

CORPORATE GOVERNANCE IN FAMILY FIRMS: TOWARDS A MODEL BASED ON DEGREE OF INSTITUTIONALIZATION (DI), STRUCTURING CHANGE (SC) AND DESTRUCTURING CHANGE (DC)

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Abstract

The family firm management literature underrates corporate governance issues both because in family firms the entrepreneur/owner tends to concentrate in his hands almost all the decision power and because the concept of family business is associated with that of small business. On the other hand, the 'family' character over firm governance has been traditionally analysed in terms of institutional overlap (family versus business) that causes processes of instability, conflicts, divisions and crisis, both inside the family and between owners and managers. Our paper, after a summary of the literature, aims at proposing a different point of view on the corporate governance dynamics in family business and a different path to understand the change processes into these organizations adopting a Situationist View of the Organizations (SVO) that is focused on the continuous work of two processes: action and institutionalization, that build, break and rebuild social reality. Under this point of view some topics – institutional processes, coalitional games and power dynamics – suggest different considerations about the processes of governance and power. The concept of actor (or strategic

actor) is of particular relevance. It refers to an individual (human actor) or, more often, a coalition of individuals able to act strategically for the protection of their specific interests. The concept of strategic actor goes far beyond the organizational boundaries, as often a coalition is composed by both internal and external members.

1. INTRODUCTION

Both family business and corporate governance issues are deeply explored in management literature. This paper does not aim to recap these fields of studies. Nevertheless, we can argue that since in family firms the entrepreneur/owner tends to concentrate in his hands almost all the decision power, the corporate governance structures is not considered a key success factor.

One of the reasons for this underestimation of corporate governance issues in family firm management literature is, perhaps, the idea of associating the concept of family business with that of small business. If it is true that almost always a small business is a family business, the opposite is not (Table 1).

Table 1. Top 10 family firms in the world

<i>Rank</i>	<i>Company name</i>	<i>Family owner(s)</i>	<i>Founded</i>	<i>Listing status</i>	<i>Country</i>	<i>Family shareholding</i>	<i>2017 revenues in USDm</i>
1	Walmart Inc	Walton	1945	Public	USA	50.70	495,012
2	Volkswagen AG	Porsche and Piech	1937	Public	Germany	52.20	276,996
3	Berkshire Hathaway Inc	Buffett	1955	Public	USA	37.60	239,289
4	Exor NV	Agnelli	1899	Public	Netherlands	53.00	171,176
5	Ford Motor Company	Ford	1903	Public	USA	40.00	156,776
6	Schwarz Gruppe	Schwarz	1930	Private	Germany	100.00	127,616
7	BMW AG	Quandt and Klatten	1916	Public	Germany	72.70	118,489
8	Cargill Inc	Cargill and MacMillan	1865	Private	USA	88.00	109,699
9	Tata Sons Ltd	Tata	1868	Private	India	73.40	95,155
10	Koch Industries Inc	Koch	1940	Private	USA	84.00	84,526

Source: Family Capital, www.famcap.com (2018).

Here are some family business facts (Conway Center for Family Business, 2019):

- Family firms, on average, account for 80 to 90 percent of the number of medium and small capital enterprise around the world.
- In the US, family businesses account for 64 percent of the GDP, generate 62 percent of the country's employment, and account for 78 percent of all new job creation (Astrachan, Shanker, 2003).

- The greatest part of America's wealth lies with family-owned businesses. According to the US Census Bureau, family firms comprise 90 percent of all business enterprises in North America (Family Owned Businesses, January 2019).
- Family-owned businesses have strong entrepreneurial activity across time in terms of rearranging the portfolio of activities through founding activities, mergers and acquisitions, as well as disinvestments (Zellweger et al., 2012).
- Family businesses leaders focus on the next generation, not the next quarter. They tend to embrace strategies that put customers and employees first and emphasize social responsibility (Fernandez-Araoz et al., 2015).

