LEADERSHIP PERSPECTIVES ON CORPORATE GOVERNANCE ISSUES: AN ACTION RESEARCH STUDY OF A DIVERSIFIED PRIVATELY-OWNED FAMILY BUSINESS IN MEXICO

A Thesis submitted in fulfilment of
Doctor of Business Administration

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ABSTRACT

The study aims to explore leadership issues in a privately-owned family business in Mexico and recommend actions to resolve these issues. Action research is the basis of the inquiry because it analyses a real-life problem in the studied organisation. This research strategy uses collaboration with diverse stakeholders to achieve change through knowledge creation from the collected data followed by actions to address the issues identified through research. Semi-structured interviews are used as the primary method for data collection. Participants were selected based on their knowledge and leadership responsibilities. Therefore, only top management was chosen to participate in this study.

The findings reveal eight key leadership issues: a) inadequate segregation of duties and concentration of power, b) ineffective management philosophies and operating styles, c) conflicts of interest, d) weak HR policies, e) poor communication strategy, f) no clear organisational structure with well-defined roles and responsibilities, g) lack of trust between managers and CEOs, and h) conflicts in the family system.

As part of the action research approach, three actions were recommended as strategical initiatives to achieve change. These actions include establishing a family business governance system, formalising the corporate strategy and family values, and strengthening the HR function.

The study is different from other studies because it is based on action research which has not been considered in the literature on corporate governance. Additionally, most previous studies employed secondary data from public companies rather than interviews. Besides, the focus of the extant literature was mainly on developed countries with very little evidence from the Mexican context. Hence, the study represents an original approach to analyse a unique Mexican privately-owned family corporation using action research and primary data. Therefore, this study adds to the existing body of knowledge in the family business and covers an understudied developing context with an action research approach.

The study has practical implications for detecting leadership issues and creating governance systems to control family businesses which are later discussed. In brief, the study provides valuable knowledge about personal issues in a family business in Mexico, which could help company leaders understand the importance of establishing family governance systems to create family boundaries, improve operations, reporting, and leadership performance.

Keywords: Leadership issues; Family Business; Privately owned Family Business; Corporate Governance; Action Research.

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Thanks to the founders (my beloved parents) and my sister (as a shareholder) of the privately-owned family business for allowing me to conduct my research and providing the body of knowledge with actionable elements that can be useful for other entrepreneurs.

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CHAPTER 1 – INTRODUCTION

1.1. Introduction

Based on action research, the present study aims to identify leadership issues in a privately-owned family business to create governance actions that can aid in resolving these issues and possibly help sustain the business for future generations.

This chapter explains the motivation and importance of the current study and describes the aims, research questions, and methods used for data collection and analysis. The rest of the chapter is organised as follows. The second section addressed study motivations and the importance of the study. Research questions and aims are defined in the next section. The fourth part describes the context of the study. The methodology and research contribution are discussed in the following two sections. The chapter ends by describing the structure of the thesis.

1.2. Study Motivations and Importance

The study is conducted in a diversified privately-owned group of family companies that operate in Mexico and Southeast Texas, US, in construction, real estate, education, and storage. The corporation's constant diversified growth and the family members had raised several leadership issues, conflicts, governance problems, and divergent thinking among the shareholder's/family and members/executives.

The corporation started its operations in 1990 as a small construction and real estate business and has grown to a diversified corporation of six business units with more than 1,000 direct workers in two countries (Mexico and the USA). This accelerated growth with different businesses' leadership styles arose, creating issues with the family members and the operations. As a result, the researcher (as one of the family members and leader of one of the business units) decided to analyse leadership issues in the corporation with an action research perspective and provide governance actions to mitigate them.

Some issues and conflicts in family-owned organisations result from incompatibilities, competitive intentions, interdependence, differences in power, ambiguity, reasons for lack of trust, and complete analysis and understanding of organisational dynamics (Fahed-Sreih, 2018). These issues can be reduced if responsibilities are clearly defined, intra-company roles properly established, and corporate structures stipulated (Hall, 2012).

Some of the problems that the family is facing include: a) marriage issues when discussion of the businesses arise from the founders affecting investments and strategic initiatives, b) jealousy and differences between siblings that affect operating activity and investment decisions, c) problematics with new members of the family that alter strategic decisions, d) leadership differences inside the operational activity of the businesses because of the shared responsibilities of family members.

For example, there was a project to construct a private University in Mexico and continue growing the educational businesses. The final financial decision required mutual consent from the founders (husband and wife). However, marriage differences made the husband avoid supporting the project financially. Moreover, the responsibility to construct and operate this new project was going to be placed on the CFO of the school (the son). Differences between the CEO and the CFO (mother and son) of the schools destroyed the possibility of continuing the project. The son started to gain power inside the schools among employees, and the mother felt threatened, creating operational issues. As a result, the son decided to leave the company and start a new firm in a different industry (retail and construction).

The son decided to sell this new company in Mexico and moved to the southernmost point of Texas in the US. His father gave him control of the real estate and construction organisation that is operating in that location. The son bought his sister's shares, now being the majority shareholder. Despite the sister living in Houston for several years, this situation generated jealousy between the siblings, and continued affecting the family and investment decisions.

This jealousy between siblings continued affecting other business projects. The son created a new online school in the US and invited his mother and sister as shareholders. The creation of the new company was finalised, and the operations started. Nevertheless, the sister decided to leave the company after a month of starting operations because of differences with her brother. Then, a personal issue arose in a family reunion between the mother and the son´s wife, leading the mother to leave the company. This decision affected both the business growth and the family. It took a year for the family to see them again to solve the differences. There was no collaboration between the family members and the operations of the other businesses during this year.

Another symptom of leadership issues is that each family member possesses a strong leadership centralisation among their businesses. This strategy and the support from the others members of the family have made the business units successful. However, this business success does not help the family. Instead, there is pride, jealousy, and even distrust regarding investment decisions. Despite the love between, strategical and operational decisions are clouded by ego. The family does not possess formal governance guidelines that define linkages, strategies, decision-making, and initiatives as a family and business group.

This study presents a latent need to solve leadership issues for the Mexican privately-owned family business. Several leadership issues are starting to arise within the family system and business units because both are growing. As a result, the family business's vision is to create a holding company that oversees all businesses currently owned and run by individual family members. A leadership governance structure is needed to control the business group, formalise corporate guidelines, and harmonise the family system.

The thesis is also motivated by the need to get a deeper understanding of the leadership problems that have been identified in the businesses run by individual family members. The rationale is that the problems can be resolved so that they do not surface again, once the vision of creating a holding company for all individual family members to run businesses is implemented.

This genuine and real-life concern requires analysing and interpreting the issue's complexities to take action (Eden and Huxham, 1996). As one of the family members and a shareholder, the researcher aims to create an actionable corporate governance structure to lead the privately-owned family corporation in Mexico, continue with the growth strategy, and endure future generations.

The current study was motivated to fill in the existing knowledge and practice gaps in a) leadership issues in family businesses, b) leadership issues in privately-owned firms, d) leadership issues in family businesses in Mexico, and e) corporate governance in Mexican firms. Research suggests creating corporate governance structures to reduce or eliminate leadership issues and provide future clarity. These structures are systems of control, transparency, accountability, and alignment that clearly define a corporation's direction and performance (Malla, 2010; Idowu and Tunca-Çaliyurt, 2014). The Financial Reporting Council UK CG Code (2016) proposed the first principle, "concentration of leadership in the board of directors and management," which will be taken as a steppingstone to address the leadership issues immersed in the privately-owned family business.

Because the dynamics and behaviours in this privately-owned family business are fuzzy, ambiguous, and even chaotic, there is a need to use action research and qualitative methods to create an in-depth understanding of the phenomena (Thorpe and Holt, 2008). As a result, it will be crucial to provide some actions to mitigate these issues with the action research perspective; hence, defining the boundaries and how the leadership issues are bounded in time and place (Creswell, 2013).

Reviewing prior literature showed limitations because previous studies have primarily focused on secondary data obtained from publicly owned companies rather than field studies and action research approaches. Research related to leadership issues in family-owned businesses in Mexico has given little attention to privately-owned family firms, probably because of the difficulty of gaining access to these types of firms (Hall, 2012).

The literature's limitations could impact Mexican privately-owned family businesses because very few studies allow to analyse leadership issues immersed in the operations and within the family system. Hence, this motivated the current research to shed light on these limitations and look for a more effective model that might help entrepreneurs and founders address leadership issues and provide governance actions to mitigate them. Chapter two discussed more details about privately-owned family businesses through the analysis of the literature.

1.3. Research aim and questions

This study explores leadership issues in a family-owned business in Mexico and the actions and reforms needed to resolve these issues.

To achieve this aim, the current study seeks to address the following research questions:

- What are the leadership issues in Mexico's family-owned business, which is the subject of this study?
- What actions can be taken to eliminate or reduce the identified leadership issues in this family-owned business? And how can these actions be implemented?

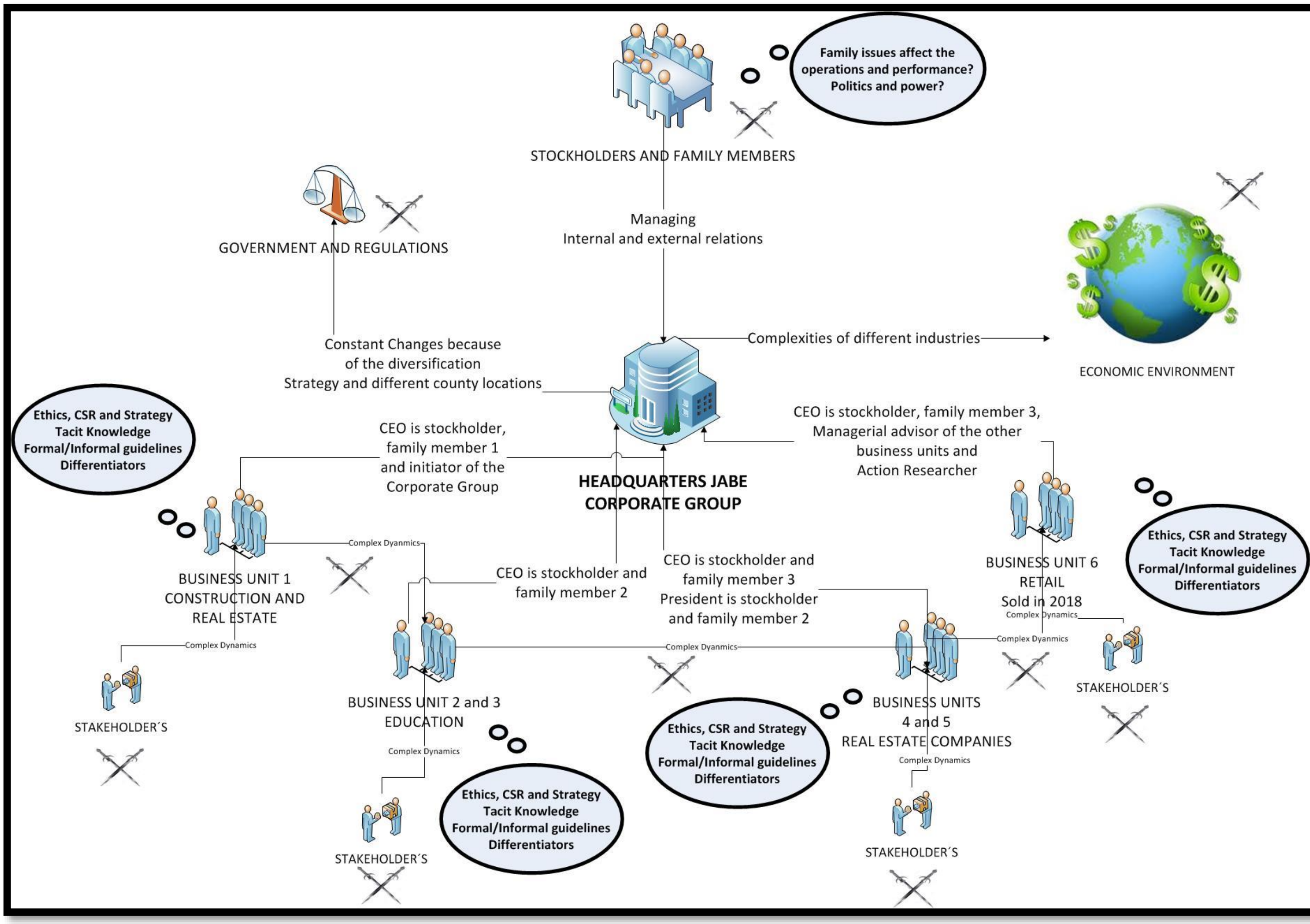
1.4. Context of the Study

The researcher conducted the study in a diversified privately-owned group of family companies in the centre of Mexico. The corporation's constant diversified growth (both: operationally and in the family) has raised several leadership issues, conflicts, and divergent thinking among the shareholder's/family members/executives.

There are concerns regarding the leadership issues and a certain level of awareness about the need to craft a leadership governance structure to mitigate the issues. It is also needed to harmonise the family and align the strategic objectives of each business unit.

The following figure shows the "rich picture" as a tool that can help to reason and design the business group issue (Monk and Howard, 1998):

Figure 1.- Rich picture of the privately-owned Mexican family Corporation.



Bastida-Díaz, J. (2018) *Rich picture of the privately-owned Mexican family Corporation*. At: University of Liverpool.

The previous diagram shows the way the business units are controlled and distributed through their specific industries. Several conflicts are related to government regulations, natural complexities of the economic environment, differences with stakeholders, and family members' issues (Monk and Howard, 1998). The corporate group is controlled by family members who are also the stockholders of the business units.

Roles and responsibilities are also shared through the firms impacting relations in the family system. In theory, the group is centralised; however, it was detected that no formal corporate governance structure is operating the business units. So, which specific issues alter the operations and performance of the business units? What governance actions (if they formally exist) can help to reduce or mitigate those issues?

Table 1 shows a description of each business unit, leadership, and ownership distribution as complementary information to better understand the privately-owned family business in Mexico:

Table 1.- Description of the business units, leadership, and ownership concentration.

BUSINESS UNIT	FOUNDER AND GOVERNANCE	STOCKHOLDER'S AND OWNERSHIP	DESCRIPTION
1	Family member 1 is the founder and current leader governing the whole group, and this corporation	Family member 1: 90% Ownership 3: 5% Ownership 4: 5% Ownership	Construction and real estate corporation founded in 1990, currently constructing 3,500 houses in the State of Mexico.
2	Family member 2 is the founder and current leader	Family member 2: 70% Ownership 3: 15% Ownership 4: 15% Ownership	The education firm was founded in 1993 with 1,000 students from kindergarten to high school.
3	Family member 2 is the founder and current leader	Family member 2: 70% Ownership 3: 15% Ownership 4: 15% Ownership	Franchise Education founded in 2014, offering technical training for kids in Mexico. Change of strategy in 2020 by closing the legal entity but moving operations under company 2.
4	Family member 3 is the current leader	Family member 2: 70% Ownership 3: 15% Ownership 4: 15% Ownership	Real Estate company founded in 2004 owns buildings for rent and provides additional services of maintenance and real estate in Mexico.
5	Family member 3 is the current leader	Family member 1: 20% Ownership 3: 60% Ownership 4: 20% Ownership	Real Estate and storage company founded in 2009 with operations in southeast Texas, US.
6	Family member 3 is the founder and was the leader who sold the company in 2018	Family member 3: 90% Ownership 5: 5% Ownership 6: 5% Ownership	The retail corporation was founded in 2016 and sold in 2018, offering 9,000 products for the construction industry in Mexico.

Each business unit's ownership distribution is controlled by family members and shows a strong tendency for entrepreneurial activity with competitive advantages. Hence, it is fair to suggest that the natural growth flow might generate family and business unit issues.

Scholarly research suggests that the family system is a critical component of the corporation's performance (Jackling and Johl 2009; Machuga and Teitel, 2009; Rocha-González, 2011; Miller and Le Breton-Miller, 2006). As a result, figure 2 shows details about the family system's structure from the privately-owned family firm.

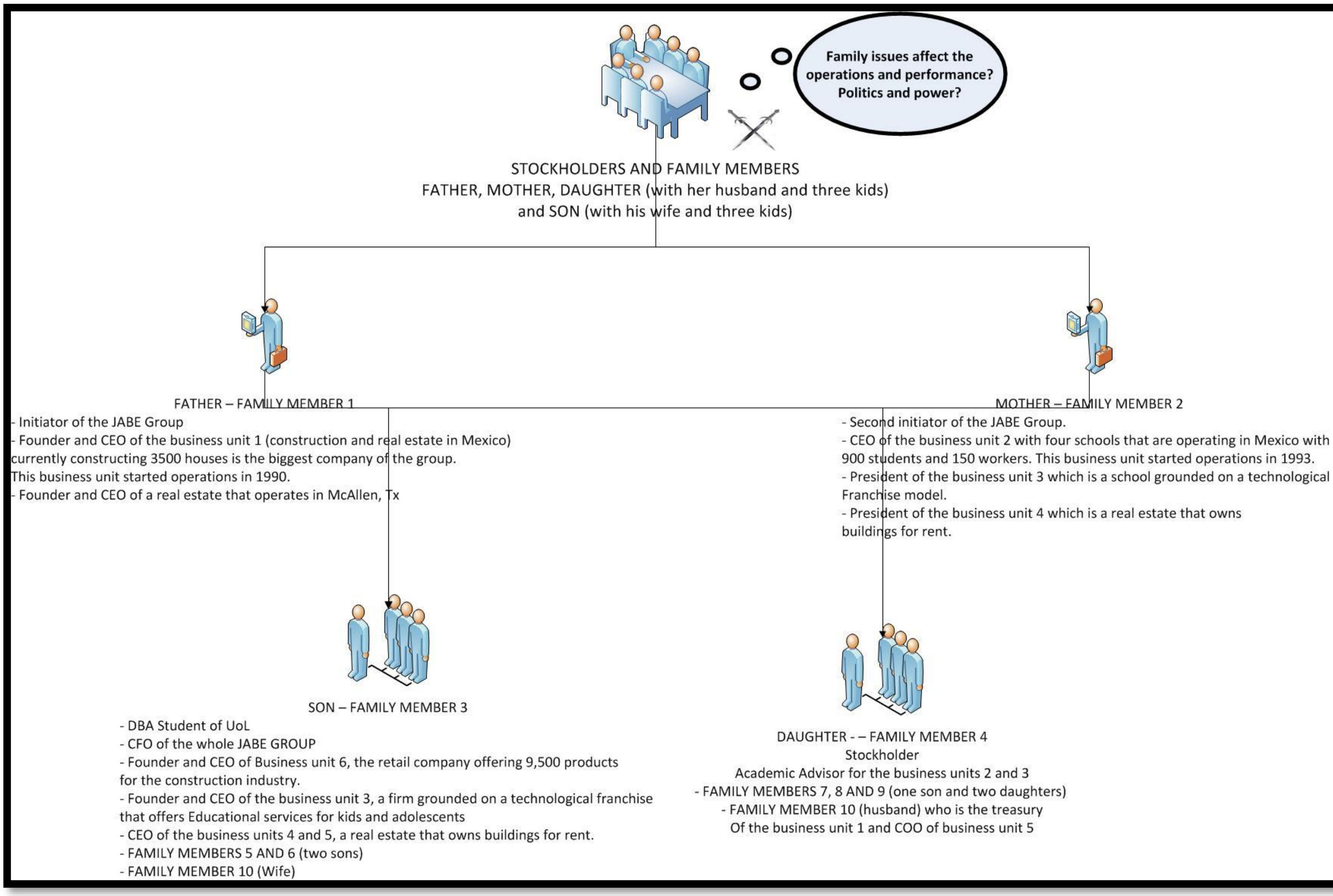


Figure 2.- Structure of the family system.
Bastida-Díaz, J. (2018) *Structure of the family system of the privately-owned Mexican family Corporation*. At: University of Liverpool.

Figure 2 details each member's roles and responsibilities within the business units and the family system; initially, we can recall that some members have shared roles through the firms. Supporting knowledge seems to be a competitive advantage from the founders and family members; however, any continuous relation (inside the business and then outside of the work environment to the family dynamics) might result in differences without formal governance guidelines.

Hence, table 2 provides more details about each family member and their role within the family/corporate structure:

Table 2.- Family members and business unit interaction.

FAMILY MEMBER	FAMILY POSITION	STOCKHOLDER Y/N	BUSINESS UNIT	DESCRIPTION
FAMILY MEMBER 1	FATHER	Yes	1	Entrepreneur, initiator of the corporation, and leader of the family; strong background in construction and management
FAMILY MEMBER 2	MOTHER	Yes	2,3,4,7	Entrepreneur, second initiator of business units with a strong position of respect and authority among the family members; strong background in education with two Ph.D.'s and one post-doctorate
FAMILY MEMBER 3	SON	Yes	1,2,3,4,5,6,7	DBA Candidate at UoL = Insider/outsider, CFO of the group, and entrepreneur; strong background in systems engineering and management
FAMILY MEMBER 4	DAUGHTER	Yes	1,2,3,4,5	An academic advisor with a strong background in education, currently studying for her Ph.D. in Education
FAMILY MEMBER 5	Grandson 1	Yes	6	Elementary student
FAMILY MEMBER 6	Grandson 2	Yes	6	Elementary student
FAMILY MEMBER 7	Granddaughter 1	No	-	High school student
FAMILY MEMBER 8	Granddaughter 2	No	-	Elementary student
FAMILY MEMBER 9	Grandson	No	-	Junior high school student
FAMILY MEMBER 10	Wife of Family member 3	No	-	International business background
FAMILY MEMBER 11	Husband of Family member 4	No	1	Financial and legal background

As shown in the previous table, family members have business units under their specific leadership. Additional responsibilities related to other business units established provide strength to the group and affect the operations and the family relations.

It was found that only nineteen percent of the one hundred and thirty-seven analysed resources used primary data within their study. Most studies used secondary data from public databases or existing documents. In the case of Mexico, only twenty-six documents were found related to leadership issues in the family business or corporate governance. From this sample, eighty percent of the studies used secondary data for their research, and more than sixty percent employed quantitative methods for the analysis. No studies were found that used action research to analyse leadership issues or corporate governance.

As a result, the context of this study is different from others that have been investigated because the present action research study collected primary data from semi-structured interviews and analysed them with qualitative methods. This particular combination of methodological strategies is not common, opening a gap of actionable knowledge that is used within a Mexican privately owned family corporation.

Furthermore, governance issues and leadership are an understudied area, especially in Mexico; hence, the present study intends to fill this gap by exploring leadership issues and governance in a privately-owned family business in Mexico.

Also, the study is different because it provides real examples of the diversified corporation facing operational issues and problems inside their family and businesses. These examples are particular to the corporation´s structure and family system that are not easily disclosed. These situations are usually not in the public domain because they must be treated inside the family. However, this relevant knowledge is shared with other entrepreneurs, leaders, managers, and consultants to anticipate similar issues and create practical corporate governance strategies that can be used to mitigate them and control growth. The detected leadership issues are contrasted with theory providing additional elements that were not considered in the body of knowledge.

This section pretends to provide detailed context to the reader about the Mexican privately-owned family business structure. The following chapters' analysis and results are made, detailing specific leadership issues and possible governance actions to mitigate those issues.

1.5. Research methodology

The study used action research to create actionable knowledge and generate participatory dynamics between the researcher and the selected Mexican family-owned business members to be studied. The researcher (with a dual role of insider and outsider) cogenerated elements of change (Coghlan, 2011) by analysing leadership behaviours to identify leadership issues in the selected family-owned business and then recommend governance actions to eliminate or reduce leadership issues.

The nature of the study implies using *critical realism* because it allows exploring participants' constructions within a deeper layer of analysis based on evidence and objectivity (Timberlake, 2015). Despite this is an approach that is not tied to a particular philosophical position (Braun and Clarke, 2006; Saunders, Lewis, and Thornhill, 2016), critical realism is suitable because it pretends to understand factors, meanings, and perceptions of human behaviours to provide information about reality (Harper, 2011; Saunders, Lewis, and Thornhill, 2016; Timberlake, 2015). With this methodological strategy, the action research approach allowed contextualising the current situation, collecting and analysing data to create an action plan, and identifying knowledge that can produce change (Dresch, Lacerda, and Cauchick-Miguel, 2015).

The current study collected data using semistructured interviews with eighteen experienced directors and managers to understand the corporation's leadership issues. The sample size was decided based on saturation, referring to the point in the investigation when no new data emerges within the analysis (Faulkner and Trotter, 2017; Guest, Bunce, and Johnson, 2016).

The data was analysed using *thematic analysis*, as a qualitative strategy to detect hidden patterns in the data and define themes (Mortazavi and Davarpanah, 2021; Saunders, Lewis, and Thornhill, 2016). A CAQDAS (Computer Assisted Qualitative Data Analysis) was used to analyse the qualitative interview data and produce an organised data analysis process.

The current research involved human interaction, implying that ethical concerns were considered related to individuals, data collection, and data analysis (Saunders, Lewis, and Thornhill, 2016). The action researcher assumes full responsibility for possible affectations made to the stakeholders derived from the research process's decisions (Hilsen, 2006). Nevertheless, all these considerations were described and addressed carefully to avoid ethical issues during the study.

1.6. Research contribution

This study was grounded on action research techniques currently under-employed in leadership issues in family business research. Also, governance issues and leadership are an understudied area, especially in Mexico; hence, the present study intends to fill this gap by exploring leadership issues and governance in a privately-owned family business in Mexico.

Constitutes an opportunity to add value to the body of knowledge concerning leadership issues in privately- and family-owned businesses, and family business governance, thereby significantly contributing to practice in the Mexican context. Therefore, it represents a novel approach to analysing a unique, Mexican privately owned family corporation, using a qualitative method to identify and explore leadership issues and provide specific actions to help mitigate them.

The analysis of the literature highlighted twenty-four leadership issues, and the data analysis thirty. Some issues are shared in both sections, such as communication and some family issues; however, other issues are generated by centralised leadership, coercive leadership, and the multiple roles of family members within the family and the corporation.

The dialogic activity with participants allowed knowledge construction (Coghlan and Brannick, 2014) in family companies and family business governance. Specifically, leadership issues that affect the business units and the family system were identified through the interviews. Issues such as inadequate segregation of duties, intense concentration of power, conflicts of interest, and weak HR policies and practices provide elements for practitioners that may help them detect or even anticipate organisational problems. Some of these issues were found in the literature through different cultures in the family business; nevertheless, the analysed complexities found in the family system are additional academic resources that are not easily detectable to outsider researchers. Even risks of fraud and misconduct were highlighted in the analysis derived from the lack of corporate governance in the group.

It was also found that the family system is a critical unit of analysis within any family corporation (Nordqvist et al., 2011). This complex entity creates conflicts as a natural element that shareholders and executives need to manage. As seen in the results, many leadership issues were generated by conflicts that emerged from the family. Hence, it is crucial governing the family system and create boundaries to mitigate problems that can be filtered to the business.

The study further contributes in other ways. Most studies on leadership issues and governance focused on secondary data drawn from stock exchanges or public databases rather than primary data. Moreover, most studies used secondary data to highlight issues that affect businesses and/or corporate governance strategies (Babatz, 1997; Belausteguigoitia, 2003; Castañeda, 2000; Espinoza-Aguiló, and Espinoza-Aguiló, 2012; Fahed-Sreih, 2018; Gómez-Betancourt and Zapata-Cuervo, 2013; Husted, and Serrano, 2002; Jackling and Johl, 2009; Lee and Barnes, 2017; Machuga and Teitel, 2009; Malla, 2010; Mayo-Castro, González-Hernández, and Pérez-Sánchez, 2016; Morgestein-Sánchez, 2015; Rafique-Yasser, 2011; San Martin-Reyna, and Duran-Encalada, 2017; Sikka, 2019; Suehiro, and Wailerdsak, 2004; Zona, 2016;).

The present research provides both the detected leadership issues (in the businesses and the family system) and a governance structure through primary data (interviews) in one privately-owned family business.

Exploring leadership issues in a privately-owned Mexican family business has rarely been explored in prior research. Most focused on public organisations, like those with corporate governance structures, from developed or developing countries. Hence, the opportunity to investigate leadership issues in a private organisation in Mexico, with no formal governance structures, generates valuable knowledge.

A family business governance system was created from the learning cycles of action research to help mitigate the detected leadership issues (Saunders, Lewis, and Thornhill, 2016) that can be adapted for other entrepreneurs to achieve positive change (Easterby-Smith, Thorpe, and Jackson, 2012). The system includes separating family from business matters. Requires appointing a Chief Family Officer and a family council to manage the family. Then, a Chairman and the board of directors to manage the business units. Finally, an ownership/succession plan was provided that can be used for business leaders.

Different HR processes, strategies, and succession matters were also proposed that might help with the detected leadership issues. Even if these corporate elements were adapted to this specific corporation, practitioners might take advantage of these actions as a real-life example to address similar situations.

The study also offers valuable areas for further research and analysis for academics and practitioners. The issues detected through the study inside the family system are not easy to be obtained as an outsider, providing opportunities for further research. Scholars confirmed that ownership information, operational structures, and the family system organisation are often not available in developing countries (Alajlan, 2015).

The studied organisation had a low awareness of corporate governance's importance among its founders and leaders. Hence, it is of interest for further research to analyse corporate governance levels in more privately owned Mexican ventures. Also, a comparison can be made from other developing countries addressing privately owned family ventures.

The analytical strategy of action research is summarised in a framework that can be useful for practitioners and scholars in Appendix G. The proposed family business governance framework can be seen in Appendix H. The study also includes instruments to implement the governance system shown in Appendixes I, J, K, and L. These instruments can be useful to implement the system for board meetings and succession matters, including roles and responsibilities to develop factual problem-solving initiatives (Coghlan and Brannick, 2014).

1.7. Structure of the DBA thesis

The following chapter critically reviews prior studies relevant to the current study's main research issue. Chapter three describes the research methodology of the research. Chapter four presents and discusses the results of the recent research. Finally, the thesis ends with chapter five, which includes the conclusions, implications, recommendations, and contribution of the study.

1.8. Researcher's background and professional development

The researcher holds an MBA from Rice University, a Master of Managerial Systems Engineering, and a Baccalaureate of Electronics and Communications Engineering from Universidad Iberoamericana, Mexico City.

He is currently the CEO of one of the real estate companies of the studied privately owned family corporation. Among his duties within the privately owned family business is to be a managerial advisor for the other leaders of this studied organisation. As entrepreneur, the researcher has created other companies in Mexico and the US in residential development, retail, and education.

The DBA has improved his research skills substantially because the action research perspective allowed merging academic rigor with practice. This technique has allowed improving the decision-making processes for the corporation and the family system. The empirical design of action research taught the researcher vital tools to address and solve real-life problems in organisations that require action (Coghlan, 2011). The analysis of the context to justify a necessary action is of importance to define issues and conduct the data collection/analysis with cooperation and participation; hence, a planning process is needed through cycles of evaluation, reflection, and learning to produce relevant knowledge (Dresch, Lacerda, and Cauchick-Miguel, 2015).

The rigor required from the University of Liverpool also allowed the researcher to produce actionable knowledge based on high-quality research that is actively in use for the leaders of this corporation. The detected leadership issues were already addressed with the leaders to create awareness and start producing positive change in the studied corporation. The proposed governance actions were also shared as actionable elements that can help mitigate those issues. In the beginning, it was not easy for the family members and founders to receive some of the knowledge created in the leadership issues. Nevertheless, the rigor of the action research study allowed them to understand the need for a corporate governance structure that could help the family group endure future generations.

In the end, the researcher learned that action research is a powerful tool to solve organisational problems, address patterns of behaviours, and even change structures if the analysis is driven by values, ethics, objectivity, and rigor (Coghlan, 2016).

CHAPTER 2 – LITERATURE REVIEW

2.1. Introduction

The chapter focuses on leadership issues in family business and governance, identifying actionable knowledge that will help solve the complexities of leadership issues in a Mexican privately-owned family business. The process followed to produce the literature review suggested by Rowley and Slack (2004) includes: a) evaluation of different sources of information, b) searching for the resources, c) contrasting concepts, and d) writing the chapter. A systematic literature review approach was followed to identify, appraise, and synthesise relevant research papers for the literature review (Easterby-Smith, Thorpe, and Jackson, 2012; Novikov and Novikov, 2013).

The access to the literature was through the University of Liverpool library. The procedure to begin exploring the literature and selecting relevant resources started by using the phrases leadership issues in family business, leadership problems in family business, issues in family business, problems in family business, family business, family venture, family firms, family corporations, family business in Mexico, corporate governance, corporate governance in family business, corporate governance in family firms in Mexico, and corporate governance in Mexico.

Table 3.- Phrases used for the first research.

	PHRASES	RESULTS
1	Leadership issues in family business	657
2	Leadership problems in family business	395
3	Issues in family business	21,090
4	Problems in family business	17,311
5	Family business	195,961
6	Family venture, family firms, family corporations	108
7	Family business in Mexico	2,060
8	Corporate governance	149,549
9	Corporate governance in family business	4,701
10	Corporate governance in family firms in Mexico	29
11	Corporate governance in Mexico	591
		TOTAL: 392,452

After analysing several documents manually, the search allowed identifying specific issues and possible solutions. As a result, second research occurred using the phrases: ownership centralisation in family business, conflicts in family business, governance and family business, boards in family business, family business succession. Peer review and only academic journals were used for the search from 1946 to 2020. The results are presented as follows:

Table 4.- Phrases used for the second research.

	PHRASES	RESULTS
1	Ownership centralisation in family business	10
2	Agency issues in family business	1,756
3	Conflicts in family business	10,319
4	Governance and family business	7,599
5	Boards in family business	4,832
6	Family business succession	4,683
7	Privately owned family business	351
8	Leadership issues in privately owned family business	1
9	Privately owned family business in Mexico	1
10	Leadership issues in privately owned family business in Mexico	0
11	HR issues in Mexican family business	0
12	HR and Mexican family business	0
13	Human Resources and Mexican family business	0
		TOTAL: 29,552

The phrases from tables 3 and 4 generated more than 400,000 results. The data was retrieved from the University of Liverpool database and processed to eliminate tags and unnecessary words. Non-related articles were also eliminated, for example, those that used the word family for medical or clinical studies.

The remaining data from the search was analysed using word clouds in a CAQDAS called Atlas ti. As we can see in table 3, there is vast literature on family business and corporate governance. However, specific literature about leadership issues in privately owned family businesses, and more in Mexico, was challenging to find.

The following word cloud shows that family, business, firms, and governance are the most repeated in the data. Critical words related to the study are succession, ownership, performance, and issues.

Bastida-Díaz, J. (2020) *Word Cloud*. At: University of Liverpool.

The consideration to select the final articles was grounded on the links to the research questions, research methods, and country where the study was conducted. The articles selected were those that highlighted leadership issues in family business and governance actions that can be taken to mitigate the issues.

The chosen studies were analysed and contrasted manually, justifying their use within the literature review. A total of 137 resources were selected, most peer-reviewed. Additional resources were added that included Mexican laws and other relevant information. The documents were organised by author (s), year, title, country where the research was conducted, methods for data collection, main findings, and limitations (Appendix M).

The remainder of the chapter is structured as follows. The second section discusses the theoretical frameworks. The following part assesses prior studies relevant to the identified problems. The last section summarises the chapter.

2.2. Theoretical frameworks

The theoretical frameworks and the prior studies discussed in the following sections are relevant to the leadership issues identified in the introduction and motivations of the previous Chapter. Theories surrounding leadership and family business issues are discussed; corporate governance is also addressed as a possible solution to mitigate those issues.

2.2.1. The family business and its complexities

Specialists separate family firms' elements as organisational theories and family system theories (Sharma, 2004). Hence, the theories and organisational models relevant to the identified problem include a) the concept of a family firm, b) the family system as a unit of analysis in family corporations, and c) conflict in family firms.

A family business is considered an interactive system in which most of its ownership and control are in the hands of a family (Abouzaid, 2011; Chrisman, Chuab, and Steier, 2003; Dana and Ramadani, 2015). Del Giudice (2017) defined a family business as an overlap system of a family, a venture, and equity. The combination of family and business creates different needs and objectives that must be fulfilled but managed separately (Kenyon-Rouvinez and Ward, 2005). Other organisational theorists stated that a family business is a complex system of three interdependent sub-systems: ownership, the family, and the business. If these sub-systems are not governed separately and adequately, issues and conflicts arise (Tagiuri and Davis, 1992); Gimeno, Baulenas, and Coma-Cros, 2010).

