovered that the effect of EO on performance is determined by the particular firm features, such as company size, national culture (Rauch et al., 2004), introduction to financial sources (Wiklund & Shepherd, 2005), system capability (Walter, Auer, & Ritter, 2006), strategic means (Covin, Green, & Slevin, 2006) and studying orientation (Wang, 2008).

To better explain how the decision-making issues affect the performance of family companies, it is necessary to examine the main points and features of the financial performance of these individual sorts of firms. The different aspects of family businesses may appear in a more prominent productivity and greater profitability than firms owned by several sharers. Meanwhile, possible conflicts between the family and company can control company performance.

The related advantage of family control on firm performance is, consequently, an extensive empirical matter as shown by the study of Eddleston, Kellermanns and Sarathy (2008).

It reveals that the performance of family businesses cannot be completely explained if they do not assume the psycho-dynamic effects of family connections. Therefore, particular family sources and mutual altruism could encourage family firms to achieve higher outcomes. Besides, investigations have declared that as family firms develop, their performance improvement continues only if professionalization of the administration of the firm has been completed and there is a board providing advice and autonomous oversight (Poza, 2013).

Furthermore, there is striking confirmation that family firms exceed non-family companies and this is confirmed by many investigations on the subject.

Anderson and Reeb (2003) point that the influence of the family and individual family members is essential in developing the performance's results of businesses (Miller et al., 2007). Many investigations concentrate on the performance of family firms and the performance of the entrepreneurially oriented company, proving that this kind of firm can be prosperous over time even if they possess moderate levels of overall EO (Zellweger & Sieger, 2012).

Nevertheless, Chirico et al. (2011) propose that the highest performance results are achieved only by those family businesses that combine great levels of EO, generational engagement and participative approach. Thus, EO and family participation effects are generated when joined by resources.

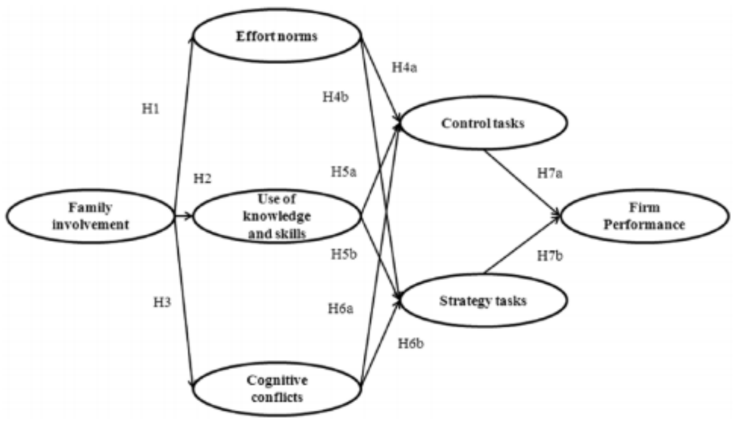
2.3.2. Performance and Education

The Corporate Governance structure of the company should ensure the strategic guidance of the company, the effective monitoring of the management and the board's accountability to the company and the shareholders. The board of directors is elected by the shareholders of a corporation to oversee and govern the management and to make corporate decisions on their behalf, which is defined as an oversight function. As a result, the board is directly responsible for protecting and managing shareholders' interests in the company. They also have an advisory function; in fact, they advise, so it is not mandatory, on the corporate strategies that then managers practically implement.

Boards of directors handle multiple responsibilities about strategic systems (Forbes & Milliken, 1999: 492). Because of their features, boards handle interplay problems that can prevent them from performing their activities (Hambrick et al., 2008). In these cases, board effectiveness is likely to deeply depend on social-psychological means, especially those concerning group participation (*effort norms*), coordination (use of knowledge and experiences), and open negotiations (cognitive conflicts; Hambrick et al., 2008). Boards of directors conduct some crucial duties and through them affect firm performance (Zahra & Pearce, 1989).

Thus, they are reliable for fulfilling important tasks: (a) *control tasks*, that is, to protect shareholders' and stakeholders' concerns through the control of top management's behaviour and the control of company's issues, and (b) *strategy tasks*, that is, to give support and direction to the administration of the company. The first duty is the essential responsibility of boards of directors because as committee members are legally liable for controlling both the actions of top executives and the firm's performance (Finkelstein & Mooney, 2003). Recent studies highlighted that the board control duties play a crucial role also in family SMEs since there are regularly important stakeholders and minority shareholders, with somewhat distinct interests from those of the governing family (Bammens et al., 2011). Boards can give the management of the firm great advice and may provide strategic decision making (Finkelstein & Mooney, 2003), also reinforcing the top management group's skills and experiences by presenting feedback and strategic projects (Westphal, 1999).

The board strategy tasks may be especially valuable in family SMEs as directors may present advice and counsel on various issues to counterbalance the managerial lack of entrepreneur experience (van den Heuvel et al., 2006). In a family company, the meeting of family and business practices guides to a definite management condition that defines relevant results for the business. Habbershon et al. (2003) developed the word *familiness* to determine the unusual mixture of engagement and interaction between the family and the company that produces a characteristic firm-level packet of sources and abilities. Several studies have revealed that family businesses change along with many characteristics from non-family companies (Ensley & Pearson, 2005). These variations are expressly relevant concerning corporate governance (Forbes and Milliken 1999). Furthermore, the board processes undoubtedly affect the board performance in its direction and strategy tasks, and the board task performance positively impacts on the company's financial performance. The *theoretical model* can be summed up in this figure:



Effort norms can be identified as a "*group-level construct that refers to the group's shared beliefs regarding the level of effort each individual is expected to put towards a task*" (Forbes & Milliken, 1999: 493).

They exercise a strong impact on member behaviour (Wageman, 1995), they can be expected to improve the work of individual group affiliates and so to provide the performance of workgroups a good development (Forbes & Milliken, 1999; Sonnenfeld, 2002). Family engagement in the business can positively affect the board effort norms.

The overlay among shareholders, directors and managers, representative of family firms drives to a unique board composition, where the members are essentially majority shareholders of the firm itself (Gersick et al., 1997). Family directors are driven to give active participation to the board as they are keepers of the firm and possess great economic reasons.

Family engagement in the business and board application of knowledge and skills introduces "the board's ability to tap the knowledge and skills available to it and then apply them to its tasks" (Forbes & Milliken, 1999: 495). Board members are persons with a high degree of specialized knowledge and skills that may be profitable to society decision making.

Nevertheless, the indirect decision making of boards and the deeply interdependent performance of board members can restrict directors' participation in the group effectiveness. Despite the inevitable assumption that expertise can be used by groups, psychological investigation indicates that the availability of education and skills does not endorse their application (Forbes & Milliken, 1999). Literature on group effectiveness reveals that two determinants can promote the use of knowledge and skills possible to boards of directors. First, the education and skills of single affiliates are more productively used when organisation members are more conscious of each other's skills (Kearney, Gebert, & Voelpel, 2009). Second, social relations among board affiliates enhance mutual support and respect and promote the propensity of insiders to practice the knowledge and skills of outsiders (Westphal, 1999). Both features, recognition of individual expertise and abilities and the presence of social relations among group affiliates, are typical traits of the boards of family firms.

2.4. Environmental Social Performance of Family Firms

Recognizing their powerful contribution to the world economy (Morck and Yeung, 2003), family firms are maybe the most prominent organizational form with the power to support governments and social welfare systems directing the social difficulties that the world is facing (Van Gils et al., 2014). For this reason, analysis about the function of the family as an inside stakeholder able to move the firm's environmental social production (Aragón Amonarriz, Iturrioz Landart, 2016) has expanded over the last decade (Vazquez, 2016).

Family firms are a group of different companies and that may be socially performant. Investigations have indicated different origins for family business heterogeneity such as the founder's engagement (Bingham et al., 2011), the generational ownership frame (Déniz and Cabrera, 2005), family values (Marques et al., 2014), and the individual characteristics of administrators (Niehm, Swinney, and Miller, 2008). Recent evidence shows that varying combinations of family firm governance contingencies can allow different family business results (Garcia-Castro and Aguilera, 2014). Qualitative evidence indicates that absolute family control of the firm combined with high family engagement in administration can guide the family to have a greater association with the company and a more important commitment to socially accountable methods (Marques et al., 2014).

It is important to consider many firm governance contingencies such as the family engagement in ownership, family responsibility in management, and board composition (Le Breton-Miller and Miller 2016). On the theory that Family Firms are moved to preserve their SEW (Berrone et al., 2012), it is important to take into account the environmental social performance as concerning to a strong family association with the business (Marques et al., 2014; Sharma and Sharma, 2011), to the family credit (Cennamo et al., 2012), and to the desire to hold the family dynasty over generations (Kim et al., 2016).

Furthermore, SEW can be considered as a double-edged sword which, based on the combination of different governance contingencies, can either promote or restrain the capacity of family businesses to improve their social production. It is also important to review the Successful Transgenerational Entrepreneurship Project (STEP) for examining distinct shapes of governance systems that can catalyze the family company's environmental social performance.

Social performance is essentially defined as "*a business organisation's configuration of principles of social responsibility, processes of social responsiveness, and policies, programs and observable outcomes as they relate to the firm's societal relationships*" (Wood 1991, p. 693).

Social performance represents an analysis model that includes legal, ethical, and social activities that propose to increase the advantages that the organization allows to its environment and to decrease and lighten the problems deriving from the firm's enterprises (Wood, 2010). The environmental social performance is essentially used in the literature to review family firms' social performance (Bingham et al., 2011. Environmental social performance is described as the company's responsibility to reaching and passing societal expectations regarding the context in which the firm works (Judge and Douglas, 1998). Environmental social performance concerns the socially responsible behaviour towards the environment, including the natural setting in which the firm is installed and the development of services and goods within simple and responsible procedures (Cruz et al., 2014).

The environmental social performance of family businesses can be extremely dependent on whether the clear or the hidden view of SEW is prevailing (Kellermanns et al., 2012). Decision-makers can exercise self-serving practice placing family demands preceding all other stakeholder requirements (e.g. Cruz et al., 2014), which draws a possible problem of SEW. Alternatively, decision-makers can be involved by the long-term reliability of the business and by saving a healthy and wealthy context in which the firm will go on increasing itself (Marques et al., 2014).

2.4.1. Socio-Emotional Wealth Framework and qualitative comparative analysis

Determined by the behavioural agency representation (Wiseman and Gomez-Mejia, 1998), SEW symbolises "the stock of affect-related value that the family has invested in the firm" (Berrone et al., 2010, p. 82; Gomez-Mejia et al., 2007). Its principal assumption is that family affiliates run the company in a style to maintain and improve the social and economic advantages that the family obtains from its engagement in the business. As a consequence, family decision-makers may place the firm´s financial progress at risk to protect or enhance their SEW (Gomez-Mejia et al., 2007). Berrone et al. (2012) structure SEW into five determinants: a desire for family leadership and government, close association with the company, restrictive social relations, emotional devotion to the enterprise, and a wish for a renewal of family connections through the dynastic sequence. In the early steps of its evolution, SEW has been recognised as a prosocial incentive that enhances family firms social administration (Berrone et al., 2010, 2012; Cennamo et al., 2012).

Recent investigations, nevertheless, point that SEW can be recognised as a double-edged sword that can either show its advantages or difficulties (Cruz et al., 2014; Kim et al., 2016). For instance, due to the urge to maintain a solid family portrait, family companies are more likely to carry on their announced environmental responsibilities (Kim et al., 2016). Nonetheless, due to their interest in maintaining the firm's financial stability and a sense of economic responsibility for protecting family assets across generations, family businesses are less likely to invest in the assurance of the environment (Kim et al., 2016). Anyway, many governance contingencies can serve as a driver for the predominance of the resources of SEW and that can decrease the importance of its difficulties.

Fundamental to the SEW viewpoint is that family businesses attempt to seek non-economic family-focused purposes (Berrone et al., 2012). Chrisman et al. (2012) explain that the rate of family engagement in ownership and administration of the company is positively correlated to the desire of the family to proceed with non-economic aims. Nonetheless, the study explicates that there might be many different shapes of family embroilment in ownership, administration, and control of the firm itself (Garcia-Castro and Casassola, 2011) and that the joining of these contingencies may produce different family firm's results (Samara and Mirabent, 2017).

Every single determinant by itself can provide a positive or negative impact on the firm's environmental social accomplishment. Analysis reveals that the influence of a particular contingency can vary when connected to another element (Garcia-Castro and Aguilera, 2014). When the family holds 100% of the company, the possibility that managing partners will aspire to communicate the company legacy to coming generations (Campopiano et al., 2014). Furthermore, absolute family ownership signifies that the family's status will be strictly linked with that of the company (Campopiano et al., 2014). Consequently, the family's wish for inter-generation continuation and for maintaining a good family status will enhance the firm's social achievement.

When the 100% family-owned business expands its environmental social enforcement, this will further sustain the high-grade reputation of the family itself and can increase the opportunities of the family to convey a well-reputed and long-term oriented enterprise to forthcoming generations (Sharma and Sharma, 2011). Besides, if the family shares company ownership with outsiders affiliates, this can place the company far from family values, can reduce the connection between the family account and the firm reputation, and can focus all the activities on a short-term orientation and a request for short-term economic advantages (Le Breton Miller and Miller, 2016). Moreover, the engagement of institutional investors can be linked to a request for short-term profits and self-oriented behaviour (Wiklund, 2006) generating a principal-principal opposition of interests between family owners and outsiders affiliates (Anderson and Reeb, 2004), which prevents active decision-making and boundaries possible funds to employ in environmentally friendly projects. Consequently, complete family ownership can improve the family firm's environmental social production (Le Breton-Miller and Miller, 2016).

Meanwhile, when the family holds 100% of the firm's equity, it will own full power to proceed with its non-economic family-focused purposes (Chrisman et al., 2012). Employment of family workers despite meritocratic factors (Chrisman et al., 2014; Kidwell et al., 2013) and maintaining financial sources within family deals (Kim et al., 2016) is quite easier to perform. Entire family ownership allows the family the power and the legitimacy to do whatsoever it demands to protect its control over business devices. Neubaum et al (2012) propose that family ownership may release governing owners from demands to be responsive to stakeholders' environmental requirements. Recent data denotes that institutional investors can be considered owners that mind the long-term firm's plan (Connelly et al., 2010).

When family engagement in administration is relevant, this will encourage the close emotional and reputational connection that family workers have with the company, driving them to be more receptive to the reputation of their business (Bingham et al., 2011). Great family responsibility in administration implies that the family has enough power to control the firm's social achievement (Le Breton-Miller and Miller, 2016). Consequently, family administrators will have the enthusiasm and the managerial power to carry on their activities (De Massis et al., 2014) and to guide the firm towards improving its environmental social production (Sharma and Sharma, 2011). The presence of non-family businesspeople can be connected to short-term, due to their ineligibility for succession (Le Breton-Miller and Miller, 2016), ignoring the requirements of the natural environment where the firm works (Le Breton-Miller and Miller, 2016). That is to say that the high family engagement in management can enhance the family company's environmental social performance.

As future generations become engaged in the enterprise, conflicts over power and government can generate relationship disputes between family affiliates who have similar power to seek different aims (Chirico and Bau, 2014) and who will oppose how and where profits should be spent (Le BretonMiller and Miller, 2016). In this viewpoint, these attitudes can limit the strength of family firms to proceed with projects that support the welfare of the social environment in which they run (Campopiano et al., 2014). Great family responsibility in administration can symbolise an absence of professionalism and can produce problems deriving from the intra-family dispute, which will finally lead to a reduction in resources possible to develop the environmental social performance of family companies themselves (Le Breton-Miller and Miller, 2016).

2.4.2. Implications for SEW Theory

Recent studies validate Kellermanns et al's (2012) conceptual supposition that SEW may sometimes direct to proactive part-owner embroilment. Nonetheless, the analysis shows different edge situations within which SEW can unveil its advantages, thus decreasing its difficulties. Investigations show that when the wish for family power and government, with a board controlled by family affiliates, is mitigated by hope for professionalism, the family firm can reveal the wealth of SEW. Likewise, the possible difficulties of SEW can reveal themselves by expanding intra-family conflicts for control (Gordon and Nicholson, 2008) and can be decreased when outside managers are engaged in the board.

Outside managers, despite their affiliation or autonomy, may provide an external viewpoint concerning business and family problems and may enhance the social assets of the board while decreasing intra-family disputes.
The outcomes of the wish to protect SEW might be context-dependent, for example, if there is a common trend to have a powerful stakeholder profit orientation, the control of family members in the management organization and distributed enterprise ownership between the family and institutional partners might drive SEW to show its advantages. This implies that future investigation applying the SEW viewpoint must pay attention to contextual institutional circumstances when reviewing its positive or negative value (Kellermanns et al., 2012).

Recent data propose, for family controlling affiliates, that, when the family holds 100% of the company and when family engagement in administration is high, the presence of outside executives and family parts on the board is necessary to improve environmental social production. Nevertheless, when first-generation family affiliates are still included in the firm and when decision-makers do not consider family command a priority despite the meritocratic factors, family parts may be better adapted to sit on the family company board to improve the family firm's social performance. Besides, to gain advantages from family engagement, family businesses that support family sharing in the administration crew must select outside executives on the board to counterweight the decline of social property that emerges from the lack of non-family administrators and to relieve the possibility of intra-family disputes of interest. Furthermore, to receive profits out of participating company ownership between family affiliates and outsiders, family managing owners must support the employment of outsiders on the board.

2.4. Relationship between Board of directors and Firm Performance

Empirical data explain that the time managers dedicate to their boards varies among businesses and this influences the capacity of boards to perform their duties (Lorsch & MacIver, 1989: 23-25; Zona & Zattoni, 2007). On the other hand, affiliates of inactive boards take part in meetings and get resolutions without mental commitment (Lorsch & MacIver, 1989; Mace, 1971). Thus, the unique participation made by executives is to satisfy the demands of the company code. Meanwhile, affiliates of effective boards cooperate actively in board decision-making and dedicate the necessary time to board responsibilities. Consequently, capacity for and assistance in board meetings can affect the board’s ability to effectively perform its responsibilities (Forbes & Milliken, 1999). Such exercises guarantee constructive and productive negotiations, thereby increasing the quality of decision-making and providing the performance of cognitive and intellectual duties (Watson & Michaelsen, 1988). In this viewpoint, executives’ involvement and dedication to board activities can promote both control and policy responsibilities (Sonnenfeld, 2002). Furthermore, training for board meetings and active support during encounters with issues secure effective and productive proposals (Wageman, 1995) can enhance the quality of necessary decision-making (Forbes & Milliken, 1999).

Board use of education and skills and board task performance are related to behavioural dimensions of social combination (Cohen & Bailey, 1997). The use of knowledge and abilities is connected with the process by which board affiliates' additions are organised and explicitly relates to the progress of information among board sharers, the clear distribution of responsibilities, and the recognition board parts have of each other's competencies and expertise fields (Forbes & Milliken, 1999). The use of knowledge and skills is especially important in planning group effectiveness when it is interdependent and participates in a spirit of collective liability for performance results (Wageman, 1995). Boards are usually made up of extremely skilled and reputed figures.

However, the mere presence of knowledge does not indicate that board affiliates will use their knowledge in implementing board duties (Kor & Sundaramurthy, 2009). An effective board needs the effective use and combination of the directors' skills for the benefit of group judgments. To effectively operate their control assignments, boards should combine their expertise in accounting with their experience of the firm's company. Further, to perform their strategy duties, boards should connect their competencies in various functional fields and implement them properly to direct firm-specific matters (Forbes & Milliken, 1999). Board use of education and skills can positively affect board control responsibility performance and board strategy duty performance.

Organizations conducting intellectual responsibility are more productive if their affiliates can express varied viewpoints and communicate positive and negative judgments (Watson & Michaelsen, 1988). Managers consider constructive disagreement, that is, when board affiliates hold different views among themselves and with the CEO. Therefore, it is a very powerful component of committee effectiveness (Finkelstein & Mooney, 2003).

Cognitive conflicts are beneficial to board control duty administration as long as they make it simpler for administrators to consider professional opposing opinions, to gain a more precise knowledge of the firm's position, and to fully express an individual comment on managerial performance (Forbes & Milliken, 1999). Open discussion and discrepancies inside the boardroom promote evaluations of company administration and result in feedback for proper corrective procedures (Zahra & Pearce, 1989). Cognitive conflicts are relevant for the board plan duties, as they develop the group members' inclination to responsibility (De Dreu & Weingart, 2003). Board effectiveness in fulfilling its power and policy duties affects firm financial production respectively by controlling administration misappropriation and the firm doing (Fama & Jensen, 1983; Finkelstein & Mooney, 2003; Forbes & Milliken, 1999) and inducing qualified information and guidance to top directors (Finkelstein & Mooney, 2003; Forbes & Milliken, 1999; Mace, 1971). Westphal (1999: 11) claims that the quality of board participation can be more powerful when board administration is complemented with great levels of directors' guidance. A recent study on boards of directors in family firms (Bammens et al., 2011) declares that both primary duties of the board have a resolute impact on firm economic production.

2.5. The importance of Innovation in Family Entrepreneurship System

The main focus of research is the identification of an effective governance structure as the chief source of values to gain competitive benefits since its structure is an issue of the decision-making approach, which is influenced by the degree of entrepreneurial orientation. On the other hand, it is essential to recognise the board of directors as the most prominent system within a firm, also taking into account the connection between the most significant EO determinants and family governance. It is also fundamental to analyse how these factors influence the organisational firm composition as regards the board of directors' distribution. The study of Boling et al. (2015) takes into consideration the board and gets an association between CEO ownership and EO.

Primarily, it is relevant to pay attention to the intrinsic element of entrepreneurship, that is innovativeness.

Research directed by Short et al. in 2009 and analysing family governance, proves that family firms are highly compatible with EO for innovativeness. Consequently, considering governance in terms of family sharing on the board of directors, it is likely to state that high innovativeness distinguishes family governed businesses. Another important element is competitive aggressiveness. The work by Short et al. (2009), indicates how family-directed firms display language linked to competitive aggressiveness as EO, also regarding governance simply in terms of the board of directors, it is possible to formulate that aggressiveness marks family governed firms. Nonetheless, it is fundamental to consider the autonomy factor. In this direction, Poza (2013) asserts that family businesses prefer to restrict participation from the board of directors to family affiliates, thus generating a lower level of autonomy.

As concerning innovation, Schumpeter (1934) defines it as the economic applicability of something new in terms of output, method of production, new business, a new source of stock or a new structure of any enterprise. He maintains that this new mixture of devices makes the enterprise and that it is an indispensable section for defining entrepreneurship. Damanpour and Wischnevsky (2006) distinguish between the creation and the enactment of innovations. The first one relates to conditions where a company internally produces a result, method or technology that was before unexplored to the business in which the firm works. If a business uses innovation, it absorbs information and technologies that have been produced outside, so it gets or reflects others' innovation. Anyhow, innovation, both production and appropriation, is crucial for companies to proceed with constant development and the durability of the whole business structure.

According to Miller and Friesen (1982), innovation has to be incited by environmental requests and, consequently, decision-makers require to manage information and demand to be part of a singular structure driving them to promote an adequate capability to innovate.

The degree of innovation of a business can be estimated in different forms according to the particular context in which the firm runs. Researchers highlight the value of newness as a key component to manage the strength of a firm to innovate. Innovation has an indispensable role in forming the strategy and its associated activities (Atuahene-Gima & Ko, 2001; Miller & Friesen, 1982).

Consequently, the complete decision-making system of a company is affected by the appropriation of a traditional or an entrepreneurial approach in family firms. Poza (2013) compares the degree of innovation of a family firm with the value generated by the products given by a business, assigning lots of attention to the associated output and performance.

The product is estimated as one of the key factors in implementing managerial judgments. The significance of innovation in the advancement of new products, methods and services for the market is broadly accepted. In this viewpoint, innovativeness incites economic expansion and is the engine of corporate extension and capital production (Saleh & Wang, 1993). Poza (2013) maintains that innovation is vital for family companies to withdraw from stagnation. Its evolution and the business healthful extension across generations are connected to the strategy given by the joining of the current generation of partners and administrators, the dreams and ambitions of the following generation and the timeless sense of dedication to one's consumers. As a consequence, one of the defining aspects of a family business is intergenerational engagement and, innovativeness in this setting is based on envisioning and performing this unique aspect. Within family firms, some families' affiliates present innovative initiatives over generations while others show such inclinations in only one generation. In other situations, innovative aims are lacking in both generations (Litz & Kleysen, 2001).

2.5.1. Innovativeness and performance future perspectives

Innovativeness is a notion of rising recognition by both researchers and practitioners since only a few entrepreneurship research investigations focus on connecting the key concepts of EO and output innovativeness. Admitting that innovation is an indispensable component for entrepreneurship, it is interesting to examine the almost unexplored correlation between entrepreneurial orientation and the expertise of a company to propose new products, services, methods or technologies. Innovativeness is regarded as one of the key components of EO, as the ability of a business to advance and encourage actions in words of designs, originality, experimentation, and creative manners that drive to new results and means, but it differentiates from an entrepreneurial orientation that it does not require new market approach (Lumpkin & Dess, 1996).

The most relevant works on this explicit topic investigate the preceding literature linked to these issues and later advance an empirical examination of family firms. The large majority works to estimate the degree of innovation considering the number of new products proposed by the firm, while concerning the EO, the large majority of studies confirm that, commonly, it is surely associated with outcome innovativeness. Nevertheless, Saleh and Wang (1993) indicate that proactiveness has no relevant connection with innovation, while risk-taking for Avlonitis and Salavou (2007) has not been an essential contributor to the production of new goods as proactiveness could denote. A broad survey of the research on this issue proves that researchers did not pay attention to the empirical application on a unit of family firms.

Henceforth, it is crucial to analyse the capacity to innovate of entrepreneurially guided family businesses taking into account those factors that have been less considered. Because innovativeness is a key component of the EO structure itself, it could be interesting to get the connection between the strength of the firm to develop and promote activities that guide to new issues and methods with the practical introduction of new goods in the market. Based on this theory, innovativeness can be judged positively correlated with firm innovation. Meanwhile, concerning competitive aggressiveness, the researchers recommend a further study on the relation between this factor and the innovation of a family company. Empirical judgments show a positive link between product innovation and EO.

Consequently, based on these conclusions, competitive aggressiveness is undeniably related to firm innovation, as well as the autonomy element which has caught the attention of Gebert, Boerner and Landwehr who have considered in 2003, how decentralization of control and participative management could influence the development of innovativeness in the companies. So less level of autonomy leads to an innovativeness decline of the enterprise. The outcomes show that innovativeness autonomy is positively related to firm innovation.

2.6. Family Firms: Italian Context and successful models

Crosswise Europe, many definitions of "family business" have been recognised, which mainly demand principal family control on ownership and administration strategic direction. Other components employed to distinguish family companies from non-family firms are the active engagement of family affiliates in the business's everyday exercises, the firm's participation in the family's interest generation, and intergenerational factors. In many countries, family firms are broadly compared to Small and Medium-Sized Enterprises, SMEs, in public and policy considerations. Meanwhile, there is an appreciation that family companies are run in all legal structures, including stock market businesses.

In Italy across the last few years, there has been significantly increasing attention on this issue and the generational change within family firms. The widening consideration for family companies is due to the economic growth that has characterized post-war Italy and Europe, during which various businesses have been run (FABUSS Project, 2017). These family businesses are currently experiencing a generational transformation. The determinants for this growing attention are also greater recognition of the participation of family firms in economic and social advancement, enhanced attention to the issue of market change, as well as a greater level of scholarly interest in the matter. Nevertheless, there is a deficiency of a definite description about which factors differentiate family firms from non-family companies.

Commonly, the principles to distinguish the level for *familiarization* of companies are based on detached information compared to the degree of engagement of the family in the business and administration of the business itself, as well as the number of generations relating to the company, the number of members potentially included, and the amount of non-family agents' cooperation. It is also crucial to consider the subjective information covering norms, values, expectations and the point of overlay between the family and firm dynamics. This multiple institutional overlapping holds the primary result of providing a variety of organizational forms that differ in the corporate dimension, the constitutional structure and the multiple sorts of connections between the determinant components themselves.

In Italy, commonly, in large and medium-sized firms, the family holds the assets or the majority of it, while corporate administration is frequently guided by affiliates outside the family. Five million Italian firms are based on the family, where family companies could surely be described as the driver behind Italy, since they offer a meaningful contribution to GDP, ensure jobs and increase the quality of the job (FABUSS Project, 2017).

Nonetheless, family ties often draw an impediment to the long-term continuity of a business. There is the complex obstacle of generational progression. The family firm is the system that most exactly reproduces the social orientation of the Italian market which is renowned throughout the world for being original, hard-working and quality-oriented. In Italy among 80-90% of all businesses are family-owned (FABUSS Project, 2017). Overall, Italian family-run firms estimate about 5 million and, also taking into consideration the smaller groups, contribute 80% of *Gross Domestic Product*, making them a base of the whole country's economy (FABUSS Project, 2017). Hence, when family-run firms function properly, the whole country takes advantages. Italy still possesses some of the most competing firms in Europe, and many of them are family-owned (FABUSS Project, 2017). Family-run companies with less than 10 employees commonly, perform a fundamental strategic system. More than a third prefer an exclusively protective approach, and the 30% restrict themselves to applying only one approach among the most elaborated innovations, such as improving the range of products, introduction to new markets, growth of relationships with other businesses. A recent examination of the country's family company sector has indicated 200 of the most effective of these companies with yearly incomes starting from €20 million and going much higher (FABUSS Project, 2017).

The successful model of family firms in Italy is characterized by some relevant determinants which are the leadership, embodied by family affiliates towards the non-family administrator; the opening BoD to non-family sharers; the generation of the business administration, the dimension of the company.

By combining these governance factors, three chief successful models have been identified: family businesses with a "Good founder", in many samples not younger, which supports the company's progress with any model of governance and in groups of any size; family businesses *closed* for small companies, marked by closed-end administration to the non-family affiliates at the leadership level and the Board of Directors, which works excellently just in more manageable and dimensionally restricted settings; family businesses *for Growth*, which concerns larger firms, where the founder is no longer running the group (FABUSS Project, 2017). This is a pattern delineated by open management to non-family affiliates and commonly marked by a young director at the company's head.

2.7. Why do Italian Firms go public?

Several theories have been proposed in the scholarly literature to demonstrate why firms go public. The first empirical correlation between firms and going public for the IPO is to finance future growth. Mikkelson, Partch, and Shah (1997) report that US IPOs typically undergo a large growth in assets after the IPO. Anyway, the obvious reason for IPOs is to support growth does not answer the problem of why the managers chose an IPO to fund that growth. When attempting to determine the reasons for issuing entrepreneurs, researchers studying the IPO close market phenomenon (Jaffe 1975; Ritter 1984) discuss motivations for going public as determinants of fluctuations. Lowry and Schwert (2002), propose that more firms go public after times of great underpricing because concrete information has been exposed through the previous IPOs; and IPOs can gather more money than they had before considered.

The earliest literature to approach why firms go public starts with the original property structure literature (Modigliani and Miller 1958, 1963). They state that "*[t]he market value of any firm is independent of its capital structures*" (M&M 1958, p. 268). The work of Baxter (1967) and Stiglitz (1969) explains that if a firm obtains too much financing from debt, the increased failure costs begin to damage the value of the firm. To overcome borrowing constraints/Increase bargaining strength with banks Pagano et al. (1998) claim that gaining access to a source of economics other than banks or venture capital "*is probably the most cited benefit of going public, which is explicitly or implicitly present in most models*" (pg. 38). Basile (1988), Pagano et al. (1998) assert that entrance to public equity businesses may decrease the cost of credit.

Pagano et al. (1998) then explain that extended bargaining power can also encourage firms to reduce their cost of debt (Rajan (1992)). Then, firms can enhance their trade power by gaining an introduction to public equity markets and growing firm transparency with investors. Several works approaching why firms go public claim that IPO insiders are interested in going public to establish a market price for their company as a first step in cashing out. The second action would then imply selling the firm completely at the probably more eminent market value (Zingales 1995; Mello and Parsons 1998).

