**Academia Revista Latinoamericana de Administración**

# Corporate governance in family businesses from Latin America, Spain and Portugal: A review of the literature

Diógenes Lagos Cortés, Isabel C. Botero,

# Corporate governance in family businesses from Latin America, Spain and Portugal

## A review of the literature

Received 8 March 2016
Revised 17 April 2016
Accepted 15 May 2016

# Gobierno Corporativo en Empresas Familiares de Latinoamérica, España y Portugal

## Una Revisión de la Literatura

Diógenes Lagos Cortés
*Department of Family Business, INALDE Business School, Universidad de la Sabana, Chía, Colombia, and*
Isabel C. Botero
*Department of Management, Stetson University, DeLand, Florida, USA*



## Abstract

**Purpose** – The purpose of this paper is to summarize what is known about corporate governance in family firms from Ibero-American countries based on published research.

**Methodology** – The authors conducted a literature search to identify the articles that have been published about the corporate governance of family firms in Latin America, Spain, and Portugal between 1980 and 2014. The authors found 38 articles that provide the sample for this review.

**Findings** – The results indicate that research on governance in Ibero-American family firms has focussed on understanding structures and processes related to the business and ownership systems. However, generalization of results across the region is difficult because of the lack of systematic approach of studies and the focus on a small number of countries.

**Research limitations/implications** – There are at least two limitations of this work: the small sample of projects identified for the review and the lack of systematic approach to research. Both of these may be due to the importance given to publishing the university context in this part of the world. As the culture of knowledge changes, the authors expect that research in this area will grow.

**Originality/value** – Although previous research indicates that cultural characteristics affect governance system choices and understanding of family firms, not many studies explore the importance of culture in governance choices of family firms. This paper provides a baseline of the understanding of governance in Ibero-American family firms, and identifies important area for future research.

**Keywords** Corporate governance, Family businesses, Family firms, Family enterprises, Latin America, Ibero-America

**Paper type** Literature review

Academia Revista Latinoamericana de Administración
Vol. 29 No. 3, 2016
pp. 231-254

1012-8255
DOI 10.1108/ARLA-03-2016-0064

**Resumen - Español**
**Propósito** – La meta de este proyecto era resumir lo que sabemos acerca del gobierno corporativo en empresas familiares en países iberoamericanos.
**Metodología** – Se realizó una búsqueda en la literatura para identificar artículos que se hubiesen publicado en el área de gobierno corporativo sobre empresas familiares en Latinoamérica, Portugal y España entre 1980 y el 2014. Se encontraron 38 artículos que representan la muestra en este resumen de la literatura.
**Conclusiones** – Los resultados de esta investigación sugieren que la investigación sobre gobierno corporativo en empresas familiares iberoamericanas se ha centrado en entender las estructuras y los procesos relacionados a los sistemas de la empresa y la propiedad. Sin embargo, la generalización de estos resultados a través de toda la región es difícil porque falta de investigaciones sistemáticas sobre temas similares y por la concentración de estudios en países específicos.
**Limitaciones** – Este trabajo tiene por lo menos dos limitaciones: el tamaño de la muestra y la falta de estudios sistemáticos en investigaciones de esta área. Estas dos limitaciones pueden están relacionadas con la importancia que se le da a la publicación de investigaciones en esta región del mundo. A medida que la cultura del conocimiento en esta región cambie, se notara la proliferación de más estudios en el área de gobierno corporativo en empresas familiares iberoamericanas.
**Originalidad y Valor** – A pesar que investigaciones previas indican que las características culturales afectan las decisiones sobre sistemas de gobierno corporativo y como entendemos las empresas familiares, no hay mucha investigación acerca de la importancia de la cultura en las decisiones de gobierno en empresas familiares. Este trabajo representa una base para entender el gobierno corporativo en empresas familiares iberoamericanas y para identificar áreas de énfasis en investigaciones futuras.
**Palabras clave** Gobierno corporativo, Empresas familiares, Latinoamérica, Iberoamérica
**Tipo de Documento** Revisión de literatura



## 1. Introduction

Definitions of what constitutes a family firm vary greatly (Chua *et al.*, 1999). However, researchers agree that there are some commonalities between definitions that help us differentiate between family and non-family firms (Astrachan and Shanker, 2003; Chua *et al.*, 1999). In general, family firms are organizations "that are governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generation of the family or families" (Chua *et al.*, 1999, p. 25). Family firms represent one of the oldest types of organization around the world (Colli, 2003). It is estimated that between 70 and 80 percent of all of the companies worldwide are family owned, managed, or controlled (IFERA, 2003). Family businesses[1] play an important role for the economy around the world through their contributions to the GDP of countries, and the amount of people that they employ (FBN, 2008; Mandl, 2008). Because of this, there has been a great need to understand the unique characteristics of these organizations and how they differ from their non-family counterparts.

Even though family businesses are common throughout the world, most of our understanding about them is based on knowledge from academic and practitioner literature done in North America and Europe (De Massis *et al.*, 2012). This is problematic because cultural contexts can play an important role in how family businesses behave (Sharma and Chua, 2013). Sharma and Chua (2013) suggest that researchers should explore the differences between family businesses from different cultures. They argue that the cultural context can influence what is important for individuals, the relationship between variables of study, and the how the family and the business are understood. The current project focusses on family firms in

Ibero-American countries (i.e. all countries from Latin America, in addition to Spain and Portugal). These countries constitute a rapidly growing and influential region of the world. They have a combined population that exceeds 600 million people, are major providers of strategic commodities to the world (i.e. iron, cooper, and Zinc), represent an important market for manufacturers, and are important partners to major players around the world (Nicholson, 2011). Additionally, family firms play an important role in this region of the world. For example, in Spain and Portugal family businesses represent between 80 and 85 percent of all of the organizations, generate over 75 percent of new jobs, and contribute over 70 percent of the GDP to both countries. Family firms also represent an important percentage of firms in countries like Argentina (65 percent), Brasil (90 percent), Chile (75 percent), Colombia (46 percent), and Mexico (95 percent) and have significant impact in their economies (Poza, 2010; Tapies, 2011; Superintendencia de Sociedades, 2012). Given the important role family businesses play in the world's economy and in Ibero-American countries, and the limited knowledge that we have about these types of organizations in Ibero-American countries, this project summarizes published papers about family businesses in Latin America, Spain, and Portugal. Our focus is on corporate governance, which is a key determinant for the success or failure of organizations (Steier *et al.*, 2015).

In its most general form, corporate governance refers to the study of structures and processes that affect power and influence during corporate decision making (Aguilera and Jackson, 2010). Within family firms, the study of corporate governance includes the understanding of structures and processes used to ensure that the actions of organizational stakeholders are consistent with the goals of the dominant coalition (Aguilera and Jackson, 2003; Chua *et al.*, 1999; Gallo and Kenyon-Rouvinez, 2006; Sirmon and Hitt, 2003). Family involvement in a firm introduces important considerations when understanding corporate governance (Pieper, 2003; Villalonga *et al.*, 2015). For example, the inclusion of the family system in the business requires structures and processes that allow for parallel family and business thinking to support, integrate, and balance the interests of both the family and the business systems (Carlock and Ward, 2001). Researchers argue that the governance of family firms is more complex because it requires the management of family and business relationships (Cadbury, 1999; Pieper, 2003; Villalonga *et al.*, 2015). In the family business context decisions about corporate governance are important because they can help the family and the business adapt to changes in the environment and disruptions that may occur over time (Miller and Le Breton-Miller, 2006, Suess, 2014).

Several researchers have argued that the cultural context affects which governance structures are used in organizations, and how they use these structures (Aguilera and Jackson, 2003; Li and Harrison, 2008; Volonté, 2015). For example, Suáre and Santana-Martin (2004) suggests that governance practices in Spain are influenced by the characteristics of the legal system, which promote the protection of internal stakeholders. Volonté (2015) also suggests that language and religion are two of the cultural factors that influence the structure of boards of directors – one of the most important components of corporate governance. Building on this idea, the primary goal of this project was to summarize what we know about corporate governance in family firms from Latin America, Spain, and Portugal, and to compare this knowledge with mainstream research from the USA and Europe.