On the other hand, the effects of 'family' character over firm governance have been traditionally analysed in terms of institutional overlap (family versus business) that, mainly during the generational transitions, causes processes of instability, conflicts, divisions and crisis, both inside the family and between owners and managers (Davis, 1983; Lansberg, 1983; Schillaci, 1990; Mastroberardino, 1996; 2002; Mastroberardino et al., 2008). Further critical elements have been identified in conducts of nepotism and favouritism towards the family members (Kets de Vries, 1996; Powell, Eddleston, 2019) and in the severe constraint on growth due to family's aversion versus the opening of ownership to external shareholders. The underlying core hypothesis is that the world of rational decisions and efficiency (the firm) sooner or later collides with the world of affection and solidarity (the family). This hypothesis, however, takes for granted some assumptions – including that of full rationality of human decisions – that the literature of social sciences, during the last fifty years, has literally demolished. Finally, in family businesses the dialectic between governance structures and power games (inside the family, inside the firm and between them) is probably the best lens for understanding (ex post) the concrete evolutionary dynamics.

That being said, the paper aims at proposing a different point of view on the corporate governance dynamics in family business and a different path to understand the change processes into this organizations adopting a Situationist View of the Organizations (SVO) (Mastroberardino, 2010; Mastroberardino & Calabrese, 2007, 2013).

In a SVO some topics – institutional processes, coalitional games and power dynamics – suggest different considerations about the processes of governance and power. Two theoretical approaches, seemingly divergent, are linked to these roots (Barley, Tolbert, 1997; Mastroberardino, 2006): the political approach and the neo-micro-institutionalism. The political approach emphasizes the strategic action of the actors (individual or coalitional) oriented to protect their own specific interests. On the other hand, neo-micro-institutionalism focuses on "material and symbolic constraints that institutions make on human behavior" (Bonazzi, 2000). Within the SVO, the concept of actor (or

strategic actor) is of particular relevance. It refers to an individual (human actor) or, more often, a coalition of individuals able to act strategically for the protection of their specific interests. The concept of strategic actor goes far beyond the organizational boundaries, as often a coalition is composed by both internal and external members.

2. THE DOMINANT PARADIGM IN CORPORATE GOVERNANCE APPROACHES: THE FIRM AS INSTITUTION

The scientific debate on Corporate Governance (Mazzoni & Mustilli, 2007) issues can be dated back to the mid-1930s, probably opened by Berle and Means (1932) who firstly pointed the light on the process of separation between ownership and control. In the following decades Corporate Governance became a key theme in management literature. Starting from the mid-1990s, has begun a new phase of analysis inspired by some critical reflections by Ghoshal and Moran on the Transaction Cost Economics and the Agency Theory (Ghoshal & Moran, 1996a; 1996b) more recently relaunched due to the well-known corporate scandals (Pfeffer, 2005; Mintzberg, 2005; Hambrick, 2005).

The scientific production on this subject is very wide and in continuous development. This paper does not aim to provide an exhaustive review (Freeman & Evan, 1990; Zingales, 2000; Monks, Minow, 2004; Zattoni, 2015; Esposito De Falco, 2006, 2014). Regarding Corporate Governance in family business (Burkart et al., 2002; Barontini & Caprio, 2005; Colarossi et al., 2008; Ediriweera et al., 2015; Esposito De Falco, 2016; Swain, 2017), researchers set their researches on the relationships among the different actors across the firm and family: the role of the family members (pure owners or hybrid, owners and managers), the setting of the board of directors (its composition, the role of CEO and Chairman of the board, the size of the board), the role of the executives (external non family senior manager vs family ones), other relevant stakeholders (first of all, financial institutions).

The reference literature, both concerning the Agency Theory (Jensen & Meckling, 1976; Fama & Jensen, 1983a; 1983b) and the Stewardship Theory (Donaldson & Davis, 1991; Fox & Hamilton, 1994; Davis et al., 1997), despite the diversity of perspectives about the nature of man, shares some non-negligible affinities.