Adopting Italian data, Pagano et al. (1998) test the following sell-out theory by predicting a large percentage of control variations after the firm goes public. Pagano et al. (1998) claim that for a subset of the firms, the insider liquidity hypothesis is confirmed. Kim and Weisbach (2005) report that IPOs that include secondary divisions seem to be different from IPOs that declare primary shares. Primary division-selling IPOs prove a greater demand for new resources, increased financing, greater repayment of the debt, improvements in cash, and greater succeeding SEO activity. Chemmanur and Fulghieri's model (1999) claims that IPOs expand the ownership base of the firm, thus, the advantages of an IPO are contrasted with the weaker information-production costs of being privately owned. Pagano et al. (1998) demonstrate that the enhanced share liquidity of being public generates value for IPO insiders according to market microstructure research. Pagano et al. (1998) argue that riskier businesses should be more likely to go public and that managing shareholders should contract a large portion of their dividends either in the IPO or shortly consequently.

Maksimovic and Pichler (2001) claim that firms conducting IPOs can increase the publicity or reputation of the firm. Their view is that the IPO itself can help to generate a buzz in the marketing community, improving the reputation of the firm, and performing a first-mover dominance in the IPO's corner. Further, Demers and Lewellen (2003) demonstrate that IPO may serve as strategic transits.

Pagano et al. (1998) consider that an IPO may improve investor recognition and that listing on a major replacement may get the attention of portfolio administrators. Moreover, Pagano et al. (1998) indicate that an IPO extends the transparency of managerial judgments.

2.8. Covid-19 and its impact on Italian Firms

What is supposed is that after the pandemic context there will be higher competitive tension between the firms of many countries. The correlation between the largest companies in France, Germany, Italy, and Spain suggests some compelling examinations on the status of great Italian groups at the beginning of the pandemic.

This correlation shows two important factors: Family firms still embody the heart of Italy (43.7%), Germany (39.5%), and Spain (35.4%) (Corbetta and Quarato, AUB Observatory, 2021). The future expansion of the European economic structure depends on the growth of family businesses, and this also affects the largest firms. Manufacturing family firms are powerful in Italy (49%), even higher than in Germany (43%). For these two contexts, the later development of the economic order cannot ignore the increase of manufacturing firms (Corbetta and Quarato, AUB Observatory, 2021). Nonetheless, Italy is the unique country where the driving profitability (ROI) in 2019 of family firms surpassed that of 2018. The Italian family companies hold a more powerful economic strength than non-family businesses. The financial data of the last decades, hence, register that family companies and the Italian setting are particularly relevant, have answered favourably to the crisis of 2009, increasing growth, profitability, capital and financial power. It is now crucial to know how family firms will face the Covid-19 crisis. Important challenges arise for the larger Italian companies, both family and non-family ones. They are increasing the size and accelerating the extension by expanding the number of acquisitions (Corbetta and Quarato, AUB Observatory, 2021). Nevertheless, fewer Italian firms are registered on the Stock Exchange compared to European counterparties. Although, Italian registered family firms are more than Italian listed non-family firms (Corbetta and Quarato, AUB Observatory, 2021). This difficulty affects all European businesses. So, Italian companies have to work hard on all these difficulties. The differences compared to France and Germany's firms are broad, but it can be overcome, also thanks to the great work of Italian companies in the latest decade. Considering the corporate governance system, two hurdles seem to appear for Italian family firms: the leadership and boards of directors' admission to non-family affiliates, as well as to young leaders.

Leaders older than 70 years figure for 29% in Italy, against 23% in France, 22% in Spain and 7% in Germany (Corbetta and Quarato, AUB Observatory, 2021).

The renewed economic data of the XII edition of the AUB Observatory reveal that Italian family companies at least 33.3% of them own an inadequate financial system at the beginning of 2020. From a comparison of data at the outbreak of the Covid-19 pandemic, it is shown that the incidence of companies with a settled capital structure in early 2020 was more moderate than that in early 2009.

It is expected that 13.5% of Italian family businesses could enter liquidation or insolvency proceedings across the next decade (Corbetta and Quarato, AUB Observatory, 2021). However, it is supposed the crisis to have a larger negative impact on Italian and international GDP related to that of 2008-2009 (Corbetta and Quarato, AUB Observatory, 2021). If the replacement of the next few years does not increase to that of the past decade, it can be expected that 25% and 30% of Italian family companies may register liquidation or insolvency across the next decade. Throughout 2020, the rate of companies that claimed to adopt smart-working rose to 87%. Family businesses, which began from a smaller number (25%), reached 85%. This proves that the energy of Italian firms is marked by their ability to react and to adapt to new circumstances. As regards the selection of security contracts and e-commerce programs (B2B and B2C), there is a strong connection between family and non-family companies (Corbetta and Quarato, AUB Observatory, 2021). A great number of firms, both family and non-family companies, have elaborated specific plans to guarantee a safe business environment and contracts to support in case of positive virus tests, also adding the opportunity for workers and their families to make swabs or serological analyses. Furthermore, about 43-44% of businesses, both family and non-family, have performed e-commerce programs of either the B2B or B2C model, throughout the lockdown time or later to satisfy the changing requirements (Corbetta and Quarato, AUB Observatory, 2021).

CHAPTER 3

EMPIRICAL ANALYSIS OF THE RELATIONSHIP BETWEEN FIRM PERFORMANCE AND CORPORATE GOVERNANCE ON ITALIAN FAMILY-OWNED LISTED COMPANIES

3.1 Family and Non-Family Firms characteristics

The family business field of studies still meets developmental challenges in terms of knowledge consolidation, increasing difficulty, and relevance (Steier, Chrisman and Chua, 2015).

Making more valuable augmentations to general administration and economics needs theoretical conciliation with overall business assumptions, conceptual and experiential discussion of the heterogeneity of family firm models, and theoretical clarification of the origins of family firm specificity. Such maturation may be obtained through the insightful examination of the micro-foundations of family firm behaviour (Gagné et al., 2014).

There is an increased agreement that family firm performers are marked by distinctive purposes, motivations, and responsibility, so their actions are an outcome of peculiar purposes, governance compositions and sources (De Massis, Kotlar, Chua and Chrisman, 2014).

Experimental data aims at emphasising the distinctive nature of family firms in terms of entrepreneurship (Zahra et al., 2004), innovation (De Massis et al., 2013), diversification (Gómez-Mejía, Makri and Larraza-Kintana, 2010) and financing (Chua et al., 2011).

These fields of distinctiveness have been investigated by distinguishing what family firms do or can perform versus non-family companies. Recent approaches mark family firm behaviour and organization (De Massis et al., 2012).

Out of the most highly referred family business researches published between 1996 and 2010, only some of them are focused on the processes by which family companies perform their strategies according to their governance structures, idiosyncratic resources or distinctive processes. Recently, family business investigations have highlighted that family firms will not offer behaviours and performance separate from those of non-family businesses unless the family has the willingness to act in an idiosyncratic style (e.g., Chrisman, Chua, De Massis, Frattini and Wright, 2015.

Moreover, family firms' performance is done by using administration processes according to the way the organization identifies decisions that must be taken to resolve issues and problems, but also the way it sets purposes and in what sequence the decisions are executed and actions practised. Recognizing that the ruling family's responsibility will necessarily introduce family aims and dynamics into the organizational methods, the management rules adopted by family firms can be supposed to be distinctive as well. The management processes employed by family firms will be different from those of non-family companies because family responsibility drives the family's behavioural capacities in terms of strength and willingness to proceed with specific purposes, through particularistic governance compositions and accumulation of particularistic devices which include the strategic drivers of family firms' administration means.

Therefore, it is important to know the nature of family association, the behavioural abilities of the controlling family, and the strategic drivers to understand family firms' administration methods.

Nevertheless, the relationship between family engagement and firm behaviour is very intricate due to family involvement's heterogeneity and multidimensionality (Chrisman et al., 2008). According to some recent investigations, control, through ownership, management and governance, besides experience - the number of generations that have been implicated in developing the family business- define the nature of family commitment.

Family business researchers demonstrate that family commitment is a necessary but inadequate requirement for family companies to behave distinctively, suggesting that family responsibility is insufficient to directly define family firm behaviour except taking into account the behavioural abilities of the connected family (Chrisman et al., 2015).

Experience and compliance constitute the behavioural inclinations of family firms as they affect the family's decisions of the strategic drivers leveraged to create a distinctive performance. Experience, defined as the responsibility of the family to govern, allocate, or place the firm's sources, can be measured by family ownership, family board membership, and family management. Compliance, described as the positive disposition of the concerned family to perform distinctive behaviour, has been attributed to transgenerational sequence plans, socioemotional wealth interests and commitment to the firm itself (Chrisman et al., 2012).

Even more, family members' devotion to the company, self-identification with the business, the purpose for intra-family succession, and ambition to protecting socioemotional wealth can differ (Chrisman and De Massis, 2015). Thus, the value of the transgenerational sustainability of power can change among family firms and this distinction provides heterogeneous investments in investigation and improvement. In addition to the family's ability defined by family engagement, the intention to proceed with a particularistic conception across generations of the family is required to make the firm perform in a way that diverges from non-family firms (Carney, 2005).

Investigations pretend that family members' identification of the company as a family firm (e.g., Deephouse and Jaskiewicz, 2013) affects the family firm's characteristic behaviour (Zellweger, Eddleston, and Kellermanns, 2010). The suggestion that family-oriented distinctive purposes have both the ability and the willingness to pursue such an end seems reasonable but has been ignored in family business research (De Massis et al., 2014).

Purposes in family firms are broadly considered by researchers to be both economic and non-economic in quality (Chrisman et al., 2012) and are a significant matter of heterogeneity among these companies (Chua et al., 2012). Although the process through which these purposes develop and are determined is quite complicated (Kotlar and De Massis, 2013), the distinctive strategic aims of the family firm arise as a result of the associated family's experience and compliance.

Firms with family engagement would not pursue non-economic goals, focusing entirely on economic goals. The family's organizational power resulting from the family's authority and legitimacy is established by dominant cultural, political, regulatory, competitive, and capital market requirements (Carney 2005; Chua et al., 1999). The family's application of its capacity to govern the firm may direct to the board of directors (BOD) being entirely managed by family members or ownership concerning pyramids, cross-holdings, and dual voting class shares (Claessens, Djankov, and Lang 2000) that admit the family to avoid the board when making strategic decisions (Carney 2005; Lorsch and MacIver 1989).

Independence in strategic decisions concerning how company resources are developed and shed depends on the organizational power of the associated family. For instance, the family may be able to restrain managerial actions without being directly implicated in the top management organisation by decreasing the resources available to them (Finkelstein and Hambrick 1990; Hambrick and Finkelstein 1987). Thus, compliance and experience define the strategic purposes of the organization, the governance compositions that will be assumed as well as the material and immaterial resources that the associated family will be able to locate, direct, designate or apply (De Massis, Di Minin and Frattini, 2015). It is also necessary to note that the most powerful and lasting resources of a family company are those rooted in the human, social, and emotional assets of the family members. To achieve its purposes, the family firm's dominant alliance will leverage its governance practices and devices to affect all aspects of a firm's business and activities (Argote and Greve, 2007), particularly its plan and performance (e.g., Hambrick and Mason, 1984).

Family business investigation assumes that once the strategy is defined, successful execution follows, but the results depend on the family firm's ability to perform. Many abilities in this regard can provide various results notwithstanding similar family engagement shapes. The same strategy can be administered in different ways (De Massis, Kotlar, Frattini, Chrisman, Nordqvist, 2016); some will succeed and some will be unsuccessful. This suggests that, without getting the management processes by which family firms perform their strategies, it will be arduous to decide to what extent their behaviour is a function of idiosyncratic necessary purposes, characteristic governance arrangements, distinctive resources or the failure to administer. A family firm's performance can be analysed as a source of family business heterogeneity (Chua et al., 2012).

Family involvement influences family owners to choose between control preservation and divestment, showing a relationship between family goals, resources, and resource-bundling methods that define firm strategic choices about innovation.

3.1.1. Methodology: the most important variables for Family Firm Industry

The management method may be simplified to consist of five elements: the required tasks, the participants; the distribution of duties; the order of steps; and the responsibilities. Every procedure needs the performance of a set of tasks to accomplish that approach and these duties are shaped by the goals, governance, and sources of the principal team of decision-makers in a business. In family firms, the non-economic purposes of the prevailing group concurrently define and increase the possible field of duties that can be applied to execute the strategy.

Emotional affection makes it difficult for some family companies to shed stores (Sharma and Manikutty, 2005) but the related lack of end-game situations may improve their ability to entrepreneurially maintain those sources and recognise new chances (Patel and Fiet, 2011). Furthermore, family governance may guide to maintenance and traditionalism in the duties that are performed. On the other hand, family governance may also receive less resistance, so the tasks can be completed without suspension (König, Kammerlander, and Enders, 2013).

The sources set in the firm through family engagement will also make limits and possibilities for strategy performance, especially concerning the presence or absence of different preferences in the use of family and non-family social capital (Verbeke and Kano, 2012). Family businesses can employ a differentiated set of players whose effectiveness will affect firm results. Within the governing group, the family chief carries major control of the firm and its exercises. Therefore, other family parts are often included – be they from following generations of the family, or other family members.

Given the heterogeneity of settings and functions of these members within the family practice, features like cognitive and affective measure, personal and group-related developmental matters, and expertise within the business affect an individual's ability to perform (Jennings et al., 2013). They will also define the degree to which actors' performance is arranged to allow firm results (Gersick et al., 1997). On the other hand, non-family parts are also important administrators of organizational operations and duties. They represent a check on the governing family's concern and are required for business professionalization (Colombo et al., 2014), both of which are probably helpful to the firm. For these members to make an adequate contribution, suitable governance compositions need to be placed (Guidice et al., 2013).

Organization of duties enables managers to focus on strategic matters, generates a feeling of ownership among other members and puts choices in the hands of individuals with great ability. It enhances the business's effectiveness, as well as all the members' satisfaction (Chen and Aryee, 2007). Delegation is affected by the extent to which the dominant group is satisfied by close control of family actions (Berrone et al., 2012). In management methods, actors engage activities in particular orders (Van de Ven, 1992). Sequencing of operations is important as it can define the effectiveness of a method (Amis et al., 2004). Interest in the sequencing of management methods and their impact on their results has grown, but this area remains under-theorized (Liguori, 2012).

The need to estimate the sequencing of management duties derives from the fact that all components of an association are not neutral and value-free. Conversely, participants establish goals, meaning and interpretive projects, which affect their opinions and resulting adjustment to strategy performance. Since such ideas are not connected to all organizational elements uniformly, the order in which various components are modified will influence the result. This is even more asserted in family companies, where the temporal order of actions reflects the preferences and goal authorities of players (Paul et al., 2003).

Performance might be different when a bottom-up method is chosen, defining operational duties before settling performance, to a top-down strategy, establishing the overall structure of the method first and operational duties result. Thus, information processing and task adjustment could be determined by multitasking performance, when different activities are tried in correspondence, and the actor has to ensure coordination of several sub-processes, rather than in a linear form (Amis et al., 2004). Moreover, in family companies, the development of both the family and the business orders (De Massis, Chirico, Kotlar and Naldi, 2014; Minola et al., 2017) sums further complexity to the sequencing of operations required to perform the procedure.

Organizational directions and monitoring are required, in support of the strategy performance method, to help businesses perform the duties expected to achieve their aspired results. Accountabilities, a subject's responsibility to inform, describe or prove something, and deliverables, the objective of accountability, give formal devices for information-based powers. They are relevant to plan performance because they provide firm chiefs to approve and legitimize their policies, to demonstrate the value of such approaches to internal and external stakeholders and to set change by persuading actors' capacity and promoting improving procedures (Hitt et al., 2012). Accountabilities and deliverables support the performance of the decisive strategy and maintain necessary leadership. A neglected aspect of family firms' performance effectiveness is their capacity to hold their family directors responsible for functions and deliverables (Chua et al., 2009; Lane et al., 2006). This is an interesting analysis topic as family status plays a role in developing accountability systems and plans. Effective plan performance needs not only formal devices of monitoring but also reflections about how these devices are associated with intricate interpersonal relations (Jennings et al., 2013). Actors' status, organizational standards, and personal judgments of behavioural control are the components that define how managers recognise themselves as accountable and how they react to strategy performance applications (Guidice et al., 2013). Given the uniqueness of the cultural and emotional setting of family companies, knowing accountabilities and their impact on strategy performance is a valuable counterpart to theoretical applications directed at explaining how family firms operate. The family firm's behavioural strengths consist of ability and willingness. Ability is linked to family commitment because choice moves directly from the association in ownership, governance, and management. Willingness to interlace in idiosyncratic behaviour is not a duty of the level of family engagement. The strategic operators flow out of the behavioural capacities, willingness mainly concerning the goals pursued and ability influencing governance and resources. The firm's plans must be performed by employing management methods that are determined by the required duties; the actors; the assignment of responsibilities; the order of operations; and the accountabilities.

Out of the administration, methods will move the firm's performance in terms of both economic and non-economic purpose fulfilment. Performance compared with the ambition level moving from the purposes may then lead to a review of the strategic operators, behavioural capacities, or even family engagement.

3.1.2. Family control and Firm value

Family control businesses have been discussed for over a century by research that it improves family firm value. Some classical research demonstrates that the ownership compositions in held firms generate opportunities for disagreements of interest between managers and stockholders. This can decrease the value of the company because managers are more concerned about the maximization of individual benefits at the cost of the owner of the businesses. Other researchers claim that the most proper instrument to improve the action of such management behaviour is through centralised ownership (Ntoung et al. 2017, p. 127).

For instance, they claim that division between ownership and government can include important charges and difficulties for shareholders (Sraer and Thesmar 2007). Their classical agency query insinuates that one way to solve the conflict of interest between shareholders and managers is to raise the dimension of shares in the hands of the controlling stockholder. Minority shareholders are deceived as ownership becomes more concentrated while managing stockholders tend to interlace undesirable behaviours. Schulze et al. (2001) assert that family firms with concentrated control are more exposed to agency risk. Chrisman et al. (2004) assume that agency cost influences the performance of the family business. Researches in Italy show a positive and significant association between incentive and performance. (Ntoung et al. 2016b).

Yang et al. (2018) assume that to perform risk management methods in a way that will ensure a competitive position in the market, the top administration requires enough financial skills. According to researchers, family businesses with a founder or descendants as CEO or Chairman defeat other companies. However, family businesses with a founder as CEO outperform family companies with descendants as CEO.

According to researchers, "if no member of the family is included in the management (passive), the businesses perform worse" (Ntoung et al. 2017, p. 125). Concerning the different empirical data from prior research, it is reasonable to assert that financial and capital composition decisions by family companies are driven by the level of risk considered. Anderson and Reeb (2003) claim that "the principal-agent cost and the asymmetric information between shareholders and managers" (Anderson and Reeb, 2003, p.114) are decreased when a composition of the family company is assumed in a business. They suggest that the risk-averse sort of guiding families is destroyed through controlling. DeAngelo (2000) continue that the risk reluctance of family companies is performed through avoiding high-risk plans even when they have resolute profit as large stockholders might require costs to well-diversified part-owners with minority control. Thus, it is possible to assume two hypotheses: the first one is that "Family firms have lower leverage than non-family competitors"; while the second one is that "Family-owned companies are less risky than non-family businesses". These hypotheses imply that family-owned companies maintain some features, such as family legacy, generational continuation, and longer-term ranges, which might probably be liable for the capital composition determination and make the family company more risk-averse and conventional.

Leverage "We use a panel regression analysis to evaluate whether a family-owned company has a different level of leverage to a similar non-family" (Ntoung et al. 2017, p.134) to measure the level of a company's leverage. One motivation for rejecting the ratio of debt/capital is because it is determined not only by the choice of debt level the business gets but also by the degree of equity the firm owns. The debt/capital ratio caused the market opinion of the firm into the equation, thus it wouldn't give a precise estimate of the leverage decisions made by the company itself. As concerning Risk Exposure:

> To critically analyze the risk profile of family businesses as opposed to their non-family peers, it is vital to examine beyond leverage, factors that reflect overall risk. We further evaluate these factors by employing the Altman Z-score, a predictive model developed to determine a company's probability of filing for bankruptcy in the next subsequence of years and to measure the overall financial health of a company (Ntoung et al. 2016b, p.140).

While, with respect to the independent variables and ownership structure, it is used criteria focusing on the holding of a shareholder's ultimate voting.

3.2 Family power in the Board of Directors and firm performance: General and sector level evaluation

The traditional investigation has provided some contradictory decisions on whether boards of directors (BOD) can impact family firm performance (Bammens, Voordeckers, and van Gils, 2011). Zona (2016) explains that this may be created by inequalities in board methods and that various types of CEOs will profit from various board processes. Within the family company, the variations in impact would be most valuable between family CEOs and non-family CEOs. Since non-family CEOs are commonly more competent and expert, he proposes that the extent to which board members can organise their knowledge and abilities will have a more prominent positive influence on the board's administration when a family business is managed by a non-family CEO. On the other hand, when a company is controlled by a family CEO, board performance will be extended more to the amount the board involves in cognitive opposition. He maintains that family CEOs are inclined to risk objection, strategic inactivity, and concerns for socioemotional wealth and therefore cognitive dispute on the part of the board can produce more pertinent and thorough reviews and foster modernisation. Finally, Zona suggests that owing to information weaknesses, when family CEOs are at the helm, a more comprehensive work by directors will have a more powerful association with board achievement than when non-family CEOs, who have more elevated access to external information, are in assessment.

Zona adopts hierarchical regression to test his theories based on study data from 104 Italian family companies. He gets support for his suggestions regarding the respective use of expertise and experiences and cognitive struggle when non-family and family CEOs manage the family business. However, the work of directors has a statistically similar positive impact on onboard administration regardless of whether the company is led by a family or non-family CEO.
His study is remarkable because it shows not only when several governance forms are more inclined to be successful but how those various forms can strengthen the family's compliance and ability to attend idiosyncratic plans based on a convergence of economic and non-economic purposes. Thus, when non-family CEOs are at the helm, the solution to good board achievement seems to be the compliance of family partners to step back and let the administrators manage while employing the knowledge and abilities of the board. In opposition, family partners need to recognise the board has the power to monitor the unregulated experience of the CEO to call the reports when a family member is in charge. The most important analysis topic from Zona's study concerns the ability of CEOs and/or boards to influence partners to produce a governance structure with enough flexibility to authorise effective functioning as the structures of the top management team and BOD development.

3.3 Empirical analysis and considerations of sample selection

To study the relationship between firm performance and corporate governance on Italian family-owned listed companies it is required to have non-family businesses as a control sample.
The reference sample is made up of all Italian companies listed in April 2021 on the *Mercato Telematico Azionario* (MTA) of the Italian Stock Exchange.
It been drawn an opening sample including 395 Italian listed companies but, as in Sraer and Tesmar (2006), it been banished 82 banks and insurance companies, as per Appendix 1, because they comply with distinctive regulations on financial statements and, consequently, they are not directly comparable with the type of companies I plan to analyze.
To avoid period bias, it been collected their data on financial performance from 2009 to 2019.
As regards the composition of the BoD and ownership, the data refer to the situation existing at the date of approval of the financial statements.
It been chosen the greatest possible sample also to avoid sample selection bias and to obtain statistically significant issues; as the data in the sample increases, the confidence period increases, the greater the evidence and therefore we can achieve accurate outcomes.

3.3.1 Types of companies and shareholders in the sample

The sample consists of 313 industrial, commercial, and service companies (ICS). This section includes all companies that are not banks or financial companies nor insurance groups. They can be connected to manufacturing enterprises but also trading activities (wholesalers, retailers, brokers, etc.). They also include companies active in B2B or B2C non-financial services.
As regards the shareholders, these can be banks, financial companies, insurance companies, corporate companies, mutual & pension funds/nominee/trust/trustee, foundation/research institutes, public authorities (States, Governments, governmental agencies, governmental departments, or local authorities), one or more individual or families, private equity firms, venture capital firms, hedge funds.

3.3.2 The process of Data Collection

It been derived the data mainly from AIDA and ORBIS, that is, from the databases made available by the company Bureau van Dijk.
It been consulted the AIDA (Analisi Informatizzata Delle Aziende Italiane) database which includes detailed information on all active and bankrupt Italian corporations such as financial statements, shareholdings, and compositions of the Board of Directors.
To obtain useful data from AIDA, it been carried out a Boolean search by entering only listed industrial, commercial, and service companies (ICS) as exploration criteria, excluding financial intermediation companies (FIN), Securities brokerage company (SIM), Banks (BNK) and Insurance companies (INS). It been made up a sample of 348 ICS Italian listed companies, however, 35 of these had not been correctly recorded by AIDA, and therefore only in-depth manual searches, as per Appendix 1, led to reject them as they do not correspond to the type of companies being analyzed.
For the same 313 companies, from the ORBIS database, which contains comparable data on businesses from around the world, it has been selected the Corporate Governance and Shareholding data of 2019.

3.4 Study variable measurements

The Italian firms show great complexity in their formulation, above all in the measurement of the different EO dimensions. The variables of concern for the empirical study are essentially innovativeness, competitive aggressiveness, autonomy, family governance, business innovation and firm performance. Innovativeness, competitive aggressiveness and autonomy are connected to the EO dimensions (Nunnally & Durham, 1975). Family governance is represented by a model variable, as the ownership belongs to family members that are identified with the same surname. The firm innovation variable is identified as the total number of patents owned by the firm.

Several factors could affect the decisions and behaviours of the firms, and the people relating to them. For what concerns the notion of the family firm, it is important to take into consideration the family ownership in which the EO dimensions are necessary to control the composition of the board of directors and firm innovation, as the independent variable.

As regards risk-taking, it is related to the ability of the firm to start risk projects; the capacity of the company to undertake wide-ranging and brave actions that are required to achieve the firm's objectives but could affect the business and finally the competence to adopt an aggressive posture to maximize the possibility of employing potential opportunities. It is also important the proactiveness (Covin and Slevin 1989) which refers to the capacity of the company to be a first mover, compared to competitors that respond to firm initiatives and to the ability to be the first in introducing product/service/management reform.

Concerning innovativeness, as suggested by Covin and Slevin (1989), to be innovative, a firm should invest a lot in R&D and implement the latest technologies, rather than focusing only on the marketing of previously existing products. Moreover, the firm needs to offer new services or products in the last three years and method innovations that are extreme or advanced. A firm need to be recognised among its competitors as the one that innovates and examines new technologies (Zahara and Covin 1993). This dimension designates an organisation that easily adapts to new circumstances, with a strong combination among entrepreneurs, managers and professionals that support each other. Nonetheless, the more a firm attempts to solve problems through creativity and the development of new concepts, the more it could be innovative. Competitive aggressiveness is the attitude of a firm that always aspires to play in the market-facing opponents.

3.4.1 Description of the variables in the database

It been used both quantitative and qualitative data to analyze the research question. In particular,
These are the dependent variables used to analyze Firm Performance:

- ROS (time series from 2009 to 2019): these columns show the Return on Sales.
- ROA (time series from 2009 to 2019): these columns show the Return on Assets.
- ROE (time series from 2009 to 2019): these columns show the Return on Equity.
- ROIC (time series from 2009 to 2019): these columns show the Return on Invested Capital.

These are the independent variables used to analyze Corporate Governance:

- POSITION: this column shows the position held by anyone who works on boards, commissions or departments. There is a very wide variety of positions, so it has been filtered the relevant ones for this empirical analysis, that is, Chief Executive Officer, Chairman of the Board of Directors, Founder, Executive Directors, Member of the Board of Directors, Independent and Lead Independent Directors.
- FULL NAME: this column displays the full name of anyone who works on boards, commissions, or departments.

- AGE: this column presents the age of anyone who works on boards, commissions, or departments.
- GENDER: this column exposes the gender of anyone who works on boards, commissions, or departments.
- COUNTRY OF NATIONALITY: this column presents the country of nationality of anyone who works on boards, commissions, or departments.
- BOARD, COMMISSIONS, OR DEPARTMENTS: this column displays where anyone occupying a position on boards, commissions, or departments works. I departed for those who occupy a position in the Senior Management Team, Board of Directors or Executive Committee.
- NUMBER OF COMPANIES IN WHICH A POSITION IS CURRENTLY HELD: this column exposes the number of companies in which a position is currently held by anyone who works on boards, commissions, or departments.

These are the variables used to analyze the Ownership:

- GLOBAL ULTIMATE OWNER NAME: this column gives the name of the person or legal entity that owns the majority of the shares.
- SHAREHOLDERS NAME: this column presents the name of the person or legal entity who is a shareholder of the company under analysis.
- % DIRECT SHAREHOLDERS: this column exposes the percentage of ownership that the shareholder holds directly in the company under analysis.
- % TOTAL SHAREHOLDERS: this column shows the total percentage of ownership that that person or legal entity holds in the company under analysis. The difference between "% Direct Shareholders" and "% Total Shareholders" emerges from situations in which a company, in addition to directly holding the shares of the firm under analysis, holds other shares through other companies in which it has invested. This procedure it has been explain later in detail.

These are the variables used to frame the characteristics of the sample in terms of distribution:

- Regions: This column shows the region where the company resides.
- ATECO 2007 code: This column shows the ATECO code 2007 associated with the activity carried out by the company.
- SAE Description: This column shows the description of the "Economic Activities Subgroup".

3.5 Ultimate Owner and Family Business: Consob Data collection

Corporate ownership is marked by cash flow rights (*capitale votante*) and power by voting rights (*capitale ordinario*). Ownership and control rights can vary because of pyramiding, holdings within multiple power chains, cross-holdings and dual-class parts which give different voting rights for delivered cash flow rights (in general, any difference from the one-share-one-vote system). For every firm, it may be constructed using four model variables, such as the dual-class shares, pyramid, holding through multiple control series, cross-holding, also considering a value equal to one of the particular forms of division is present.

In Italy, the main legal form of division used by listed companies is the pyramidal group which enables stockholders to change and manage a wide range of assets with a restricted amount of capital. The pyramid structure permits a stockholder to spread minority shareholders' choosing rights over many companies and to focus his voting right on the business at the top of the pyramid, getting large control on other's property with a small quantity of capital owned.

There are no legal limitations on interlocking directorates and corporate groups have been favoured by Italian tax policy (i.e. profits are taxed only once, no matter how many degrees the control chain has).

Almost all listed companies in Italy distribute dual-class shares; shares with limited voting rights (the preferred shares or "*azioni privilegiate*") and non-voting shares (keeping shares or "*azioni di risparmio*").
To evaluate the level of separation between ownership and power it is relevant to consider the ultimate owner. To be in line with previous studies, listed companies controlled over 25% by one or two families, or by a legal entity attributable to them, meet my criterion of family business.
The Ultimate Owner is defined as the shareholder who owns more that 25% of the shares with voting rights with no other single shareholder owning a larger percentage.
For each company in the sample, it been consulted the list of shareholders with their direct and total percentage of ownership. If the majority shareholder of the company under analysis was a corporation, I looked for who the shareholders of the latter were until it been identified whether or not there was one or two families who held at least 25% of the shares.
AIDA identifies the Ultimate Owner, but this is not enough because it does not capture either cross holding[2] or pyramidal structure so common among Italian listed companies. Unfortunately, in the case of a pyramidal control structure when the control chain divides into two or more paths AIDA automatically follows only the one with the highest percentage of ownership, losing therefore holdings through multiple control chains and cross holdings stakes. Finally, the ultimate holder is not specified whenever the shareholder is not recorded, or the shareholder is recorded but the percentage of ownership is not reported at any stage of the control chain. Therefore, in these cases, which constitute the vast majority, after consulting mainly AIDA, Refinitiv and ORBIS, it been manually calculated the ultimate ownership and control stakes for each firm in the sample.

[2] When a listed company owns a significant number of shares of another listed company.

