

THE WHY AND HOW OF MANAGERIALIZATION OF FAMILY BUSINESSES: EVIDENCES FROM ITALY

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Introduction

Notwithstanding the economic relevance of family firms in most countries (Astrachan et al., 2006; Beckhard and Dyer Jr. 1983; Shanker and Astrachan 1996; Kelly et al. 2000; Feltham et al. 2005), family business studies have evolved into a scientific discipline relatively more recently than other research fields. Previous studies have dealt mostly with the definition, specific features and various kinds of family businesses, aiming at clarifying the differences between family and non-family firms (Sharma 2006; Gallo 1995; Corbetta 1995; Habbershon and Williams 1999; Chua et al. 1999; Litz 1995; Davis and Tagiuri 1989). A number of studies have dealt with family succession process (Handler 1994), the performance of family firms (Chrisman et al. 2003) and governance issues (Songini, Gnan and Malmi, 2013). However, notwithstanding its relevance, the literature on family firms is quite fragmented. A few relevant topics have been under-investigated, such as accounting issues, managerialization, professionalization, and human resource management. This paper aims to contribute to both accounting studies and to research on human resource management in family business. In particular, the focus is on the debate on the managerialization of family firms, as well as the determinants of the adoption of managerial systems. The specificity of this paper concerns the fact that we consider the managerialization of family businesses related to the diffusion of formal managerial mechanisms, such as strategic planning (SP) and managerial control systems (MCSs), on the one side, and human resource management systems (HRMSs), on the other side. Moreover, we distinguish between determinants of managerialization related to family's characteristics (family involvement into governance and/or management, and generation involved), and organizational drivers (firm's size, and organizational structure's typology). The research hypotheses, concerning the determinants of the managerialization of family businesses, have been tested on a sample of 99 manufacturing and non-manufacturing companies from the Novara province, in Italy. Findings highlight that organizational and stra-

tegic complexity, as well as family involvement in management explain the diffusion of managerial systems. The structure of the paper is articulated as it follows. Firstly, main studies and theories on the managerialization of family firms are outlined. Secondly, the research model and hypotheses are presented. Thirdly, the research method is described. Then, research results are outlined, and conclusions are presented.

1. The managerialization of family firms: a literature review

We consider the managerialization of family firms related to the diffusion of formal managerial mechanisms, such as strategic planning (SP) and managerial control systems (MCSs), on the one side, and human resource management systems (HRMSs), on the other side (Songini and Gnan, 2013b). Research on the managerialization of family firms has pointed out that these enterprises are usually characterized by a lower diffusion of managerial mechanisms. This is a consequence of widespread entrepreneurship, and strong linkages between the family and the enterprise, at the ownership, governance and management levels. However, some authors stated that formal mechanisms help family owned businesses to cope with the interests and problems of both the company and the family, and their specific agency costs (Ward, 1988; Rue and Ibrahim, 1995; Schulze et al., 2003; Songini and Gnan, 2013a). In the following paragraphs, main previous studies on the determinants of the adoption of managerial systems by organizations, their diffusion within family firms, with particular regard to SP, MCSs and HRMSs, as well as main reference theoretical streams are outlined.

1.1. Determinants of the emergence of managerial systems in organizations

In the last three decades, many authors focused on the drivers of diffusion of managerial systems in private organizations (Langfield-Smith, 1997; Chenhall and Langfield-Smith, 1998; Chenhall, 2003; Luft and Shields, 2003). The original contingency framework, developed within organizational theory, suggests that corporate governance and strategic (organizational) complexity play a significant role in the adoption of managerial mechanisms; organizational structure includes many items: from the roles and tasks of single members and groups, to structural mechanisms. However, these studies did not offer unanimous conclusions. With regard to managerial accounting literature, while many scholars affirmed that the diffusion of management control systems is mainly due to environmental factors, such as national culture (Hofstede, 1980; Ciambotti, 2001) or industry features (Otley, 1980), according to other researchers the

main determinants are internal firms characteristics, such as size, complexity, technology, organizational structure, strategy, and internal culture (Chenhall, 2003). HRM studies suggested that a complex interaction of both internal (size, complexity and organizational structure) and external contextual factors (e.g. intense product market competition, relationship with customers or suppliers, etc.) shapes HRM practices and influences their formalization within organizations (Songini and Gnan, 2013b; De Kok and Uhlener, 2001; Harney and Dundon, 2006; Nguyen and Bryant, 2004; Patel and Cardon, 2010).

A relevant contingency factor, proposed by the literature, is size. Most contingency-based managerial research studied the effect of growth in size on managerial tools. However, Chenhall (2003) highlighted the little attention in contingency-based studies received by small and medium sized companies. In the last lustrum, many studies focused on MCSs in small and medium firms. Davila (2005), analysing 95 Californian technology-oriented small growing companies, found that a new CEO, the company age and the rapid growth are positively correlated with the adoption of formal management control systems. Actually, when a company grows in size, the need for managers to handle greater quantities of information increases to a point where they have to institute formal controls such as rules, documentation, specialization of roles and functions (Child and Mansfield, 1972). Many studies suggested that managerial systems increased from the firm's birth to its growth (Moores and Yuen, 2001). Also family business's literature highlighted that at the earlier stage of the life cycle of a family firm (the founder or entrepreneurial experience) informal managerial systems are used, little planning and coordination activities are run, and decision-making processes are centralized by the entrepreneur.

As far as research on family firms is concerned, Salvato and Moores (2010) outlined that family-specific features affect accounting phenomena. Company culture plays a relevant role in family business, considering the overlap between family and business values, and family commitment to the business (Songini, Gnan, and Malmi, 2013). Previous research (Habbershorn, Williams, Mc Millian, 2003) highlighted "familiness" – the inseparable and synergistic resources and capabilities arising from family involvement and interaction – as the typical feature of family business. More recently, Gomez-Mejia, Takacs Haynes, Nunez-Nickel, Jacobson, and Moyano-Fuentes (2007) proposed "socio-emotional wealth" as the distinctive aspect distinguishing family and non-family firms. As a consequence, family owners' management decisions are driven also by non-financial goals; socio-emotional wealth could be also one of the main factors explaining specific choices of family business in terms of strategic issues, organizational governance, and management processes (such as managerialization). Moreover, all family business scholars unanimously consider family

involvement in ownership (FIO), in governance (FIG), and in management (FIM) as the main distinctive feature of family businesses. Fama and Jensen (1983) stated that family ownership should be effective in coping with agency conflicts, as the shares are in the hands of agents. In family businesses, the concurrence between shareholders (principals) and managers (agents) should minimize agency conflicts (Type I); consequently, agency cost control systems become not necessary in family firms. In such a context, clan and social control mechanisms are more useful than formal and bureaucratic control mechanisms (Ouchi, 1979; Wilkins and Ouchi, 1983). Clan control mechanisms are also suggested by stewardship theory as substitutes for bureaucratic controls in family firms. According to Moores and Mula (2000), family firms adopt a combination of clan, bureaucratic, and markets control. Both general and family business-specific studies assumed that governance and control systems should evolve accordingly to the complexity of ownership and business: in this way companies can reach better performances (both financial and organizational). However, other authors (Songini and Gnan, 2013a) have pointed out that some distinctive agency conflicts arise in family business, in addition to the traditional one (principal/agent – Type I), such as: conflicts due to different interests of dominant (family) and minority (non-family) shareholders, different roles played by family members, asymmetric altruism, and conflicts between owners and lenders (Morck et al. 1988; Daily, and Dollinger 1993; Schulze et al. 2001, 2003; Anderson, and Reeb 2003; Chrisman et al. 2003; Chrisman et al. 2004; Villalonga, and Amit 2006). The consequence is represented by the need for agency cost control mechanisms to cope with these conflicts in family businesses (Schulze et al., 2001). Notwithstanding its relevance, the diffusion of managerial systems in family businesses represents an underdeveloped research topic.

