BOARD COMPOSITION IN FAMILY-INFLUENCED FIRMS: A DYNAMIC PERSPECTIVE

Wiem El Manaa*, Wafa Khlif, Coral Ingley***, Lotfi Karoui******

Abstract

This paper uses a sample of 76 family businesses in Tunisia to investigate the impact of the family firm dynamic on the composition of their boards of directors. We argue that whether or not a transition in ownership is planned, firms have different governance needs and characteristics depending on the generational phase. The empirical results show that board composition is positively influenced by both generational evolution and succession planning. This study provides evidence of an increase in the appointment of outside directors to boards of family firms from the third generation of ownership. This result implies that it is important to consider the generational phase and succession process of the family firm in order to better understand its governance system.

Keywords: family firms, Board composition, generational evolution, succession process

*LIGUE - Université de Manouba, Campus universitaire de Manouba 2016- Tunisia
Tel: +216 23380020
Email: wiemelmanaa@yahoo.fr
**SEC Barcelona-LIGUE, C/ Trafalgar, 10, 08010 Barcelona España
Tel: +34 933-100-111
Email: wafa@esec.es
***AUT Auckland, WF Building (level 10), 42 Wakefield Street, Auckland Central, Auckland 1010, New Zealand
Tel: +64 9 921-9721
Email: coral.ingley@aut.ac.nz
****Groupe ESC Troyes, 217 avenue Pierre Brossolette - BP 710 - 10002 Troyes Cedex
Tel: +33 3 25 71 22 22
Email: lotfi.karoui@groupe-esc-troyes.com

Introduction

Family firms have gained increasing attention in the recent literature and research has shown that the majority of firms around the world are directly controlled by their founders or their founders' descendants (La Porta, Lopez-de-Silanes, and Shleifer, 1999; Claessens, Fan, and Lang, 2000). In Tunisia, founding families own and control a significant number of firms. Among 200 leading Tunisian firms, founding family involvement prevails in more than one-third of them.

Generational changes and succession processes are believed to be the most challenging tasks facing family business managers (Morris and al., 1997; Davis and Harveston, 1998). Researchers observe that only a small percentage of family firms survive the transition to the second generation and many intergenerational transitions fail soon after the second generation takes control (Davis and Harveston, 1998; Morris and al., 1997).

However, despite the widespread attention given to the succession and generational issues by family business researchers, little systematic interest has been taken in the impact of these issues on the firm's governance system. Hence, the exit or failure of a significant number of family ventures could be avoided by implementing well-functioning governance mechanisms, such as a formal board of directors (Bammens et al., 2006). These mechanisms help to ensure the business's survival as they enhance the cohesiveness of the controlling family as well as contribute to better corporate performance (Neubauer and Lank, 1998; Schulze et al., 2001).

For each transition in a firm's life cycle, firms need to adapt their governance mechanisms to their requirements (Lynall et al., 2003; Filatotchev et al., 2006). As this transition happens over time, movement through the succession process may also affect forms of corporate governance (Fiegener et al., 2000). In addition, family succession adds valuable business experience and skills to the firm.

Corbetta and Salvato (2004) argue that board composition characteristics should be linked to variables that simultaneously define different family business types and have relevance for determining governance needs.

Following this argument, our study considers succession planning, generational issues and family experience. The purpose of this paper is to examine the relationship between important dynamics in the dimensions of family firms, such as generational changes, succession processes, family experience and board composition. We argue, in agreement with Voordecker et al's (2007) typology, that these dimensions align with formal boards comprising more outside directors.

Governance in Tunisia is moving slowly from a system of stable "insider" relations to a more flexible market-based "outsider" model of shareholder participation and control. Major changes in the commercial code, the bankruptcy code, accounting rules and shareholder structures have already moved the country towards a more open market economy. However, strong families still dominate the ownership of the largest companies.

Following a wave of international corporate scandals, a series of Tunisian government committees and laws (e.g. law 2005-96) led to the creation of a Code[1] of Governance Practice (IACE[2], 2008) for companies. This code emphasises the importance of family firms and provides a set of principles on which targeted board characteristics can be based.