To achieve this goal we conducted a literature search identifying articles that were published in the area of corporate governance in family firms between 1980 and 2015.

Within these, we identified articles that were conducted with samples from Latin-American countries, Spain, and Portugal. This resulted in a total of 38 articles that serve as the base for this review. The following sections begin with an explanation of the unique characteristics of corporate governance in family firms and how this topic has been studied in the past. Building on this review we identify the research questions for our paper. We then explain the methodology used and the coding protocols followed. Later we provide some general observations about the research that we reviewed, and general findings regarding each of our research questions. We conclude the article by discussing the implications of our findings and identifying gaps in our understanding that highlight directions for future research.

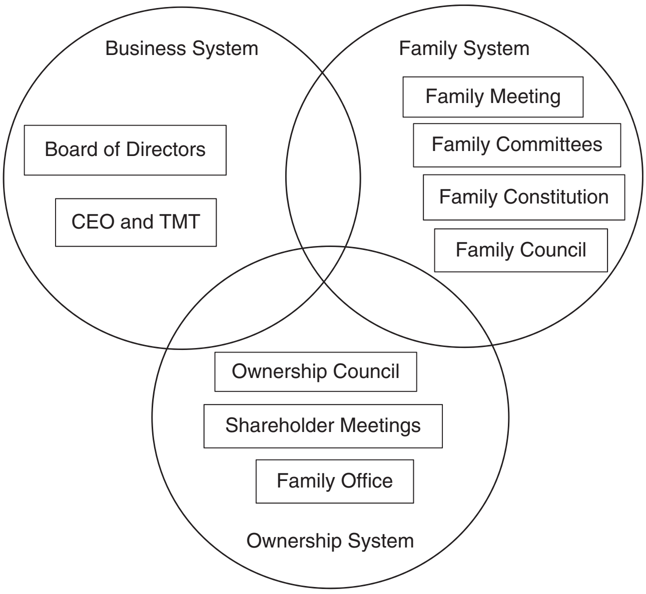
## 2. Corporate governance in family businesses

In its broadest from the term corporate governance is used to describe the structures, processes, and policies that organizations use to manage, direct, and control people, resources, and interests involved in a firm (Aguilera and Jackson, 2010). Decisions about which corporate governance structures to use, and the procedures followed to make decisions are important because they are linked to the success and sustainability of organizations (Steier *et al.*, 2015). In the context of family firms, understanding corporate governance requires the consideration of the benefits and challenges that family involvement brings to an organization. Ward (2001) argues that family firms differ in at least three ways from non-family businesses. First, family owners have a long-term view of their actions and have highly interrelated relationships with other members in the firm. This can affect the type of choices they make about the firm and how they make these decisions. Second, family business owners are driven by both economic and non-economic goals that affect their behavior and choices. Both financial and non-financial goals affect what owners decide to do, and the information they prioritize during decision making. And, third, family businesses owners cannot leave their ownership position easily because of the financial and emotional ties they have toward a firm. Thus, family business owners are likely to protect their personal interests when making decisions about a firm. Villalonga *et al.* (2015) complement this idea by indicating that family involvement in a firm creates four unique types of conflict of interests that firms need to address. These include: the conflict between shareholders and managers, controlling vs non-controlling shareholders, shareholders vs. creditors, and family shareholders and family members who are not shareholders and do not work in the firm. They argue that family business systems and the role of the family within it create a unique structure in which managers (both family and non-family) act as agents for shareholders, and shareholder's in turn act as agents for the family whose interest they are meant to represent.

Taken together, these points of view suggest that family involvement in the firm affects the types of goals that become important for the business, the short or long-term focus of the firm, the relationships between owners of the firm, and the importance that is given to family members within the business system (Gomez-Mejia *et al.*, 2011). These goals, in turn, are likely to influence the actions and decisions of different family business stakeholders. Because of this, family businesses require governance systems that facilitate the development of structures and processes that will help the family, the ownership (i.e. stockholders), and the business (i.e. control/management of the business) systems in their planning, decision making, and problem solving (Carlock and Ward, 2001).

Pieper (2003) argues that corporate governance in family firms is better described as system that includes structures and processes that describe how elements from the family, ownership, and business systems interact with each other. He suggests that, in family businesses, governance structures, and processes include business components (i.e. board of directors, CEO, and top management team (TMT)), ownership components (i.e. ownership council, shareholder meeting, and family office), and family components (i.e. family meeting, family assembly, and family council) (see Figure 1). In the business system, corporate governance structures, and processes help outline the practices that managers need to engage in to help the organization achieve its goals (Gersick and Feliu, 2014). In the ownership system, the role of governance is to help maintain equity for the owners. This is done by establishing structures and procedures that will help owners with the legal and accounting requirements, setting risk and return parameters, and tracking all data on performance to ensure that owners maintain their equity in the firm (Gersick and Feliu, 2014). Finally, in the family system, the governance structures, and procedures help the family organize and manage the relationships between family and business (Berent-Braun and Uhlaner, 2012), family and ownership (Montemerlo and Ward, 2011), and family and management (Mustakallio *et al.*, 2002). The purpose of governance structures and procedures in the family system is to explicitly articulate and clearly outline the rewards and demands that are linked to being part of the family business, to clearly identify the opportunities for family members to be involved in the business, and to ease the flow of information that is trustworthy between family members (Gersick and Feliu, 2014).

Historically, research on family business governance first explored individual governance bodies and structures with a focus on boards of directors (Pieper, 2003). This initial work highlighted the need of independent board members in family business boards given that business owners that work in management positions may




**Source:** Adapted from Suess (2014)

**Figure 1.** Family business governance structures by system

fail to recognize opportunities and pitfalls for the business and the family. Research then shifted to the study of professionalization of boards, and progressed to discussing the functions of boards and their effectiveness (Pieper, 2003). Most of this initial work relied on qualitative and anecdotal evidence, which provided some limitations regarding the generalizability of results. Additionally, one of the main critiques of focussing on boards of directors exclusively was that boards represented only one of the structures from the governance system (Pieper, 2003). Based on this idea, researchers moved to explore other aspects of governance in family firms that included the governance system as a whole, and the relationship between governance and performance (Pieper, 2003). Research focus later shifted to focus on the exploration of governance in the family system (Suess, 2014), how this affects performance (Berent-Braun and Uhlaner, 2012), and how it can affect decision-making about the business (Mustakallio *et al.*, 2002). More recently, researchers have begun to explore governance systems used by family firms based on industry contexts, family business characteristics, and the importance of stakeholders (Steier *et al.*, 2015).

Although the study of corporate governance is prevalent in family firms (De Massis *et al.*, 2012; Debicki *et al.*, 2009), we have very little understanding of whether family business from different regions of the world differ in their use of corporate governance practices and structures. Previous research on international corporate governance has found that broader contextual factors, such as national or regional culture, play a role in governance choices (Aguilera and Jackson, 2010). Similarly, researchers also suggest that cultural contexts matter in understanding family firms (Sharma and Chua, 2013). Building on these two lines of research we collected and summarized literature about corporate governance in family firms from Latin America, Spain, and Portugal to address three general research questions:

*RQ1*. What are the different areas that have been explored in family business corporate governance research from Latin America, Spain, and Portugal?

*RQ2*. What are the general findings obtained about family business corporate governance research in Latin America, Spain, and Portugal?

*RQ3*. How are these findings similar and different from general research on corporate governance in family firms?