1.2 Strategic planning and managerial control systems in family firms.

The managerialization of family firms implies the adoption of agency cost control mechanisms, such as strategic planning (SP), and managerial control systems (MCSs -budgeting, managerial reporting, management accounting) (Songini, 2006). SP and MCSs are mechanisms that support strategy (Langfield-Smith, 1997; Kober, Ng, and Paul, 2007) and shape actors' behaviours (Ahrens and Chapman, 2007). Many scholars (Ferreira and Otley, 2009; Henri, 2006; Otley, 1999; Simons, Davila, and Kaplan, 2000) underlined the central role of MCSs in strategy making as they facilitate the process of strategy emergence and support the implementation of deliberate strategies. Simons (1995) defined MCSs as "the formal, informal-based routines and procedures used by managers to maintain or alter patterns in organizational activities" and outlined four types of management control

systems: beliefs systems, boundary systems, diagnostic control systems, and interactive control systems. Malmi and Brown (2008) added that MCSs include all the tools, systems and practices managers have available to formally and informally direct employee behaviour; this definition comprises strategic planning (SP) and balanced scorecard systems. MCSs comprise also the adoption and the implementation of management accounting tools, both from operative and strategic point of view. In the last decade, formal and bureaucratic control systems were studied as well as informal and social control approaches (Bisbe and Otley, 2004; Chenhall and Euske, 2007; Chenhall, 2003; Davila, 2000). However, even though scholars affirmed the importance of MCSs to manage an organization, such mechanisms are not uniformly adopted by companies (Goold and Quinn, 1990). Many scholars affirmed that there is not a unique and universal management control technical structure, but that it changes with internal and external firm characteristics, in particular firm's size, ownership and control (Otley, 1980; Chenhall, 2003). The literature on family business highlighted that family firms (both SMEs and large ones) are usually characterized by a lower diffusion of managerial control mechanisms, than non-family businesses (e.g. Pezzillo Iacono et al., 2013). The main reasons can be traced in the widespread entrepreneurship, and strong linkages between the family and the enterprise, at the ownership, governance and management levels, which cause lower agency costs in family firms (Schulze et al. 2001; Gnan and Songini, 2003; Songini, 2006). Similarly, Speckbacher and Wenteges (2007) stated that in family businesses informal control is still more widespread than formal one; however, when family firms hire external managers, formal management control systems are implemented. Recently a few authors stated that managerial control systems could help family owned businesses to cope with the interests and problems of both the company and the family (Ward, 1987, 1988, 1991, 2001; Rue and Ibrahim, 1996; Schulze et al., 2003; Songini and Gnan, 2013a). Especially SP has a peculiar role in family firms, because it may consider the objectives and strategic programs of both the business and the family (Rue and Ibrahim, 1995, 1996; Sharma et al., 1997; Wortman, 1994; Ward, 1988). Recently, Songini and Gnan (2013a) proposed that the presence of different agency costs highlights the need for family firms to adopt agency cost control mechanisms, such as MCSs, and to involve non-family members in governance and managerial roles.

1.3 Human resource management systems in family firms

Human resource management (HRM) has been defined as the “process of attracting, developing and maintaining a talented and energetic workforce to support organizational mission, objectives, and strategies” (Schermerhorn 2001). HRM refers to all dedicated activities (practices) that

an organization uses to affect the behaviours of all the people who work for it (Chand, 2010; Briscoe and Schuler, 2004; Jackson and Schuler, 2003). The behaviours of employees influence profitability, customer satisfaction and a variety of other important measures of organizational effectiveness. Managing human resources is a key strategic challenge for all companies (Mohinder and Anastasia, 2007; Woods, 1999). Every organization, from the smallest to the largest one, engages in a variety of HRM activities (Mohinder, 2004). Boselie et al. (2005) identified 26 different practices, of which the top four, in order of popularity, are training and development, contingent pay and reward schemes, performance management (including appraisal), and careful recruitment and selection. These four practices reflect the main objectives of the majority of 'strategic' HRM programs (Batt, 2002). Very few studies investigated how family firms adopt HRM practices (Songini and Gnan, 2013b), even though scholars often stressed the relevance of human resources for family firms in creating competitive advantage and how important is the effective management of employees to business success and survival (Astrachan and Kolenko, 1994). Dyer (2003) and Schulze, Lubatkin, and Dino (2003) pointed out that the family is a neglected variable in organizational research. Nevertheless, a research stream is emerging that generally supports a negative relationship between family firm governance and the use of professional HRM practices (Cyr, Johnson and Welbourne, 2000). Past research confirms a negative relationship between family ownership and management and professional HRM practices and expertise. For instance, Aldrich and Langton (1997) found a negative relationship between the number of family members who work in a firm and formal HRM practices. Fiegenger et al. (1996) confirmed a negative relationship for promotion decisions. Though non-family firms emphasize outside work experience and university training in promotion decisions, family firms rarely do so. Research by Reid and Adams (2001) confirmed this pattern. In a study of Irish firms ranging in size from 20 to 100 employees, they found that family businesses are less likely to have professional HRM practices, including the use of references, appraisal systems, a peer appraisal process, training assessment, or merit-based pay (De Kok et al, 2006). In De Kok, Uhlaner and Thurik's (2006) study, family ownership is associated with a desire to remain independent and to keep full control over the organization (Bacon et al. 1996; Blais and Toulouse 1990). Case studies suggest that employers often associate professional HRM practices with a loss of control over (and flexibility of) the employee relations (Koch and De Kok 1999). This would provide an additional explanation for a direct negative effect of family ownership and management on professional HRM practices (De Kok et al, 2006).