The remainder of this paper is organized as follows: In the next section, an overview is given of key theoretical developments concerning board composition, namely agency theory and stewardship theory. We then develop our research hypotheses, on which we base our analysis of the impact of generational evolution, succession process and family experience on board composition in family firms. For this analysis we clarify our research method, followed by a discussion of the empirical results. Finally, we present implications for management theory and practice from our findings and indicate research paths for further investigation.

Theoretical background for board composition

"Board composition can be described as the definition of each director's affiliation with the firm" (Finkelstein and Hambrick 1996)[3]. The importance of board composition is in its perceived role in enhancing the firm's performance. Indeed, a central dimension in board composition is the level of director independence, grounded in agency theory (Johnson, Daily, and Ellstrand 1996). According to this approach, the primary function of boards of directors is to monitor the managers' actions and decisions, in order to protect the interests of owners from managerial opportunism (Fama and Jensen, 1983). Agency theory describes the potential for conflicts of interest arising from the separation of ownership and control in firms. Placing a board of directors with independent nonexecutive directors in a monitoring and oversight role can be an effective means for addressing the problem of conflicting interests and decreasing associated agency costs (Fama and Jensen 1983). Independent/outside directors are expected to be more effective monitors management's self-interest than are dependent directors.

The agency problem seems less important in family firms because property rights are largely restricted to internal decision agents. However, Morck and Yeung (2003) report real divergences in principals' and agents' goals within family firms. Along with other recent studies of the family factor in relation to agency theory (e.g. Dyer 2003; Morck and Yeung, 2003; Schulze et al., 2003; Steier 2003; Gómez-Mejia et al., 2001; Schulze et al. 2001), they identify specific agency problems pertaining to family firms. These studies highlight differences in agency relationships between family and non family firms. Corbetta and

[1] In collaboration with the CIPE (Centre for International Private Enterprise).
[2] Institut Arabe des Chefs d'Entreprise: the leading CEO's association (mostly owners).
[3] In Voordeckers and al. (2007).

Salvato (2004a) have also investigated agency problems by type of family firm and have found considerable variety in their adoption of outside boards of directors for better monitoring and control.

Ghoshal and Moran (1996) emphasised the effects of existing good social relationships between owners and managers. These relationships are important in family firms where some of the board members, as well as managers and owners, belong to the same family. The close social relations among family members may allow the firm to build informal, relational governance mechanisms.

To better understand this context, Huse (2005) recommends a multiple-theories approach. As well as agency theory, stewardship theory has also been used to explain the composition of the board of directors (Corbetta and Salvato, 2004). According to this perspective, the role of the board is to “look after” the management by providing services and offering advices. Managers are here characterized by high degrees of commitment toward the owners as there is a significant overlap between their values and those of the firm. Hence, stewardship theory proposes that board structure should be characterized mainly by insiders or by affiliated outsiders who are linked to organization or to each other by family and social ties (Sundaramurthy and Lewis, 2003).

Board-management social ties are said to foster trust, helping executives to engage less in impression management and to seek greater input from other directors (Westphal, 1999). Likewise, directors may offer more open feedback, confident that executives will consider their views.

Stewardship theory advances a framework of situational and psychological factors leading to a better understanding of the principle/agent relationship (Davis et al., 1997; Lee and O'Neill, 2003). This theory defines situations in which managers behave as stewards and gain higher utility from pro-organizational, collectivistic behaviour than from individualistic, self-serving behaviour as presumed by agency theory. This attitude is particularly significant in family businesses where prevalent kinship ties between individuals can allow governance mechanisms, such as boards, to serve different functions and roles (Lane et al., 2006). As Lee and O'Neill (2003: 212) stress: “what works well to control or motivate an opportunistic manager may not work well to control or motivate a steward”. While agency theory suggests formal control by boards and reliance on punishments to control managerial behaviour, stewardship theory suggests social control as an effective constraint on management.