Other theorists like Sharma (2004) showed vast ways that a family firm has been defined; they are rare entities, with different structures, with a strong family's retention of voting control through strategic decisions of the business, and huge operational involvement from the family to the business. Astrachan and Shanker (2003) describe a family business based on ownership percentage, multiple generations involved in the business operations, control from the family over the business, and the intention of the family to keep the firm. The overlapping three-circles model of Lansberg (1988) represents another way to define a family business composed of the family system, ownership system, and management system.

Other scholars pointed out that family organisations possess socioemotional elements between such as family control, influence, emotional attachment, and a need to renew family bonds through succession (Kumeto, 2015). Hence, there is no unified consensus about the definition of a family business nor the impact of the family system on the operational outcomes of family ventures because each family business is different (Nordqvist et al., 2011). It is only clear that family corporations have different structures with different member backgrounds, personal beliefs, and individual objectives.

Significantly, the family system is the most difficult to analyse as its dynamics usually are close to the public. Research suggests that the family system is not a common unit of analysis in family corporations; hence, there is a theoretical separation between the *role of the family in entrepreneurial operations* and *corporate entrepreneurship* (Nordqvist et al., 2011). This study focuses on the leadership issues generated from and between the family and management systems that alter the studied corporation's operations. Hall (2012) focused his research on why relations in the family system affect the business. He found that primary socialisation, belonging, and individuation are elements that generate influence between the family members affecting, at some point, the family venture. Scholars often debate if family comes first instead of business; however, it is clear that both need to be addressed and governed appropriately to avoid issues within family firms (Aronoff and Ward, 2011).

Specialists in family business analyse conflict as another theoretical element of family corporations and leadership issues (Dana and Ramadani, 2015; Fahed-Sreih, 2018; Josi et al., 2018; Manoj, et al., 2018; Nosé, 2017; Rhodes and Lansky, 2013). Fahed-Sreih (2018) suggested that family corporations mostly ignore conflict until it explodes and is perceived as incompatibilities that arise from interference or resentment. Josi et al. (2018) emphasized the impact of conflict in family businesses, stating that it is much more challenging to manage than the conflict in non-family-managed organisations. The author identified conflicts related to ownership, family firm management, governance, and succession in family ventures.

Rhodes and Lansky (2013) analysed the family unit as the primary point of conflict with predictable, but not necessarily evitable, noxious dynamics. These authors also stated that failure to manage conflict would erode relationships in the family that will finally alter the business operations. Alderson (2015) stated that family organisations are complex entities made of sentiments, emotions, and love. This author suggested that this set of feelings naturally creates family conflicts such as resentments, rivalries, mistrust, destructive entitlement, favoritism, gender conflicts, and communication; dynamics that decrease productivity and weaken decision-making.

Conflict is an essential theoretical element in family businesses to identify leadership issues. Despite research on the nature of conflict and strategies to address these complex dynamics, the boundaries to access in the family system open a gap of knowledge (Sharma, 2004) to create practical tools to analyse leadership issues in family ventures and provide valuable frameworks to mitigate the issues. Nevertheless, it is crucial to analyse the importance of leadership to handle issues within family businesses.

Research suggests that leadership among family firms offers diverse types of performance derived from unique operational drivers that can also create special limitations, controlling agents, and even emotional issues (Miller, Minichilli, and Corbetta, 2013). All these complexities need to be addressed and framed to avoid operational problems by their leaders. Hence, leaders must be aware of creating transparent processes and governance initiatives to control the family system and the business entity.

As a governance issue experienced in family businesses, the following section will analyse the concept of leadership and related theories.

2.2.2. Leadership and theories related

There is no unified concept of leadership. Heifetz (1998) highlighted leaders' different characteristics, such as integrity, authority, influence, respect, reciprocity, and inclusion. Rost (1993) states that leadership is a multidirectional phenomenon with several relations and noncoercive behaviors. Other scholars stated that the role of leadership defines an organisational direction through commitment and cohesion from empowered teams to achieve organisational objectives (Raelin, 2003).

Another leadership concept lies in continual learning to facilitate knowledge production among their organisational community (Antonacopoulou and Bento, 2004). Raelin (2003) highlighted an essential role of leadership as the capacity to implement change, which can only be achieved with collaboration and continuous learning. Leaders also tend to preserve order, commitment, and support; however, this can only be achieved with trust, humility, and justice (Ford and Ford, 2010). The literature's vast amount of leadership concepts demands studying the different theories surrounding it.

Some of the popular theories used in leadership include: a) contingency theory, b) situational theory, c) transformational theory, d) transactional theory, e) trait theory, and f) great man theory (Northouse, 2022).

Contingency theory states that leaders must match the appropriate leadership style based on rational thinking of the circumstances to avoid dysfunctional results (García-Vidal et al., 2017). However, contingency theory grounds the leadership effectiveness on the leader's motivations, clarity of the tasks, objectives, procedures, and the level of control over the situation (Fielder, 1964). In essence, there must be a match between the leadership style (as the motivational system used by leaders with a relational and task orientation) and the contingencies of the situation (Fielder, 1964; Gilmore Cagle, 1988).

Another theory of importance is *situational theory* developed by Hersey and Blanchard in 1969. This perspective states that leadership behaviour (directive or supportive dimensions) should be adaptable to a specific situation (Northouse, 2022). The leadership adaptation to specific situations goes to the Blanchard, Zigarmi, and Nelson (1993) model, which specifies that leaders should adapt between delegating, supporting, coaching, or directing.

The *transformational theory*, introduced by Burns (1978) and Bass (1985), stated that influence, motivation, charisma, empowerment, coaching, and mentoring are critical elements of effective leadership (Dhaouadi, 2021; Van Dijk et al., 2020). This perspective suggests that leaders must be adaptive to the follower's needs; inspire and change them to achieve the desired results (Northouse, 2022). This theory is popular among leaders because it ends in followers' commitment, job satisfaction, and increased performance (Farazmand, 2018).

In contrast, *transactional theory*, usually opposed to transformational theory (Dhaouadi, 2021), states an undertaking between leaders and followers through interactions; this reward system provides an environment of stability, order, and control (Farazmand, 2018). The exchange of needs and requirements between the leader and the followers allows for clarifying procedures, roles, duties, and responsibilities to produce efficient organisational systems (You, 2020).

Another popular leadership perspective is called *trait theory*. According to Northouse (2022), this theory states that certain people are born with distinguishing characteristics that make them different and capable of leading. According to this author, trait theory is based on *great man theory,* because analyses the innate features of successful social, political, and military leaders. These theories suggest that leadership can be learned from successful leaders' key features by studying their lives; leaders can also be differentiated by comparing characteristics such as intelligence, extraversion, risk-taking, adaptativeness, and empathy (Farazmand, 2018).

By understanding these leadership theories, the leadership issues of the studied corporation can be better identified and organised. The following will analyse the concept and theories of corporate governance as a suggested way to mitigate leadership issues in the family business.

2.2.3. Meaning and importance of Corporate Governance

Another concept of importance for the study is corporate governance. Research suggests that there is no unified concept of corporate governance among scholars. Still, corporate governance can be seen as a system of control, transparency, accountability, collaboration, and alignment that clearly defines the direction, performance, relationships, and legal behaviour of a collection of individuals identified as a corporation (Eisenberg 1993; Idowu and Tunca-Çaliyurt, 2014; Malla, 2010; Martin, 2006; Saltaji 2018; Sharma-Wallace Velarde and Wreford, 2018; Stanculescu, 2018; Tricker, 2015). The aim of corporate governance structures is twofold: (1) the proper application of standards and clear affairs to maintain healthy behavioural dynamics and (2) an ethical environment to reduce deviation from strategical objectives (Knell, 2006; Macey, 2008).

Tricker (2015) employs different perspectives to view the concept of corporate governance: a) *operational perspective* (which views corporate governance as a system used to control and direct organisations through procedures and processes focused on the shareholders, board, and management); b) *relationship perspective* (which emphasises the relations of the participants to the organisation's decision-making processes and to the dynamics that determine its direction and performance); c) *stakeholder perspective* (i.e., that of those involved with and affected by the actions of its decision-makers); d) *financial economics perspective* (which concerns an analysis of the financial means that yield returns, the organisation's ownership structure, agency theory, and legal protection of investors); and e) *societal perspective* (which employs stakeholder theory to analyse its contextual, legal, cultural, corporate, and institutional elements that affect the community as a whole).

Corporate governance encompasses complexities related to social roles, implementation systems, market forces acting as governance regulators, strategic initiatives, risk management, dynamic leadership structures, and economic, legal, organisational, and political forms (Aziz and Choudhary, 2017; Branson, 1986; Clarke, 2004; McMorland and Erakovic, 2016; Rooney and Cuganesan, 2015). However, to address these complexities, the understanding of the primary theories that underlie the concept is essential: (1) stewardship theory, (2) agency theory, and (3) market theory.

The stewardship theory assumes that the board and management form a single aligned unit that can direct the organisation and displays ethics, professionalism, and genuine concern for others' interests (Calder, 2008; Keay, 2017). Research suggests that managerial stewardship action can produce positive corporate governance praxis, analyse the supervisory board's level to management, and solve shareholder-management conflicts (Glinkowska and Kaczmarek, 2015; Subramanian, 2018). Because of a lack of consistent governance strategy, Chiu et al. (2015) pointed out the importance of creating a sense of responsibility within the investors by following the UK stewardship code. The FRC (2010, 2012) states that stewardship responsibility is shared, implying for the board, supervising management action and investors, monitoring the firm's performance, engaging in strategical decisions, analysing risks, and improving reporting and participate in corporate governance structures.

The agency theory seeks to describe the relationships needed to solve divergent thinking, define risk preferences, detect elements that lead to goal misalignment (as the diverging strategical initiatives between management and investors), and strengthen the contract that governs the behavioural dynamics between leaders and agents—i.e., owners and management (Eisenhardt, 1989; Weston, 2018). This theory assumes that agents' decisions are grounded on self-interests contrasting to the owners' preferences; all this creates additional costs, ownership centralisation, asymmetric information, and unilateral decision-making processes (Nordqvist et al., 2011).

Van den Berghe and Carchon (2003) explain that ownership and control need to be separated. They also point out that relationships need to be strictly defined to understand the divergent thinking between managers (concerned by the company's specific risks, performance, and uncertainty) and shareholders (indifferent to the risk of a single company because they mitigate it with diversification strategies). These scholars also suggested avoiding agency issues mostly grounded on conflicts of interest. Hence, agency theory could provide analytical perspectives on the agents related to the present study opening a gap to generate practical knowledge in the field. Many Mexican-owned family business issues are affected by toxic dynamics that affect the operational and family relations generating unnecessary costs.

The market theory establishes that shareholders may sell their shares on the open market irrespective of those affected by the transactions; such decisions are based on asset pricing models, gaining adequate returns on investments and general economics rather than on humanistic and philanthropic considerations (Calder, 2008; Klock, 2016). Hicks (1989) and Bankoti (2017) specify a function of speculation and uncertainty in the markets that affect investment decisions grounded on interpretations, precautions, and mental state of those who trade. Hence, by understanding investors' minds, there can be a possibility to align their beliefs with the corporate, operational, governance, and managerial objectives.

Research suggests that corporate governance is an alignment mechanism between the corporation, government, and society that generates shared economic impact (Romlah et al., 2018). Tugrul and Cimen (2016) highlighted the fundamental existence of corporate governance because its principles of control can improve the economic and operational performance with mechanisms, organisational linkages, and processes to direct all the firm's stakeholders. Cumming et al. (2014) create a qualitative analysis from different papers discovering that corporate governance has a significant impact on the information environment for investors.

Corporate governance increased its importance as a reaction to collapses and scandals such as the Volkswagen emissions (which caused death, health, and environmental issues) and the British Home Stores closure (that avoided taxes with complex offshore structures) (Watson and Vasudev, 2017). One of the causes of the financial crisis in 2006-2009 and the sovereign crisis in 2010-2012 that affected several countries is related to weak mechanisms of corporate governance generating volatility in stocks and uncertainty in the markets (Mouna, 2018).

Corporate governance is also significant because it can contribute to growth to the company and the economic system (Jain and Nangia, 2014 and Zoran, 2012) by a) providing more substantial strategical steps to guarantee the continuity and succession of the venture (Aziz and Choudhary, 2017), b) creating clarity to the operations with strict discipline, regulations, and behavioural rules, c) constructing roadmaps to provide harmonic dynamics between shareholder's, executives and managers (Rosenbaum, 2004), d) reporting and disclosing purposes to generate objective information for shareholder's and executives, e) being a means of shareholder protection (Chang, 2018 and Kirkpatrick, 2009), and a contributor to tax compliance (Shamsudin and Noor, 2012).

Theoretical frameworks and relevant corporate governance reforms are mainly used to analyse public firms in Europe, Asia, and the US (McCahery and Vermeulen, 2008). The present study offers additional perspectives of corporate governance from a non-listed Mexican family corporation that generates an opportunity to create actionable knowledge.

Even though corporate governance systems can help to create clarity and certainty from an insider (with a responsive focus on stakeholders and social structures) and outsider (with its core attention on shareholders) perspectives (Dignam and Galanis, 2008), leadership issues in corporate governance are faced by businesses through the world that will be addressed in the following section.

2.3. Prior Studies

This section discusses the literature review on leadership issues in family business and governance in different countries, including Mexico.

2.3.1. Leadership issues in family-owned businesses

Research indicates that 86% of family business owners desire to pass their company to the next generation (Cater and Kidwell, 2014). However, just 30% of family corporations are effectively transferred to the second generation, only 12% survive within the third generation, and only 3% last into the fourth generation (Fernández-Aráoz et al., 2015). This constant business creation and destruction ecosystem is related to different issues in these entities. Some of these issues include lack of succession plans, misalignment between the family business and family member's demands, failed risk management, and incapability to manage the business and the family system (Abouzaid, 2011; Dana and Ramadani, 2015; Lansberg 1988; Martin, 2005).

Abouzaid (2011) emphasized that family companies face additional leadership issues related to emotions and sentiments that affect decision-making, informality to establish operational procedures, informality in reporting, and multiple roles from family members that can affect operations. Alderson (2015) stated that because family organisations are made of sentiments, emotions, and love, family conflicts (such as resentments, rivalries, mistrust, and favoritism) are common and inevitable as the firm grows, leading to a decrease in productivity and weak decision-making. The author also stated that conflicts between siblings and parents are common in these organisations. Influence from the founder with new generations also creates issues, especially when next generations are not allowed to make decisions leading family members to leave the company. Other scholars have identified significant sources of conflict derived from family-to-work dynamics when family members do not create boundaries to separate work and family domains (Allen, Cho, and Meier, 2014; Piszczek, DeArmond, and Feinauer, 2018).

Fahed-Sreih (2018) suggests that, in family-owned businesses, leadership is one complex governance issue derived from systematic efforts of family members (internal or external to the organisation) to exert leadership, thereby producing conflicts due to personal resentments. Those types of disputes are frequently not easy to resolve and can affect the operation of the company. Other management theorists even think that family involvement in business operations is unethical because it can lead to corruption and subjective decision-making processes (Dyer and Handler, 1994). Variables such as the composition of the family system, the leadership structure (typically centralised), and the active ownership structure are vital determinants of these firms' performance, but they can also create additional issues (Machuga and Teitel, 2009; Rocha-González, 2011).

Miller and Le Breton-Miller (2006) point out that, in particular, private family-owned firms face increased risks and leadership issues related to agency costs, avoidance and rejection of the smallest shareholders/family members, and a leadership tendency to adopt managerial behaviours driven by motives other than financial self-interest. Businesses' issues and conflicts are expected because of different perspectives and divergent views and perceptions. However, in private family-owned ventures, the family system plays a critical role in the business's vision, governance, and control, providing unique and not easily and formally defined competitive advantages (Fahed-Sreih, 2018).

Research from Zona (2016) explained that family and non-family members' leadership differs. Family leaders tend to offer the family business a deep knowledge of the business and valuable skills. In contrast, non-family leaders tend to manage conflicts on corporate boards better because they lack internal biases and can therefore be more objective. However, organisations in Thailand tend to centralise control avoiding external business professionals to work on crucial positions or within their board; this structural initiative helps them avoid goals misalignment and the resulting agency issues (Suehiro and Wailerdsak, 2004). Also, family ventures in the US tend to have centralised decision-making procedures with different delegating strategies than non-family firms (Martin, McKelvie, and Lumpkin, 2016).

Siebels and Knyphausen-Aufsess (2012) analysed two hundred and thirty-five publications related to issues in family businesses to contrast family and non-family ventures; according to their findings, the main differences occur in the following: a) agency costs derived from conflicts of interest and asymmetric data; b) competitive advantages; c) structures of corporate governance with multiple roles of family members; and d) the novel approach in which the family system is considered to be an additional stakeholder. They also found that the separation of ownership and control from an agency perspective creates additional costs, opportunistic behavior, and succession problems. Another issue highlighted by these authors is parental altruism - different motives cause the owner to make decisions favoring their employed children, affecting the business operationally and/or financially.
The confusions in relationships inherent in the family system affect the business system, thus generating governance interferences, family conflicts, business disorder, nepotism, and succession issues (Gimeno, Baulenas, and Coma-Cros, 2010).

Scholars like Kaufman (1998) and Saravanamuthu (2015) have noted that managers and shareholder interests differ in seeing firms as ungovernable. Structural origins, non-shared values, self-interest (agency theory), inability to manage change, and misaligned dynamics can cause conflicts between ownership (i.e., shareholders) and those who control the organisations. This lack of governability is accentuated in privately-owned family businesses because they tend to be hermetic on their competitive advantages and even more on their internal issues (Gibson, Vozikis, and Weaver, 2013). Family businesses around the world tend to have common dilemmas related to a) compensation, b) ownership, c) managing family conflict, d) triangulating issues with third parties, e) rivalry between siblings, f) privileges and lifestyles affectations, and g) avoidance of responsibility for decisions (Rhodes and Lansky, 2013).

The level of restrictions in decision-making processes, behaviours within and outside the family system, and the normative elements invoked in the business system from managers and family members can also produce negative dynamics if leadership governance is not adequately applied (Bentley, Pugalis, and Shutt, 2017; Bezemer, Nicholson, and Pugliese, 2018). Pendergast, Ward, and Brun-de-Pontet (2011) emphasised knowledge transfer, training, mentorship, and succession to challenge family firms. Their research suggests that primogeniture ownership succession is becoming less common. Moreover, unplanned succession structures, weak candidates, and training failures can risk the company's survival (Tichy, 2014).

According to Hall (2012), family-owned businesses adopt unique values, highly individual cultural elements, and innovative behavioural dynamics. Family firms have many stakeholders that are difficult to define, generating leadership issues and fragile governance structures. These issues grow when the venture increases in size or when a succession occurs. LeCouvie and Pendergast (2014) stated that these issues escalate in leadership continuity or when trying to achieve longevity of the business because it requires creating a rigid executable plan linking governance and corporate strategy.

Josi et al. (2018) identified conflicts related to ownership, family firm management, governance, and succession. Personal and cultural conflicts were also found in this study related to gender, as in India, women are not always allowed to participate in business operations even though they are professionally qualified. Koeberle-Schmid, A. Kenyon-Rouvinez, D., and Poza, E. J. (2014) also identified succession as a critical issue experienced by family businesses, but when family members lose identity and values provokes critical problems for the business continuity.

Despite the importance of this topic, very few studies have explored leadership issues in privately family-owned businesses and, specifically, those located in Mexico. Instead, research has primarily focused on public companies (Hennessey, 2005; Howe, 2015; Lowengrub, Luedecke and Melvin, 2015; Samad, 2015; Wei, Zhang, and Xiao, 2015). As a result, the present study will analyse, identify, and discuss the specific leadership issues in a Mexican private, family-owned business and provide governance actions to decrease these issues.

Hermetic positions created unconsciously by entrepreneurial founders and heterogeneous forms of private family ventures do not allow additional knowledge to emerge (Shi, 2014). Hence, little research has been done from the "inside" of such family entities that would show dynamics and issues related to the family system, ownership concentration, strategic leadership, and managerial activity (Guanghui and Xiaohui, 2010; Popp, 2012).

The field of family business research offers diverse theoretical elements with no unified conceptions. So, there is an opportunity to contribute practical knowledge from a particular privately-owned family business in Mexico by analysing the dynamics between the family system and the business, multiple roles of family members, and leadership issues (Collins et al., 2012; Siebels and Knyphausen-Aufsess, 2012). The following section discusses leadership issues and governance from an international perspective.

2.3.2. Leadership issues and corporate governance - International

The business world has faced leadership issues that resulted in destabilisation, scandal, dissolution, and even the disappearance of solid corporations in several countries and different industries. Such cases were the Maxwell publishing group in the UK, Enron in the US, One Tel in Australia, and the Chaebol conglomerates in Korea (Kirkpatrick, 2004). Tudway and Pascal (2006) point out that the risk of corporate scandals and a lack of confidence and legitimacy increases when effective control of executive action is lacking.

Causes of companies' failures include lack of business plans, weak leadership, unclear governance guidelines, fragile decision-making processes, changes in government policies, late responses to the dynamics of their environment, misalignment between management and shareholders' interests (agency view), and fraud coupled with illegal cover-ups by executives (Dawson, 2015; Kirkpatrick, 2004; Marnet, 2015; Sikka, 2019). Other causes are poor risk management strategies, unclear division of responsibilities, and unsatisfactory shareholder communication/participation, all of which can contribute to fragile leadership governance practices and instability (FRC, 2016). Lack of a) an adequately defined leadership governance structure, b) boundaries definition in the leadership roles, and c) transparency in the decision-making processes and reporting can result in the collapse of any business (Kakabadse and Kakabadse, 2008).

Other corporations, including the privately-owned Mexican company of the present study, lack corporate governance structures and face growth challenges, leadership issues, and agency problems rooted in their operations and family system. This lack of corporate governance strategies that align its leadership creates issues and contributes to unstable behaviours that could lead to the corporation's dissolution in future generations (Abouzaid, 2011; Lasfer, 2015). Research suggests that active ownership plays a critical and uniquely value-creating role in the economic environment but generates leadership and governance issues (Carlsson, 2003).

Most studies on leadership and governance have focused on secondary data from stock exchanges or public databases and from different countries rather than on primary data or data gathered using action research. For instance, Dedoussis and Papadaki (2010) analysed secondary data from 2,700 domestic and foreign manufacturing Greek firms to explore the effects of ownership. They found that shareholder nationality and ownership structure affect investment decisions and leadership action. In India, Jackling and Johl (2009), who analysed secondary data of a sample of the top companies listed on the Bombay Stock Exchange (BSE) and drawn from the OSIRIS database, found that the size and level of commitment of the board leadership affected the performance of corporations. In particular, highly occupied external directors to the firm do not generate positive value. However, no specific examples were addressed from each organisation of the study.

Kilenthong and Rueanthip (2018), in Thailand, highlight the importance of accurately transferring knowledge and expertise related to the corporation to a successor (who usually is another family member). Research from Nosé et al. (2017) in Austrian corporations recognised the importance of leadership governance. Control is placed in the board and managerial team; however, special attention is paid to interconnections between the business and family members because the possibility of conflict in family-owned businesses is really high.

Odehnalová and Pirožek (2015) claimed substantial financial control and ownership centralisation in their multinational study of 2,509 public family corporations in the Czech Republic. These elements of ownership centralisation and control repeat through some other different cultures in the world. No specific issues and examples were mentioned in the study related to this centralised financial management and decision-making.

In other regions (e.g., Lebanon), the tendency to address leadership governance and succession matters is weak; leaders tend to remain in power as long as possible, decreasing the possibility that their organisations survive (Del Giudice, Della Peruta, and Carayannis, 2011). Alajlan (2015), analysed data of the listed firms in Saudi market from 1935 to 2004. The results found intense ownership concentration by families and the government; also stated that ownership information, operational structures, and family structure are often unavailable in developing countries. As expected, no details nor examples about issues in the family were highlighted, as they are normally not of public domain.

Cennamo, Berrone, and Gomez-Mejia (2009) mainly analysed Spanish businesses and found that the stakeholder's management approach is critical to businesses' success. Still, it also creates hidden costs, risks, strategic performance problems, and general ethical issues that need to be addressed.

Rafique-Yasser (2011) analysed secondary data (one hundred and thirty-four Pakistani companies listed in the Karachi Stock Exchange from 2003 to 2008). He found that corporate governance affects family and non-family controlled firms' performance regarding variables such as leadership, board structure, family members influence, debt, size, and firm's age. However, there are no unified variables that affect the performance of all organisations; specific behaviours and specific variables for particular types of companies produce different types of performance.

In Europe, the UK has amassed a vast base of knowledge on corporate governance to raise the standards and instil confidence in its market, as outlined in a report on corporate culture. This report recommends that corporations have an objective, a corporate strategy, strong leadership, and clear/rigorous values (*Financial Reporting Council Proposed Revisions to the UK Corporate Governance Code*, 2017). Research in France offers three discretionary corporate governance codes: a) The Viénot I Report (for directors and the board), b) The Viénot II Report (chairmanship and director independence), and c) The Bouton Report (following Enron and other financial issues) (Tricker, 2015). Each privately-owned business in Italy is considered a unique house with a foundation that rests on healthy roots established by the founder's principles, leadership, and strong ideals. These are viewed as generating forces that allow the business to grow, evolve, and endure through future generations (Kenyon-Rouvinez and Ward, 2005).

Other scholars, such as Randoy, Dibrell, and Craig (2009), point out the importance of constructing corporate governance in businesses to avoid operational and organisational issues. Moreover, in Sweden, research on 98 publicly traded firms concluded that founders are crucial corporate governance leadership influencers who can significantly improve financial performance and have a significant economic impact within the markets. Other scholars provide a corporate governance framework for non-listed organisations highlighting specific features such as a) company law as rules and standards, b) contractual mechanisms like shareholder agreements, and c) corporate governance rules (McCahery and Vermeulen, 2008).

Miller and Le Breton-Miller (2006) offer a mixture of grounded corporate governance theory and analysis of previous studies from Fortune 1000 organisations. They state that ownership, management, and leadership from a strong family member can improve a firm's performance; moreover, when control is exercised without much ownership, and when too many family members clash with resources, there is an essential decrease in performance. Gómez-Betancourt and Zapata-Cuervo (2013) analysed corporate governance codes from corporations in fourteen countries. Most of the data was from public entities because there is little information from private firms, and only in Brazil and Colombia found references between corporate governance and family ventures. Owners from the UK, US, and Australia tend to delegate responsibilities to the board; in contrast, in countries like Japan and Mexico, the owners are intensely involved within corporate governance duties (Gómez-Betancourt and Zapata-Cuervo; 2013).

The government in Colombia generated primary data from seven thousand four hundred and fourteen non-listed companies (those that do not trade stocks in the public market) that voluntarily submitted information related to their corporate governance structures. The final report of this analysis from Morgestein-Sánchez (2015) suggested using corporate governance to increase profits due to risk mitigation, strengthen the decision-making processes related to investments and strategical decisions, and organise family, management, and succession. Chang (2018) showed, in a mixed study of public corporations, how a small country as New Zealand created a strong awareness of corporate governance to investors generating positive outcomes for the country (Chang, A. (2018).

Van den Berghe and Carchon (2002) created primary data from three hundred and twenty-five Flemish companies measuring corporate governance characteristics and their importance. They found that corporate governance is a crucial element of survival. Specifically, family businesses are characterised by having one person with more than fifty percent of the ownership, or one family owns more than fifty percent of the shares. There is a strong positive or negative influence from family members on the business.

Additional issues related to regulatory actions can lead corporate governance structures to fail because of weak decision-making processes that affect asset protection, cultural elements, and/or a lack of clarity in the information reported (Martin, 2006). The nature of specific regulations within each country can also affect shareholders and the board of directors (Kirkpatrick, 2004; Machuga and Teitel, 2009). Listed or to be listed companies in the Japanese Stock Exchange seem to be governed by a complex system of clear leadership guidelines, rigid governance, and reciprocal dynamics that generate an environment based on trust, collective objectives, and organisational values that produce accountability (Learmount, 2004).

In China, the rapid evolution and growth of businesses have fostered rigorous leadership governance initiatives to decrease operating costs, respond with increased rapidity to changes in the environment, and control the family system (in several family-owned corporations) (Chun-Li et al., 2015). Lee and Barnes (2017) analysed seventy-five public companies listed in the Hong Kong Hang Seng Composite Industry Index (HSCII). More than 65% of those businesses were family ventures. The researchers found that family firms may not always outperform non-family entities. It was also highlighted that the leadership from the founder provides a strong positive performance force in family ventures. Hence, family firms should strengthen governance and succession matters because a family member is not always the best match for the company.

To attenuate the leadership issues typical of those encountered in businesses and provide adequate direction, Tricker (2015) suggests implementing corporate governance structures to clearly and exhaustively specify rules, responsibilities, roles, procedures, and rights of working and non-working family members, management, the board, shareholders, and/or stakeholders related to the firm. In addition, other authors such as Alderson, 2015, propose governance initiatives that can help mitigate leadership issues.

This section focused on specific issues surrounding corporations related to governance, leadership, decision-making, and management misalignment. Despite the vast amount of literature related to leadership issues in businesses and corporate governance, when analysing the selected articles, research suggests that most of the studies in these fields used secondary data from the stock exchange or public databases from each country. As a result, there is an opportunity to create actionable knowledge, with primary data, from the specific privately family-owned Mexican corporation and detect its leadership issues to provide governance actions and mitigate those issues. Also, this section highlighted a substantial theoretical base in family-owned businesses that details capabilities, key characteristics, competitive advantages, and general behaviours within the subsystems (such as the family system). Most of these analyses used public companies' data to show ownership structures, leadership dynamics, and governance initiatives among different countries.

Research suggests that very few studies have explored leadership issues in privately-owned family businesses using primary data. The present study offers an opportunity to generate primary information to analyse, identify, and discuss the specific leadership issues in a Mexican privately family-owned business and provide governance actions to mitigate those issues. The following section will analyse the leadership issues and corporate governance within the Mexican context. There are key characteristics that define Mexican corporations related to their culture and the legal environment; the research will create the steppingstones to analyse the leadership issues surrounding the specific privately-owned Mexican business.

2.3.3. Leadership issues and governance in the Mexican context

Research on Mexican firms suggests that the weak legal protections awarded to shareholders generate more centralised ownership and leadership structures for entrepreneurs, increasing the number of family firms (Belausteguigoitia, 2003; Espinoza-Aguiló and Espinoza-Aguiló, 2012; Portal, 2001). The difficulty of analyzing and obtaining information about these types of entities' internal dynamics creates an opportunity to produce actionable knowledge (i.e., concerning family-owned businesses).

San Martin-Reyna and Duran-Encalada (2017) used primary (questionnaire) and secondary data (from public databases) from companies of several states of Mexico. Their research shows that ownership centralisation is a crucial component of family companies in Mexico; also, total leadership control from the founder and a concentration in decision-making processes. The strong dependency and centralised managerial behaviour associated with the founders/entrepreneurs/owners/family members generate governance, growth, and succession issues. In addition, legal regulations, shareholder rights protections, financial systems, and features of the leadership structure also cause additional problems in Mexican businesses (Husted and Serrano, 2002).

Madrigal-Torres, Luna-Ruiz, and Vargas-Hernández (2017) discuss the contrast in leadership within Mexican and Indian cultures. According to their findings, Mexicans tend toward a democratic leadership style. Thus, even though Mexican culture views debate as aggressive behaviour, Mexican business leaders feel the need to submit decision-making processes to collaborative dynamics, thereby complicating the management of conflict and divergence.

Martínez and Dorfman (1998) developed primary data (semi-structured interviews) to analyse managerial leadership in Mexico. Their findings show that Mexicans value family, trust, and relationships. As one of their core elements, the family sometimes affects decision-making and leadership practice because of the mixture of sentiments and responsibility.

Mexican culture tends to perceive effective leadership as fair, supportive, and approachable (Ruiz, Wang, and Hanlin, 2013). Nevertheless, a strong dependency on sentiment and individual perceptions in the culture affect business operations, decisions, and dynamics, especially within family ventures. Therefore, analysing the leadership elements related to Mexican business, co-founders and managers can help create strategies to allow the corporate group studied to endure and be properly governed (Del Giudice, 2017).

Macias and Roman (2014) used a sample of 107 firms registered in the Mexican Stock Exchange and additional databases, concluding that the high concentration of ownership and the weak legal protection in Mexico are obstacles to effective investment decisions. However, no clear examples were found in the study about the issues that affect investment decision-making. The studied corporation provides specific examples and symptoms that affect investment decisions affected by family issues.

Watkins-Fassler (2018) analysed secondary information from eighty-nine non-financial companies listed on the Mexican Stock Market between 2001 and 2015. The results showed that family ventures outperform better than non-family firms. Family entities tend to have a strong ownership centralisation (positively correlated to performance) and control generating issues of succession and survival to select a family or non-family member.

Most research on family businesses in Mexico has primarily focused on public corporations and has used secondary data drawn from the stock exchange or public databases. Espinoza-Aguiló and Espinoza-Aguiló (2012) used secondary data from 101 companies listed on the Mexican stock exchange to contrast family and non-family ventures' performance quantitatively. Their findings showed that governance and ownership centralisation are crucial to the company's performance. Husted and Serrano (2002) employed secondary data from the financial banking system, the Mexican stock market, and the OECD to show that family control is prevalent among Mexican family businesses despite increasing foreign investment.

Even though the literature, in the Mexican context, highlights complexities in the family business, no detailed examples nor symptoms were found that clarify many of these issues in operations and the family system. The present study provides evidence from real-life issues inside the operations and general dynamics between the family system and the corporation's business units. Also, it is an opportunity to produce actionable knowledge with corporate governance strategies that might help mitigate the issues.

Research suggests that public companies in the Mexican stock exchange use corporate governance as a best practice to provide confidence for investors (BMV, 2019). The Mexican stock market law addresses certain corporate governance elements but never obligates establishing a formal governance structure for a public company (Cámara de Diputados del H. Congreso de la Unión, 2018, 2019).

Other academics suggest that public companies in the Mexican stock exchange use the non-mandatory third edition of the Code of Principles and Best Practices of Corporate Governance (*Código de Principios y Mejores Prácticas de Gobierno Corporativo, 2018*) (BMV, 2019; Morales-Barrón, Quiroz-Chavez, and Reza-Villarreal, 2020) to improve their transparency and gain trust in investors. The Mexican stock market law addresses certain corporate governance elements but never obligates establishing a formal structure for a public company (Cámara de Diputados del H. Congreso de la Unión, 2019). This limitation increases in privately owned businesses. No law obligates these types of firms to establish corporate governance guidelines that could even decrease the risk of fraud. Hence, through the current study, there is an opportunity to fill in this gap to show the importance of corporate governance structures in privately owned corporations. It is unclear which type of issues Mexican family businesses face (especially between the family system and the business operations) and how they are addressed.

Lubrano (2001) also used secondary data from security markets in Mexico and other countries to identify the impact of corporate governance and the general issues surrounding economic stagnation and concentration. This analysis shows that the stronger the legal and governance frameworks are, the greater the securities market will grow, suggesting that more robust corporate governance structures lead to more stable business environments. A sample of publicly traded Mexican firms in the Thomson Financial Database was used from Machuga and Teitel (2007). The scholars discover that mandatory regulations from the government indeed help increase earnings and investment behaviours. Even though evidence suggested that corporate governance can help address leadership issues and improve performance, it is unclear if private companies benefit from these structures.

Research suggests that corporate governance guidelines in Mexico are mainly used by public corporations (Heather, 2003). New regulations were created to improve the quality and transparency within the reporting processes, mostly grounded on Sarbanes-Oxley. Still, there is no sufficient evidence if private entities use corporate governance structures within their corporate strategy (Heather, 2004).

Employing a secondary data sample from Mexican firms registered on the stock exchange, Machuga and Teitel (2009) addressed the leadership composition of boards of directors. Their findings identified ventures with no family ownership concentration but with good performance. Also, their results indicated that the country's weak legal structure does not help the performance of family ventures having a centralised ownership. Research from

Hernandez and Conejo (2003) suggests improved financial reporting and transparency for Mexican businesses. The study used public legal documents and highlighted that the Corporate Governance regulations used in the Mexican business arena have not a legally mandatory effect; instead, they are a point of reference.

Mayo-Castro, González-Hernández, and Pérez-Sánchez (2016) used secondary data from INEGI (Instituto Nacional de Estadística y Geografía – National Institute of Statistics and Geography) to show that the lack of corporate governance plans plays a role in the disappearance of Mexican corporations. Carrillo-Gamboa (2002) created a narrative from Mexican public firms establishing the need for corporate governance guidelines to ensure full disclosure of information and transparency in stock transactions. Because of Mexico's weak legal environment and cultural characteristics, Castañeda (2000) claimed in his secondary data analysis that family companies tend to have a strong ownership centralisation and pyramidal organisational structures to control the entities. However, no issues were specified related to this centralist structure.