3.5.1 Type of ownership percentage and total percentage BvD calculation

The Ownership Database intends to track control relationships rather than relationships that do not allow the shareholder to take a decision in the company. This is why, when there are 2 categories of shares split into Voting/Non-voting shares, the percentages that are recorded are the ones attached to the Voting shares category. A link between two entities is indicated even when the percentage is very small (less than 1%) or unknown.

To enhance the distinction between companies directly owned from those that are indirectly owned by a shareholder with more than 50% of shares, BvD has decided to check whether companies with no recorded shareholder of more than 50% of direct ownership have some of their direct shareholders controlled by the same entity at the first or at a higher level. The concept of control follows the IFRS prescriptions according to which an entity (company, individual, etc.) controls a company as soon as it owns more than 50% of the ownership.

If two minority direct shareholders are controlled by a third minority direct shareholder or by a same entity at a higher level, BvD creates a Calculated Total Link between the subject company and the controlling company and calculates a total percentage by making the sum of the direct percentages of all minority direct shareholders controlled by the same controlling company. This process is based on the concept of percentage of control as opposed to the concept of percentage of interest.

It has been chosen the 25% as the minimum percentage that must characterize the path from a subject company up to its Ultimate Owner to be in line with previous studies.

The Controlling shareholders correspond to all shareholders that are present in the path between the subject company and its Ultimate Owner. To identify the Controlling Shareholders, it has been followed the path with the highest percentage direct or total.

3.5.2 Why is it so difficult to identify the Ultimate Owner?

Unfortunately, ownership won't necessarily be neat, within a single jurisdiction or entity type, and it could be many layers deep depending on the structure of the company under analysis. In addition, different countries have different levels of transparency and disclosure requirements regarding company registrations. As a result, there are many firms struggling with the discovery of UOs due to the difficulties of mapping out the full picture of an organization's ownership structure. To overcome this problem, it been calculated the weighted average percentages of ownership, as explained in Appendix 2, by analyzing all shareholdings, that is, all the shares owned by the shareholders of the company under analysis.

3.6 Italian Family-Owned Firms Framework

The family business setting has been raised in each economy, mostly in the small circumstances where family's values are rooted in the country's society. Italy is a fertile territory on which this sort of businesses can develop and flourish. Italy, since the economy started to improve, had a powerful amount of family-owned businesses. The contemporary estimation is approximately 85% of the total number of firms incorporating about 70% of the entire employment of the country. Italy is a country that relies more on the family continuation and there is less appeal to external administrators. A great part of Italian family companies is completely managed by family parts, while in other European realities the influence of family affiliates is not so prevalent in the management means. Across these years, family firms experienced a lot of variations. They had to overcome a financial crisis (2008-2009), innovate themselves and increase their financial and managerial production. The influence of family firm performance on GDP was determinant and resolute, due to an improvement in terms of the number of family firms in the Italian market. Italy, as for any other nation in which family businesses are supposed to be the mainstay of the economy, is constituted of public and private family companies.
All family firms began as small companies run by just the founder who performed as manager and proprietor, then when the change hit the market and one person was not sufficient to guide all business, family firms started to increase and become the large businesses run or managed by a whole family with non-family affiliates sitting on their board. When came the moment to grow and innovate the business, some families gave up control to non-family parts and were placed on the Italian stock exchange, others just expanded the structure without listing themselves in the market and others families just kept control for their own, driving the company to be stuck in small-medium size business or to a crash. This is what happened to the great part of the family businesses in Italy. The presence of public and private family companies indicates that there is a large number of private firms that provide the country's increase, but of which it is difficult to ascertain how they improved their performance over the years. As regards listed and unlisted family businesses, some great players simply did not choose to list themselves in the market because they did not want to lose control, but remaining leaders of the market itself. According to data collected by the AUB observatory, there is registered a complete recovery from the financial crisis in Italy, for both family and non-family companies and the growth linked to the debt ratio, suggesting that most of the organizations are paying their debts on time to shore up solidity. The schedule below displays these changes crosswise the pre and post-financial crisis.

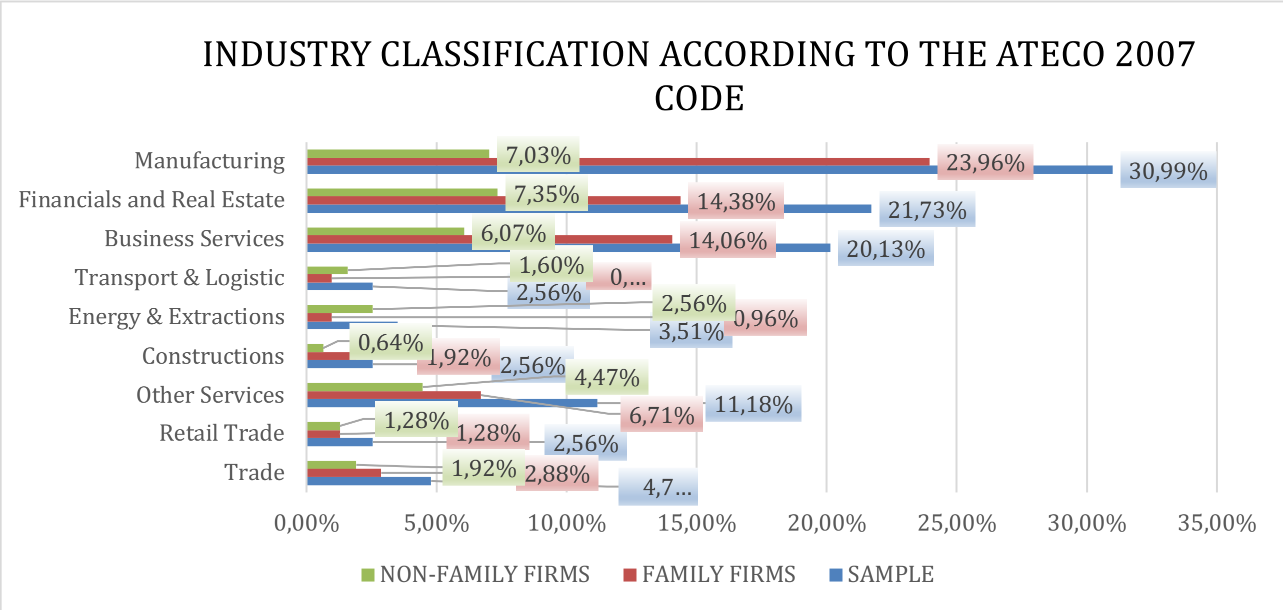
Table 2.1: Improvement of Family and Non-Family Firms pre and post financial crisis.

	2007		2017	
	Family Firms	Non-Family Firms	Family Firms	Non-Family Firms
Revenues' growth rate	9,30%	7,90%	6,50%	5,50%
ROE	9,50%	7,70%	9,60%	8,50%
ROI	9,60%	8,30%	13,60%	12%
Debt Ratio	6,5	7,8	5	6,2

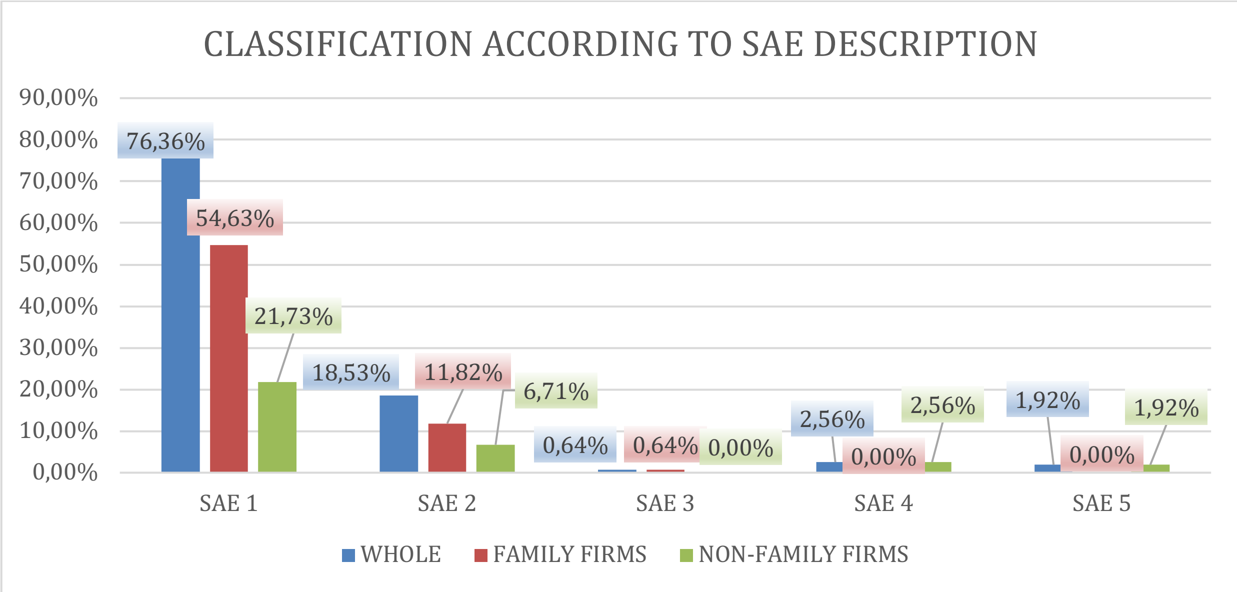
Source: AUB Observatory.

3.7 Composition of the sample

The sample is made up of 313 companies. According to the geographical distribution, the majority of family businesses and non-family business are stored in northern Italy (227) with a lower presence in central (74) and southern (12) Italy. The chart below reviews the outcomes and better illustrates the number and distribution by ATECO and SAE of my sample under analysis, obviously divided between family and non-family businesses.



It has been classified the companies present in the sample based on the first 2 digits of their Ateco 2007 code as per Appendix 3. The distinctive areas examined are Manufacturing, Financials & Real Estate, Business Services, Transport & Logistic, Energy & Extraction, Constructions, Other Services, Retail Trade and Trade. It has been determined that these companies mostly operate in the following business segments: Manufacturing, Financials and Real Estate, Business Services. In particular, the manufacturing sector is still the one driving the market in the family business setting with 23,96% while non-family businesses tend to operate mostly in the Financials and Real Estate sector with 7,35%. Transport & Logistic and Energy & Extraction have a weaker influence on the family firm's composition in Italy.



The sample is made up of 313 companies. Family firms draw 67.09%, in terms of amounts, of the Italian shareholding business, with a total of 210 companies registered. The remaining 103 companies are non-family businesses and constitute 32.91% of the sample under analysis.

According to SAE 1 (Manufacturing companies) there are 239 (76.36%) companies, of which 171 (54.63%) are family firms and 68 (21.73%) are non-family firms.

According to SAE 2 (Private operative holding) there are 58 companies (18.53%), of which 37 (11.82%) are family firms and 21 (6.71%) are non-family firms.

According to SAE 3 (holding company of non-financial groups) there are 2 (0.64%) family businesses.

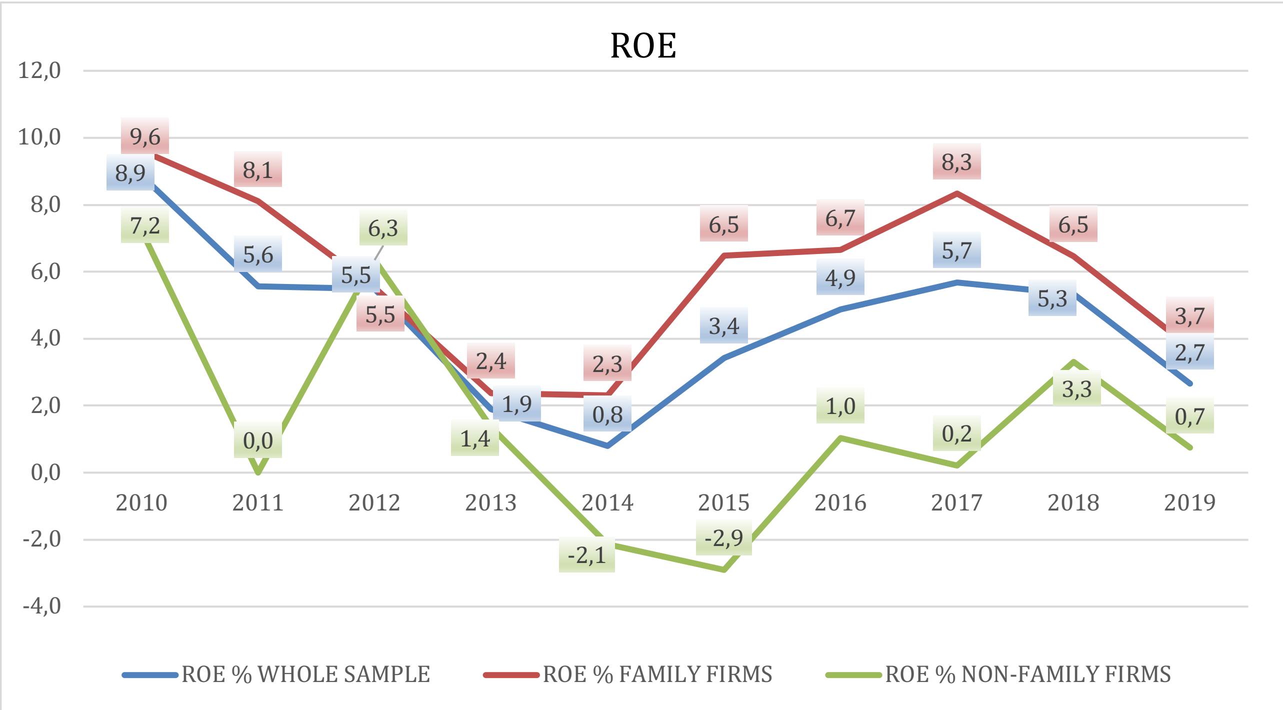
According to SAE 4 (Companies controlled by local administrations) there are 8 (2.56%) companies, all non-family firms.

According to SAE 5 (Enterprises controlled by central administrations) there are 6 (1.92%) companies, all non-family firms.

3.8 Measurement of variables in the database: Firm Performance

3.8.1 Return on Equity

Return on Equity measures the ability of a company to generate earnings from stockholders' equity. ROE is a measure of financial performance calculated by dividing net income by shareholders' equity. Below are the results that emerged from the empirical analysis carried out.



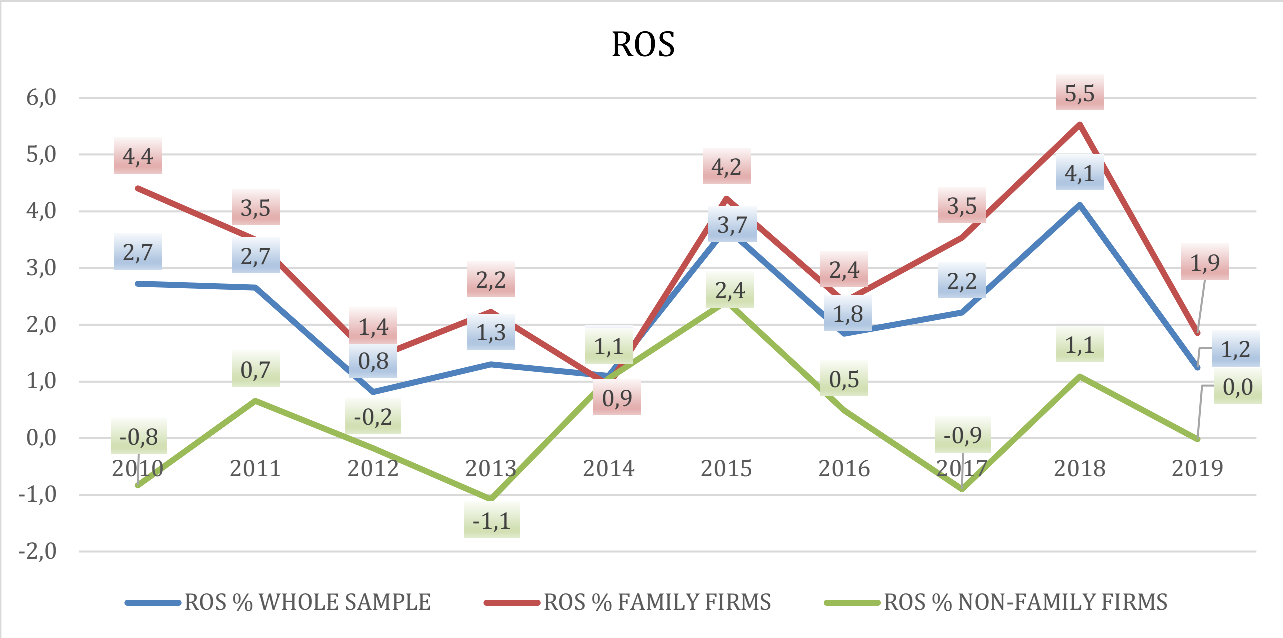
ROE (%)				
	AVG 2010-2019	VAR	MIN	MAX
WHOLE SAMPLE	4,5	5,4	0,8	8,9
FAMILY FIRMS	6,0	6,2	2,3	9,6
NON-FAMILY FIRMS	1,5	10,8	-2,9	7,2

Family businesses have always shown higher results in terms of ROE than non-family businesses for the entire decade under analysis with the exception of 2012 where the ROE of non-family firms is equal to 6.3% while that of family firms only 5.5%.

From 2010 to 2019, the ROE of family businesses was on average 6.0%, higher than the average of the whole sample (4.5%), and 4.5% higher than the average ROE of non-family businesses (1.5%). The variance is 6.2% for family businesses and 10.8% for non-family businesses, therefore the degree of fluctuation in the average ROE of family businesses is significantly lower than that of non-family businesses. This is reflected in the minimum value of family businesses equal to 2.3% and that of non-family businesses equal to -2.9% while the maximum value of family businesses is equal to 9.6% and those of non-family businesses equal at 7.2%.

3.8.2 Return on Sales

Return on Sales is calculated by dividing NOPAT by net sales. ROS is a ratio used to evaluate a company's operational efficiency. Below are the results that emerged from the empirical analysis carried out.



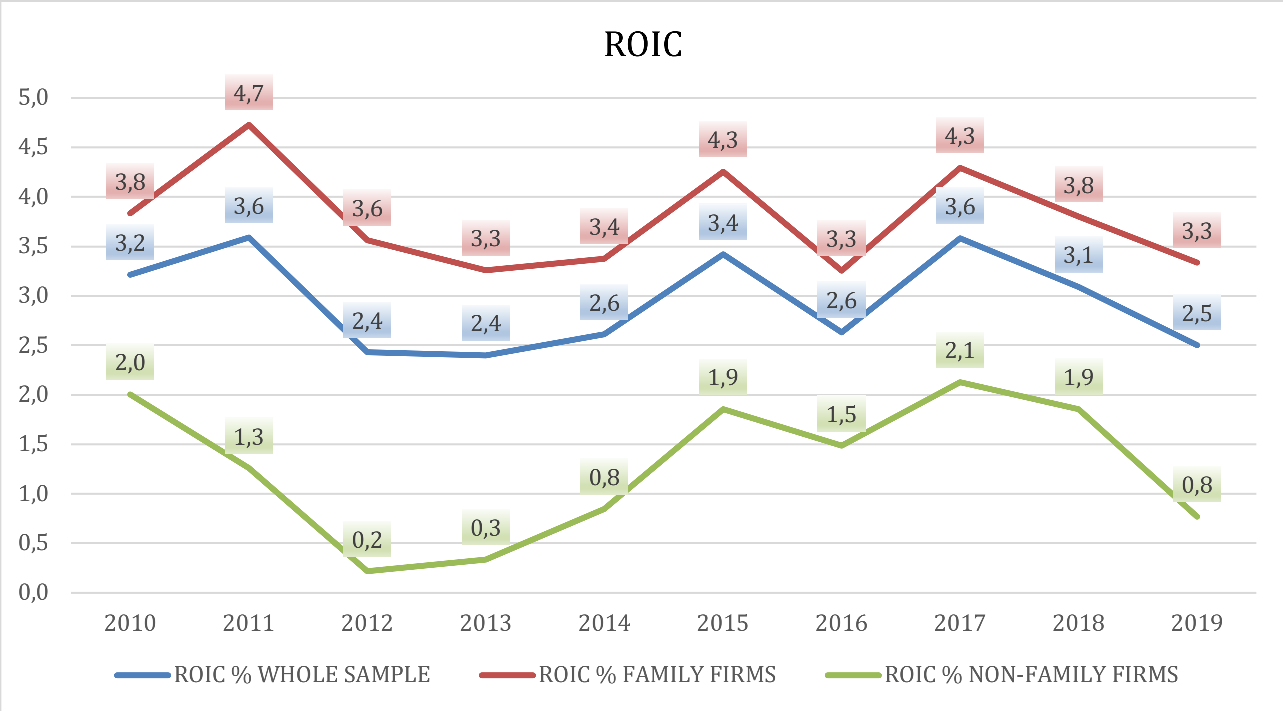
ROS (%)				
	AVG 2010-2019	VAR	MIN	MAX
WHOLE SAMPLE	2,2	1,3	0,8	4,1
FAMILY FIRMS	3,0	2,2	0,9	5,5
NON-FAMILY FIRMS	0,3	1,2	-1,1	2,4

Family businesses have a higher trend in terms of ROS than non-family businesses for the entire decade except for 2014 where non-family businesses recorded a ROS of 1.1% while family businesses only 0.9% because these companies were characterized by significantly higher amounts of sales.

The average ROS of family firms (3%) is significantly higher than that of non-family firms (0.3%) but has a greater variance (2.2%) than that of non-family firms (1.2%) as there are few companies that have had much higher sales than the average; in fact, the maximum value of family firms is (5.5%) compared to that of non-family firms (2.4%) while the minimum value of family firms is 0.9% and that of non-family firms is -1.1 %.

3.8.3 Return on Invested Capital

Return on Invested Capital is a financial measure that quantifies how well a company generates cash flow relative to the capital it has invested in its business. It is calculated as NOPAT / Invested Capital. Below are the results that emerged from the empirical analysis carried out.

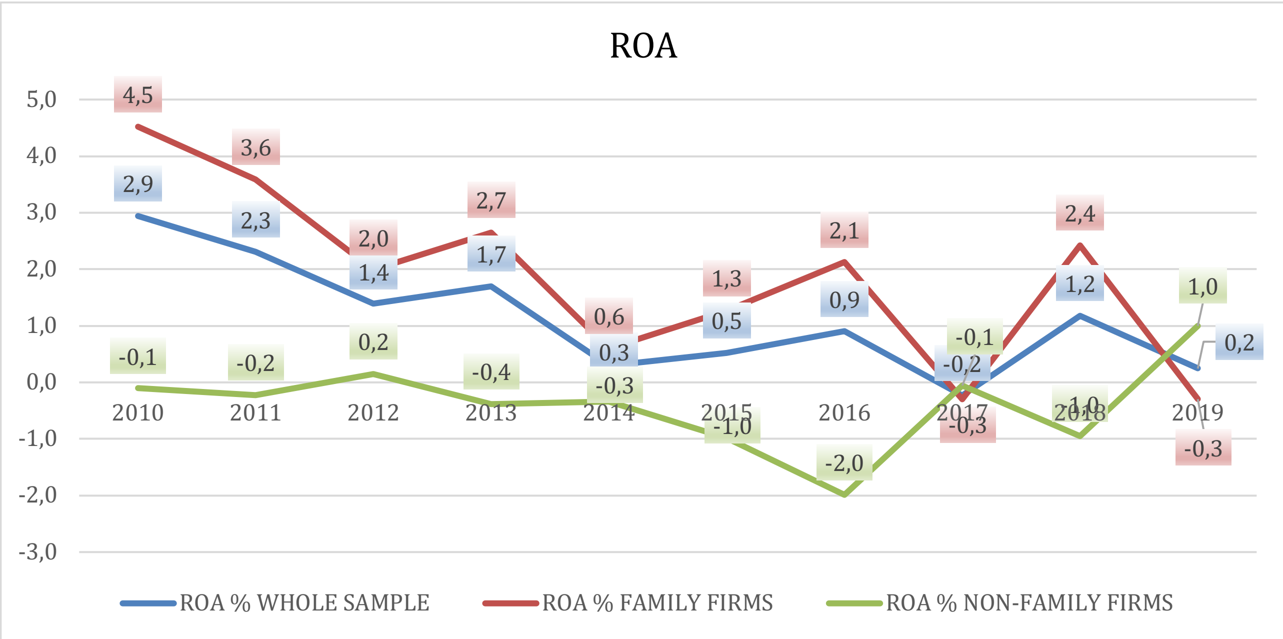


ROIC(%)				
	AVG 2010-2019	**VAR**	**MIN**	**MAX**
WHOLE SAMPLE	2,9	0,2	2,4	3,6
FAMILY FIRMS	3,8	0,3	3,3	4,7
NON-FAMILY FIRMS	1,3	0,5	0,2	2,1

Family businesses always have a higher performance in terms of ROIC than non-family businesses for the entire decade under analysis. The average ROIC of family firms (3.8%) is higher than that of non-family firms (1.3%) and has a lower variance (0.3%) than that of non-family firms (0.5%) confirmed by a minimum value of 3.3% compared to that of non-family firms of 0.2% and a maximum value of 4,7% compared to that of non-family firms of 2,1%.

3.8.4 Return on Assets

Return on Assets is a ratio of how well a company utilizes its assets in terms of profitability. Specifically, ROA measures a company's operating efficiency regardless of its financial structure, that is, without regard to the degree of leverage a company uses. ROA is calculated by dividing a company's net income by total assets. Below are the results that emerged from the empirical analysis carried out.



ROA(%)				
	AVG 2010-2019	VAR	MIN	MAX
WHOLE SAMPLE	1,1	1,0	-0,2	2,9
FAMILY FIRMS	1,9	2,5	-0,3	4,5
NON-FAMILY FIRMS	-0,4	0,6	-2,0	1,0

Family businesses have a better performance in terms of ROA than non-family businesses with the exception of 2017 and 2019. In particular, in 2017 all ROAs were negative and family firms recorded the worst data (-0.3%) compared to non-family firms (-0.1%). While as regards 2019, family firms recorded an extremely negative -0.3% compared to non-family firms which registered 1%. The average ROA of family firms is higher (1.9%) than that of non-family firms (-0.4%) but has a greater variance (2.5 %) than that of non-family firms (0, 6%) as confirmed by a minimum value of -0.3% and a maximum value of 4.5% for family firms while a minimum value of -2.0% and a maximum value of 1% for non-family firms. This can be explained by the presence of a highly performing group of companies and a much lower one in terms of ROA such that the discrepancy is very high.

3.9 Empirical analysis of the Corporate Governance variables

Corporate Governance it's about qualitative data so we don't have a variable measurable numerically. It's difficult to define a variable of Corporate Governance, but we could look to: Percentage of family members and non-family members, Gender Representation, Nationality Diversity, CEO Duality, presence of the Founder, number of Independent Directors and Busy Directors within the Board of Directors, Senior Management Team and Executive Committee. Numerousness and average age of those who sit on the Board of Directors, Senior Management Team and Executive Committee. These variables have been elaborated with *R Analytics* software as explained in the Appendix 6.

3.9.1 Definition of Family Member

The familiarity of all members was detected by the affinity of surnames with that of the Global Ultimate Owners. The data on familiarity could therefore be slightly underestimated. For example, John Elkann has been designated by his grandfather Gianni Agnelli as his successor and he is the president and CEO of Exor N.V. However, not having the same surname he may have been excluded from this search. To avoid mistakes, every single case it's been identified manually.

3.9.2 Definition of Nationality Diversity

Nationality refers to the country of origin of the BOD members. If we don't have nationality diversity it means that all the BOD members come from the same country. If you are a multinational operating in different markets, it's relevant to have nationality diversity because it adds value to the firm thanks to the fact that BOD members have a Culture Diversity and therefore, bringing their skills and knowledge, they can approach the market better. As companies go abroad, directors with knowledge, and contacts, of international markets are highly valued. They can bring contacts with key government decision makers and business executives who can help the manufacturing, distribution and customer development processes. The presence of a foreign independent director is positively associated with better cross-border acquisitions when the target company is from the foreign director's home country.

3.9.3 Definition of Gender Diversity

Recently, companies are seeking directors of diverse backgrounds, ethnic origin, or female directors. Board diversity is seen as a positive governance factor but not all academics agree. Diversity has not a specific regulation enacted by SEC but is a suggested, so not legal, requirement. Still, the representation of minorities remains low due to several cultural and societal factors, such as, lack of access to the networks that lead to board appointments, low representation in senior management teams, etc.

A lot of countries are enacting a law to request that the BOD be composed of at least a certain percentage of the less represented gender.

In 2006 Norway was the first country to introduce binding quotas; it requires that the boards of publicly listed companies have at least 40% of female representation within 3 years. In 2007 Spain 40% within 8 years. In 2011 Italy requested that the BoD of public listed companies have at least 33% of female representation within 9 years, France requested that the BoD of public listed companies have at least 40% of female representation within 6 years, UK requested that the BoD of public listed companies have at least 25% of female representation within 4 years. The issue is that in some countries there are no penalties if you don't reach this quota. Italian listed companies have monetary penalties, in fact, we already reach the mandatory gender quota.

There are several studies about gender diversity. Many agree on these results:

1. Higher amount of incoming information because women ask for more information because of their attitude.
2. Broader diversity in terms of prospective/way of thinking because women have a decision-making process and a way to approach and solve problems different from that of men.
3. With women in the BOD there is an increase in the effectiveness of BOD monitoring activities and therefore Corporate Governance quality.

We have evidence that greater the number of women in the BOD, greater the firm performance and the attention to CSR issues. Women pay more attention than men do and they have an ethical approach, that is, they don't accept compromise. Cons are their lack of experience and even the fact that they don't accept compromise could be a problem to reach a solution in the short time frame.

De Cabo in 2011 studied the relationship between the number of women in the BOD and the likelihood of appointing another woman in the BOD. He has come to the conclusion that if there is already a woman in the BOD it's easier to appoint another woman.

In Italy the mandatory gender quota has started to be in force since August 2012. A transition period, three-board-terms, has been given to companies to be in compliance with the law, requiring 33% of the board seats held by women.

Since the introduction of this law in Italy, no previous studies have focused on the impact of the mandatory gender quota on Italian corporate boards on firm performance.

In fact, while there is a large body of the literature covering the female presence on boards in the US, UK and a large number of other countries (see, Vinnicombe et al., 2008), little research has been reported on women directors in Italy, apart from Bianco et al. (2015).They analyze specifically the presence of women on boards focusing on family firms context, looking at a period antecedent the introduction of the mandatory gender quota. The authors themselves suggest in their conclusion to explore the picture related to female representation on boards of directors after the law is applied. The main stream of literature focusing on this relation relies on the idea that women, thanks to their different attitude, experience and strength compared to male ones, add value to board's decisions and board's monitoring functions over management, increasing the firm performance and value (Rhode and Packel, 2014; Adams and Ferreira, 2009). There are no convergent results in empirical studies on the benefits, such as an increase of firm performance, generated by the presence of female directors. It depends on the country, but also on how we measure firm performance and culture history. Different countries offer different settings and CG practices. It depends if the country has a law with penalties or not. There are a lot of studies but they take into consideration different countries and legal systems, therefore, their results are not reliable.

3.9.4 CEO Duality

Each Board of Directors has a Chairman who presides over the board meetings and has the following duties:
1. Setting the agenda: he determines the content and the timing of matters to be discussed in the next meeting without consulting other managers. Therefore, they cannot speak about other matters.
2. Scheduling meeting: he decides where the meeting is held.
3. Coordinating actions of board committees.

There is CEO Duality when the CEO is also the Chairman. A lot of studies have tried to investigate this relationship and they agree that it is positive because the CEO knows what are the most relevant matters so he can set the agenda very well but, at the same time, is negative because the CEO covers a role that is the head of the government body that controls him.

Traditionally the CEO has served as the chairman in most US corporations. Nowadays, it is more common to have a non executive director to serve as chair. CEO duality is not seen anymore as a good sign of corporate governance considering all the scandals and the bankruptcy cases.