1.4 Main theoretical streams

In light of the number and variety of the issues to be investigated, we make an extensive use of a broad set of theories commonly applied to studies on family firms, such as agency theory (Jensen and Meckling 1976), stewardship theory (Davis, Schoorman and Donaldson 1997), and resource-based view of the firm - RBV – theory. Moreover, theories typical of specific branches of research, such as accounting studies and organization, are also considered, such as contingency theory (Miller, and Friesen 1984; Moores, and Yuen 2001), organizational control theory (Galbraith 1977), and company growth theory (Rostow 1960). According to Songini and Gnan (2013a), these main theoretical streams can be classified into two categories: theories that point out the drivers and need of managerialization of family firms, and theories that explain mostly the reasons to avoid it. On the one hand, company growth theory, contingency theory, and agency theory suggest that firms adopt SP and MCSs, and HRMSs for various purposes, such as the need to cope with increasing firm's and environmental complexity, the need for the entrepreneur to delegate activities, the need to look for external funding or quotation and so on. Actually, these mechanisms can enable any firm, even those managed by stewards rather than agents, such as family firms, to make better strategic decisions in light of its environmental and resource circumstances (Ward, 1988; Schwenk and Shrader, 1993). In particular, following company growth theory and contingency theory, a firm adopts managerial mechanisms in order to cope with the increased complexity of the environment and the firm (Miller, and Friesen 1984; Moores, and Yuen 2001). The faster the growth and the greater the complexity, the more important the role of such mechanisms. There is a consensus in the literature that the adoption of managerial mechanisms is contingent upon the organizational setting in which companies operate (Gordon, and Miller 1976; Otley 1980; Moores, and Chenall, 1994; Moores, and Yuen 2001). Recently, Songini and Gnan (2013a) outlined that in family firms, distinctive agency conflicts arise from sources other than the classic principal-agent. The authors proposed that the presence of these agency costs highlights the need for family firms to adopt agency cost control mechanisms and to involve non-family members in governance and managerial roles. On the other hand, stewardship theory and organizational control theory agree on the fact that family firms are characterized by a lower diffusion and use of formal managerial mechanisms, than non-family businesses. Such theories state that family firms can be effectively managed without formal managerial mechanisms and the involvement of non-family members. Organizational control theory applied to family businesses points out that social and individual control systems are more suited to these enterprises, due to common shared values and languages, informal relations and kinship ties.

Stewardship theory state that managerial mechanisms are not useful for family firms, as the coincidence between owners and managers reduces the need for disclosure mechanisms towards shareholders, and administrative costs, assures faster decision-making processes, implies long term horizons in strategic and investment decisions, and long term commitment of the family to the family business.

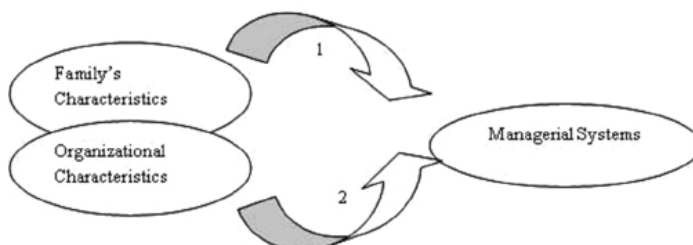
2. Research Model and Hypotheses

According to the literature, the adoption of managerial systems can be related to environmental factors, firm's complexity, but also to family's characteristics. In particular, this paper aims at analysing the determinants of the managerialization of family businesses, considering both the family's influence and the organization's complexity, while environmental factors are not investigated. In line with our analysis of the literature, we developed a research framework on the relationship between the family's characteristics, firm's complexity and the diffusion of managerial systems, both MCSs and SP, and HRMSs (figure 1).

Firstly, we investigated the influence on managerial mechanisms of the family's characteristics, represented by the number of active generation running the business. Then we considered family involvement in governance (FIG) and in management (FIM). Previous studies on family business focused on the family involvement in the Board of Directors (BoD), and top management teams. However, consistently with Mintzberg's model ("the basic parts of the organizations") (1979; 1980; 1983) we categorized family involvement in management (FIM), by distinguishing among family involvement in top management team, in the organizational techno-structure (in the role of Chief Financial Officer -CFO and/or HR manager), and in the middle management (functional directors).

Then, we took into consideration two factors explaining firm's complexity, such as the typology of organizational structure (formal/informal), and firm size (expressed by turnover and number of employees).

Fig 1 - The determinants of managerial systems: research framework



a) *Family's characteristics*

Generation's influence: Successful family business's growth leads to an evolution that needs to be investigated from two points of views: the business side and the family side. According to the company growth theory (business side), owners need to cope with a high complexity that requires to change their entrepreneurial approach into a more professional one. From the family side, growth implies also a change in the active generation involved into the business. Business theories seem to be in favour of managerialization when the firm grows. Deakins, Morrison, and Galloway (2002) affirmed that the more complex relationship between the firm and the environment requires the adoption of mechanisms, such as strategic planning and management control systems. Previous family business studies focused on the implementation of managerial systems within generational succession process (Kimhi, 1997; Morris, Williams, Allen and Avila, 1997). Armstrong (1982) underlined the importance of SP and MCSs in creating and maintaining organizational-environmental alignment; Ketokivi and Castaner (2004) stated the relevance of such tools to develop a common view of organizational goals and to reduce position bias inside the organization. In addition, other scholars, such as Szulanski and Amin (2001), considered the contribution of SP and MCSs in learning how to make strategy. According to these considerations on the business and generations, we suggest that different generations involved into the business add complexity to the management of the business itself. Considering that complexity is connected to the diffusion of managerial mechanisms, we investigate the influence of generations involved in the company on the diffusion of MCSs, SP, and HRMSs. More specifically, we examine the relationship between the number of active generation running the family business, and the diffusion of managerial systems. Thus, we propose:

Hypothesis 1: The greater the number of active generation, the more likely the diffusion of managerial systems

Family involvement in governance: The topic of governance in family businesses was mainly investigated considering the characteristics of the board of directors (BoD) (Fiegener, 2005; Pieper, Klein, and Jaskiewicz, 2008; Corbetta and Salvato, 2004): in this type of organization, BoD plays a role as a bridge between the company and the family. Schwartz and Barnes (1991) made a classification of boards in family firms according to the number of non-family members. They distinguish among: (1) all-family boards; (2) family-management boards, containing at least one family member and at least one company management representative; and (3) quasi-boards, with at least one professional or retired company executive added to the

family members and manager-directors. The literature on family business relates the board mostly to the adoption of MCSs and SP (Baysinger and Hoskisson, 1990; Blumentritt, 2006; Pieper, Klein, and Jaskiewicz, 2008). However, this research stream generally confirms a negative relationship between family firm governance and the use of professional MCSs and HRM practices (Fiegener et al. 1996; Cyr, Johnson, and Welbourne, 2000). Consequently, we propose:

Hypothesis 2: The greater the involvement of family members in governance (as BoD's members), the less likely the diffusion of managerial systems

Family involvement in management: Family members' involvement regards also management (FIM): in fact, owners of family businesses can choose either to manage their business themselves or to let them be managed by outside managers. According to the literature (Songini and Gnan, 2013b), FIM affects the adoption of monitoring and controlling mechanisms, such as SP and MCSs. Songini, Gnan, and Malmi (2013) underlined that socio-emotional wealth may explain the reluctance of some family businesses to involve non-family members and to adopt formal managerial mechanisms: informality helps in developing a feeling of team working and strong social relationships and in increasing workers' motivation. On the contrary, delegating responsibilities to non-family managers may decrease family control over strategic decisions, increase information asymmetries between managers and owners, and generate conflicts between family and non-family members with regard to the vision and objectives of the company (Gomez-Mejia et al., 2011). However, when family businesses grow older and larger, they typically employ a greater number of non-family managers (Chua, Chrisman, and Sharma, 2003; Dekker, Lybaert, Steijvers, and Mercken, 2010). Hiring a non-family member may benefit the family business because they may be more apt to distinguish between company and family context, favouring a separation between business goals and family decisions. Non-family managers become necessary when there are not enough family members available to fill the vacant managerial positions or the next generation is not ready or not willing to take over managerial roles. Non-family managers were found to promote the adoption of managerial mechanisms to cope with business complexity and growth, and introduce formal and transparent procedures. Thus, we propose:

Hypothesis 3: The presence of family members in the top management team will tend to reduce the diffusion of managerial systems

The majority of studies on FIM focused on the top management team, and especially on the role of family CEOs, being family members mainly in

charge of such roles. However, previous research neglected that non-family members are usually in charge of the techno-structure and middle management roles. Thus, and according to Mintzberg's model (1979; 1980; 1983), it becomes relevant to consider not only the involvement in top management team, but also in the techno-structure and middle management roles.