Both approaches define *ex ante* both the actors (family/non-family owner, family/non-family board member, family/non-family executive, etc.) and their interactions, predetermining – albeit with different settings – intentions, motivations, values and, therefore, actions on the basis of ideal categories, functionally to the needs of the conceptual scheme. In both cases, the theoretical cage tends to define (in a prescriptive manner) what actors should be (opportunistic, selfish or loyal, altruistic) and what they should do (personal interest or collective interest). All those actions that remain outside the framework are qualified as deviances, exceptional cases. Focusing attention on approaches inspired by a systemic rationality, between mechanic and

organic metaphors, structural-functionalist (Parsons, 1937, 1951) and cognitivist visions (Luhmann, 1990), emerge the convergence towards an idea both of the firm and the family as institutions (strong), systems themselves, prevailing over the actors (weak) who are part of it, which are treated as structural components.

Both approaches refer to the same paradigm, which is widely dominant in management studies, called as a 'unified approach' (Burrell & Morgan, 1979). This paradigm reifies the organizations/institutions (firm, family) and interprets them as a collective entity with its own identity and strategic thinking aiming at generating order, harmony and integration.

In other words, organizations are defined as a 'pre-determined system with respect to the actors' (Mastroberardino & Calabrese, 2013). The actors, in this frame, operate for common good of the system: within the family, solidarity prevails over individual ambitions; within the firm, the common interest towards business development and growth prevails over individual motivations and goals. The healthy forces of cooperation and convergence are projected to prevail over individual interests. The strategic goal becomes the survivor of the system.

The concept of power is a marginal element, interpreted with an ambivalent logic: a good power, functional to order and governability – which is institutional, formal, concentrated in the hands of the pro tempore dominant coalition – and a bad power, dysfunctional – source of deviant behaviours, vicious circles and chaos, opportunism and ungovernability of the firm, which emerges from the coalitional dynamics that aim to modify the status quo.

In this conceptual framework, the problems of governance are explained through logical-deductive schemes (strong causality), or through inductive models based on quantitative research. Consider, for example, the great amount of researches that correlate some elements of a certain corporate governance structure (ownership concentration, presence of a blockholder, characteristics of management, organization of the board, internal control systems, incentive mechanisms, etc.) with some company performance (Wruck, 1989; Shleifer & Vishny, 1997).

3. THE SITUATIONIST VIEW OF THE ORGANIZATIONS

Prior to present our theoretical model, as provided by the SVO, it's appropriate to briefly introduce the framework itself. First of all, let's point out its clear distinction from the Contingency Theory, also called 'situational approach' (Burns & Stalker, 1961; Lawrence & Lorsch, 1967). The SVO is a synthesis between political and neo-micro-institutional perspective; it qualifies each organization as a space of games, a place of different interests and different strategies, a place of interaction, negotiation and conflict among actors and their coalitions (Mastroberardino et al., 2013).

The SVO refers to the micro-actionist epistemological framework, in particular: social phenomenology (Berger & Luckmann, 1966); symbolic interactionism (Mead, 1934) and ethnomethodology (Garfinkel, 1967)

On one hand, the neo-micro-institutionalism (Powell & DiMaggio, 2000) allows us to take distance from the settings of strong rationality, both individual and systemic, that populate management literature, and to focus our attention on the institutional framework (beliefs, rules, constraints, pressures, practices and myths) and institutional pressures that work on the actors of a specific 'field of concrete action' (Thompson, 1967). On the other hand, deepening the concept of power (Crozier & Friedberg, 1978; Pfeffer, 1981; Friedberg, 1994), the coalitional dynamics that really orient the actors within the organizations come in evidence.

The organizations do not exist as strategic actors. They are not qualified as a 'pre-determined system with respect to the actors' but as a 'concrete system built by the actors'. The organizational strategies, then, become rationalized myths, an intersubjective construct not assisted by an aura of objectivity and functionality to the interests of organization itself. It is the result, influenced by unintended effects, of the strategic action of a pro-tempore dominant coalition.

The strategies of the actors contribute to – even not strictly determine – the construction of the complex social reality that we call organization. In a situationist point of view, an organization is therefore defined as a 'concrete system built by the actors', never a 'pre-determined system with respect to the actors'.