Babatz (1997) thesis is an academic resource that appears through the Mexican literature related to corporate governance and business. The author creates an analysis in corporate finance by using the Mexican Stock Exchange database between 1987 and 1996. His findings show that a small number of public business entities reduce the reliance on their cash flow to invest derived from liberalisation. In this situation, the government intervenes in the financial market to increase or decrease growth and investment. The study finally highlights the impact on ownership centralisation and control because of the weak Mexican legal system.

Garcia (2011) applied quantitative analysis to secondary data from public companies in Mexico. The discovery was that despite the intent to improve corporate governance practices in Mexico, the markets have not adopted and fully execute them properly, generating reporting issues and diffuse transparency results.

San Martin-Reyna and Duran-Encalada (2012) contrasted family and non-family businesses with their corporate governance peculiarities. They found that the relationship between ownership concentration, board composition, debt, and performance is different for family holding companies than for companies with lower ownership concentration. In another study in 2015, those authors also found a correlation between family ownership concentration and performance. In both studies, San Martin-Reyna and Duran-Encalada used secondary data from public companies.

Little attention has been given to Mexican private family ventures, especially from an insider and a qualitative perspective; this may have been due to the difficulty of obtaining information from this concentrated and closed business and its associated family environments. Hence, exploring leadership governance issues in family businesses in Mexico has importance because ownership centrality is a vital characteristic of this country's culture that constitutes an advantage (for some scholars) or a cause of poor performance (for other researchers) of Mexican corporations (Machuga and Teitel, 2009). Agency theorists stated that exists an agency loss when there is a division between the owner's (as principals) and the manager's (as agents) interests (Donaldson and Davis, 1991). However, family businesses possess additional challenges because family-related problems affect individual preferences and business matters that are not easily detectable (Nordqvist et al., 2011). As a result, the study can contribute to this knowledge gap by analysing the leadership issues inside this family business and provide elements that can be used in practice.

The leadership initiatives and governance strategies are challenging to obtain in privately owned family businesses because what makes them different allows them to succeed (Athanassiou et al., 2002). Thus, this study constitutes an opportunity to study a Mexican corporation willing to explore its leadership structure, ownership concentration, governance, and construction of its board of directors and management team. This opportunity can add value to the body of knowledge concerning leadership in privately- and family-owned businesses in Mexico, thereby significantly contributing to both practitioners (i.e., business owners) and academicians (Gibson, Vozikis, and Weaver, 2013).

Previous research has offered information about corporate governance systems, leadership, and family companies in several other countries, including the UK, China, and France (Chun-Li et al., 2015). Still, there is little “primary” qualitative and quantitative information related to “Mexican” family privately-owned corporations and their specific leadership issues. This study is grounded in action research and represents a novel approach to analysing a unique Mexican privately-owned family corporation with a qualitative approach to identify and explore leadership issues and provide specific governance actions to solve them.

Privately owned family entities seemed to create difficulties to obtain knowledge as it is one of its valuable assets. Hence, the Mexican privately-owned family business to be analysed offers an opportunity to generate primary data and unleash its particular leadership issues to create actionable knowledge in the form of a formal leadership governance structure. As a final report of the study, the actions to be taken will be crucial elements for the corporation’s survival and future generations.

This section provided issues surrounding Mexican corporations, defined by their family system, sentiments, relationships, culture, legal environment, and a tendency to overcontrol the business entities. The ownership centrality is a vital component that defines the Mexican business style. The weak governmental regulation is a decisive variable that alters investment behaviours and generates centralised dynamics. Most of the analysed studies used secondary data from public businesses showing leadership initiatives and governance strategies in the Mexican context.

The study is an opportunity to generate actionable knowledge with a qualitative perspective using primary data. The action research approach can contribute to family business and agency theory by contextualising a practical problem inside a privately owned family business. The strategy to detect leadership issues, grounded on collaborative dynamics, can also be helpful for practitioners and theorists. The cyclical perspective of action research can allow practitioners and scholars to provide corporate governance plans to mitigate leadership issues and address agency problems (Coghlan, 2011).

The final section (summary of the chapter) will discuss the leadership issues detected through the literature review and the importance of governance as a framework to mitigate the issues.

2.4. Summary of the chapter

Appendix M shows a table with the documents used for the literature review chapter. The following table compares the data and methodologies used by those scholars.

Table 5.- Comparing data collection methods and data analysis methodologies from all resources in the literature review.

PRIMARY DATA	SECONDARY	QUANTITATIVE	QUALITATIVE	ACTION RESEARCH
27	**118**	**74**	**81**	**0**
19.71%	86.13%	54.01%	59.12%	0.00%

It was found that twenty-seven articles used primary data within their study, representing 19.71% of the analysed resources. Hence, most studies used secondary data for their analysis, mostly from public databases or existing documents. Quantitative and qualitative techniques were distributed almost evenly. No studies were found using action research as their main research strategy.

Specifically, in the case of Mexico, twenty-six documents were found related to leadership issues in the family business or corporate governance, as shown in Table 6. Eighty percent of the studies used secondary data for their research, and more than sixty percent employed quantitative methods for the analysis. Again, no action research studies were found in the Mexican context.

Table 6.- Comparing data collection methods and data analysis methodologies - Mexico.

PRIMARY DATA	SECONDARY	QUANTITATIVE	QUALITATIVE	ACTION RESEARCH
7	**21**	**16**	**10**	**0**
26.92%	80.77%	61.54%	38.46%	0.00%

As a result, the present action research study pretends to use primary data (semi-structured interviews) with qualitative methods. This particular combination opens a gap of actionable knowledge that will be used within a Mexican privately owned family corporation.

As seen in the literature analysis, there is a vast amount of literature dedicated to family business and corporate governance (mainly focused on public entities). However, little research has been created to detect leadership issues in privately owned family businesses. Moreover, the iterative cycle of action research to contextualise an issue, diagnose its features, collaborate with different agents, learn, and create a plan to intervene (Cassel and Johnson, 2006), has little attention in the literature. This gap provides an opportunity to analyse a private family-owned Mexican venture from the inside with an action research perspective, define its specific leadership issues, and provide governance interventions.

This study is an opportunity to create actionable knowledge of corporate governance because it involves a deep understanding of leadership issues, interactions, and governance in a particular Mexican privately-owned family business from a qualitative perspective. There are many such private family-owned firms, yet a paucity of qualitative studies have been performed.

The family component plays a decisive role in the business's performance and outcomes (Espinoza-Aguiló and Espinoza-Aguiló, 2012; Martínez and Dorfman, 1998) but requires clear corporate governance guidelines and regulations to endure future generations. As seen in the literature, the family system is not a common unit of analysis because of its complexity to access (Nordqvist et al., 2011); however, the study opens the possibility to examine this family system and its issues that affect the operations of the studied privately owned family corporation. Also, leadership theories can help understand decisions and behaviors among the leadership issues that occur. Hence, qualitative techniques are needed to understand the phenomena and help craft action research strategies to address leadership and governance issues. The action research approach frames the leadership issues rooted in the family system and business units to provide clear corporate governance guidelines for the studied Mexican family-owned corporation.

Appendix M also shows studies from the UK, USA, China, and Europe; nevertheless, little research has been given to Latin America, especially Mexico, with a qualitative approach and primary data. Most of the studies in leadership issues and corporate governance are quantitative and grounded on secondary data (mostly public information like the specific stock exchange from each country studied). The current study explores leadership issues within one privately-owned Mexican family business with an action research approach. It provides a corporate governance framework to produce clarity, direction, feedback, and oversight.

Through the analysis of the literature, twenty-four leadership issues were detected, shown in Table 5. These leadership issues will be contrasted with the results of the analysis.

Table 5. Leadership issues detected in the literature review.

	LEADERSHIP ISSUES IN THE LITERATURE	AUTHOR(S)
1	Conflicts related to ownership and control.	Del Giudice, 2017; Gimeno, A.; Baulenas, G. and Coma-Cros, J., 2010; Josi et al., 2018; LeCouvie, K. and Pendergast, J., 2014; Siebels, J. F., and Knyphausen-Aufsess, D. Z., 2012.
2	Conflicts related to the family and its complexity.	Gimeno, A.; Baulenas, G. and Coma-Cros, J., 2010.; Hall, 2012; Josi et al., 2018
3	Conflicts related to the family and business.	Collins et al.; Hall, 2012; Piszczek, DeArmond, and Feinauer, 2018
4	Conflicts of interest between Directors and Shareholders.	Morales-Barrón, H.; Quiroz-Chavez, O. A.; and Reza-Villarreal, M. K, 2020; Siebels, J. F., and Knyphausen-Aufsess, D. Z., 2012.
5	Tensions created from the family life to the business.	Popp, 2012.
6	Tensions between the enterprising couple and family.	Popp, 2012.
7	Agency issues.	Del Giudice, 2017; Kumeto, 2015; Guanghui, S. and Xiaohui, 2010.
8	Leadership issues related to emotions and sentiments that affect decision-making.	Abouzaid, 2011; Alderson, 2015; Collins et al., 2012; Josi et al., 2018 ; Koeberle-Schmid, A. Kenyon-Rouvinez, D., and Poza, E. J. (2014)
9	Informality to establish operational procedures.	Abouzaid, 2011
10	Informality in reporting.	Abouzaid, 2011
11	Nepotism.	Collins et al., 2012; Gimeno, A.; Baulenas, G. and Coma-Cros, J., 2010.; Koeberle-Schmid, A. Kenyon-Rouvinez, D., and Poza, E. J. (2014)
12	Compensation and remuneration.	Collins et al., 2012; Dana and Ramadani, 2015
13	Multiple roles from family members can affect operations.	Abouzaid, 2011
14	Competence of family members to operate or manage the business.	Dana and Ramadani, 2015; Josi et al., 2018.
15	Succession issues.	Abouzaid, 2011; Alderson, 2015; Collins et al., 2012; Dana and Ramadani, 2015; Gimeno, A.; Baulenas, G. and Coma-Cros, J., 2010.; Josi et al. (2018); Koeberle-Schmid, A. Kenyon-Rouvinez, D., and Poza, E. J. (2014); Lansberg, 1988; Martin, 2005; LeCouvie, K. and Pendergast, J., 2014 ; Siebels, J. F., and Knyphausen-Aufsess, D. Z., 2012.
16	Misalignment between the family business and family member's demands.	Abouzaid, 2011; Popp, 2012.
17	Failed risk management.	Abouzaid, 2011;
18	Incapability to manage the business and the family system.	Josi et al., 2018;
19	Destructive entitlement - when family members perceive injustice hence, punishing operationally, financially, strategically, and even with fraud.	Alderson, 2015;
20	Gender conflicts.	Alderson, 2015; Josi et al., 2018
21	Communication issues.	Alderson, 2015; Dana and Ramadani, 2015; Gimeno, A.; Baulenas, G. and Coma-Cros, J., 2010; Josi et al., 2018.
22	Siblings rivalry.	Dana and Ramadani, 2015; Josi et al., 2018
23	Parental altruism - cause owner-managers to make inaccurate decisions in favor of their employed children.	Siebels, J. F., and Knyphausen-Aufsess, D. Z., 2012.
24	Generational conflicts.	LeCouvie, K. and Pendergast, J., 2014; Koeberle-Schmid, A. Kenyon-Rouvinez, D., and Poza, E. J. (2014)

Mexican businesses tend to have an intense ownership concentration and centralised control because of the weak legal environment (Belausteguigoitia, 2003; Espinoza-Aguiló and Espinoza-Aguiló, 2012; Portal, 2001); more developed countries diverge with this structure of ownership and control.

From a global perspective (including Mexico), several leadership-related issues were detected. Issues related to lack or unclear corporate governance guidelines and stewardship problems. Ownership structure and agency issues are also two of the most mentioned issues related to leadership and governance. From the documents focused on Mexico, the critical point is associated with missing or unclear corporate governance guidelines, a lack of succession plans, and stewardship problems. Other issues are related to ownership concentration and issues from the economic and legal environment. Family-related conflicts arise through the literature in both international and Mexican domains that are mostly grounded on the relations, processes, tasks, responsibilities, control, governance, communication, and compensation initiatives (Del Giudice, Della Peruta, and Carayannis, 2001; Fahed-Sreih, 2018; Manoj et al., 2018; Nosé et al., 2017).

Research suggests that unclear corporate governance guidelines, ownership concentration, and the legal environment in Mexico are common operating denominators that generate issues for private family ventures. The study pretends to analyse the specific leadership issues surrounding this particular Mexican privately-owned family business using qualitative techniques and primary data to create actionable knowledge based on a corporate governance leadership framework. The previous chapter addressed that this Mexican corporation grounds the same ownership centralisation strategy as the founders control the shares, and individual leadership completely controls the operations.

As discussed previously, in some countries where business leaders tend to remain in power as long as possible, the Mexican companies do not differ. The "ownership concentration" causes business leaders to centralise knowledge, increasing the likelihood that their organisations endure. Thus, this study is an opportunity to understand leadership issues in family-owned businesses in Mexico and recommend governance actions that could perhaps reduce or eliminate these issues. The following chapter will describe the methodological techniques to define and solve leadership issues within this particular Mexican privately-owned family business.

CHAPTER 3 – METHODOLOGY

3.1. Introduction

This chapter describes the research methodology used in the current study, including research philosophy, research strategy, data collection methods, and data analysis.

The research methodology is a systematic way of rational and logical thinking about a specific situation to understand its elements and formulate rigorous/relevant knowledge (Kumar, 2014). It also describes how the study will be undertaken, the definitions of the grounded theoretical and philosophical assumptions, and the implications of adopted approaches (Saunders, Lewis, and Thornhill, 2016).

The rest of the chapter is structured as follows: Section two describes the study's aim and the research questions. Section three discusses the research philosophy underpinning the current research. The data collection and analysis procedures are described in sections four and five, respectively. Section six explains research ethics. Section seven explains the limitations of the study. The eighth section addresses trustworthiness in research. Finally, the chapter ends with a summary.

3.2. Research aims and questions

This study explores the leadership issues in a family-owned business in Mexico and the actions and reforms needed to reduce or eliminate these issues.

The current study seeks to address the following research questions to achieve the aim:

- What are the leadership issues in Mexico's family-owned business, which comprise the subject of this study?
- What actions can be taken to eliminate or reduce the identified leadership issues in this family-owned business? And, how can these actions be implemented?

3.3. Research philosophy

The methodology is the theory of organising activities to generate knowledge that can use theoretical and/or empirical information for the analysis (Novikov and Novikov, 2013). Scholars stated that some significant research philosophies available in the field of business research include a) positivism, b) critical realism, c) interpretivism, d) postmodernism, e) pragmatism, and f) social constructionism (Bazeley, 2013; Easterby-Smith, Thorpe, and Jackson, 2012; Kumar, 2014; Saunders, Lewis, and Thornhill, 2016).

Positivism attempts to analyse social realities in business to produce generalisation (the only way to achieve this level of study is with rigorous, objective methods that can be replicated

(Easterby-Smith, Thorpe, and Jackson, 2012). This perspective works with observable social reality to produce accurate knowledge based on facts, data, and prior theories; multiple perspectives from participants are considered to generate rigour structured quantitatively (Creswell, 2013). Although a positivist approach may coexist with qualitative methods, it normally analyses big data samples with rigid quantitative techniques to reach generalisation (Su, pp. 3, 2019).

An *interpretive* view pretends to identify universal laws by creating a novel understanding of social phenomena in business; organisations, as dynamic entities to produce alternative knowledge, are the base of the *postmodernism* perspective (Saunders, Lewis, and Thornhill, 2016). This perspective needs to deconstruct the collected information with contrast, inconsistencies, and contradictions to create knowledge (Creswell, 2013).

The recognition of the business concepts, only if they are adequately grounded in action, is made from the *pragmatism* approach to defining real problems and producing practical solutions (Saunders, Lewis, and Thornhill, 2016). This view focuses on the study's outcomes, such as actions to be taken, consequences, and solutions; hence, the studied problem and the research questions are critical elements of this approach (Creswell, 2013). The pragmatic view can help place specific importance on the actions to solve practical problems (Creswell, 2013). The pragmatic approach is the basis of action research because the outcome must be a tangible strategy to resolve relevant problems (Coghlan and Brannick, 2014; Greenwood and Levin, 2007).

On the other hand, *social constructionism* states that reality is not objective and emerges with a specific meaning (Easterby-Smith, Thorpe, and Jackson, 2012). This philosophy focuses on the way individuals make sense of their business reality by sharing experiences and constructing knowledge from social interaction (Bazeley, 2013). With a relativist ontology view, constructivism defines reality from the action researcher's perspective, reflection, and interpretive approaches (Easterby-Smith, Thorpe, and Jackson, 2012; Saunders, Lewis, and Thornhill, 2016; Zeni, 1998). Social constructivism also requires interpretive methods from the researcher to understand meanings and recognise multiple realities (Easterby-Smith, Thorpe, and Jackson, 2012). This interpretation from participants' perspectives allows developing knowledge intuitively (Creswell, 2013).

Critical realism claims to shape observations, events, perceptions, and experiences based on a corporation's structural realities (Easterby-Smith, Thorpe, and Jackson, 2012; Kumar, 2014). This view assumes the world as an open system that uses complex theory to analyse its properties; this approach contrasts positivist and constructivist perspectives (Thorpe and Holt, 2008) because it includes events that occurred simultaneously (Saunders, Lewis, and Thornhill, 2016). Critical realists use theories and rational judgment to identify casual elements from phenomena, approach reality, analyse issues, and suggest solutions to achieve change (Fletcher, 2017).

The nature of the study implies using critical realism because it allows exploring participants' constructions within a deeper layer of analysis based on evidence and objectivity (Timberlake, 2015). These elements suggest an epistemological belief to create an approximate reality co-constructed with the participants using an analysis to solve a real problem (Creswell, 2013). As a result, an action research approach will be used to contextualise the current situation, collect and analyse data to create an action plan, and identify knowledge that can produce change (Dresch, Lacerda, and Cauchick-Miguel, 2015). Additionally, action research can help illustrate abstract concepts, facilitate understanding a situation, generate emergent knowledge from empirical evidence, and inspire new ideas to achieve change (Easterby-Smith, Thorpe, and Jackson, 2012; Thorpe and Holt, 2008).

An element of action research immersed in the study aims to provide learning procedures for the studied company's shareholders with this constructionist view to create knowledge (Greenwood and Levin, 2007). As a procedural problem-solving research strategy, action research requires collaborative dynamics with diverse stakeholders to achieve change through actionable knowledge for a practical situation (Coghlan, D. and Brannick, T., 2014; Greenwood, D. J., and Levin, M., 2007).

This action research approach is grounded on the premise that participants in a corporation possess valuable knowledge related to their experience and general interactions (Greenwood and Levin, 2007). The term action research is used in this study as a diagnostic research approach because the final product will be presented to those in a position to take action to pay off for allowing access.

3.4. Data collection method

This study used semi-structured interviews as the primary method for data collection. This qualitative method pretends to obtain experiences, meanings, and interpretations from participants (Saunders, Lewis, and Thornhill, 2016). Interviewing has been claimed as one of the best data collection techniques because it allows the researcher to obtain in-depth information from individuals, even from non-verbal clues immersed in the process (Easterby-Smith, Thorpe, and Jackson, 2012). From an action research perspective, the interview instrument is categorised as a diagnostic study because it explores reasoning, action, and emotional processes (Coghlan and Brannick, pp. 36, 2014). They are also convenient for analysing an individual's understanding of their organisation's meanings, experiences, and perspectives (Taylor, 2014).

Participants were selected based on their knowledge and leadership responsibilities, given the current study's aim; therefore, only top management and board members were chosen (See table 1 below). Each individual received an invitation by email detailing the general guidelines of the study. The research objectives and the consent forms' content were explained in detail to potential participants to obtain data access. The importance of taking part in the current research was also presented to the participants. Full support from the founders and family members to access and collect all the data was granted (see written confirmation in Appendix B). This continuous process to create awareness of the study's objectives and privacy allowed establishing relations based on trust and respect to collect objective data (Hammersley and Atkinson, 2007; Saunders, Lewis, and Thornhill, 2016).

The sample size was decided based on saturation. Data saturation is a theoretical sampling technique referring to the point in the investigation when no new data emerges within the analysis, indicating that the researcher can be reasonably sure to start receiving similar results or confirm the same patterns (Faulkner and Trotter, 2017; Guest, Bunce, and Johnson, 2016).

Table 1. Participants for primary data.

	PARTICIPANT	FAMILY MEMBER	POSITION (PSEUDONYM)	BUSINESS UNIT DESCRIPTION	DATA TYPE	Data collection
1	Father - Family member 1	Yes	CEO, founder, and Chairman (FE1-Family and Executive 1)	Business unit 1 - Construction and real estate	Primary	Interview
2	Mother - Family member 2	Yes	CEO and founder (FE2- Family and Executive 2)	Business units 2 and 3 - Education both	Primary	Interview
3	Daughter - Family member 4	Yes	Academic Advisor (FE4- Family and Executive 4)	Business units 2 and 3 - Education both	Primary	Interview
4	General Construction Resident	No	Chief Operating Officer (E5 – Executive 5)	Business unit 1 - Construction and real estate	Primary	Interview
5	Accountant	No	Chief Financial Officer (E6 – Executive 6)	Business unit 1 - Construction and real estate	Primary	Interview
6	Management and Legal	No	Director of Management (E7 – Executive 7)	Business unit 1 - Construction and real estate	Primary	Interview
7	Unitary Costs and construction control	No	Director of costs and control (E8 – Executive8)	Business unit 1 - Construction and real estate	Primary	Interview
8	Projects	No	Director of Projects (E9 – Executive 9)	Business unit 1 - Construction and real estate	Primary	Interview
9	Treasury and legal advisor (son in law)	Yes	Director of Finance (E10 – Executive 10)	Business unit 1 - Construction and real estate	Primary	Interview
10	High School Leader	No	High School Director (E11 – Executive 11)	Business units 2 and 3 - Education both	Primary	Interview
11	Elementary School Leader	No	Elementary School Director (E12 – Executive 12)	Business units 2 and 3 - Education both	Primary	Interview
12	Kindergarten Leader	No	Kindergarten Director (E13 – Executive 13)	Business units 2 and 3 - Education both	Primary	Interview
13	Academic coordinator of languages	No	ACL Manager (E14 – Executive 14)	Business units 2 and 3 - Education both	Primary	Interview
14	Public Relations	No	PR Manager (E15 – Executive 15)	Business units 2 and 3 - Education both	Primary	Interview
15	Accountant	No	Chief Financial Officer (E16 – Executive 16)	Business units 2, 3, and 4 – Education and real estate	Primary	Interview
16	Management	No	Director of Administration (E17 – Executive17)	Business units 2 and 3 - Education both	Primary	Interview
17	IT	No	Chief Information Officer (E18 – Executive 18)	Business units 1, 2, and 3 – Construction and Education	Primary	Interview
18	Executive Assistant of the CEO	No	Executive Assistant (E19 – Manager 19)	Business units 2 and 3 - Education both	Primary	Interview

The literature review informed the development of a first semi-structured interview with a small group. As a result, a direct study of the questions was made to analyse possible failures in responses because traditional mistakes through the data collection process can be connected to the questions or the participants (Collins, 2003). The investigation cycles in action research imply this pilot testing to produce improvements and collect as much information as possible (Given, 2008).

This pilot questionnaire (addressing directly the twenty-four leadership issues detected in the literature in a checklist) was made to random individuals of the organisation to monitor the effects and impact in the interview (Rothgeb, Willis, and Forsyth, 2007). It was found that participants did not understand some of the technical vocabulary. “Destructive entitlement,” “agency issues,” and “parental altruism” created confusion. Biases were detected because participants have not directly experienced many leadership issues with the family. Moreover, the interview became very brief because participants answered yes (the issue was experienced) or no (the issue was not experienced).

As a result, this initial instrument was not ideal for the study because it turned out to contain leading questions (Saunders, Lewis, and Thornhill, 2016). Hence, a new interview schedule was created, designed with open questions, to collect additional information related to the leadership issues. With the open questions, the data collection process will identify additional leadership issues that were not found in the literature review. Also, the development of this semi-structured interview questionnaire promoted open communication to detect as many leadership issues as possible experienced by each participant.

The final interview schedule included eleven questions (see Appendix A). The first six closed questions focused on participants' demographics. The following three meant to address the first research question, regarding the leadership issues experienced in Mexico's family-owned business, which comprise the subject of this study. Those questions were open and focused on leadership issues encountered, experiences, and possible reasons. The final inquiries were meant to address the second research question about the actions that can be taken to eliminate or reduce the identified leadership issues experienced in this family-owned business. Also, how can these actions be implemented? Hence, were also open questions aimed to know how each participant perceives the family business structure and if changes are needed.

Eleven interviews were conducted face-to-face, and the remaining via Skype. All the collected data was in Spanish (as it is the native language of the interviewees and the interviewer), and only the action researcher and the in-turn participant were present in a private office (this was the same case for face-to-face and Skype interviews) (Saunders, Lewis, and Thornhill, 2016). A certified translator was appointed to help with the translation and ensure its accuracy from Spanish to English. Eighteen interviews were conducted and transcribed in a separate word document. Each interviewee was given a code to ensure anonymity (e.g., Interviewee 1, 2, 3).

The interviews' average duration was 30 minutes. The researcher addressed participants' questions about the research to build trust and objectivity. The variations in time depended on each participant's communication style and the time constraints of their work schedule. All participants responded to all the questions and contributed invaluable information to the study.

The researcher ensured that his presence did not affect how the respondents answered his questions by discussing, in detail, the participants' interview schedule. It was emphasised that their participation was anonymous, and no names were needed for the study. The importance of sharing their real-life experiences objectively to the study was stressed. Other strategies to build trust and objectivity for the study included using open questions, avoiding many theoretical concepts or jargon, and focusing on the participants' real-life experiences or critical incidents (Saunders, Lewis, and Thornhill, 2016). Additionally, the researcher established a conversation instead of a Q&A session to ensure that participants were not intimidated by his presence. The open questions allowed to create openness and transparency about any participant's concern.

The interviews were tape-recorded and stored securely on a computer with password protection (Easterby-Smith, Thorpe, and Jackson, 2012). Backups of the interviews and notes were stored on a flash memory drive locked in a safe space with restricted access.

3.5. Data analysis

The proposed qualitative data analysis strategy is *thematic analysis*; it is an approach that is not tied to a particular philosophical position (Braun and Clarke, 2006; Saunders, Lewis, and Thornhill, 2016). However, *critical realism* is more suitable as its philosophical approach because it pretends to understand factors, meanings, and perceptions of human behaviours to provide information about reality (Harper, 2011; Saunders, Lewis, and Thornhill, 2016; Timberlake, 2015).

The *thematic analysis* approach is suitable for the study because it is often used to qualitatively detect hidden patterns in the data and define themes (Mortazavi and Davarpanah, 2021; Saunders, Lewis, and Thornhill, 2016). It is a systematic qualitative method used to analyse, identify, organise, and define themes from a dataset to detect patterns and explain in detail a phenomenon (Chen et al., 2019). The general objective of this approach is to decompose data into smaller units of content, managing and analysing each of these units in detail to create the themes (Sparkes, 2005).

Thematic analysis is commonly used when the researcher pretends to capture the frequency of ideas, patterns, concepts, and meanings from shared experiences (Ayre and McCaffery, 2022). Castleberrya and Nolenb (2018) stated that thematic analysis value remains in the deep understanding of people's meanings of behaviours, events, and relationships within organisations. This qualitative approach is suitable for answering the proposed research questions because it attempts to discover patterns in the data through a systematic and interpretive process (Alhojailan 2012).

The present study uses a combination of deductive and inductive perspectives because the analysis starts with theoretical themes that are used to explore the data (Saunders, Lewis, and Thornhill, pp. 579, 2016). The literature review's previous knowledge helped compare theory and reality (Oquist, 1978) and deductively categorise the qualitative data to identify knowledge gaps (Ayre and McCaffery, 2022). The confrontation between the theoretical elements and reality aligns with the action research approach (Oquist, 1978) to address the research questions related to the leadership issues immersed in the interviews and possible actions to mitigate the issues.

The thematic analysis strategy contains two general levels: a) the data level and b) the conceptual level of work (Easterby-Smith, Thorpe, and Jackson, 2012; Friese, 2019). The process of analysis at the data level implies a) becoming familiar with the data, b) creating quotations as sections of the data, c) defining patterns and codes to recognise themes, and d) defining and naming the themes; during this data level, memos should be produced to gain deeper insights of the analysis (Braun and Clarke, 2006; Kigera and Varpio, 2020; Lochmiller, 2021; Saunders, Lewis, and Thornhill, 2016). The conceptual level implies producing overarching statements to describe the phenomena, data extraction, and analytical knowledge construction (Braun, Clarke, and Hayfield 2019; Kigera and Varpio, 2020; Lochmiller, 2021). During the data analysis process, the theory is used to explain and compare leadership issues experienced and possible actions to mitigate the issues (Creswell, 2013). This whole process of data analysis is shown in appendix G.

By using thematic analysis, participants' experiences are transformed into data to create a qualitative study with a quantitative structure (Easterby-Smith, Thorpe, and Jackson, 2012). The data analysis levels used the anonymised and word-processed information to be added to the CAQDAS (computer-aided qualitative data analysis software) project as an organised structure to produce accuracy, transparency, and rigour in the analytical process (Easterby-Smith, Thorpe, and Jackson, 2012). A CAQDAS allowed qualitative information to be transformed into word-processed text, allowing the creation of an organised structure constructed from the raw data contained in the interviews (Saunders, Lewis, and Thornhill, 2016, p. 572; Vilar-Sánchez, 2017). The CAQDAS software selected for the qualitative section of the study is called *Atlas.ti*.

Following Saunders, Lewis, and Thornhill (2016) first step to become familiar with the data, each of the eighteen interviews was laboriously transcribed into a word-processed document to gain insights and develop familiarity with the information. All the collected information was organised with quasi-dichotomous variables called "groups" to generate analytical comparisons (Friese, 2019). To identify relevant data, groups were defined through quasi-dichotomous variables created to generate analytical comparisons business unit (1, 2, 3, 4, 5), family member, executive, and manager (Friese, 2019). The variables are shown in Table 2, which describes the classification of the data.

Table 2.- Defined groups and data classification.

GROUPS	Size
Business_Unit1	7
Business_Unit2	11
Business_Unit3	2
Business_Unit4	2
Business_Unit5	1
Executive	16
Family_Member	4
Manager	2
Primary	18

To continue guaranteeing the anonymity of the information, the interviews were organised with DINs (Document Identification Numbers) and specific codes (Grant, 2018), as shown in Table 3.

Table 3.- Participants codes and general information.

DIN	PARTICIPANT	FAMILY MEMBER	POSITION (PSEUDONYM)	CODE	YEARS OF EXPERIENCE
D1	Mother - Family member 2	Yes	CEO and founder (companies 2,3,4)	1-FFE234	38
D2	Accountant	No	Chief Financial Officer – CFO (companies 2,3,4)	2-ME234	25
D3	IT	No	Chief Information Officer – CIO (companies 1,2)	3-ME12	10
D4	Academic coordinator of languages	No	Manager – ACL (company 2)	4-MM2	26
D5	Projects	No	Director of Projects – DP (company 1)	5-ME1	19
D6	Elementary School Leader	No	Elementary School Director – ESD (company 2)	6-ME2	22
D7	Father - Family member 1	Yes	CEO and founder (company 1)	7-MFE1	50
D8	Public Relations	No	Manager – PR (company 2)	8-FE2	41
D9	Accountant	No	Chief Financial Officer – CFO (company 1)	9-ME1	18
D10	Management	No	Director of Administration – DA (company 2)	10-FE2	30
D11	High School Leader	No	High School Director – HSD (company 2)	11-ME2	30
D12	Treasury and legal advisor (son in law)	Yes	Director of Finance – DF (company 1)	12-ME1	18
D13	Executive Assistant of the CEO	No	Executive Assistant – EA (company 2)	13-MM2	29
D14	General Construction Resident	No	Chief Operating Officer – COO (company 1)	14-ME1	30
D15	Unitary Costs and construction control	No	Director of Costs and Control – DCC (company 1)	15-ME1	22
D16	Daughter - Family member 4	Yes	Academic Advisor – AA (company 2)	16-FFE2	14
D17	Kindergarten Leader	No	Kindergarten Director – KD (company 2)	17-FE2	30
D18	Management and Legal	No	Director of Management – DM (company 1)	18-ME1	26

Each interview was analysed to detect general sections with possible leadership issues and actions that can help to mitigate the issues. Questions 7 and 8 from the interview schedule provided most of the sections that contain leadership issues experienced by participants. Question 9, the actions and suggestions that could help to mitigate the issues. As a result, general parts of the responses to these questions were selected as **quotations**. Any other section of the interviews that highlighted a leadership issue or possible actions was also selected as a quotation.

The previous analysis of the literature informed about similarities experienced; however, additional non-existing issues in the literature started to emerge. With a critical realism perspective, factors from human experiences were starting to emerge to respond to the research questions. Memos were starting to be created from quotations as embedded engagement where knowledge emerges through the action research cycles of constructing, planning action, taking action, and evaluating actions (Cohglan, 2016; Coghlan and Brannick, 2014).

We can observe, in Table 4, the resulting quotations created in the CAQDAS. The following table shows three hundred and twenty quotations that provided critical sections of the interviews selected to detect possible leadership issues and possible actions to mitigate the issues. Appendixes C and D show the distribution of the quotations.

Table 4.- Identified quotations created from primary data.

PRIMARY DATA	
Interview ID	**Quotation Count**
D1	41
D2	15
D3	25
D4	13
D5	12
D6	22
D7	25
D8	16
D9	8
D10	13
D11	22
D12	12
D13	23
D14	16
D15	12
D16	9
D17	20
D18	16
	320

The following step of the data analysis implied a more detailed analysis made of each quotation to define patterns and create the codes (Kigera and Varpio, 2020). Hence, each quotation was analysed carefully to detect patterns related to the research questions (Braun and Clarke, 2006; Easterby-Smith, Thorpe, and Jackson, 2012). These specific sections highlighted leadership issues experienced by participants and possible actions to mitigate the issues. Each code possesses a specific number of related patterns and supporting evidence found in the data (Kigera and Varpio, 2020).

As a result, twenty-nine themes were defined and named using the action research cycles to specify issues experienced and possible actions (Cohglan, 2016). The previous literature analysis informed about similar issues but also non-existing leadership issues in the literature emerged. The same happened with possible actions to mitigate the issues. Memos continued to be constructed through the analysis generating more details about the defined problem (Coghlan and Brannick, 2014).

The following codes are the output of the analysis created from the quotations, as shown in Table 5. The entire distribution of the codes is shown in Appendix E.