On the whole sample there is CEO duality on average in 24.60% of companies. In particular, family businesses have a percentage of 28.57% while non-family businesses only 16.50%.

3.9.5 Presence of the Founder

By comparing family with non-family firms, it is generally accepted that founders bring value-increasing abilities resulting in superior performance. According to conventional experience, as firm age grows, the founder’s successors may not possess the value rising. According to this way, family firms should have excellent performance concerning non-family firms only if they are surrounded by the founder or if they are young enough so that the positive impact of the founder has not yet disappeared. It is shown that age is not significant when performance is estimated by accounting variables, whereas it is established that the presence of a CEO founder improves performance, the same is valid also for his heirs and when a family company has a professional manager. Only family firms where the CEO is an heir of the founder beats non-family companies. Notice also that control-enhancing designs have a positive impact on performance. More profitable businesses may be more willing to prevent the possibility of a change in government. From the market position,

once the founder does not manage the firm anymore its execution will not be significantly distinctive from the one of a generally held firm. There is strong evidence of the superior performance of family companies when using accounting data and that only founder-controlled family businesses outperform generally held firms using market data (Sraer and Thesmar 2006). According to Sraer and Thesmar (2006), family firms may distribute fewer dividends than widely-held companies because they want to keep supplies inside the firm to support their projects. Unfortunately, there are no data about this explanation as the market may have underestimated future returns of family firms or exceeded in the consideration of future returns of non-family businesses. Finally, the results of the dynamic (correct) design for the market standards of performance are more compatible with those based on the static (correct) form for the accounting measures of performance, as the founder and the heir models are always completely important.
On the entire sample, the Founder is still present on average in 8.31% of companies. In particular, family businesses have a higher percentage, 10.48%, while non-family businesses only 3.88%.

3.9.6 Independent Directors

To fulfil their duties and responsibilities, directors are expected to be independent.
An independent outside director is a member of the BoD that the company brought in from outside (as opposed to an inside director chosen from within the organization). Independent directors act as an external judge to guarantee the control over the management. Independence is the degree to which a director is free from conflicts of interest that might compromise her/his ability to act in the interest of the firm. Independence is fundamental to assure objective judgement by directors, especially when evaluating the top executive's performance and risk management policies. The NYSE requires a majority of independent directors and it requires solely independent committees but formal independence standards do not necessarily lead to true independence. The issue is that many directors are formally independent but not substantially despite all the efforts. So, we don't have any evidence of a relationship between the number of independent directors and firm performance. The NYSE states: "no director qualifies as 'independent' unless the board of directors affirmatively determines that the director has 'no material relationship' with the listed company, either directly or as a partner, shareholder or officer of an organization that has a relationship with the listed company".
Sarbanes-Oxley Act (SOX) required a Lead Director for each board meeting. The Lead Director has to be an independent director of the BOD, is usually elected by the independent members of the board, he performs certain duties on behalf of the board. He represents all the independent directors. He represents the independent directors in conversations with the CEO. The presence of the Lead Director becomes particularly relevant when there is the CEO/Chairman duality. The lead director can be nominated each time, or he can be appointed to serve continuously until replaced. The independent directors present in the entire sample are on average 0.40. In particular, non-family businesses have on average 0.53 independent directors while family businesses have only 0.33 independent directors.

3.9.7 Busy Directors

Busy directors, or directors who sit on more than three committees or BOD, are more experienced and better connected, so, they can easily get access to markets and banks, than single-firm directors, but also more distracted because they could dedicate less time. Busy directors are associated with lower governance quality, because they do not dedicate the same amount of time and effort to all boards where they sit. The empirical evidence on the trade-off between these two effects on board effectiveness is mixed.

Of course, it depends on the personal characteristics and attitude of the director. They have a relevant role because they decide on corporate strategies and, therefore, they need to act in the interest of shareholders, that is the interest of the firm, that is to make profit.

The Busy Directors of the companies present in the entire sample are 57.91% on average. In particular, non-family businesses have a higher percentage, 60.93%, while family businesses have only 56.48%.

3.10 Empirical analysis carried out on the characteristics of the Board of Directors

The board of directors is elected by the shareholders of a corporation to oversee and govern the management and to make corporate decisions on their behalf (Oversight Function). As a result, the board is directly responsible for protecting and managing shareholders' interests in the company. They also have an Advisory Function; in fact, they advise, so it is not mandatory to follow their advice, on the corporate strategies that then managers practically implement.

Below is a table with the descriptive statistics of the Board of Directors in the sample also divided between family firms and non-family firms.

		perc.family.bod	family.bod	n.BoD	perc.men.bod	perc.wom.bod	men.bod	wom.bod	naz_BoD
SAMPLE	AVERAGE	12,11%	0,81	7,48	72,99%	27,01%	5,24	2,24	27,48%
	MEDIAN	0,00%	0,00	7,00	70,00%	30,00%	5,00	2,00	0,00
	MAXIMUM VALUE	1,00	8,00	26,00	1,00	1,00	20,00	10,00	1,00
	MINIMUM VALUE	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
	STANDARD DEVIATION	17,62%	1,16	5,59	20,39%	0,20	3,74	2,32	0,45
	VARIANCE	3,11%	1,34	31,23	4,16%	0,04	13,98	5,36	0,20
FAMILY FIRMS	AVERAGE	18,38%	1,21	6,86	74,73%	25,27%	4,91	1,95	21,90%
	MEDIAN	14,29%	1,00	7,00	71,43%	28,57%	5,00	1,00	0,00
	MAXIMUM VALUE	1,00	8,00	23,00	1,00	1,00	17,00	10,00	1,00
	MINIMUM VALUE	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
	STANDARD DEVIATION	18,88%	1,23	5,07	21,31%	0,21	3,42	2,11	0,41
	VARIANCE	3,56%	1,52	25,72	4,54%	0,05	11,72	4,47	0,17
NON FAMILY FIRMS	AVERAGE	0,00%	0,00	8,75	69,31%	30,69%	5,90	2,84	38,83%
	MEDIAN	0,00%	0,00	8,00	66,67%	33,33%	6,00	2,00	0,00
	MAXIMUM VALUE	0,00	0,00	26,00	1,00	1,00	20,00	9,00	1,00
	MINIMUM VALUE	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
	STANDARD DEVIATION	0,00%	0,00	6,36	17,86%	0,18	4,25	2,59	0,49
	VARIANCE	0,00%	0,00	40,43	3,19%	0,03	18,09	6,70	0,24

Below are descriptions of the table above.

On average, the Board of Directors has a size of 7.48 Directors where there are 0.81(12.11%) Family Directors who sit on the Board of Directors and are members of the family that owns the shares of the company under evaluation. This is reflected in the maximum value of the family Directors (8) and in the minimum value (0). The variance of 1.34 guarantees the reliability of the results.

The average percentage of men in the BoD is 72.99% (5.24) while that of women is 27.01% (2.24).

27.48% of companies are characterized by nationality diversity in the Board of Directors.

On average, the Board of Directors of family businesses has a size of 6.86 Directors therefore lower than the average (7,48) and has 1.21 (18,38%) Family Directors therefore greater than the average. However, it should not be surprising that in the Board of Directors of family businesses the minimum value is still 0 as well as the maximum is always 8.

The average percentage of men in the BoD of family businesses is 74.73% (4.91) while that of women is 25.27% (1.95).

21.90% of companies are characterized by nationality diversity in the Board of Directors of family businesses.

On average, the Board of Directors of non-family businesses has a size of 8.75 Directors, therefore it is larger than the average of the BoD of family businesses.

The average percentage of men in the BoD of non-family businesses is 69.31% (5.9) while that of women is 30.69% (2.84).

38.83% of companies are characterized by nationality diversity in the Board of Directors of non-family businesses.

Therefore, it's possible to assert that family firms have on average a lower board size (6.86) compared to that of non-family firms (8.75). In addition, non-family businesses have on average a smaller gender gap, in fact the women present in the BoD are 30.69% while those present in the BoD of family businesses are 25.27%. Finally, non-family businesses on average have a greater opening of the BoD to members with a different nationality, which constitute 38.83%, while those of family businesses are around 21.90%.

3.11 Empirical analysis carried out on the characteristics of the Senior Management Team

Below is a table with the descriptive statistics of the sample also divided between family firms and non-family firms.

		perc.family.senman	family.senman	n.senman	perc.men.senman	perc.wom.senman	men.senman	wom.senman	naz_senman
SAMPLE	AVERAGE	14,96%	0,72	18,20	82,59%	17,41%	14,84	3,36	22,68%
	MEDIAN	0,00%	0,00	6,00	85,50%	14,50%	5,00	1,00	0,00
	MAXIMUM VALUE	1,00	6,00	1303,00	1,00	1,00	1083,00	220,00	1,00
	MINIMUM VALUE	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
	STANDARD DEVIATION	23,21%	0,94	82,56	0,18	0,18	68,11	14,72	0,42
	VARIANCE	5,39%	0,88	6815,45	0,03	0,03	4638,49	216,69	0,18
FAMILY FIRMS	AVERAGE	22,44%	1,08	7,87	82,80%	17,20%	6,37	1,50	19,52%
	MEDIAN	16,03%	1,00	5,00	85,71%	14,29%	4,00	1,00	0,00
	MAXIMUM VALUE	1,00	6,00	79,00	1,00	1,00	69,00	14,00	1,00
	MINIMUM VALUE	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
	STANDARD DEVIATION	25,31%	0,97	8,65	0,18	0,18	7,24	2,01	0,40
	VARIANCE	6,41%	0,93	74,88	0,03	0,03	52,35	4,06	0,16
NON FAMILY FIRMS	AVERAGE	0,00%	0,00	39,27	82,15%	17,85%	32,13	7,15	29,13%
	MEDIAN	0,00%	0,00	10,00	84,21%	15,79%	8,00	2,00	0,00
	MAXIMUM VALUE	0,00	0,00	1303,00	1,00	1,00	1083,00	220,00	1,00
	MINIMUM VALUE	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
	STANDARD DEVIATION	0,00%	0,00	141,51	0,18	0,18	116,75	25,16	0,46
	VARIANCE	0,00%	0,00	20025,61	0,03	0,03	13631,48	632,91	0,21

Below are descriptions of the table above.

On average, the Senior Management Team is made up of 18.2 Senior Managers where 0.72 (14.96%) are Family Senior Managers. The variance is equal to 6815.45, which is extremely high since there are few companies, as confirmed by the maximum value of 1303, which have a particularly numerous Senior Management Team. These are, for example, Saipem SPA (315) Telecom Italia SPA (537), ENI SPA (1303).
The average percentage of men in the Senior Management Team is 82.59% (14.84) while that of women is 17.41% (3.36).
22.68% of companies are characterized by nationality diversity in the Senior Management Team.
On average, the Senior Management Team of family businesses is made up of 7.87 Senior Managers where 1.08 (22.44%) are Family Senior Managers.
The average percentage of men in the Senior Management Team of family businesses is 82.80% (6.37) while that of women is 17.20% (1.5).
19.52% of companies are characterized by nationality diversity in the Senior Management Team of family businesses.
On average, the Senior Management Team of non-family businesses is made up of 39.27 Senior Managers, certainly this value is influenced by a few outliners as confirmed by the variance of 20,025.61 however also the median of 10 confirms that on average they are much more numerous than that of family businesses.
The average percentage of men in the Senior Management Team of non-family businesses is 82.15% (32.13) while that of women is 17.85% (7.15). The 29.13% of companies are characterized by nationality diversity in the Senior Management Team of non-family businesses.

Therefore, it's possible to assert that family firms have a number of Senior Manager with a much lower median (5) than that of non-family firms (10). Both non-family businesses and family businesses have on average similar values for gender diversity, that is, about 82% for males and 18% for females. Finally, non-family businesses have the Senior Management Team made up of many more members with a different nationality which make up 29.13% while those of family businesses are around 19.52%.

3.12 Empirical analysis carried out on the characteristics of the Executive Committee

An executive director is a member of the BOD who also has management responsibilities. A non-executive director (NED) is a board member without responsibilities for daily management or operations of the company. Below is a table with the descriptive statistics of the sample also divided between family firms and non-family firms.

		perc.family.exec	family.exec	n.exec	perc.men.exec	perc.wom.exec	men.exec	wom.exec	naz_exec
SAMPLE	AVERAGE	2,35%	0,06	0,69	83,50%	16,50%	0,56	0,13	3,83%
	MEDIAN	0,00%	0,00	0,00	85,71%	14,29%	0,00	0,00	0,00
	MAXIMUM VALUE	0,50	3,00	18,00	1,00	0,67	13,00	5,00	1,00
	MINIMUM VALUE	0,00	0,00	0,00	0,33	0,00	0,00	0,00	0,00
	STANDARD DEVIATION	8,48%	0,30	2,33	0,19	19,05%	1,89	0,61	0,19
	VARIANCE	0,72%	0,09	5,44	0,04	3,63%	3,55	0,37	0,04
FAMILY FIRMS	AVERAGE	10,08%	0,09	0,61	85,00%	15,00%	0,49	0,12	3,33%
	MEDIAN	0,00%	0,00	0,00	100,00%	0,00%	0,00	0,00	0,00
	MAXIMUM VALUE	0,50	3,00	18,00	1,00	0,67	13,00	5,00	1,00
	MINIMUM VALUE	0,00	0,00	0,00	0,33	0,00	0,00	0,00	0,00
	STANDARD DEVIATION	15,35%	0,37	2,29	0,19	19,49%	1,78	0,64	0,18
	VARIANCE	2,36%	0,14	5,22	0,04	3,80%	3,16	0,42	0,03
NON FAMILY FIRMS	AVERAGE	0,00%	0,00	0,85	81,46%	18,54%	0,71	0,15	4,85%
	MEDIAN	0,00%	0,00	0,00	80,36%	19,64%	0,00	0,00	0,00
	MAXIMUM VALUE	0,00	0,00	14,00	1,00	0,50	12,00	3,00	1,00
	MINIMUM VALUE	0,00	0,00	0,00	0,50	0,00	0,00	0,00	0,00
	STANDARD DEVIATION	0,00%	0,00	2,43	0,19	18,98%	2,09	0,53	0,22
	VARIANCE	0,00%	0,00	5,91	0,04	3,60%	4,37	0,28	0,05

Below are descriptions of the table above.

On average, the Executive Committee is made up of 0.69 Executive Directors where only 0.06 (2.35%) are Family Executive Directors. The average percentage of men on the Executive Committee is 83.5% (0.56) while that of women is 16.5% (0.13). The 3.83% of companies are characterized by nationality diversity in the Senior Executive Committee.

On average, the Executive Committee of family businesses is made up of 0.61 Executive Directors where only 0.09 (10.08%) are Family Executive Directors. The average percentage of men on the Executive Committee of family businesses is 85% (0.49) while that of women is 15% (0.12). The 3.33% of companies are characterized by nationality diversity in the Senior Executive Committee of family businesses.

On average, the Executive Committee of non-family businesses is made up of 0.85 Executive Directors and is therefore larger than that of family businesses.

The average percentage of men on the Executive Committee of non-family businesses is 81.46% (0.71) while that of women is 18.54% (0.15). The 4.85% of companies are characterized by nationality diversity in the Senior Executive Committee of non-family businesses.

Therefore, it's possible to assert that family firms have an Executive Committee composed on average fewer Executive Directors (0.61) than that of non-family firms (0.85). Non-family businesses have on average slightly better values for gender diversity, that is, about 81% of males and 19% of females, unlike family businesses made up on average of 85% of males and 15% of females. Finally, non-family businesses have the Executive Committee made up of several members with a different nationality which make up 4.85% while those of family businesses are around 3.33%.

3.13. Pearson bivariate correlation index

Using SPSS, that is a statistical software, I calculated the Pearson bivariate correlation index among the variables present in the entire sample. It is an index that expresses a possible linearity relationship between them and has a value between -1 (perfect negative linear correlation) and +1 (perfect positive linear correlation). That is, we know how as one variable increases, the other variable with which it is correlated moves. Furthermore, the level of significance is also available in the table listed below. Statistically significant correlations indicate which variables are most correlated with y, that is, the dependent variable (ROE, ROA, ROIC, ROS) and therefore it makes sense to include in the model. However, since the sample is very large, correlation indices very close to 0 can also be statistically significant.

3.13.1 Pearson bivariate correlation index in the entire sample

		perc.family.bod	family.bod	n.BoD	perc.family.senman	family.senman	n.senman	perc.family.exec	family.exec	n.exec	perc.men.bod	perc.wom.bod	men.bod	wom.bod	perc.men.senman	perc.wom.senman	men.senman	wom.senman
ROE (%) 2019	Correlazione di Pearson	0,035	0,007	0,067	-0,014	0,016	0,031	-0,042	-0,087	-0,020	-0,072	0,072	0,045	0,089	0,094	-0,094	0,032	0,026
	Sign. (a due code)	0,568	0,902	0,264	0,817	0,787	0,604	0,645	0,146	0,733	0,256	0,256	0,455	0,137	0,128	0,128	0,593	0,661
	N	275	283	283	281	283	283	120	283	283	254	254	283	283	263	263	283	283
ROS (%) 2019	Correlazione di Pearson	0,069	-0,013	-0,069	0,029	0,076	-0,007	-0,089	-0,120	-0,042	-0,009	0,009	-0,072	-0,051	0,031	-0,031	-0,008	-0,002
	Sign. (a due code)	0,310	0,849	0,299	0,666	0,258	0,918	0,391	0,074	0,533	0,893	0,893	0,281	0,446	0,651	0,651	0,907	0,972
	N	220	225	225	224	225	225	95	225	225	208	208	225	225	214	214	225	225
ROI (%) 2019	Correlazione di Pearson	0,085	0,041	-0,039	0,048	0,113	-0,035	-0,114	-0,083	0,022	-0,021	0,021	-0,041	-0,028	0,002	-0,002	-0,036	-0,029
	Sign. (a due code)	0,171	0,507	0,527	0,434	0,065	0,571	0,226	0,174	0,723	0,751	0,751	0,503	0,654	0,975	0,975	0,557	0,642
	N	259	267	267	265	267	267	114	267	267	239	239	267	267	248	248	267	267
ROA (%) 2019	Correlazione di Pearson	0,043	0,033	0,059	0,044	0,080	0,008	-0,048	-0,030	0,012	-,123*	,123*	0,036	0,084	-0,069	0,069	0,007	0,012
	Sign. (a due code)	0,466	0,572	0,312	0,451	0,172	0,891	0,592	0,611	0,838	0,046	0,046	0,538	0,149	0,254	0,254	0,902	0,842
	N	287	295	295	293	295	295	127	295	295	264	264	295	295	274	274	295	295

		perc.men.exec	perc.wom.exec	men.exec	wom.exec	naz_BoD	naz_senman	naz_exec	ROE (%) 2019	ROS (%) 2019	ROI (%) 2019	ROA (%)2019	ceo_duality	is_founder	indip	age.bod	age.senman	age.exec
ROE (%) 2019	Correlazione di Pearson	0,039	-0,039	-0,012	-0,041	0,009	0,056	0,032	1	,528**	,653**	,746**	-,138*	0,011	0,036	0,079	,129*	0,200
	Sign. (a due code)	0,843	0,843	0,836	0,497	0,878	0,346	0,597		0,000	0,000	0,000	0,020	0,855	0,543	0,209	0,036	0,306
	N	28	28	283	283	283	283	283	283	220	263	283	283	283	283	253	263	28
ROS (%) 2019	Correlazione di Pearson	0,037	-0,037	-0,030	-0,063	-0,101	-0,073	0,015	,528**	1	,692**	,690**	-,175**	-0,017	0,040	0,119	0,114	0,212
	Sign. (a due code)	0,851	0,851	0,654	0,344	0,132	0,277	0,826	0,000		0,000	0,000	0,008	0,800	0,554	0,086	0,096	0,278
	N	28	28	225	225	225	225	225	220	225	212	225	225	225	225	208	214	28
ROI (%) 2019	Correlazione di Pearson	-0,036	0,036	0,020	0,021	-0,096	-0,070	0,047	,653**	,692**	1	,967**	-0,065	0,025	-0,055	0,088	0,121	,407*
	Sign. (a due code)	0,857	0,857	0,741	0,729	0,117	0,253	0,445	0,000	0,000		0,000	0,293	0,687	0,371	0,177	0,057	0,031
	N	28	28	267	267	267	267	267	263	212	267	267	267	267	267	239	248	28
ROA (%) 2019	Correlazione di Pearson	-0,086	0,086	0,013	0,005	-0,001	0,014	0,028	,746**	,690**	,967**	1	-0,063	0,014	0,011	0,085	,145*	0,138
	Sign. (a due code)	0,646	0,646	0,823	0,935	0,992	0,812	0,632	0,000	0,000	0,000		0,278	0,817	0,847	0,167	0,016	0,461
	N	31	31	295	295	295	295	295	283	225	267	295	295	295	295	263	274	31

The statistically significant correlations present between all the dependent and independent variables present within the entire sample are as follows. The percentage of men in the BoD is negatively correlated (-0.123) with the ROA while that of women is diametrically opposite, so, it has a positive correlation (0.123). CEO Duality shows a negative correlation with ROE (-0.138) and ROS (-0.175). The age of Senior Managers has a positive correlation with ROE (0.129) and ROA (0.145). The age of Directors who are in the Executive Committee has a positive correlation with the ROI (0.407).

3.13.2 Pearson bivariate correlation index in the sample of family firms

		perc.family.bod	family.bod	n.BoD	n.senman	family.senman	perc.family.exec	perc.family.senman	n.exec	family.exec	perc.wom.bod	men.bod	wom.bod	perc.wom.senman	men.senman	perc.men.senman
ROE (%) 2019	Correlazione di Pearson	0,014	-0,027	-0,039	0,062	-0,019	-0,205	-0,056	-0,065	-0,125	-0,025	-0,033	-0,039	-0,130	0,081	0,130
	Sign. (a due code)	0,852	0,711	0,600	0,399	0,796	0,316	0,445	0,372	0,088	0,749	0,652	0,598	0,085	0,267	0,085
	N	180	188	188	188	188	26	186	188	188	170	188	188	176	188	176
ROS (%) 2019	Correlazione di Pearson	0,060	-0,061	-0,115	0,053	0,069	-0,223	0,003	-0,097	-,168*	-0,005	-0,105	-0,106	-0,008	0,050	0,008
	Sign. (a due code)	0,468	0,458	0,159	0,517	0,397	0,306	0,968	0,235	0,038	0,953	0,198	0,195	0,924	0,543	0,924
	N	147	152	152	152	152	23	151	152	152	141	152	152	145	152	145
ROI (%) 2019	Correlazione di Pearson	0,026	-0,031	-0,084	-0,021	0,061	-0,335	-0,016	-0,020	-0,119	-0,006	-0,079	-0,074	-0,017	-0,027	0,017
	Sign. (a due code)	0,741	0,683	0,268	0,783	0,420	0,102	0,838	0,792	0,114	0,938	0,298	0,328	0,831	0,723	0,831
	N	169	177	177	177	177	25	175	177	177	159	177	177	165	177	165
ROA (%) 2019	Correlazione di Pearson	0,078	0,063	0,041	0,077	0,132	-0,236	0,075	0,001	-0,030	0,093	0,023	0,062	0,074	0,070	-0,074
	Sign. (a due code)	0,286	0,381	0,565	0,280	0,066	0,218	0,296	0,991	0,674	0,218	0,746	0,391	0,319	0,327	0,319
	N	188	196	196	196	196	29	194	196	196	177	196	196	183	196	183

		perc.wom.exec	wom.senman	perc.men.exec	perc.men.bod	wom.exec	naz_BoD	naz_exec	ceo.eq.founder	indip	is_founder	ceo_duality	naz_senman	men.exec	age.bod	age.senman	age.exec
ROE (%) 2019	Correlazione di Pearson	-0,038	-0,027	0,038	0,025	-0,075	0,062	0,023	.b	0,017	0,027	-,190**	0,087	-0,056	,159*	,151*	0,155
	Sign. (a due code)	0,893	0,713	0,893	0,749	0,307	0,395	0,750		0,815	0,718	0,009	0,234	0,446	0,039	0,045	0,581
	N	15	188	15	170	188	188	188	188	188	188	188	188	188	170	176	15
ROS (%) 2019	Correlazione di Pearson	0,176	0,049	-0,176	0,005	-0,046	-0,043	0,049	.b	0,019	0,030	-0,095	-0,097	-0,106	0,086	0,107	0,031
	Sign. (a due code)	0,514	0,547	0,514	0,953	0,571	0,599	0,551		0,821	0,716	0,247	0,233	0,192	0,313	0,201	0,910
	N	16	152	16	141	152	152	152	152	152	152	152	152	152	141	145	16
ROI (%) 2019	Correlazione di Pearson	0,335	0,007	-0,335	0,006	0,030	-0,109	0,025	.b	-0,038	0,058	-0,038	-0,137	-0,029	0,095	,185*	0,279
	Sign. (a due code)	0,242	0,927	0,242	0,938	0,695	0,148	0,737		0,620	0,440	0,616	0,070	0,698	0,235	0,017	0,334
	N	14	177	14	159	177	177	177	177	177	177	177	177	177	159	165	14
ROA (%) 2019	Correlazione di Pearson	0,206	0,081	-0,206	-0,093	0,004	0,034	0,031	.b	0,009	0,034	-0,045	0,034	-0,001	0,098	,213**	0,002
	Sign. (a due code)	0,427	0,259	0,427	0,218	0,951	0,632	0,663		0,896	0,633	0,536	0,637	0,994	0,193	0,004	0,993
	N	17	196	17	177	196	196	196	196	196	196	196	196	196	177	183	17

The statistically significant correlations present between all the dependent and independent variables present within the sample of family businesses are as follows.

The number of family members who sit on the Executive Committee is negatively correlated (-0.168) with ROS.

CEO Duality is negatively correlated (-0.190) with ROE.

The age of those who are in the BoD is positively correlated with the ROE (0.159).

The age of those who are in the Senior Management Team is positively correlated with ROE (0.151), ROI (0.185) and ROA (0.213).

3.13.3 Pearson bivariate correlation index in the sample of non-family firms

		perc.family.bod	perc.family.senman	family.senman	n.senman	n.BoD	family.exec	perc.family.exec	n.exec	perc.men.bod	perc.wom.bod	wom.bod	men.bod	perc.wom.senman	men.senman	perc.men.senman	perc.men.exec
ROE (%) 2019	Correlazione di Pearson	.a	.a	.a	0,057	,226*	.a	.a	0,046	-,294**	,294**	,285**	0,164	-0,035	0,056	0,035	0,051
	Sign. (a due code)				0,586	0,027			0,661	0,007	0,007	0,005	0,112	0,750	0,590	0,750	0,868
	N	95	95	95	95	95	95	94	95	84	84	95	95	87	95	87	13
ROA (%) 2019	Correlazione di Pearson	.a	.a	.a	-0,006	0,084	.a	.a	0,027	-0,198	0,198	0,120	0,051	0,056	-0,007	-0,056	0,255
	Sign. (a due code)				0,954	0,411			0,790	0,066	0,066	0,236	0,615	0,596	0,948	0,596	0,379
	N	99	99	99	99	99	99	98	99	87	87	99	99	91	99	91	14
ROS (%) 2019	Correlazione di Pearson	.a	.a	.a	0,003	0,024	.a	.a	0,041	-0,086	0,086	0,056	0,001	-0,077	0,001	0,077	0,361
	Sign. (a due code)				0,982	0,841			0,732	0,487	0,487	0,639	0,994	0,530	0,990	0,530	0,250
	N	73	73	73	73	73	73	72	73	67	67	73	73	69	73	69	12
ROI (%) 2019	Correlazione di Pearson	.a	.a	.a	-0,677	0,092	.a	.a	.a	0,146	-0,146	-0,080	0,191	,881*	-0,681	-,881*	.a
	Sign. (a due code)				0,209	0,883				0,854	0,854	0,898	0,758	0,048	0,206	0,048	
	N	5	5	5	5	5	5	5	5	4	4	5	5	5	5	5	0

		wom.senman	perc.wom.exec	men.exec	wom.exec	naz_BoD	naz_senman	ceo_duality	ceo.eq.founder	is_founder	age.bod	age.exec	age.senman	indip	naz_exec	busy	family.bod
ROE (%) 2019	Correlazione di Pearson	0,059	-0,051	0,046	0,027	-0,033	0,033	-0,069	.a	-0,048	-0,110	0,440	0,091	0,065	0,048	,861*	.a
	Sign. (a due code)	0,572	0,868	0,656	0,794	0,747	0,753	0,504		0,645	0,321	0,133	0,402	0,534	0,646	0,028	
	N	95	13	95	95	95	95	95	95	95	83	13	87	95	95	6	95
ROA (%) 2019	Correlazione di Pearson	-0,003	-0,255	0,031	0,002	-0,089	-0,038	-0,105	.a	-0,049	0,041	,615*	-0,036	0,009	0,020	,925**	.a
	Sign. (a due code)	0,979	0,379	0,760	0,985	0,382	0,712	0,300		0,632	0,711	0,019	0,734	0,931	0,848	0,008	
	N	99	14	99	99	99	99	99	99	99	86	14	91	99	99	6	99
ROS (%) 2019	Correlazione di Pearson	0,009	-0,361	0,073	-0,085	-0,149	-0,016	-,361**	.a	-0,174	0,199	0,523	0,120	0,074	-0,016	.a	.a
	Sign. (a due code)	0,942	0,250	0,540	0,476	0,207	0,892	0,002		0,140	0,106	0,081	0,326	0,533	0,891		
	N	73	12	73	73	73	73	73	73	73	67	12	69	73	73	3	73
ROI (%) 2019	Correlazione di Pearson	-0,373	.a	.a	.a	.a	-0,408	.a	.a	.a	0,604	.a	0,361	.a	.a	.a	.a
	Sign. (a due code)	0,536					0,495				0,396		0,551				
	N	5	0	5	5	5	5	5	5	5	4	0	5	5	5	1	5

The statistically significant correlations present between all the dependent and independent variables present within the sample of non-family businesses are as follows.

The BoD size is positively correlated with the ROE (0.226).

The percentage of women in the BoD correlates positively with ROE (0.294) and that of men negatively (-0.294).

The percentage of women occupying a position in the Senior Management Team is positively correlated with the ROI (0.881) while that of men negatively (-0.881).

CEO Duality is negatively correlated with ROS (-0.361).

The age of those who sit on the Executive Committee is positively correlated with the ROA (0.615).

Busy Directors are positively correlated with both ROE (0.861) and ROA (0.925).

3.14 Linear Regression

The linear regression, like correlation analysis, makes it possible to analyze the relationship between variables. In fact, it allows to study both its direction and its significance. Furthermore, the regression allows you to quantify by how much on average the y will increase or decrease as the score of an explanatory variable increases. In the simple linear regression model, the relationship between y and a single x is studied, that is, only one explanatory variable can be included.

3.14.1 Linear Regression in the entire sample

Coefficienti[a]

Modello		Coefficienti non standardizzati B	Coefficienti non standardizzati Errore standard	Coefficienti standardizzati Beta	t	Sign.
1	(Costante)	4,840	1,675		2,891	0,004
	ceo_duality	-7,767	3,320	-0,138	-2,339	0,020

a. Variabile dipendente: Redditività del capitale proprio (ROE) (%) 2019

From the linear regression, conducted on the entire sample, between ROE and CEO duality, it emerges that there is an extremely negative relationship (-7.767) and it is also statistically significant (0.020).

Coefficienti[a]

Modello		Coefficienti non standardizzati B	Coefficienti non standardizzati Errore standard	Coefficienti standardizzati Beta	t	Sign.
1	(Costante)	-28,419	14,882		-1,910	0,057
	age.senman	0,565	0,269	0,129	2,103	0,036

a. Variabile dipendente: Redditività del capitale proprio (ROE) (%) 2019

From the linear regression, conducted on the entire sample, between ROE and the age of the Senior Managers, it emerges that there is a positive relationship (0.565) and it is also significant (0.036).