4. AN ALTERNATIVE PROPOSAL: A MODEL BASED ON DEGREE OF INSTITUTIONALIZATION (DI), STRUCTURING CHANGE (SC) AND DESTRUCTURING CHANGE (RC)

What happens if we do not consider the firm and the family as institutions (with capital "I"), as strategic actors themselves? What happens if we pay attention to: a) the concrete power dynamics induced by the strategic action of the human actors (individual and coalitional)? b) the pressure, both material and symbolic, that institutions (with the lowercase 'i') make on human behaviour? Can we still define corporate governance structures as the result of a technical design strategically oriented toward a goal?

The SVO is focused on the continuous work of two processes: action and institutionalization, that build, break and rebuild social reality (Figure 1). The continuous work of these two processes produces building, breaking and reconstruction of social reality (Giddens, 1984).

Institutionalization can be defined as the process of social reiteration through which a practice or structure acquires stability, becoming well established and widely recognized (Huntington, 1968). On the other hand, we can define action as the more or less radical and more or less sudden deviation from an institutionalized practice or structure.

Figure 1. Action and institutionalization processes



Source: Our elaboration

Regarding family firms we can represent these dynamics both on business field and on family field (Figure 2). We are aware that this is a simplification, useful for the purposes of the research, since the two organizational fields are actually connected.

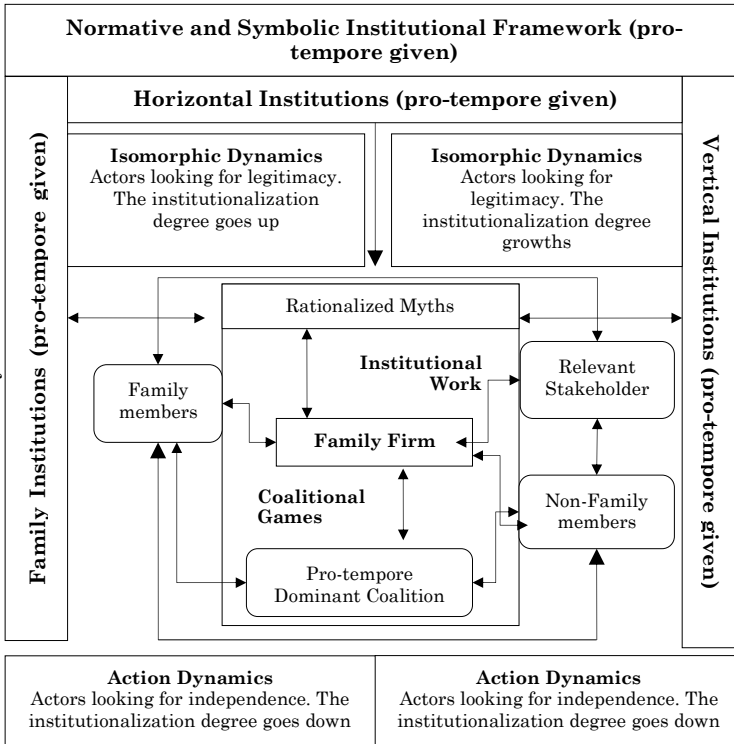
Macro-level (institutional framework as a social construct, divided into horizontal, vertical and family institutions) and micro-level (individual or coalitional strategies) are inextricably intertwined. "Each actor fundamentally perceives and describes social reality by enacting it and, in this way, transmits it to the other actors in the social system" (Zucker, 1977, p. 728). This lens shows that changes in family governance structures are to be placed in a stratification of constraints and opportunities (as perceived by the pro-tempore dominant coalition) that operate, conceptually, at different levels. Once institutionalized, a certain corporate governance structure generates and endorses socially correct beliefs and practices, becoming a rationalized myth. A rationalized myth is a powerful taken-for-granted rule or belief system that embodies stories about cause and effect and successful solutions to problems (Meyer & Rowan, 1991). It appears rational because specifies what actors must do to be efficient, but it's a myth because its efficacy depends on the fact that it is widely shared rather than inherently correct.

Opposite solutions can find technical justifications based on arguments that appear perfectly rational:

- the total size of the board should range from 9 to 15 members, in order to avoid the strongest members to influence the board orientation;

- the total size of the board should range from 5 to 9 members, in order to help the communication and interaction among members;
- the board should be composed of non-executive directors, in order to erase each conflict of interest and maximize their objectivity to take in charge the control of the managers;
- the board increases its effectiveness if there are some executive directors thanks to a significant reduction of information asymmetry.