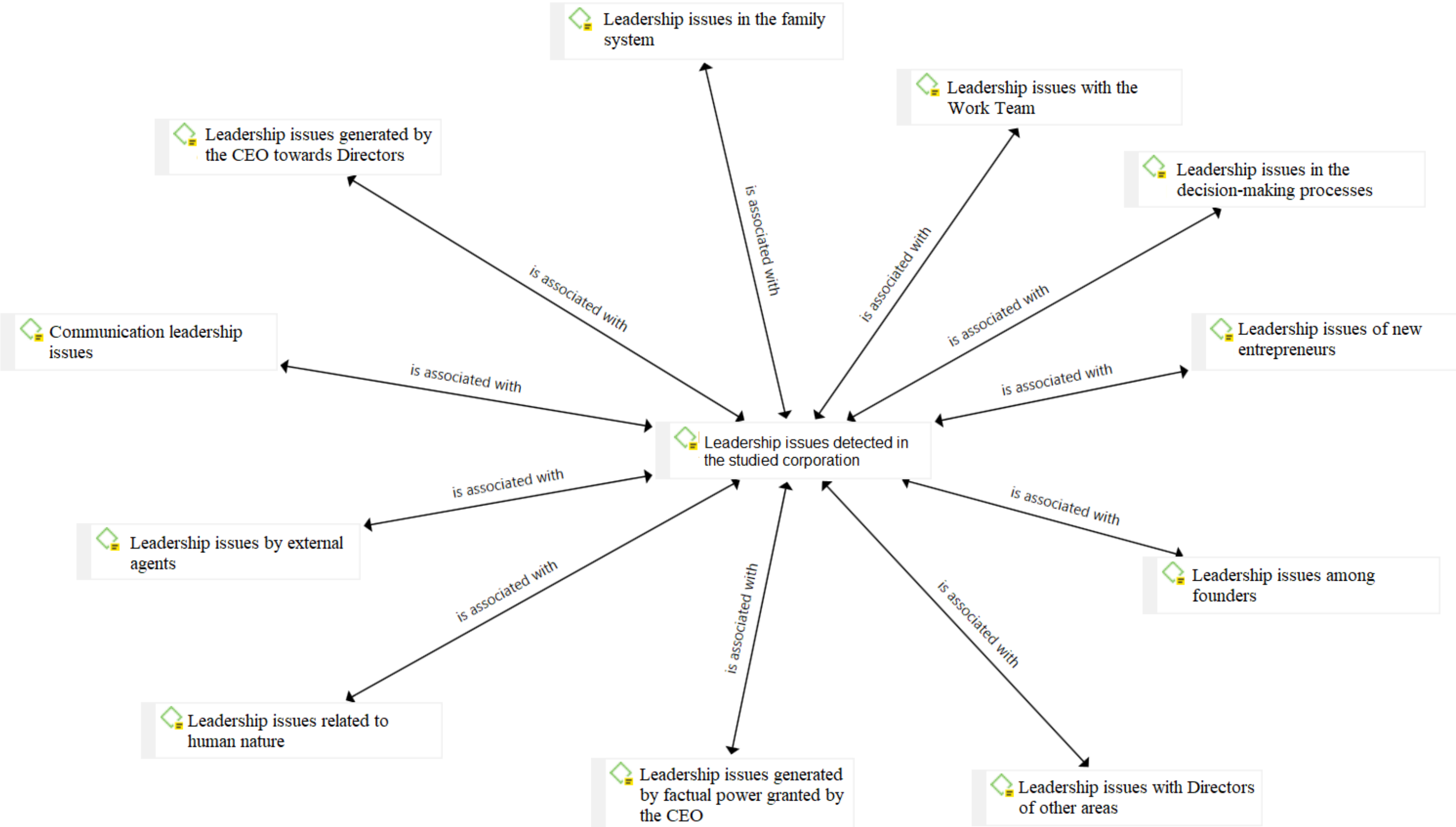
Table 5.- Defined codes for primary data with identified quotations.

	DEFINED CODES FOR DATA ANALYSIS	CODED QUOTATIONS FROM PRIMARY DATA
1	Ignorance of the business structure and family system	15
2	Family and professional dynamics	29
3	Corporate Strategy and Leadership	21
4	Current business structure	15
5	Strategic Function and corporate philosophy	8
6	Corporate Governance	42
7	Total freedom of execution for founders	9
8	Centralised Leadership	45
9	Independent leadership of each leader in each business unit	5
10	Servant Leadership	2
11	Leadership issues with Directors of other areas	6
12	Leadership issues with the Work Team	11
13	Communication leadership issues	9
14	Leadership issues of new entrepreneurs	1
15	Leadership issues in the family system	12
16	Leadership issues in general	24
17	Leadership issues in the decision-making processes	10
18	Leadership issues among founders	5
19	Leadership issues generated by factual power granted by the CEO	8
20	Leadership issues by external agents	7
21	Leadership issues generated by the CEO towards Directors	12
22	Leadership issues related to human nature	7
23	Proposals solving problem leadership	36
24	Reasons for leadership issues	7
25	Management Responsibilities	16
26	Strategic Responsibilities	8
27	Responsible for everyone and everything	7
28	Legal situation in family members	2
29	Family values and inspirational elements	6
		385

The data level process is finished now that the data is coded and named; hence, it is assembled to present a logic diagram to identify a central phenomenon and relations (Lochmiller, 2021). This conceptual level implies producing statements for knowledge construction (Kigera and

Varpio, 2020; Lochmiller, 2021). Two core categories representing a phenomenon were defined and linked to the two research questions starting with the conceptual level (Lochmiller, 2021). The first is the detected leadership issues experienced by participants in the studied organisation, shown in Figure 3, generated automatically by the CAQDAS.

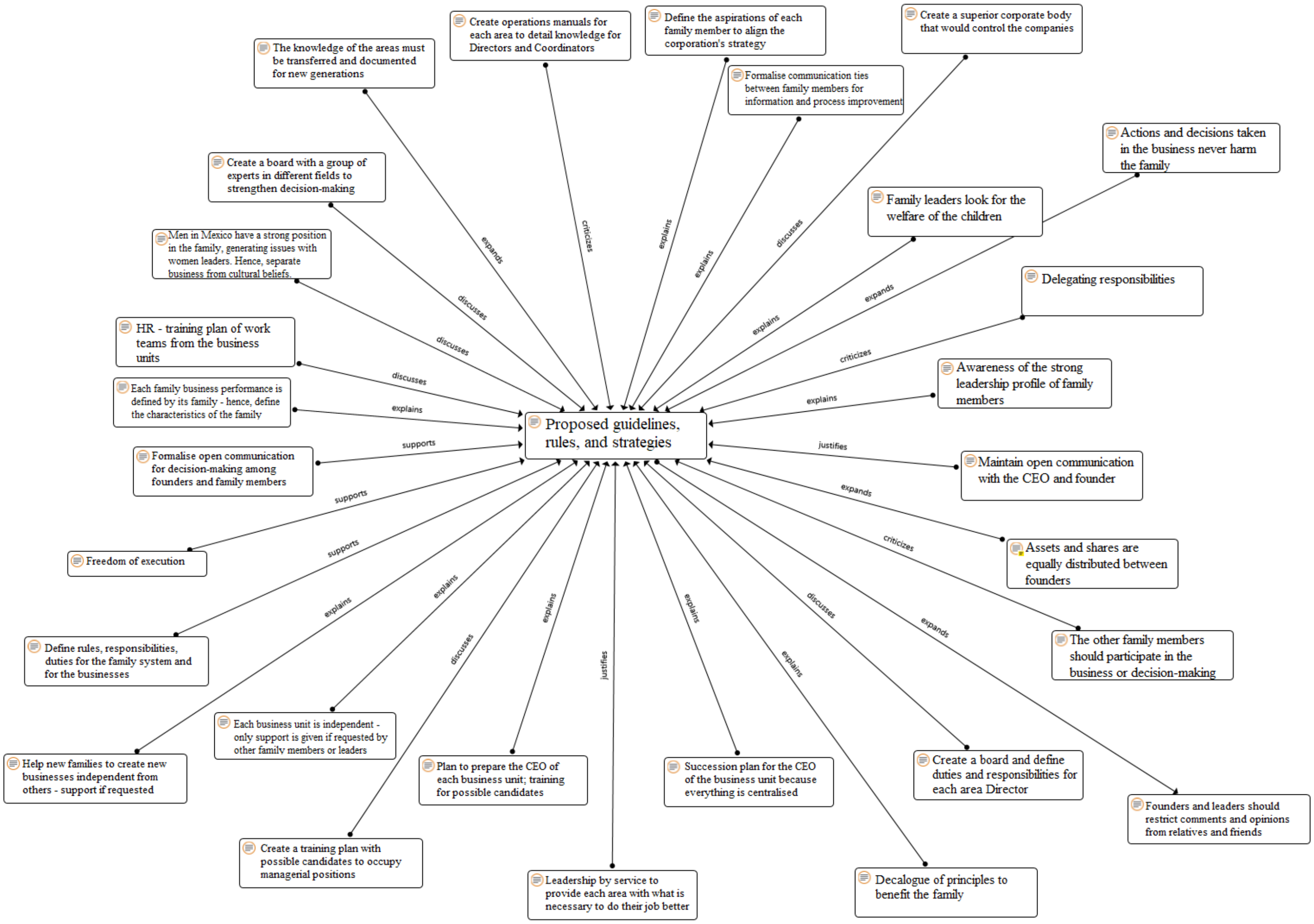
Figure 3.- Leadership issues detected in the studied privately-owned family business.



Bastida-Díaz, J. (2020) *Leadership issues of the privately-owned Mexican family Corporation*. At: University of Liverpool.

The second core category is "the actions that can be taken to mitigate the detected leadership issues" that was also generated automatically by the CAQDAS, shown in Figure 4.

Figure 4.- Possible actions to mitigate the detected leadership issues.



Bastida-Díaz, J. (2020) *Possible actions to mitigate the leadership issues of the privately-owned Mexican family Corporation*. At: University of Liverpool.

To produce overarching statements to describe the phenomena and craft knowledge (Lochmiller, 2021), storylines were written from the memos to connect the categories (Creswell, 2013). One specifies the leadership issues experienced and the other possible actions that can help to mitigate the issues. Both storylines are shown in annex F. An analytical framework was created to summarise the analysis in appendix G.

3.6. Research Ethics

The current research involved human interaction, implying that ethical concerns were considered (Saunders, Lewis, and Thornhill, 2016). The research's ethical considerations were grounded on the principle of ethical demand; it states that the action researcher assumes full responsibility for possible affectations made to the stakeholders related to the study derived from the research process's decisions (Hilsen, 2006). Some considerations were related to individuals, data collection, and data analysis methods.

Only the top levels of the organisation and family members were selected to be participants for the study (four family members/stockholders and fifteen directors and managers). Employees in the middle and lower ranks of the business units were excluded. The objective was to obtain leadership and strategical elements from founders, entrepreneurs, executives, and family systems. Even though emphasising one group within the workforce could create issues, the other groups' exclusion was managed respectfully by not making them aware of the study (Drew, Hardman, and Hosp, 2007).

A personal invitation to participate in the study was sent via email, noting that participation would be voluntary. Participants were asked to read and sign the consent form, which explained the aim of the study and its general objectives, clarified the benefits for the corporation from participating, and highlighted the elements of consent, anonymity, and confidentiality (Hammersley and Atkinson, 2007; Saunders, Lewis, and Thornhill, 2016). Participants could freely refuse or decline to participate at any time in the study (Zeni, 1998).

After the consent form was signed and participants' voluntary participation accepted, the process of *data collection* started, with the rights, dignity, privacy, and sensitivities of all participants and the integrity of the business entity involved in the research respected (Drew, Hardman, and Hosp, 2007). The participants received an explanation that the research was not intended for restructuring purposes nor to evaluate participant performance (Saunders, Lewis, and Thornhill, 2016).

Another ethical consideration is related to the action researcher's dual role in the study as an insider (stockholder, senior executive, and family member) and outsider (action researcher). Hence, the present study is distinct from the researcher's professional role in the business units and did not generate conflicts of interest, relationship alterations, psychological risks, and legal issues: these issues were minimised since the beginning by providing informed consent that respected voluntariness and guaranteed privacy and confidentiality (Campbell, 2017; Drew, Hardman, and Hosp, 2007). A "Signed Authorisation Letter" from the research site was issued, granting permission to access the relevant data, facilities, and use of family members and executives for research purposes (Easterby-Smith, Thorpe, and Jackson, 2012).

The action researcher ensured real and achievable timelines for the interviews aligned with ethical norms to avoid participants' pressure (Saunders, Lewis, and Thornhill, 2016). The action researcher prepared to accept, with respect, refusals to collaborate and adapt to the time available from each individual; also, obtaining consent to participate and disclosing all the objectives of the study was crucial to achieve clarity and gain trust (Saunders, Lewis, and Thornhill, 2016).

The entire study process was based on confidence, respect, morality, and strict confidentiality rules to avoid violating individual rights and affecting organisational operation (Creswell, 2013). The study avoided burdens associated with participants' time conducting the interview, selecting, and sharing information generating psychological hardships related to stress and anxiety (Canterbury Christ Church University - Research and Enterprise Development Centre, 2014).

Other ethical issues considered were stipulating rights, clarifying reasons to share knowledge, safeguarding and storing data, sensitive information against biases, incorrect reporting with respect for founders' and family members' boundaries, treatment of participants, and confidentiality (Kumar, 2014).

Psychological issues related to the lack of anonymity of participants, such as intrusion on privacy, were contemplated; professional risks associated with the research derived from the sensitive information disclosed as part of the leadership and governance initiatives were considered (Saunders, Lewis, and Thornhill, 2016). Participants were informed about these issues and provided specific moral guidelines to obtain objective and voluntary consent (Halej, 2017).

The data collection process ensured that the participants were informed about the study, freely gave their consent to participate or refuse/decline at any time without penalty, and guaranteed anonymity and confidentiality (Zeni, 1998).

The data was collected "only by the researcher," and interviews were anonymised and analysed with no alterations. This process ensures confidentiality, the anonymity of information, and a rigorous process (Saunders, Lewis, and Thornhill, 2016).

The researcher focused only on relevant points during the interviews to avoid biases and uncover each participant's meanings and interpretations (Easterby-Smith, Thorpe, and Jackson, 2012). The interviews were conducted in Spanish, the participants' native language, to avoid psychological hardships associated with stress and anxiety (Canterbury Christ Church University - Research and Enterprise Development Centre, 2014).

For data analysis, the process of de-identification was used to prevent privacy violation (Easterby-Smith, Thorpe, and Jackson, 2012); names and contact information were not necessary for the study. Using pseudonymisation, the general groups of pseudonyms (fictitious codes assigned) allowed encryption of the information, avoiding data identification and guaranteeing the participants' privacy (Saunders, Lewis, and Thornhill, 2016).

The analysis stage was grounded on objectivity, integrity, and honesty to avoid selectivity biases and misrepresentations on the information; the data analysis submitted to rigorous reflection and coding processes achieved validity and reliability (Saunders, Lewis, and Thornhill, 2016). Finally, to avoid misleading the investigation, no research assistants altered the process to ensure objective results aligned with the study's objectives (Easterby-Smith, Thorpe, and Jackson, 2012).

3.7. Limitations of the study

Even though few studies are using an action research perspective to identify leadership issues and provide governance actions in a privately owned family business in Mexico, the study has some limitations. One limitation of the research is that the selected participants were founders, family members, senior executives, and key managers of the corporation. As stated in chapter three, this selection was made because those stakeholders possess the experience within the organisations and the leadership position to provide the required knowledge. However, additional research can be made with all the workforce to analyse the leadership perception in the front line.

Another limitation is that the scarcity of information related to leadership issues in Mexico and possible actions to mitigate the issues did not allow a more profound discussion to contrast similar privately owned family business results. One of the reasons is because most of the studies used secondary data from the Mexican stock exchange. Another reason is that there were not many action research studies related to leadership issues and actions to mitigate them in Mexico.

A final limitation relates to the role of the researcher in the action research approach. Coghlan and Brannick (2014) stated that a disadvantage of being close to the data is that the action researcher might assume too much during the data collection process, creating biases that an outsider position might not generate. However, as seen in chapter three, the researcher followed a rigorous data collection/analysis process to avoid biases and obtain objective information to help his corporation.

3.8. Trustworthiness in the research

Quantitative research follows validity and reliability to guarantee rigour in the knowledge creation processes; hence, it aims to achieve generalisability by analysing a sample of a vast population (Easterby-Smith, Thorpe, and Jackson, 2012). These processes will provide the value of reliable research.

In contrast, the qualitative methods aim to achieve transferability and trustworthiness rather than generalisability. The concept of trustworthiness is a vital element in qualitative research to demonstrate that the findings are worthy of attention (Nowell et al., 2017). Hence, action research uses credibility, transferability, dependability, and confirmability to achieve this level of attention and trust (Shenton, 2003).

The research can be categorised as trustworthy with these perspectives because the findings and interpretations are tested and shared with the participants (Nowell et al., 2017). In addition, the reader can judge the action research's trustworthiness if the process has a logical structure, is transparent, congruent, organised, traceable, and documented (Shenton, 2003).

Moreover, the study achieves confirmability when the researcher can demonstrate that the findings were created directly from the data; also, if they are clear and have logic on the conclusions (Miles, and Huberman, 1994).

In the end, the present action research study pretends to generate relevant knowledge based on an organised, logical, and clear structure (Appendix G) that can be transferable for practitioners and scholars. The findings should help the founders, family members, shareholders, and managers to execute corporate governance guidelines that can help mitigate the detected leadership issues.

3.9. Summary

This chapter describes the methodological strategies used and the action research approach used to achieve the aim of the current study. This phase allowed mapping the terrain where the scholar-practitioner collected and analysed the data to inform the action needed (Ramsey, 2014). The detected leadership issues that are affecting the studied privately owned family corporation helped identify the actions needed. As a result, a series of actions emerged from the analysis (including a corporate governance strategy) that might help mitigate the detected leadership issues.

This action research study used primary data with semi-structured interviews as the data collection method. Eighteen participants generated eighteen interviews that were transcribed into word-processed information and anonymised to guarantee confidentiality and anonymity.

All data were analysed with a CAQDAS (computer-aided qualitative data analysis software). The data analysis strategy used *thematic analysis* to code qualitative information. In addition, the study used action research techniques to create actionable knowledge from participation for the studied Mexican family-owned business.

Challenges experienced are related to the qualitative analysis decisions made to start interrogating the data, defining quotations, and constructing codes. These decisions were always grounded on action research, theories studied in the literature review, and ethical considerations. The aim was always considered to detect leadership issues in Mexico's privately-owned family business and provide actions to mitigate those issues.

Limitations are also attached to the action research view because the study was made on a unique family-owned Mexican business. Nevertheless, the study outcomes can be used by other corporations, at least in the sense of suggesting additional features to solve leadership issues and design corporate governance actions to mitigate those issues.

Trustworthiness is a vital concept in qualitative research to demonstrate the value of the study. The current action research study grounds its value on an organised and clear structure that can help academics and practitioners to transfer the knowledge to their organisations.

The next chapter will discuss the qualitative analysis's findings and outcomes. The discussions of the findings will be made to specify the leadership issues detected within the family-owned Mexican corporation and provide practical governance elements to mitigate them.

CHAPTER 4 – FINDINGS AND DISCUSSIONS

4.1. Introduction

This chapter presents and discusses the findings of the current study. The results are presented according to the research questions stated in Chapter 1. The rest of the chapter is structured as follows: Section 4.2 presents and discusses leadership issues in a family-owned business in Mexico. Next, section 4.3 discusses the findings related to the actions that could mitigate the identified leadership issues. The following two sections are testing plausibility and evaluating action. Finally, the chapter ends with a summary.

4.2. What are the leadership issues in Mexico´s family-owned business, which comprise the subject of this study?

The discussion of the results refers to Table 5 from the second chapter that shows the leadership issues found in the literature. These theoretical elements are compared and discussed with the data analysis results (categories that reveal various leadership issues in the studied Mexican family-owned business shown in figure 3 from the third chapter).

Table 1 below summarises the issues and their consequences. Each category is presented with a description that discusses the theory and results from practice.

Table 1. Leadership issues in the family-owned Mexican business and their consequences.

	THEME	Description	Impact/Consequences
1	●Centralised Leadership	**Inadequate segregation of duties and concentration of power**	Results in delays in responses to emergencies and operational issues; discourages teamwork; reduces opportunities for innovation; negatively impacts employees' morale, and creates conflicts.
2	●Leadership issues with Directors of other areas ●Leadership issues with the Work Team Leadership issues generated by the CEO towards Directors	**Ineffective management philosophies and operating styles**	Controlling and coercive management style. CEOs dictate how employees and managers should perform their jobs without negotiation or collaboration, lack of delegation of authority, and lack of guidelines. All this generates delays in the operations, dispersed information, and avoids innovation. Besides, Employees are mistreated. They suffer heavy workloads and tight timelines, which demotivate them—employees fear speaking honestly with members of management, which decreases performance levels.
3	●Leadership issues generated by factual power granted by the CEO ●Leadership issues by external agents	**Conflicts of interest**	Threatens management and employees and affects operations negatively. Some employees avoid duties and receive unearned economic benefits. A family member's conflicting interests create instability and ambiguity for the business's future.
4	●Leadership issues with Directors of other areas ●Leadership issues with the Work Team ●Leadership issues generated by the CEO towards Directors ●Leadership issues related to human nature	**Weak HR policies and practices**	Lack of clear operational manuals resulting in confusion among employees about job requirements. Unclear reporting lines cause delays when managers issue orders to areas not under their charge. There is no formal system to monitor management performance resulting in unmotivated senior employees who lack the desire to improve the firm and innovate because their positions are guaranteed. No system-wide performance measure has been implemented. There are no formal training programmes for new employees. Each director and area coordinator has the responsibility to train their teams without established training guidelines. All this generates stress, hidden costs, and

			frustration if employees leave the company because management needs to initiate training for newcomers.
5	●Communication leadership issues ●Leadership issues in the decision-making processes	**Poor communication strategy**	Unclear communication channels within the organisation resulting in conflicts, unresolved issues, and confusion.
6	●Leadership issues with Directors of other areas Leadership issues generated by the CEO towards Directors	**No clear organisational structure with well-defined roles and responsibilities**	No organisational structure and no job descriptions. Hence, operational conflicts are latent because authority within each area is not respected. No corporate governance and succession plan was identified with clear responsibilities for family members.
7	●Leadership issues generated by the CEO towards Directors	**Lack of trust between managers and CEOs**	CEOs' mistrust of directors and their fear of challenges to the guidelines they established decrease the possibilities for improvement in decision-making processes and operations.
8	●Leadership issues among founders ●Leadership issues of new entrepreneurs ●Leadership issues in the decision-making processes ●Leadership issues in general	**Conflicts in the family system**	Different conflicts in marriage, family members, and leadership styles create operational issues and complexities in the business and in the family system.

4.2.1. Inadequate segregation of duties and concentration of power

A family business is considered an interactive system in which most of its ownership and control are in the hands of a family (Abouzaid, 2011; Chrisman, Chuab, and Steier, 2003; Dana and Ramadani, 2015). The findings show that power is strongly concentrated in the hands of a few family members who are also the CEOs of the business units. This statement is supported by forty-five coded quotations detected from the data analysis related to the category "centralised leadership."

Scholars suggest that conflicts related to ownership and control arise within family businesses related to controlling heritage assets to discourage investment decisions, ownership succession, ownership recognition, and control (Del Giudice, 2017; Gimeno, A.; Baulenas, G. and Coma-Cros, J., 2010; Josi et al., 2018; LeCouvie, K. and Pendergast, J., 2014; Siebels, J. F., and Knyphausen-Aufsess, D. Z., 2012).

Results in the Mexican context show that ownership concentration and centralised leadership are common components of privately-owned family businesses because of the weak legal environment in the country (Belausteguigoitia, 2003; Espinoza-Aguiló and Espinoza-Aguiló, 2012; Portal, 2001; San Martin-Reyna and Duran-Encalada, 2017). These elements generate delays in action-response (Husted &Serrano, 2002; Odehnalová and Pirožek, 2015). However, the literature analysis did not specify many of these conflicts and leadership issues derived by centralised leadership, mainly because the research used secondary data from public companies. Hence, the following evidence presents extracts of the interviews to highlight the details experienced by centralisation and address this gap in the literature.

The analysis from the codes specifies that each CEO has total control of the firm's operations, generating delays and risky decisions. Therefore, opportunities for innovation and improvement are limited. All decisions are made by the CEOs, creating operational difficulties in the upper and lower levels of the business. Each CEO has total operational independence to establish whatever guidelines and forms of work they think are best for their company. The level of control exerted does not allow for the delegation of power to a business unit's upper-level management. Thus, they dictate how employees and managers should be doing their jobs without negotiation and collaboration. Participants described this situation as follows:

> *"The CEO is in full control of the firm; then, nobody can decide without her approval." (Participant D10. DA)*
>
> *"There is centralism in the company. The CEO does and authorises everything: purchases, payments, payroll, treasury, operations." (Participant D9. CFO)*
>
> *"The CEO is the only one I have seen operating the company." (Participant D18. DM)*
>
> *"I think that there is no real teamwork. There is only one head (the CEO) who does everything without delegating." (Participant D16. AA)*
>
> *"The company is completely dominated and controlled by the CEO. There is just one person who dictates the guidelines, gives orders, establishes responsibilities." (Participant D2. CFO)*

This concentration of power is the source of various detrimental issues for the company. Firstly, the CEO rarely delegates authority to management, affecting employees' morale. A lack of delegation of power demotivates team members and affects business operations, resulting in unnecessary delays. Centralisation also generates delays in management's daily responsibilities. Some participants express this as follows:

> *"Centralisation delays decision-making responses, whether administrative or academic, which are of high impact." (Participant D6. ESD)*
>
> *"The CEO runs the company, teaches, attends clients, ... she wants to do it all. I cannot solve the problems concerning my area without asking for authorisation first. That leaves us, as directors, behind in our daily duties." (Participant D8. PR)*

It was discovered that multiple roles from family members affect operations (Dana and Ramadani, 2015; Josi et al., 2018). However, no evidence was found in the literature analysis from the Mexican context. Hence, the following evidence from the analysis presents additional examples to fill this gap in the literature related to the leadership issues generated by centralisation.

Another participant states that there are no opportunities for improvement and innovation because neither management nor employees can freely make and execute decisions within their areas. One participant explains that the CEO must first approve any modification or new project. It discourages the development of new ideas and processes that may increase the profitability of the business units.

> *"The impact of the concentration of power is that opportunities for innovation in the company get lost. Decisions that we need to take in our areas get delayed because the CEO must pass them first before executing." (Participant D3. CIO)*

CEO's concentration of power may also lead to risky and impulsive decision-making. Centralised decision-making with the CEO actively discourages management from expressing their opinions freely. Instead, management implements the CEO's established guidelines, ending in operational problems that must be resolved later. As one of the participants put it:

> *"In terms of the CEO's leadership or authority, I consider the problem of centralised decisions as impulsive and risky, which later will need reversal." (Participant D11. HSD)*

The CEO of the school is always on a tight schedule. It is challenging to get authorisations and responses for operational consultations. Not only does this CEO's insistence on managing operations at this level cause difficulties, but it also leads to those under her experiencing access difficulties, thereby leading to slowed operations and decision-making. In the following statement, one participant attributes several delays in that CEO's performing her responsibilities to the centralised process to obtain authorisation for even the most minor decision.

> *"Sometimes, the processes for directors get delayed because of bureaucracy. It is not easy to get access to the CEO; she is always attending someone and moving through the four campuses." (Participant D8. PR)*

Family members are not allowed to make contributions and decisions inside business units without authorisation or a request by the founders. Even differing opinions from those of the CEO may create issues that impede communication or generate conflicts. Another respondent states the following:

> *"It does not matter if I get financing that is accessible or that I think is the best option for the company; the final decision is to be taken by the CEO." (Participant D12. DF)*

In summary, the studied corporation possesses a centralised ownership and leadership strategies similar to academic research in international corporations and public companies in Mexico. However, scholars did not clarify that centralised leadership brings delays in action-response, risky and impulsive decisions, discourages communication with management, creates bureaucracy, and avoids collaborative decision-making with critical stakeholders. It can be inferred that the corporation's leadership is based on transactional leadership rather than transformational because of the strict control and centralist strategy found.

4.2.2. Ineffective management philosophies and operating styles

Because each business unit has its distinct, independent CEO, "*leadership is handled differently in all the companies of the group" (D12, DF)*. The only common characteristic of their leadership is the centralisation of control and power with the CEO. Moreover, there is a coercive leadership style in the leaders of the business units. The analysis of the literature in family business did not address issues related to coercive leadership either in Mexico or any other international study. As a result, additional research was made to address this constant leadership style's affectations. This research is contrasted with the evidence from the interviews to complete this gap in the literature.

Goleman (2000) stated that coercive leadership (if employed regularly) affects organisational climate because it precludes flexibility in operations and decision-making and destroys opportunities for new perspectives. What is more, coercive leadership reduces the sense of responsibility, blocks initiative, and generates resentful sentiments among employees. Although Landa and Tyson (2017) found that coercive leadership generates dispersed information and heterogeneous preferences among employees, their research indicates that a certain degree of coerciveness could positively affect a business if the leader develops informative decisions with clear strategic policies.

In the following statement of one participant, we see that the school CEO does not allow her directors and managers to move from their site to complete their duties. Her strict control and coercive operating style promote a suffocating environment to those working under her leadership, generating stress and unnecessary delays in their areas.

> *"I do not leave the building because I know that it bothers the CEO. Sometimes I have to work off the office to supervise the people under my charge; I need to revise inventories or, for many reasons, to conduct my job accurately. But this is not possible because she gets angry if I leave the office or the building." (Participant D10. DA)*

This leadership style contrasts with that of the first founder and CEO of the construction company. He delegates responsibilities and provides all resources necessary for employees to fulfil their duties.

> *"We exercise an administration through delegation of functions. I serve as CEO to provide resources and support to the construction team, to the accounting team, administration, sales ... so that they can perform their job better." (Participant D7. CEO and founder)*

However, the interviews' analysis identified that this CEO only promotes open argument through planned meetings; no flexibility of discussion is allowed out of his schedule. Additionally, his level of demand for those working under him generates delays because he requires immediate action in response to his commands, as evidenced by the following analysis.

> *"Flexibility and discussion are open when the CEO requires it; when we request something, well ... there is no time. If the CEO calls up for a meeting if he needs us to complete a task, there is openness for dialogue. On the other hand, when we request something out of this schedule, there is no time. The level of demand from the*

CEO to Directors is huge; there is no flexibility when he commands. We have to leave behind our responsibilities if he needs something because we must do it immediately." (Participant D15. DCC)

Directors feel they must first fulfil their CEO's orders. This immediate demand creates leadership issues because they put aside their established responsibilities to the employees, suppliers, and clients of their areas. These situations generate overhead costs, stress, and overload for the workforce. The literature analysis did not show any examples related to these coercive issues. Nevertheless, this gap in the literature is complemented with the following evidence from the study. One participant described this situation as follows.

"There is strong pressure from the CEO to us as directors. Everything is urgent! We must attend to her demands immediately. Many times, I must leave many tasks pending to respond to such demands to avoid issues." (Participant D5. DP)

Employees are afraid to speak their minds to directors and managers that tend to copy this ineffective management philosophy. According to tight timelines, the strong demand to finish the work demotivates the workforce and decreases their performance over time. Here are one participant's thoughts about this.

"Fear from employees may be due to the way we act as directors. We demand to do things very quickly, transparent, and efficiently; then, the lower levels do not end on time feeling displaced or relegated." (Participant D14. COO)

Managers' high workload and tight timelines generate an environment of fear among employees, resulting in detrimental productivity. The analysis of the literature highlighted that employees' feelings of unfair treatment also generate a decline in operational efficiency, increased turnover, and poor work attitude (Boswell and Olson-Buchanan, 2004; Mayer et al., 2011). Other scholars found that mistreating employees is related to interpersonal behaviours in which the transgressor lacks concern for justice and respect (Zoghbi-Manrique-de-Lara, P. and Suárez-Acosta, M., 2014).

Some factors contributing to employees' mistreatment include discrimination and differences in age, gender, and race (Fekedulegn et al., 2019). Although there is no evidence to understand these issues' essence, there is a high risk of fraud committed by management and employees who become intentionally negligent because of mistreatment. Research from Kassem (2018) shows diverse motivations behind management fraud; some include the desire for bonuses and individual need for money, revenge, or greed.

A leadership issue detected through the study that is aligned with previous research is that from Cannella, Finkelstein, and Hambrick (2008). They stated that executive action biases based on their individualities, experiences, mindset, and values affect decision-making and limit objective perceptions. One participant commented that human nature creates incorrect responses to the business's operational problems; their personal experience, individual beliefs, and even particular resentments sometimes negatively impact their operation. Each director must face these issues without a formal function to support them. The following extract embodies her thoughts on this.

> *"Human matter is a defect that any company has to face all the time. The temperament of people, individual conflicts of people, and personal resentments are sources of conflict that we have to face in the company" (Participant D17. KD).*

In summary, the studied corporation possesses a coercive leadership style used by its founders. It can be inferred that the corporation's leadership is based on transactional leadership rather than transformational because of the strict control and fear found. Although coercive leadership might be helpful in specific situations, the analysis suggests that its constant use creates a suffocating environment derived from its strict control. Also, this leadership style adopted by the founders of the studied organisation generates operational delays for directors derived from the demanded immediate action response to the founders commands. As a result of this constant behaviour, directors and managers tend to copy this ineffective management philosophy from the founders creating fear, mistreating employees, and closing communication channels with the workforce.

4.2.3. Conflicts of interest

The study identifies conflicts of interest that generate leadership issues within the privately owned family business. For instance, stakeholders related to founders (either through personal relationships or kinship) and family members feel empowered to manipulate or threaten employees over whom they have no legitimate authority. The interests of family members may be no good for the business but detrimental to it. It may generate friction within the family system and in the operations of the business units.

The analysis of the literature mentioned the existence of conflicts of interest between directors and shareholders (Morales-Barrón, H.; Quiroz-Chavez, O. A.; and Reza-Villarreal, M. K, 2020; Siebels, J. F., and Knyphausen-Aufsess, D. Z., 2012). Scholars also stated that some non-family employees in family businesses assume social-influential roles through the operations (and even within the family), taking these authoritarian but unentitled roles to create unnecessary turnover and conflicts between family members (Piszczek, DeArmond, and Feinauer, 2018). However, the analysis of the literature did not identify conflicts of interest between the founders' acquaintances (such as friends or even clients with the power granted by the founder) and their Directors or with employees. The following evidence complements this gap in the literature by showing leadership issues related to conflicts of interest from founders' acquaintances.

Founders of the studied corporation, having and exercising total control of their business units, grant (consciously or unconsciously) power to those they deem "star employees." Among them are directors, managers, and even workers at lower organisational levels who use their CEOs' favour to achieve personal goals. Having the CEO's favour seems more important than performing their jobs well and accurately according to workloads and remuneration. Avoidance of duties, engaging in rebellious behaviours to obtain a decreased workload, and seeking economic benefits above the established wages for the job they hold are some of the issues detected. The following statements from respondents support these assertions:

"Already in operation, there are many conflicts of interest because some managers or employees prefer pleasing the CEO to fulfilling their responsibility. Even if it generates problems with another area, it is more important to be good in the eyes of the CEO." (Participant D10. DA)

"Many employees do not care about the needs of the clients nor the requirements of their direct boss. The only thing they care about is to be pleasant in the eyes of the CEO." (Participant D17. KD)

Some clients, family friends, and employees, who are close and have more credibility with their CEOs, intimidate company directors, managers, and workers. The power granted to these individuals allows them to suggest diverse service types or propose unplanned activities to the CEO; later, these services or activities become effective and affect the business's schedule. Consequently, there is an increase in workload for directors and managers, causing alterations of previously planned activities. Other acquaintances or relatives of CEOs pressure directors and managers to take actions, which may benefit their personal goals but do nothing to help the business. The following abstracts support these statements.

"The people around the family are the ones who affect the operations of the company. Acquaintances of the owners come to intimidate the workers. The people close to the owners have more credibility than the worker and create problems with the CEO." (Participant D17. KD)

"We, as directors, have to make many efforts to perform a series of unscheduled activities that emerge from individuals that are personal-related to the CEO. These people with influence (at the political, economic, or academic level) create problems in our planned activities, leading us to improvise. Also, our daily responsibilities get affected because of these unplanned situations." (Participant D11. HSD)

Sometimes a CEO is perceived to rely more on those close individuals than on the directors and managers working under the CEO. These close friends get empowered and press employees to obtain personal benefits. These benefits do not contribute to the welfare of the business unit. For instance, some participants said the following:

"The people around the CEO and other family members feel empowered to manipulate and even threaten employees. If it is a friend, a neighbour, a relative, or someone close, they can do whatever they want because the CEO will believe them first." (Participant D17. KD)

Research performed by Martínez and Dorfman (1998) identified a central characteristic of Mexican family businesses, the importance of personal relationships. The findings of the current study identified this characteristic in the family business. Nevertheless, the findings complement the research because these relations and sentiments between the founders and star employees create continuous conflicts of interest at the operational level and several leadership issues.

In summary, evidence from the study and the analysis of the literature identified conflicts of interest between shareholders and directors. However, no conflicts of interest between the founders' acquaintances (with the power granted by the founder) and directors/employees were found in the literature. The studied privately-owned Mexican firm analysis showed that these conflicts of interest generate additional workload, additional costs, and operational alterations to directors because of unplanned activities proposed by the founders' acquaintances. In addition, this power granted from the founders to close individuals within their business units produces a distrust sentiment to directors and managers, decreasing their performance and commitment.

4.2.4. Weak HR policies and practices

Management scholars suggest that a weak HR function leads to poor employee retention, lack of qualified workers, poor working environment, absence of a system to evaluate performance, increasing conflicts, and stressful communication (El-Jardali, Tchaghchagian, and Jamal, 2011). Research also suggests that family businesses require a strict HR function to successfully identify, retain, and prepare individuals to lead and achieve proper operational continuity (Beck, 2009). Unfortunately, the business subject of this study possesses a weak HR function. In the analysis of evidence, we will see that several of these issues arise within the studied Mexican corporation.

New employees do not receive formal training that would allow them to understand their duties and the company's culture, including its goals, history, and structure. Rae (2011) found that organisations with inadequate employee training and staff development strategies face high turnover and attrition. Scholars also emphasise that employees who participate in training events tend to generate innovative solutions, improve their work-related attitude, and increase their performance (Susomrith, Coetzer, and Ampofo, 2019).