## 3. Methodology

### *3.1 Scope of the review*

Databases from business and social sciences (i.e. EBSCO, Emerald, Redalyc, Scielo, Science Direct, Scopus, and Web of Science) were used to identify the articles for this review. The selection was conducted in three phases. In the first phase there were three selection criteria for sources. First, we used the terms "corporate governance" and "family" to use as the search term in the title, abstract, and keywords. Second, we selected only research articles that were published. And, third, we limited the year of publication to 2015. In this first phase we identified 765 articles based on our search. In the second phase of the search, all duplicates were removed from our list. This left 404 articles to consider. In the third phase of selection we read all of the abstracts to determine the articles that explored family businesses in Latin America, Spain, and Portugal. This left us with 80 articles. We then read the 80 documents, and had to eliminate articles that presented aggregate data of multiple European and Ibero-American countries and conceptual works. This left us with a final sample of 38 articles for our review.

### *3.2 Coding of information*

Two researchers read each of the 38 articles and coded information in five categories. First, general information about each article was identified. This included year of publication, journal, language in which it was written, country that it focussed on, how many countries were included in the project, and how family business was defined. The second category of coding captured the methodology used for research (i.e. descriptive or empirical study) and whether corporate governance was explored as an independent or dependent variable. Using the classification of governance structures presented by Suess (2014), the third category coded the area of corporate governance that was studied (i.e. family, business, or ownership), and the specific structured explored (e.g. board of directors, family council, or shareholder's meeting). Category 4 identified the research questions for each article, and Category 5 captured the results for each article. To ensure consistency of between coders, the two researchers compared their information at the end of the coding and discussed where inconsistencies arose to determine a final coding. The results presented below are based on the final agreed upon coding of the information for each article. Tables I and II, provide a summary of the studies included and the areas that these studies focused on.

## 4. Results

### *4.1 General observations*

Before analyzing the research questions, we examined six characteristics of the research that we obtained: the different countries that were included in publication, the emphasis of one vs multiple countries in the sample studied, the language in which the research was published, the research methodology used, how the papers defined family businesses, and the evolution in number of publications in this area in the Ibero-American context. When examining the different countries included in the studies the papers we found for this review were conducted with samples from eight different countries: Spain ($n=16$), Colombia ($n=9$), Brasil ($n=8$), Mexico ($n=8$), Chile ($n=3$), Argentina ($n=2$), Portugal ($n=1$), and Venezuela ($n=1$). One study did not provide specific country association. In total, 32 of the studies in this review were conducted about family firms in one country, while six studies included two or more countries in their samples. Additionally, 28 of the articles were published in English, eight were published in Spanish, and two were published in Portuguese. Finally, three studies were based on descriptive information and 35 were based on some form of data.

Given the multiple definitions of family firms (Chua *et al.*, 1999), we identified how each article defined family business. The definitions provided for Family business can be grouped into five groups. The first group defines family ownership as organizations that have one or more family members in the management of the firm (Fernandez and Nieto, 2006; Menendez-Alonso and Gomez-Anson, 2003; Santiago-Castro and Brown, 2007). The second group defined family firms as those in which had family members in the boards of directors of the firm (Machuga and Teitel, 2009; Sanchez-Ballesta and Garcia-Meca, 2005). The third group defines family businesses as those in which one member of the founding family is the CEO of the company or a member of the boards of directors (Mendes-da-Silva and Grzybovski, 2006). The fourth group defined family businesses as organizations in which a family group owns 5 percent or more in the firm (Gisbert and Navallas, 2013, Pinto and Leal, 2013). The final group of articles defined family businesses as organizations in which a family group has seats in the boards, and has ownership in the firm (Blanco-Mazagatos *et al.*, 2007, 2009; Castrillo-Lara and San Martin-Reyna, 2007; García-Ramos and García-Olalla, 2011; Gómez Betancourt *et al.*, 2012; Gonzàlez *et al.*, 2012, 2013, 2015; San Martin-Reyna and Duran-Encalada, 2012).

**Table I.**
Research questions and findings in chronological order

| Year | Authors | Research question | Findings |
|---|---|---|---|
| 2003 | Menéndez-Alonso and Gómez-Ansón | Does the governance structure of a family firm affect the propensity of a firm to engage in debt? | Board size, concentration of ownership and low family involvement are negatively related to use of debt |
| 2005 | Sánchez-Ballesta and García-Meca | Do concentration of ownership and presence of ownership in the board of directors affect evaluations of auditors? | Insider ownership affects the structure of the board, which in turn affects the quality of financial information |
| 2006 | Acevedo | How are corporate governance structures applied in Venezuelan family businesses? | Market changes have encouraged that family firms from Venezuela use governance practices to remain competitive |
| 2006 | Fernández and Nieto | Does ownership structure affect internationalization strategies? | Family ownership is negatively related with export capacity of a firm |
| 2006 | Mendes-da-Silva and Grzybovski | Do family and non-family firms differ on governance structure, performance, and executive rotation in TMT? | There are major differences in the governance structures of family and non-family firms. Fewer changes in top management are related to better performance |
| 2007 | Blanco-Mazagatos *et al.* | Do family and non-family firms have the same sources to generate value? | Willingness to keep family control in the business provides unique sources of value and financial capacity in a firm |
| 2007 | Castrillo-Lara and San Martín Reyna | Do corporate governance structures limit executive discretion to act? | In family firms management has fewer discretion to act independently. Additionally the presence of independent members in the board also diminishes discretion to act. In family firms this translates to lower debt levels |
| 2007 | Sacristán-Navarro and Gómez-Ansón | How do Spanish family firms keep the controlling stock in their firms? | In Spain, family firms use legal structures to separate control and financials to maintain control over the firm |
| 2007 | Santiago-Castro and Brown | Does ownership concentration affect the protection of the rights for minority shareholders? | Family ownership is positively related to protection of minority shareholder rights |
| 2008 | Ross Schneider | Why do family firms continue to survive in Latin America after economic changes? | |
| 2009 | Blanco-Mazagatos *et al.* | Do different generations have different financial preferences in family firms? | Different generations in the family firm have financial preferences for the business. While founders prefer internal financing, later generations prefer external financing. A reason for this may be diminishing affective ties between the family and the business |

(*continued*)

| Year | Authors | Research question | Findings |
|---|---|---|---|
| 2009 | de Oliveira *et al.* | How do governance structures and processes affect succession, and conflict management between the family, ownership and business systems? | Governance structures and processes positively affect succession processes. These structures also help to manage conflicts that involved family, ownership, and management issues in family firms |
| 2009 | Machuga and Teitel | Do characteristics of boards of directors affect the utility and capacity of boards? | Family ownership and shared directors diminish the utility and capacity of a board |
| 2009 | Mateos *et al.* | Does family ownership enhance the presence of women in the boards of directors? | Family firms have higher presence of women in the board. The bigger the board, the higher the likelihood of women members |
| 2009 | Sacristán-Navarro and Gómez-Ansón | Are there differences in governance structures between family and non-family firms? Do different family composition affect governance structures in family firms? | There are significant differences between governance structures in family and non-family firms. Within family firms, different ownership structures do not affect the governance of the firm |
| 2010 | Saito and DiMiceli | What factors influence ownership rights in family firms? Do different types of ownership rights affect stock price? | Outside legal issues can affect the rights of owners in the firm, and their voting rights. Family ownership increases the price of shares with voting rights |
| 2011 | Bona-Sánchez *et al.* | Does the presence of clear ownership policies that prevent hostile takeovers affect the accounting results of a family firm? | The presence of ownership policies that prevent hostile takeovers is related to changes in accounting reports |
| 2011 | Brenes *et al.* | What is the impact of setting a board of directors on performance? What is the impact of family governance on performance? | 70% of businesses had board of directors. Boards have different functions that non-family firms. BOD serve as management committees. More successful FB have boards that have specific committees and these committees add value to MGT. They have non-family members that are active and committed to the business and help in the mediation between f and B. Successful FB tend to have a business and a family council that is established and has unique functions |
| 2011 | García-Ramos and García-Olalla | Do the functions of family firms boards of directors differ from non-family firms? | The corporate governance structures of family firms are widely different from non-family firms. Boards in family firms focus on advising rather than supervising. In this study, boards that were smaller and had independent members were not more efficient than other boards |

(*continued*)

**Table I.**

Table I.