Figure 2. Degree of institutionalization, structuring change, destructuring change



Source: Our elaboration

A rationalized myth challenges both the notion of an objective rationality and the idea of neutrality of corporate governance mechanisms, arguing that both are socially constructed by widely accepted norms and patterns of behavior. Thanks to their institutionalization, this type of myths induces some habitus (Bourdieu, 2003) inside the corporate governance mechanisms in the form of beliefs, practices, rules, and so on, established through processes of isomorphism

that erect a normative and symbolic institutional framework. Starting from these concepts, we can define institutional convergences as a set of pressures arising from the coercive, mimetic and normative isomorphism (DiMaggio & Powell, 2000) that leads the governance dynamics.

On the other hand, the rationalized myths are not immutable but constantly changing: strategic actors (individual or coalitional) continuously challenge a certain institutional framework – that obstructs or damages their interests – to build a new and different one, where they could have wider degrees of freedom. The potential for change depends on the perceived degree of institutionalization (Huntington, 1968; Panebianco, 1988; Goetz & Peters, 1999).

It must be considered that not all practices are equally institutionalized. The higher is the degree of institutionalization, the higher is the risk of delegitimization for the actors who deviate from these practices. The higher is the degree of objectivity and exteriority of a rationalized myth, the more effective will be the transmission of cultural values to the actors, the smaller the potential for change and the probability of break-up of the institutional framework. The strength of the isomorphic processes helps to understand the reason for the tendency of many family businesses to proceed on the basis of a 'principle of similarity', adopting governance structures and processes that are widespread and consolidated in their organizational field looking for legitimacy. We call 'structuring change' those evolutionary behaviours through which the changes aim at creating an image of the company as coherent as possible with the expectations that characterize the organizational field. These changes reinforce the degree of institutionalization of the current status quo.

On the other hand, a 'destructuring change' in the corporate governance status quo produces both technical effects and political effects, both inside and outside the firm and the family. Power and uncertainty are redistributed, the mechanisms of interaction with stakeholders change, the dynamics of distribution of value change, the external perception of the company changes. There are no neutral changes in the corporate governance structures.

This type of change (action) creates a breakdown, more or less deep, of the pre-existing balance of power and induces a construct of games and negotiations (coalitional games) of values and rules that are, at the same time, result and instrument of the game itself (Dalton, 1959).

In SVO we also call 'action' the whole dynamic described above, a flow of conflict and cooperation aiming to build a concrete system that works for a specific set of interests, overcoming existing constraints and redefining new ones. Moreover, the political perspective differently qualifies some resonant concepts – organizational inertia, resistance to change – always associated with pathological behavior of some actors that, selfishly, wouldn't operate for the common good by putting at risk the survival of the System. These actors, strategically acting, try to resist to a change that – compared to their interests – is unfavorable. Finally, an evident not neutral role of corporate governance mechanisms

emerges. The pro-tempore dominant coalition (Dill, 1958), in fact, works in order to build and consolidate – even not wholly free – a certain status quo. To do this the pro-tempore dominant coalition intentionally selects some specific mechanism of corporate governance in order to stabilize its power reducing its risk.

In summary, the isomorphic processes spread and duplicate rationalized myths making them more and more rational and credible simply because widespread. The nonconformity from these prescriptions results in de-legitimization of the actor. Institutions, however, are not natural entities: they appear as the non-deterministic result of strategic action of the actors who, even unintentionally, end up creating a pro-tempore coercive local order. The changing in corporate governance structures and process can be defined as the failure to replication of consolidated logics, stabilized schemes and taken-for-granted routines.