The study finds no formalised training processes for employees of the business units. Directors and coordinators have the responsibility to train their teams and help improve the results of employees. It is not clear whether this lack of formal training leads to increased turnover.

> *"Sometimes, an element of my team is removed or resigns, and I have to train the newcomers again. There are no formal programs to develop the skills of the employee. I am responsible for the performance of my area and so the performance of each of my team members." (Participant D2. CFO)*

A participant says that he is responsible for developing the team members in the area. Each director has the responsibility to formalise training processes. However, he explains that he faces big attitudinal problems of new employees, who demand that he invest extra time in their development, even though they do not display the best learning attitude. It causes hidden costs and frustration if employees leave the company because management needs to initiate training for newcomers.

> *"I face the issue that young architects and engineers in my team do not know how to plan. And no matter how much I try to teach them, they do not make the extra effort because it implies investing additional time studying and learning. As leaders, we*

face a problem of attitude with new workers that we need to solve." (Participant D14. COO)

Through the evidence of the analysis, we will see that good employees have been fired or resigned because of this weak HR function. The literature review does not provide any relation between HR and leadership issues in Mexican family businesses. Nevertheless, the study shows some details about issues related to HR policies and practices that affect the studied Mexican corporation.

The study shows additional leadership issues because some areas are not clearly defined; some written procedures and processes exist, but a few people respect and follow them. This lack of detailed operational manuals and weak HR processes generates confusion among employees and conflicts between the business's functional areas. Also, some senior employees receive rewards even though they lack a desire to improve and innovate. The analysis of the literature in the Mexican context did not provide any resources related to HR and leadership issues in privately-owned Mexican businesses as seen in table 4 from the chapter 2. Hence, HR management research was made to address this gap in the literature and complemented with the following evidence from the analysis.

A related leadership issue detected during the study is that employees are sometimes confused as to whom they report. Directors and managers from different areas tend to issue orders to employees in various business units, thereby generating confusion and operational delays. Some leaders do not respect the authority of other members of management and so issue orders to employees within those other areas, as detailed in the following statements:

> *"Some employees stated that they get confused about who their immediate boss is. Managers from other areas or people with power in the company demand different or additional requests. So, the employees feel they must obey all those with power even though they are not their direct boss. The problems come later. The CEO gets upset because of delays or because some people are not working accordingly."* (Participant D10. DA)
>
> *"The problem is that the areas are not defined properly. Maybe the guidelines exist, but they do not get executed properly. I do understand that there is an organisational chart for each position, but the responsibilities and functions are not well delimited nor respected."* (Participant D10. DA)

There are no formal HR processes in place by which to train new employees. These would aid them in understanding their duties and the organisational culture. So, good workers get lost because of the consequently weak and confusing operational state that results from the lack of training. A participant shared his/her thoughts concerning this situation:

> *"We have received comments from new employees that there is no operational manual, and no one tells them what to do. We want employees to respond properly to the operations, but there is no manual or someone to explain how to do things. Then, some of them get fired or resign because of this lack of training."* (D8. PR)

The study revealed additional issues related to the seniority of some employees. Employees who have worked for one of the business units for several years tend to develop a sense of entitlement. They solely coast in their positions without increasing their participation levels or sense of innovation. Some others show strong resistance to their superiors (directors) to avoid responsibilities and duties. Concerning these employees, one respondent stated the following:

> *"Most of the people who have been working here for 20 years are not committed anymore. They are not open to more participation. They have no initiative; they don't want more responsibilities. The people who currently contribute are the ones with the fewest years working in the firm." (Participant D9. CFO)*

The business units do not have a measuring system for directors, managers, and employees. There are no key performance indicators (KPIs) to properly analyse the units' performance to achieve their goals. The following participant shared his thoughts on this matter.

> *"I also perceive an absence of a systematised process to measure actions or project performance, so the objectives established by the CEO are not met on many occasions. No concrete goals are established with clear metrics; the lack of clarity in the planning limits us to achieve better results." (Participant D13. EA)*

While the organisation studied has not ceased due to these HR management issues, it has most likely weakened over time, losing good employees, hindering innovation or improvement, and faltering teamwork. A lack of studies regarding HR and leadership issues in privately-owned Mexican businesses did not allow a comparison as seen in table 4 from the second chapter. However, evidence of the study provided clear issues experienced by the privately-owned Mexican family business leaders. Some include areas in the business units that are not clearly defined, processes often avoided, lack of operational manuals, no formal training processes for new employees, and lack of KPIs.

4.2.5. Poor communication strategy

The analysis of the literature stated that limited communication within a family decreases opportunities for growth within the family's business and produces conflicts in the family system (Alderson, 2015; Dana and Ramadani, 2015; Gimeno, A.; Baulenas, G. and Coma-Cros, J., 2010; Josi et al., 2018) as seen in the following evidence.

At the family level, CEOs and founders restrict discussions about business matters to avoid conflicts that could negatively affect familial relationships. To maintain harmony within the family, sharing knowledge is limited, decreasing possibilities to improve the business. Balancing business, marriage, and family relationships can be complicated. In the following statements, study respondents (and CEOs) provide insights into these issues.

> *"Sometimes, I am waiting for my husband to enlighten me, and he is waiting for me to do so. Some other times he makes decisions (like an investment or a loan) without consulting me. That is a latent problem that generates conflicts between us as a married couple." (Participant D1. CEO and founder)*

Leadership communication issues were frequent, both within the family and in the corporation's operations. At a family level, members limit communication to avoid conflicts but restrict opportunities for business improvement. Alderson (2015) stated that emotionally charged conflicts in family-owned businesses result in poor communication, behavioural problems, and failures in decision-making. Nevertheless, the results rely on relations between siblings and parents; no evidence was found within a marriage. Also, no evidence was found in the Mexican context regarding leadership communication issues.

Other leadership issues found have some relation to Josi´s et al. (2018) research, who stated that the absence of planning and a lack of open communication (within the family system and between areas of the business) produce internal conflicts that affect business operations. Participants explained that management peers do not respect established timelines or communicate operational changes affecting their responsibilities and operational activities at the organisational level.

For example, people do not follow control processes within the construction business, generating delays for other areas and other stakeholders (such as suppliers and other employees).

> *"The construction managers do not send the written requests of the materials. I must look for them, so they send me the requests to control the invoices. However, it is complex to reach them because they are all at the construction site, whereas I am at the office. This situation generates delays for the accounting area and even delays with supplier payments." (Participant D18. DM)*

Another example is that the lack of planning and communication with accounting personnel has caused the school's directors to adjust the budget and fiscal planning, as seen in the following evidence.

> *"We have experienced several problems with the Directors at schools because they request unplanned payments for materials, services, etc. With a lack of communication or planning, this immediate request creates financial issues because we did not foresee that expense in our budget. There is a yearly plan that they make as academic leaders; so, we stick to this schedule, but suddenly they request unplanned payments that affect our budget and our fiscal planning." (Participant D2. CFO)*

Study participants also cited communication barriers and commented on their detrimental effect on operational performance.

> *"Communication in this construction company is flawed because the message is not transferred correctly from us as leaders to the workforce. Otherwise, they merely do not understand the message that we try to send. Even worse, sometimes we do not ask them if they understood because everything needs immediate completion. Openness to questions is lacking." (Participant D14. COO)*

These study's findings contradict the conclusion of Madrigal-Torres, Luna-Ruiz, and Vargas-Hernández (2017), stating that Mexican leaders tend to adopt a democratic leadership style and open decision-making processes to collaborate. In the family-owned business that is the subject of this study, the CEOs expected their executives to obey their guidelines without negotiation or question. The following evidence shows that this lack of open communication and debate weakens operations and demotivates the CEOs' teams.

A participant revealed that the CEOs do not promote open debate and collaborative communication. Responses to operational problems are slow because people must submit everything to the CEO, who also expects their executives to obey their dictated guidelines without negotiation or question, thus demotivating their teams and missing opportunities for improvement. The following statements demonstrate these findings.

> *"The growth rate the schools are experiencing indicates the need for communication to be direct and much quicker. The fact that we have a centralised operational structure headed by the CEO makes communication processes slow and bureaucratic. Each area must create its processes to accomplish its responsibilities, but we still have to wait for the approval of the CEO to execute them." (Participant D4. ACL)*

> *"In case we receive a direct order from the CEO, we have to fulfill it exactly as stated. Even if I, who am responsible for the area involved, want to propose improvements, I cannot do more than what the CEO requests or establishes." (Participant D15. DCC)*

In such a highly centralised organisation, management fears expressing new ideas or disagreeing with organisational leaders, thereby missing opportunities to improve the organisation. The analysis of the studied privately-owned family business in Mexico allowed complementing leadership issues in the family. When two founders with a marital relation own their own business but maintain investment relations, issues and conflicts arise. This gap in the literature provides evidence to complement the Mexican context regarding leadership communication issues. Also, a contradiction was found with previous literature from Madrigal-Torres, Luna-Ruiz, and Vargas-Hernández (2017). Scholars suggest a democratic leadership style among Mexican leaders. Nevertheless, the evidence from this highly centralised family business shows a more coercive leadership style and a lack of open communication with employees.

4.2.6. No clear organisational structure with well-defined roles and responsibilities

Research states that the organisational structure of family businesses typically does not feature a well-defined division of responsibilities. (Del Giudice, Della-Peruta, and Carayannis, 2011). Tugrul and Cimen (2016) also highlighted how corporate governance in family businesses is fundamental for effective leadership because it clarifies responsibilities, values, and duties for the family members and the workforce. In the Mexican context, Espinoza-Aguiló and Espinoza-Aguiló (2012) stated that governance strategies such as ownership, debt planning, organisational structure, and management have a critical impact on a family firm´s performance.

Others found that Mexican family firms tend towards informality to establish operational procedures (Abouzaid, 2011). A revelation in the present study is the corporation's lack of a corporate governance system to define duties and establish clear authority. The following analysis complements the literature by providing valuable evidence from directors and managers of the studied Mexican corporation.
The study's analysis found no coherent organisational structure governing all business units, either individually or as a whole corporation. There are no roles and written responsibilities for the family leaders and other members. One participant shared some thoughts about it:

> *"I think that there is an organisational structure, but I am not aware of how the company works. I have realised that it is through a single person who directs and dictates the orders, but I am not sure." (Participant D2. CFO)*

The study findings revealed that each business unit possesses manuals delineating the roles, responsibilities, and limitations. Not all the business units have detailed operational manuals aligned with strategic initiatives. Respondents shared their thoughts about this situation.

> *"It is important to create manuals with all the processes where new workers can follow and understand their responsibilities. We need to clearly define the functions in these procedures to achieve the strategic objectives established by the CEO." (Participant D2. CFO)*

Previous studies stated that operational instability and collapse of authority could be caused by those in leadership roles who disrespect lines of authority and boundaries in organisations (Abouzaid, 2011**;** Kakabadse and Kakabadse, 2018; Lasfer, 2015). The lack of documentation detailing the business's structures and operations resulted in operational conflicts. It happens because the CEOs and some leaders do not respect the limits of authority in business areas. Leaders of one organisational structure frequently cross boundary lines into other ones, issuing orders. Such violations concerning organisational structure have led to contradictory directions, employee confusion, and delays. A participant shared some thoughts about these issues within the organisation.

> *"The authority of each area is not delimited properly. Some areas get in conflict because the academic directors intervene with administrative responsibilities. They issue orders to the personnel under my charge (which are cleaning staff, drivers, and security personnel) that alter my schedule and affect their responsibilities." (Participant D10. DA)*

Another leadership issue detected is related to succession. Academics point out the importance of accurately transferring knowledge and expertise to a successor in family firms like another family member (Aziz and Choudhary, 2017; Kilenthong and Rueanthip, 2018; Lubrano, 2001; Pendergast, Ward and Brun-de-Pontet, 2011). Many scholars identified a number of leadership issues related to succession in the family business (Dana and Ramadani, 2015; Gimeno, A.; Baulenas, G. and Coma-Cros, J., 2010.; Josi et al., 2018; Lansberg, 1988; Martin, 2005; Josi et al., 2018; LeCouvie, K. and Pendergast, J., 2014 ; Siebels, J. F., and Knyphausen-Aufsess, D. Z., 2012).

Abouzaid (2011) identified delays in leadership transition to avoid family frictions, lack of family members capable of taking the leadership role, and resistance from leaders to retire in

Mexican family businesses. In Germany, Collins et al. (2012) showed an increased tendency of succession through women; however, they struggle to balance a career and their family responsibilities, especially with children. Alderson (2015) used examples from U-Haul and Gucci to demonstrate that conflicts in family relationships are the most dangerous and difficult to manage that can affect family business.

Unfortunately, a succession plan was not identified within the studied family firm, only specific concerns as seen in the following evidence. No details were identified about the reasons for this lack of a future plan. Maybe the competence of family members to operate or manage the business or even issues related to emotions and sentiments that may affect decision-making (Abouzaid, 2011; Alderson, 2015; Collins et al., 2012; Dana and Ramadani, 2015; Josi et al., 2018).

> *"It is a family business with few family members of the family who do not live in Mexico. We begin to think about who will take charge of the companies in the future." (Participant D8. PR)*

In summary, a lack of detailed organisational structures, responsibilities, and roles was found. As a result, leaders violate the limits of authority in different areas. Such violations concerning organisational structures led to contradictory directions, employee confusion, and operational delays. There are also concerns about succession that may not have been addressed.

4.2.7. Lack of trust between managers and the CEOs

Agency theory pretends to address issues and relations between the principal (shareholders) and its agents (management); the problems arise when there is an unalignment between goals and risk preferences (Eisenhardt, 1989). In a typical agency theory scenario, principals delegate responsibilities, authority, and decision-making to the agents (Kumeto (2015).

However, the strong centralisation and control open a knowledge gap because the principal (founder/shareholder/CEO) plays a dual role as an agent in the studied privately-owned family business. The directors only execute the guidelines of the principal/agent without negotiation. The founder/shareholder/CEO of the studied family firm does not delegate authority and assumes all the risks from each business unit. Hence, the study revealed an abyss of trust between the CEO and the directors. The CEO's strong character encourages fear in their directors and managers, closing opportunities to strengthen decision-making. Scholars stated that the component of fear affects employee creativity and triggers a defensive position to withhold relevant ideas (a response known as *defensive silence*) (Guo, L. et al., 2012).

The following evidence shows that directors fail to contribute to decision-making, accommodate the CEO's mandates without assuming responsibility for their execution, and reduce operations efficiency.

> *"The CEO is a very determined person. She has a great vision with a strong character. So, she imposes on people who perhaps have a weaker character or do not*

> *want to get into trouble with her. All these allow the other directors or coordinators to abide by any of her orders without question. It creates a comfortable position for them because they do not take responsibility for their actions; the only responsibility is for the one who mandates: the CEO."* (Participant D11. HSD)
>
> *"The fear of contradicting the CEO generates misunderstanding, lack of communication, submission, and dishonesty."* (Participant D11. HSD)
>
> *"There is little room for negotiation with the CEO. As area coordinators, we need to follow specifically the points he establishes to reach the goals of the construction company."* (Participant D15. DCC)

Respondents mentioned a *"lack of trust to us as coordinators from the CEO … trust is crucial for a business to properly function" (Participant D64, DA)*. The lack of trust and the component of fear demotivates leaders and decreases the quality of their performance.

Even though the literature in the Mexican context analysis did not identify leadership issues related, the evidence presented showed that a lack of trust by the CEO and the use of power to produce fear to directors demotivates, avoids open communication to challenge decisions, and decreases performance. With an agency theory perspective, the multiple roles from the founder/shareholder/CEO/Executive as principal/agent, pointed out additional leadership issues generated by a strong centralisation and an entire exercise of power within a corporation. Such issues include avoidance of responsibility from directors and coordinators, weak decision-making, and decreased performance. The agency theory did not suggest any information when there is a splice between the principal and the agent.

4.2.8. Conflicts in the family system

Research suggests that the family system is not a common unit of analysis in family corporations (Nordqvist et al., 2011) but is the primary point of conflict (Rhodes and Lansky, 2013). The analysis of the studied corporation showed several leadership issues that arise within this subsystem of the family firm. Alderson (2015) stated that family corporations tend to experience resentments, rivalries, mistrust, and favouritism as the family grows, decreasing productivity and weakening decision-making. The literature analysis also suggested that destructive entitlement arises when family members perceive injustice, hence, punishing operationally, financially, strategically, and even with fraud to the family firm (Alderson, 2015). The analysis of the studied corporation detected additional conflicts and leadership issues in the family that will be discussed.

Abouzaid (2011) discovered that Mexican businesses tend towards multiple roles from family members that can affect operations. The study identifies conflicts and issues in the family system because family members (mother, father, daughter, and son) have a dual relationship through the family businesses: personal and professional. Some possess different roles within the business units. The mixture of sentiments and multiple professional responsibilities create biases in behaviours and decisions; even confusion in the workforce is perceived. Hall (2012) stated that relations in the family system affect the business. When problems among family members arise, those who occupy high positions within the business transfer their stress and negativity to employees, affecting operations. Evidence of this tendency is stated thus:

> *"There is a lot of affection from them as a family. That emotional component has exponentiated their professional success but, internally, has deteriorated them as a family. The differences of age, leadership style, and professional background create disagreements that affect them emotionally as a family." (Participant D3. CIO)*

> *"In my perception, the problems generated in the family leak to the business and vice versa. There are times that family frictions affect the personal sphere of each individual, so all this stress goes to the institution, affecting it negatively." (Participant D4. ACL)*

As seen, research depicts the importance of the transference of internal family issues to the family business (Del Giudice, Della-Peruta, and Carayannis, 2011). The strong affection between family members might increase the risk of irreconcilable differences and personal resentments, which are not easy to resolve (Chiner, 2011; Fahed-Sreih, 2018). Research performed by Martínez and Dorfman (1998) identified a central characteristic of Mexican family businesses, the importance of personal relationships and sentiments that can produce problematics. Despite the lack of resources related to boundary theory in the family business, boundaries become relevant because they are latent sources of conflicts (Poelmans, Greenhaus, and Las Heras Maestro, 2013), as seen in the following analysis.

The constant change among the family members is another issue detected during the study, which has created problems in the family and the business units. No evidence was found in the analysis of the literature in the Mexican context. However, new goals, self-interest, new boundaries, and individual perspectives continually arise as the family grows and its members mature. The addition of new family members brings new challenges and even conflicts for the founders and the companies. Here are a participant's comments related to these issues:

> *"Our children have been growing, and it is not an easy element to handle because it is not a constant variable. They have their perspectives and interests that sometimes do not align with what we want as parents. And again, such interests change all the time because of their professional career or because now, they are married. This addition of new members to the family generates challenges to the family itself and even to the businesses." (Participant D1. CEO and founder)*

The founders as a marriage experience several differences that need to be continuously negotiated. New and constant boundaries are also created to decrease conflict. Research from Nordstrom and Jennings (2018) stated that marital tensions constitute dysfunctional elements in family businesses that need continuous monitoring and addressing. Marriage, divorce, and couple relationships are among the most intriguing issues in a family business (Carsrud and Brännback, pp. 73, 2012). The following evidence provides details about managing a corporation as a marriage.

"My husband and I also changed as human beings, creating differences and problems. Each of us has personal aspirations, ambitions, and goals that are constantly changing. Hence, creating differences and problems between us." (Participant D1. CEO and founder)

Other problems detected in the study derived from the different ways of thinking. One founder is a civil engineer with a master's degree in Public Administration, and the other one a Ph.D. in education, both in continuous evolution. Their differing perceptions generate conflicts between them and issues regarding money. There are marital issues that create problems between them. These problems harm the operation of the family's various business entities. The following evidence attests to these conflicts and their effects on the business:

"In my family, we think that the problem is my wife's incomprehension about the workload that I take on within my company. There is a lot of pressure in my job because I need to monitor governmental changes related to my firm. Financial strategies are critical in the construction industry that need immediate attention. Development of new projects in addition to the supervision of all operations, suppliers, construction, sales, projects, accounting, HR." (Participant D7. CEO and founder)

"We have limited ourselves to not commenting on aspects of our businesses to avoid frictions and clashes. I hardly intervene in his company because it is a field that I do not know about; construction, engineering. I do not intervene at all. However, I do ask for financial information because it is part of the family heritage; this point generates problems between us as a married couple when we have different perspectives." (Participant D1. CEO and founder)

As a result of this continuous family and business evolution, regular negotiations are necessary to stabilise family complexities that affect businesses. Research has shown that, at the family level, the recognition and respect of every family member are crucial to maintaining healthy dynamics that can also help the business endure; otherwise, result in conflicts of interest and risks that can threaten the family business (Miller and Le Breton-Miller, 2006).

One of the founders termed this mixture of family and professional dynamics a *complex dynamic and resilient system*. It is a system in constant destruction/construction as it attempts to adapt and survive. Recognition by each member is also crucial to avoid issues. One participant shared her thoughts and experience regarding this.

"You have to be continually negotiating with each family member. You need to know each other, recognise each other, understand new interests and new goals that arise all the time. As a family science specialist, I would call this a 'complex dynamics and resilient system'; this is a system that has constant apparent destruction/construction (evolution), in which new projects and new negotiations arise so that, in the short term, it will continue to function and remain. It is one of the most complex systems that I have known in my whole career." (Participant D1. CEO and founder)

Even though the international literature points out that marital problems affect family businesses, the Mexican context has gaps. Hence, additional evidence was presented in the analysis of the study. Because of their professional expertise, different ways of thinking in marriage produce financial complications in the business that need to be addressed carefully. Also, continuous negotiations and boundaries are required as the family grows, especially when new members are added. This system in constant construction and destruction was defined as a *complex dynamic, and resilient system.*

The theory highlighted twenty-four leadership issues. The leadership issues found in the studied corporation can be synthesised in thirty. The following table contrasts the findings of the analysis:

Table 2. Summary of the leadership issues found in the literature and those found in the studied family-owned Mexican business.

	LEADERSHIP ISSUES FOUND IN THEORY		**LEADERSHIP ISSUES FOUND IN PRACTICE**
1	Conflicts related to ownership and control		**Inadequate segregation of duties and concentration of power**
2	Conflicts related to the family and its complexity	1	Conflicts derived from leadership centralisation and concentration of power
3	Conflicts related to the family and business	2	Lack of delegation of authority to managers
4	Tensions created from family life to the business	3	Delays in management's daily responsibilities because of centralisation of power and control
5	Tensions between the enterprising couple and family	4	No freedom to make and execute decisions
6	Leadership issues related to emotions and sentiments that affect decision-making	5	Risky and impulsive decision-making
7	Nepotism		**Ineffective management philosophies and operating styles**
8	Multiple roles from family members can affect operations	6	Continuous coercive leadership style affecting operations
9	Competence of family members to operate or manage the business	7	Lack of delegation of functions among management
10	Succession issues	8	Operational delays because immediate action is demanded by the CEO
11	Misalignment between the family business and family member's demands	9	Managers' high workload and tight timelines
12	Incapability to manage the business and the family system		**Conflicts of interest**
13	Destructive entitlement - when family members perceive injustice hence, punishing the firm	10	Stakeholders related to founders and family members affect operations generated by conflicts of interest
14	Siblings rivalry	11	Conflicts of interest between directors and shareholders
15	Parental altruism - cause owner-managers to make inaccurate decisions in favor of their employed children		**Poor communication strategy**
16	Generational conflicts	12	Communication issues
17	Informality to establish operational procedures	13	Centralised decision-making discourages communication
18	Informality in reporting	14	Employees are afraid to speak their minds to directors and managers
19	Conflicts of interest between Directors and Shareholders		**Weak HR policies and practices**
20	Agency issues	15	No formalised training processes for employees of the business units
21	Compensation and remuneration	16	Lack of clarity among areas
22	Failed risk management	17	Written procedures and processes are not respected and followed

23	Gender conflicts
24	Communication issues

18	Lack of detailed operational manuals
19	Employees are confused as to whom they report because of spliced authority between directors and managers
20	Sense of entitlement from senior employees.
21	Lack of an evaluating system for directors, managers, and employees.
	Lack of trust between managers and CEOs
22	Abyss of trust between the CEO and the directors
23	**Conflicts in the family system**
	Conflicts related to the family and its complexity
24	Conflicts related to the family and business
25	Tensions created from family life to the business
26	Tensions between the enterprising couple and family
27	Leadership issues related to emotions and sentiments that affect decision-making
28	Multiple roles from family members can affect operations
29	Differences between family members
30	Family members are not allowed to make contributions to the business

The analysis of the literature highlighted twenty-four leadership issues, and the data analysis thirty. Some issues are shared in both sections, such as communication and family issues. However, the analysis provided additional problematics generated by centralised leadership, coercive leadership, and the multiple roles of family members within the family and the corporation. It is difficult to suggest that this corporation experiences agency issues because the founders are the executives and the shareholders. Also, they are the ones who control the shares, ownership, and dividends distribution. Hence, the problems experienced between the founders/shareholders/Executives with their directors is an additional problem to be considered.

4.3.1. What actions can be taken to eliminate or reduce the identified leadership issues in this family-owned business?

This study was conducted using an action-research approach, meaning that participants used collaborative dynamics to produce actionable knowledge to bring change to the corporation (Coghlan and Brannick, 2014). A pragmatic perspective was used to define the actions to be taken to solve the detected leadership problems (Creswell, 2013). Hence, through the analysis of interviews and research, the corporate governance actions that might help mitigate the detected leadership issues and produce organisational change were detected and are summarised in Table 2 below.

Table 2.- Actions that might help mitigate the detected leadership issues.

	Actions to mitigate the detected leadership issues	Description
1	**Establish a family business governance system**	The outcomes from the analysis allowed to structure a governance system for the family business. It implied appointing a chairman and a board of directors composed of the founders and family members. Appropriate responsibilities and leadership governance actions for the privately owned family business were described, and succession matters were proposed. This proposal was already discussed with the founders and family members through phone calls. They agree to start implementing certain elements and are waiting for the thesis to be completed to revise the full document.
2	**Formalise a corporate strategy**	The founders' strategic elements were formalised and organised under a strategic framework. Most of this knowledge was literally in the mind of the founders and was only shared in a verbal way to senior executives and managers. Hence, the data analysis allowed to document, structure, and organise all this strategical knowledge to be used by family members, senior executives, and managers of the business units. Use technology to decentralise power and control.
3	**Formalise HR processes**	Different HR processes were proposed from the existing organisational structure, and respect for established operational guidelines and training processes to conduct employees was also formalised. Promote open communication for decision-making, revise workload among areas, train teams, and create written institutional models to detail processes.

These initiatives can be implemented by a holding company that controls the business units. Hence, the main solution that can help mitigate the detected leadership issues is to create a family business corporate governance system. These systems allow organisations to create transparency in reporting, operations, and supervision. Strict discipline can be achieved through operations to generate healthy dynamics with shareholders, executives, leaders, (Chang, 2018; Kirkpatrick, 2009; Rosenbaum, 2004), and other governmental shareholders for tax compliance (Shamsudin and Noor, 2012). Also, corporate governance provides strategic steps to guarantee business continuity and succession (Aziz and Choudhary, 2017).

Engaging in training and consultancy is not recommended because there is uncertainty about the analysis and results they can provide (Levitt, 1973; Wydra and Jackson, 1980). Hiring a consultant implies doing previous research to understand if it is a good fit for the organisation, including past work, analytical approaches, previous results, and experience (Kesner and Fowler, 1997). The short periods offered (Sondhi, 2019) and multiple projects that handle simultaneously can also generate problems. Normally, a consultant uses customised solutions for the customers, which can generate problems, especially with the unique features of family organisations (Turner, A. 1982). Consultants will have to initiate a full process to understand the organisation that can generate risks when engaging with the workforce (Balková, 2022).

4.3.1. Establish a family business governance system

The analysis of the study detected no formal corporate governance structure in the privately owned family business studied in Mexico. Furthermore, the corporation lacks a succession plan. Hence, a corporate governance system is proposed for the studied Mexican family business.

Feffer (2009) confirms that a long-term strategic and governance initiative to control stakeholders can positively result in a privately owned family business. However, limits are necessary within any organisation, so formalising leadership governance guidelines for a business might decrease leadership issues, such as those identified during this study (Ediriweera, Armstrong, and Heenetigala, 2015). Failure to establish corporate governance guidelines may cause mismanagement, financial scandals, and even managerial fraud (Green and Graham, 2015).

Corporate governance in businesses is a system based on control, transparency, accountability, collaboration, and alignment and clearly defines strategic direction, performance, relationships, and legal behaviour. It is a crucial element for an organisation's survival in the long term and allows to avoid operational and organisational issues (Eisenberg 1993; Idowu and Tunca-Çaliyurt, 2014; Malla, 2010; Martin, 2006; Saltaji 2018; Sharma-Wallace Velarde and Wreford, 2018; Stanculescu, 2018; Tricker, 2015; Randoy, Dibrell, and Craig, 2009; Van den Berghe and Carchon, 2002).

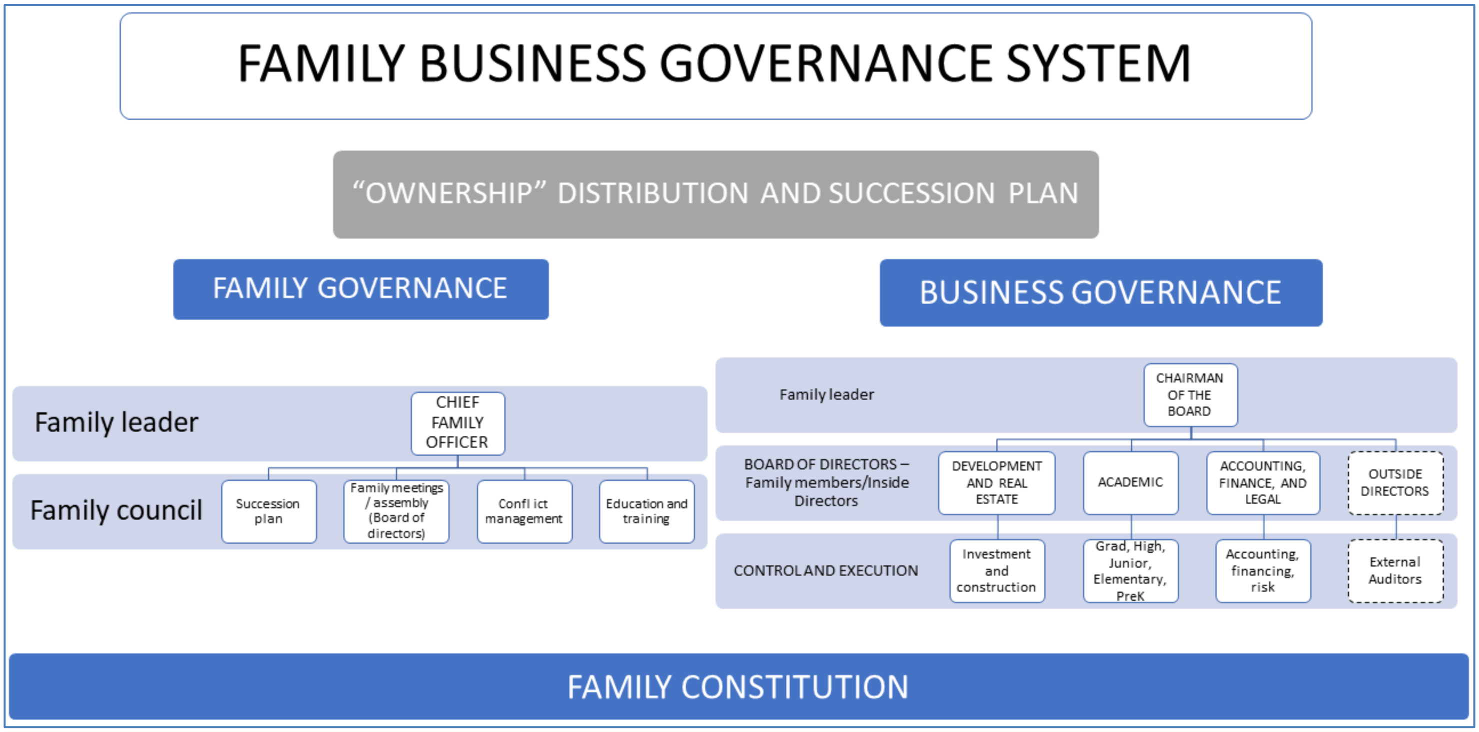
Tricker (2015) stated that a corporate governance structure minimises leadership issues in a corporation. It also provides adequate direction and specifies rules to follow. Corporate governance can also help define responsibilities, roles, and procedures; and clarify the rights of working and non-working family members, management, board members, shareholders, and other stakeholders related to the firm.

Corporate governance is a crucial key performance indicator of a firm's performance (OECD, 2004) that can be complemented with the stakeholders' performance to improve the operations of the studied Mexican organisation.

The corporate structure for this privately-owned family business must detail policies for family-management conflicts (including family employment with compensation, responsibilities within their areas, and level of involvement in decision-making), policies for management-ownership issues (including responsibilities to the board, distribution of dividends, and transparency in personal plans), and regulations dealing with family-ownership conflicts (including ownership of shares, organisation of family meeting agendas, succession, and support for family members) (Schuman, Stutz, and Ward, 2010). These responsibilities are distributed between the chairman and the board as detailed below.

Scholars stated that a family venture contains a set of relations inside and outside the three systems: the family, ownership, and the business (Van den Berghe and Carchon, 2003). According to these authors, the interactions, strategies, and governance generated from these systems will create positive or negative outcomes for the family venture. Therefore, a corporate governance structure is proposed and organised for the family, ownership, and business adapted from the business governance model proposed by Kenyon-Rouvinez, Koeberle-Schmid, and Poza (2014) as follows:

Diagram 1.- Family business governance system.



The main objective of the family governance system is to manage the family, establish boundaries among family members, and maintain cohesion; complementarily, business governance is responsible for creating management and control structures within the business units (Kenyon-Rouvinez, Koeberle-Schmid, and Poza (2014). It is critical to emphasise that business matters need to be addressed in the business and family matters within the family. Each section of the system is described and adapted to the needs of the studied corporation.

4.3.1.1. Family business governance system – Business governance

The elements of the proposed governance system can help mitigate the detected leadership issues. Such features comply with the principles of the UK Corporate Governance Code. Research suggests that every corporation should have a qualified board of directors collectively responsible for the firm. This board must have a clear division of individual responsibilities and a leading chairman (FRC, 2016).

Findings revealed that the entire group leader is one of the founders and the most vital business unit's CEO. According to the literature research, corporations frequently address the CEO as the board leader (Cannella, Finkelstein, and Hambrick, 2008; Malla, 2010). Even though this founder is the one who had established most of the strategic and corporate initiatives for the business units, this CEO was never named chairman of the board.

This founder supports all business units, is the initial entrepreneur in the family business, and is viewed as the corporation's top leader and boss. Consequently, he is to be appointed chairman of the board and "will be responsible for leading the board and ensuring its effectiveness on all aspects of its role" (FRC, pp. 5, 2016) in addition to occupying his operational role (as CEO) through the privately owned family business. Respondents shared their thoughts in the interviews concerning this recommendation; the data was analysed with the data analysis.

> *"Directors, Coordinators, managers, and employees recognise the CEO of the construction company (who is the first founder) as the individual who leads the whole corporation (business units and the family)." (Participant D11. HSD)*
>
> *"The only thing I perceive is that it is a centralist organisation where the head of the family is the one who leads the group." (Participant D15. DCC)*
>
> *"About investment and projects, there has been a support of mutual growth: from me towards his company and vice versa. My school has grown with a solid real estate infrastructure." (Participant D1. CEO and founder)*

Corporate Governance, management succession, performance evaluation of business units, adherence to corporate values, and ethical action are the chairman's responsibilities (Kakabadse and Kakabadse, 2008). This CEO acting as chairman must enable the other board members to contribute to decision-making processes by generating an open and trusting environment; there should be transparency in the information to be analysed. The experience and expertise are crucial aspects of balancing each business unit's board and management (Bezemer, Nicholson, and Pugliese, 2018).

The chairman will manage ownership and managerial succession; also, he will solve operational conflicts, including those related to management, the board's responsibilities, distribution of dividends, and transparency in operations (Schuman, Stutz, and Ward, 2010). Business governance meetings should be handled by the board, as described in the next section (Aronoff and Ward, 2011).

Siebels and Knyphausen-Aufsess (2012) say that family ventures tend to create corporate governance structures wherein family members perform multiple roles. The family members in the studied corporation tend to have different responsibilities and functions in the business units. These members (mother, son, and daughter) should participate in selecting members of the board of directors and performing their operational roles in the privately-owned family business.