Ward and Handy (1988) present a typology of board composition which may include several board roles. Finkelstein and Hambrick (1996) differentiate between inside directors, outside directors, affiliated directors and family directors. Pearce and Zahra (1992) discuss the importance of two groups of outside directors, namely affiliated and non-affiliated external directors.

According to Whisler (1988) and Bammens et al., (2006), the knowledge input of boards of directors can be very valuable during life-cycle changes, leadership and generational succession and for transferring family experience in family firms.

In the next section, research hypotheses based on the typologies presented by Finkelstein and Hambrick (1996) and Pearce and Zahra (1992) are developed concerning the influence of family business dynamics on the adoption of three defined categories of board composition: family board, inside board and outside board.

Development of hypotheses

Organizational dynamics emerge within several aspects of family firms. Among these we focus on the leadership succession process, generational issues and transfer of family experience.

Generational evolution and board composition

Zahra and Pearce (1989) assert that board composition is contingent upon the phase in a company’s life cycle. This generation evolution can lead to significant goal divergence during each transition phase. While founders are concerned about entrusting “their” business, the younger generations are more likely to focus on the economic viability of the existing business (Kohl and White, 2001). Lievens (2006)

shows 3 stages in this particular life cycle: the "owner centered" stage, the "sibling partnership"[4] stage and "cousin consortium"[5] stage. In the first generation of family firms, the relationships among family members are supposedly sound and stable. Lievens (2006) explains that in the course of the controlling owner stage in which the family firm is the property of principal shareholder, the board of directors often comprises family members sharing the same values and perspectives. The patrimonial interests coincide with those of principal shareholder. Therefore, the protection of those interests does not preoccupy the board at this stage. However, when firms move into the sibling partnership or the cousin consortium stages, the potential for conflicts can arise between members of different generations and adequate governance structures are essential for the mediation of such sources of conflict.

A number of researchers have demonstrated that the level of conflict among relatives involved in the family firm increases over the generations (Davis and Harveston 1999, 2001; Ensley and Pearson 2005). This is due to the fact that the likelihood of diverging opinions concerning the firm increases as different generations and family branches become involved (Dyer 1994; Ward and Aronoff, 1994). The presence of additional family members in these organizations seems only to intensify the eruption of conflict (Davis and Harveston, 2001). According to agency theory, the increase in the level of conflict over the generations can be linked to the need for control by a formal board of directors. More specifically, the generational phase can be linked to the likelihood of having outside directors within the board. The outsiders may play a vital role as arbitrator in the case of conflicts between family members.

Based on this reasoning, our first hypothesis is stated as follows:

Hypothesis 1: Generational evolution influences the probability of having an outside board[6].

Succession process and board composition

The leadership succession process in family business has received much research attention because this type of business frequently stumbles in the area of succession planning (Zahra and Sharma, 2004; De Pontet and al., 2007). As mentioned by Lussier and Sonfield (2004, p. 49): "the primary issues here involve the difficulties founders have in "letting go" and passing on the reins of control and authority, the lack of preparation for leadership which next-generation family members often inherit, and thus the need for, and importance of, succession planning".

The succession process in a family firm is often accompanied by a power struggle (Barnes and Hershon 1994). The inclusion of outsiders on the board may help to guide this process and prevent irreparable family rifts and company stagnation. Outside directors may fulfil the role of arbitrator within the board and provide a forum for discussion and conflict resolution (Whisler 1988). Based on these arguments, we expect that the succession process leads family firms to adopt outside directors.

We therefore postulate the following hypothesis:

Hypothesis 2: The generational transition influences the probability of having an outside board.

Family business experience and Board composition

The concept of family experience refers to the tacit organizational knowledge that families develop over time (Astrachan et al., 2002). Family succession can add valuable business experience and skills to the firm.