On the other hand, the political approach emphasizes the strategic action of actors (individual or coalitional) oriented to protect their own specific interests. The concept of 'power' with respect to a specific field of concrete action (Crozier & Friedberg, 1978) is central to this approach. Strategic actors (individual or coalitional) work to structure social interactions within a field of concrete action for their own advantage, in order to gain, preserve and increase their degrees of freedom and unpredictability. The strategic action is realized by using political mechanisms (communication, negotiation, cooperation and conflict) in order to increase their influence. Through the lenses of coalitional games some strategies of corporate governance appear for what they are: lobbying strategies aimed at building a reality that can be functional to a strategy, in order to protect the interests of a certain coalition, asymmetrically compared to others.

5. CONNECTING ACTION AND INSTITUTIONALIZATION: SOME RESEARCH HYPOTHESES TO UNDERSTAND CORPORATE GOVERNANCE CHANGE IN FAMILY FIRMS

We present below, the first stage of a research program that aims to build a model that interconnects two focal drivers in the dynamics of corporate governance change in family firms: the degree of institutionalization (DI) and, its logical opposite, the degree of action (DA).

The first stage of the research program – the results of which are presented here – focuses on defining a set of hypotheses to be validated through further empirical activities planned for the next steps. We defined these set of hypotheses starting from the key assumptions of the SVO, as above presented, and thanks to some informal talks with some key players, family and non-family members, owners and managers, all belonging to the pro-tempore dominant coalition in their organizations (all family firms).

The purpose of these informal talks was twofold:

- collecting the perceptions of key players about the concepts of

degree of action (DA) and degree of institutionalization (DI), previously exposed and shared with them;

- building together a conceptual map about the key concepts of the model to be used for the definition of research hypotheses.

Based on this base of knowledge we defined the primary hypotheses of our model that will be the subject of subsequent validation.

The first six research hypotheses referred to the degree of institutionalization (DI):

1. The institutionalization does not assume the states of 'absence' (no institutionalization, total freedom of action) or 'completeness' (institutionalization absolute, no freedom of action, total determinism). There is a degree of institutionalization (DI) pro-tempore perceived by the actors of a certain institutional framework.
2. The degree of institutionalization (DI) is positively related to the effectiveness of the isomorphic processes (coercive isomorphism, mimetic isomorphism, normative isomorphism).
3. Isomorphic processes are positively correlated with each other.
4. The perceived degree of institutionalization (DI) influences the perceptions about the costs/benefits of the institutional divergence (i.e. interrupting isomorphic behaviour) and the costs/benefits of the institutional convergence (i.e. reiterating isomorphic behaviour).
5. The perceptions about costs and benefits with regard to the options of institutional divergence or institutional convergence influence preferences about risk and return expectations.
6. The preferences about risk and return expectations influence the decisions of change between structuring change (institutional convergence, strengthening the degree of institutionalization) or destructuring change (institutional divergence, weakening the degree of institutionalization).

With reference to the degree of action (DA) the main research hypothesis are:

H₁: The degree of action (DA) is positively related to the young age of the family firm and to the relevance of professionals (external managers) inside the pro-tempore dominant coalition.

H₂: The degree of action (DA) is negatively related to the degree of external resource dependency (Pfeffer & Salancik, 1978).

H₃: The consistency of pro-tempore dominant coalition is negatively related to the level of organisational uncertainty, to the fragmentation of internal power and to the level of coalitional games.

H₄: The organisational uncertainty, the fragmentation of internal power and the level of coalitional games are positively related with each other triggering a self-reinforcing cycle.

The last hypotheses is:

H₅: The degree of institutionalisation (DI) and the degree of action (DA) are negatively related with each other triggering a self-reinforcing cycle.

6. CONCLUSION

The paper frames the theme of corporate governance in family firms avoiding the strong hypotheses on the actors (owners, managers, financial institutions, stockholders, etc.) whose profiles, expectations and conducts are, in both main theoretical approaches to the topic, described (and prescribed) *ex ante*. In the Agency Theory, for instance, the ownership (qualified as principal) has homogeneous interests (blurring any distinction between controlling and minority shareholders), supplier of the critical resource (the capital), weak part in the dynamics of information asymmetry with respect to the management. On the other hand, managers (qualified as agent) have homogeneous interests (by blurring the distinctions between top and middle managers or between owner and non-owner managers), they provide a non-critical resource (knowledge and managerial skills), they are the strong part in the dynamics of information asymmetry, they behave in an opportunistic manner and generate agency costs. These assumptions about individual behaviors starting from roles are almost never observed in reality but are functional to the pretense of knowledge (Hayek, 1989) of the theory that produced them.