A recent research stream focused on the relationship between managerial roles and the adoption of management control systems, highlighting the fact that the chief financial officer (CFO) is in charge of their formalization, development and operation (Hartmann, Maas, and Naranjo-Gil, 2009; Zimmerman, 2006). Gallo and Vilaseca (1998) studied the differences between family and non-family CFOs: they found that in larger and older family businesses, non-family managers covered the large part of positions; according to their findings, family CFOs are more powerful and have a greater influence on strategic decisions than non-family CFOs. Lutz et al. (2010) found that the experience of a non-family CFO leads to the professionalization of management techniques and a more frequent use of SP. Hiebl (2013) underlined that the CFO in family business takes responsibility for financial management tasks, such as financial accounting and management accounting, as in non-family firms; consequently, even if the CFO is a family member, adequate education and qualification are required. In sum, we can affirm that a family CFO has to be a professional. This crucial characteristic of the family CFO will contribute to the diffusion of MCSs and SP, considering the decisional power of CFO for the formalization and development of management control systems. Moreover, some scholars (Baxter and Chua, 2008; Chua, 2007) stated that the CFO has moved into a more strategic role and co-leads the strategic course of the firm.

Besides, the presence of a HR department (techno-structure) is a driver of the adoption of HRM practices. The literature suggests that HRM in family SMEs tends to be informal and remains a domain of the owner-manager (Matlay, 2002). While in those family SMEs where the owner-manager chooses to delegate some of his/her tasks HRM practices tend to be more formal (Songini and Gnan, 2013b; Harney and Dundon, 2006), as almost all decision-making powers rest with the HR manager. He/she mostly relies on logic and rational analysis rather than on intuition and is mostly impersonal in his/her interactions with others (Dyer, 1989). However, most family businesses do not have a personnel or a HRM department/manager, whose presence is normally associated with formal methods (Songini and Gnan, 2013b; Heneman and Berkley, 1999; McEvoy, 1984; Wagar, 1998). Comparing HRM practices of 133 family SMEs in Northern Ireland with respect to 86 non-family ones, Reid and Adams (2001) revealed that non-family SMEs present a higher presence of a personnel or a HRM department/manager rather than their family counterparts. However, less than 50 per cent of both family and non-family SMEs reported that the

head of HR had a sit on the board. Consequently, HR top managers are generally not involved in the strategic formulation processes (McEvoy, 1984). On the contrary, the presence of a separate HR department is positively associated with the adoption of more formal HRM practices (Heneman and Berkley, 1999; McEvoy, 1984; Wagar, 1998). Consequently, we propose:

Hypothesis 4: The presence of a techno-structure (CFO and HR manager), will tend to increase the diffusion of managerial systems, even though a family member is in charge of such role.

While the role of family members within the board and top management team was explored by literature, their role as middle managers (FIM) was largely neglected in family business studies. Songini and Gnan, (2013a) proposed a twofold perspective on FIM. On the one hand, according to management control theory, when family involvement is intensive, it may influence the presence of control mechanisms due to the mutual influence of agency cost control mechanisms and managers, be they professionals (family or non-family members).

On the other hand, according to stewardship theory, FIM improves family members' understanding of competitive challenges, thus reducing the need for control mechanisms. Consequently, we propose the following alternative hypotheses:

Hypothesis 5 (1): The greater the involvement of family members in middle management, the more likely the diffusion of managerial systems

Hypothesis 5 (2): The greater the involvement of family members in middle management, the less likely the diffusion of managerial systems
Firm's complexity

Organizational structure: Following company growth theory and contingency theory, a firm adopts managerial mechanisms in order to cope with the increased complexity of the environment and the firm (Miller and Friesen 1984; Moores and Yuen 2001). The faster the growth and the greater the complexity, the more important the role of such mechanisms. In this sense, the relationship between these mechanisms does not depend solely on agency-based considerations, but also on those based on contingency (Moores and Chenall 1991; Moores and Mula 1993). The original contingency framework, developed within organizational theory, suggests that corporate governance and strategic (and organizational) complexity play a significant role in the adoption of managerial mechanisms. In contingency theory, organizational structures are regarded as adaptation appropriate to technological and environmental requirements (Mintzberg,

1979). Organizational design reflects a highly intentional approach: within the boundaries of given technical, institutional, and market-environment requirements, structures are seen as rational devices for pursuing specific organizational goals. The distinction between formal and informal structures in organizations was the subject of numerous articles and books (Cobb, 1980; Mintzberg, 1983; Ouchi, 1979; Scott, 1998; Watson and Weaver, 2003). When the organization is informal or simple, typically it has little or no techno-structure, few support staffers, a loose division of labour, minimal differentiation among its units, and a small middle line hierarchy. In this case, little of its behaviour is formalised and it makes minimal use of planning, training or liaison devices. Its coordination is managed largely by direct supervision. In this structure, communication flows informally and decision-making is informal (Mintzberg, 1980). Pugh et al. (1968) alluded to this form in what they call "implicitly structured organizations". When the organization is formal, typically it has highly specialized, routine operating tasks, formalized procedures and large-sized units in the operating core, reliance on the functional basis for grouping tasks throughout the structure, use of action planning system and an elaborate administrative structure with a sharp distinction between line and staff. In this kind of organizations the managerial systems are more developed (Mintzberg, 1980).