Miller and Le Breton-Miller (2006) indicate that families do well at passing on tacit organizational knowledge from one generation to the next. The older generation is usually very willing to share its knowledge with the next generation of family managers and to discuss their own mistakes with them. Furthermore, each generation adds valuable business experience and skills to the family (Corbetta and Salvato 2004; Klein et al., 2005).

As indicated by Huse (1990), boards can enhance the expertise of the management team. However, as noted by Bammens et al., (2006), the need for board advice can be expected to decrease as the level of family experience and tacit knowledge of the business increases over the generations. Concommitently, as the level of organizational knowledge increases (Astrachan et al., 2002; Miller and Le Breton-Miller 2006), the need for complementary advice held by inside directors should decrease. We therefore propose the following:

Hypothesis 3: Family business experience influences the probability of having an outside board.

---

[4] Much more a « family clan » cycle.

[5] Translating the « family dynasty » influence.

[6] Referring to Voordeckers and al. (2007) concept of « board comprising external directors ».

Research method

Sample and data collection

As definitions of family businesses are various and ambiguities persist (Chua, et al., 1999), we provide an operational definition for the research objective. Firms included in this study were required to meet two selection criteria: (1) at least 50 percent of the ownership is controlled by the family and (2) at least two family members exhibit kinship ties or occupy management roles. These criteria produced a population of 168 industrial family firms, selected from a set of 270 public limited companies[7] included in the database of the Tunisian Agency for the Promotion of Industry[8]. A survey questionnaire was sent to all 168 CEOs. As Zahra (2005, p.30) points out, "the company's CEO is usually the most informed person concerning the company's entrepreneurial and strategic operations" and hence our selection of the CEO as the key informant in our survey. From this sample 76 usable responses were obtained from family firms operating in various sectors of industry, resulting in a net response rate of 45 percent.

The total sample characteristics is presented in Table 1. On average, responding firms are 30 years old. Most of the firms (76%) are small and medium sized. Young firms dominate the sample (<50 years)[9]. More than 20 percent are managed by the first generation of family owners, 71 percent by the second generation, and 9 percent by the third generation. In all of the firms, the CEO is also a member of the board. The sample is strongly dominated by family firms in which family ownership is high. More than half (55%) of the firms have 90 percent family ownership. Concerning this dependent variable, 50 percent of the firms have a family board, 38.2 percent have an inside board and 11.8 percent have an outside board.

Table 1. Descriptive statistics of the sample

	N=76	Percentage
Size		
Micro (<10 employees)	-	-
Small (10-50 employees)	23	30.3
Medium (51-250 employees)	35	46
Large> 250 employees	18	23.7
Age		
< 50 years	74	97.4
≥ 50 years	2	2.6
Generation		
First generation	15	19.7
Second generation	54	71
Third generation	7	9.3
Affiliation Classification of		
Directors	38	50
Family Boards	29	38.2
Inside Boards	9	11.8
Outside Boards		

Dependent variable: Board composition

We used the board classification adopted by Voordeckers et al. (2007) who proposed a complete classification, including different categories of director affiliation other than the traditional inside-outside board distinction. More specifically, they differentiate between (1) family boards composed entirely of family members, (2) inside boards with at least one director who is not a member of the family but who has a direct or indirect affiliation with the company, such as top management or affiliated directors and

[7] Or limited liability companies, in Tunisia "sociétés anonymes": with the legal obligation to have a Board of directors with at least three directors.

[8] The wider and most complete industrial database in Tunisia.

[9] Anderson and Reeb (2004) classify family firms as follows: Young family firms are those with a firm age of less than 50 years and old family firms are those with a firm age of more than 50 years.

(3) outside boards with at least one outside director. An outside director is defined as a nonexecutive who is not a family member, a nonfamily manager, or an affiliated director such as an attorney or accountant.

Independent variables: family business dynamic

Generational evolution

To determine the generation in charge of the company, the survey included a question in which respondents had to indicate the generation currently having decision power in the firm. We recoded this variable in three categories: first generation; second generation; third and subsequent generations.

Generational transition

This variable is measured by a dummy variable, coded "1" if the generational transition was planned and "0" otherwise.

