

FAMILY GOVERNANCE: ROLES AND RESPONSIBILITIES OF THE FAMILY COUNCIL

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Introdução

Family businesses have significant importance in the world's economy (Bammens, Voordeckers and Gils, 2011; Ibrahim, Soufani and Lam, 2001; Sharma, 2004) and represent a unique organizational form with dimensions that go beyond purely economic transactions. These companies start from ideas and dreams of one or more family members and require commitment, dedication, encouragement and investment from the entrepreneur and his relatives (Gersick, Davis, Hampton & Lansberg, 2006; Steinberg and Blumenthal, 2011).

Problema de Pesquisa e Objetivo

The purpose of this article is to understand the roles and responsibilities of the family council within the scope of family governance. The guiding research problem of this study is: How is the family council included in family governance and what are the roles and responsibilities performed by this body? Based on the theoretical framework, the problem, and the propositions of this research, three categories of analysis were created: (i) family and business longevity, (ii) education and training of heirs and successors and (iii) conflict management.

Fundamentação Teórica

Family governance may rely on specific structures dedicated to the management of family assets, such as the family office (Kubíček & Machek, 2020), or other family governance mechanisms such as the family council, family protocol or a code of ethics (Canale, Müller, Laveren, & Cambré, 2024; Matias & Franco, 2021). The family council is the body that guides the family's efforts (Jaffe & Lane, 2004) and it is through the regular meetings promoted by this body that the family business, its relationships, and planning for the next generation that will take over the company are managed.

Metodologia

To understand these roles and responsibilities, a multiple case study was conducted consisting of three family businesses that adopt corporate governance and family governance mechanisms. Seven family members were interviewed and, to triangulate the collection of information, four professionals who work as board members and advisors in family businesses and family council, without ties to the families of the cases analyzed, were additionally interviewed.

Análise dos Resultados

The family council is seen by some interviewees as the main mechanism that the family business has and should use to resolve conflicts, promote dialogue and alignment between family members. Evidence has shown that the longevity of the family and business directly depends on resolving family conflicts and establishing rules for the family or family groups to operate in business. When establishing a cohesive relationship focused on the future of the business, working on the education and training of successors and the training of heirs is essential to prevent new conflicts from arising.

Conclusão

The joint analysis of the cases shows that the implementation of the family council within family businesses constitutes a mechanism for managing conflicts and the perpetuity of the company through the training and qualification of heirs who may succeed the founder or subsequent generations. The family council in the cases studied also proved to be a body that provides unity and interaction between family members of different generations.

Referências Bibliográficas

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