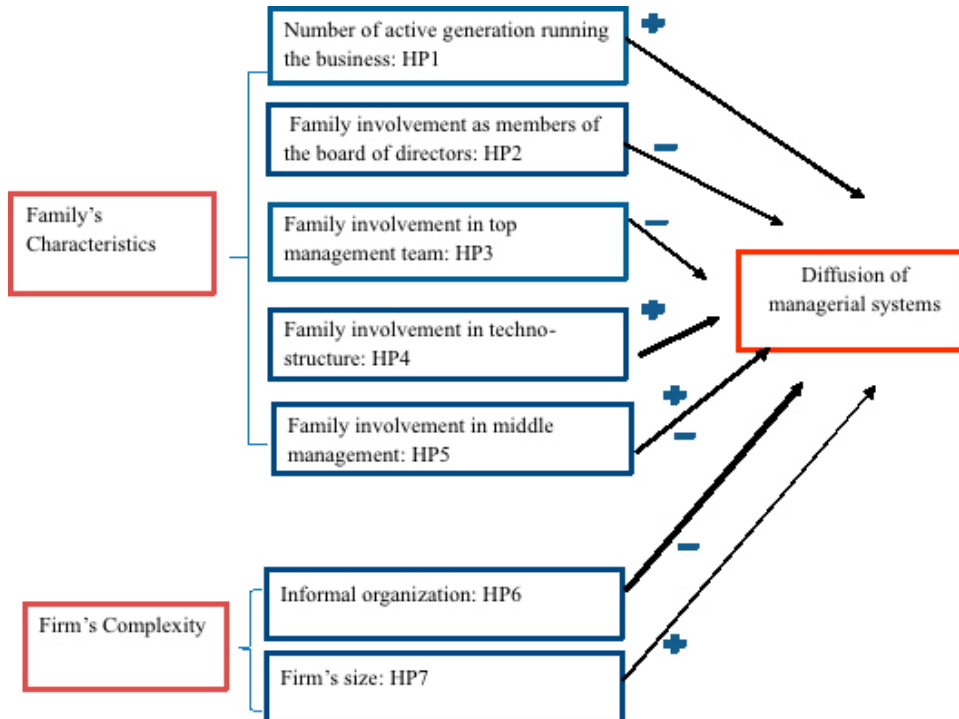
The implementation of formal practices increases with organizational development. Thus, we can say that strategic (and organizational) complexity can be managed through MCSs-SP and HRM practices, and propose the following hypothesis:

Hypothesis 6: Family firms characterized by a lower strategic complexity (informal organizations) are less likely to apply MCSs-SP and professional HRM practices than similar firms with a higher complexity degree (formal organizations).

Firm size: Most contingency-based managerial research studied the effect of growth in size on managerial tools. When a family (or non-family) company grows in size, the need for managers to handle greater quantities of information increases to a point where they have to institute formal controls such as rules, documentation, specialization of roles and functions (Child and Mansfield, 1972). Literature review confirms that in general, smaller firms make less use of MCSs-SP and professional HRM practices than larger enterprises. Many scholars affirmed that there is no a unique and universal management control technical structure, but that it changes with internal and external firm characteristics (Otley, 1980; Chenhall, 2003). As far as HRM practices are concerned, smaller firms make less use of formalized recruitment practices, provide less training to their employees, and are less likely to use formalized performance appraisals. Thus, we propose:

Hypothesis 7: MCSs-SP and HRM practices are more widespread in large family firms than in SMEs

The following Figure 2 summaries our research framework and hypotheses.



3. Research design

We used a quantitative deductive design and tested the hypotheses using a questionnaire survey of 105 enterprises in Novara province, Italy. Novara is an important crossroads for commercial traffic along the routes from Milan to Turin and from Genoa to Switzerland.

Different definitions of a "family firm" were proposed in the literature, based on a number of dimensions. Corbetta (1995) defined a family firm as a company in which one or more families, with family ties, relationships or solid alliances, own the majority of the capital and in which family members hold governance and managerial roles. Several authors defined a family firm using the components of family involvement in ownership (FIO),

family involvement in governance (FIG) and family involvement in management (FIM). Villalonga and Amit (2006) proposed three fundamental elements in the definition of family firms: ownership, control, and management. According to Anderson and Reeb (2003), family firms are enterprises in which the family continues to have an equity ownership stake or board seats. Astrachan and Shanker (2003) suggested three dimensions in defining the family business: family retention of voting control over the strategy of the firm, direct involvement of the family in day-to-day operations, and the involvement of multiple generations in the firm's management. Other authors defined family firms according to whether or not they consider themselves to be family firms (Westhead, and Cowling 1988;).

Accordingly to previous studies, we defined family firms as companies that meet at least one of the following requirements: (1) the majority of the shares are owned by members of one or more families (Astrachan, and Shanker 2003; Sharma 2004); (2) the company considers itself to be a family business (Westhead, and Cowling 1988); and (3) the family is involved in the company's ownership, or/and governance or/and management.

The sample was drawn from the AIDA database (by Bureau Van Dijk Electronic Publishing), which contains: (i) balance sheet data from incorporated firms, representative of the Italian population and operating both in manufacturing and non-manufacturing industries; and (ii) data about the ownership structure (shareholders), the governance system (chair and board members) and some information about management (CEO). We used both primary (from questionnaires) and secondary data (from the AIDA database).

Initial sample: according to AIDA database (by Bureau Van Dijk Electronic Publishing), the total number of manufacturing and non-manufacturing enterprises of Novara province, defined at the four-digit level of the ATECO Classification System, amounts to 767 firms. Thus, our initial sample consisted of 767 enterprises. The majority of such firms are SMEs, while large companies represent only 6% of the initial sample. These percentages are consistent with the overall Italian context, where small and medium-sized firms are the most diffused and contribute significantly to the competitiveness of the country economy. In the last ten years, especially medium-sized firms generated higher financial, competitive, and growth performance, with respect to large enterprises. Looking at the Italian regions, the most widespread businesses of small and medium enterprises of North-West Italy (Piedmont, Aosta Valley, Lombardy and Liguria) are typical of "Made in Italy" production (Mediobanca-Unioncamere, 2013). In the Novara province main offered products and services are as it follows: agriculture (rice and corn metallurgical production), chemicals and petrochemicals, pharmaceuticals, food products, intermodal commerce and logistics, banking and insurance services, and rice products exchange.

Accordingly, the 767 companies of the initial sample were articulated by range of turnover and industries (Table 1).

Tab. 1 - Initial sample articulated by industries and turnover

Industry	Turnover (euros, millions)					Total	%
	02-04	04-08	08-20	20-50	>50		
Manufacturing	115	103	82	34	22	356	46,41%
Non manufacturing	198	106	59	24	24	411	53,59%
Total	313	209	141	58	46	767	
%	40,81%	27,25%	18,38%	7,56%	6,00%		

Procedure: Data collection process proceeded in four phases. First, measurement scales were developed by reviewing relevant literature, by completing five on-site interviews with CEOs from large and medium sized firms, family and non- family businesses, academics and consultants and by pre-testing the resulting scales with a group of managers, academics and consultants. Next, a single researcher pre-tested the preliminary versions of the resulting questionnaire with some senior executives. The third stage consisted of on-site interviews with CEOs or executives in ten firms, resulting in the final version of the questionnaire. In the final stage, the survey was mailed to the companies included in the sampling frame described above. We addressed the survey both to the chief executives of the firms, the CFO and the HR director, due to the fact that the questionnaire dealt with firm's features (ownership, family involvement in governance and management, strategy, organizational issues), and the diffusion of MCSs, SP and HRM practices. We used multiple respondents in order to reduce concerns about potential response biases. Besides, respondents had to be knowledgeable about the firm and its competitive environment. Thus, we qualified our respondents as individuals who held a CEO or CFO position or who are in charge of HR policies and decisions (HR director or similar roles). We consider these respondents to be the best possible key informants because they are knowledgeable about governance and the related decisions regarding the adoption of managerial mechanisms, while, at the same time, being in a better position than others to report both on governance and management (Zahra et al., 2000).