Family business experience

Three items measure the experience dimension: (1) the generation of the family owning the company, (2) the generation of the family managing the company and (3) the generation active on the governance board. The alpha coefficient for this three-item scale is very high at 0.897.

Control variables

Two control variables were inserted into the econometric model: firm size (logarithm of the number of permanent employees) and firm age (logarithm of firm age measured in years). These control variables were used to capture company effects on the relationships depicted in the study's hypotheses.

Method

The objective of the econometrical model is to analyze the multivariate relationship between a mixed set of metric and categorical covariates and a polytonomous dependent variable. Thus, we need a procedure that can predict the estimate of the probability that the event will or will not occur. For metric dependent variables, multivariate regression can be used. However, as we have polytonomous dependent variables and metric variables, logistic regression is more appropriate. Logistic regression differs from multiple regressions in that it predicts directly the probability of an event occurring. This statistical technique consequently enables the identification, among interacting factors, of most significant variables explaining board composition in family-influenced firms. The data is analyzed with SPSS16.

Results and discussion

The relationship between board composition and the family dynamic was examined using a multinomial logistic regression analysis with the board composition as a categorical variable, having three alternatives: (1) a family board[10], (2) an inside board, and (3) an outside board.

Table 2 shows the results for the estimate of the multinomial logistic regression. The positive (negative) coefficients indicate positive (negative) relations between the independent variables and board composition.

Table 2. Multinomial logistic regression analyses for family business [a]

Independent variables	**Dependent variable**	
	(1) In (P_{fam}/ P_{out})	(2) In (P_{int}/ P_{out})
Intercept	1.667 (1.315)	1.833 (0.712)
Generation		
1st Generation	**1.602 (4.706)*****	**0.145 (0.159)***
2nd Generation	**0.807 (0.916)***	**1.477 (2.279)****
Generational transition	**3.445**	**3.206**

[10] For the Multinomial Logistic Regression procedure, we selected outside board as reference category.

	(4.331)***	(4.607)*
Experience	-3.064	-1.451
	(2.385)	(1.012)
LN (Firm size)	- 0.591	-0.194
	(2.200)	(0.215)
LN (Firm age)	**-0.834**	**-2.582**
	(0.418)**	(3.716)*
Chi square	45.219 ***	
N	76	

a -Third generation is the suppressed comparison categories. Wald statistics between parentheses.
* - p<10%;
** - p<5%;
*** - p<1%.

Results from statistical analysis of the data support H1. As expected, each generational evolution increases the probability of having outsiders on the board. Accordingly, we find a significant coefficient for the first generation (controlling owner). This stage of the firm's life cycle is characterized by strong family power resulting from the domination of family members holding the company's key leadership position. The resulting lack of goal conflict and risk differential between owners and managers reduces agency problems (Fama and Jensen, 1983). First-generation family firms have no need for control by an outside board. The surprising result is that the coefficient for the second generation is significantly positive in regressions (1) and (2). Family firms in the second generation are also less likely to adopt an outside board. Schulze, Lubatkin, and Dino (2003) point out that agency dynamics during the sibling partnership stage - found mostly in the second generation – are more problematic than in the stages of controlling owner (first generation) or cousin consortium (third generation and higher). However, from our result, we conclude that family firms adopt an outside board only when they have moved into the third generation (cousin consortium) stage. This result implies that first and second generations of family leadership are unceasingly influenced by the original business objectives and methods of the firm's founders. "Generational shadow"[11] and "legacy centrality"[12], as described in the literature (Sonfield and Lussier, 2004), remain in force beyond the first and second generations of a family firm. Indeed, the succession by the second generation is not equivalent to the formal leaving of the firm by the founder. Normally the founder's influence and authority remain influential and help to address subsequent sources of conflict among successive generations. Consequently, the founder's influence extends also to the choice of board members in second-generation family firms. In addition, third-generation CEOs of family firms seem to appreciate the presence of outside board members. They appear to recognize the added value outside directors can deliver as advisors or arbitrators.