Coefficienti[a]

Modello		Coefficienti non standardizzati B	Coefficienti non standardizzati Errore standard	Coefficienti standardizzati Beta	t	Sign.
1	(Costante)	2,900	1,195		2,427	0,016
	ceo_duality	-6,092	2,294	-0,175	-2,655	0,008

a. Variabile dipendente: Redditività delle vendite (ROS) (%) 2019

From the linear regression, conducted on the entire sample, between ROS and CEO duality it emerges that there is an extremely negative relationship (-6.092) and it is also significant (0.008).

Coefficienti[a]						
		Coefficienti non standardizzati		Coefficienti standardizzati		
Modello		B	Errore standard	Beta	t	Sign.
1	(Costante)	-25,002	11,777		-2,123	0,043
	age.exec	0,468	0,206	0,407	2,274	0,031

a. Variabile dipendente: Redditività di tutto il capitale investito (ROI) (%) 2019

From the linear regression, conducted on the entire sample, between ROI and the age of the Executive Committee members, it emerges that there is a positive (0.468) and statistically significant (0.031) relationship.

Coefficienti[a]						
		Coefficienti non standardizzati		Coefficienti standardizzati		
Modello		B	Errore standard	Beta	t	Sign.
1	(Costante)	-28,044	11,722		-2,392	0,017
	age.senman	0,511	0,212	0,145	2,413	0,016

a. Variabile dipendente: Redditività del totale attivo (ROA) (%) 2019

From the linear regression, conducted on the entire sample, between ROA and the age of those who sit in the Senior Management Team, a positive (0.511) and statistically significant (0.016) relationship emerges.

Coefficienti[a]						
		Coefficienti non standardizzati		Coefficienti standardizzati		
Modello		B	Errore standard	Beta	t	Sign.
1	(Costante)	-2,929	2,007		-1,460	0,146
	perc.wom.bod	0,120	0,060	0,123	2,005	0,046

a. Variabile dipendente: Redditività del totale attivo (ROA) (%) 2019

From the linear regression, conducted on the entire sample, between ROA and the percentage of women in the BoD, a positive (0.12) and statistically significant (0.046) relationship emerges.

3.14.2 Linear Regression in the sample of family firms

Coefficienti[a]						
		Coefficienti non standardizzati		Coefficienti standardizzati		
Modello		B	Errore standard	Beta	t	Sign.
1	(Costante)	6,492	1,927		3,369	0,001
	ceo_duality	-9,390	3,563	-0,190	-2,635	0,009

a. Variabile dipendente: Redditività del capitale proprio (ROE) (%) 2019

From the linear regression conducted in the sample of family businesses, an extremely negative relationship between ROE and CEO duality emerges (-9.390).

Coefficienti[a]						
		Coefficienti non standardizzati		Coefficienti standardizzati		
Modello		B	Errore standard	Beta	t	Sign.
1	(Costante)	-28,880	16,099		-1,794	0,075
	age.senman	0,585	0,290	0,151	2,017	0,045

a. Variabile dipendente: Redditività del capitale proprio (ROE) (%) 2019

From the linear regression conducted in the sample of family businesses, a positive relationship between ROE and the age of Senior Managers emerges (0.585).

Coefficienti[a]						
		Coefficienti non standardizzati		Coefficienti standardizzati		
Modello		B	Errore standard	Beta	t	Sign.
1	(Costante)	-28,145	15,278		-1,842	0,067
	age.bod	0,555	0,267	0,159	2,081	0,039

a. Variabile dipendente: Redditività del capitale proprio (ROE) (%) 2019

From the linear regression conducted in the sample of family businesses, a positive relationship emerges between ROE and the age of those who are in the BoD (0.555).

Coefficienti[a]						
		Coefficienti non standardizzati		Coefficienti standardizzati		
Modello		B	Errore standard	Beta	t	Sign.
1	(Costante)	-42,916	14,603		-2,939	0,004
	age.senman	0,772	0,263	0,213	2,931	0,004

a. Variabile dipendente: Redditività del totale attivo (ROA) (%) 2019

From the linear regression conducted in the sample of family businesses, a positive relationship emerges between ROA and the age of Senior Managers (0.772)

Coefficienti[a]						
		Coefficienti non standardizzati		Coefficienti standardizzati		
Modello		B	Errore standard	Beta	t	Sign.
1	(Costante)	2,471	1,199		2,062	0,041
	family.exec	-5,833	2,793	-0,168	-2,089	0,038

a. Variabile dipendente: Redditività delle vendite (ROS) (%) 2019

From the linear regression conducted in the sample of family businesses, an extremely negative relationship emerges between ROS and family members who are in the Executive Committee
(-5.833).

Coefficienti[a]						
		Coefficienti non standardizzati		Coefficienti standardizzati		
Modello		B	Errore standard	Beta	t	Sign.
1	(Costante)	-14,826	7,643		-1,940	0,054
	age.senman	0,330	0,137	0,185	2,408	0,017

a. Variabile dipendente: Redditività di tutto il capitale investito (ROI) (%) 2019

From the linear regression conducted in the sample of family businesses, a positive relationship emerges between ROI and the age of those who are in the Senior Management Team (0.33).

3.14.3 Linear Regression in the sample of non-family firms

Coefficienti[a]						
		Coefficienti non standardizzati		Coefficienti standardizzati		
Modello		B	Errore standard	Beta	t	Sign.
1	(Costante)	-8,004	4,949		-1,617	0,109
	n.BoD	1,005	0,448	0,226	2,242	0,027

a. Variabile dipendente: Redditività del capitale proprio (ROE) (%) 2019

From the linear regression conducted in the sample of non-family businesses, a positive relationship emerges between ROE and BoD size (1.005).

Coefficienti[a]						
		Coefficienti non standardizzati		Coefficienti standardizzati		
Modello		B	Errore standard	Beta	t	Sign.
1	(Costante)	-13,338	5,944		-2,244	0,028
	perc.wom.bod	47,177	16,931	0,294	2,786	0,007

a. Variabile dipendente: Redditività del capitale proprio (ROE) (%) 2019

The linear regression conducted in the sample of non-family businesses shows an extremely positive relationship between ROE and the percentage of women in the BoD (47.177) which is statistically significant (0.007).

Coefficienti[a]						
		Coefficienti non standardizzati		Coefficienti standardizzati		
Modello		B	Errore standard	Beta	t	Sign.
1	(Costante)	-132,890	32,571		-4,080	0,015
	busy	120,922	35,680	0,861	3,389	0,028

a. Variabile dipendente: Redditività del capitale proprio (ROE) (%) 2019

From the linear regression conducted in the sample of non-family businesses, a positive relationship emerges between the ROE and Busy Directors (120,922).

Coefficienti[a]						
		Coefficienti non standardizzati		Coefficienti standardizzati		
Modello		B	Errore standard	Beta	t	Sign.
1	(Costante)	-22,658	8,851		-2,560	0,025
	age.exec	0,423	0,156	0,615	2,704	0,019

a. Variabile dipendente: Redditività del totale attivo (ROA) (%) 2019

From the linear regression conducted in the sample of non-family businesses, a positive relationship emerges between ROA and the age of those who are in the Executive Committee (0.423).

Coefficienti[a]						
		Coefficienti non standardizzati		Coefficienti standardizzati		
Modello		B	Errore standard	Beta	t	Sign.
1	(Costante)	-43,580	7,190		-6,061	0,004
	busy	38,424	7,876	0,925	4,879	0,008

a. Variabile dipendente: Redditività del totale attivo (ROA) (%) 2019

From the linear regression conducted in the sample of non-family businesses, a very positive relationship emerges between ROA and Busy Directors (38,424).

Coefficienti[a]						
		Coefficienti non standardizzati		Coefficienti standardizzati		
Modello		B	Errore standard	Beta	t	Sign.
1	(Costante)	3,162	2,156		1,467	0,147
	ceo_duality	-15,487	4,755	-0,361	-3,257	0,002

a. Variabile dipendente: Redditività delle vendite (ROS) (%) 2019

From the linear regression conducted in the sample of non-family firms, an extremely negative relationship emerges between ROS and CEO duality (-15.487).

Coefficienti[a]						
		Coefficienti non standardizzati		Coefficienti standardizzati		
Modello		B	Errore standard	Beta	t	Sign.
1	(Costante)	-0,026	1,451		-0,018	0,987
	perc.wom.senman	10,232	3,166	0,881	3,232	0,048

a. Variabile dipendente: Redditività di tutto il capitale investito (ROI) (%) 2019

From the linear regression conducted in the sample of non-family businesses, an extremely positive relationship emerges between ROE and the percentage of women in the Senior Management Team (10,232).

3.15 Multiple Linear Regression

In the multiple linear regression model two or more explanatory variables are included to study the effect of multiple x on y at the same time.

The construction of a multiple linear regression model allows to quantify the relationship between the dependent variable (y) and a set of explanatory variables (x). It also helps to predict what the y value will be for certain x values.

In this case, when the explanatory variables are too few the model fails to explain the y well while in the case in which the explanatory variables are too numerous the model is less precise due to an over-adaptation.

In this case, it is better the model that includes only a few explanatory variables, that is, a reduced model, rather than a model that includes all of them, that is, a complete model.

It has been used the complete model on SPSS and through the stepwise method which is based on an algorithm that automatically removes (or adds) one variable at a time to the regression model, so, it has automatically chosen the best model based on the significance of the regression coefficients.

Since the data were extracted exclusively from authoritative sources such as AIDA, ORBIS, REFINITIV, CONSOB and BORSA ITALIANA S.P.A., it is the presence of outliers, such as those operating in the Energy or Telecommunications sector, which reduces the goodness of the model. However, it is sufficient to verify that there are significant correlations between the percentage of family board members and the BoD size or the percentage of family senior managers to determine that all the methods of analysis have been applied correctly.

In fact, a model that fits too much with the sample data is almost never the best model. In fact, his estimates will then be more difficult to generalize to the population.

In the following paragraphs, it has been attached and commented all the empirical evidence that emerged from the analysis conducted by applying the method explained and justified in this paragraph.

3.15.1 Multiple Linear Regression in the entire sample

Coefficienti[a]

Modello		Coefficienti non standardizzati B	Coefficienti non standardizzati Errore standard	Coefficienti standardizzati Beta	t	Sign.
1	(Costante)	32,252	13,038		2,474	0,019
	age.senman	-0,565	0,234	-0,409	-2,416	0,022
2	(Costante)	6,725	16,634		0,404	0,689
	age.senman	-0,588	0,219	-0,426	-2,683	0,012
	age.bod	0,461	0,204	0,359	2,258	0,032
3	(Costante)	11,283	15,774		0,715	0,481
	age.senman	-0,663	0,209	-0,481	-3,176	0,004
	age.bod	0,467	0,192	0,363	2,434	0,022
	ceo_duality	-7,466	3,444	-0,328	-2,168	0,039

a. Variabile dipendente: Redditività del totale attivo (ROA) (%) 2019

From the multiple regression with the stepwise method between ROA and all the dependent variables present in the sample, a statistically significant and negative relationship emerges with the age of those who are in the Senior Management Team (-0.565), a positive relationship with the age of those who are in the Board of Directors (0.461) and an extremely negative relationship with the CEO duality (-7.466).

Coefficienti[a]

Modello		Coefficienti non standardizzati B	Errore standard	Coefficienti standardizzati Beta	t	Sign.
1	(Costante)	7,063	3,290		2,147	0,041
	perc.family.senman	-0,384	0,146	-0,458	-2,630	0,014

a. Variabile dipendente: Redditività del capitale proprio (ROE) (%) 2019

From the multiple regression with the stepwise method between ROE and all the dependent variables present in the sample, a statistically significant and negative relationship (-0,384) emerges with the percentage of family members who sit in the Senior Management Team.

Coefficienti[a]

Modello		Coefficienti non standardizzati B	Errore standard	Coefficienti standardizzati Beta	t	Sign.
1	(Costante)	-32,686	12,115		-2,698	0,012
	age.bod	0,587	0,206	0,487	2,846	0,009
2	(Costante)	-31,549	11,247		-2,805	0,010
	age.bod	0,485	0,196	0,402	2,468	0,021
	n.exec	0,822	0,360	0,373	2,287	0,031
3	(Costante)	-34,268	10,333		-3,316	0,003
	age.bod	0,442	0,180	0,367	2,455	0,022
	n.exec	1,237	0,370	0,561	3,346	0,003
	n.senman	0,117	0,048	0,399	2,443	0,022
4	(Costante)	-33,288	9,490		-3,508	0,002
	age.bod	0,397	0,166	0,330	2,388	0,026
	n.exec	1,293	0,340	0,587	3,802	0,001
	n.senman	0,108	0,044	0,367	2,436	0,023
	naz_senman	0,043	0,018	0,318	2,346	0,028

a. Variabile dipendente: Redditività di tutto il capitale investito (ROI) (%) 2019

From multiple regression with the stepwise method between ROI and all dependent variables present in the sample, a statistically significant and positive relationship emerges with the age of those in the BoD (0.442), with the number of Executive Committee members (1.237) and with the number of those in the Senior Management Team (0.117) as well as with the nationality diversity of those in the Senior Management Team (0.043).

Coefficienti[a]

Modello		Coefficienti non standardizzati B	Errore standard	Coefficienti standardizzati Beta	t	Sign.
1	(Costante)	-61,558	29,186		-2,109	0,045
	age.bod	1,045	0,502	0,378	2,084	0,047

a. Variabile dipendente: Redditività delle vendite (ROS) (%) % 2019

From multiple regression with the stepwise method between ROS and all dependent variables present in the sample, a statistically significant and positive relationship emerges with the age of those who are in the BoD

(1.045).

3.15.2 Multiple Linear Regression in the sample of family business

Coefficienti[a]

Modello		Coefficienti non standardizzati B	Coefficienti non standardizzati Errore standard	Coefficienti standardizzati Beta	t	Sign.
1	(Costante)	-3,833	3,202		-1,197	0,317
	is_founder	25,872	7,159	0,902	3,614	0,036
2	(Costante)	40,703	3,371		12,074	0,007
	is_founder	16,093	1,182	0,561	13,612	0,005
	age.senman	-0,718	0,054	-0,549	-13,312	0,006

a. Variabile dipendente: Redditività del totale attivo (ROA) (%) 2019

From the multiple regression with the stepwise method between ROA and all the dependent variables present in the sample of family businesses, a statistically significant and extremely positive relationship emerges with the presence of the founder in the company (16.093) and negative (-0.718) with the age of Senior Managers.

Coefficienti[a]

Modello		Coefficienti non standardizzati B	Coefficienti non standardizzati Errore standard	Coefficienti standardizzati Beta	t	Sign.
1	(Costante)	171,178	24,401		7,015	0,006
	age.senman	-2,800	0,407	-0,970	-6,879	0,006

a. Variabile dipendente: Redditività del capitale proprio (ROE) (%) 2019

From the multiple regression with the stepwise method between ROE and all dependent variables present in the sample of family businesses, a statistically significant and negative relationship emerges with the age of Senior Managers (-2.8).

Coefficienti[a]

Modello		Coefficienti non standardizzati B	Coefficienti non standardizzati Errore standard	Coefficienti standardizzati Beta	t	Sign.
1	(Costante)	-3,668	2,793		-1,313	0,281
	is_founder	32,067	6,245	0,948	5,135	0,014

a. Variabile dipendente: Redditività delle vendite (ROS) (%) 2019

From the multiple regression with the stepwise method between ROS and all the dependent variables present in the sample of family businesses, a statistically significant and extremely positive relationship emerges with the presence of the founder in the company (32,067).

Coefficienti[a]

Modello		Coefficienti non standardizzati B	Coefficienti non standardizzati Errore standard	Coefficienti standardizzati Beta	t	Sign.
1	(Costante)	-30,538	1,859		-16,429	0,039
	perc.men.senman	36,738	2,355	0,998	15,602	0,041
2	(Costante)	-29,299	0,000			
	perc.men.senman	34,719	0,000	0,943		
	men.senman	0,012	0,000	0,084		

a. Variabile dipendente: Redditività di tutto il capitale investito (ROI) (%) 2019

From the multiple regression with the stepwise method between ROI and all the dependent variables present in the sample of family businesses, a statistically significant and extremely positive relationship emerges with the percentage of men in the senior management team (34,719).

3.16 Empirical evidence of the analysis of the relationship between Firm Performance and Corporate Governance on Italian Family-Owned Listed Companies

From the empirical analysis conducted on the sample of family businesses, it emerges that the presence of family members in the Executive Committee is negatively correlated (-0.168) with ROS. This obviously finds confirmation with the linear regression with the ROS where an extremely negative (-5.833) and statistically significant (0.038) relationship emerges.
From the empirical analysis conducted on the sample of family businesses, it emerges that the CEO Duality is negatively correlated (-0.190) with the ROE. This obviously finds confirmation with the linear regression with the ROE where an extremely negative (-9.39) and statistically significant (0.009) relationship emerges.
From the empirical analysis conducted on the sample of family businesses shows that the age of those who are in the BoD is positively correlated with the ROE (0.159). This obviously finds confirmation with the linear regression with the ROE where a positive (0.555) and statistically significant (0.039) relationship emerges. From the empirical analysis conducted on the sample of family businesses, it emerges that the age of those who are in the Senior Management Team is positively correlated with ROE (0.151), ROI (0.185) and ROA (0.213). This obviously finds confirmation with the linear regression with the ROE where a positive (0.585) and statistically significant (0.045) relationship emerges. Similar behavior emerges from linear regression with ROA showing a positive (0.772) and statistically significant (0.004) relationship. ROI also follows the same trend, with a positive (0.33) and statistically significant relationship.
From the multiple regression with the stepwise method between ROA and all dependent variables present in the sample of family businesses, a statistically significant (0.036) and extremely positive relationship with the presence of the founder in the company (16,093) emerges.
From the empirical analysis conducted on the sample of non-family businesses, it emerges that the BoD size is positively correlated with the ROE (0.226). This obviously finds confirmation with the linear regression with the ROE where a positive (1.005) and statistically significant (0.027) relationship emerges.
From the empirical analysis conducted on the sample of non-family businesses it emerges that the percentage of women in the BoD is positively correlated with the ROE (0.294) and that of men negatively (-0.294). This obviously finds confirmation with the linear regression with the ROE where an extremely positive (47.177) and statistically significant (0.007) relationship emerges.
From the empirical analysis conducted on the sample of non-family businesses, it emerges that the percentage of women in the Senior Management Team is positively correlated with the ROI (0.881) while that of men negatively (-0.881). This obviously finds confirmation in the linear regression with the ROI where a positive (10.232) and statistically significant (0.048) relationship emerges.
From the empirical analysis conducted on the sample of non-family businesses, it emerges that the CEO Duality is negatively correlated with ROS (-0.361). This obviously finds confirmation in the linear

regression with ROS where a very negative (-15.487) and statistically significant (0.002) relationship emerges.

From the empirical analysis conducted on the sample of non-family businesses, it emerges that the age of those who have a position in the Executive Committee is positively correlated with the ROA (0.615). This obviously finds confirmation in the linear regression with the ROA where a positive (0.423) and statistically significant (0.019) relationship emerges.

From the empirical analysis conducted on the sample of non-family businesses, it emerges that the Busy Directors are positively correlated with both the ROE (0.861) and the ROA (0.925). This obviously finds confirmation with the linear regression with the ROE where an extremely positive (120.922) and statistically significant (0.028) relationship emerges. Similar behavior emerges from linear regression with ROA showing an extremely positive (38.424) and statistically significant (0.008) relationship.

3.17 Main Results

RQ1: Can family firms outperform non-family firms?

The empirical evidence emerging from the analysis on Firm Performance clearly shows that Family Firms outperform non-family firms.

RQ2: Does the presence of family members in the Executive Committee have a positive impact on performance?

The empirical evidence emerging from the analysis on the relationship between Firm Performance and Corporate Governance on Italian Family-Owned Listed Companies, shows that family businesses perform better, in terms of profitability indicators (ROE, ROA, ROS, ROIC), the lower the number of family executive directors.

RQ3: Does the average age of Directors, Senior Managers and Executive Directors influence firm performance?

Family firms perform better, in terms of profitability indicators, the greater the age of Directors and Senior Managers. Non-family firms perform better the greater the age of the Executive Directors.

RQ4: Does the presence of the Founder influence firm performance?

The presence of the Founder is extremely relevant to increase firm performance of family businesses.

RQ5: Does CEO duality influence firm performance?

For all the companies in the sample, therefore, family and non-family businesses, the presence of CEO duality is absolutely negative for company performance.

RQ6: Does the increase of BOD size influence firm performance?
As regards non-family businesses the empirical evidence emerged, from the Pearson bivariate correlation index, Linear Regression and Multiple Linear Regression, shows that these companies perform better, in terms of profitability indicators, the greater the BoD size.

RQ7: Does gender diversity influence firm performance?
Non-family firms perform better, in terms of profitability indicators, the greater the number of women in the BoD and in the Senior Management Team.

RQ8: Does the presence of Busy Directors influence firm performance?
The presence of Busy Directors has a significant impact on company performance of non-family businesses.

3.18 Discussion and conclusions

The empirical evidence that emerged from the analysis of the Corporate Governance variables clearly shows that family businesses, compared to non-family businesses, are characterized by a smaller number of Directors, Senior Managers and Executive Directors, a higher gender gap and a lower nationality diversity.
These results are in line with common beliefs about the closure of family businesses to external figures in order to prevent them from discovering the competitive advantage.
Board of Directors are experiencing a sharp increase of female representation due to the Law 120/2011.
The conjunction between older and younger generations has positive and negative viewpoints.
It can be required if the businesses want to find the right equilibrium between the values promoted/rooted in firm experience and the innovation expectations supported by the younger formation. Nevertheless, family members who do not want to give up their power and accept the innovation method are for sure the main reason for a firm collapse. It is in these circumstances that continuation planning and family connection present a prominent role in determining the future of the firm and the success of the strategic project.
The Italian economy has features that make it unlikely to associate it with other frameworks in which businesses' distribution and performance attend more specific criteria. Italy does not own a definite system to follow with concerns to company division. It is highlighted by the evidence that most of the Italian companies decide to be listed or delisted according to their directions. This point is the main one that impacts firm performance but also the economic outgrowth of the country. Italy has a powerful presence of private firms from small to big size, these organizations improve the economic positions in a positive and negative direction. On one hand, they increase the performance of the GDP, enhancing the outgrowth of the country. On the other hand, this presents Italy as a country in which foreign investors find troublesome to enter. International investors produce capital inflows into the country which also support the prosperity of a nation.

This ambiguity concerns the Italian economy and makes it difficult to understand. The schedule below outlines the most influential Italian Family Firms and gives empirical confirmation of the above-mentioned position, so the great firms who decide to not be listed on the market.

Table 2.2: Top 20 family-owned businesses in Italy

	Firm's Name	Listed	Revenues 2016 (Mln Euros)
1	Exor S.p.a	X	140.163
2	EDIZIONE S.R.L.		12.374
3	FERRERO - SOCIETA' PER AZIONI		10.812
4	LUXOTTICA GROUP SPA	X	9.086
5	ESSELUNGA SPA		7.508
6	ITALIANA PETROLI S.P.A.		7.498
7	SARAS S.P.A.	X	6.762
8	SALINI IMPREGILO SPA	X	5.760
9	DE AGOSTINI S.P.A.		5.193
10	FININVEST S.P.A.		4.972
11	ALRESCHA INVESTIMENTI S.R.L. (ENOI SPA)		4.787
12	MARCEGAGLIA HOLDING S.P.A.		3.991
13	CREMONINI S.P.A.		3.634
14	A. MENARINI - S.R.L.		3.527
15	GUIDO M. BARILLA E F.LLI S.R.L. & C. S.A.P.A.		3.416
16	DANIELI & C. S.P.A.	X	3.202
17	PRADA S.P.A.	X	3.184
18	ESPRINET S.P.A.	X	3.042
19	FIN.AST. S.R.L	X	2.852
20	VERONESI HOLDING S.P.A.		2.804

Source: Consob database according to 2016 Revenues.

The table demonstrates that just a few of the greatest organizations, run by family affiliates, are listed on the Italian stock exchange. This expresses the common attitude of Italian family companies which prefer to be focused on ownership and with a particular way to develop set by the family ownership itself.

The starting position is to recognize which type of Corporate Governance systems are dominant in the country. Only Corporate Governance permits to ascertain if the administrators and partners are changing their positions, viewpoints and firm management and practices. If significant variations are recorded in Corporate Governance methods, it suggests that managers/owners are transforming the way the company is guided and how it will operate in the future. In Italy, there are three principal board typologies: one-tier model, two-tier model and the traditional model. The traditional model is however the one favoured by the preponderance of Italian listed companies, about 91,53% of market capitalization while the one-tier and two-tier paradigms are chosen just by few organizations.

In Italy, the monitoring function that the board of directors has to pursue was recognized as an accomplice and not something unavoidable. On the contrary, the controlling role of the board is the one that enhances the company production and supports the administrators to accomplish their commitment and pursue shareholder's matters. Italy experienced a lack of autonomous administrators. The empirical evidence, in Appendix 4, shows that there are very few Independent Directors. In particular, in family businesses the maximum recorded value is 4 while in non-family businesses it is 8. The independence of the directors and the chance to be accountable and transparent guided to an intervention of authorities and in 2005 it was passed the "Law of Savings" (law 262 of 28 December 2005[3]) introducing the slate voting mechanism (*voto di lista*) for the election of board organs. The process guarantees the selection of at least one board member by minority stockholders. In the end, at least one director is named from the list placed second in terms of votes. The slate voting tool made it possible to improve the controlling role of outside part-owners to monitor the internal one by choosing one director to act on their account according to their disposition. Finally, the last requirement taken valued the female representation inside the Italian corporate board. In the period 2007-2010, companies that presented more than one slate of managers accounted for nearly 40,55% of the market. More recent findings (2018), point out the fact that around 97 companies have on average 2 members appointed by minorities in line with what is predicted by legislation (AUB observatory 2018[4]). The contemporary legislation supported the development of the management compositions of Italian firms, but still, some peculiarities are troublesome to shape. The Italian corporate boards possess a high attendance of administrators who keep various directorships in other boards of firms that can be associated or not. This particular point is called interlocking and it is expected in Italian firms. The empirical evidence shows that the presence of Busy Directors has a significant and positive impact on company performance of non-family firms. During 2018 a great number of firms own at least one board member holding multiple directorship rights and the presence of interlockings is higher in medium-to-large sized firms. The high presence in medium-to-large size companies is proved by the fact that they regularly hold sits of companies that belong to the same organization.

Table 2.3: Multiple directorship (interlocking) in Italian listed companies by market index (end June 2018).

	interlockers		companies with no interlocker		companies with interlockers	
	mean[1]	weight[2]	no.	% market cap[3]	no.	% market cap[3]
Ftse Mib	3.8	30.6	2	1.8	29	98.2
Mid Cap[4]	3.2	28.0	5	9.3	33	90.7
Star[4]	1.9	20.0	14	10.1	50	89.9
other	2.0	20.8	30	18.6	60	81.4
total	*2.4*	*23.3*	*51*	*3.9*	*172*	*96.1*

Source: Consob.

Furthermore, the society may be founded or controlled by the same family, so by interlocking the status of the same directors in different firms in the same group the power and the control that the family exercises over the businesses rises. If the interlocks are family affiliates the power of the family grows even more. The empirical evidence shows that the presence of the Founder is extremely relevant to increase firm performance of family businesses. More and more companies are increasing the number of delegates inside the board to better control the company. The commission, the nomination and the internal control and risk administration boards are established in the majority of Italian companies. Nowadays, the board of family-owned companies have a predominant focus on the coexistence of different generations.

3 For more details visit this link https://www.lexology.com/library/detail.aspx?g=63c61258-221d-41a2-82cc-7cf727187669.

4 For more details it is possible to visit this website https://www.aidaf.it/wp-content/uploads/2014/08/Report-AUB-X-edizione.pdf

This feature can be helpful according to the nature of family business and according to the personal perspectives of each family member sitting on the board in the firm. This factor is important to maintain the values of the family, but sometimes the presence of past formation could be too interfering with stopping any type of innovation.

As for the ownership formations, Italian companies have a strong ownership model, with the majority of the companies managed by a single shareholder.

The decay in the level of separation between ownership and control is approved by the dynamics of some pointers, such as the number of firms in the group, the leverage and the drive. According to the decree 91/2014 (Decreto Competitività, as converted into Law no. 116/2014[5]), Italian listed companies may present in their ordinances for an increased voting power, up to two votes per share, to loyal shareholders who have held their properties for at least two years. Moreover, firms that are about to go public may present in their laws for categories of stocks carrying up to three votes per share.

It is widely accepted that family firms are an important part of the economy and society. Indeed the researches have mainly grown in the last decade (Collins and O'Regan, 2011; Sharma et al., 2014) aiming at getting this kind of organization, that functions differently than their non-family equivalents (Arregle et al., 2007; Carney, 2005; Chrisman et al., 2009). Various reasons for this diverging style have been found. Many critics suggest that family businesses exceed non-family-firms in many dimensions because of the family-firm individual packet of resources they produce, which has been coined as families, driving to competitive advantage (Habbershon and Williams, 1999). The family itself is a root of valuable, unique, and non-substitutable support (Habbershon et al., 2003). Researchers have mainly produced the families theory (Sharma, 2008), yet empirical study on the resource-based view of the family company is still limited, along with the special bunch of resources that are not fully recognized (Rau, 2014). Rau (2014) in her work studies the resource-based aspects of the family business which have a positive connotation, in turn, lead to negative outcomes, as they can be a possibility instead of an asset over time. This may happen because the family-specific devices are restricted in the founder's idiosyncratic personality and behaviour. The pool of resources that form the familiness identification is leadership, relationships, and knowledge (Kraaijenbrink et al. 2010). These elements compose the familiness advantage and are considered as the main characteristic of the entrepreneur (Aldrich and Martinez, 2001), and they require to be reconfigured because, as time passes they may become a constrictive familiness (Sharma 2008).

An important contribution to the investigation portrays familiness as a dynamic idea. As time passes by, familiness can convert into responsibility, because next generations tend to imitate the model, which in particular circumstances may not work. This happens when complexity rises (Gimeno et al., 2010). One way to leverage the familiness advantage is to develop an Entrepreneurial Family Team (EFT) model that differentiates tasks that provide a CEO to be seen as a professional supervisor without the overlapping of the

[5] For more details visit the website at the following link https://www.gazzettaufficiale.it/eli/id/2014/08/20/14G00128/sg.

role as maintaining family part. This means that management areas are not held regularly, only temporarily, according to the support profile of the CEO. The EFT model represents an enrichment of the familiness and it suggests a way to leverage the familiness advantage, by offsetting the negative potential of familiness arising from lack of professionalism (Rau, 2014).

Professionalization must be considered as a process of organizational change where knowledge is codified, roles are specified, and decision-making areas are developed over time. Decision making in organizations can be seen as a method where decisions are not necessarily direct following a specific program, but they appear at multiple levels of the organization, where the mix of intuitive and analytic decision planning is essential given the level of uncertainty and complexity of each degree. As professionalization of the various domains occurs, the CEO mandate is decreased. The expansion of the board of directors, from an advisory role to a controlling and decision making role supports the professionalization of the CEO position, as the CEO communicates to the board and is his/her performance assessed. Professionalization seems to happen when there is recognition of the need for changes, generally rising from next-generation family affiliates who perceive they need several tools to support their decision-making method. The ability to perceive these requirements and be willing to pursue changes might be a consequence of the previous knowledge of next-generation parts. This raises the question of what is the function of the parents in training the children and how this might affect their performance towards the family business. One of the main functions of the families is to socialize and train children and adults (Parsons and Bales, 1955). The way children are sustained is important concerning their future engagement with the company. The time dimension represents a relevant aspect in family business inquiries (Sharma et al., 2013), due to the transgenerational entrance.