| Year | Authors | Research question | Findings |
|---|---|---|---|
| 2011 | López-Vergara *et al.* | What factors motivate Colombia women to participate in boards of directors and management of family firms? | The factors that enhance participation of women in management and board positions in family firms include concern for legacy, concern for family unity, concern for professional development, concern for business growth, and intention to improve family communication. Family conflict, and concern for work-life balance diminish these issues |
| 2011 | Mateos *et al.* | Is there discrimination against women in boards of directors in Spanish firms? | This study found that women were discriminated against when trying to be part of the board |
| 2011 | Mínguez-Vera and Martin | What is the importance of women in boards of directors for SMEs? Does women's risk aversion affect the performance of a firm? What factors influence in the presence of women in Boards of Directors in Spain? | The presence of women in boards of directors resulted in negative performance of the firms. This may be due to women being less willing to engage in risk |
| 2011 | Pombo and Gutiérrez | Do characteristics of boards of directors affect the utility and capacity of boards? | The number of independent members in the board and mixed boards are positively related to performance |
| 2011a | Sacristán-Navarro *et al.* | Does the combination of majority stock ownership in a firm affect performance of a firm? | There is no relationship between the different combinations of ownership structure and performance of the firm |
| 2011a | Sacristán-Navarro *et al.* | What role do family ownership and family control have on the performance of the firm? | Family ownership does not influence profitability. Family control – management – does affect profitability |
| 2012 | Espinoza-Aguilo and Espinoza-Aguilo | Does family ownership affect performance of a firm? | Family firm perform better than non-family firms. |
| 2012 | Gallego and Larrain | Does ownership concentration affect CEO compensation? | Family ownership related to better CEO compensation |
| 2012 | Gómez-Betancourt *et al.* | Does family ownership affect the performance of a firm? | There is no clear benefit in performance from family involvement in the firm. The positive relationship only occurs when families own 50% or more of the firm |
| 2012 | González *et al.* | Does family involvement in ownership, control, and management affect the performance of a firm? | Family involvement in management, control, and ownership is positively related to performance. This increases when the founder is still involved in the firm |

(*continued*)

| Year | Authors | Research question | Findings |
|---|---|---|---|
| 2012 | San Martin-Reyna and Duran-Encalada | Does ownership structure and family involvement in management affect the performance of a firm? | Family firms with lower concentration of ownership perform better than those with disperse compensation |
| 2012 | Watkins-Fassler and Dávila Delgado | How do constant changes in TMT membership affect performance? | In family firms top management rotation is low. Lower rotation of top management is negatively related to short- and medium-term performance |
| 2013 | Gisbert and Navallas | Does having independent board members affect information sharing in boards of directors? | The presence of independent board members increases information sharing in the board |
| 2013 | Gonzalez *et al.* | What are the effects of family management, ownership, and control on capital structure of firms? | Debt levels tend to be lower for younger firms when a family member is the manager. Family ownership is positively related to the family-debt ratio, when family members are present on the board debt tends to be lower |
| 2013 | Pinto and Leal | Does ownership concentration affect CEO compensation? | Lower ownership concentration results in better CEO compensation |
| 2014 | González *et al.* | Does family involvement in ownership affect dividend policy of a firm? | Family involvement in management does not affect dividend policies. Family involvement in ownership and control through different structures negatively affects dividend policy. The disproportionate involvement of family in the board positively affects dividend policy |
| 2014 | Miralles-Marcelo *et al.* | What is the relationship between family involvement in management and ownership and firm performance? | Family ownership is positively related to the accounting performance of the firm. This is moderated by organizational size and organizational age |
| 2014 | Sáenz-Gonzalez and García-Meca | Do governance structures (ownership and board of directors) affect the quality of financial information? | The high concentration of ownership in Latin-American family firms negatively affects the quality and transparency of financial information |
| 2015 | González *et al.* | What is the impact of family involvement on CEO turnover and turnover/performance sensitivity? | Family involvement in management and boards of directors reduces CEO turnover. Family involvement in ownership of a business increases CEO turnover. CEO turnover is lower when they are members of the owning family |

**Table I.**

**Table II.**
List of areas of focus of each article

| Year | Authors | Language | Country | Business | Ownership | Family | Structure | Process | IV | DV | DES |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 2003 | Menéndez-Alonso and Gómez-Ansón | English | Spain | X | X | | X | | X | | |
| 2005 | Sáchez-Ballesta and García-Meca | English | Spain | X | X | | X | | | X | |
| 2006 | Acevedo | Spanish | Venezuela | X | X | | | X | | | X |
| 2006 | Fernández and Nieto | English | Spain | | X | | X | | X | | |
| 2006 | Mendes-da-Silva and Grzybovski | Portuguese | Brasil | X | X | | X | | X | | |
| 2007 | Blanco-Mazagatos *et al.* | English | Spain | X | | | | X | X | | |
| 2007 | Castrillo-Lara and San Martín Reyna | Spanish | México | X | | | X | | X | | |
| 2007 | Sacristán-Navarro and Gómez-Ansón | English | Spain | | X | | | X | | | X |
| 2007 | Santiago-Castro and Brown | English | Brasil-Chile-México | | X | | | X | | X | |
| 2008 | Ross Scheneider | English | Argentina-Brasil-Chile-Colombia-México | X | X | | | X | | | X |
| 2009 | Blanco-Mazagatos *et al.* | Spanish | Spain | X | | | | X | X | | |
| 2009 | de Oliveira *et al.* | Portuguese | Brasil | X | X | | | X | X | | |
| 2009 | Mateos *et al.* | Spanish | Spain | X | | | X | | | X | |
| 2009 | Machuga and Teitel | English | México | X | | | | X | X | | |
| 2009 | Sacristán-Navarro and Gómez-Ansón | English | Spain | X | X | | X | | | X | |
| 2010 | Saito and Di Miceli | English | Brasil | | X | | | X | | X | |
| 2011 | Bona-Sánchez *et al.* | English | Spain | | X | | | X | X | | |
| 2011 | Brenes *et al.* | English | Not specified | X | | X | | X | X | | |
| 2011 | García-Ramos and García-Olalla | Spanish | Spain | X | | | X | | X | | |
| 2011 | López-Vergara *et al.* | Spanish | Colombia | X | | | X | | | X | |
| 2011 | Mateos *et al.* | English | Spain | X | | | X | | | X | |
| 2011 | Mínguez-Vera and Martin | English | Spain | X | | | X | | X | | |
| 2011 | Pombo and Gutiérrez | English | Colombia | X | | | X | | X | | |
| 2011a | Sacristán-Navarro *et al.* | English | Spain | | X | | | X | X | | |
| 2011b | Sacristán-Navarro *et al.* | English | Spain | | X | | | X | X | | |

(*continued*)

Table II.

| Year | Authors | Language | Country | Business | Ownership | Family | Structure | Process | IV | DV | DES |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 2012 | Espinoza-Aguilo and Espinoza-Aguilo | English | México | | X | | X | | X | | |
| 2012 | Gallego and Larrain | English | Argentina-Brasil-Chile | X | X | | | X | | X | |
| 2012 | Gómez-Betancourt *et al.* | Spanish | Colombia | X | X | | X | | X | | |
| 2012 | González *et al.* | English | Colombia | X | X | | X | | X | | |
| 2012 | San Martin-Reyna and Duran-Encalada | English | México | | X | | X | | | X | |
| 2012 | Watkins-Fassler and Dávila Delgado | Spanish | México | X | | | X | | X | | |
| 2013 | Gisbert and Navallas | English | Spain | X | | | X | | X | | |
| 2013 | González *et al.* | English | Colombia | X | X | | | X | X | | |
| 2013 | Pinto and Leal | English | Brasil | X | X | | | X | X | | |
| 2014 | González *et al.* | English | Colombia | X | X | | | X | X | | |
| 2014 | Miralles-Marcelo *et al.* | English | Spain Portugal | | X | | | X | X | | |
| 2014 | Sáenz-Gonzalez and García-Meca | English | Argentina-Brasil-Chile-Mexico | | X | | | X | X | | |
| 2015 | González *et al.* | English | Colombia | X | X | | | X | X | | |

Finally, when looking at the development of corporate governance research about family firms in this part of the world it is important to note that the first paper we found published was in 2003. This is 15 years later than the first published work on corporate governance in family firms (Pieper, 2003). Since 2003, there has been a steady group of publications each year in this area with the highest number of publications in 2011 ($n = 8$) and 2012 ($n = 6$).