The results support also H2. Thus, the generational transition influences the probability of adopting an outside board. Planning for succession is an opportune time also to consider the firm's objectives when the family anticipates the evolution and takes the time to address issues around the relationships within the firm and the family. During the transition period, the founder develops a better acceptance of the "retirement" stage and at the same time provides an opportunity for outsiders (family outsiders not necessary firm ones), to help arbitrate the potential conflicts between siblings. Subsequent generation successors are often better educated than the first generation owner manager. Indeed an increase in the firm's knowledge base contributed by later, more highly educated generations also increases the perception among the family members of the added value of outside directors. Moreover, family firms in the third generation seem to be less focused on family objectives and are more aware of the need for, and more likely to accept, external advice and counsel.

The coefficients in regressions (1) and (2) show the expected negative sign but the result does not show statistical significance. Family experience does not appear to influence board composition (H3 is thus rejected). This result seems to indicate that the board's role is not really that of an advisory mechanism in family firms, suggesting that there is no need for a particular board composition based on this characteristic.

---

[11] "In a multi-generation family firm a generational shadow, shed by the founder, may be cast over the organization and the critical processes within it".(Sonfield and al., 2004)

[12] « a family firm founder's "legacy centrality" will influence the strategic behavior of succeeding generations' family member managers, with both positive and negative impact » (Sonfield and Lussier, 2004).

For the control variables, the results show a significant effect of firm age on board composition. Older family firms are more likely to adopt outside boards. This result for firm age corroborates the findings for the first hypothesis relating to the family firm life cycle, while firm size has no influence on board composition.

Conclusion

The purpose of this study was to scrutinize the relationship between board composition and important dimensions of a family firm's dynamics, such as generational changes, leadership succession planning, family experience. General analysis of the two regressions in the multinomial logit model reveals that two comparisons show significant results. The comparison between outside boards and family boards seems to yield a more important result than the comparison between inside and outside boards for these firms. The results also show that reasons for appointing inside managers to the board of directors differ from reasons for appointing outside directors. This result indicates a third "family board" category where, in the case of family firms, the traditional "inside-outside" board categories are not relevant.

Succession planning and generational evolution are found to be significant determinants of board composition. Nevertheless, an expected relationship between formalised, outside boards and generational changes, especially with the move from first to second generation family leadership, shows a result opposite to that expected. The value added by outside directors is seen when family firms move into the third generation (cousin consortium stage) and usually not before. However, we might surmise that the introduction of outside board members is more likely to occur when the founder disappears (by illness or death). The patriarch's presence is strong in Tunisian culture and the disappearance of this leader figure can facilitate the "opening up" of the board to the appointment of outsiders.

We can thus describe the evolutionary process of board composition in family firms as follows. At the first stage in a firm's life cycle, the composition of the board comprises a majority of family members led by the founder. At the second stage, and if succession is planned, outsiders who are affiliated to and considered part of the large or extended family are introduced to the board. It is only from the third generation on, that the board will include outside members who are independent from the family
.

In general, the dynamics of the family firm are significant determinants of the composition of the board. , Our findings support the argument by Lynall et al., (2003) that board characteristics are an expression of the family firm's life cycle stageand also contributes to the literature that focuses on behavioural perspectives of corporate governance (Forbes and Milliken 1999, Huse 2005, Bammens and al., 2006).

Our study has some limitations that should be acknowledged and addressed in future research. First, we have discussed only a limited number of variables relating to the dynamics in family firms, deriving from these implications for board composition. Future research should incorporate other factors specific to family firms in empirical models to build a clearer understanding board effectiveness in this context. We propose, for example, including variables relating to family power and influence on firms (Corbetta and Salvato, 2004).

Second, subsequent studies can enlarge the theoretical foundations of agency and stewardship theory. Future research can gain further insights from the theoretical investigation of boards based on other theoretical perspectives such as resource dependence theory. According to this perspective (Pfeffer and Salancik, 1978), an organization benefits from the access to resources critical to company success that outside board members provide (Pfeffer and Salancik, 1978; Zahra and Pearce 1989; Borch and Huse, 1993). While an integrative conceptual model including resource dependence theory is outside the scope of this empirical paper, this theorical perspective represents a fruitful basis for future research.