Founder centric practices tend to increase the familiness advantage, but over time, these devices that make up the familiness advantage fixed in one individual, tend to decrease. The need to develop elements to cope with growing complexity as well as with the addition of the next generation to power becomes obvious. Considering the family dimension, understanding the role the parent's practice in the training of their children depicts an appropriate way to understand how the family business dynamics work (Corbetta and Salvato, 2004). In addition, an adequate level of cohesion will probably cause the individual to pursue new possibilities for the family business. This suggests that strong ties positively affect the motivations to start a business (Sequeira, et al., 2007). Too much cohesion nevertheless can also be damaging (Rau, 2014), limiting the ability to innovate (Sequeira and Rashhed, 2006). Permissive parenting styles create high social skills but low instrumental abilities. In the family business setting, this can carry struggles in several fields. On the one hand, family affiliates look for prestigious sites leading to a lack of followership. States may not be awarded by merit, this leading to nepotism and a negative aspect for the familiness interest (Rau, 2014). Authoritarian parenting guides to low social skills and high instrumental abilities, developing highly performant children who may not generate empathy and group thinking, but rather self-thinking. This behaviour can also reduce the familiness advantage for the lack of compliance to change the model to an EFT that needs switching positions. Wealth plays an important part in the equation with parenting styles, since being wealthy is a device that provides the necessary means to proceed with entrepreneurial projects (Aldrich and Kim 2007).

Permissive parenting methods for instance will produce narcissistic figures with low instrumental abilities, therefore they might not be inclined to develop entrepreneurial projects. Professional associations can represent a relevant factor in the education and training of policymakers to increase awareness about family activities. This generates awareness among key stakeholders in the wider context. Professional associations make lobby practising a friendly approach, arguing that family businesses offer the common good, thus they require to be maintained. Their lobbying approach relies on training policymakers in the different family enterprise issues, by constructing a context that affects policymakers, leading to an individual knowledge (Bandura, 1986). Anyway, family firms are still far from the experience levels that other forms of organizations have in the macro context, like SMEs or NGO's. There is still a long route to go to reach a status where family businesses are recognized as a specific category of organizations.

Appendix 1 - Data Cleaning

I drew an initial sample including 395 Italian listed companies. I excluded the 82 companies listed below because they belong to the following categories: financial intermediation companies (FIN), Securities brokerage company (SIM), Banks (BNK) and Insurance companies (INS).
I have also eliminated companies that have gone bankrupt, are in liquidation or are delisted.

1. 4AIM SICAF SPA
2. A.B.P. NOCIVELLI S.P.A
3. ALP.I S.P.A.
4. ANIMA HOLDING S.P.A.
5. ARGILETUM MERCHANT S.P.A.
6. ASSICURAZIONI GENERALI SPA
7. ASSITECA S.P.A.
8. AXELERO S.P.A
9. AZ LEASING SPA
10. BANCA CARIGE SPA
11. BANCA FINNAT EURAMERICA SPA
12. BANCA GENERALI SPA
13. BANCA IFIS SPA
14. BANCA INTERMOBILIARE DI INVESTIMENTI E GESTIONI
15. BANCA MEDIOLANUM SPA
16. BANCA MONTE DEI PASCHI DI SIENA SPA
17. BANCA PICCOLO CREDITO VALTELLINESE
18. BANCA PROFILO SPA
19. BANCA SISTEMA SPA
20. BANCO BPM SPA
21. BANCO DI DESIO E DELLA BRIANZA SPA
22. BREMBO S.P.A.
23. BLUE FINANCIAL COMMUNICATION S.P.A.
24. BFF BANK SPA
25. BIO ON S.P.A
26. BPER BANCA S.P.A.
27. CALEIDO GROUP SPA
28. CEMENTIR HOLDING SPA
29. COGEME SOLUZIONI & TECNOLOGIA S.P.A. IN LIQUIDAZIONE

30. COMAL S.P.A.
31. CONAFI S.P.A
32. CONVERGENZE SPA
33. COPERNICO SOCIETA DI INTERMEDIAZIONE MOBILIARE S.P.A
34. CREACTIVES GROUP S.P.A.
35. CREDITO EMILIANO SPA
36. DAVIDE CAMPARI-MILANO N.V.
37. DEA CAPITAL SPA
38. EQUITA GROUP S.P.A.
39. EQUITA INVESTIMENTI S.P.A.
40. ESI SPA
41. EXPERT SYSTEM S.P.A.
42. EXTRAFIN S.P.A.
43. FINECOBANK BANCA FINECO SPA
44. IDEAMI S.P.A.
45. IGEAMED S.P.A.
46. ILLIMITY BANK SPA
47. INDUSTRIE CHIMICHE FORESTALI SPA
48. INTESA SANPAOLO
49. ITALIA INDEPENDENT GROUP S.P.A.
50. ITALIAN WINE BRANDS S.P.A.
51. JONIX S.P.A.
52. LABOMAR SPA
53. LANIFICIO VALLEMOSSO S.P.A. IN LIQUIDAZIONE
54. M&C S.P.A.
55. MCE LOCAM SOCIETA' PER AZIONI (DI SEGUITO ANCHE LA SOCIETA)
56. MEDIOBANCA - BANCA DI CREDITO FINANZIARIO SOCIETA PER AZIONI
57. MIT SIM S.P.A
58. MYBEST GROUP S.P.A.
59. NET INSURANCE SPA
60. NEXI SPA
61. NVP S.P.A.
62. PREMIA FINANCE S.P.A.
63. RCS MEDIAGROUP SPA
64. REEVO S.P.A.
65. RETI S.P.A

66. SABAF SPA
67. SECO S.P.A.
68. SG COMPANY S.P.A.
69. SNAM S.P.A.
70. SOCIETA CATTOLICA DI ASSICURAZIONE-SOCIETÀ COOPERATIVA
71. SOLUTIONS CAPITAL MANAGEMENT SIM S.P.A.
72. SOFTLAB S.P.A.
73. SPACTIV S.P.A. IN LIQUIDAZIONE
74. TAMBURI INVESTMENT PARTNERS SPA
75. TECMA SOLUTIONS S.P.A.
76. TENAX INTERNATIONAL S.P.A.
77. THESPAC S.P.A.
78. TITANMET S.P.A.
79. TRENDEVICE S.P.A.
80. UNICREDIT SPA
81. UNIPOLSAI ASSICURAZIONI SPA
82. VEI 1 S.P.A - IN LIQUIDAZIONE

I excluded the following companies, despite having been cataloged by AIDA as ICS companies, because their business belongs to the following ATECO 2007 codes:

661922: Agents, brokers and agents selling financial products.

- ARGILETUM MERCHANT S.P.A.
- PREMIA FINANCE S.P.A SOCIETÀ' DI MEDIAZIONE CREDITIZIA.

649000: Nondepository Credit Intermediation.

- MCE LOCAM SOCIETA' PER AZIONI

662200: Agencies, Brokerages, and Other Insurance Related Activities.

- ASSITECA SPA INTERNAZIONALE DI BROKERAGGIO ASSICURATIVO

640000: Credit Intermediation and Related Activities.

- DEA CAPITAL SPA

641910: Money brokerage by monetary institutes other than central Banks.

- BANCA FINNAT EURAMERICA S.P.A.
- MEDIOBANCA BANCA DI CREDITO FINANZIARIO SOCIETA' PER AZIONI

649930: Merchant bank business.

- M&C S.P.A.
- TITANMET S.P.A.

649960: Other financial brokerage n.e.c.

- SNAM S.P.A.

Next, I excluded financial holding companies because those are business entities that don't manufacture anything, sell any products or services, or conduct any other business operations but hold only the controlling stock in other companies.

642000: Activities of holding companies

- CEMENTIR HOLDING N.V.
- CONAFI S.P.A.
- EQUITA GROUP S.P.A.
- IDEAMI S.P.A.
- ITALIA INDEPENDENT GROUP S.P.A.
- ITALIAN WINE BRANDS S.P.A.
- TAMBURI INVESTMENT PARTNERS S.P.A
- VEI1 S.P.A

Obviously, I have not excluded the activities cataloged in the ATECO code 701000 "Private operative holding" as they could also carry out production or exchange activities of goods or services or they are family holding companies, that is, holding companies controlled by members of the same family such as Exor (Agnelli family), Fininvest (Berlusconi family) and CIR (De Benedetti family).
To give authority to the thesis and improve the quality of the data under analysis, I have made a double check, as the activity of some companies was not correctly cataloged, with the codes of the North American Industry Classification System (NAICS) 2017, NACE Rev. 2, the Standard Industrial Classification established in the United State (US SIC) and in the United Kingdom (UK SIC), as well as the "*Ramo Attività Economica*" (RAE) and "*Sottogruppo di Attività Economica*" (SAE) codes.
For example, the activity of Gas Plus S.P.A. was classified by the ATECO 649209 code as "Other Credit Services n.e.c." when in reality this company is the fourth Italian natural gas manufacturer and therefore will not be excluded from my database. However, despite having the ATECO 642000 code, I have not excluded AEFFE S.P.A. because it is considered a "production company" (SAE) of "clothing and accessories" (RAE).

Appendix 2 - Analytic procedures applied to identify Ultimate Owners and Family Businesses

The simplest case is that in which the Global Ultimate Owner is a person who owns more than 50% of the shares with voting rights and therefore AIDA recognizes the latter as GUO.

In the event that the majority shareholder of the company under analysis is a company, I researched who the shareholders of the latter were.

For example, EEMS ITALIA SPA is 62.99% owned by GALA HOLDING SRL which in turn is 100% owned by Mr. Filippo Tortoriello.

EEMS ITALIA SPA

02015 Cittaducale | **Codice fiscale** 00822980579 | **Numero CCIAA** RI0043917

Società quotata
The Global Ultimate Owner of this controlled subsidiary is **MR FILIPPO TORTORIELLO**

4. Barardelli Carlo - Auditor SenMan WV
P646159646

Azionisti controllanti

Indice d'Indipendenza BvD: D

Definizione di Azionista di Riferimento in uso Percentuale minima 50,01% di controllo, Azionisti conosciuti e non conosciuti, qualsiasi ente.[Modifica]

Le società/individui sottolineate e visualizzate in blu - grassetto sono disponibili su **AIDA/Contatti**.

			Azionariato e partecipazioni	
Nome azionista	**Paese**	**Tipologia**	**% diretta**	**% totale**
MR FILIPPO TORTORIELLO(Azionista di Riferimento Nazionale e Globale)	IT	I	100,00	100,00
GALA HOLDING S.R.L.	IT	C	62,99	n.d.
EEMS ITALIA SPA	IT	C		

GALA HOLDING S.R.L.

00198 Roma | **Codice fiscale** 12522361000 | **Numero CCIAA** RM1380853

Società privata
The Global Ultimate Owner of this controlled subsidiary is **MR FILIPPO TORTORIELLO**

Indice d'Indipendenza BvD: D

Definizione di Azionista di Riferimento in uso Percentuale minima 50,01% di controllo, Azionisti conosciuti e non conosciuti, qu

Le società/individui sottolineate e visualizzate in blu - grassetto sono disponibili su **AIDA/Contatti**.

			Azionariato e partecipazioni	
Nome azionista	**Paese**	**Tipologia**	**% diretta**	**% totale**
MR FILIPPO TORTORIELLO(Azionista di Riferimento Nazionale e Globale)	IT	I	100,00	100,00
GALA HOLDING S.R.L.	IT	C		

In the vast majority of cases, none reaches the percentage of 50.01%, so the GUO cell is empty even because

the Ultimate Owner can have no shareholder identified or all its shareholders have an unknown percentage. Therefore, I have to manually identify via the Refinitiv platform (formerly Thomson Reuters) who is the owner of the company by downloading "Ownership Summary" and "Company Tree Structure".
For example, ANTARES VISION S.P.A. is owned 73.80% by REGOLO SPA but the Global Ultimate Owner of this controlled subsidiary is DORADO SRL which is an independent company owned by the Rossi family.

REGOLO SPA

25039 Travagliato

Codice fiscale 03926430988
Numero CCIAA BS0574559

Società privata
The Global Ultimate Owner of this controlled subsidiary is DORADO SRL

DORADO SRL

30010 Cona

Società privata
This company is Independent (but not the Global Ultimate Owner of a Corporate Group)

Codice fiscale 02417250277
Numero CCIAA VE0215820

Azionisti attuali

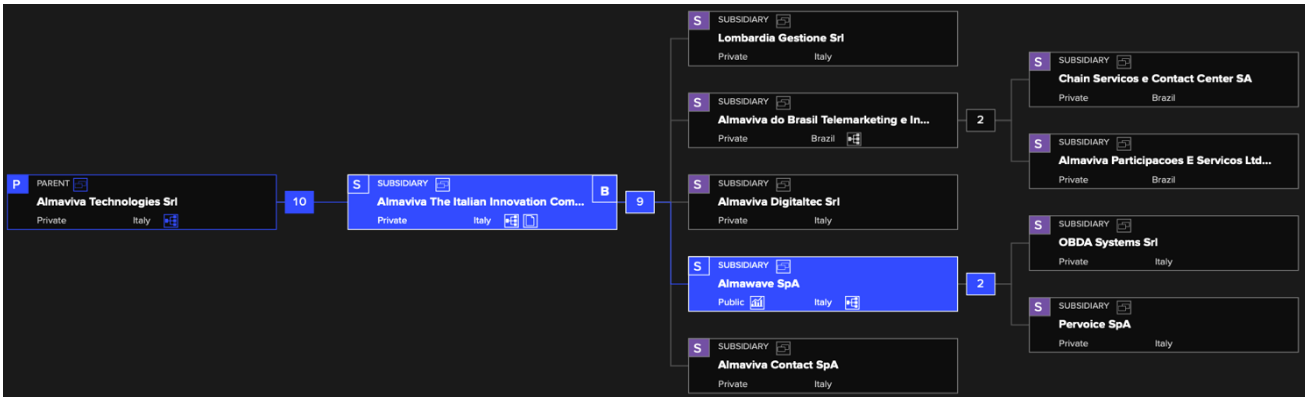
Filtro attuale: Nessun filtro[Modifica]

	Nome azionista	Paese	Tipologia	Azionariato e partecipazioni % diretta	% totale
1.	MR ALDO ROSSI	IT	I	49,80	n.d.
2.	MRS NICOLETTA ROSSI	IT	I	47,00	n.d.
3.	MR RENATO ROSSI	IT	I	3,20	n.d.

= *Manager*

In the event that the company under analysis is owned by a private or unlisted company, more research on Refinitiv was needed.

For example, ALMAWAVE S.P.A. is 75.69% owned by ALMAVIVA THE ITALIAN INNOVATION COMPANY S.P.A whose Ultimate Parent is ALMAVIVA TECHNOLOGIES S.R.L.



In the event that the company under analysis had a complex shareholding structure, I analyzed each of its shareholders to go back to the Global Ultimate Owner by calculating the weighted average percentages of ownership.

For example, ITALEAF S.P.A. is owned 46.02% by SKILL & TRUST HOLDING S.R.L., 21.07% by the public, 13.83% by SIFIP S.P.A. and 7.91% by ROYAL CLUB S.R.L.

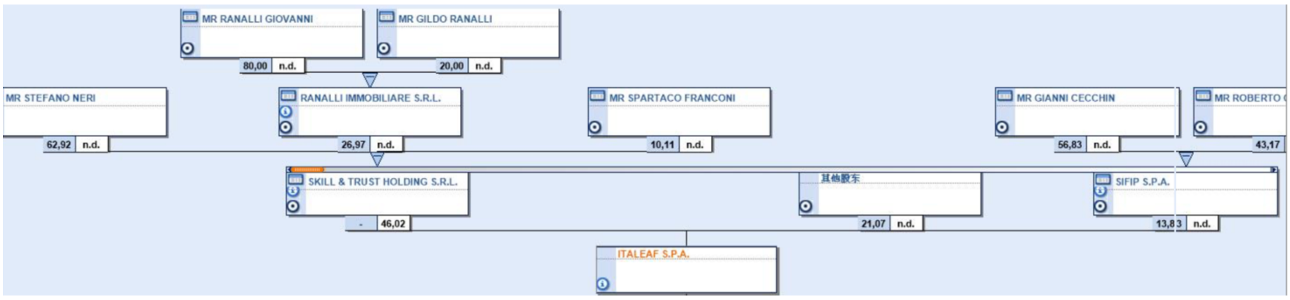
In turn SKILL & TRUST HOLDING S.R.L. is 62.92% owned by MR. STEFANO NERI, 26.97% from RANALLI IMMOBILIARE S.R.L., 10.11% from MR. SPARTACO FRANCONI.

In turn, SIFIP S.P.A. is owned by the CECCHIN family.

In turn, ROYAL CLUB S.R.L. is owned by the URBANI family.

Therefore, indirectly the CECCHIN family owns 13.83%, the URBANI family 7.91% but it is MR. STEFANO NERI to hold the majority; in fact, the latter owns 62.92% * 46.02% = 28.95% and there is no shareholder who holds a greater percentage of shares with voting rights. Moreover, in this case no one else reaches the minimum percentage of 25%.

We can therefore say that the Ultimate Owner is Mr. Stefano Neri and that the company is familiar.



ITALEAF S.P.A.

05035 Narni

Codice fiscale 01456730553

Numero CCIAA TR0098422

Società quotata

The Global Ultimate Owner of this controlled subsidiary is **MR STEFANO NERI**

Azionisti attuali

Filtro attuale: Nessun filtro[Modifica]

Le società/individui sottolineate e visualizzate in blu - grassetto sono disponibili su **AIDA/Contatti**.

				Azionariato e partecipazioni	
	Nome azionista	Paese	Tipologia	% diretta	% totale
1.	**SKILL & TRUST HOLDING S.R.L.**	IT	C	-	46,02
2.	**OTHERS**	-	L	21,07	n.d.
3.	**SIFIP S.P.A.**	IT	C	13,83	n.d.
4.	**ROYAL CLUB S.R.L.**	IT	C	7,91	n.d.

SKILL & TRUST HOLDING S.R.L.

05100 Terni	**Codice fiscale** **Numero CCIAA**	01399930559 TR0093973

Società privata
The Global Ultimate Owner of this controlled subsidiary is **MR STEFANO NERI**

Azionisti attuali

Filtro attuale: Nessun filtro[Modifica]

Le società/individui sottolineate e visualizzate in blu - grassetto sono disponibili su **AIDA/Contatti**.

				Azionariato e partecipazioni	
	Nome azionista	Paese	Tipologia	% diretta	% totale
1.	**MR STEFANO NERI**	IT	I	62,92	n.d.
2.	**RANALLI IMMOBILIARE S.R.L.**	IT	C	26,97	n.d.
3.	**MR SPARTACO FRANCONI**	IT	I	10,11	n.d.

SIFIP S.P.A.

46010 Curtatone	**Codice fiscale** **Numero CCIAA**	00487880205 MN0134971

Società privata
The Global Ultimate Owner of this controlled subsidiary is **MR GIANNI CECCHIN**

Azionisti attuali

Filtro attuale: Nessun filtro[Modifica]

				Azionariato e partecipazioni	
	Nome azionista	Paese	Tipologia	% diretta	% totale
1.	**MR GIANNI CECCHIN**	IT	I	56,83	n.d.
2.	**MR ROBERTO CECCHIN**	IT	I	43,17	n.d.

ROYAL CLUB S.R.L.

06135 Perugia

Codice fiscale 01714820543
Numero CCIAA PG0154957

Società privata
The Global Ultimate Owner of this company could not be identified.

Azionisti attuali

Filtro attuale: Nessun filtro[Modifica]

				Azionariato e partecipazioni	
	Nome azionista	Paese	Tipologia	% diretta	% totale
1.	MR FRANCESCO URBANI	IT	I	33,33	n.d.
2.	MR STEFANO URBANI	IT	I	33,33	n.d.
3.	MRS LUCIA URBANI	IT	I	33,33	n.d.

Appendix 3 – The industry classification according to the Ateco 2007 code

I classified the companies present in the sample based on the first 2 digits of their Ateco 2007 code as indicated in the following table.

Business Segment	Ateco 2007 Code
Vehicles	45
Trade	46
Retail Trade	47
Other Services	37, 38, 39, 55, 56, 58, 59, 60, 61, 63.9, 65, 66, 78, 79, 80, 81, 82, 84, 85, 86, 87, 88, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99
Constructions	41, 42, 43
Energy and Extractions	5, 6, 7, 8, 9, 19, 35, 36
Transport & Logistic	49, 50, 51, 52, 53
Business Services	62, 63.1, 69, 70.2, 71, 72, 73, 74, 75, 77
Financials and Real Estate	70.1, 64, 68
Manufacturing	

Business Industry	Ateco 2007 Code
Food & Beverage	01, 02, 03, 04, 10, 11
Other Manufacturing	12, 23, 32, 33.1, 33.2, 33.3
Fashion	13, 14, 15
Furniture	16, 31
Paper-Print	17, 18
Pharma-Chemical	20, 21, 26.8
Rubber-Plastic	22
Metallurgy	24, 25 (escluso 25.4)
Machinery	25.4, 26.5, 26.6, 26.7, 28
Electronics	26.1, 26.2, 26.3, 26.4, 27
Means of transport	29, 30

APPENDIX 4 – CEO duality, presence of the Founder, Independent Directors and Busy Directors

SAMPLE	ceo_duality	is_founder	indip	busy
AVERAGE	24,60%	8,31%	0,40	57,91%
MEDIAN	0,00	0,00	0,00	0,60
MAXIMUM VALUE	1,00	1,00	8,00	1,00
MINIMUM VALUE	0,00	0,00	0,00	0,00
STANDARD DEVIATION	0,431371947	0,276425534	1,125291803	0,245965595
VARIANCE	0,186081756	0,076411076	1,266281642	0,060499074

FAMILY FIRMS	ceo_duality	is_founder	indip	busy
AVERAGE	28,57%	10,48%	0,33	56,48%
MEDIAN	0,00	0,00	0,00	0,60
MAXIMUM VALUE	1,00	1,00	4,00	1,00
MINIMUM VALUE	0,00	0,00	0,00	0,00
STANDARD DEVIATION	0,45283341	0,30697816	0,86025107	0,2648136
VARIANCE	0,2050581	0,09423559	0,7400319	0,07012624

NON-FAMILY FIRMS	ceo_duality	is_founder	indip	busy
AVERAGE	16,50%	3,88%	0,53	60,93%
MEDIAN	0,00	0,00	0,00	0,60
MAXIMUM VALUE	1,00	1,00	8,00	1,00
MINIMUM VALUE	0,00	0,00	0,00	0,00
STANDARD DEVIATION	0,37303964	0,1941462	1,52634084	0,19841264
VARIANCE	0,13915858	0,03769275	2,32971635	0,03936758

Appendix 5 - Average age on the Board of Directors, Senior Management Team and Executive Committee

In the entire sample, the average age of the members of the Board of Directors is 56.93 years, that of those who sit on the Senior Management Team is 54.95 years, that of those who sit on the Executive Committee is 55.33 years. Family businesses have a lower minimum age value than colleagues from non-family firms.

SAMPLE			
	age.bod	age.senman	age.exec
AVERAGE	56,93	54,95	55,33
MEDIAN	56,67	54,80	55,67
MAXIMUM VALUE	73,00	76,00	70,00
MINIMUM VALUE	39,60	39,00	39,67
STANDARD DEVIATION	6,10	5,68	6,76
VARIANCE	37,26	32,23	45,63

FAMILY FIRMS			
	age.bod	age.senman	age.exec
AVERAGE	57,00	55,04	54,58
MEDIAN	56,83	55,10	53,57
MAXIMUM VALUE	73,00	76,00	70,00
MINIMUM VALUE	39,60	39,00	39,67
STANDARD DEVIATION	6,46	5,90	7,48
VARIANCE	41,77	34,84	55,99

NON-FAMILY FIRMS			
	age.bod	age.senman	age.exec
AVERAGE	56,78	54,76	56,35
MEDIAN	56,61	54,35	57,05
MAXIMUM VALUE	68,00	69,33	65,60
MINIMUM VALUE	44,50	42,57	46,00
STANDARD DEVIATION	5,29	5,20	5,73
VARIANCE	27,94	27,01	32,85

Appendix 6 - Coding procedures

To analyze many qualitative and quantitative variables I used the R Analytics software. Below are the coding procedures applied to obtain the empirical evidence studied in this master thesis.

```
library(readxl)
library(writexl)
library(tidyverse)
library(stringi)
library(stringr)
library(pastecs)
library(arsenal)
##########
library(caret)
library(leaps)
library(MASS)
library(GGally)
#Import generale

base <- read_excel("data/Generale.xlsx", sheet = "GENERALE")
base <- base[-c(316:328),]
# Import cda

cda_full <- read_excel("data/Corporate.xls", sheet = "Risultati")
cda_full <- cda_full[,-1]

# Tibble

cda_full <- as_tibble(cda_full)
base <- as_tibble(base)

# rimuovo spazi tra titoli colonne
xyz <- gsub(c(" "),"", names(cda_full))
names(cda_full) <- gsub("\n","",xyz)
xyz <- gsub(c(" "),"", names(base))
names(base) <- gsub("\n","",xyz)
```

```
# Tutti i cognomi e nomi in minuscolo
cda_full$DMCognome <- tolower(cda_full$DMCognome)
cda_full$DMNome <- tolower(cda_full$DMNome)
cda_full$`GUO-Firstname` <- tolower(cda_full$`GUO-Firstname`)
cda_full$`GUO-Lastname` <- tolower(cda_full$`GUO-Lastname`)


base <- base %>% mutate(Ragionesociale = str_replace_all(Ragionesociale, "\\.", ""))

cda_full <- cda_full %>% mutate(Ragionesociale = str_replace_all(Ragionesociale, "\\.", ""))

################## AVG % FAMILY DIRECTORS (CODICE: perc.family.bod)  ########

#Creo colonna che andra a conservare il dato % FAMILY DIRECTORS

base$perc.family.bod <- vector("numeric",length= nrow(base))

#colonna numero familiari in BoD (CODICE: family.BoD)
base$family.bod <- vector("numeric", length=nrow(base))

#colonna componenti BoD (CODICE:_ n.BoD)

base$n.BoD <- vector("numeric", length=nrow(base))

################################################## SEN.MAN
#Creo colonna che andra a conservare il dato % FAMILY DIRECTORS

base$perc.family.senman <- vector("numeric",length= nrow(base))

#colonna numero familiari in BoD (CODICE: family.BoD)
base$family.senman <- vector("numeric", length=nrow(base))

#colonna componenti BoD (CODICE:_ n.BoD)

base$n.senman <- vector("numeric", length=nrow(base))
```

################################# EXEC

#Creo colonna che andra a conservare il dato % FAMILY DIRECTORS

base$perc.family.exec <- vector("numeric",length= nrow(base))

#colonna numero familiari in BoD (CODICE: family.BoD)
base$family.exec <- vector("numeric", length=nrow(base))

#colonna componenti BoD (CODICE:_ n.BoD)

base$n.exec <- vector("numeric", length=nrow(base))

for(i in base$Ragionesociale){

if(nrow(na.omit(cda_full[cda_full$Ragionesociale==i,6]))>0 & nrow(na.omit(cda_full[cda_full$Ragionesociale==i,6])) <= 1){

raw_family_BoD <- cda_full %>% filter(Ragionesociale == i & #Stessa società
DMCognome == as.character(na.omit(cda_full[cda_full$Ragionesociale == i,6])) & #Stesso cognome