Achieved sample: Questionnaires were sent by e-mail to all 767 companies of the initial sample, in autumn and winter 2012. Each company was contacted by telephone, before sending the questionnaire, and in some cases also to solicit a reply. A total of 105 completed questionnaires were returned, representing a response rate of 14 per cent (table 2). This response rate is

reasonable given the setting of the survey (both large and small firms), firm diversity, the positions of the respondents (CEO, CFO, HR director), and the sensitivity of the information. The 14% response rate is comparable with those of large-scale surveys involving executives (Robertson et al. 1995; Powell, and Dent-Micallef 1997), but higher than those normally obtained in Italy (Corbetta, and Montemerlo 1999; Giacomelli, and Trento 2005).

Tab. 2 - Achieved sample, articulated by industry and turnover

Industry	Turnover (Euros; millions)					Total
	02-04	04-08	08-20	20-50	>50	
Manufacturing	22%	15%	23%	15%	14%	19%
Non manufacturing	11%	8%	10%	4%	0%	9%
Total	15%	11%	18%	10%	7%	14%

Notwithstanding enterprises with a turnover comprised between 4 and 20 millions are most represented in the achieved sample, while the largest firms are less represented, the achieved sample is quite consistent with the initial sample, with regard to turnover and industries (see tables 1 and 2). The final dataset includes 99 family firms, which represent about 94% of the analysed sample. This percentage is consistent with previous studies on the Italian context. The 99 family businesses are enterprises where one or more families are involved in the ownership, or / and in the governance or / and in the management of the company. With regard to the generation involved, mainly first and second generations are in charge (table 3). Only 7% of the sample companies are large enterprises, with revenues higher than 50 millions.

Tab. 3 - Generation involved in the company

Generation	Per cent
1 [^] generation	31.0
2 [^] generation	44.0
3 [^] generation	21.0
4 [^] generation	4.0
	100.0

Measures: The survey and the AIDA database provided information about the independent and dependent variables. While self-report measures carry some methodological limitations (Dillman 1978, 2000; Rossi et al. 1983), we used some perceptual measures because of the difficulties asso-

ciated with the use of “objective” measures in assessing managerialization related issues and its determinants.

Endogenous variables: As stated above, we investigated the adoption of formal managerial mechanisms, distinguishing between human resource management tools, on the one hand, and mechanisms aimed at defining objectives and programs, and to measure and evaluate firm performance, such as SP and MCSs, on the other hand. Particularly, we considered the dimension of the existence of formal managerial mechanisms (Songini and Gnan, 2013a). Concerning SP and MCSs, we used ten items: financial accounting, managerial accounting, cost accounting, standard costing, budgeting; managerial reporting; capital budgeting, strategic planning; business plan, and incentives (Simons 2000). With regard to HRMSs, we considered thirteen items: manpower planning (HR planning), HR scheduling, recruitment, selection, training, performance appraisal, variable remuneration, compensation-remuneration, day-by-day management, incentive system, relationships with unions, personnel discipline and industrial disputes, employee services. The “managerialization” was defined by the combination of the existence of SP/MCSs and HRM mechanisms. Measuring the existence of managerial systems has presented researchers with difficulties. One of the reasons for this is uncertainty about whether existence should be considered as dichotomous (i.e., companies either have or have not adopted a mechanism) or measured as continuous variables. All of these items were measured using dummy coding: their presence was coded as 1, while absence was coded as 0.

Exogenous variables
Family characteristics.

Number of active generation running the business: Authors agree in considering that one of the biggest risks facing any family owned business is the transition from one generation to the next. Family business succession is defined as the passing of the leadership baton from the founder-owner or incumbent-owner to a successor (Beckhard and Dyer, 1983). However, most studies focused on the family level, while relatively few authors (Le Breton-Miller et al., 2004) signalled the need to manage the family’s succession consistently with the business’s evolution. Thus, we considered the kind of active generation involved in the family firm a relevant variable which impacts on firm’s characteristics, and thus also on managerialization. Particularly, we used an ordinal variable, considering the number of involved generation (first, second, third, etc.).

Family involvement in governance – FIG: FIG was measured using the percentage of BoD’s family members on total BoD’s members.

Family involvement in the top management team: We used three items: a

family member as the CEO, as the Managing Director, as a Divisional Director (Villalonga, and Amit 2006; Chua 2009): presence was coded as 1, while absence was coded as 0.

Family involvement in the techno-structure: We used two items (a family member as the CFO, and as the Human Resource Manager): presence was coded as 1, while absence was coded as 0.

Family involvement in the middle management: We used four items (a family member as the Production Director, as the Sales Director, as the Purchasing Director, and as the R&D Director): presence was coded as 1, while absence was coded as 0.

Organization characteristics

Firm's size: In this study, firm size was measured by the logarithm to base 10 of both turnover and the number of employees.

Organizational structure: We distinguished between the adoption of an informal organizational structure, or a formal one (functional, divisional, matrix, etc.). The presence of an informal structure was coded as 1, while the presence of a formal structure was coded as 0.

Control variables

As we are aware that the adoption of managerial mechanisms may also be related to other factors beyond family involvement, and some organizational features (Songini 2006), from our methodological perspective, we isolated such factors in defining our independent variables and checked for them with control variables. In order to account for potential biases, a few control variables were adopted: industry; firm's age; and belonging to a group as parent company or subsidiary.

Industry. Various degrees of relatedness, such as different economic phases, may have various effects on the value-creation processes and managerial systems of firms belonging to different industries (Miller et al. 1998). We distinguished between manufacturing and non-manufacturing industries. Operating in a manufacturing industry was coded as 1, while operating in non manufacturing industries was coded as 0.

Age of the firm. A firm passes through distinct periods of development (Greiner 1972) until it reaches a phase that requires a more professional approach (Deakins et al. 2002) and the adoption of managerial mechanisms. The age of each firm was measured by the number of years the firm has been in existence.

Belonging to a group. Belonging to a group as parent company or subsidiary increases the internal complexity of the firm. We measure this variable considering if the firm belongs to a group (coded as 1), or if not (coded as 0). Although we considered different sources of sample heterogeneity, due to the need to restrict the length of the questionnaire in order to achieve its primary purpose, our list of control measures was not as extensive as desired (Schulze et al., 2001).

4. Results

In this section, we report main research findings (table 4).