The SVO leaves this pretense of knowledge and its integrated and coherent idea of the organizations. On the contrary, the effort is oriented towards a weaker vision, less desirous of reaching – sooner or later – general laws of explanation of the governance phenomenon and oriented to understanding, case by case, the complex institutional and power dynamics that produced certain results.

The concrete structures of corporate governance, moment by moment, are *pro-tempore* stabilized arrangements, compromises that achieve the regulation of conflicts between groups and allow, through continuous adjustments, a degree of satisfaction of their interests, both reciprocally and with the aims and the interests of the dominant coalition.

The stabilization, however, is never over: tensions towards its maintenance live together with tensions towards its overcoming to a different arrangement. The concrete governance structures conceal a plot of value exchanges concerning the resources that business processes need (absorbed value) and the rewards that the actors holding them consider satisfactory (distributed value).

The continuous progress of the action ↔ institutionalization processes can be used to re-read, in a situationist key, the wide literature focused on the so-called mechanisms of corporate governance: the ownership structure, the board of directors, the management incentives (pay for performance, stock options, and so on) and the internal audit systems.

Action and institutionalization are always co-present and antagonistic. At certain moments they may present a different intensity: a weak perceived institutional framework (low degree of institutionalization) may increase the intensity of political games aimed

at modifying it, favoring the change of the governance structure (destructuring change). Vice versa, an institutional framework perceived by the actors as solid and legitimized (high degree of institutionalization) will be more resilient with respect to the dynamics of power aimed at changing it and will instead make more probable isomorphic strategies (structuring change) aimed at consolidating it.

7. LIMITATIONS AND IMPLICATIONS FOR FUTURE RESEARCHES

The SVO represents family firm as a political arena, a set of strategic options and development pathways that are not determined by its nature, as the dominant paradigm seems to suggest. Through this lens, it becomes a social construct, an effect, even not wholly intentional, of the concrete political and institutional dynamics emerging from the interaction among the different strategies of the concrete actors (individual or coalitional) that look for a greater degree of freedom and appropriation of value within an institutional framework of constraints, rules, practices and beliefs.

In methodological terms, the SVO suggests the adoption of a qualitative approach that re-evaluates techniques and tools of historical, anthropological, sociological and ethnographic research. Similar empirical research cannot identify the general laws of the corporate governance, risking otherwise falling back into esoteric but unfruitful recipes suggested by many business gurus. Conversely to understand the dynamics of corporate governance we have to analyse, case by case, *hic et nunc*, the concrete power of the actors to turn the process of institutionalization to their advantage. According to the SVO, for instance, the mechanisms of corporate governance cannot be used as causal factors (independent variables) in the context of quantitative research aimed at explaining the performance and risk profiles of the companies that adopt them and which, on this basis, are abstractly classified. They are not the data of the survey and do not have only a technical profile. They are political tools used in coalitional games. Each of them helps to understand the margins of freedom and the concrete strategic options of a certain coalition at a certain time, showing its power with respect to the institutional framework in which it acted. At the same time, the processes of stabilization and destabilization of governance structures (transfer of control stock share, extensions or shortening of pyramid structures, appointments and revocations of directors, creation or cancellation of committees, changes in incentive plans, etc.), are the signals of the tensions between continuity and change.

This could be seen as a significant limitation of the SVO. Of course, applying to the family firms the approach of 'pre-determined systems with respect to the actors', it can be true. On the contrary, the epistemological choice of the firm as a 'concrete system built by the actors' turns this limitation into an opportunity for deeper exploration of

experiences and cases, successes and failures.

Abandoning pretentious ambitions of some theoretic paths, research will support the corporate governance learning and spreading knowledge on family/non-family strategies, finally coming out of the naivety or hypocrisy that characterizes it. In the future, hopefully, research programmes will be less conditioned or influenced by value judgments which, cleverly hidden into fascinating theoretical proposals, inhabit the management literature on corporate governance.

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