

The creation of family firms in Catalonia: an institutional approach

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Abstract

Family firms play an important role in economic and social development of countries and regions, strengthening the industrial base and generating jobs. That is not surprising because the family firm is the most common type of company in all western countries. Since the early 2000s, academia has intensifying the research and interest in the study of this phenomenon. Given its complexity, in this thesis, a family firm is identified based on three dimensions proposed by Litz (1995): ownership, management, and intention of the family in developing the family business. In this sense, the progress in the field has been remarkable in terms of the definition of the family firm, strategy, management, business succession and the relationship between family and firm. However, few investigations have studied the influence of sociocultural factors on the creation of family firms. The objective of this research is to identify and analyze the main factors that influence the creation of family firms in Catalonia. More concretely, the study will focus on environmental factors related to cultural or informal institutions according to institutional approach (North, 1990 and 2005). Also a comparison among the factors that affect the creation of family firms and non-family firms will be developed. Thus, the specific objectives of the research are the following: (EO1) to propose a conceptual framework about the role of environmental factors in the creation of family firms adopting an institutional economic approach (Chapter 2); (EO2) To explore qualitatively the influence of certain informal factors (socialization, networks, role models, attitudes) in the creation of family firms in Catalonia (Chapter 3 and Chapter 4); and (EO3) to explore quantitatively the role of certain informal factors (socialization, networks, role models, attitudes) in the creation of family firms in Catalonia (Chapter 5 and Chapter 6). In order to achieve these objectives and based on an extensive literature review about the sociocultural dimensions (informal factors) involved in family firm creation in Catalonia, the thesis adopted a combined qualitative and quantitative methodological approaches. Regarding to the qualitative phase, the socio-cultural dimensions that operate in the creation of six Catalan firms (2 new family firms, 2 established family firms and 2 non-family firms) were analyzed in depth. Concerning the quantitative methodology, the impact of sociocultural conditions (informal factors) on the creation of 350 Catalonian firms (213 family firms and 137 non-family firms) was analyzed using a logistic regression and structural equation models. The main findings highlight the important role of sociocultural factors in the creation of family firms. Specifically we identify four institutional factors that are involved in the process of family firms creation: socialization process, social networks, role models, and entrepreneurial attitudes. These factors have higher effect on the family firms than on non-family firms. Also, social networks are the most important factor. This research advances the literature by applying institutional economics as an appropriate conceptual framework for the analysis of the environmental conditions that influence the creation of family firms. From the practical perspective, the research could be useful for the design of policies to support the creation of family firms. Key words: Family Firm, Business Creation, Institutional Approach, Socialization Process, Social Networks, Role Models, Entrepreneurial Attitudes, Catalonia.