(DMTipologiadiposizione == "BoD" | DMTipologiadiposizione == "BoD,ExeB" |
DMTipologiadiposizione == "BoD,FinAcc" | DMTipologiadiposizione == "BoD,FinAcc,LegDep"
| DMTipologiadiposizione == "BoD,LegDep" | DMTipologiadiposizione == "BoD,NomC"| DMTipologiadiposizione == "BoD,NomC"
| DMTipologiadiposizione == "BoD,OthBC" | DMTipologiadiposizione ==

```
"BoD,RemC,NomC" | DMTipologiadiposizione == "BoD,SenMan"
                | DMTipologiadiposizione == "BoD,SenMan,FinAcc" | DMTipologiadiposizione ==
"BoD,SenMan,OthDep" ))# & #Siede BoD


#Numero familiari

family_noGUO_BoD <- as.numeric(nrow(table(raw_family_BoD$DMNome)))

base[base$`Ragionesociale` == i, 55] <- family_noGUO_BoD



#Numero totale BoD
nofamily_BoD <- nrow(cda_full %>% filter(Ragionesociale == i & #Stessa società)
                              (DMTipologiadiposizione == "BoD" | DMTipologiadiposizione == "BoD,ExeB" |
                                DMTipologiadiposizione == "BoD,FinAcc" | DMTipologiadiposizione ==
"BoD,FinAcc,LegDep"
                              | DMTipologiadiposizione == "BoD,LegDep" | DMTipologiadiposizione ==
"BoD,NomC"| DMTipologiadiposizione == "BoD,NomC"
                              | DMTipologiadiposizione == "BoD,OthBC" | DMTipologiadiposizione ==
"BoD,RemC,NomC" | DMTipologiadiposizione == "BoD,SenMan"
                              | DMTipologiadiposizione == "BoD,SenMan,FinAcc" | DMTipologiadiposizione
== "BoD,SenMan,OthDep" )))


base[base$`Ragionesociale` == i, 56] <- nofamily_BoD

#Proporzione

base[base$`Ragionesociale` == i, 54] <- family_noGUO_BoD/nofamily_BoD
```

```
raw_family_senman <- cda_full %>% filter(Ragionesociale == i & #Stessa società
                                DMCognome == as.character(na.omit(cda_full[cda_full$Ragionesociale == i,6])) &
#Stesso cognome



                                ( DMTipologiadiposizione == "AdvB,SenMan" |
                                  DMTipologiadiposizione == "AudC,RiskC,SenMan" | DMTipologiadiposizione
== "AudC,SenMan" |
                                  DMTipologiadiposizione == "AudC,SenMan,OthDep"| DMTipologiadiposizione
== "BoD,SenMan"
                                | DMTipologiadiposizione == "BoD,SenMan,FinAcc" | DMTipologiadiposizione
== "BoD,SenMan,OthDep" | DMTipologiadiposizione == "ExeC,SenMan"| DMTipologiadiposizione ==
"RiskC,SenMan"
                                | DMTipologiadiposizione == "SenMan" | DMTipologiadiposizione ==
"SenMan,AdmDep" | DMTipologiadiposizione == "SenMan,CustSv"
                                | DMTipologiadiposizione == "SenMan,FinAcc" |
                                  DMTipologiadiposizione == "SenMan,FinAcc,AdmDep" |
DMTipologiadiposizione == "SenMan,Health" | DMTipologiadiposizione == "SenMan,HR"
                                | DMTipologiadiposizione == "SenMan,IT&IS" |
                                  DMTipologiadiposizione == "SenMan,LegDep" | DMTipologiadiposizione ==
"SenMan,MarkAdv"
                                | DMTipologiadiposizione == "SenMan,Oper" | DMTipologiadiposizione ==
"SenMan,OthDep" |
                                  DMTipologiadiposizione == "SenMan,PMPMan" | DMTipologiadiposizione ==
"SenMan,Proc" | DMTipologiadiposizione == "SenMan,R&D"
                                | DMTipologiadiposizione == "SenMan,R&D,Oper" |
                                  DMTipologiadiposizione == "SenMan,Sales" | DMTipologiadiposizione ==
"SenMan,SpecPos" ))# & #Siede BoD

# FAMILIARI SENMAN
family_noGUO_senman <- as.numeric(nrow(table(raw_family_senman$DMNome)))

base[base$`Ragionesociale` == i, 58] <- family_noGUO_senman

#Numero totale SENMAN
nofamily_senman <- nrow(cda_full %>% filter(Ragionesociale == i & #Stessa società)
```

```
( DMTipologiadiposizione == "AdvB,SenMan" |
DMTipologiadiposizione == "AudC,RiskC,SenMan" | DMTipologiadiposizione == "AudC,SenMan" |
DMTipologiadiposizione == "AudC,SenMan,OthDep"| DMTipologiadiposizione == "BoD,SenMan"
| DMTipologiadiposizione == "BoD,SenMan,FinAcc" | DMTipologiadiposizione == "BoD,SenMan,OthDep" | DMTipologiadiposizione == "ExeC,SenMan"| DMTipologiadiposizione == "RiskC,SenMan"
| DMTipologiadiposizione == "SenMan" | DMTipologiadiposizione == "SenMan,AdmDep" | DMTipologiadiposizione == "SenMan,CustSv"
| DMTipologiadiposizione == "SenMan,FinAcc" |
DMTipologiadiposizione == "SenMan,FinAcc,AdmDep" | DMTipologiadiposizione == "SenMan,Health" | DMTipologiadiposizione == "SenMan,HR"
| DMTipologiadiposizione == "SenMan,IT&IS" |
DMTipologiadiposizione == "SenMan,LegDep" | DMTipologiadiposizione == "SenMan,MarkAdv"
| DMTipologiadiposizione == "SenMan,Oper" | DMTipologiadiposizione == "SenMan,OthDep" |
DMTipologiadiposizione == "SenMan,PMPMan" | DMTipologiadiposizione == "SenMan,Proc" | DMTipologiadiposizione == "SenMan,R&D"
| DMTipologiadiposizione == "SenMan,R&D,Oper" |
DMTipologiadiposizione == "SenMan,Sales" | DMTipologiadiposizione == "SenMan,SpecPos" )))

base[base$`Ragionesociale` == i, 59] <- nofamily_senman

#Proporzione

base[base$`Ragionesociale` == i, 57] <- family_noGUO_senman/nofamily_senman

raw_family_exec <- cda_full %>% filter(Ragionesociale == i & #Stessa società
DMCognome == as.character(na.omit(cda_full[cda_full$Ragionesociale == i,6])) &
```

```
#Stesso cognome

                              (
                                DMTipologiadiposizione == "ExeB,ExeC" | DMTipologiadiposizione == "ExeC"
| DMTipologiadiposizione == "ExeC,OthBC" |
                                DMTipologiadiposizione == "ExeC,RiskC" | DMTipologiadiposizione ==
"ExeC,SenMan"))# & #Siede BoD

#Numero familiari

family_noGUO_exec <- as.numeric(nrow(table(raw_family_exec$DMNome)))

base[base$`Ragionesociale` == i, 61] <- family_noGUO_exec

#Numero totale BoD
nofamily_exec <- nrow(cda_full %>% filter(Ragionesociale == i & #Stessa società)
                                 (
                                  DMTipologiadiposizione == "ExeB,ExeC" | DMTipologiadiposizione ==
"ExeC" | DMTipologiadiposizione == "ExeC,OthBC" |
                                   DMTipologiadiposizione == "ExeC,RiskC" | DMTipologiadiposizione ==
"ExeC,SenMan")))

base[base$`Ragionesociale` == i, 62] <- nofamily_exec

#Proporzione

base[base$`Ragionesociale` == i, 60] <- family_noGUO_exec/nofamily_exec

} else {

  nofamily_BoD <- nrow(cda_full %>% filter(Ragionesociale == i & #Stessa società)
```

```
                              (DMTipologiadiposizione == "BoD" | DMTipologiadiposizione == "BoD,ExeB"
|
                              DMTipologiadiposizione == "BoD,FinAcc" | DMTipologiadiposizione ==
"BoD,FinAcc,LegDep"
                              | DMTipologiadiposizione == "BoD,LegDep" | DMTipologiadiposizione ==
"BoD,NomC"| DMTipologiadiposizione == "BoD,NomC"
                              | DMTipologiadiposizione == "BoD,OthBC" | DMTipologiadiposizione ==
"BoD,RemC,NomC" | DMTipologiadiposizione == "BoD,SenMan"
                              | DMTipologiadiposizione == "BoD,SenMan,FinAcc" | DMTipologiadiposizione
== "BoD,SenMan,OthDep" )))


  base[base$`Ragionesociale` == i, 56] <- nofamily_BoD

  nofamily_senman <- nrow(cda_full %>% filter(Ragionesociale == i & #Stessa società)
                              ( DMTipologiadiposizione == "AdvB,SenMan" |
                                DMTipologiadiposizione == "AudC,RiskC,SenMan" |
DMTipologiadiposizione == "AudC,SenMan" |
                                DMTipologiadiposizione == "AudC,SenMan,OthDep"|
DMTipologiadiposizione == "BoD,SenMan"
                              | DMTipologiadiposizione == "BoD,SenMan,FinAcc" |
DMTipologiadiposizione == "BoD,SenMan,OthDep" | DMTipologiadiposizione == "ExeC,SenMan"|
DMTipologiadiposizione == "RiskC,SenMan"
                              | DMTipologiadiposizione == "SenMan" | DMTipologiadiposizione ==
"SenMan,AdmDep" | DMTipologiadiposizione == "SenMan,CustSv"
                              | DMTipologiadiposizione == "SenMan,FinAcc" |
                                DMTipologiadiposizione == "SenMan,FinAcc,AdmDep" |
DMTipologiadiposizione == "SenMan,Health" | DMTipologiadiposizione == "SenMan,HR"
                              | DMTipologiadiposizione == "SenMan,IT&IS" |
                                DMTipologiadiposizione == "SenMan,LegDep" | DMTipologiadiposizione
== "SenMan,MarkAdv"
                              | DMTipologiadiposizione == "SenMan,Oper" | DMTipologiadiposizione ==
"SenMan,OthDep" |
                                DMTipologiadiposizione == "SenMan,PMPMan" | DMTipologiadiposizione
== "SenMan,Proc" | DMTipologiadiposizione == "SenMan,R&D"
                              | DMTipologiadiposizione == "SenMan,R&D,Oper" |
```

```
                              DMTipologiadiposizione == "SenMan,Sales" | DMTipologiadiposizione ==
"SenMan,SpecPos" )))


  base[base$`Ragionesociale` == i, 59] <- nofamily_senman

  nofamily_exec <- nrow(cda_full %>% filter(Ragionesociale == i & #Stessa società)
                              (
                              DMTipologiadiposizione == "ExeB,ExeC" | DMTipologiadiposizione ==
"ExeC" | DMTipologiadiposizione == "ExeC,OthBC" |
                              DMTipologiadiposizione == "ExeC,RiskC" | DMTipologiadiposizione ==
"ExeC,SenMan")))


  base[base$`Ragionesociale` == i, 62] <- nofamily_exec

}


#cognomi multipli uguali
if(nrow(na.omit(cda_full[cda_full$Ragionesociale==i,6]))          >          1          &
nrow(table(na.omit(cda_full[cda_full$Ragionesociale == i,6]))) == 1 ){

  raw_family_BoD <- cda_full %>% filter(Ragionesociale == i & #Stessa società
                           DMCognome == names(table(na.omit(cda_full[cda_full$Ragionesociale == i,6])))
& #Stesso cognome


                           (DMTipologiadiposizione == "BoD" | DMTipologiadiposizione == "BoD,ExeB" |
                              DMTipologiadiposizione == "BoD,FinAcc" | DMTipologiadiposizione ==
"BoD,FinAcc,LegDep"
                           | DMTipologiadiposizione == "BoD,LegDep" | DMTipologiadiposizione ==
"BoD,NomC"| DMTipologiadiposizione == "BoD,NomC"
                           | DMTipologiadiposizione == "BoD,OthBC" | DMTipologiadiposizione ==
"BoD,RemC,NomC" | DMTipologiadiposizione == "BoD,SenMan"
                           | DMTipologiadiposizione == "BoD,SenMan,FinAcc" | DMTipologiadiposizione
```

```
== "BoD,SenMan,OthDep" ))# & #Siede BoD


  #Numero familiari

  family_noGUO_BoD <- as.numeric(nrow(table(raw_family_BoD$DMNome)))

  base[base$`Ragionesociale` == i, 55] <- family_noGUO_BoD



  #Numero totale BoD
  nofamily_BoD <- nrow(cda_full %>% filter(Ragionesociale == i & #Stessa società)
                                    (DMTipologiadiposizione == "BoD" | DMTipologiadiposizione == "BoD,ExeB"
|
                                      DMTipologiadiposizione == "BoD,FinAcc" | DMTipologiadiposizione ==
"BoD,FinAcc,LegDep"
                                    | DMTipologiadiposizione == "BoD,LegDep" | DMTipologiadiposizione ==
"BoD,NomC"| DMTipologiadiposizione == "BoD,NomC"
                                    | DMTipologiadiposizione == "BoD,OthBC" | DMTipologiadiposizione ==
"BoD,RemC,NomC" | DMTipologiadiposizione == "BoD,SenMan"
                                    | DMTipologiadiposizione == "BoD,SenMan,FinAcc" | DMTipologiadiposizione
== "BoD,SenMan,OthDep" )))


  base[base$`Ragionesociale` == i, 56] <- nofamily_BoD

  #Proporzione

  base[base$`Ragionesociale` == i, 54] <- family_noGUO_BoD/nofamily_BoD




  raw_family_senman <- cda_full %>% filter(Ragionesociale == i & #Stessa società
```

```
                                DMCognome == names(table(na.omit(cda_full[cda_full$Ragionesociale == i
,6]))) & #Stesso cognome



                                ( DMTipologiadiposizione == "AdvB,SenMan" |
                                  DMTipologiadiposizione == "AudC,RiskC,SenMan" |
DMTipologiadiposizione == "AudC,SenMan" |
                                  DMTipologiadiposizione == "AudC,SenMan,OthDep"|
DMTipologiadiposizione == "BoD,SenMan"
                                 | DMTipologiadiposizione == "BoD,SenMan,FinAcc" |
DMTipologiadiposizione == "BoD,SenMan,OthDep" | DMTipologiadiposizione == "ExeC,SenMan"|
DMTipologiadiposizione == "RiskC,SenMan"
                                 | DMTipologiadiposizione == "SenMan" | DMTipologiadiposizione ==
"SenMan,AdmDep" | DMTipologiadiposizione == "SenMan,CustSv"
                                 | DMTipologiadiposizione == "SenMan,FinAcc" |
                                  DMTipologiadiposizione == "SenMan,FinAcc,AdmDep" |
DMTipologiadiposizione == "SenMan,Health" | DMTipologiadiposizione == "SenMan,HR"
                                 | DMTipologiadiposizione == "SenMan,IT&IS" |
                                  DMTipologiadiposizione == "SenMan,LegDep" | DMTipologiadiposizione ==
"SenMan,MarkAdv"
                                 | DMTipologiadiposizione == "SenMan,Oper" | DMTipologiadiposizione ==
"SenMan,OthDep" |
                                  DMTipologiadiposizione == "SenMan,PMPMan" | DMTipologiadiposizione
== "SenMan,Proc" | DMTipologiadiposizione == "SenMan,R&D"
                                 | DMTipologiadiposizione == "SenMan,R&D,Oper" |
                                  DMTipologiadiposizione == "SenMan,Sales" | DMTipologiadiposizione ==
"SenMan,SpecPos" ))# & #Siede BoD

 # FAMILIARI SENMAN
 family_noGUO_senman <- as.numeric(nrow(table(raw_family_senman$DMNome)))

 base[base$`Ragionesociale` == i , 58] <- family_noGUO_senman

 #Numero totale SENMAN
 nofamily_senman <- nrow(cda_full %>% filter(Ragionesociale == i & #Stessa società)
                                   ( DMTipologiadiposizione == "AdvB,SenMan" |
```

```
                                        DMTipologiadiposizione == "AudC,RiskC,SenMan" |
DMTipologiadiposizione == "AudC,SenMan" |
                                        DMTipologiadiposizione == "AudC,SenMan,OthDep"|
DMTipologiadiposizione == "BoD,SenMan"
                                        | DMTipologiadiposizione == "BoD,SenMan,FinAcc" |
DMTipologiadiposizione == "BoD,SenMan,OthDep" | DMTipologiadiposizione == "ExeC,SenMan"|
DMTipologiadiposizione == "RiskC,SenMan"
                                        | DMTipologiadiposizione == "SenMan" | DMTipologiadiposizione ==
"SenMan,AdmDep" | DMTipologiadiposizione == "SenMan,CustSv"
                                        | DMTipologiadiposizione == "SenMan,FinAcc" |
                                        DMTipologiadiposizione == "SenMan,FinAcc,AdmDep" |
DMTipologiadiposizione == "SenMan,Health" | DMTipologiadiposizione == "SenMan,HR"
                                        | DMTipologiadiposizione == "SenMan,IT&IS" |
                                        DMTipologiadiposizione == "SenMan,LegDep" | DMTipologiadiposizione
== "SenMan,MarkAdv"
                                        | DMTipologiadiposizione == "SenMan,Oper" | DMTipologiadiposizione ==
"SenMan,OthDep" |
                                        DMTipologiadiposizione == "SenMan,PMPMan" | DMTipologiadiposizione
== "SenMan,Proc" | DMTipologiadiposizione == "SenMan,R&D"
                                        | DMTipologiadiposizione == "SenMan,R&D,Oper" |
                                        DMTipologiadiposizione == "SenMan,Sales" | DMTipologiadiposizione ==
"SenMan,SpecPos" )))


  base[base$`Ragionesociale` == i, 59] <- nofamily_senman


  #Proporzione

  base[base$`Ragionesociale` == i, 57] <- family_noGUO_senman/nofamily_senman


  raw_family_exec <- cda_full %>% filter(Ragionesociale == i & #Stessa società
                              DMCognome == names(table(na.omit(cda_full[cda_full$Ragionesociale == i,6])))
& #Stesso cognome
```

```
                                   (
                                    DMTipologiadiposizione == "ExeB,ExeC" | DMTipologiadiposizione == "ExeC" | DMTipologiadiposizione == "ExeC,OthBC" |
                                     DMTipologiadiposizione == "ExeC,RiskC" | DMTipologiadiposizione == "ExeC,SenMan"))# & #Siede BoD


  #Numero familiari

  family_noGUO_exec <- as.numeric(nrow(table(raw_family_exec$DMNome)))

  base[base$`Ragionesociale` == i, 61] <- family_noGUO_exec



  #Numero totale BoD
  nofamily_exec <- nrow(cda_full %>% filter(Ragionesociale == i & #Stessa società)
                                   (
                                    DMTipologiadiposizione == "ExeB,ExeC" | DMTipologiadiposizione == "ExeC" | DMTipologiadiposizione == "ExeC,OthBC" |
                                     DMTipologiadiposizione == "ExeC,RiskC" | DMTipologiadiposizione == "ExeC,SenMan")))


  base[base$`Ragionesociale` == i, 62] <- nofamily_exec

  #Proporzione

  base[base$`Ragionesociale` == i, 60] <- family_noGUO_exec/nofamily_exec



}
```

```
#cognomi multipli diversi

if(nrow(na.omit(cda_full[cda_full$Ragionesociale==i,6])) > 1 & nrow(table(na.omit(cda_full[cda_full$Ragionesociale == i,6]))) > 1 ){

  #Identifico cognomi diversi

  cogn_guo <- names(table(na.omit(cda_full[cda_full$Ragionesociale == i,6])))

    raw_family_BoD <- cda_full %>% filter(Ragionesociale == i & #Stessa società
                              ( DMCognome == cogn_guo[1] |
                                 DMCognome == cogn_guo[2] |
                                 DMCognome == cogn_guo[3] |
                                 DMCognome == cogn_guo[4])& #Stesso cognome


                              (DMTipologiadiposizione == "BoD" | DMTipologiadiposizione == "BoD,ExeB" |
                                DMTipologiadiposizione == "BoD,FinAcc" | DMTipologiadiposizione == "BoD,FinAcc,LegDep"
                              | DMTipologiadiposizione == "BoD,LegDep" | DMTipologiadiposizione == "BoD,NomC"| DMTipologiadiposizione == "BoD,NomC"
                              | DMTipologiadiposizione == "BoD,OthBC" | DMTipologiadiposizione == "BoD,RemC,NomC" | DMTipologiadiposizione == "BoD,SenMan"
                              | DMTipologiadiposizione == "BoD,SenMan,FinAcc" | DMTipologiadiposizione == "BoD,SenMan,OthDep" ))# & #Siede BoD



    #Numero familiari

    family_noGUO_BoD <- as.numeric(nrow(table(raw_family_BoD$DMNome)))

    base[base$`Ragionesociale` == i, 55] <- family_noGUO_BoD
```

```
#Numero totale BoD
nofamily_BoD <- nrow(cda_full %>% filter(Ragionesociale == i & #Stessa società)
                          (DMTipologiadiposizione == "BoD" | DMTipologiadiposizione == "BoD,ExeB" |
                           DMTipologiadiposizione == "BoD,FinAcc" | DMTipologiadiposizione == "BoD,FinAcc,LegDep"
                          | DMTipologiadiposizione == "BoD,LegDep" | DMTipologiadiposizione == "BoD,NomC"| DMTipologiadiposizione == "BoD,NomC"
                          | DMTipologiadiposizione == "BoD,OthBC" | DMTipologiadiposizione == "BoD,RemC,NomC" | DMTipologiadiposizione == "BoD,SenMan"
                          | DMTipologiadiposizione == "BoD,SenMan,FinAcc" | DMTipologiadiposizione == "BoD,SenMan,OthDep" )))


base[base$`Ragionesociale` == i, 56] <- nofamily_BoD

#Proporzione

base[base$`Ragionesociale` == i, 54] <- family_noGUO_BoD/nofamily_BoD




raw_family_senman <- cda_full %>% filter(Ragionesociale == i & #Stessa società
                          ( DMCognome == cogn_guo[1] |
                            DMCognome == cogn_guo[2] |
                            DMCognome == cogn_guo[3] |
                            DMCognome == cogn_guo[4]) & #Stesso cognome


                          ( DMTipologiadiposizione == "AdvB,SenMan" |
                            DMTipologiadiposizione == "AudC,RiskC,SenMan" |
```

```
DMTipologiadiposizione == "AudC,SenMan" |
                                    DMTipologiadiposizione == "AudC,SenMan,OthDep"|
DMTipologiadiposizione == "BoD,SenMan"
                                   | DMTipologiadiposizione == "BoD,SenMan,FinAcc" |
DMTipologiadiposizione == "BoD,SenMan,OthDep" | DMTipologiadiposizione == "ExeC,SenMan"|
DMTipologiadiposizione == "RiskC,SenMan"
                                   | DMTipologiadiposizione == "SenMan" | DMTipologiadiposizione ==
"SenMan,AdmDep" | DMTipologiadiposizione == "SenMan,CustSv"
                                   | DMTipologiadiposizione == "SenMan,FinAcc" |
                                    DMTipologiadiposizione == "SenMan,FinAcc,AdmDep" |
DMTipologiadiposizione == "SenMan,Health" | DMTipologiadiposizione == "SenMan,HR"
                                   | DMTipologiadiposizione == "SenMan,IT&IS" |
                                    DMTipologiadiposizione == "SenMan,LegDep" | DMTipologiadiposizione
== "SenMan,MarkAdv"
                                   | DMTipologiadiposizione == "SenMan,Oper" | DMTipologiadiposizione ==
"SenMan,OthDep" |
                                    DMTipologiadiposizione == "SenMan,PMPMan" | DMTipologiadiposizione
== "SenMan,Proc" | DMTipologiadiposizione == "SenMan,R&D"
                                   | DMTipologiadiposizione == "SenMan,R&D,Oper" |
                                    DMTipologiadiposizione == "SenMan,Sales" | DMTipologiadiposizione ==
"SenMan,SpecPos" ))# & #Siede BoD

  # FAMILIARI SENMAN
  family_noGUO_senman <- as.numeric(nrow(table(raw_family_senman$DMNome)))


  base[base$`Ragionesociale` == i, 58] <- family_noGUO_senman


  #Numero totale SENMAN
  nofamily_senman <- nrow(cda_full %>% filter(Ragionesociale == i & #Stessa società)
                                    ( DMTipologiadiposizione == "AdvB,SenMan" |
                                      DMTipologiadiposizione == "AudC,RiskC,SenMan" |
DMTipologiadiposizione == "AudC,SenMan" |
                                      DMTipologiadiposizione == "AudC,SenMan,OthDep"|
DMTipologiadiposizione == "BoD,SenMan"
                                     | DMTipologiadiposizione == "BoD,SenMan,FinAcc" |
DMTipologiadiposizione == "BoD,SenMan,OthDep" | DMTipologiadiposizione == "ExeC,SenMan"|
```

```
DMTipologiadiposizione == "RiskC,SenMan"
                                    | DMTipologiadiposizione == "SenMan" | DMTipologiadiposizione ==
"SenMan,AdmDep" | DMTipologiadiposizione == "SenMan,CustSv"
                                    | DMTipologiadiposizione == "SenMan,FinAcc" |
                                     DMTipologiadiposizione == "SenMan,FinAcc,AdmDep" |
DMTipologiadiposizione == "SenMan,Health" | DMTipologiadiposizione == "SenMan,HR"
                                    | DMTipologiadiposizione == "SenMan,IT&IS" |
                                     DMTipologiadiposizione == "SenMan,LegDep" | DMTipologiadiposizione
== "SenMan,MarkAdv"
                                    | DMTipologiadiposizione == "SenMan,Oper" | DMTipologiadiposizione ==
"SenMan,OthDep" |
                                     DMTipologiadiposizione == "SenMan,PMPMan" |
DMTipologiadiposizione == "SenMan,Proc" | DMTipologiadiposizione == "SenMan,R&D"
                                    | DMTipologiadiposizione == "SenMan,R&D,Oper" |
                                     DMTipologiadiposizione == "SenMan,Sales" | DMTipologiadiposizione ==
"SenMan,SpecPos" )))


  base[base$`Ragionesociale` == i, 59] <- nofamily_senman



  #Proporzione

  base[base$`Ragionesociale` == i, 57] <- family_noGUO_senman/nofamily_senman




  raw_family_exec <- cda_full %>% filter(Ragionesociale == i & #Stessa società
                              ( DMCognome == cogn_guo[1] |
                                DMCognome == cogn_guo[2] |
                                DMCognome == cogn_guo[3] |
                                DMCognome == cogn_guo[4]) & #Stesso cognome



                              (
                               DMTipologiadiposizione == "ExeB,ExeC" | DMTipologiadiposizione ==
```

```
"ExeC" | DMTipologiadiposizione == "ExeC,OthBC" |
                                   DMTipologiadiposizione == "ExeC,RiskC" | DMTipologiadiposizione ==
"ExeC,SenMan"))# & #Siede BoD


  #Numero familiari

  family_noGUO_exec <- as.numeric(nrow(table(raw_family_exec$DMNome)))

  base[base$`Ragionesociale` == i, 61] <- family_noGUO_exec



  #Numero totale BoD
  nofamily_exec <- nrow(cda_full %>% filter(Ragionesociale == i & #Stessa società)
                                  (
                                   DMTipologiadiposizione == "ExeB,ExeC" | DMTipologiadiposizione ==
"ExeC" | DMTipologiadiposizione == "ExeC,OthBC" |
                                    DMTipologiadiposizione == "ExeC,RiskC" | DMTipologiadiposizione ==
"ExeC,SenMan")))


  base[base$`Ragionesociale` == i, 62] <- nofamily_exec

  #Proporzione

  base[base$`Ragionesociale` == i, 60] <- family_noGUO_exec/nofamily_exec


} }


##################################################################################

# STATISTICHE DESCRITTIVE PERCENTUALI FAMILY
```

```
stat.desc(base$perc.family.exec)
stat.desc(base$perc.family.senman)
stat.desc(base$perc.family.bod)

# STATISTICHE DESCRITTIVE VAL. ASS. FAMILY

stat.desc(base$family.exec)
stat.desc(base$family.senman)
stat.desc(base$family.bod)

# STATISTICHE DESCRITTIVE VAL. ASS. totale

stat.desc(base$n.exec )
stat.desc(base$n.senman)
stat.desc(base$n.BoD )

#write_xlsx(base,"data/risultati_provv.xlsx")


##########################################################
# Percentuale uomini e donne


#Uomini/donne BoD


base$perc.men.bod <- vector("numeric",length=nrow(base)) #63
base$perc.wom.bod <- vector("numeric",length=nrow(base)) #64
base$men.bod <- vector("numeric",length=nrow(base)) #65
base$wom.bod <- vector("numeric",length=nrow(base)) #66



base$perc.men.senman <- vector("numeric",length=nrow(base)) #67
base$perc.wom.senman <- vector("numeric",length=nrow(base)) #68
```

```
base$men.senman <- vector("numeric",length=nrow(base)) #69
base$wom.senman <- vector("numeric",length=nrow(base)) #70


base$perc.men.exec <- vector("numeric",length=nrow(base)) #71
base$perc.wom.exec <- vector("numeric",length=nrow(base)) #72
base$men.exec <- vector("numeric",length=nrow(base)) #73
base$wom.exec <- vector("numeric",length=nrow(base)) #74


for (i in base$Ragionesociale){



#Uomini nel BoD

man_BoD <- nrow(cda_full %>% filter(Ragionesociale == i & #Stessa società)
                              DMGenere == "M" &(DMTipologiadiposizione == "BoD" | DMTipologiadiposizione
== "BoD,ExeB" |
                                DMTipologiadiposizione == "BoD,FinAcc" | DMTipologiadiposizione ==
"BoD,FinAcc,LegDep"
                              | DMTipologiadiposizione == "BoD,LegDep" | DMTipologiadiposizione ==
"BoD,NomC"| DMTipologiadiposizione == "BoD,NomC"
                              | DMTipologiadiposizione == "BoD,OthBC" | DMTipologiadiposizione ==
"BoD,RemC,NomC" | DMTipologiadiposizione == "BoD,SenMan"
                              | DMTipologiadiposizione == "BoD,SenMan,FinAcc" | DMTipologiadiposizione ==
"BoD,SenMan,OthDep" )))




#Numero totale BoD
n_BoD <- nrow(cda_full %>% filter(Ragionesociale == i & #Stessa società)
                                (DMTipologiadiposizione == "BoD" | DMTipologiadiposizione == "BoD,ExeB" |
                                  DMTipologiadiposizione == "BoD,FinAcc" | DMTipologiadiposizione ==
"BoD,FinAcc,LegDep"
```

```
                              | DMTipologiadiposizione == "BoD,LegDep" | DMTipologiadiposizione ==
"BoD,NomC"| DMTipologiadiposizione == "BoD,NomC"
                              | DMTipologiadiposizione == "BoD,OthBC" | DMTipologiadiposizione ==
"BoD,RemC,NomC" | DMTipologiadiposizione == "BoD,SenMan"
                              | DMTipologiadiposizione == "BoD,SenMan,FinAcc" | DMTipologiadiposizione
== "BoD,SenMan,OthDep" )))


base[base$`Ragionesociale` == i, 63] <- man_BoD/n_BoD
base[base$`Ragionesociale` == i, 64] <- 1- (man_BoD/n_BoD)
base[base$`Ragionesociale` == i, 65] <- man_BoD
base[base$`Ragionesociale` == i, 66] <- n_BoD - man_BoD



#Uomini nel senman

man_senman <- nrow(cda_full %>% filter(Ragionesociale == i & #Stessa società)
                            DMGenere == "M" &( DMTipologiadiposizione == "AdvB,SenMan" |
                              DMTipologiadiposizione == "AudC,RiskC,SenMan" | DMTipologiadiposizione ==
"AudC,SenMan" |
                              DMTipologiadiposizione == "AudC,SenMan,OthDep"| DMTipologiadiposizione
== "BoD,SenMan"
                            | DMTipologiadiposizione == "BoD,SenMan,FinAcc" | DMTipologiadiposizione ==
"BoD,SenMan,OthDep" | DMTipologiadiposizione == "ExeC,SenMan"| DMTipologiadiposizione ==
"RiskC,SenMan"
                            | DMTipologiadiposizione == "SenMan" | DMTipologiadiposizione ==
"SenMan,AdmDep" | DMTipologiadiposizione == "SenMan,CustSv"
                            | DMTipologiadiposizione == "SenMan,FinAcc" |
                              DMTipologiadiposizione == "SenMan,FinAcc,AdmDep" |
DMTipologiadiposizione == "SenMan,Health" | DMTipologiadiposizione == "SenMan,HR"
                            | DMTipologiadiposizione == "SenMan,IT&IS" |
                              DMTipologiadiposizione == "SenMan,LegDep" | DMTipologiadiposizione ==
"SenMan,MarkAdv"
                            | DMTipologiadiposizione == "SenMan,Oper" | DMTipologiadiposizione ==
"SenMan,OthDep" |
```

```
DMTipologiadiposizione == "SenMan,PMPMan" | DMTipologiadiposizione ==
"SenMan,Proc" | DMTipologiadiposizione == "SenMan,R&D"
| DMTipologiadiposizione == "SenMan,R&D,Oper" |
DMTipologiadiposizione == "SenMan,Sales" | DMTipologiadiposizione ==
"SenMan,SpecPos" )))




#Numero totale BoD
n_senman <- nrow(cda_full %>% filter(Ragionesociale == i & #Stessa società)
( DMTipologiadiposizione == "AdvB,SenMan" |
DMTipologiadiposizione == "AudC,RiskC,SenMan" |
DMTipologiadiposizione == "AudC,SenMan" |
DMTipologiadiposizione == "AudC,SenMan,OthDep"|
DMTipologiadiposizione == "BoD,SenMan"
| DMTipologiadiposizione == "BoD,SenMan,FinAcc" |
DMTipologiadiposizione == "BoD,SenMan,OthDep" | DMTipologiadiposizione == "ExeC,SenMan"|
DMTipologiadiposizione == "RiskC,SenMan"
| DMTipologiadiposizione == "SenMan" | DMTipologiadiposizione ==
"SenMan,AdmDep" | DMTipologiadiposizione == "SenMan,CustSv"
| DMTipologiadiposizione == "SenMan,FinAcc" |
DMTipologiadiposizione == "SenMan,FinAcc,AdmDep" |
DMTipologiadiposizione == "SenMan,Health" | DMTipologiadiposizione == "SenMan,HR"
| DMTipologiadiposizione == "SenMan,IT&IS" |
DMTipologiadiposizione == "SenMan,LegDep" |
DMTipologiadiposizione == "SenMan,MarkAdv"
| DMTipologiadiposizione == "SenMan,Oper" | DMTipologiadiposizione
== "SenMan,OthDep" |
DMTipologiadiposizione == "SenMan,PMPMan" |
DMTipologiadiposizione == "SenMan,Proc" | DMTipologiadiposizione == "SenMan,R&D"
| DMTipologiadiposizione == "SenMan,R&D,Oper" |
DMTipologiadiposizione == "SenMan,Sales" | DMTipologiadiposizione
== "SenMan,SpecPos" )))

base[base$`Ragionesociale` == i, 67] <- man_senman/n_senman
```

```
base[base$`Ragionesociale` == i, 68] <- 1- (man_senman/n_senman)
base[base$`Ragionesociale` == i, 69] <- man_senman
base[base$`Ragionesociale` == i, 70] <- n_senman - man_senman


########################################

#Uomini nel exec

man_exec <- nrow(cda_full %>% filter(Ragionesociale == i & #Stessa società)
                    DMGenere == "M" &(
                     DMTipologiadiposizione == "ExeB,ExeC" | DMTipologiadiposizione == "ExeC"
| DMTipologiadiposizione == "ExeC,OthBC" |
                      DMTipologiadiposizione == "ExeC,RiskC" | DMTipologiadiposizione ==
"ExeC,SenMan")))




#Numero totale BoD
n_exec <- nrow(cda_full %>% filter(Ragionesociale == i & #Stessa società)
                   (
                    DMTipologiadiposizione == "ExeB,ExeC" | DMTipologiadiposizione == "ExeC" |
DMTipologiadiposizione == "ExeC,OthBC" |
                     DMTipologiadiposizione == "ExeC,RiskC" | DMTipologiadiposizione ==
"ExeC,SenMan")))

base[base$`Ragionesociale` == i, 71] <- man_exec/n_exec
base[base$`Ragionesociale` == i, 72] <- 1- (man_exec/n_exec)
base[base$`Ragionesociale` == i, 73] <- man_exec
base[base$`Ragionesociale` == i, 74] <- n_exec - man_exec

}

#write_xlsx(base,"data/risultati_provv.xlsx")
```

```
##### NATIONALITY (1=DIVERSITY, 0= NON DIVERSITY)

base$naz_BoD <- vector("numeric", length=nrow(base)) #75
base$naz_senman <- vector("numeric", length=nrow(base)) #76
base$naz_exec <- vector("numeric", length=nrow(base)) #77




for(i in base$Ragionesociale){


 x <-  cda_full %>% filter(Ragionesociale == i & #Stessa società)
                  (DMTipologiadiposizione == "BoD" | DMTipologiadiposizione == "BoD,ExeB" |
                                  DMTipologiadiposizione == "BoD,FinAcc" | DMTipologiadiposizione == "BoD,FinAcc,LegDep"
                                | DMTipologiadiposizione == "BoD,LegDep" | DMTipologiadiposizione == "BoD,NomC"| DMTipologiadiposizione == "BoD,NomC"
                                | DMTipologiadiposizione == "BoD,OthBC" | DMTipologiadiposizione == "BoD,RemC,NomC" | DMTipologiadiposizione == "BoD,SenMan"
                                | DMTipologiadiposizione == "BoD,SenMan,FinAcc" | DMTipologiadiposizione == "BoD,SenMan,OthDep" ))

  if (length(names(table(x[,9])))) > 1 ){

    base[base$`Ragionesociale` == i, 75] <- 1

  } else {

    base[base$`Ragionesociale` == i, 75] <- 0
  }
```

```
  y <- cda_full %>% filter(Ragionesociale == i & #Stessa società)
                    ( DMTipologiadiposizione == "AdvB,SenMan" |
                      DMTipologiadiposizione == "AudC,RiskC,SenMan" | DMTipologiadiposizione == "AudC,SenMan" |
                      DMTipologiadiposizione == "AudC,SenMan,OthDep"| DMTipologiadiposizione == "BoD,SenMan"
                    | DMTipologiadiposizione == "BoD,SenMan,FinAcc" | DMTipologiadiposizione == "BoD,SenMan,OthDep" | DMTipologiadiposizione == "ExeC,SenMan"| DMTipologiadiposizione == "RiskC,SenMan"
                    | DMTipologiadiposizione == "SenMan" | DMTipologiadiposizione == "SenMan,AdmDep" | DMTipologiadiposizione == "SenMan,CustSv"
                    | DMTipologiadiposizione == "SenMan,FinAcc" |
                      DMTipologiadiposizione == "SenMan,FinAcc,AdmDep" | DMTipologiadiposizione == "SenMan,Health" | DMTipologiadiposizione == "SenMan,HR"
                    | DMTipologiadiposizione == "SenMan,IT&IS" |
                      DMTipologiadiposizione == "SenMan,LegDep" | DMTipologiadiposizione == "SenMan,MarkAdv"
                    | DMTipologiadiposizione == "SenMan,Oper" | DMTipologiadiposizione == "SenMan,OthDep" |
                      DMTipologiadiposizione == "SenMan,PMPMan" | DMTipologiadiposizione == "SenMan,Proc" | DMTipologiadiposizione == "SenMan,R&D"
                    | DMTipologiadiposizione == "SenMan,R&D,Oper" |
                      DMTipologiadiposizione == "SenMan,Sales" | DMTipologiadiposizione == "SenMan,SpecPos" ))



  if (length(names(table(y[,9]))) > 1 ){

    base[base$`Ragionesociale` == i, 76] <- 1

  } else {

    base[base$`Ragionesociale` == i, 76] <- 0
  }
```

```
  z <- cda_full %>% filter(Ragionesociale == i & #Stessa società)
                        (
                         DMTipologiadiposizione == "ExeB,ExeC" | DMTipologiadiposizione == "ExeC" |
DMTipologiadiposizione == "ExeC,OthBC" |
                          DMTipologiadiposizione == "ExeC,RiskC" | DMTipologiadiposizione ==
"ExeC,SenMan"))



  if (length(names(table(z[,9]))) > 1 ){

    base[base$`Ragionesociale` == i, 77] <- 1

  } else {

    base[base$`Ragionesociale` == i, 77] <- 0
  }


  }


write_xlsx(base,"data/risultati_provv.xlsx")


#####################################################################



write_xlsx(as.data.frame(names(table(cda_full$DMCarica))), "data/tipologie_carica.xlsx")

########################################################################

# CEO DUALITY
```

```
base$ceo_duality <- vector("numeric", length= nrow(base))

for(i in base$Ragionesociale){
grezzo_ceo <- cda_full %>% filter(Ragionesociale == i &
            (DMCarica == "Administrador" | DMCarica == "Administrator" | DMCarica == "Amministratore"
            | DMCarica == "AMMINISTRATORE"
            | DMCarica == "Amministratore Delegato"| DMCarica == "AMMINISTRATORE DELEGATO"
            | DMCarica == "Amministratore Delegato; Director (Board of Directors); General Manager" | DMCarica == "Amministratore Delegato; President & Managing Director"
            | DMCarica == "AMMINISTRATORE DELEGATO;DIRETTORE GENERALE AMMINISTRATORE UNICO"
            | DMCarica == "Chief Executive Officer"| DMCarica == "Chief Executive Officer - Steelmaking; Chairwoman - Steelmaking"| DMCarica == "Chief Executive Officer (Board of Directors)"
            | DMCarica == "Chief Executive Officer / General Manager"| DMCarica == "Chief Executive Officer & General Manager" | DMCarica == "Chief Executive Officer Europe"| DMCarica == "Chief Executive Officer HMSHost International"|
             DMCarica == "Chief Executive Officer North America"| DMCarica == "Chief Executive Officer of Celi"| DMCarica == "Chief Executive Officer of CLR - (Latte Tigullio Operating Unit)"| DMCarica == "Chief Executive Officer of Shado"| DMCarica == "Chief Executive Officer, District"
            | DMCarica == "Chief Executive Officer, Expert System USA"| DMCarica == "Chief Executive Officer; Executive Director (Board of Directors); Presidente"| DMCarica == "Chief Executive Officer; Executive Director and General Manager"| DMCarica == "Chief Executive Officer; Executive President"| DMCarica == "Chief Executive Officer; Presidente"| DMCarica == "Chief Executive Officer; Presidente E Amministratore Delegato"|
             DMCarica == "Delegated Administrator"))




grezzo_chair <- cda_full %>% filter(Ragionesociale == i &
      (DMCarica == "Board Chairman (Board of Directors)" | DMCarica == "CE Chairman and Executive Member of the Board" | DMCarica == "Chairman"
       | DMCarica == "Chairman (Board of Directors)"
```

```
| DMCarica == "Chairman (Board of Directors); Chairman (Sustainability and Territory Committee)"| DMCarica == "Chairman and Executive Member" | DMCarica == "Chairman and Managing Director" | DMCarica == "Chairman of the Board of Directors"
| DMCarica == "CONSIGLIERE;PRESIDENTE CONSIGLIO AMMINISTRAZIONE"| DMCarica == "Chairman, Board of Directors"| DMCarica == "Founder President of the Board of Directors and Executive Director; Shareholder (Ultimate owner)"| DMCarica == "Founder; President"| DMCarica == "President"| DMCarica == "President and Executive Director"| DMCarica == "President and Managing Director"| DMCarica == "President du Consel d'administration"| DMCarica == "President; Management"| DMCarica == "Presidente"| DMCarica == "PRESIDENTE"| DMCarica == "PRESIDENTE CONSIGLIO AMMINISTRAZIONE"| DMCarica == "Presidente del Consiglio di Amministrazione"))



x <- summary(comparedf(grezzo_ceo[,2:3], grezzo_chair[,2:3]))

risultato <- x[["comparison.summary.table"]][12,2]


if(risultato == 0){

  base[base$`Ragionesociale` == i, 78] <- 0

} else {

  base[base$Ragionesociale == i, 78] <- 1

}

}


############ CEO EQUAL FOUNDER

base$ceo.eq.founder <- vector("numeric", length=nrow(base))
```

```
for(i in base$Ragionesociale){
grezzo_ceo <- cda_full %>% filter(Ragionesociale == i &
                              (DMCarica == "Administrador" | DMCarica == "Administrator" | DMCarica ==
"Amministratore"
                               | DMCarica == "AMMINISTRATORE"
                               | DMCarica == "Amministratore Delegato"| DMCarica == "AMMINISTRATORE
DELEGATO"
                               | DMCarica == "Amministratore Delegato; Director (Board of Directors); General
Manager" | DMCarica == "Amministratore Delegato; President & Managing Director"
                               | DMCarica == "AMMINISTRATORE DELEGATO;DIRETTORE GENERALE
AMMINISTRATORE UNICO"
                               | DMCarica == "Chief Executive Officer"| DMCarica == "Chief Executive Officer -
Steelmaking; Chairwoman - Steelmaking"| DMCarica == "Chief Executive Officer (Board of Directors)"
                               | DMCarica == "Chief Executive Officer / General Manager"| DMCarica == "Chief
Executive Officer & General Manager" | DMCarica == "Chief Executive Officer Europe"| DMCarica ==
"Chief Executive Officer HMSHost International"|
                                 DMCarica == "Chief Executive Officer North America"| DMCarica == "Chief
Executive Officer of Celi"| DMCarica == "Chief Executive Officer of CLR - (Latte Tigullio Operating Unit)"|
DMCarica == "Chief Executive Officer of Shado"| DMCarica == "Chief Executive Officer, District"
                               | DMCarica == "Chief Executive Officer, Expert System USA"| DMCarica == "Chief
Executive Officer; Executive Director (Board of Directors); Presidente"| DMCarica == "Chief Executive
Officer; Executive Director and General Manager"| DMCarica == "Chief Executive Officer; Executive
President"| DMCarica == "Chief Executive Officer; Presidente"| DMCarica == "Chief Executive Officer;
Presidente E Amministratore Delegato"|
                                 DMCarica == "Delegated Administrator"))




grezzo_found <- cda_full %>% filter(Ragionesociale == i &
                  (DMCarica == "Co-Founder" | DMCarica == "Co-Founder and Legal Consultant" | DMCarica
== "Co-Founder and Scientific Consultant"
                   | DMCarica == "Co-Founder; Managing Director"
                   | DMCarica == "Co-Founder; Shareholder (Minority)"| DMCarica == "Founder" | DMCarica
== "Founder President of the Board of Directors and Executive Director; Shareholder (Ultimate owner)" |
```

```
DMCarica == "Founder; President"
                    | DMCarica == "Founder; Shareholder (Minority)"| DMCarica == "Founder; Shareholder (Ultimate owner)"| DMCarica == "Founder President of the Board of Directors and Executive Director; Shareholder (Ultimate owner)"| DMCarica == "Founder; President"| DMCarica == "Founding Partner"| DMCarica == "Managing Director; Founder"| DMCarica == "Shareholder (Minority); Co-Founder"| DMCarica == "President du Consel d'administration"| DMCarica == "President; Management"| DMCarica == "Shareholder (Minority); Founder"| DMCarica == "Shareholder (Ultimate owner); Founder"))


z <- summary(comparedf(grezzo_ceo[,2:3], grezzo_found[,2:3]))


risultato.z <- x[["comparison.summary.table"]][12,2]

if(risultato.z == 0){

  base[base$`Ragionesociale` == i, 79] <- 0

} else {

  base[base$Ragionesociale == i, 79] <- 1

}
}


## CEO DUALITY AGGIUNTIVI

for(i in base$Ragionesociale){


  if(base[base$Ragionesociale == i ,78] == 0){
duality <- cda_full %>% filter(Ragionesociale == i &
                    (DMCarica == "Chairman & Chief Executive Officer" | DMCarica == "Chairman and Chief Executive" | DMCarica == "Chairman and Chief Executive Officer" | DMCarica == "President & Chief Executive Officer" | DMCarica == "President & Chief Executive Officer HMSHost" | DMCarica == "President
```

```
and Chief Executive Officer" |
                  DMCarica == "Presidente E Amministratore Delegat" | DMCarica == "Presidente E Amministratore Delegato" | DMCarica == "Presidente E Amministrazione" | DMCarica == "Presidente Y Chief Executive Officer" |
                  DMCarica == "Presidente; Amministratore Delegato" | DMCarica == "Presidente; Chief Executive Officer"))


if(nrow(duality) >= 1){

  base[base$Ragionesociale == i, 78] <- 1

} else {

  base[base$`Ragionesociale` == i, 78] <- 0

}
}
}


################# C'È UN FONDATORE?

base$is_founder <- vector("numeric", length=nrow(base))

for(i in base$Ragionesociale){
grezzo_is <- cda_full %>% filter(Ragionesociale == i &
                (DMCarica == "Co-Founder" | DMCarica == "Co-Founder and Legal Consultant" | DMCarica == "Co-Founder and Scientific Consultant"
                 | DMCarica == "Co-Founder; Managing Director"
                 | DMCarica == "Co-Founder; Shareholder (Minority)"| DMCarica == "Founder" | DMCarica == "Founder President of the Board of Directors and Executive Director; Shareholder (Ultimate owner)" | DMCarica == "Founder; President"
                 | DMCarica == "Founder; Shareholder (Minority)"| DMCarica == "Founder; Shareholder (Ultimate owner)"| DMCarica == "Founder President of the Board of Directors and Executive Director; Shareholder (Ultimate owner)"| DMCarica == "Founder; President"| DMCarica == "Founding Partner"|
```

```
DMCarica == "Managing Director; Founder"| DMCarica == "Shareholder (Minority); Co-Founder"| DMCarica == "President du Consel d'administration"| DMCarica == "President; Management"| DMCarica == "Shareholder (Minority); Founder"| DMCarica == "Shareholder (Ultimate owner); Founder"))


if(nrow(grezzo_is) >= 1){

  base[base$Ragionesociale == i, 80] <- 1

} else {

  base[base$Ragionesociale == i, 80] <- 0


}
}

############## C'È UN INDIPENDENTE^?

base$indip <- vector("numeric", length = nrow(base))

for(i in base$Ragionesociale){
is_indip <- cda_full %>% filter(Ragionesociale == i &
                    (DMCarica == "Consigliere Amministratore Independente" | DMCarica == "Consigliere di Amministrazione Independente" | DMCarica == "Consigliere Independent"
                    | DMCarica == "Consigliere Independente"
                    | DMCarica == "Consigliere Independente; Director (Board of Directors)"| DMCarica == "Consigliere Non Esecutivo Independente" | DMCarica == "Consiglieri Indipendenti" | DMCarica == "Director - Independent Non Executive"
                    | DMCarica == "Director (Board of Directors); Amministratore INDIPENTENDE"| DMCarica == "Director Independiente"| DMCarica == "Independent Administrator"| DMCarica == "Independent Advisor (Board of Diectors)"| DMCarica == "Independent and Non-Executive Director (Board of Directors)"| DMCarica == "Independent Board Member (Board of Directors)"| DMCarica == "Independent Director (Board of Directors)"| DMCarica == "Independent Director (Board of Directors); Member (Strategies and Sustainability Committee)"| DMCarica == "Independent Director Americas & Asia Pacific (Board of Directors)"| DMCarica == "Independent Director Europe (Board of Directors)"| DMCarica == "Independent
```

```
Director of Administration (Board of Directors)"
            | DMCarica == "Independent Non Executive Director (Board of Directors)"
            | DMCarica == "Independent Non Executive Director (Board of Directors); Non-Executive and Independent Member (Board of Directors)"
            | DMCarica == "Independent Non-Executive Director (Board of Directors)"
            | DMCarica == "Indipendet Administrator"
            | DMCarica == "Non Executive Independent Director (Board of Directors)"
            | DMCarica == "Non-Executive Chairman of the Board, Independent Director"
            | DMCarica == "Non-Executive Independent Director (Board of Directors); Member (Board of Directors)"
            | DMCarica == "Lead Independent Director (Board of Directors)"
            | DMCarica == "Lead Independent Director, Board of Directors"
            | DMCarica == "Lead Non-Executive Independent Director"
            ))


if(nrow(is_indip) >= 1){

  base[base$Ragionesociale == i, 81] <- nrow(is_indip)


} else {

  base[base$Ragionesociale == i, 81] <- 0

}

}


##### BUSY DIRECTOR


base$busy <- vector("numeric", length=nrow(base))
```

```
for(i in base$Ragionesociale){
busy_data <- cda_full %>% filter(Ragionesociale == i & #Stessa società)
                (DMTipologiadiposizione == "BoD" | DMTipologiadiposizione == "BoD,ExeB" |
                 DMTipologiadiposizione == "BoD,FinAcc" | DMTipologiadiposizione ==
"BoD,FinAcc,LegDep"
                | DMTipologiadiposizione == "BoD,LegDep" | DMTipologiadiposizione == "BoD,NomC"|
DMTipologiadiposizione == "BoD,NomC"
                | DMTipologiadiposizione == "BoD,OthBC" | DMTipologiadiposizione ==
"BoD,RemC,NomC" | DMTipologiadiposizione == "BoD,SenMan"
                | DMTipologiadiposizione == "BoD,SenMan,FinAcc" | DMTipologiadiposizione ==
"BoD,SenMan,OthDep" ) &
                DMNumerodisocietàincuiattualmentevienericopertaunaposizione > 3)

bod_data <- cda_full %>% filter(Ragionesociale == i & #Stessa società)
                        (DMTipologiadiposizione == "BoD" | DMTipologiadiposizione == "BoD,ExeB" |
                         DMTipologiadiposizione == "BoD,FinAcc" | DMTipologiadiposizione ==
"BoD,FinAcc,LegDep"
                        | DMTipologiadiposizione == "BoD,LegDep" | DMTipologiadiposizione ==
"BoD,NomC"| DMTipologiadiposizione == "BoD,NomC"
                        | DMTipologiadiposizione == "BoD,OthBC" | DMTipologiadiposizione ==
"BoD,RemC,NomC" | DMTipologiadiposizione == "BoD,SenMan"
                        | DMTipologiadiposizione == "BoD,SenMan,FinAcc" | DMTipologiadiposizione ==
"BoD,SenMan,OthDep" ))


zz <- nrow(busy_data)/nrow(bod_data)


base[base$Ragionesociale == i, 82] <- zz
}

#write_xlsx(base,"data/risultati.xlsx")


################################ AGE BOD, SENMAN, EXEC
```

```
base$age.bod <- vector("numeric", length=nrow(base))

base$age.senman <- vector("numeric", length=nrow(base))

base$age.exec <- vector("numeric", length=nrow(base))


for(i in base$Ragionesociale){
ag.bod <- cda_full %>% filter(Ragionesociale == i & #Stessa società)
                    (DMTipologiadiposizione == "BoD" | DMTipologiadiposizione == "BoD,ExeB" |
                     DMTipologiadiposizione == "BoD,FinAcc" | DMTipologiadiposizione == "BoD,FinAcc,LegDep"
                    | DMTipologiadiposizione == "BoD,LegDep" | DMTipologiadiposizione == "BoD,NomC"| DMTipologiadiposizione == "BoD,NomC"
                    | DMTipologiadiposizione == "BoD,OthBC" | DMTipologiadiposizione == "BoD,RemC,NomC" | DMTipologiadiposizione == "BoD,SenMan"
                    | DMTipologiadiposizione == "BoD,SenMan,FinAcc" | DMTipologiadiposizione == "BoD,SenMan,OthDep" ))



ag.senman <- cda_full %>% filter(Ragionesociale == i & #Stessa società)
                      ( DMTipologiadiposizione == "AdvB,SenMan" |
                        DMTipologiadiposizione == "AudC,RiskC,SenMan" | DMTipologiadiposizione == "AudC,SenMan" |
                        DMTipologiadiposizione == "AudC,SenMan,OthDep"| DMTipologiadiposizione == "BoD,SenMan"
                      | DMTipologiadiposizione == "BoD,SenMan,FinAcc" | DMTipologiadiposizione == "BoD,SenMan,OthDep" | DMTipologiadiposizione == "ExeC,SenMan"| DMTipologiadiposizione == "RiskC,SenMan"
                      | DMTipologiadiposizione == "SenMan" | DMTipologiadiposizione == "SenMan,AdmDep" | DMTipologiadiposizione == "SenMan,CustSv"
                      | DMTipologiadiposizione == "SenMan,FinAcc" |
                        DMTipologiadiposizione == "SenMan,FinAcc,AdmDep" | DMTipologiadiposizione
```

```
== "SenMan,Health" | DMTipologiadiposizione == "SenMan,HR"
                          | DMTipologiadiposizione == "SenMan,IT&IS" |
                           DMTipologiadiposizione == "SenMan,LegDep" | DMTipologiadiposizione ==
"SenMan,MarkAdv"
                          | DMTipologiadiposizione == "SenMan,Oper" | DMTipologiadiposizione ==
"SenMan,OthDep" |
                           DMTipologiadiposizione == "SenMan,PMPMan" | DMTipologiadiposizione ==
"SenMan,Proc" | DMTipologiadiposizione == "SenMan,R&D"
                          | DMTipologiadiposizione == "SenMan,R&D,Oper" |
                           DMTipologiadiposizione == "SenMan,Sales" | DMTipologiadiposizione ==
"SenMan,SpecPos" ))




ag.exec <- cda_full %>% filter(Ragionesociale == i & #Stessa società)
                        (
                         DMTipologiadiposizione == "ExeB,ExeC" | DMTipologiadiposizione == "ExeC" |
DMTipologiadiposizione == "ExeC,OthBC" |
                          DMTipologiadiposizione == "ExeC,RiskC" | DMTipologiadiposizione ==
"ExeC,SenMan"))




ag.bod <- as_vector(ag.bod[,7])
ag.bod <- as.numeric(ag.bod)

ag.senman <- as_vector(ag.senman[,7])
ag.senman <- as.numeric(ag.senman)

ag.exec <- as_vector(ag.exec[,7])
ag.exec <- as.numeric(ag.exec)


base[base$Ragionesociale == i, 83] <- mean(ag.bod, na.rm = TRUE)
```

```
base[base$Ragionesociale == i, 84] <- mean(ag.senman, na.rm = TRUE)

base[base$Ragionesociale == i, 85] <- mean(ag.exec, na.rm = TRUE)



}

base$age.bod[is.nan(base$age.bod)] <- NA
base$age.exec[is.nan(base$age.exec)] <- NA
base$age.senman[is.nan(base$age.senman)] <- NA

write_xlsx(base,"data/risultati.xlsx")

####################################
# Rimozione società

base <- base[c(-160,-107),]

base <- base[-316:-328,]
###############################

# Macro-regioni

base$macro <- vector("character", length=nrow(base))

nord <- c("Piemonte","Lombardia","Trentino-Alto Adige","Veneto","Friuli-Venezia Giulia",
        "Liguria","Emilia-Romagna")

centro <- c("Lazio","Marche","Toscana","Umbria")

sud <- c("Abruzzo", "Basilicata", "Calabria", "Campania", "Molise", "Puglia", "Sardegna", "Sicilia" )


for(i in base$Ragionesociale){
```

```
if(base[base$Ragionesociale == i, 2] %in% nord){


  base[base$Ragionesociale == i, 86] <- "Nord"

}

if(base[base$Ragionesociale == i, 2] %in% centro){


  base[base$Ragionesociale == i, 86] <- "Centro"

}

if(base[base$Ragionesociale == i, 2] %in% sud){


  base[base$Ragionesociale == i, 86] <- "Sud"

}
}

######################################################

# Tolgo colonne

base <- base[,c(-4,-5, -6,-7,-8,-9,-20,-31,-42)]



#write_xlsx(base,"data/pulito.xlsx")

###############################################
# Import dataset pulito

data_pul <- read_excel("data/pulito.xlsx")
names(data_pul) <- gsub(c("%"),"", names(data_pul))
```