*4.2 Corporate governance research about family firms in Ibero-America*

When exploring the research areas that have been included in published work, we found that all articles focussed on governance in the business and ownership systems exclusively, and only one article explored governance structures in the family. In particular, 13 articles explored issues about governing the business (i.e. issues related to boards of directors or management), 11 articles explored issues about ownership exclusively (i.e. ownership concentration, and ownership rights), and 14 articles combined issues about governing the business and the ownership of family firms (e.g. the effects of ownership concentration on board composition and top management behaviors).

*4.2.1 Research about corporate governance in the business system*. The work that focussed governance in the business system explored two areas: TMT and boards of directors. There were three articles that focussed on the characteristics of TMT and the effects of these characteristics on the business. In Spain, Blanco-Mazagatos *et al.* (2007) found that higher family involvement in TMT resulted in unique sources of value and financial capacity to the firm. In a later work, Blanco-Mazagatos *et al.* (2009) also found that the generation of family involved in top management affected decisions about financing. In particular, members of the founding generation were more likely to consider internal financing for initiatives, while later generations were more open to external financing. The third article that we found was based on data from Mexico, and focussed on the characteristics of TMT and the effects of these characteristics on organizational performance. Watkins-Fassler and Dàvila Delgado (2012) found that in the Mexican contexts the top management of family firms had lower rotation of members. Their data also showed that businesses with less top management rotation performed lower when compared to those with higher top management rotation.

Research on boards of directors focussed on two factors: characteristics of boards and performance (i.e. performance of the board or effects of boards on performance of the firm). There were four articles that explored factors regarding board composition. In the Mexican context, Castrillo-Lara and San Martin-Reyna (2007) found that family involvement diminished the presence of independent board members. In the Spanish context, Mateos *et al.* (2009) found that family involvement increased the presence of women in the board. However, Mateos *et al.* (2011) also found that women in family firms were discriminated against for trying to be members of the board. The last study that focussed on board composition issues explored the factors that increased the presence of women in boards of directors in Colombian family firms. López-Vergara *et al.* (2011) found that women who were concerned with family legacy, family unity, professional development, business growth, and family communication were more likely to express interest in being part of the board. On the other hand, women who perceived a high degree of family conflict and had concerns about work-life balance were less likely to express interest in being part of the board.

Six articles focussed on performance factors about boards of directors. Machuga and Teitel (2009) found that, in the Mexican context, family involvement in a firm diminished the utility and capacity of the board. Garcia-Ramos and Garcia-Olalla (2011) found that boards of directors in Spanish family firms focussed on advising rather than supervising. They also found that neither the size of the board or the presence of independent members affected the performance of the board. These results were complemented by the work of Gisbert and Navallas (2013) who found that the presence of independent board members in Spanish family firms increased information sharing between board members. Similarly, Brenes *et al.* (2011) found that family businesses that were successful were more likely to have board members with greater experience, knowledge of the business, shared strategy, and direction with the business, and were organized in a committee format. Focussing on the effects of boards on the performance of Spanish family firms, Minguez-Vera and Martin (2011) found that the presence of women in boards resulted in negative firm performance. Finally, Pombo and Gutierrez (2011) explored the effects of board characteristics on organizational performance and found that in Colombian family businesses the number of independent board members in a board was positively related to the performance of the firm. In addition, having mixed boards also resulted in better performance of the firm.

*4.2.2 Research about corporate governance in the ownership system*. Publications that explored the ownership system focussed on two general issues. On one hand, three publications explored what external factors influenced the choice of ownership structures or procedures that family firms used. Sacristan-Navarro and Gomez-Anson (2009) found that the characteristics of the legal environment affect the ownership structures that Spanish family firms used to maintain control over the firm. This was complemented by the work of Bona-Sanchez *et al.* (2011) who found that the presence of ownership policies to prevent hostile takeovers in family firms were related to the type of accounting reports that family firms provide. Finally, Saito and Di Miceli (2010) found that in Brasil the legal characteristics of the context affect ownership rights and voting rights used in family businesses.

On the other hand, eight publications explored the effects of family ownership on different aspects of the firm. In the Spanish context, Fernandez and Nieto (2006) found that family ownership was positively related to export capacity of a business. This was complemented by the work of Miralles-Marcelo *et al.* (2014) who found a positive relationship between family ownership and the accounting performance of family firms in Spain and Portugal. This relationship was moderated by organizational size and age. Sacristan-Navarro *et al.* (2011a, b) also complement the work on Spanish firms by arguing that the effect of family ownership on performance of the firm is independent of the ownership structures that they use in their governance. In the Latin-American context, researchers have found that in Brasil, Chile, and Mexico family ownership is related to the protection of minority shareholders (Santiago-Castro and Brown, 2007). Additionally, in Brasil family ownership increases the price of shares with voting rights (Saito and Di Miceli, 2010). On the other hand, in Mexico, family ownership is positively related to firm performance (Espinoza Aguiló and Espinoza Aguiló, 2012) and firms with lower ownership concentration tend to perform better (San Martin-Reyna and Durán Escalada, 2012). Finally, high concentration of ownership in family firms from Argentina, Brasil, Chile, and Mexico is negatively related to the quality and transparency of financial information (Sáenz-Gonzalez and García-Meca, 2014).

*4.2.3 Research about corporate governance that combines business and ownership systems*. Publications that explored the governance of ownership and business systems combined focussed on two general issues. First, eight publications explored how ownership and business governance aspects combine to influence other processes. In this area, Menendez-Alonso and Gómez-Anson (2003) found that board size, family involvement in management, and ownership concentration affected the use of debt in Spanish firms. In Venezuela, Acevedo (2006) indicates that the changes in the market have affected how family businesses decide to organize their ownership and management structures and, in turn, this affects the level of competitiveness of the different firms. Ross Schneider (2008) complements this idea by suggesting that in Argentina, Brasil, Chile, Colombia, and Mexico the legal and financial systems that are prevalent influence the structures that family firms use in management and ownership. He also suggests that the prevalence of the "grupo structure" in large family firms in these countries is determined by the legal and financial systems and influences the performance of the firm. Additionally, Mendes-da-Silva and Grzybovski (2006) find that in Brasil the combination of family involvement in ownership and lower changes in top management of family firms is likely to lead to higher performance. Finally, in the Colombian context two groups guided by Gómez-Betancourt *et al.* (2012) and by González *et al.* (2012) find that family involvement in management, ownership concentration higher than 50 percent in the family, and the presence of the founder in the business are positively related to organizational performance. Taken together these studies indicate that the combination of how family firms are managed and the level of ownership concentration have an effect on the performance of the firm, the use of debt, and the degree of competitiveness of a firm.