The board will have a stewardship responsibility for the entrepreneurial leadership of the organisation: helping establish clear strategic objectives, intensify self-discipline and ethics, and corporate values, providing financial and human resources, performing risk assessment, monitoring the firm's performance, supervising and supporting management, and engaging in strategic decisions, assist succession (FRC, 2010, 2012, 2016).

The board should not intervene in the daily activities of the businesses and will not speak out for the interests of the owners (Kenyon-Rouvinez, Koeberle-Schmid, and Poza (2014). It is crucial to emphasise that family members who want to be part of the board must be objective to listen to other points of view without emotions involved, hold a level of understanding of the business, and put the needs of the family before self (Aronoff and Ward, 2011).

The specific responsibilities of the board include family employment, management succession, dividends distribution, business strategy formulation, business culture, business ethics, developing and implementing strategy, compensation, managing family-business relations, selection, election, and supervision of directors, and business performance review (Tricker, 2015).

"Boards need to prepare, discuss, and judge information to monitor, advise, and strategise a firm" (Bezemer, Nicholson, and Pugliese, pp. 221, 2018). A group of experts must be included to provide additional insights and knowledge and strengthen the decision-making process. Those elements of the board should be non-family individuals to provide divergent thinking. The analysis of the study provides evidence of this proposal.

> *"A group of experts can meet every month and give opinions to improve the operations of the businesses." (Participant D16. AA)*

The most influential executives of the business units (those who report directly to each CEO) may be included in this group to review strategic decisions and policies, including those related to reviewing diversification strategies, construction and real estate investments, organisational changes, and operational modifications (Cannella, Finkelstein, and Hambrick, 2008). External auditors close to the businesses should join the board. During the analysis, one participant proposed the participation of family members in the decision-making processes. Hence, family members can be allowed to be part of the board as part of possible training successors.

> *"My opinion is that there should be more participation of the other family members because they could also give positive contributions for the operation and decision-making." (Participant D10. DA)*

Research about family businesses shows that the role of the board of directors is to be a strategic advisor for decision-making, a bridge between the family and business, and a mediator when emotional issues arise in the family; this role would be precious in planning management succession (Ikäheimonen, Pihkala, and Ikävalko, 2019).

The board will handle family-management conflicts, including those related to family employment with compensation, responsibilities in family members' areas, and level of family member involvement in decision-making of the business units (Schuman, Stutz, and Ward, 2010). Boundaries between family and non-family workers need to be defined by the board to avoid turnover and operational issues (Piszczek, DeArmond, and Feinauer, 2018). The board should handle business governance meetings. They may provide experience and expertise, encourage accountability and evaluation by management, assist strategic planning, provide confidential counselling, and promote cooperative relations (Aronoff and Ward, 2011).

Research also indicates that board independence might produce negative consequences in family-owned organisations. Hence, the board's decisions will need to be approved by the chairman, and he will provide transparent and evidence-based information to strengthen decision-making (Kotlar, 2012).

Within the newly modified business, directors and managers must observe financial controls and definitions of responsibilities and provide clear documentation (financial and operational). The chairman and the board can analyse this information in their decision-making processes. Nevertheless, rules, operative manuals, performance indicators, and protocols need to be established by the board to allow the organisation to achieve strategic initiatives (Kakabadse and Kakabadse, 2008). The results of the study released an amount of information that might detail operational manuals for management.

Executing all strategic guidelines and operational duties and implementing improvements in their areas will be the management's responsibilities (Aronoff and Ward, 2011). Therefore, creating programs for management development in the business units' strategic areas is crucial to avoid operational issues, delays, and unstable behaviours within the privately owned family business. (Kakabadse and Kakabadse, 2008).

In summary, the outcomes from the data analysis allowed to appoint an official board with a chairman composed of the founders and family members. Appropriate responsibilities and leadership governance actions for the privately owned family business were described.

4.3.1.2. Family business governance system – Family governance

At the family level, Nosé et al. (2017) point to recognising the importance of leadership governance and the interconnections between the business and family members in Austrian family corporations; when these linkages are poorly managed, the possibility of conflict increases as the business grows. Scholars assert that the reason for the constant creation/destruction of family businesses might be a misalignment between the firm and family member's demands (Abouzaid, 2011; Dana and Ramadani, 2015; Martin, 2005). Hence, it is important to appoint a family leader. This leadership position in the family is called Chief Family Officer. For the studied corporation, the Chairman of the board should be the Chief Family Officer because of his seniority in the businesses and the family shown through the evidence of the interviews.

Family governance, succession, and family values are the responsibilities of the Chief Family Officer (Kakabadse and Kakabadse, 2008). This leader will also manage family conflicts, ownership, shares, the organisation of family meeting agendas, and support for family members (Kenyon-Rouvinez Koeberle-Schmid, and Poza, 2014). The family council must be conformed by family members with a solid commitment to the family, respected qualifications, and willingness to solve differences in the family. These members must provide additional strategies to solve family conflicts and support Chief Family Officer initiatives for the benefit of the family.

FRC (2017) strongly recommends that corporations adopt precise and rigorous values. Fahed-Sreih (2018) stated that, in private family-owned ventures, the family system plays a critical role in the vision and corporate values, thereby providing unique competitive advantages. Internal agreements and family values involving deep love and loyalty to the family, diligent commitment and effort to preserve the family heritage, and respect for family members stood out in the data analysis:

> *"Loyalty, the will to resolve differences, a deep love for our children and now, a deep love for our grandchildren." (Participant D1. CEO and founder)*

The family has been and continues to be a primary motivation for the founders and family members to grow their businesses. *"There is a conviction to stay together as a family, fundamentally inspired by our children, and continue with the family business." (Participant D1. CEO and founder)*

The business of the family must be separate from the other ones. Family meetings must consider issues like family governance to analyse future ownership, professionalise the venture, manage relations between the family and the board, and perform a risk assessment (Aronoff and Ward, 2011).

Research states that family ventures, as a unique organisational type, base their decision-making processes on reasoning based on family (emotional and social) and business (economic and strategical) parameters. (Stough et al., 2015). As a result, the Chief Family Officer should manage the beliefs, needs, and objectives of the family and balance them with the requirements of the business objectively.

During the interviews, respondents mentioned succession matters, but no formal succession plan was detected. In the event of a founder's passing**,** the business's continuity and survival become significant without previously established succession guidelines (LeCouvie and Pendergast, 2014). Angus (2018) suggests integrating the centralised strategic planning from founders with the family. Until today, the family has been so strongly dependent on the founder's decisions that the remainder of the family would not know how to conduct the businesses in case of an absence. As a result, succession initiatives will be described in the following section.

4.3.1.3. Family business governance system – Ownership and succession

As prior studies have shown, businesses in Mexico typically exhibit a strict ownership concentration and centralised control because of Mexico's weak legal environment (Babatz, 1997; Belausteguigoitia, 2003; Castañeda, 2000; Espinoza-Aguiló and Espinoza-Aguiló, 2012; Portal, 2001). The Mexican corporation under study is not an exception. The studied family business exhibits this concentration of ownership and power and is suggested to continue with that strategy.

Hence, the corporation "*is a family-owned business, which has four partners, who absorb 100% of the shares." (Participant D9, CFO)* The whole corporation is a privately owned, diversified family business. Each business unit is in charge of one family member (CEO) independent of the others; thus, everyone has their team (e.g., management, accounting, operations) and is free to establish strategic and operational guidelines. Nevertheless, no ownership succession plan was found in the analysis.

Even though it is a delicate topic, an ownership succession plan is needed to guarantee business continuity by "forging a family identity and training family members to become professional owners (Kenyon-Rouvinez Koeberle-Schmid, and Poza, pp. 56, 2014)." Aronoff, McClure, and Ward (2011) stated that not preparing for succession while maintaining the CEO's power concentration could prevent the business from being sustained. These researchers suggest identifying why the enterprise is valuable to its client base to create an ideal successor profile that can provide successful continuity.

As the family grows, it is expected that the shareholders will grow. Hence, it is crucial to integrate new family shareholders into the company and the entrepreneurial family (Kenyon-Rouvinez Koeberle-Schmid, and Poza, 2014). So, what characterizes a professional and responsible owner for the studied family business? Values, professional preparation, interest in the company and the family, someone that is neutral in the family and business, negotiator, just, transparent ... Devins, D. and Jones, B. (2016) also suggest understanding the personal, professional, and emotional characteristics of the founder-owner and contrast them with the potential successor.

In choosing a successor, the chairman and board members must be sensitive to the concept of familiness, meaning that individual values and beliefs must be merged, through time and training, into the family business's corporate culture and organisational principles (Devins and Jones, 2016). Possible candidates for succession need to understand the core of the family business to avoid diverging from the strategic and operational road that the founders have established.

Research by Merchant, Kumar, and Mallik (2018) identifies critical aspects of a successful succession: (a) transfer of tacit knowledge to the successor, (b) trust and openness from the family to the successor, (c) a continuous training plan for the successor to create a deep understanding of the complexities of the business, corporate strategy, organisational culture, and corporate and family values, and (d) in cooperation with the board, creation of an action plan to manage tensions in family members, which could impact the business.

Each succession candidate would bring a distinct set of strengths and weaknesses to the organisation, making a difference when choosing the successor. Nevertheless, there must be clear roles, responsibilities, duties, financial goals, controls, customer objectives, organisational structures, written processes, and operational manuals to frame the space where innovation and initiative are not allowed (Aronoff, McClure, and Ward, 2011).

4.3.2. Formalise corporate strategy

Concerning family businesses, Lindow (2013) stated that the family affects the strategy, values, and business culture. Therefore, the strategic process proposed for the studied corporation is formalised and organised based on academic research and evidence from interviews.

At a corporate level, the CEOs and founders control strategic thinking elements in the family business. There are a respectful separation and leadership independence between the CEOs of each business unit; however, there are common convictions that allow them to share supporting strategies. The business separation allows each CEO to strategise and govern their business unit based on expertise and experience. The data analysis detected the following strategical initiative.

> *"What has worked for us is keeping the firms separate, and we are going to continue doing this strategy until each family member has their own company. There are only communal vessels to share information to improve the operations of the companies." (Participant D7. CEO and founder)*

The interviews and data analysis disclosed the CEOs' and founders' strategic responsibilities; there are no written documents, so the family members and the workforce are unaware. The following statements by the founders communicate their thoughts determining matters related to strategy.

> *"My general responsibilities as CEO of the construction company and as the family leader are to create new businesses, coordinate the work of the different areas (construction, sales, accounting, administration ...), and everything related to the relationship between the government and banks." (Participant D7. CEO and founder)*

> *"The function or the action that we developed must not harm the family; therefore, we should pay taxes in an orderly way, we have to pay people well so that people stabilise in the companies. We must constantly re-engineer the businesses, keep the company updates, and take care of the environment. We also follow a decalogue of strategical principles that would allow us to have competitive, clean, and orderly companies." (Participant D7. CEO and founder)*

> *"As CEO of the school, my responsibility is to lead the group of teachers, administrative staff, management, parents, and students according to each of the levels. At Kindergarten, to make sure that the reading and the children's socialization processes take place comprehensively. In elementary school, it is developing mathematical thinking, reading comprehension, the emergence of logical-mathematical intelligence, teamwork, rehearsals, interpersonal relationship, and the first individual knowledge to shape themselves. In junior high school, to generate students' self-concept, help them overcome puberty and emotional changes, and define their baccalaureate. Finally, in high school, to help students generate their goals for the future, adapt to the environment and care for it, and to understand their affective, evolutionary, and intellectual aspects." (Participant D1. CEO and founder)*

Academic research performed in Japan and Mexico has shown that owners of privately-owned family businesses are typically strongly involved in strategic thinking, corporate duties, and governance (Gómez-Betancourt and Zapata-Cuervo; 2013). As the following abstract shows, the founders adopted an inverted pyramidal paradigm of leadership, meaning that the leader supports lower levels in the business unit.

> *"We have leadership by service; that is: what we do is to give attention to all our people so that they work in the best way. I provide and serve as the CEO to the construction team, the accounting team, administration, sales...so they can perform their job better; so, I serve them, and they must pass it down to their people. Nevertheless, sometimes it costs them much work." (Participant D7. CEO and founder)*

This participant also highlighted the importance of delegating functions. This strategy was detected in the data analysis as a way of freeing CEOs' time so that they can engage in strategic planning and strategic change:

> *"We exercise an administration through the delegation of functions, but many do not work like that. Sometimes, the directors and managers want to do everything, or they want to get involved in everything, complicating their existence and even ours." (Participant D7. CEO and founder)*

Another respondent confirmed this mode of operation:

> *"We take into account each of our areas and prioritise the responsibilities with the freedom to start generating our work plan." (Participant D5. DP)*

However, respondents fell that this strategic initiative is not executed properly. It is suggested delegating more freedom so that directors can execute their responsibilities and operate more efficiently. The following evidence emerged from the data analysis.

> *"Delegating responsibilities with a broader freedom of action is one option that I suggest. Each director should assume their responsibilities and be responsible for the results of each area." (Participant D11. HSD)*
>
> *"The leaders can offload the decision-making process to move faster." (Participant D6. ESD)*

The data analysis revealed no formal strategic thinking at the organisational level to promote the participatory dynamics of knowledge creation with employees (Lindow, 2013). Instead, respondents shared insights into ways to help mitigate the issues detected during the data analysis; these promoted open communication during decision-making and employed innovation and technology to aid in decentralising power and control.

> *"Communication is important. The CEO should give us time to discuss and comment problems from our areas." (Participant D2. CFO)*
>
> *"Some things can be decentralised or delegated by allowing new technology into this company. I think the company is lagging a little behind in terms of technology because we are so centralised and dependent on a single leader." (Participant D3. CIO)*

As seen in the interviews, strategic knowledge within the organisation under study has always been constructed and controlled by the founders. Hence, the board should be an element to strengthen the decision-making processes and improve the performance of the business units.

The study also revealed that the business units possess their founders' plans and initiatives. However, detailed operational manuals are required for lower levels of operations to manage stakeholders, as Cennamo, Berrone properly, and Gomez-Mejia (2009) suggested from their analysis of Spanish businesses.

The literature review revealed that one key characteristic of privately-owned family businesses is a paternalistic and somewhat autocratic resistance towards change (Del Giudice, Della-Peruta, and Carayannis, 2011). As seen in the analysis of the studied corporation, the founders are the only ones to make strategic adjustments because of the high concentration of power they wield. Hence, the implementation of this new strategies might encounter resistance from the top of the organisations that must be considered and monitored.

In summary, the founders' strategic elements were formalised and organised, including a respectful separation and leadership independence from each CEO, supporting linkages between the business units, description of each founder's duties, and collaborative decision-making with the board. It was suggested to create detailed operational manuals for lower workforce levels. The founders also stated to follow a pyramidal leadership paradigm, meaning that the leader supports lower levels in the business unit. Most of this knowledge was in the mind of the founders and was only shared in a verbal way to senior executives and managers. Hence, the data analysis allowed to document, structure, and organise all this strategical knowledge to be used by family members, senior executives, and managers of the business units.

4.3.3. Formalise HR processes

Diverse issues related to HR were identified through the analysis that will be discussed. Therefore, it is crucial to strengthen and formalise HR processes.

Participants stated during the interviews that there are certain processes and manuals already written in the companies. However, operational details from lower areas have not been created, and new entrants do not receive the existing information to operate according to the business requirements. Therefore, creating a written institutional model for each business unit for training and operational purposes could help avoid losing valuable team members. Expanding further operational details to the existing manuals would certainly have operational benefits and more control. Evidence from the analysis specifies the issues.

> *"There are manuals, but some things are not specified." (Participant D8. PR)*
>
> *"Effective control and evaluation … every action, every program, every project should be perfectly defined, not only with objectives but also with resources and goals."*

The HR function must also guarantee that each newly hired employee's job descriptions are accurate and adequately delivered. Additionally, HR must ensure that new employees are recruited according to the business unit's needs and that these employees receive proper induction training to operate accordingly (Rae, 2011). Hence, induction courses for new entrants must be created to include mission and vision statements, the organisation's background, and internal regulations. HR should also conduct follow-up training programs.

Respondents also suggest a revision of workload among areas. It seems that some employees have a high concentration of responsibilities. The outcome of the data analysis highlighted the following evidence that the proposed HR function can absorb.

> *"Based on what happens in other companies, the workload of my area is too high; we require more people."* (Participant D5. DP)

Team preparedness, training, and the CEO's trust in the team were additional suggestions found in the analysis that fit the HR function.

> *"Select, train, and prepare a team; after preparing, trust that team to sustain and continue the projects."* (Participant D6. ESD)

The HR function must ensure, with clear guidelines, that each area is respected to prevent stakeholders from violating operational boundaries. Research has also shown that if leaders display more than self-interest in their employees and establish clear operational processes, they can trigger superior performance by their employees (Kelloway et al., 2012). Research also shows that diligent leadership increases confidence among the workforce, promotes successful execution knowledge, and improves the firm's organisational procedures (Koohang, Paliszkiewicz, and Goluchowski, 2017) is occurring in the organisation.

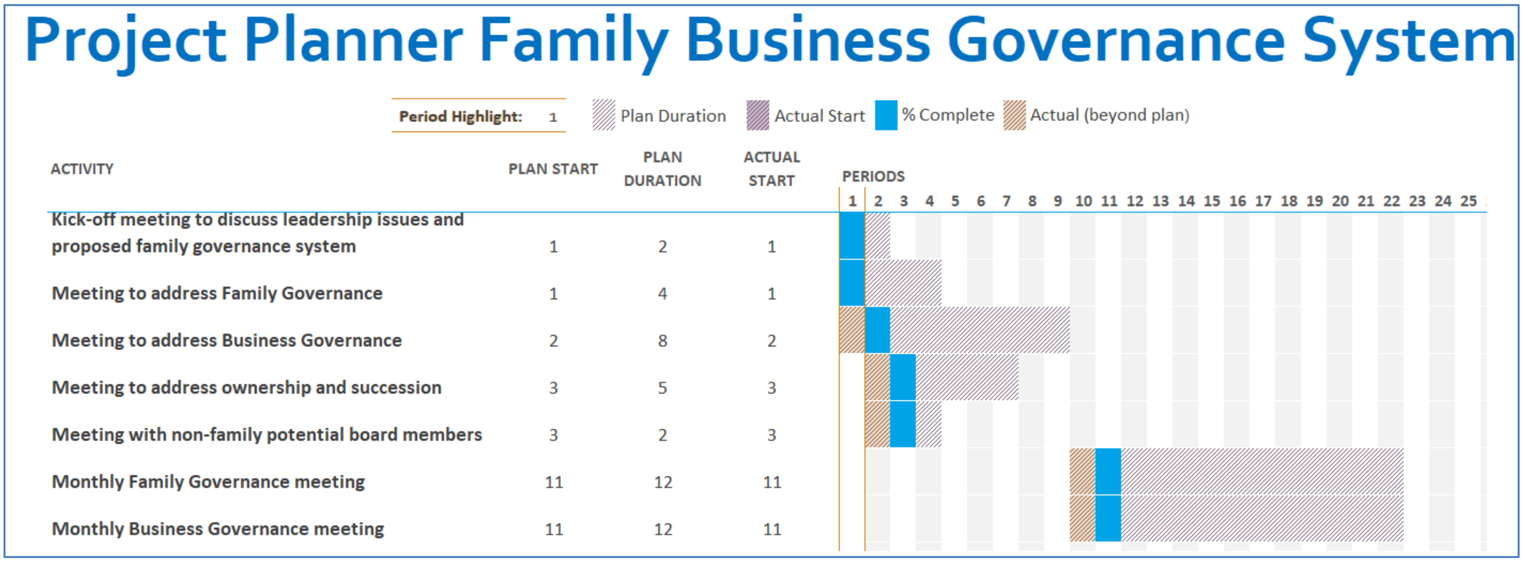
Concretely, HR as a formal function of each business unit should be strengthen. The suggestions above would promote open communication in decision-making, revise workloads among areas, contribute to team preparedness and training, provide written institutional models to detail processes, and lead to the delegation of responsibilities. Implementing this function properly within the business units is crucial to respect boundaries and objectively create a system to manage employees.

This section discussed actions that can help mitigate the leadership issues found within Mexico's privately owned family business and responded to the second research question. The following section discusses how it can be implemented and the implications of the findings.

4.3.6. How can these actions be implemented?

Coghlan and Brannick (2014) suggested "planned change" as one possible strategy for action; it has to contain clear objectives, manage the transition, and establish the future state. The following Gantt diagram shows actions to implement the family business governance system for the studied Mexican family business.

Diagram 2.- Project Planner family business governance system.



The governance actions of the action plan to reach change in the studied privately-owned Mexican family business are:

Table 3.- Details of the action plan – Business Governance System.

ACTIONS	OBJECTIVES	MANAGING TRANSITION	FUTURE STATE
Kick-off meeting to discuss leadership issues and proposed family governance system.	● Analyse and discuss the leadership issues found in the organisation. ● Analyse and discuss the proposed family governance system.	Use "Appendix I" to assess leadership issues, construct, and evaluate action.	Every family member is aware of the leadership issues and understands the Governance system.
Meeting to address Family Governance.	● Understand the new family governance structure. ● Get acceptance of the new role as Chief Family Officer. ● Discuss roles and duties for family members to support CFO´s responsibilities.	● Discuss the responsibilities of the Chief Family Officer to the family leader (Annex J, page 1). ● Define duties for family members according to the responsibilities of the CFO.	● The Chief Family Officer is formally appointed and recognised. ● Family members are active in their roles to support the responsibilities of the CFO.
Meeting to address Business Governance.	● Discuss the roles, duties, and responsibilities of each family member within the board. ● Discuss possible board members (directors, executives, and/or external auditors) that can be part of the board.	● Discuss the responsibilities of the Chairman of the board to the family leader looking for acceptance of the position (Annex K, page 1) ● Define the initial family members that will be part of the board. ● Discuss the responsibilities and duties of the board. (Annex K, page 2) ● Define the non-family members that will be part of the board (Directors, managers, and/or external auditors).	Chairman and the board govern the business units with specific KPIs, transparency, and efficiency.

Meeting to address ownership and succession.	● Discuss different scenarios to address ownership succession within each business unit.	● Analysis of the ownership structure (Annex L, page 1). ● Analysis of potential successors (Annex L, page 1). ● Assessing succession (Annex L, page 2).	● Each business unit creates an ownership and succession plan according to the family and business needs. Potential successors are identified.
Meeting with non-family potential board members.	● Meeting to explain duties, roles, and responsibilities to the potential new members of the board.	● Explain the duties of the board according to each business unit (Annex K, page 2). ● Present working formats (Annex K, page 3).	Non-family board members are active and create improvement measures for the business units.
Monthly Family Governance meeting.	● Discuss family issues and address actions to solve the issues.	● Following meetings to evaluate, construct, and plan actions of the ongoing operations (Annex J, page 2). ● Address any conflict as a natural state in family business (Annex J, page 2).	● Open and respectful communication is developed to address conflict. ● Boundaries are established and respected in the family.
Monthly Business Governance meeting.	● Discuss operational issues and potential solutions. ● Discuss financial and operational performance. ● Analyse new business opportunities.	MEETING 1: CORPORATE STRATEGY: with the new board, an agreement should be signed to commit, respecting, and follow the strategic initiatives proposed in the study. Open to discussing ongoing strategies that were not detected through the study. Following meetings to evaluate, construct, and plan further actions of the ongoing operations. HR: the new board members should implement the HR function properly. MEETING 2: Follow-up for the HR and strategic initiatives. Following meetings to evaluate, construct, and plan further actions of the ongoing operations.	● Reach open communication and transparency to discuss operational issues, establish KPIs, and supervision procedures. ● Transparency is achieved in reporting.

Instruments to analyse leadership issues ad execute governance actions were created in annexes I, J, K, and L.

4.4. Testing plausibility

The action researcher analysed the collected data and worked on a corporate governance plan of action. However, will the founders, family members, and shareholders support this action? The action requires agreement from all these stakeholders so that the corporate governance and other recommendations can be adequately implemented and executed.

The proposed plan was already discussed with the founders, family members, and shareholders. Some of them took specific recommendations to make amendments within their business unit, such as strengthening HR, promoting open communication for decision-making, using technology to improve operations, and revising workload among areas. These stakeholders requested not to involve senior executives and managers because they prefer to address their issues personally. The current action research results and this response confirm each leader's substantial control over their business unit.

4.5. Evaluating action

An initial meeting was held between the family members/owners. The leadership issues were discussed, and the document with governance actions was presented. The founders, family members, and shareholders agreed to appoint the proposed chairman of the board. Hence, the chairman is the one who has formally taken control of the whole group of family companies. The board of directors is currently under construction, defining the new members. The first members were appointed, only family members. A kick-off meeting has been scheduled to discuss in detail the detected leadership issues and the family business governance system. The new formats for executive governance actions will be analysed through the meetings.

From a succession perspective, the appointed chairman started distributing shares to family members and organising an action plan for the ownership of the companies.

Some of the formalised strategical initiatives are already in execution. The respectful separation and leadership independence between the CEOs of each business unit is formalised. The evidence is seen in the distribution of shares already in place. Common convictions and supporting strategies continue to be implemented only if each business unit leader requires them.

4.6. Summary

This chapter answered the study’s research questions: (a) What are the leadership issues in the family-owned business in Mexico that is the subject of this study? (b) What governance actions can we take to eliminate or reduce the identified leadership issues in this family-owned business? And last, (c) how can these actions be implemented?

The detected leadership issues detected in the privately owned family business in Mexico that was the subject of the study can be summarised as shown in the following table.

Table 3.- Summary of the detected leadership issues.

	Description	Impact/Consequences
1	**Inadequate segregation of duties and concentration of power**	Results in delays in responses to emergencies and operational issues; discourages teamwork; reduces opportunities for innovation; negatively impacts employees' morale, and creates conflicts.
2	**Ineffective management philosophies and operating styles**	Controlling and coercive management style. CEOs dictate how employees and managers should perform their jobs without negotiation or collaboration, lack of delegation of authority, and lack of guidelines. All this generates delays in the operations, dispersed information, and avoids innovation. Besides, Employees are mistreated. They suffer heavy workloads and tight timelines, which demotivate them—employees' fear of speaking honestly with members of management, which decreases performance levels.
3	**Conflicts of interest**	Threatens management and employees and affects operations negatively. Some employees avoid duties and receive unearned economic benefits. A family member's conflicting interests create instability and ambiguity for the business's future.
4	**Weak HR policies and practices**	Lack of clear operational manuals resulting in confusion among employees about job requirements. Unclear reporting lines cause delays when managers issue orders to areas not under their charge. There is no formal system to monitor management performance resulting in unmotivated senior employees who lack the desire to improve the firm and innovate because their positions are guaranteed. No system-wide performance measure has been implemented. There are no formal training programmes for new employees. Each director and area coordinator has the responsibility to train their teams without established training guidelines. All this generates stress, hidden costs, and frustration if employees leave the company because management needs to initiate training for newcomers.
5	**Poor communication strategy**	Unclear communication channels within the organisation resulting in conflicts, unresolved issues, and confusion.
6	**No clear organisational structure with well-defined roles and responsibilities**	No organisational structure and no job descriptions. Hence, operational conflicts are latent because authority within each area is not respected. No corporate governance and succession plan was identified with clear responsibilities for family members.
7	**Lack of trust between managers and CEOs**	CEOs' mistrust of directors and their fear of challenges to the guidelines they established decrease the possibilities for improvement in decision-making processes and operations.
8	**Conflicts in the family system**	Different conflicts in marriage, family members, and leadership styles create operational issues and complexities in the business and in the family system.

Within the studied family business, power is entirely concentrated in one or a few family members' hands. Each founder's complete independence concerning each founder's business unit's decision-making and operation contributes to a high level of control, delays in action response related to environmental complexities, and reduced opportunities for improvement in the business. Opportunities for innovation and modernisation do not exist.

The extreme centralisation of leadership means that decisions emerge from personal experiences and individual perspectives, eliminating considerations of new ideas and operational modes that could represent innovation and improvement. Some implications of the centralisation of power that were found are as follows: (a) risky and impulsive decisions, (b) demotivation of the workforce, (c) prevention of communication, and (d) discouragement of teamwork.

Those individuals within a business unit that are influential due to their favoured relationship with the CEO (i.e., star employees, clients, parents of some students in the school business unit, and acquaintances of the CEO) cause conflicts of interest, thereby affecting the operational activity of the directors and managers.

This chapter addressed the second research question by suggesting the following actions, which can help mitigate the leadership issues detected in the study:

1. Establish a family business governance system.
2. Formalise in writing the corporate strategy and family values.
3. Create the HR function.

A formal board with a chairman was appointed to handle responsibilities and perform required leadership governance actions within the privately owned family business. A succession plan was proposed. Strategic elements grounded and instruments were created to execute the governance in the family and the corporation in annexes I, J, K, and L.

An HR function is needed to be addressed as a formal area of the company. Also, respect for and adherence to the current established operational guidelines were stressed, and training and development processes to guide employees through the operations were recommended.

The action researcher analysed the collected data and worked on a corporate governance plan of action that was already discussed with the founders, family members, and shareholders. Some initiatives were taken by the business unit leaders and are already in execution. These actions can be seen in the newly appointed chairman of the board and the distribution of the shares made to organise succession for the business units.

The next chapter presents the study’s conclusions.

CHAPTER 5 – CONCLUSION AND IMPLICATIONS

5.1. Introduction

This chapter is structured as follows. The second section summarises and reflects about the study's key findings. The next section discusses managerial implications and recommendations. The fourth section explains the theoretical contributions to the body of knowledge. The following section reflects on the methodology and action research. Final reflections and personal development are addressed in the chapter's sixth part. Further research is the next section, and the chapter ends with a summary.

5.2. Summary and reflection on key findings

The current study explores leadership issues in a family-owned business in Mexico and the actions needed to reduce or eliminate these issues. This study was conducted with an action research approach, meaning that it used collaborative dynamics with participants to produce actionable knowledge and bring change to the corporation (Coghlan and Brannick, 2014). The data was collected through interviews with key executives and family members of the corporation. As a result of the leadership issues detected, establishing a holding company with the suggested family business governance system could help mitigate the issues for the privately owned family business in Mexico.

The analysis of the literature highlighted twenty-four leadership issues, and the data analysis thirty. Some issues are shared in both sections, such as communication and some family issues. However, the analysis provided additional problematics generated by centralised leadership, coercive leadership, and the multiple roles of family members within the family and the corporation.

It was found that only nineteen percent of the one hundred and thirty-seven analysed resources used primary data within their study. Most studies used secondary data from public databases or existing documents. In the case of Mexico, only twenty-six documents were found related to leadership issues in the family business or corporate governance. From this sample, eighty percent of the studies used secondary data for their research, and more than sixty percent employed quantitative methods for the analysis. No studies were found that used action research to analyse leadership issues or corporate governance.

As a result, the context of this study is different from others that have been investigated because the present action research study collected primary data from semi-structured interviews and analysed them with qualitative methods. This particular combination of methodological strategies is not common, opening a gap of actionable knowledge that is used within a Mexican privately owned family corporation. Furthermore, governance issues and leadership are an understudied area, especially in Mexico; hence, the present study intends to fill this gap by exploring leadership issues and governance in a privately-owned family business in Mexico.

The study is different because it provides real examples of the diversified corporation facing operational issues and problems inside their family and businesses. These examples are particular to the corporation´s structure and family system that are not easily disclosed. These situations are usually not in the public domain because they must be treated inside the family. However, this relevant knowledge is shared with other entrepreneurs, leaders, managers, and consultants to anticipate similar issues and create practical corporate governance strategies that can be used to mitigate them and control growth. The detected leadership issues are contrasted with theory providing additional elements that were not considered in the body of knowledge.

The intense concentration of power over a family member within the business unit generates delays in operational response. Collaboration in decision-making is lacking as decisions are made only by each business unit CEO, reducing innovation opportunities. The strategic information controlled by each CEO is not shared with the workforce or the other family members.

It is difficult to suggest that this corporation experiences agency issues because the founders are the executives and the shareholders. Also, they are the ones who control the shares, ownership, and dividends distribution. Hence, the problems experienced between the founders/shareholders/Executives with their directors is an additional problem to be considered. The analysis of the literature in agency theory did not suggest any information when there is a splice between the principal and the agent.

The CEO’s leadership style when dealing with management is strictly controlling and coercive. It can be inferred that the corporation's leadership is based on transactional leadership rather than transformational because of the strict control found. Delegation of authority occurs only in certain areas. Communication channels between founders, management, and employees are limited, damaging teamwork, productivity, and innovation. A lack of trust between the CEOs and management was detected. The strict control of the CEOs prevents open discussions, necessitating that management execute only established guidelines without negotiation.

Interesting findings related to the family system were revealed. Familial problems are carried over into the business because of a lack of corporate governance guidelines. Family members’ evolution and changing interests create instability and ambiguity for the business’s future. Balancing the founders’ marriages with the companies is challenging and generates issues in operations and decision-making. Open discussion for business matters is not allowed from family members to avoid conflicts, reducing possibilities for improvement and innovation. No succession plan is available despite the analysis of the literature highlighted with one of the most critical problematics in family business.

There is also inadequate segregation of duties in the family and the businesses. Weak HR processes and a lack of detailed operational manuals generate confusion among employees, creating conflicts. Issues between managers arise because established operational processes and procedures are not respected or followed. There are no formal training programmes for new employees, and the lack of appropriate staff development produces turnover and attrition.

A family business governance structure for the privately owned family business is proposed defining the Chief Family Officer, the Chairman, and the board. Instruments were created to implement the system according to a Gantt Diagram. It is also suggested defining detailed HR processes, promoting open communication in decision-making, decentralising power and control through technology, providing written institutional models to detail processes, and leading through delegation of responsibilities.

5.3. Managerial implications and recommendations

The current study contributed to practice in several ways. The set of leadership issues detected in the family system, in business units, between leadership and directors, family and business dynamics, and guidelines provides actionable knowledge for practitioners in the field of privately owned family business. This practical knowledge could help them anticipate problems that can affect the survival of their companies. Acknowledging that the family system can positively or negatively impact a company will allow owners to create rules for the members to avoid alterations to their operations. The study provides valuable knowledge about personal issues in the family that are not easy to detect. Hence, these findings can help business owners create strategies to harmonise their family and company linkages.

It was found that this privately owned family business tends to centralise power and control. Many studies confirm the same centralised behaviour in different countries (Belausteguigoitia, 2003; Espinoza-Aguiló and Espinoza-Aguiló, 2012; Husted and Serrano, 2002; Machuga and Teitel, 2009; Portal, 2001; Suehiro and Wailerdsak, 2004). Hence, entrepreneurs can benefit from the study's issues to construct additional strategies that can help mitigate those issues. They can even anticipate problems, especially when the family starts to grow and sons and daughters (with marriages) start getting involved in the firm.

This study's findings should concern leadership issues among the shareholders, family members, and leaders in privately-owned family businesses. In addition, the detected leadership issues can help company leaders to understand the importance of establishing a family business governance system to manage the family system, improve operations, reporting, leadership performance, and employee morale.

Entrepreneurs and leaders of family businesses may experience similar leadership issues as those detected in the study. As a result, they can take advantage of the proposed frameworks and instruments created to detect their particular issues and implement actionable plans to mitigate them.

The results could enable the family business to align existing strategic initiatives with the leadership governance guidelines, create a greater understanding of internal family issues, and promote a clear understanding of the corporate structure. It would help mitigate the leadership issues identified herein governing the complexities in family–business.

Especially, privately owned family ventures in developing countries can learn from the leadership issues identified by this study and the governance actions proposed to mitigate those issues. For example, it was identified that Mexican corporate governance policies for private and even public corporations are not mandatory; instead, they are promoted as best practices, especially for public firms (BMV, 2019; Morales-Barrón, Quiroz-Chavez, and Reza-Villarreal, 2020). Hence, an opportunity to provide corporate governance guidelines, especially for the private sector, might be worth it for the Mexican government.

As a result, a policy recommendation is to create awareness about the corporate guidelines for privately owned Mexican businesses. Many corporations possess successful business products and services but lack corporate policies to grow and endure future generations.

The recommendations for the studied corporation include implementing corporate governance guidelines to control the business units. It is crucial to define clear roles, duties, boundaries, and responsibilities for each stakeholder (CEOs, family members, management, and shareholders). Written operational manuals for each business unit will help to create clarity and define boundaries. Corporate values and strategic knowledge from founders must be registered and shared with family members and key stakeholders. It is crucial to open communication channels with the family members and management to improve decision-making.