Tab. 4 - Regression statistics

Regression statistics	
R multiple	0,538928985
R squared	0,29044445
R squared correct	0,29073053
Standard error	0,262902188
Cases	99

VARIANCE ANALYSIS					
	df	SS	MS	F	Significant F
Regression	11	2,461412125	0,223764739	3,237451336	0,000975136
Residual	87	6,013227765	0,069117561		
Total	98	8,47463989			

	Coefficient	Standard error	t Stat	Significant value
Intercept	0,408898118	0,143770449	2,844104063	0,00535064
INDUSTRY	0,007169974	0,064437378	0,111270417	0,911658219
AGE	-0,063035788	0,067354176	-0,935883369	0,351922802
BELONGING TO A GROUP	0,070878463	0,093080083	0,74339796	0,458040279
N. EMPLOYEES	0,12068221	0,08930407	1,351362932	0,180062773
TURNOVER	0,041217568	0,076394113	0,539338328	0,590893333
INFORMAL STRUCTURE	-0,220226718	0,060995491	-3,610546932	0,000510115
ACTIVE GENERATION	0,016074749	0,037833499	0,42463689	0,672133178
FIG	-0,030011423	0,064130246	-0,467830204	0,641073842
FAMILY TMT	-0,036860435	0,05548115	-0,664377633	0,508205733
FAMILY TECHNOSTRUCTURE	0,172311244	0,083544132	2,014296484	0,047067253
FAMILY MIDDLE MANAGEMENT	-0,133397362	0,07102627	-1,880957044	0,063322763

Family's characteristics

Generation influence: Our first hypothesis, *Hypothesis 1*, regards the impact of the number of active generation running the business on managerialization. According to literature, we suggest that different generations involved into the business add complexity to the management, thus stimulating the diffusion of managerial systems. Results are not significant: the main reason may be due to the fact the sample is quite homogeneous in term of active generation: in fact, 75% of the firms are run by the first or second generation.

Family involvement in governance and management: In our study, family involvement is related to the presence of family members in governance (FIG) as members of the board of directors (BoD), and in management as managers (FIM). As far as FIG is concerned, our *Hypothesis 2*, the rela-

tionship between family BoD's members and the diffusion of managerial systems is not significant. This observation may be connected to the fact that in the 70% of the firms we can detect the presence of the BoD and, in these cases, the 74% of BoD's members is familiar. We have tested the influence of FIM on managerialization, considering the presence of family members in the top management team (Hypothesis 3) 55% of analyzed firms has a family top management team (TMT), but this hypothesis is not verified. Hypothesis 4 regards the presence of family members in techno-structure, as CFO and HR manager. This hypothesis is supported: family members' involvement in techno-structure have a positive influence on the diffusion of managerial mechanisms. This result is consistent with the stream of literature that underlines that the presence of a CFO (and/or a HR manager) influences the use of formal mechanisms, even though a family member is in charge of such role. Hypothesis 5 (1) and 5 (2) propose that family middle managers influence the diffusion of managerial systems. More specifically, Hypothesis 5 (2) is confirmed: the results highlight that the involvement of family members in middle management affect negatively the diffusion of managerial mechanisms. This observation is in line with stewardship theory.

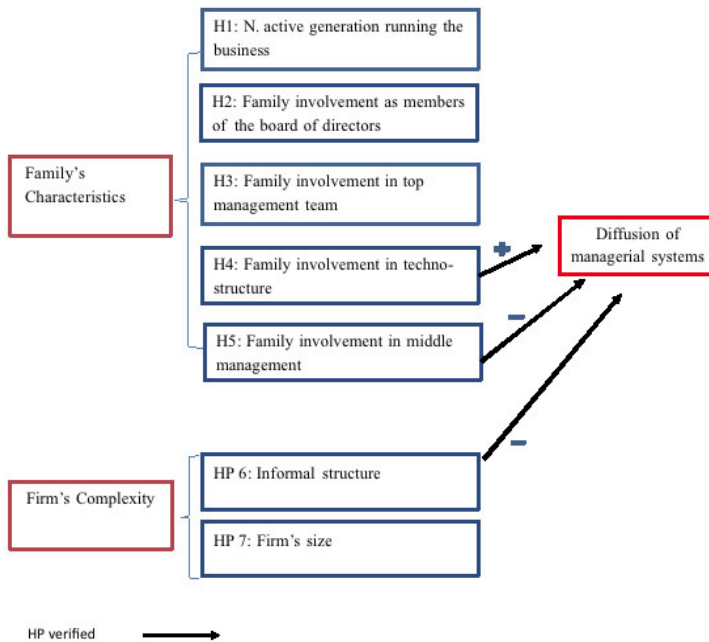
Firm's complexity

Structure: We hypothesized that managerialization is explained by indicators of organizational complexity. In particular, Hypothesis 6 regards the relationship between firm's complexity (represented by informal versus formal organization) and the diffusion of managerial mechanisms. This hypothesis is supported: in fact, in our sample, when the organization is informal or simple (without formal structure), it makes minimal use of managerial systems. This is in line with the organizational theories and contingency theory.

Size: We tested the size's effect through Hypothesis 7. We found a positive but no statistically significant relationship between the adoption of managerial systems and size; the main reason is probably due to the fact that the sample is composed, prevalently, of SMEs. Only 7% of the sample are large enterprises with revenues higher than 50 million, and just 1% has more than 250 employees.

Control variables: All control variables are not significant. In Figure 3 we summarized our research results.

Figure 3: Research findings



5. Conclusions

This paper is intended to contribute to the debate on the managerialization of family firms. The most relevant theories and studies dealing with this topic have been highlighted and their propositions and evidences compared. A not very conclusive picture emerged by the analysis of previous literature, which point out both advantages and uselessness of managerialization of family firms, as well as different determinants. The “managerialization” in this paper is defined by the combination of the existence of SP/MCSs and HRM mechanisms. We did not find other studies which approached managerialization of family businesses considering all such main categories of managerial mechanisms and which adopted both points of view of different disciplines, such as accounting and human resource management. We investigated the determinants of managerial systems, by analyzing the relationship between the characteristics of family firms (in term of family involvement in governance and management), firm’s complexity (size and structure) and the diffusion of managerial systems, both MCSs and SP, and HRMSs. Differently from previous studies on family

business, we articulated family involvement in management (FIM) considering separately the involvement of family members in the top management team (TMT), in the techno-structure, and in the middle management. In fact, previous literature on family firms showed different results with regard to the influence of FIM on managerialization (Songini and Gnan, 2013a). Only a few specific studies focused on the role of CEO and TMT, but they did not deal with managerialization. On the contrary, accordingly to Mintzberg' model (1980) we consider that the responsibilities, personal features, competences, and applied managerial mechanisms required to managers who are in charge of different roles in the organization are quite different. In particular, TMT deals mainly with strategic issues, while middle management is focused more on specific operative issues of various functional areas, representing a direct line of formal authority between the people of the strategic apex and those of the operating core. Instead, the techno-structure consists of those analysts, out of the formal "line" structure, who apply analytic techniques to the design and maintenance of the structure and to the adaptation of the organization to its environment (e.g, accountants, long-range planners, human resources managers). They are mainly in charge of managerialization, as also previous literature on the role of CFO (Zimmerman, 2006), and HR manager (Heneman and Berkley, 1999; McEvoy, 1984; Wagar, 1998) highlighted. Our results are consistent mainly with such a literature, as they show that the presence of a CFO and a HR manager (techno-structure) is positively associated with the adoption of more formal managerial mechanisms. This correlation is true, even though there is a family member in charge of these roles. Moreover, when a techno-structure is present, TMT and middle management do not cope with SP, MCSs and HRMSs, being those mechanisms directly managed by the CFO and HR manager. In fact, our results do not outline a relationship between FIG (family members in BoD) and family TMT and managerialization; while they found a negative relationship with the involvement of family members in the middle management and managerial mechanisms. Interestingly, our findings outline that also in family firms, when the CFO and HR manager are family members, the techno-structure plays a significant role in terms of firm's managerialization. It seems that, in order to be in charge of these professional roles, it is fundamental to have professional competences and to know how to use managerial mechanisms, while belonging to the family is not so relevant. Besides, our findings are consistent with Dyer (2001), as they show that the professionalization of family firms can pass through the professionalization of family members and not only by hiring non family managers. As Hiebl (2013) underlines, if the CFO is a family member, adequate education and qualification are required. In sum, we can affirm that a family CFO (or HR manager) has to be a professional. This crucial characteristic of family CFO/HR manager will contribute to