The second group of studies in this area focusses on understanding how characteristics of governance in one system affect the characteristics or processes of governance structures in other systems. For example, in Spain Sanchez-Ballesta and Garcia-Meca (2005) found that the degree of family involvement in a firm affected the structure of the board, which in turn played a role in the quality of financial information provided by the business. Sacristan-Navarro and Gomez-Anson (2009) complement this with their findings that indicate that, in their Spanish sample, the ownership structure that is used by family firms does not influence the management governance structures used. De Oliveira *et al.* (2009) found that, in Brasil, family involvement in ownership affected the governance structures used, which affected succession planning and conflict management between family members in the business and ownership systems. Gallego and Larrain (2012) also found that in Argentina, Brasil, and Chile the concentration of family ownership affected CEO compensation. Pinto and Leal (2013) complement this work by finding that lower ownership concentration in Brasil resulted in higher CEO compensation. Finally, in the Colombian context three studies by González *et al.* (2013, 2014, 2015) focus on family involvement, family control, and its effects on dividend policies, debt levels, and CEO turnover. In the 2013 study, this group finds that family involvement in a firm through direct or indirect ownership is positively related to find family-debt relationship. Additionally, they found that when families are present in the board of directors, debt levels tend to be lower, which suggests that family directors are more risk adverse. In their 2014 study, González and colleagues found that family involvement in management did not affect dividend policies. However, they also find that family involvement in governance structures in ownership of the firm negatively influences dividend policies, while disproportionate involvement of the family on the board positively influences dividend policy. Finally, González *et al.* (2015) found that family involvement in management and boards of directors reduces CEO turnover, but family involvement in ownership increases it. Taken together these studies indicate that governance practices and structures in the business and ownership systems may influence one another. Thus, there is no total independence between governance structures within family firms.

*4.2.4 Research about corporate governance in the family system*. Only one study had a component that explored the governance of the family system. In their work, Brenes *et al.* (2011) argue that to be successful the Latin-American family businesses that they surveyed establish parallel governance bodies to manage the business and the family: the business and the family council. The family council is composed of family members and helps the family analyze the problems that relate to the commitment of the family toward the company. On the hand, the business council focusses on the development of the business and the family expectations toward the business. They argue that these two structures are inside the family system and within the boundaries of interaction with the business system. The results of their survey indicates that the most successful companies in their sample has business councils that help define the family's position over issues affecting the business, actively identifies potential leaders for the business, organizes the decision-making process for family business issues, helps solve family business conflict and improves information exchange among family and business partners. On the other hand, in successful family businesses the family council helps the family convey their values, develops family business agreements, improves communication among family members, and helps to develop family business agreements.

### *4.3 Similarities and differences to general research on family business corporate governance*

The topic of governance has been the most widely studied issue in family businesses (Gersick and Feliu, 2014; Goel *et al.*, 2014). As we mentioned earlier, the development of the research has gone from focussing on descriptive studies in nature to exploring how the use of governance structures affects performance, and more recently the focus has been on the different governance systems used based on the characteristics of the firm and the industry (Steier *et al.*, 2015). Gersick and Feliu (2014) argue that most of the research on family business governance up to date has focussed on understanding the business and ownership systems. Based on the articles that we found, we believe that research about governance in Ibero-American family firms has followed a similar path than the research on corporate governance of family firms in other parts of the world. For example, all of the published work in this area has focussed on understanding governance in the business and the ownership structure. In particular, there has been a focus on boards of directors (i.e. composition of boards and the effects of boards on performance). Most of this work has been generally descriptive, but recent publications are starting to move to understanding other complexities in the governance structures of family firms. However, it is important to highlight that research on corporate governance about family businesses from this part of the world is still in the early development stages, and there are still many questions that need to be addressed.

Thus, our understanding about the governance of family firms in Ibero-American countries is still very underdeveloped.

Our analysis show two major differences between research conducted about the governance of family firms in Ibero-American countries and research conducted in North America and Europe. First, research on Ibero-American family business governance was more likely to discuss the influence that governance structures in one system can have on the other systems. For example, some of the studies tried to understand how governance structures in ownership system influence governance practices in the business system. This seems unique and interesting when exploring family businesses and how they work. Given the unique characteristics of family firms in Latin America, Spain, and Portugal (Lansberg and Perrow, 1991), it seems that a relevant aspect for practitioners and academics is the interdependence of systems. In North America and Europe, the interrelationships may not be as important as the governance of unique systems, given the different focus of research and the development of knowledge. A second area that is different in the work that we found is that research in this part of the world has no evolved to exploring governance in the family system. To us this is very interesting because cultures in this part of the world tend to define family in a more inclusive way (Botero and Gómez Betancourt, 2016). Therefore, as family businesses become older the family expands, which complicates the relationship between family, business, and ownership in the family enterprise.

## 5. Discussion

The purpose of this project was to understand what we know about research in corporate governance in Ibero-American family firms and to identify areas of future research. We build on previous work on international corporate governance that suggest that cultural context affect the corporate governance choices of organizations (Aguilera and Jackson, 2010), and literature that suggests that cultural contexts affects how family business work and what is prioritized in the firm (Sharma and Chua, 2013). Our review shows that there are three general areas that have been the focus of research on the governance of family firms in Ibero-American countries. The first area of research has centered on understanding governance in the management system. This work explores the characteristics of TMT, the effects of TMT characteristics on organizational processes, characteristics of boards of directors, performance of boards, and effects of boards on performance. Although there have been multiple areas explored, the focus of this research has been on boards of directors with very little focus on TMT. Additionally, most of the work is descriptive in nature, and centered on one country only (i.e. Spain). Taking these factors together, we believe that the research on governance in Ibero-American family firms parallels initial work on governance in family firms (Pieper, 2003). However, these parallels highlight important limitations in our understanding in this area. There is very little possibilities of generalizability of work. Given the descriptive nature of the work, and the lack of systematic research across countries, it is difficult to come up with general findings that could be applied to the region in general. Because of this, we believe that future research needs to conduct projects that try to replicate findings from other parts of the region and the world. By doing this, researchers can build a base of knowledge that shows the similarities and differences of corporate governance in family businesses from this part of the world.

A second area of focus has been the ownership system. Research in this area centers on understanding the factors that influence the type of ownership governance that family businesses use and the effects of family ownership on processes of the firm. Most of the work on this area has focussed on the effects of family ownership on the different processes and has compared countries. Even though there is some foundation for this area, one major concern is the lack of understanding of the different structures or processes that are used in the ownership system of Ibero-American family firms. The focus so far has been on process and characteristics of that process. Because of this future research should start to explore which governance structures are used in different Ibero-American countries and how prevalent these structures are across countries. One great opportunity for research in this area would be the understanding of how ownership in "grupos" are governed and how families make decisions about these governance structures. Given that "grupos" structures are unique to this area of the world (Lansberg and Perrow, 1991), research in this area could be beneficial to the understanding of family firms around the world and how they differ in their governance needs and structures.

The final area of focus for current research was the interrelationship of governance factors in the management and the business systems. In this area, the focus was on understanding the combined effects of management and ownership governance characteristics on business processes, and how characteristics of the governance in one system (i.e. management or ownership) affected processes in the other system. We believe that this type of exploration is very unique to this region of the world because it focusses on interdependencies rather than on clear differences between the systems. Given this, future research should continue to focus on areas of unique interest in this part of the world.

An important gap in our current understanding of governance in Ibero-American family firms is the lack of research on the governance structures in family businesses. As we mentioned in the introduction, recent research in governance has began to further understand how the family system is governed and how governance choices in the family system affect the longevity and performance of the family firm (Gersick and Feliu, 2014). This is an area that really needs further development in Ibero-America. We believe that this is the biggest gap in our understanding of governance structures in family firms from this part of the world.

## 6. Conclusion

Researchers suggest that corporate governance in family firms can be used to diminish the problems that occur because of the conflicts of interest between different stakeholders in the family, ownership, and business systems (Cadbury 1999, Suáre and Santana-Martin, 2004). Governance systems in family firms can help the success of the firm by directing efforts to achieve prosperity, provide clear structure for the accountability of actions, and provide guidance for internal stakeholders to achieve goals (Gersick and Feliu, 2014; Steier *et al.*, 2015; Suess, 2014; Villalonga *et al.*, 2015). This paper provides a summary of published work on the governance system in Ibero-American family firms. We found that research in this area is in the developmental stages, thus there are multiple opportunities to help grow our understanding of family firms around the world.

**Note**

1. This paper uses the terms family firm and family business interchangeably.

## References

Acevedo, A. (2006), "Buenas prácticas de gobierno corporativo: ¿Cuán cerca estamos en venezuela?", *Debates IESA*, Vol. 11 No. 4, pp. 35-41.