Third, this study does not address several related board topics. In governance research, further analysis should focus on the relationship between family firm dynamics and the frequency of board meetings (Vafeas, 1999), board processes (Huse, 2005) and board diversity (Carter et al., 2003). The context of board processes requires a panel data sample for analysis. Such a data sample would also questions of causality between variables to be better addressed.

Finally, this study is limited to an investigation of family firms in the country context of Tunisia. Family firm dynamics may vary considerably in other country settings and cross-country comparisons may build a richer model of board composition at varying stages of firm and generational evolution.

References

1. Astrachan J., Klein S., Smyrnios K., (2002), "The F-PEC scale of family influence: a proposal for solving the family business definition problem", *Family Business Review*, vol. 15, n°1, pp. 45-58.
2. Bammens Y., Voordeckers W., Van Gils A., (2006), "Boards of directors in family firms: a generational perspective", *Small Business Economics,* vol. 31, n°2, pp. 163-180.
3. Barnes L B., S A Hershon (1994), "Transferring Power in the Family Business," *Family Business Review,* vol. 7, n°4, pp. 377-392.
4. Borch O J.,Huse, M., (1993), "Informal strategic networks and Boards of directors", *Entrepreneurship: Theory and Practice*, vol.18, n°1, pp. 23-36.
5. Carter D A., Simkins B J., Simpson G W., (2003), "Corporate governance, Board diversity, and firm value", *Financial Review*, vol.38, pp. 33-53.
6. Chua J H., Chrisman J J., Sharma P., (1999), "Defining the family business by behaviour", *Entrepreneurship Theory and Practice*, vol.23, n°4, pp. 19-39.
7. Claessens S, Fan J., Lang L., (2000), "The Separation of Ownership and Control in East Asian Corporations," *Journal of Financial Economics*, vol. 8, pp. 81-112.
8. Corbetta G., Salvato C., (2004), "The Board of directors in family firms: One Size Fits All?", *Family Business Review*, vol.17, n°2, pp. 119- 134.
9. Davis P., Harveston P., (1998), "The influence of family on the family business succession process: a multi-generational perspective, *Entrepreneurship Theory and Practice,* vol.22, n°3, pp.31-53.
10. Davis P., Harveston P., (1999), "In the founder's shadow: Conflict in the family firm", *Family Business Review*, vo.12, pp. 311–323.
11. Davis P., Harveston P., (2001),"The phenomenon of substantive conflict in the family firm: A cross-generational study", *Journal of Small Business Management*, vol.39, pp.14–30.
12. De Pontet S B, Wrosch C, Gagne M., (2007), "An Exploration of the generational Differences in levels of control held Among Family Businesses Approaching Succession", *Family Business Review*, vol.20, n° 4, pp. 337-354.
13. Ensley M., Pearson A., (2005), "An exploratory comparison of the behavioral dynamics of top management teams in family and non-family new ventures: Cohesion, conflict, potency, and consensus", *Entrepreneurship Theory and Practice*, vol. 29, pp. 267–284.
14. Fama E F., Jensen M C., (1983), "Agency problems and residual claims", *Journal of Law and Economics*, vol. 26, n°2, pp. 325- 344.
15. Fiegener M K., Brown B M., Dreux D R., Dennis, W J., (2000), "The adoption of outside Boards by small private US firms", *Entrepreneurship and Regional Development*, vol.12, n°4, pp.291-309.
16. Filatotchev I., Wright W., Toms S., (2004), "The firm's strategic dynamics and corporate governance life-cycle", International Journal of Managerial Finance, vol.2, Iss. 4, pp. 256- 279.
17. Finkelstein S., Hambrick D C., (1996), *Strategic Leadership: Top Executives and Their Effects on Organizations.* Minneapolis, MN: West Publishing Company.
18. Forbes D., Milliken F., (1999), "Cognition and corporate governance: Understanding Boards of directors as strategic decision-making groups", *Academy of Management Review*, vol.24, pp.489–506.
19. Johnson J L., Daily C. M., Ellstrand A E., (1996), "Board of directors: A review and research agenda", *Journal of Management*, vol.22, n°3, pp. 409-438.
20. Huse M., (1990), "Board Composition in Small Enterprises", *Entrepreneurship and Regional Development,* vol. 2, pp.363-373.
21. Huse M., (2005), "Accountability and creating accountability: A framework for exploring behavioral perspectives of corporate governance", *British Journal of Management*, vol.16, pp. 65–79.
22. Klein S., Astrachan J., Smyrnios K., (2005), "The F-PEC scale of family influence: construction, validation, and further implication for theory", *Entrepreneurship Theory and Practice*, vol. 29, n° 3, pp. 321-340.
23. Kohl D., White A., (2001), The Challenge of Family Business Transition, *Horizons*, Vol. 13, Number 5.
24. La Porta R., López-de-Silanes F., Shleifer A., (1999), "Corporate ownership around the world," *Journal of Finance*, vol.4, pp. 471-517.