the diffusion of managerial systems, considering the decisional power of CFO (and of HR manager) for the formalization and development of management systems. With regard to the different determinants of managerialization (firm's characteristics and family involvement), findings highlight that organizational complexity, more than family involvement explain the diffusion of managerial systems. Such a result is consistent with those studies who state that not all management issues assume specific characteristics in family business, but only those who are particularly affected by specific features of family firms. With regard to accounting, recently, Songini, Gnan and Malmi (2013) highlighted that three key family business characteristics explain different accounting practices implemented in family business, such as involvement of the family in ownership, governance and management, socio-emotional wealth, and succession. Our results confirm the relevant role of family involvement in management, but they outline the diffusion of an informal organization (without formal structure) as main determinant of managerialization of family firms, which impacts negatively on the use of managerial mechanisms. This is consistent with both the literature on family firms, that highlights the role of socio-emotional wealth and familiness, and previous literature from the organization field, that states that when the organization is informal or simple, typically it has little or no techno-structure, few support staffers, a loose division of labour, minimal differentiation among its units, and a small middle line hierarchy. On the contrary, when the organization is formal, typically it has highly specialized, routine operating tasks, formalized procedures and large-sized units in the operating core, reliance on the functional basis for grouping tasks throughout the structure, use of action planning system and an elaborate administrative structure with a sharp distinction between line and staff. In this kind of organizations it is important the role of techno-structure (CFO and HR manager), who apply analytic techniques to the design and maintenance of the structure and to the adaptation of the organization to its environment. (Mintzberg, 1980). Moreover, interestingly, size is not relevant in our findings. This is consistent with contingency theory and organizational control theory, which affirm that it is firm' complexity in terms of strategic and organizational issues that explain the adoption of formal managerial mechanisms. Thus, a small company could be more sophisticated in terms of managerial mechanisms than a large one, accordingly to its internal complexity and the environment where it operates. Our research findings give not only theoretical, but also practical insights. They suggest that in any firm, both family business and not family one, of any size (large, small, and medium), operating in all industries (manufacturing and not manufacturing sectors), when firm's complexity (in terms of strategic and thus organizational complexity) increases both managerial roles, especially in terms of techno-structure, and managerial

mechanisms have to be introduced. Moreover, it is necessary to reach a consistency among different aspects of managerialization, such as the introduction of professional managers, and the adoption of managerial systems. Although evidence from a large number of firms in a varied set of industries and sizes was presented, this study is subject to the limitations that generally apply to cross-sectional survey-based research: the response rate, although typical, renders the conclusions subject to potential response biases; the fact that the sample comprises companies from only one Italian province limits the possibilities for generalization of results. Studies including other local and national contexts could obviously extend these findings. Moreover, this study considers mainly SMEs, due to the limited number of large enterprises in our sample. A specific analysis applied to large enterprise could be useful to identify the peculiar feature of managerialization, consistently with different kinds of firm size.

Finally, further research is required on relationship between external context and managerialization and on interaction of both internal (e.g. size, complexity and organizational structure) and external contextual factors (e.g. intense product market competition, relationship with customers or suppliers) (Songini and Gnan, 2013b; De Kok and Uhlaner, 2001; Harney and Dundon, 2006; Nguyen and Bryant, 2004; Pattel and Cardon, 2010).

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Riassunto

Il presente lavoro si propone di indagare, nelle imprese familiari, le relazioni tra caratteristiche dell'organizzazione e della famiglia e managerializzazione dell'impresa, intesa come diffusione di sistemi formali di pianificazione e controllo e di gestione del personale. In particolare, l'obiettivo del lavoro è comprendere il ruolo, nel processo di managerializzazione, di determinanti riconducibili al coinvolgimento della famiglia nella governance e nel management, da un lato, e alle caratteristiche dell'azienda, dall'altro. A differenza degli studi precedenti sul tema, il coinvolgimento della famiglia nei ruoli manageriali viene articolato distinguendo i ruoli di top management, dai ruoli di middle management e dai ruoli riconducibili alla tecnostruttura. Le ipotesi di ricerca sono state testate su un campione di 99 imprese familiari della provincia di Novara. I risultati evidenziano che la managerializzazione è riconducibile maggiormente alla complessità strategica e organizzativa dell'azienda, più che al coinvolgimento della famiglia nel management. Tuttavia, la presenza di un membro della famiglia nella tecnostruttura, in particolare nei ruoli di responsabile Amministrazione, Finanza e Controllo e di responsabile del Personale, risulta positivamente associato all'adozione di sistemi formali manageriali. Tali risultati evidenziano che in ciascuna impresa (sia familiare, che non familiare) di qualsiasi dimensione e operante sia nel settore manifatturiero che in altri settori, all'aumentare della complessità dell'azienda si assiste all'introduzione sia di ruoli specializzati nella tecnostruttura (responsabili AFC e del personale), sia di meccanismi operativi formali.

Abstract

This paper concerns how management processes adopted by family firms are influenced by family's and organizational characteristics; more specifically we would like to contribute to the debate on the managerialization of family firms, by studying the determinants of the adoption of managerial systems. We consider managerialization of family business related to the diffusion of formal managerial mechanisms, both strategic planning and managerial control systems, and human resource management systems. We distinguish between determinants of managerialization related the family's characteristics, such as involvement of family/non family managers, and organizational drivers. Differently from previous studies, we articulated family involvement in management, considering separately the involvement of family members in the top management team, in the techno-structure, and in the middle management. The research hypotheses have been tested on a sample of 99 family firms from the Novara province, in Italy. Findings highlight that more organizational and strategic complexity, than family involvement in management explain the diffusion of managerial systems. They also show that the presence of a family CFO and a family HR manager (techno-structure) is positively associated with the adoption of formal managerial mechanisms. Our results suggest that in any firm (both family and not family one, of any size, operating both in manufacturing and not manufacturing industries) when firm's complexity increases both managerial roles, especially in terms of techno-structure, and managerial mechanisms have to be introduced.

JEL Classification: M20

Parole Chiave (Keywords): Imprese familiari, managerializzazione, sistemi di pianificazione e controllo, sistemi di gestione del personale, tecnostruttura (family firms, managerialization, managerial control systems, human resource management systems, techno-structure)

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