Aguilera, R.V. and Jackson, G. (2003), "The cross-national diversity of corporate governance: dimensions and determinants", *Academy of Management Review*, Vol. 28 No. 3, pp. 447-465.

Aguilera, R.V. and Jackson, G. (2010), "Comparative and international corporate governance", *The Academy of Management Annals*, Vol. 4 No. 1, pp. 485-556.

Astrachan, J.H. and Shanker, M.C. (2003), "Family businesses' contribution to the US economy: a closer look", *Family Business Review*, Vol. 16 No. 3, pp. 211-219.

Berent-Braun, M.M. and Uhlaner, L.M. (2012), "Family governance practices and team building: paradox of the enterprising family", *Small Business Economics*, Vol. 38 No. 1, pp. 103-119.

Blanco-Mazagatos, V., Quevedo-Puente, D. and Castrillo, L.A. (2007), "The trade-off between financial resources and agency costs in the family business: an exploratory study", *Family Business Review*, Vol. 20 No. 3, pp. 199-213.

Blanco-Mazagatos, V., Quevedo-Puente, E.D. and Delgado-García, J.B. (2009), "La estructura financiera de la empresa familiar y el cambio generacional", *Revista Española de Financiación y Contabilidad*, Vol. XXXVIII No. 141, pp. 57-73.

Bona-Sánchez, C., Pérez-Alemán, J. and Santana-Martín, D.J. (2011), "Defence measures and earnings management in an owner dominant context", *Journal of Business Finance & Accounting*, Vol. 38 Nos 7-8, pp. 765-793.

Botero, I.C. and Gomez Betancourt, G. (2016), "Governance structures and family firms and their use in Latin America", in Kellermanns, F.W. and Hoy, F. (Eds), *The Routledge Companion to Family Business*, Routlege, New York, NY, pp. 549-566.

Brenes, E.R., Madrigal, K. and Requena, B. (2011), "Corporate governance and family business performance", *Journal of Business Research*, Vol. 64 No. 3, pp. 280-285.

Cadbury, S.A. (1999), "What are the trends in corporate governance? How will they impact your company?", *Long Range Planning*, Vol. 32 No. 1, pp. 12-19.

Carlock, R.S. and Ward, J.L. (2001), *Strategic Planning for the Family Businesses – Parallel Planning to Unify the Family Business*, Palgrave, New York, NY.

Castrillo-Lara, L.Á. and San Martín-Reyna, J.M. (2007), "La propiedad familiar como mecanismo de gobierno disciplinador de la dirección en las empresas mexicanas: una evidencia empírica", *Contaduría y administración*, No. 222, pp. 59-82.

Chua, J.H., Chrisman, J.J. and Sharma, P. (1999), "Defining the family business by behavior", *Entrepreneurship: Theory & Practice*, Vol. 23 No. 4, pp. 19-39.

Colli, A. (2003), *The History of Family Business 1850-2000*, Cambridge University Press, Cambridge.

De Massis, A., Sharma, P., Chua, J. and Chrisman, J. (2012), *Family Business Studies an Annotated Bibliography*, Edward Elgar Publishing Inc., Northhampton.

de Oliveira, J.L., da Silva Campos, E.A., Pimentel, T.D. and Pereira, R.D. (2009), "Governance mechanisms and processes of succession: a study on the influence of the elements of corporate governance in the direction of the succession process in a family business", *RBGN Review of Business Management*, Vol. 11 No. 31, pp. 152-167.

Debicki, B.J., Matherne, C.F., Kellermanns, F.W. and Chrisman, J.J. (2009), "Family business research in the new millenium: an overview of the who, the where, the what, and the why", *Family Business Review*, Vol. 22 No. 2, pp. 151-166.

Espinoza Aguiló, T.I. and Espinoza Aguiló, N.F. (2012), "Family business performance: evidence from Mexico", *Cuadernos de Administración*, Vol. 25 No. 44, pp. 39-61.

FBN (2008), "Family Business International Monitor", available at: www.fbn.ua/downloads/monitor2008.pdf

Fernández, Z. and Nieto, M.J. (2006), "Impact of ownership on the international involvement of SMEs", *Journal of International Business Studies*, Vol. 37 No. 3, pp. 340-351.

Gallego, F. and Larrain, B. (2012), "CEO compensation and large shareholders: evidence from emerging markets", *Journal of Comparative Economics*, Vol. 40 No. 4, pp. 621-642.

Gallo, M.A. and Kenyon-Rouvinez, D. (2006), "The importance of family and business governance", in Kenyon-Rouvinez, D. and Ward, J.L. (Eds), *Family Business: Key Issues*, Palgrave MacMillan, New York, NY, pp. 45-57.

García-Ramos, R. and García-Olalla, M. (2011), "Estructura del consejo de administración en la empresa familiar versus no familiar: evidencia empírica en España", *Revista Española de Financiación y Contabilidad*, Vol.  No. 149, pp. 35-64.

Gersick, K.E. and Feliu, N. (2014), "Governing the family enterprise: practices, performance, and research", in Melin, L., Nordqvist, M. and Sharma, P. (Eds), *The Sage Handbook of Family Business*, Sage Publications, London, pp. 196-225.

Gisbert, A. and Navallas, B. (2013), "The association between voluntary disclosure and corporate governance in the presence of severe agency conflicts", *Advances in Accounting*, Vol. 29 No. 2, pp. 286-298.

Goel, S., Jussila, I. and Ikäheimonen, T. (2014), "Governance in family firms: a review and research agenda", in Melin, L., Nordqvist, M. and Sharma, P. (Eds), *The Sage Handbook of Family Business*, Sage Publications, London, pp. 226-248.

Gómez Betancourt, G., López Vergara, M.P., Betancourt, J.B.R. and Millán, J.O.P. (2012), "Estudio sobre el desempeño de las empresas familiares colombianas que cotizan en la bolsa de valores, fren te a las empresas no familiares", *Entramado*, Vol. 8 No. 1, pp. 28-42.

Gomez-Mejia, L.R., Cruz, C., Berrone, P. and De Castro, J. (2011), "The bind that ties: socioemotional wealth preservation in family", *The Academy of Management Annals*, Vol. 5 No. 1, pp. 653-707.

González, M., Guzmán, A., Pombo, C. and Trujillo, M.-A. (2012), "Family firms and financial performance: the cost of growing", *Emerging Markets Review*, Vol. 13 No. 4, pp. 626-649.

González, M., Guzmán, A., Pombo, C. and Trujillo, M.-A. (2013), "Family firms and debt: risk aversion versus risk of losing control", *Journal of Business Research*, Vol. 66 No. 11, pp. 2308-2320.

González, M., Guzmán, A., Pombo, C. and Trujillo, M.-A. (2014), "Family involvement and dividend policy in closely held firms", *Family Business Review*, Vol. 27 No. 4, pp. 626-649.

González, M., Guzmán, A., Pombo, C. and Trujillo, M.A. (2015), "The role of family involvement on CEO turnover: evidence from Colombian family firms", *Corporate Governance: An International Review*, Vol. 23 No. 3, pp. 266-284.

IFERA (2003), "Family businesses dominate", *Family Business Review*, Vol. 16 No. 3, pp. 365-385.

Lansberg, I. and Perrow, E. (1991), "Understanding and working with leading family businesses in Latin America", *Family Business Review*, Vol. 4 No. 2, pp. 127-147.

Li, J. and Harrison, R. (2008), "Corporate governance and national culture: a multi-country study", *Corporate Governance*, Vol. 8 No. 5, pp. 607-621.

López Vergara, M.P., Gómez Betancourt., G. and Betancourt, R.J.B. (2011), "Factores que influyen en la participación de la mujer en cargos directivos y órganos de gobierno de la empresa familiar colombiana", *Cuadernos de Administración*, Vol. 24 No. 42, pp. 253-274.

Machuga, S. and Teitel, K. (2009), "Board of director characteristics and earnings quality surrounding implementation of a corporate governance code in Mexico", *Journal of International Accounting, Auditing and Taxation*, Vol. 18 No. 1, pp. 1-13.