It is also essential for the studied corporation to promote collaboration to foster innovation within the workforce. Implementing the suggested succession plan is a starting point to be shared with all family members and shareholders. There is an opportunity to take advantage of the diverse knowledge immersed in the business units to generate growth, improve operations, and continue creating new ventures.

Some other practice recommendations include crafting governance guidelines, whether for a start-up or an established firm. Some elements to consider are defining clear responsibilities, duties, and roles of the firm's CEO, shareholders, and management. When the company grows, a chairman can be appointed with a board to strengthen decision-making and innovation. It is vital to generate collaborative environments to foster knowledge creation and improve operations.

Businesses can also benefit from the family business governance system while creating transparent and clear financial processes to avoid unnecessary conflicts with shareholders. No matter if they are family, transparency will decrease conflict that will affect the company. Create a growth plan and a succession strategy, even if it seems to be in the long term. Understand that family can be a substantial competitive advantage for businesses but also can be the reason for many delicate issues. So, companies need to govern this involved stakeholder properly. Things can change suddenly, so always be clear and transparent and respect each family member no matter the number of shares in possession.

Finally, consultants can benefit from the study to help other firms improve their performance in addition to business owners. They can use the methodology created in the research to analyse leadership issues of their clients and the dynamics between the family and the business to propose corporate governance actions to mitigate those issues. Additionally, they can use this study to reference possible problems expected in privately owned family businesses to start implementing actions to help them improve their operations.

5.4. Contributions to practice and the field of family business

This research constitutes an opportunity to add value to the body of knowledge concerning leadership issues in privately- and family-owned businesses, and family business governance, thereby significantly contributing to practice.

First, the analysis of the literature highlighted twenty-four leadership issues, and the data analysis thirty. Some issues are shared in both sections, such as communication and family issues, but others are generated by centralised leadership, coercive leadership, and the multiple roles of family members within the family and the corporation.

Second, agency theorists can benefit from the study because it was encountered a splice between the principal and the agent. The analysis of the literature suggested that there is an agency loss when there is a division between the owner's (as principals) and the manager's (as agents) interests (Donaldson and Davis, 1991). Nevertheless, what happens when the principal is also the executive in charge of the firm's operations? In the studied corporation, the founders are shareholders and the executives who control everything within their business units. Each one controls the shares, ownership, dividends distribution, and the management of their business unit. Hence, the problems experienced between the founders/shareholders/Executives with their directors is an additional problem that the literature in agency theory was not considered. Hence, it is difficult to suggest that this corporation experiences agency issues because the founders are the executives and the shareholders.

Third, the family system is a critical unit of analysis within any family corporation. This complex entity creates conflicts as a natural element that shareholders and executives need to manage. As seen in the results, many leadership issues were generated by conflicts that emerged from the family. Hence, it is crucial governing the family system and creating boundaries to mitigate problems that can be filtered to the business.

The study further contributes to the literature in other ways. Most studies on leadership issues and governance focused on secondary data drawn from stock exchanges or public databases rather than primary data. Moreover, most studies used secondary data to highlight issues that affect businesses and/or corporate governance strategies (Babatz, 1997; Belausteguigoitia, 2003; Castañeda, 2000; Espinoza-Aguiló, and Espinoza-Aguiló, 2012; Fahed-Sreih, 2018; Gómez-Betancourt and Zapata-Cuervo, 2013; Husted, and Serrano, 2002; Jackling and Johl, 2009; Lee and Barnes, 2017; Machuga and Teitel, 2009; Malla, 2010; Mayo-Castro, González-Hernández, and Pérez-Sánchez, 2016; Morgestein-Sánchez, 2015; Rafique-Yasser, 2011; San Martin-Reyna, and Duran-Encalada, 2017; Sikka, 2019; Suehiro, and Wailerdsak, 2004; Zona, 2016;). The present research provides both the detected leadership issues (in the businesses and the family system) and corporate governance through primary data (interviews) in one privately-owned family business.

Exploring leadership issues in a privately-owned Mexican family business has rarely been explored in prior research. Most focused on public organisations, like those with corporate governance structures, from developed or developing countries. Hence, the opportunity to investigate leadership issues in a private organisation in Mexico, with no formal corporate governance guidelines, generates valuable knowledge for the academic community.

A family business governance plan was created from the learning cycles of action research to help mitigate the detected leadership issues (Saunders, Lewis, and Thornhill, 2016) that can be adapted for other entrepreneurs to achieve positive change (Easterby-Smith, Thorpe, and Jackson, 2012). The system includes separating family from business matters. First, it requires appointing a Chief Family Officer and a family council to manage the family. Then, a Chairman and the board of directors to manage the business units. Finally, an ownership/succession plan was provided that can also be used by family business leaders.

Finally, the study also includes a vast set of resources in leadership issues and corporate governance for family businesses shown in Appendix M that can be useful for scholars.

5.5. Reflections on methodology and action research

This study used an action research approach to analyse a unique Mexican privately owned family corporation, to identify and explore leadership issues and provide specific governance actions to help mitigate them.

The use of action research in the corporate governance field is not common. Because of the tendency to use secondary data, quantitative methods are most popular for data analysis. The action research approach and the insider position of the investigator allowed understanding the complex dynamics between the family and the business units of the studied corporation, unleashing knowledge from participants and members of the family that cannot be collected in databases. These issues detected inside the family system are not easy to see as an outsider and can provide additional areas for further research.

One of the challenges that the researcher experienced while doing action research was that the study must be conducted in the present tense; hence, there are always choices to be made while reflecting on the current situation (Coghlan and Brannick, 2014). There was also a time frame because the studied family corporation was starting to experience several issues that demanded a contextualisation of the problem, an action plan, and a structure that could help mitigate those issues. Much pressure was made on achieving the high standards required by an action research project and the practical requirements needed by the corporation.

The current study tried to accomplish the characteristics of action research suggested by Easterby-Smith, Thorpe, and Jackson (2012). Since the beginning, there was an intent to provide change to the corporation by identifying the leadership issues experienced and provide corporate governance actions to mitigate those issues. Theoretical elements were considered to contribute to the body of knowledge in privately owned family business, agency theory, and corporate governance. The theoretical elements emerged from the methodological structure while analysing theories, developing data, and using the results to solve the practical issue. A systematic method of action research, organised, and logical ordered, was followed that generated the emergent theories to solve the practical issue. This process can be replicable by other privately owned family businesses. The frameworks are shown in appendixes G and H.

5.6. Final reflections and personal development

This action research study contributed tremendously to the researcher's personal and professional development as an entrepreneur, senior executive, and business leader. While conducting the cycles of analysis, reflection, planning, and action, he worked with the founders, family members, and business leaders to analyse the detected leadership issues and start implementing some of the initiatives.

The business units' operations were improving, and the proposed corporate governance structure was started to be implemented. However, a delicate conflict in the family accelerated the creation of a succession plan and the distribution of shares to avoid further conflicts in the family. It is incredible how things can change in privately owned family businesses from one moment to another. The action researcher was creating another company in Mexico and leading one of the business units. Suddenly, he sold one of those companies and moved to lead another business unit in Texas, US.

One question is, what would have happened if this study was not conducted on time? The analysis as an insider in the business units allowed detecting leadership issues and formalise strategical initiatives. This knowledge is generally in the mind of the founders and is not easily shared with family members or with senior executives. Family conflicts can alter the course of a company; even if it looks like a strong venture, things can turn delicate if there are no corporate governance guidelines and clear organisational structures.

The literature review allowed the action researcher to convince the founders and family members about the importance of the family business governance system. This tested evidence gave the initial level of authority and respect among the family members to create awareness about family conflicts that can lead a company to disappear. The rigour and clarity in the methodology provided confidence to the founders and family members. It is never easy to receive critiques about leadership issues within their business units, especially when there is such a level of concentration of power. However, when evidence is clear and objective, there is little room for conflict; instead, it opens for collaboration and participation. Finally, the vital action research component allowed the researcher to frame the issue with objectivity, analyse its components with scrutiny, and propose a practical action plan to help this corporation endure.

5.6. Further research

Further research can be made to analyse different privately owned family businesses in Mexico to define if family business governance systems are implemented. Also, detect leadership issues experienced between the family system and the company's operations to contrast similarities and differences. The same analysis can be made with different privately owned family businesses in developing countries. The results can also be compared with studies from developed countries on corporate governance and leadership issues.

A deeper analysis can be made to analyse similarities and differences between the leadership issues found in the literature and those found in the studied corporation.

There is an agency loss when there is a division between the owner's (as principals) and the manager's (as agents) interests (Donaldson and Davis, 1991). Additional studies can be made to define the impact of of having a splice in the agency roles (principal/agent – shareholder/executive) in these types of family corporations. Also, it can be of importance analysing possible agency costs immersed in the controlling and coercive style of the owners with management and their workforce.

Further research is needed to analyse why Mexican laws do not promote private firms' corporate governance structures. Further research is suggested to learn why the Mexican stock market law does not formally obligate trading companies to be structured by a corporate governance system.

Additional research is suggested to analyse the use and extension of corporate governance best practices in Mexican public companies. It can include legal protections for investors and specific legal requirements for publicly trading organisations.

The results suggested an additional area for further research related to the leadership issue detected as employee mistreatment. Discrimination can be a determinant of mistreatment; differences in age, gender, and race are other factors to be considered (Fekedulegn et al., 2019) that may be worth exploring. Risks of fraud are also latent; it may also be valuable to examine possible motivations that may lead management and employees to commit fraud (Kassem, 2018) within the studied corporation and Mexican businesses.

Finally, the studied organisation had a low level of awareness of corporate governance's importance among its founders and leaders. Hence, it is of interest for further research to analyse corporate governance levels in a vast set of privately owned Mexican ventures.

5.7. Summary

Despite the importance of family business governance systems in family organisations, an opportunity to create actionable knowledge emerged because most of the studies are focused on public entities. So, the analysis of the private Mexican family corporation (that lacks a formal corporate governance structure) to address leadership issues surrounding its operations provided relevant governance actions that can be used in theory and practice.

The analytical strategy of action research that can be useful for practitioners and scholars is shown in Appendix G. Appendix H contains the family business governance system action-based framework that might help mitigate leadership issues. Instruments to implement the family business governance system are shown in annexes I, J, K, L. The study also includes a vast set of resources on leadership issues and corporate governance for family businesses shown in Appendix H.

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APPENDIXES

Appendix A. Participants interview schedule.

1.1 PARTICIPATION INFORMATION SHEET

1.1.1 Title of Study

LEADERSHIP PERSPECTIVES ON CORPORATE GOVERNANCE ISSUES: AN ACTION RESEARCH STUDY OF A DIVERSIFIED PRIVATELY-OWNED FAMILY BUSINESS IN MEXICO

1.1.2 Version number and date

V 5.2 March 12th, 2019

1.1.3 Invitation Paragraph

I would like to invite you to participate in this study. However, before you decide whether to participate or not, it is important for you to understand why the research is being done and what it will involve. Please take some time to read the following information carefully and feel free to contact me, if you would like more information or if there is anything that you do not understand. Your participation in this study is voluntary but very important to address the current research issues and will therefore be appreciated. Participant has the right to decline or discontinue participation at any time.
Thanks in advance for your time

1.1.4 What is the purpose of the study?

The aim of this study is to explore leadership issues in a family-owned business in Mexico and then suggest some governance actions that might help reduce or eliminate these issues.

1.1.5 Why have I been chosen to take part?

You have been selected because you are part of the leadership group in this firm, and you possess the knowledge and experience needed to answer the questions related to the current study.
Only the top levels of the organisation and family members were selected as participants for the inquiry (four family members/stockholders and fifteen directors and managers). Employees in the middle and lower ranks of the business units were excluded because of the need to obtain leadership and strategical elements from founders, entrepreneurs, executives, and the family system.
The specific selection of participants is also related to the fact that all these executives and managers have been experiencing leadership issues among the business units and receiving issues derived from the family system. So, there is a need to obtain information from you (as executive and/or manager and/or family member) to define those leadership issues and create governance actions to mitigate or eliminate those complex dynamics.

1.1.6 Do I have to take part?

Participation in this study is entirely voluntary, and all the participants are free to withdraw their data at any time.

The committed time for the inquiry is estimated to consume you about two hours of your time to participate on the interview and send the corporate documents.
Participants can freely refuse or decline at any time their participation in the inquiry.

1.1.7 What will happen if I take part?

You are required to participate in an interview and send documents (existing documents in the form of emails, corporate documents, and/or speech archives) that can help analyse leadership issues to create governance initiatives for the inquiry. This process is estimated to take you about two hours of your time. The names of participants will not be used in this study. The researcher will use the process of de-identification to prevent privacy violations. The documents will be encrypted from the moment the researcher receives them to avoid data identification and guaranteeing the participants' privacy.
Participants have the right not to share emails in their possession or agree to the inclusion of emails they sent themselves.
The researcher has a dual role as an insider (stockholder, senior executive, and family member) and outsider (action researcher). He will be the only one to access the information and analyse it with his supervisor. The dual role of the researcher may generate conflicts of interest, relationship alterations, psychological risks, and legal issues because of existing dynamics (operational, personal, and legal) between the researcher and you as a potential participant (family member and/or executive). These issues will be minimized if you read carefully the informed consent materials that respect voluntariness and guarantee privacy and confidentiality.
It is essential to highlight that the present research is not for restructuring purposes or evaluating participants' performance. All the executives and managers have been experiencing leadership issues among the business units and receiving issues derived from the family system. So, there is a need to obtain information from them to define those leadership issues and create governance actions to mitigate or eliminate those leadership issues. Hence, your participation is a crucial element to achieve this strategic objective.
The present study is distinct from the researcher's professional role in the business units but may generate potential conflicts of interest related to this dual role as insider and outsider. Therefore, the data will be rigorously collected "only by the researcher (no research assistants will be used to recruit participants or to collect data)," including the interview and personal emails that will be downloaded, anonymised, and analysed with no alterations.

1.1.8 How will my data be used?

"The University processes personal data as part of its research and teaching activities in accordance with the lawful basis of 'public task,' and in accordance with the University's purpose of "advancing education, learning and research for the public benefit.
Under UK data protection legislation, the University acts as the Data Controller for personal data collected as part of the University's research. The Principal Investigator (Jaime Bastida Díaz) acts as the Data Processor for this study, and any queries relating to the handling of your personal data can be sent to Principal Investigator (Jaime Bastida Díaz) jaime.bastidadiaz@online.liverpool.ac.uk Phone: *+5217225106365*
Further information on how your data will be used can be found in the table below".

How will my data be collected?	Primary data will be collected using a 30-minute semi-structured interview, wh will be made to the four family members/stockholders and fifteen directors a

	managers of the target company. The modes of the interviews are face to face and skype interviews. The key topics that the interview will address are related to the position in the family system and/or in the business units, time in the organisation, selection of leadership issues experienced, role in the organisation, role in the family system. Secondary data will be gathered from emails, corporate documents, and speech archives that can provide insights into particular leadership elements.
How will my data be stored?	The primary data (interview) will be stored securely within a computer with password protection. Secondary data (documents such as emails, corporate documents, and speech archives) will be requested via email (with a copy sent to my supervisor), and the archives will be securely stored within a computer with password protection. Backups of this information will be made to flash memories and will be retained locked in safe spaces with restricted access ("restricted access" means only the researcher can access).
How long will my data be stored for?	The data will be stored for at least five years.
What measures are in place to protect the security and confidentiality of my data?	The names of participants will not be used in this study. So, the process of de-identification will be used to prevent privacy violations. Using pseudonymisation from the moment the information and documents are received, the general groups of pseudonyms will allow encryption of the information, avoiding data identification and guaranteeing the participants' privacy.
Will my data be anonymised?	Yes. The process of de-identification will be used to prevent privacy violation; by using pseudonymization from the moment the information and documents are received, the general groups of pseudonyms will allow encrypting the information, avoiding data identification guaranteeing the privacy of the participants.
How will my data be used?	The proposed *qualitative data analysis* is associated with the action research approach to explore the encrypted information and selecting issues and themes related to the inquiry. Coding (with pseudonyms) and organising the data will be used to define patterns, themes, and relations. The use of a CAQDAS (computer-aided qualitative data analysis software) will allow qualitative information to be transformed into word-processed text, allowing creation of an organised structure constructed from the raw data contained in the interview and documents. The data will finally be analysed with a software modeller.
Who will have access to my data?	Only the researcher and his supervisor.
Will my data be archived for use in other research projects in the future?	Yes, but the only data that will be archived will be the anonymised data.
How will my data be destroyed?	The interviews will be recorded (just the audio not video) and will be stored securely within a computer with password protection. After analysing the interviews, the audio archives will be erased. The researcher will make the notes from the interview in a computer with password protection, no paper will be used, and no data to identify the participants will be requested.

1.1.9 Expenses and / or payments

No compensation will be paid to participants. However, travel expenses will be covered, if needed.

1.1.10 Are there any risks in taking part?

In order to avoid psychological, relationship, legal, professional and physical (such as stress or anxiety) risks it is important to highlight that **my research is not for restructuring purpose nor to evaluate participants' performance**.

Despite this, the present inquiry may create burdens associated with your volunteered time for the interview and to select and share information; all this may cause you psychological and physical hardships associated with stress and anxiety. Hence, sufficient time to review all the study information will be given (one week). Your daily workload will be taken into account to avoid alterations to your responsibilities and personal health. You can freely refuse or decline to participate at any time during the inquiry without harm and penalties.

Other relationship and legal discomforts may be related to collecting and storing data as it is sensitive information. All the information will have restricted access (meaning that the only one that can access it is the researcher) and will be stored in a password-protected computer.

Other discomforts related to the lack of anonymity of participants can cause stress or intrude on privacy; names of the participants are not needed, and processes to encrypt the information will be used to avoid participant identification.

Because this research aims not for restructuring purposes nor to evaluate participants' performance, I will clearly explain this on a personal basis to create awareness and avoid psychological, relationship, legal, professional and physical (such as stress or anxiety) risks.

Sufficient time will also be given (one week) to review all the documentation and address any questions related to decreasing risks and issues associated. Volunteered time for the interview and selecting and sharing information may cause participants psychological and physical hardships associated with stress and anxiety. Hence, sufficient time to review all the study information will be given (one week), and the participant's daily workload will be taken into consideration. Participants can freely refuse or decline to continue at any time without harm and penalties.

Other relationship and legal discomforts may be related to collecting and storing data as it is sensitive information. All the information will have restricted access (meaning that the only one that can access it is the researcher) and will be stored in a password-protected computer.

Other discomforts related to the lack of anonymity of participants can cause stress or intrude on privacy; names of the participants are not needed, and processes to encrypt the information will be used to avoid participant identification.

Participants have the right not to share emails in their possession or agree to the inclusion of emails they sent themselves.

If any discomfort arises please contact the principal Investigator (Jaime Bastida Díaz) jaime.bastidadiaz@online.liverpool.ac.uk Phone: *+5217225106365*

I am prepared to accept, with respect, refusals but also to collaborate and to adapt to your available time. At all the stages of the inquiry, legal rights of all parties and entities involved will be maintained and so the current rules under the appropriate legal systems will be rigorously respected.

1.1.11 Are there any benefits in taking part?

You will help the researcher provide clear leadership, governance, and board structures that will help this family-owned business operate effectively, grow, and survive in the market. Your participation is crucial and will be much appreciated because you will provide the strategic and governance elements supporting the business units and the corporation. Benefits will return in the long-term to everyone that is part of the corporation because we may increase the possibility to continue growing, to continue with the diversification strategy and endure future generations.

1.1.12 What will happen to the results of the study?

The final report will be constructed from the analysis and reporting stages in complete collaboration with my supervisor and will not be disclosed until the anonymity of participants and the written information are properly analysed.
The results will be published, but the identity of participants will remain anonymous all the time so that no participant will be identified. You have the right to withdraw your data anytime, so please feel free to contact the researcher about this, if you so wish. Principal Investigator (Jaime Bastida Díaz) jaime.bastidadiaz@online.liverpool.ac.uk Phone: *+5217225106365*
The results will define leadership issues and will be used to craft governance actions that will help to endure the business units future generations.

1.1.13 What will happen if I want to stop taking part?

You have the right to withdraw your participation at any time without explanation and penalties, so please feel free to contact the researcher about this, if you so wish.
Principal Investigator (Jaime Bastida Díaz) jaime.bastidadiaz@online.liverpool.ac.uk Phone: *+5217225106365*
Results may only be withdrawn prior to anonymisation. Results up to the period of withdrawal may be used, if participants are happy for this to be done. Otherwise participants may request that the results are destroyed and no further use is made of them. The process to withdrawn the data can be made by contacting the Principal Investigator (Jaime Bastida Díaz) jaime.bastidadiaz@online.liverpool.ac.uk Phone: *+5217225106365* and sending the email requesting to withdraw the information.

1.1.14 What if I am unhappy or if there is a problem?

"If you are unhappy, or if there is a problem, please feel free to let us know by contacting JAIME BASTIDA DIAZ jaime.bastidadiaz@online.liverpool.ac.uk Phone: +5217225106365 and we will try to help. If you remain unhappy or have a complaint which you feel you cannot come to us with then you should contact the Research Ethics and Integrity Office at ethics@liv.ac.uk. When contacting the Research Ethics and Integrity Office, please provide details of the name or description of the study (so that it can be identified), the researcher(s) involved, and the details of the complaint you wish to make.
The University strives to maintain the highest standards of rigour in the processing of your data. However, if you have any concerns about the way in which the University processes your personal data, it is important that you are aware of your right to lodge a complaint with the Information Commissioner's Office by calling 0303 123 1113."" You can also contact the Research Participant Advocate (USA number 001-612-312-1210 or email address liverpoolethics@ohecampus.com)

1.1.15 Who can I contact if I have further questions?

Please contact the principal investigator JAIME BASTIDA DIAZ
Email: jaime.bastidadiaz@online.liverpool.ac.uk
Phone: +5217225106365
Address: Villada 438, Col Fco Murguía, Toluca, Estado de México, México.

1.2 CONSENT FORM

PARTICIPANT CONSENT FORM

I would like to invite you to participate in a study related to my DBA (Doctorate of Business Administration) at Laurette/University of Liverpool.

The aim of this study is to explore leadership issues in a family-owned business in Mexico and then suggest some governance actions that might help reduce or eliminate these issues.

The study has its importance in addressing leadership issues and creating governance elements to provide strategical alignment, a corporate line of sight, and an action plan to endure future generations. Your participation will provide strategic and governance elements that support the business units and the corporation to be analysed to create governance structures.

You have been selected because you are part of the leadership group in this privately family-owned business and you possess the knowledge and experience needed to answer the questions related to the current study. Only the top levels of the organisation and family members were selected as participants for the inquiry (four family members/stockholders and fifteen directors and managers).

The selection of participants is related to the fact that all these executives and managers have been experiencing leadership issues in the businesses. So, there is a need to obtain information to define leadership issues and create governance actions to mitigate or eliminate those issues.

All your information will remain anonymous and confidential throughout the research process. All data will be stored and saved securely to avoid the risk of loss or damage. Also, the data will be coded with pseudonyms in order to guarantee the privacy of information.

Participation in this study is completely voluntary, and you are free to withdraw the data at any time. If any potential risk or foreseeable discomfort by sharing "corporate information" arises when doing the interview or when sharing the documents, please stop the participation and contact me immediately to address the issue. If you feel that you do not have to continue with the participation, please let me know. Participants have the right not to share emails in their possession or agree to the inclusion of emails they sent themselves.

If any discomfort arises, please let me know about it immediately. *If you are unhappy, or if there is a problem, please feel free to let me know as soon as possible.*

- *Researcher's email: JAIME BASTIDA DIAZ* jaime.bastidadiaz@online.liverpool.ac.uk Phone: *+5217225106365*
- *You can also contact the* Research Participant Advocate (USA number 001-612-312-1210 or email address liverpoolethics@ohecampus.com)

"Thanks in advance for your time".

Yours sincerely

Jaime Bastida Díaz

Participant consent form

Version number & date: V 3.0 – March 12th, 2019
Research ethics approval number:
Title of the research project: **LEADERSHIP PERSPECTIVES ON CORPORATE GOVERNANCE ISSUES: AN ACTION RESEARCH STUDY OF A DIVERSIFIED PRIVATELY-OWNED FAMILY BUSINESS IN MEXICO**
Name of researcher(s): JAIME BASTIDA DIAZ

Please initial box

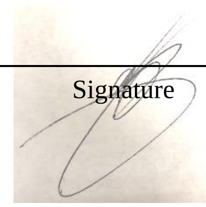
1. I confirm that I have read and have understood the information sheet dated March 12th, 2019 for the above study, or it has been read to me. I have had the opportunity to consider the information, ask questions and have had these answered satisfactorily. ☐
2. I understand that taking part in the study involves participating in an interview and sharing existing documents in emails, corporate documents, and speech archives. ☐
3. I understand that my participation is voluntary and that I am free to stop taking part and withdraw from the study without giving any reason and without my rights being affected. In addition, I understand that I am free to decline to answer any particular question. ☐
4. I understand that I can ask for access to the information I provide and I can request the destruction of that information if I wish at any time prior to 1 month. I understand that following two months, I will no longer request access to or withdraw the information I provide. ☐
5. I understand that the information I provide will be held securely and in line with data protection requirements at the University of Liverpool until it is fully anonymised and then deposited in the Archive to share and use by other authorised researchers to support other research the future. ☐
6. I understand that signed consent forms and interviews will be retained in a secured password-protected computer with restricted access (only the researcher has access) until 5 years. ☐
7. I agree to take part in the above study. ☐
8. I agree for the data collected from me to be used in relevant future research. ☐
9. I understand that other authorised researchers may use my words in publications, reports, webpages, and other research outputs, only if they agree to preserve the confidentiality of the information as requested in this form. ☐
10. I understand that my responses will be kept strictly confidential. I permit members of the research team to have access to my fully anonymised responses. I understand that my name will not be linked with the research materials, and I will not be identified or identifiable in the report or reports that result from the research. ☐

Participant name | Date | Signature

Name of person taking consent | Date | Signature

JAIME BASTIDA DÍAZ | March 12th, 2019 |

Student Investigator | Date | Signature



Principal Investigator
[**Name**]
[**Work address**]
[**Work telephone**]
[**Work email**]

Student Investigator
[**JAIME BASTIDA DIAZ**]
[**VILLADA 438, COL. FCO MURGUIA, TOLUCA, ESTADO DE MEX, MEX**]
[**+527225106365**]
[**jbastida@basgar.com**]

1.3 INTERVIEW QUESTIONS

Questions	
1.- What is your current job title? 2.- Which department or unit do you work in? 3.- How many years have you been in that position? 4.- Could you please explain your current job responsibilities? 5.- What is your business industry and how many years of experience do you have in this industry? 6.- How long have you been working for this company?	
Leadership issues	
In any corporation there are times with high points or low points that generates issues and complexities that can alter the operations and responsibilities. 7.- With this in mind, have you encountered any leadership issues within your work that really affected your performance? If so, could you please provide more details about these issues? 8.- What do you think are the main reasons behind these leadership issues? 9.- From your perspective, how do you think these issues can be resolved?	
10.- What do you think of the current business structure? 11.- Do you think any changes need to be made to the current business structure? Why?	

Appendix B. Letter granting access from founders and leaders of the business group.

UNIVERSITY OF LIVERPOOL | 2019

January 28th, 2018

AUTHORISATION LETTER

JAIME BASTIDA MORA
CEO OF INMOBILIARIA BASGAR DE TOLUCA, S.A. DE C.V
President OF COCO & COCO INMOBILIARY, LLC
FAMILY MEMBER, SHAREHOLDER AND THE LEADER OF THE JABE CORPORATE GROUP

BEATRIZ EUGENIA DIAZ GOMEZ
CEO OF INSTITUTO PARA LA EDUCACIÓN INTEGRAL DEL BACHILLER, S.C.
CEO OF AURA INMOBILIARIA Y COMERCIALIZADORA, S.A. DE C.V.
CEO OF CENTRO DE ENSEÑANZA DE CIENCIAS, INGENIERÍA, TECNOLOGÍA E INNOVACIÓN, S.C.
FAMILY MEMBER AND SHAREHOLDER OF THE JABE CORPORATE GROUP

BEATRIZ EUGENIA BASTIDA DÍAZ
Academic Advisor INSTITUTO PARA LA EDUCACIÓN INTEGRAL DEL BACHILLER, S.C.
FAMILY MEMBER AND SHAREHOLDER OF THE JABE CORPORATE GROUP

The following is an Authorisation Letter granting permission for all relevant data access, access to participants (family members/shareholder´s, executives, leaders and/or workforce), facility use (any of the facilities that pertain to each business unit) and/or use of personnel time for research purposes to JAIME BASTIDA DÍAZ (the researcher) who is a family member, shareholder and the CFO (Chief Financial Officer) of JABE CORPORATE GROUP.

The researcher has permission to access to any type of data needed for the purpose of the research within any of the business units of the JABE CORPORATE GROUP. The inquirer is allowed to request any corporate documents needed and apply questionnaires, surveys … or any instrument to achieve the aim of the inquiry.

We are aware of the aim of the inquiry (to explore leadership issues in a family-owned business in Mexico and then suggest some governance actions that might help reduce or eliminate these issues) and its importance to create a formal Corporate Governance structure for our group of privately family-owned businesses that will help us to create clarity for succession and control to future generations.

Any questions please contact us at dg@basgar.com ; bethy.diaz@inedib.edu.mx or bethy.bastida@inedib.edu.mx

JAIME BASTIDA MORA

Beatriz E Diaz Gomez
BEATRÍZ EUGENIA DÍAZ GÓMEZ

BEATRÍZ EUGENIA BASTIDA DÍAZ

Authorisation Letter

February 1st, 2019.

CONSENT FORM

NAME OF THE SENIOR EXECUTIVE
Position
Business Unit

I would like to invite you to participate in this study. However, before you decide whether to participate or not, it is important for you to understand why the research is being done and what it will involve. Please take some time to read the following information carefully and feel free to contact me, if you would like more information or if there is anything that you do not understand.

- AIM OF THE STUDY: The aim of this study is to explore leadership issues in a family-owned business in Mexico and then suggest some governance actions that might help reduce or eliminate these issues.
- PARTICIPANT SELECTION: You have been selected because you are part of the leadership group in this group of firms and you possess the knowledge and experience needed to answer the questions related to the current study. Only the top levels of the organization and family members were selected as participants for the inquiry (four family members/stockholders and fifteen directors and managers).
- VOLUNTARY PARTICIPATION: Participation in this study is completely "voluntary" and you are free to withdraw the data at any time. Your participation in this study is "voluntary" but very important to address the current research leadership issues and will therefore be appreciated. Your participation will provide strategical and governance elements that supports the business units and so the corporation to be analysed to create governance structures. Benefits will return in the long-term to everyone that is part of the corporation because we may increase the possibility to continue growing, to continue with the diversification strategy and endure future generations.
- PARTICIPATION TIMING: The committed time for the inquiry is estimated to consume you about two hours of your time to fill on online questionnaire and send corporate documents that can help me to identify leadership issues in the venture.
- DATA : Related to data storage and data collection, all your information will remain anonymous and confidential throughout the research process. All data will be stored and saved securely to avoid the risk of loss or damage. Also, the data will be coded with pseudonyms in order to guarantee the privacy of information.
- DISCOMFORTS AND RISKS: If any potential risk or foreseeable discomfort by sharing "corporate information" arise when filling the questionnaire or when sharing the documents please stop the participation and contact me immediately in order to address the issue. If you feel that you do not have to continue with the

participation please let me know. During the design, planning, access and data collection processes, harm can be done through pressure on and stress to participants, possibly intensifying if timelines are too short to accomplish the study's goals. To avoid these issues, the action researcher will ensure real and achievable timelines aligned with ethical norms to avoid harming participants. It is important to be prepared to accept with respect refusals to collaborate and so adapt to the time available from each participant.

During the data collection processes mental or physical discomforts may arise for sharing corporate information or by pressure and stress, possibly intensified by the timelines of your workload and to deliver this assignment. If any discomfort arises please let me know about it immediately. *"If you are unhappy, or if there is a problem, please feel free to let me know as soon as possible.*

- *Researcher's email: JAIME BASTIDA DIAZ* jaime.bastidadiaz@online.liverpool.ac.uk Phone: *+5217225106365*
- *You can also contact the* Research Participant Advocate (USA number 001-612-312-1210 or email address liverpoolethics@ohecampus.com)

- RESULTS OF THE STUDY: The results of the study will be published, but the identity of participants will remain anonymous all the time so that no participant will be identified.

Participant has the right to decline or discontinue participation at any time.

Thanks in advance for your time

JAIME BASTIDA DIAZ
DBA Candidate University of Liverpool

Appendix C. Description of the Codes through the primary data.

Description of the interviews.

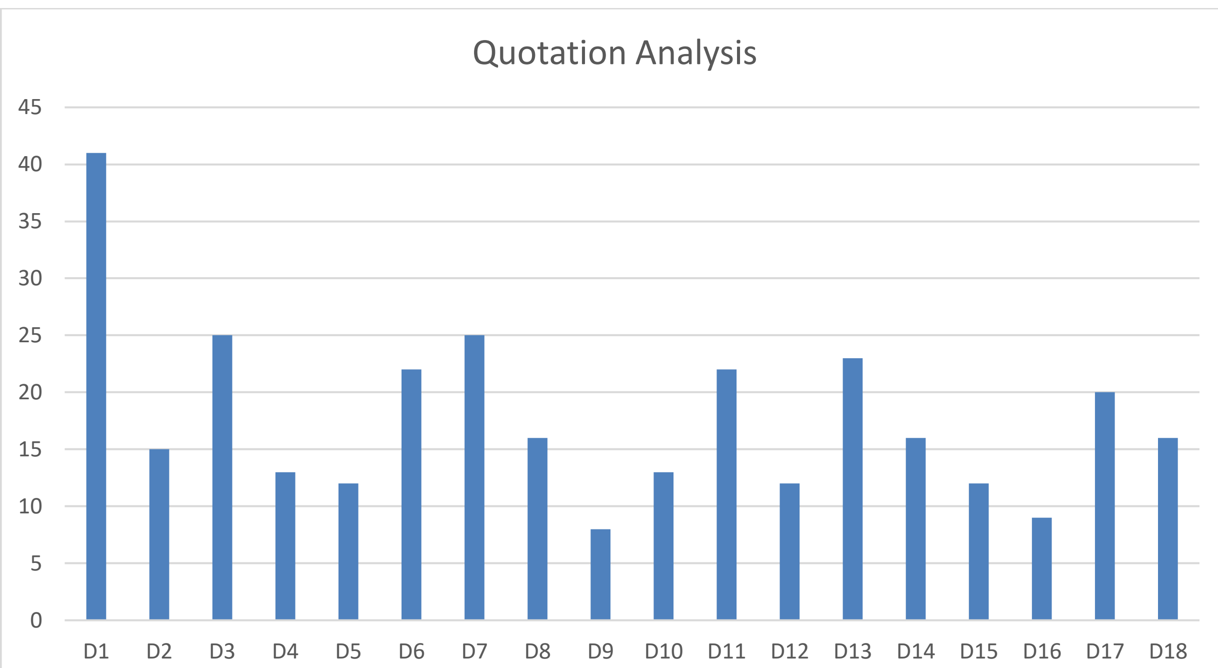
PRIMARY DATA		
DIN (Document Identification Number)	**Quotation Count**	**Description**
D1	41	CEO and founder (companies 2,3,4)
D2	15	Chief Financial Officer – CFO (companies 2,3,4)
D3	25	Chief Information Officer – CIO (companies 1,2)
D4	13	Manager – ALL (company 2)
D5	12	Director of Projects – DP (company 1)
D6	22	Elementary School Director – ESD (company 2)
D7	25	CEO, founder, and Chairman (company 1)
D8	16	Manager – PR (company 2)
D9	8	Chief Financial Officer – CFO (company 1)
D10	13	Director of Administration – DA (company 2)
D11	22	High School Director – HSD (company 2)
D12	12	Director of Finance – DF (company 1)
D13	23	Executive Assistant – EA (company 2)
D14	16	Chief Operating Officer – COO (company 1)
D15	12	Director of Costs and Control – DCC (company 1)
D16	9	Academic Advisor – AA (company 2)
D17	20	Kindergarten Director – KD (company 2)
D18	16	Director of Management – DM (company 1)
	320	

Appendix D. Discrete data and descriptive statistics of the quotation analysis (primary data with their DINs – Document Identification Numbers).