BIBLIOGRAPHY

Aldrich, H. E., & Cliff, J. E. (2003). The pervasive effects of family on entrepreneurship: Toward a family embeddedness perspective. Journal of Business Venturing, 18(5), 573–596.

Anderson R., Reeb D. (2003), "Founding-family ownership and firm performance: evidence from the S&P 500", Journal of Finance, vol. 58, n. 3, pp. 1301-1327.

Barclay, M. e Holderness, C. (1989), "Private benefits from control of public corporations", Journal of Financial Economics, Vol. 25, No. 2, pp. 371-396.

Barontini R., Caprio L. (2006), "L'effetto del controllo familiare sulla performance delle imprese: una sintesi dell'evidenza empirica internazionale", Economia e Politica Industriale, n. 2, pp. 43-60.

Bennedsen, M., Nielsen, K.M., Perez-Gonzalez, F. e Wolfenzon, D. (2006), "Inside the family firm: the role of families in succession decision and performance", Quarterly Journal of Economics, Vol. 122, pp. 647-691.

Bjuggern, P. e Palmerg, J. (2010), "The impact of vote differentiation on investment performance in listed family firms", Family Business Review, Vol. 23, No. 4, pp. 327-340.

Carney, M. 2005. 'Corporate governance and competitive advantage in family-controlled firms. 'Entrepreneurship Theory and Practice, 29 (3): 249–265.

Chrisman, J.J., Chua, J.H. e Litz, R.A. (2004), "Comparing the Agency Costs of Family and Non-Family Firms: Conceptual Issues and Exploratory Evidence", Entrepreneurship Theory & Practice, Vol. 28, No. 4, pp. 335-354.

Chrisman, J.J., Chua, J.H., and Kellermanns, F.W. (2009). Priorities, resource stocks, and performance in family and nonfamily firms. Entrepreneurship, Theory and Practice, 33: 739–760.

Collins, L. and O'Regan, N. (2011). Editorial: The evolving field of family business. Journal of Family Business Management, 1(1), 5-13.

Corbetta, G. (2010), Le aziende familiari, Egea, Milano.

Corbetta, G., and Salvato, C. (2004). Family Business Review. The Board of Directors in Family Firms: One Size fits all? 17(2), 119-134.

Daily, C.M. e Dollinger, M.J. (1991), "Family firms are different", Review of Business, Vol. 13, No. 1, pp. 3-5.

Dyer W.G., (1989), *Integrating professional management into a family owned business,* in Family Business Review, 2(3), 221-235.

Fama, E. e Jensen, M. (1983), "Separation of ownership and control", Journal of Law and Economics, Vol. 26, pp. 301–325.

Fletcher, D.E. (2002). Introduction: 'Family' as a discursive resource for understanding the small family business. In D.E. Fletcher (Ed.) Understanding the small family business (pp.1-16). London, UK: Routledge.

Giovannini, R. (2010), "Corporate governance, family ownership and performance", Journal of Management and Governance, Vol. 14, No. 2, pp. 145-166.

Gomez-Mejia, L.R., Cruz, C., Berrone, P. and De Castro, J. (2011). The bind that ties: Socioemotional wealth preservation in family firms, Academy of Management Annals, 5(1): 653–707.
Habbershon T., Williams M.L., McMillan I. (2003), “A unified Systems Perspective of Family firm Performance”, Journal of Business Venturing, vol. 18, n. 4, pp. 451-465.
Habbershon, T., and Williams, M. (1999). A Resource-based Framework for Assessing the Strategic Advantages of Family Firms. Family Business Review, 12(1), 1-25.
Higgins J.P.T., Thompson S.G. (2002), “How should meta-regression analyses be undertaken and interpreted?”, Statistics in Medicine, vol. 21, n. 11, pp. 1559-1573.
Kellermanns, F. W., Eddleston, K. A., & Zellweger, T. M. (2012). Extending the socioemotional wealth perspective: A look at the dark side. Entrepreneurship Theory and Practice, 36(6), 1175-1182.
Lansberg, I. (1988) ‘The succession conspiracy’, Family Business Review, 1(2): 119–143.
Lubatkin M., Schulze W., Ling Y. Dino, R. (2005), “The effects of parental altruism on the governance of family-managed firms”, Journal of Organizational Behavior, vol. 26, n. 3, pp. 313-330.
Marques, P., Presas, P., & Simon, A. (2014). The heterogeneity of family firms in CSR engagement: The role of values. Family Business Review, 27, 206-227.
Martinez, M. and Aldrich, H. (2014). Sociological theories applied to family businesses. In SAGE Handbook of Family Business. Edited by Melin, L., Nordqvist, M., and Sharma, P. Sage: London, UK. 83-99.
Miller, D., Breton-Miller, I. L., & Lester, R. H. (2013). Family firm governance, strategic conformity, and performance: Institutional vs. strategic perspectives. Organization Science, 24(1), 189-209.
Mattiacci, A. e Maralli, R. (2007), “Il wine marketing nell’esperienza di una media impresa leader: Banfi di Montalcino”, Mercati e Competitività, No. 2, pp. 29-46.
Merino F., Monreal-Pérez J., Sànchez-Marìn G., (2015), *Family SMEs’ Internationalization: Disentangling the Influence of Familiness on Spanish Firms’ Export Activity*, Journal of Small Business Management, 53(4), pp. 1164–1184.
Metallo, G. e Gallucci, C. (2011), Un’analisi del family effect attraverso la reputazione della famiglia imprenditoriale: asset o liability per le imprese familiari?, Convegno Annuale Sinergie, Università Iulm, Milano, 10-11 Novembre 2011.
Miller D., Le Breton-Miller I., (2006), *Family Governance and Firm Performance: Agency, Stewardship and Capabilities,* in Family Business Review, 19(1), 73-87.
Milton L.P. (2008), “Unleashing the relationship power of family firms: identity confirmation as a catalyst for performance”, Entrepreneurship Theory and Practice, vol. 32, n. 6, pp. 1063-1081.
Morresi O. (2009), “Impresa familiare e performance: una verifica empirica sulle imprese italiane quotate”, Finanza, Marketing & Produzione, n. 3, pp. 7-30.
Nordqvist, M., Hall, A., and Melin, L., (2009) *Qualitative research on family businesses: The relevance and usefulness of the interpretive approach,* in Journal of Management and Organization, 15(3), 294-308.
Osservatorio AUB (2010), Osservatorio Aidaf-Unicredit-Bocconi su tutte le aziende familiari italiane di medie

e grandi dimensioni.

Passeri R., Mazzi C. (2012), “Impresa familiare e benessere: dalla creazione di ricchezza alla creazione di valore”, Sinergie, n. 87, pp. 191-208.

Piva E., Rossi Lamastra C., De Massis A., *Family firms and internationalization: An exploratory study on high-tech entrepreneurial ventures*, Journal of International Entrepreneurship. 2013, 11, p.10.

Rau, S.B. (2014), Resource-based view of family firms. In SAGE Handbook of Family Business. Edited by Melin, L., Nordqvist, M., and Sharma, P. London: Sage.

Rutherford M.W., Kuratko D.F., Holt D.T. (2008), “Examining the link between “familiness” and firm performance: Can the F-PEC untangle the family business theory jungle?”, Entrepreneurship Theory & Practice, vol. 32, n. 6, pp. 1089-1109.

Sciascia, S. e Mazzola, P. (2008), “Family involvement in ownership and management: exploring nonlinear effects on performance”, Family Business Review, Vol. 21, No. 4, pp. 331-345.

Sharma P. (2004), “An Overview of the Field of Family business Studies: Current Status and Directions for the Future”, Family business Review, vol. 17, n. 1, pp. 1-36.

Sharma, P. (2004). An overview of the field of family business studies: Current status and directions for the future. Family business review, 17(1), 1-36.

Silverman, D. (2001). Interpreting qualitative data: Methods for analysing talk, text and interaction. London: Sage.

Tranfield D., Denyer D., Smart P. (2003), “Towards a methodology for developing evidence-informed management knowledge by means of systematic review”, British Journal of Management, vol. 14, n. 3, pp. 207- 222.

Villalonga B., Amit R. (2006), “How do family ownership, control and management effect firm value?”, Journal of Financial Economics, vol. 80, n. 2, pp. 385-417.

Villalonga, B., & Amit, R. (2006). How do family ownership, control and management affect firm value?. Journal of Financial Economics, 80(2), 385-417.

Westhead, P., and Howorth, C. (2007). Types of private family firms: an exploratory conceptual and empirical analysis. Entrepreneurship and Regional Development, 19, 405-431.

Wright, M., Chrisman, J. J., Chua, J. H., & Steier, L. P. (2014). Family enterprise and context. Entrepreneurship Theory and Practice, 38(6), 1247-1260.