Mandl, I. (2008), "Overview of family business relevant issues – final report", Vienna, available at: http://ec.europa.eu/enterprise/policies/sme/files/craft/family_business/doc/familybusiness_study_en.pdf

Mateos, R., Gimeno, R. and Escot, L. (2011), "Disentangling discrimination on Spanish boards of directors", *Corporate Governance: An International Review*, Vol. 19 No. 1, pp. 77-95.

Mateos, R., Iturrioz, J. and Gimeno, R. (2009), "La participación financiera y el papel de la mujer en la toma de decisiones de las sociedades cooperativas: los consejos de administración", *Revista Europea de Dirección y Economía de la Empresa*, Vol. 18 No. 3, pp. 65-82.

Mendes-da-Silva, W. and Grzybovski, D. (2006), "Efeitos da governança corporativa e da performance empresarial sobre o turnover de executivos no Brasil: comparando empresas familiares e não-familiares", *Revista de Administração Mackenzie*, Vol. 7 No. 1, pp. 45-70.

Menéndez-Alonso, E.J. and Gómez-Ansón, S. (2003), "Corporate control and capital structure choice in a French-civil law country", *Spanish Journal of Finance and Accounting (Revista Española de Financiación y Contabilidad)*, Vol. 32 No. 115, pp. 256-289.

Miller, D. and Le Breton-Miller, I. (2006), "Family governance and firm performance: agency, stewardship, and capabilities", *Family Business Review*, Vol. 19 No. 1, pp. 73-87.

Mínguez-Vera, A. and Martin, A. (2011), "Gender and management on Spanish SMEs: an empirical analysis", *The International Journal of Human Resource Management*, Vol. 22 No. 14, pp. 2852-2873.

Miralles-Marcelo, J.L., Miralles-Quirós, M.D.M. and Lisboa, I. (2014), "The impact of family control on firm performance: evidence from Portugal and Spain", *Journal of Family Business Strategy*, Vol. 5 No. 2, pp. 156-168.

Montemerlo, D. and Ward, J.L. (2011), *The Family Constitution – Agreements to Secure and Perpetuate Your Family and Your Business*, Palgrave Macmillan, New York, NY.

Mustakallio, M., Autio, E. and Zahra, S.A. (2002), "Relational and contractual governance in family firms: effects on strategic decision making", *Family Business Review*, Vol. 15 No. 3, pp. 205-222.

Nicholson, E. (2011), "Discovering Latin America and its family businesses", *Tharawat Magazine*, October 1, available at: www.tharawat-magazine.com/family-business-boards/latin-america-family-business/

Pieper, T. (2003), "Corporate governance in family firms: a literature review", Working Paper Series No. INSEAD 2003/97/IIFE, INSEAD.

Pinto, M.B. and Leal, R.P.C. (2013), "Ownership concentration, top management and board compensation", *Revista de Administração Contemporânea*, Vol. 17 No. 3, pp. 304-324.

Pombo, C. and Gutiérrez, L.H. (2011), "Outside directors, board interlocks and firm performance: empirical evidence from Colombian business groups", *Journal of Economics and Business*, Vol. 63 No. 4, pp. 251-277.

Poza, E. (2010), *Family Business*, 3rd ed., South Western Cengage Learning, Mason, OH.

Ross Schneider, B. (2008), "Economic liberalization and corporate governance: the resilience of business groups in Latin America", *Comparative Politics*, Vol. 40 No. 4, pp. 379-397.

Sacristán-Navarro, M. and Gómez-Ansón, S. (2007), "Family ownership and pyramids in the Spanish market", *Family Business Review*, Vol. 20 No. 3, pp. 247-265.

Sacristán-Navarro, M. and Gómez-Ansón, S. (2009), "Do families shape corporate governance structures?", *Journal of Management & Organization*, Vol. 15 No. 3, pp. 327-345.

Sacristán-Navarro, M., Gómez-Ansón, S. and Cabeza-García, L. (2011a), "Large shareholders' combinations in family firms: prevalence and performance effects", *Journal of Family Business Strategy*, Vol. 2 No. 2, pp. 101-112.

Sacristán-Navarro, M., Gómez-Ansón, S. and Cabeza-García, L. (2011b), "Family ownership and control, the presence of other large shareholders, and firm performance: further evidence", *Family Business Review*, Vol. 24 No. 1, pp. 71-93.

Sáenz-Gonzalez, J. and García-Meca, E. (2014), "Does corporate governance influence earnings management in Latin American markets?", *Journal of Business Ethics*, Vol. 121 No. 3, pp. 419-440.

Saito, R. and Di Miceli, S.A. (2010), "The relevance of tag along rights and identity of controlling shareholders for the price spreads between dual-class shares: the Brazilian case", *BAR-Brazilian Administration Review*, Vol. 7 No. 1, pp. 1-21.

San Martin-Reyna, J.M. and Duran-Encalada, J.A. (2012), "The relationship among family business, corporate governance and firm performance: evidence from the Mexican stock exchange", *Journal of Family Business Strategy*, Vol. 3 No. 2, pp. 106-117.

Sánchez Ballesta, P.J. and García-Meca, E. (2005), "Audit qualifications and corporate governance in Spanish listed firms", *Managerial Auditing Journal*, Vol. 20 No. 7, pp. 725-738.

Santiago-Castro, M. and Brown, C.J. (2007), "Ownership structure and minority rights: a Latin American view", *Journal of Economics and Business*, Vol. 59 No. 5, pp. 430-442.

Sharma, P. and Chua, J.H. (2013), "Asian family enterprises and family business research", *Asian Pacific Journal of Management*, Vol. 30 No. 2013, pp. 641-656.

Sirmon, D.G. and Hitt, M.A. (2003), "Managing resources: linking unique resources, management and wealth creation in family firms", *Entrepreneurship Theory and Practice*, Vol. 27 No. 4, pp. 339-358.

Steier, L.P., Chrisman, J.J. and Chua, J.H. (2015), "Governance challenges in family businesses and business families", *Entrepreneurship Theory and Practice*, Vol. 39 No. 6, pp. 1265-1280.

Suáre, K.C. and Santana-Martín, D.J. (2004), "Governance in Spanish family business", *International Journal of Entrepreneurial Behavior and Research*, Vol. 10 Nos 1/2, pp. 141-163.

Suess, J. (2014), "Family governance-literature review and the development of a conceptual model", *Journal of Family Business Strategy*, Vol. 5 No. 2, pp. 138-155.

Superintendencia de Sociedades (2012), "Análisis de gobierno corporativo", available at: www.supersociedades.gov.co/inspeccion-vigilancia-y-control/gobierno-corporativo-y-rse/documentos/Documentos%20RSE/INFORME%20GOBIERNO%20CORPORATIVO%202012%20(6).pdf (accessed de octubre de 12, 2014).

Tàpies, J. (2011), "Empresa familiar: un enfoque multidisciplinar", *Universia Business Review*, Vol. 32 No. 1, pp. 12-25.

Villalonga, B., Amit, R., Trujillo, M.-A. and Guzman, A. (2015), "Governance of family firms", *Annual Review of Finance and Economics*, Vol. 7, pp. 635-654.

Volonté, C. (2015), "Culture and corporate governance: the influence of language and religion in Switzerland", *Management International Review*, Vol. 55 No. 1, pp. 77-118.

Ward, J.L. (2001), "The roles of owners, directors, and managers in family governance", Research Note 10/05/2011.

Watkins Fassler, K. and Dávila Delgado, M. (2012), "Reemplazos de directivos en México: de la teoría a la práctica", *Contaduría y administración*, Vol. 57 No. 1, pp. 13-28.

**Corresponding author**
Isabel C. Botero can be contacted at: ibotero@stetson.edu

**This article has been cited by:**

1. Wiener-FererhoferAlexander, Alexander Wiener-Fererhofer. 2017. Credit rating process. *Journal of Family Business Management* **7**:3, 256-290. [Abstract] [Full Text] [PDF]