25. Lievens J., (2006), *La gouvernance dans les entreprises familiales : les clés du succès*, Editions Racine, 112 p.
26. Lynall M., Golden B., Hillman A., (2003), "Board composition from adolescence to maturity: A multitheoretic view", *Academy of Management Review*, vol.28, pp. 416–431.
27. Miller D., Le Breton-Miller I., (2006), "Family governance and firm performance: Agency, stewardship, and capabilities", *Family Business Review*, vol.19, pp.73-87.
28. Morck R., Yeung B., (2003), « Agency problems in large family groups », *Entrepreneurship Theory and Practice*, vol. 27, pp. 367- 382.
29. Morris M., Williams R., Allen J., Avila R., (1997), "Correlates of success in family business transitions", *Journal of Business Venturing*, vol.12, pp.385–401.
30. Neubaur F., Lank A., (1998), *The family business: its governance for sustainability*, Macmillan Business, Great Britain, 270 p.
31. Pfeffer J., Salancik G R., (1978), The external control of organizations: a resource dependence perspective. New York: Harper and Row.
32. Rediker K J., Seth A, (1995), "Board of directors and substitution effects of alternative governance mechanisms", *Strategic Management Journal*, vol.16, pp. 85-99.
33. Schulze W., Lubatkin M., Dino R., Buchholtz A. (2001), "Agency relationships in family firms: Theory and evidence", *Organization Science*, vol.12, pp. 99–116.
34. Schwartz M A., Barnes L. B., (1991), "Outside Boards and Family Businesses: Another Look", *Family Business Review*, vol. 4, n°3, pp.269- 285.
35. Sundaramurthy C., Lewis M., (2003), «Control and collaboration: paradoxes of governance», *Academy of Management Review*, vol.28, n°3, pp. 397-415.
36. Vafeas N., (1999), "Board meeting frequency and firm performance", *Journal of Financial Economics*, vol.53, pp.113-142.
37. Voordeckers W., Van Gils A., Van den Heuvel J., (2007), "Board composition in small and medium-sized family firms", *Journal of Small Business Management,* vol. 45, n°1, pp. 137-156.
38. Whisler L. (1988), "The role of the Board in the threshold firm", *Family Business Review*, vol.1, pp.309- 312.
39. Zahra S A., (2005), "Entrepreneurial risk-taking in family firms", *Family Business Review*, vol.18, n°1, pp. 23-40.
40. Zahra S. A., Pearce J. A., (1989), "Boards of directors and corporate financial performance: A review and integrative model", *Journal of Management*, vol. 15, n°2, pp. 291-334.
41. Zahra S. A., Sharma P. (2004), "Family business research: A strategic reflection", *Family Business Review*, vol.17, pp.331–346.