PRIMARY DATA	
Interview ID	**Quotation Count**
D1	41
D2	15
D3	25
D4	13
D5	12
D6	22
D7	25
D8	16
D9	8
D10	13
D11	22
D12	12
D13	23
D14	16
D15	12
D16	9
D17	20
D18	16
	320

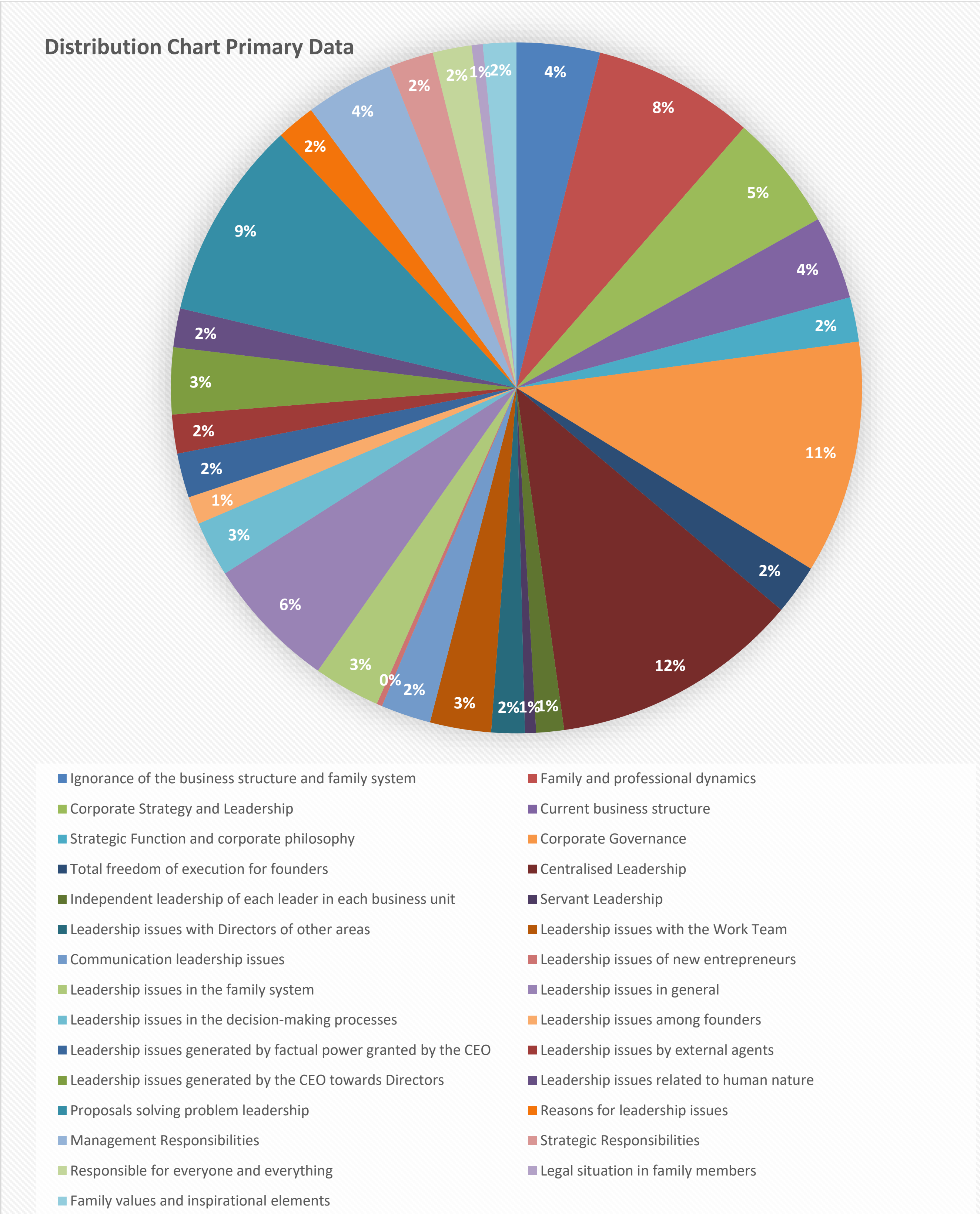
Statistics Primary Data

		Quotation Count
N	Valid	18
	Missing	0
Mean		17.78
Median		16
Mode		12
Coefficient of variation		0.43
Minimum		8
Maximum		41
Standard deviation		7.627



Appendix E. Distribution of Codes through the primary data.

	DEFINED CODES FOR DATA ANALYSIS	CODED QUOTATIONS FROM PRIMARY DATA	%
1	Ignorance of the business structure and family system	15	3.9
2	Family and professional dynamics	29	7.5
3	Corporate Strategy and Leadership	21	5.5
4	Current business structure	15	3.9
5	Strategic Function and corporate philosophy	8	2.1
6	Corporate Governance	42	10.9
7	Total freedom of execution for founders	9	2.3
8	Centralised Leadership	45	11.7
9	Independent leadership of each leader in each business unit	5	1.3
10	Servant Leadership	2	0.5
11	Leadership issues with Directors of other areas	6	1.6
12	Leadership issues with the Work Team	11	2.9
13	Communication leadership issues	9	2.3
14	Leadership issues of new entrepreneurs	1	0.3
15	Leadership issues in the family system	12	3.1
16	Leadership issues in general	24	6.2
17	Leadership issues in the decision-making processes	10	2.6
18	Leadership issues among founders	5	1.3
19	Leadership issues generated by factual power granted by the CEO	8	2.1
20	Leadership issues by external agents	7	1.8
21	Leadership issues generated by the CEO towards Directors	12	3.1
22	Leadership issues related to human nature	7	1.8
23	Proposals solving problem leadership	36	9.4
24	Reasons for leadership issues	7	1.8
25	Management Responsibilities	16	4.2
26	Strategic Responsibilities	8	2.1
27	Responsible for everyone and everything	7	1.8
28	Legal situation in family members	2	0.5
29	Family values and inspirational elements	6	1.6
		385	**100**


Distribution Chart Primary Data
4%
8%
5%
4%
2%
11%
2%
12%
1%
1%
2%
3%
2%
0%
3%
6%
3%
1%
2%
2%
3%
2%
9%
2%
4%
2%
2%
1%
2%
Ignorance of the business structure and family system
Family and professional dynamics
Corporate Strategy and Leadership
Current business structure
Strategic Function and corporate philosophy
Corporate Governance
Total freedom of execution for founders
Centralised Leadership
Independent leadership of each leader in each business unit
Servant Leadership
Leadership issues with Directors of other areas
Leadership issues with the Work Team
Communication leadership issues
Leadership issues of new entrepreneurs
Leadership issues in the family system
Leadership issues in general
Leadership issues in the decision-making processes
Leadership issues among founders
Leadership issues generated by factual power granted by the CEO
Leadership issues by external agents
Leadership issues generated by the CEO towards Directors
Leadership issues related to human nature
Proposals solving problem leadership
Reasons for leadership issues
Management Responsibilities
Strategic Responsibilities
Responsible for everyone and everything
Legal situation in family members
Family values and inspirational elements

Appendix F. Storylines.

Integrative Memo 1
The descriptive story of the leadership issues

There are problems from Directors to Directors but also from family members and their dynamics that alter the operation of the Directors. This complexity leads to friction or blows due to responsibility with customers in different areas: security, complying with what is offered as a service and/or product. The leader or direct boss is responsible for Training (necessary technique and in terms of the dynamic organiSation of the company). People are not well trained; they have no experience or vocation. They have to be trained. Leadership by service as a strategy is not easy to be transmitted to the next managers and, therefore, down. Administration by a delegation of functions; the team does not follow that line and wants to do "everything". Due to the company's growth, communication is more complicated, slow, and stops processes. Distant communication due to the size and type of company. As their businesses grew, they discovered and learned many things because they were made from scratch. Neither knew that it was going to be successful, nor did they know the problems that would be faced with success. The children have been growing and have different needs, expectations, ambitions, goals, projects, and additional variables (marital status) in their family nuclei (ideology and biography of these couples). The family that was pure is now transformed into a highly complex dynamic combination continuously negotiating, knowing each other, recognising each other. It is a complex dynamic, and resilient system. From apparent destruction, new projects arise, new negotiations so that it continues to function and remain Equifinality: each experience lived in the family has different impacts on people. There is a legal and affective bond; the latter generates friction because each person demands their space (individual subsystems).
When one founder gives his opinion to the other, conflicts sometimes arise. Each founder has a different background and different professional experiences. There is no direct intervention of a founder or other members of the family with the company of the person in charge (leader). Problematic in terms of conceptions: one entrepreneur (making money and high-quality products) and the other educator (making people, citizens, education is an achievement). Misunderstanding on the part of the couple to understand the workload that the other develops. People with factual power granted by DG and who alter the operations and organizational dynamics. People we refer to are some Directors, employees, teachers, and even parents close to DG. Problems are due to the wide variety of corporate entities (stakeholders) interested in the company. There is no clear regulation, incapacity, and lack of attention from the government (municipal, state, and federal). Centralised bureaucracy. In the end, everything has to pass through the General Directorate; each area must create its processes and wait for the approval of the General Management. This can cause delays—the requirement of the General Management when requesting IMMEDIATE deliveries, delaying other particular responsibilities of its Directors.

Integrative Memo 2
The descriptive story of the proposed actions to mitigate the issues

There is an independence of each founder and leader with respect to the other companies,. We created a family business that did not exist at that time; thirty years ago, I understand that the culture did not exist, nor did I learn to develop this company through family business. But I was learning it, or I was designing it with my own convictions or ideas; for example, one of the things that I always tried to do is that the function or the action that we developed would not harm them, would not harm the family. Therefore, one of the ideas was always that we should pay taxes in an orderly manner, we have to pay people well so that people are permanent, we always had to do constant reengineering and be able to keep the company up to date, we had to take care of the environment... in short, a series of... of seven... of one Decalogue of principles that would allow us to have a competitive, clean and orderly company. For the benefit of the family because the family's heritage is never going to be touched. Just as this company was born, we were later able to create other family companies and try to ensure that this company that was born could spread its philosophy to others as well. Businesses are totally separated. From the point of view of daily functionality, of daily work, there is no intervention from one Director to another. There is only an opening to support each other between the companies, rely on the knowledge, information, etc. but not on interventions, which has also worked very well; Not at the operational level. The founders control and have absolute leadership in their company; the other family members share complicated family relationships with a great emotional burden that affects the company and wears out the family. The children have the foundations, but they are not allowed to innovate.
There is a perception that family problems can seep into the professional sphere and vice versa, affecting companies. Parents control and children support as supervision. Each family member has his company and controls it, and the others support him with knowledge or economic issues. Mutual support between founders and family (financial and knowledge) but operational independence has allowed growth and success in business Vocation towards the company that each founder created; one is an entrepreneur, the other an educator... Vocation towards the family system. Creation of new businesses, coordination of the work of the different areas, and the relationship with external entities such as government and banks. Service leadership. A healthy company so that it does not affect the family—administration by a delegation of functions. The responsibility of the leader is to constantly repeat strategic points so that they are replicated in the following commands. Take care of family heritage and thus create new businesses. The independent form of operation works; if you intend to create a board of directors, you must develop corporate governance and establish strategic objectives. Knowledge and financial support. There is no intervention from the other leaders in the operation of the other businesses. Each leader of each business unit has complete operational freedom. At the intersection of the two systems (family and business) principles must be generated: What is worth and what is not? Totally unknown terrain Many agreements are not formally established, only known by the founders and leaders
Who does what? Define roles and responsibilities. CEO renewal, successor training, transferred and documented bases for retirement, and successor change to the new

generations. Delegate responsibilities in writing to each Directorate and report and monitor results. The governance of companies is in the family nucleus. Detailed written process manual for each Directorate with lines of work so as not to wait for the approval of the General Directorate. Select, prepare, train, and "trust" a team that can sustain the business model—service leadership. Prevent business functions from damaging the family: healthy company, pay taxes, pay staff, constant reengineering to keep the company updated, care for the environment... a decalogue. Take care of family assets. Separate businesses controlled by a family member. Each family business is different and particular, which leads to particular results; therefore, the business structure must be made according to the characteristics of the family. Lead different types of organizational entities interested in the business (stakeholder's), in different locations, at different times. Business. There are certain documents with management responsibilities and profiles. Yet, operational manuals are needed.

Appendix G. Data analysis framework.

<table>
<tr><td colspan="4">DATA ANALYSIS FRAMEWORK</td></tr>
<tr><td colspan="4">QUALITATIVE ANALYSIS – GROUNDED ON THEMATIC ANALYSIS</td></tr>
<tr><td>DATA PREPARATION</td><td>PRIMARY DATA
Eighteen interviews were transcribed into a word-processed stage in detail.</td><td>Each interview was transcribed in a separate word document and anonymised with the attributes to guarantee confidentiality and anonymity.</td><td>COMMENTS: Performed to connect with the research.</td></tr>
<tr><td colspan="4">Eighteen archives of anonymised and word-processed information were analysed with a CAQDAS (computer-aided qualitative data analysis software).</td></tr>
<tr><td>CAQDAS PROJECT</td><td colspan="3">Eighteen archives of anonymised and word-processed information were added to the CAQDAS project.</td></tr>
<tr><td rowspan="3">“<u>DATA LEVEL</u>”</td><td>GROUPS: document groups were defined through quasi dichotomous variables.</td><td>The general idea is to create analytical comparisons.</td><td rowspan="3">COMMENTS: Performed to connect with the research and were made within quotations, codes, and networks.</td></tr>
<tr><td>QUOTATIONS: sequential elements of arbitrary size represent a segment from a document of importance for the inquiry; they are used for data classification to create a deeper level of coding.
Quantitative data analysis was made to analyse the contributions per participant and distributions.</td><td>Three hundred and thirty-one quotations were created from primary data. No specific size for the quotation was highlighted, only those to detect leadership issues and governance actions.</td></tr>
<tr><td>CODING: Elements to organise the data and discover patterns immersed in the business structure; data was classified and conceptualised to forge visual models and detect patterns.</td><td>Themes and patterns were identified by repeating ideas.
Twenty-nine codes were created and identified four hundred and twenty patterns.</td></tr>
<tr><td rowspan="2"><u>CONCEPTUAL LEVEL</u></td><td colspan="3">Logic diagram to identify a central phenomenon, casual conditions, and consequences.</td></tr>
<tr><td colspan="3">Writing storylines to connect the categories.</td></tr>
</table>

Appendix H. Family Business Governance System - action-based framework.

FAMILY BUSINESS GOVERNANCE SYSTEM		
Description of the corporation	Diversified privately-owned family business operating in Mexico and the US	
Power and control	Each business unit is controlled by one family member (CEO) who is independent of the others	
BUSINESS GOVERNANCE		
STAKEHOLDER	**MEMBERS**	**DUTIES AND RESPONSIBILITIES**
CHAIRMAN OF THE BOARD	**Chairman**: father	Responsible for leading the board and ensuring its effectiveness in all aspects of its role, governance, succession, performance evaluation of the business units, corporate values, and ethical action. Responsible for creating an environment of openness and trust to balance the board and management. Managing family-ownership and management-ownership conflicts. Professionalisation of the business units.
BOARD OF DIRECTORS	Mother, daughter, and son. Non-family Executives.	Establish clear strategic objectives, ethics, and corporate values, provide financial and human resources, risk assessment, monitor firm's performance, and supervise management action. Formalise rules, operational manuals, performance indicators, and protocols. Family-management conflicts, engage in succession planning, and business governance meetings. Family employment, dividends distribution, business strategy formulation, business culture, business ethics, developing and implementing strategy, compensation, business performance review, and managing family-business relations. Selection, election, and supervision of directors.
MANAGEMENT RESPONSIBILITIES	Directors and managers recruited by HR but authorised by each CEO	Follow financial controls, responsibilities, and provide clear documentation (financial and operational). Execute rules, operational manuals, protocols, and strategic guidelines to impact performance indicators positively. Propose action-based improvements to their areas.
FAMILY GOVERNANCE		
STAKEHOLDER	**MEMBERS**	**DUTIES AND RESPONSIBILITIES**
CHIEF FAMILY OFFICER (CFO)	**CFO**: father	Family governance, succession, and family values are the primary responsibilities of the CFO. Manage family conflicts. Organise and define ownership structures and shares of the organisation.
FAMILY COUNCIL	Mother, daughter, and son. Executives.	Provide additional strategies to solve family conflicts and support CFO initiatives for the benefit of the family.
OWNERSHIP AND SUCCESSION		
Ownership distribution	Four partners (all family) who absorb 100% of the shares.	
Succession	Succession candidates need to understand the core of the family business, including values, objectives, and corporate strategy. A training process is needed for the new successor (s) to produce a smooth transition.	
CORPORATE STRATEGY		
STRATEGIC THINKING	Leadership independence between the CEOs of each business unit. Common convictions that allow them to share strategies of support. Family is a core element of motivation and commitment. Close relationship with clients, government, banks, and employees (stakeholder's management). Pay taxes, employees' stability in the companies, constant reengineering, innovation, and social responsibility. Servant leadership. Administration through the delegation of functions. Deploying institutional written models for the business units.	
STRATEGIC PLANNING	Decalogue of principles (D71). Follow a strategic plan for investments and real estate. Respect financial planning and commitments with banks. Servant leadership guidelines. Social responsibility and ethics. Team preparedness, training. Detailed operational manuals.	
STRATEGIC CHANGE	Paternalistic and autocratic strategies of change centralised to the founders. Decision-making processes based on family (emotional and social parameters) and business (economic and strategical parameters) logic.	
FAMILY VALUES	Loyalty as the will to resolve differences. Deep love for the family. Respect for each member of the family. Open communication and clarity.	
CORPORATE VALUES	Authority, fairness, respect for others, patience, affability, generosity, indulgence, honesty, trust, acceptance, and commitment. For teachers: formal, attentive, ordered, concrete, clear, congruent, and fair.	

Appendix I. Assessing leadership issues.

"ASSESSING LEADERSHIP ISSUES" DATE:

	YES	NO	N/A	Comments
LEADERSHIP ISSUE				
Conflicts in and from the family system				
Conflicts related to the family and its complexity				
Conflicts related to the family and business				
Tensions created from the family life to the business				
Tensions between the enterprising couple and family				
Nepotism				
Leadership issues related to emotions and sentiments that affect decision-making				
Multiple roles from family members can affect operations				
Competence of family members to operate or manage the business				
Misalignment between the family business and family member's demands				
Incapability to manage the business and the family system				
Destructive entitlement - when family members perceive injustice punishing the firm				
Siblings rivalry				
Parental altruism - inaccurate decisions in favor of employed children				
Multiple roles from family members affect operations				
Family members are not allowed to make contributions to the business				
Ownership and control				
Conflicts related to ownership and control				
Succession issues				
Compensation and remuneration				
Informality in reporting				
Failed risk management				
Leadership issues with management				
Generational conflicts				
Informality to establish operational procedures				
Conflicts of interest between Directors and Shareholders				
Agency issues				
Gender conflicts				
Communication issues				
Communication issues				
Centralised decision-making discouraging communication				
Employees are afraid to speak their minds to directors and managers				
Inadequate segregation of duties and concentration of power				
Conflicts derived from leadership centralisation and concentration of power				
Lack of delegation of authority to managers				
Delays in management's daily responsibilities because of centralisation of power and control				
No freedom to make and execute decisions				
Risky and impulsive decision-making				
Ineffective management philosophies and operating styles				
Continuous coercive leadership style affecting operations				
Lack of delegation of functions among management				
Operational delays because immediate action is demanded by the CEO				
Managers' high workload and tight timelines				
Conflicts of interest				
Stakeholders related to founders and family members affect operations				
Conflicts of interest between directors and shareholders				
OTHER:				

AGREEMENTS AND ACTIONS TO MITIGATE THE ISSUE(S):

FOLLOW UP— EVALUATING RESULTS: DATE:

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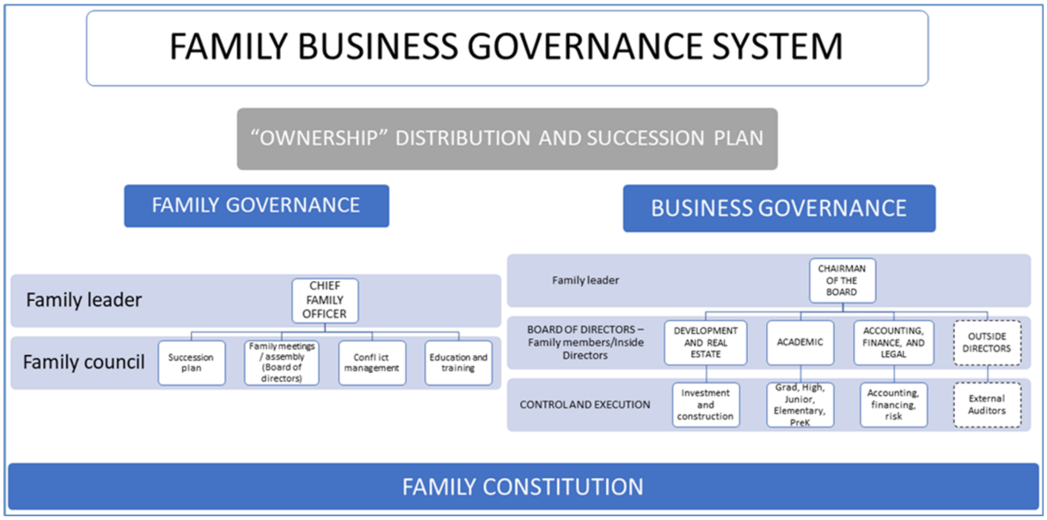
PARTICIPANTS

1

Appendix J. Action format – Family Governance.

FAMILY GOVERNANCE SYSTEM—CFO DATE:



"CHIEF FAMILY OFFICER (CFO)"

The general responsibilities of the Chief Family Officer are:

1. Family governance, succession, and family values are the main responsibilities of the CFO.
2. Manage family conflicts.
3. Organise and define ownership structures and shares of the organisation.
4. Support family members.
5. Organise the family meeting agendas.
6. Define values and goals for the business aligned with the beliefs of the family.
7. Define written policies grounded on the family values for the firms.
8. Responsible to separate family from business matters.
9. Responsible to manage relations between the family members.
10. Organise the professionalisation of the business and family members.
11. Manage the beliefs, needs, and objectives of the family and balance them with the requirements of the business objectively.
12. Responsible for succession initiatives.

____

ACCEPT

1

AFG DATE:

"ASSESSING FAMILY GOVERNANCE"

CHIEF FAMILY OFFICER	YES	NO	N/A	Comments
MANAGING CONFLICT				
Conflicts related to ownership and control				
Conflicts related to the family and its complexity				
Conflicts related to the family and business				
Tensions created from the family life to the business				
Tensions between the enterprising couple and family				
Leadership issues related to emotions and sentiments that affect decision-making				
Nepotism				
Multiple roles from family members can affect operations				
Competence of family members to operate or manage the business				
Succession issues				
Misalignment between the family business and family member's demands				
Incapability to manage the business and the family system				
Destructive entitlement - when family members perceive injustice hence, punishing operationally, financially, strategically, and even with fraud				
Siblings rivalry				
Parental altruism - cause owner-managers to make inaccurate decisions in favor of their employed children				
OTHER:				
SUCCESSION MATTERS				
FAMILY VALUES				
BUSINESS VALUES AND POLICIES				
OWNERSHIP STRUCTURES				
PROFESSIONALISATION AND EDUCATION OF FAMILY MEMBERS				
PROFESSIONALISATION AND EDUCATION OF FAMILY MANAGERS				
AGREEMENTS AND ACTIONS :				
FOLLOW UP—EVALUATING RESULTS:				DATE:

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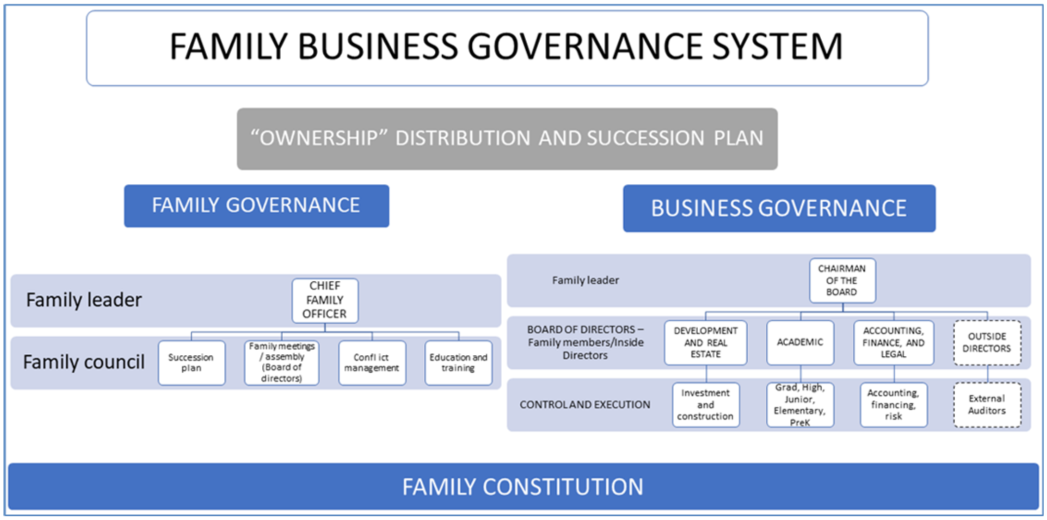
PARTICIPANTS

2

Appendix K. Action format – Business Governance.

BUSINESS GOVERNANCE SYSTEM	DATE:



"CHAIRMAN OF THE BOARD"

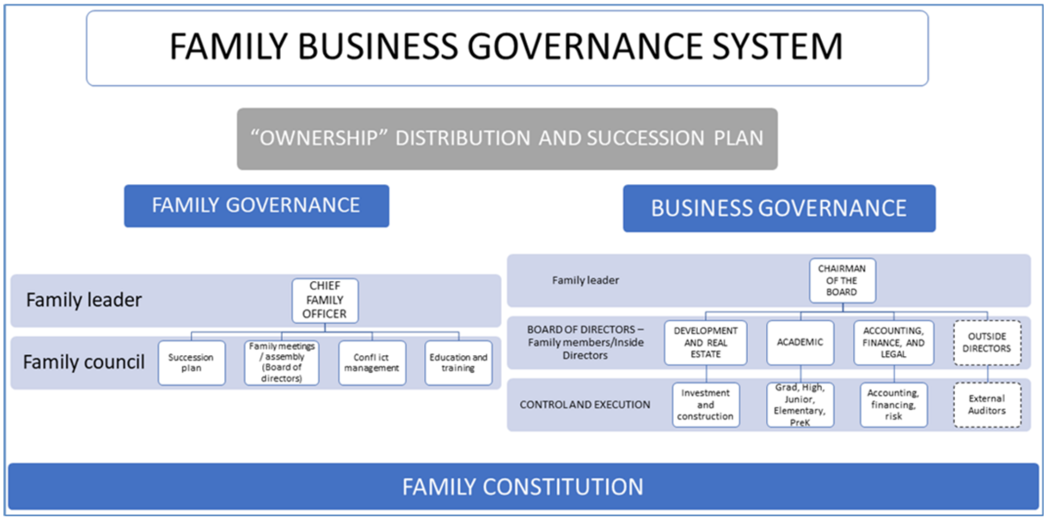
The general responsibilities of the Chairman of the board are:

1. Leading the board and ensuring its effectiveness in all aspects of its role.
2. Manage governance and succession.
3. Evaluate the performance of the business units.
4. Corporate values and ethical action.
5. Responsible for creating an environment of openness and trust to balance the board and management.
6. Manage family-ownership.
7. Solve management-ownership conflicts.
8. Professionalisation of the business units.

____
ACCEPT

1

BUSINESS GOVERNANCE SYSTEM DATE:



"THE BOARD"

The general responsibilities of the board are:

1. Support Chairman´s initiatives.
2. Establish clear strategic objectives., ethics, and corporate values.
3. Provide financial and human resources.
4. Risk assessment.
5. Monitor firm's performance and management action.
6. Formalise rules, operational manuals, performance indicators, and protocols.
7. Support initiatives for family-management conflicts.
8. Engage in succession planning.
9. Family employment and dividends distribution.
10. Business strategy formulation,
11. Business culture and business ethics.
12. Developing and implementing strategy.
13. Manage family-business relations.
14. Selection, election, and supervision of directors.

____
ACCEPT

2

ABG DATE:

"ASSESSING BUSINESS GOVERNANCE"

CHAIRMAN AND THE BOARD	Q1	Q2	Q3	Q4	Comments
CHAIRMAN AND THE BOARD					
Effectiveness of the board.					
Governance and succession.					
Performance of the business units.					
Corporate values and ethical action.					
Openness and trust - balance the board and management.					
Family-ownership.					
Management-ownership conflicts.					
Professionalisation of the business units.					
BOARD OF DIRECTORS - CONTROL AND EXECUTION					
Business strategy formulation.					
Strategic objectives.					
Corporate values.					
Business culture.					
Business ethics.					
Financial revision.					
Human Resources					
Risk assessment.					
Firm's performance.					
Management action.					
Guidelines, rules, and operational manuals.					
KPIs (Key performance indicators).					
BOARD OF DIRECTORS - FAMILY COMMITTEE					
Dividends distribution.					
Manage family-business relations.					
Family-management conflicts.					
Family employment.					
Succession planning.					
AGREEMENTS AND ACTIONS :					
FOLLOW UP—EVALUATING RESULTS:					DATE:

______________________________ ______________________________

PARTICIPANTS

3

Appendix L. Action format – Ownership and Succession.

AOS DATE:

"POTENTIAL SUCCESSOR"

OWNERSHIP AND SUCCESSION	Information
OWNERSHIP	
What is the current ownership distrubition?	
How does the shares will be distributed?	
Who will get the new shares?	
Will be a managing partner or only a shareholder?	
How do power and control be distributed?	
What are the personal, emotional, and developmental characteristics of the founder-owner?	
Other:	
POTENTIAL SUCCESSOR	
Has he/she received an introductory session to explain the complexities of the business?	
What are his/her main personal values?	
What is the professional preparation?	
Has any authority within the business?	
Has any authority within the family?	
Is he/she a family member?	
Is he/she an actual Executive or Manager from the corporati-	
What are the emotional attachments to the business?	
What are the emotional attachments to the family?	
Is neutral in the business decision-making?	
Transparent?	
Negotiator?	
Is there trust and openness from the family to the successor?	
How do the personal, emotional, and developmental characteristics of the founder-owner differ from the potential succes-	
The family trust and support this potential successor?	
The Directors and executives support this potential succes-	
Does he/she understand the responsibility to lead this corpo-	
Does he/she understand the committment to lead this corpo-	
Is he/she willint to learn about the family corporation and its	
What are his/her compensation requirements?	
Other:	

AGREEMENTS AND ACTIONS :

FOLLOW UP—EVALUATING RESULTS: **DATE:**

______________________________ ______________________________

PARTICIPANTS

1

AOS DATE:

"ASSESSING OWNERSHIP AND SUCCESSION"

OWNERSHIP AND SUCCESSION	1	2	3	4	5	6	7	8	9	10	11	12	Responsible
SUCCESSION PLAN													
Transfer of shares.													Chairman and the board
Explain the family business governance system.													Chairman of the board
Explain the family values to the succesor.													Chief Family Officer
Explain the corporate values to the successor.													Chairman of the board
Transfer of tacit knowledge to the successor.													The board
Training to create a deep understanding of the business.													Chairman and the board
Explain the corporate strategy followed by the family business.													Chairman of the board
Work with the successor to understand the organisational culture.													The board
Session with the family to start understanding possible tensions that might affect the business.													Chief Family Officer
Explain roles, responsibilities, duties.													Chairman and the board
Explain clear financial goals.													Chairman and the board
Specify controls and reporting structure.													Chairman and the board
Explain customer objectives.													The board
Provide organisational structures, written processes, and operational manuals.													The board
Frame the space for innovation and initiave allowed.													Chairman of the board
Other:													

AGREEMENTS AND ACTIONS :

FOLLOW UP—EVALUATING RESULTS: **DATE:**

______________________________ ______________________________

PARTICIPANTS

2

Appendix M. Resources for leadership issues and corporate governance.

Table 1.- Analysis of the selected resources related to leadership issues and corporate governance.

	AUTHOR(S)	YEAR	TITLE	COUNTRY WHERE RESEARCH WAS CONDUCTED	METHODS FOR DATA COLLECTION	MAIN FINDINGS	LIMITATIONS
1	Abouzaid, S.	2011	*Family Business Governance Handbook*	International	It is a narrative from different journals.	Specific governance challenges faced by family businesses such as a) the family as a complex element of governance, b) emotions and sentiments that affect decision-making, c) informality in processes and reporting, d) lack of succession planning. The author proposes structures and practices that can mitigate these challenges to ensure the viability of the business.	Despite that the narratives are grounded on evidence from different journals, the study lacks data to contrast the number of companies that face the issues, and how many are using governance structures.
2	Alajlan, W.	2015	*Ownership patterns and the Saudi Market*	Saudi Arabia	Secondary information from Saudi listed companies. Quantitative methods.	Results showed high ownership concentration by families and the government in the studied data. Like many other developing countries, the Saudi market lacks regulations, transparency, and disclosure of financial information.	The data was obtained from the Saudi market, which is secondary information. No details from issues related to ownership concentration were highlighted as information about business ownership and structure are often not available in developing countries.
3	Alderson, K.	2015	*Conflict management and resolution in family-owned businesses: A practitioner-focused review*	International	Literature review	Conflict is natural in the family business with important implications that can be reduced with governance initiatives. Some issues highlighted were resentments, rivalries, mistrust, and favoritism as the family grows, decreasing productivity, and weakening decision-making. Conflicts between siblings and parents are common in these types of organisations. Influence from the founder with new generations also creates issues. Destructive entitlement, gender and communications issues were also identified. Practical examples from public corporations were analysed and governance initiatives were proposed as possible solutions of the issues.	As it is a literature review, no original research was done. Examples from public companies were discussed.
4	*Allen, T. D., Cho, E., & Meier, L. L.*	2014	*Work–family boundary dynamics*	International	Qualitative research from previous theoretical resources	Boundary theory is a critical element in the family business to understand how individuals create and maintain limits within social entities such as family and work …	Detailed examples were needed from private companies in Mexico to specify cultural issues.
5	Aronoff, C. E., and Ward, J. L.	2011	*Family business governance*.	International	Mixed methods	The authors' main objective is to analyse principles and procedures to improve efficiency in family business through corporate governance. A bridge between the family and a business is provided with governance to decrease issues and improve performance of the firm.	Despite the international perspective, Mexican family businesses were not addressed.
6	Astrachan, J. H., and Shanker, M. C.	2003	*Family Businesses´ Contribution to the U.S. Economy: A Closer Look*	United States	Secondary data from IRS	The criteria to define a family business include the percentage of ownership, control, involvement of multiple generations, and the intention for the business to remain in the family.	There were no clear examples of leadership issues related to the criteria used to define a family business.
7	Athanassiou, N., Crittenden, W. F., Kelly, L. M. and Marquez, P.	2002	*Founder Centrality Effects on the Mexican Family Firm's Top Management Group: Firm Culture, Strategic Vision and Goals, and Firm Performance*	Mexico	By using social networks and questionnaires with a sample of 42 Mexican family businesses and 201 managers.	Strong relationships were found between founder centrality and the strategic behaviour of top management. Founder centrality is a critical component that defines several elements of governance and strategy in Mexican businesses. Ownership centralisation and strategic initiatives are dependent on the founders. This concentration of control and power generates leadership issues in governance with the family system and top management.	The study only used Mexican data, providing unique behaviors related to the environment and the culture that may not be used in other world regions.
8	Aziz, I. and Choudhary, M. A.	2017	*Continuity in Corporate Governance and Its Relationship with the Company's Performance*	Pakistan and Emirates	Secondary data from public annual reports was analysed with quantitative methods.	The study shows that a continuous corporate governance structure impacts a venture's performance and its profitability.	Quantitative measures were used from MIT information, however, no contrasts with additional ventures was made.
9	Babatz, G.	1997	*Agency Problems, Ownership Structure, and Voting Structure under Lax Corporate Governance Rules: The Case of Mexico*	Mexico	Secondary data from the Mexican Stock Exchange between 1987 and 1996.	A small number of public business entities reduce the reliance on their cash flow to invest because of liberalisation. The study provides leadership issues related to agency theory; the ownership concentration and control affect Mexican corporations. The Mexican legislation that deals with corporate governance issues is the Business Corporation Act of 1934 (Ley de sociedades mercantiles); additional provisions are mentioned to be related to issues in corporate governance in Mexico.	The study is limited to Mexican companies and secondary data from 1987 to 1996. The methodology also has potential problems related to the metrics and variables such as liquidity, cash flow, and internal funds.
10	Bankoti, N.	2017	*A theoretical framework on efficient market theory*	International	Theoretical discussion	It is a theoretical discussion of efficient market theory or market Hypothesis.	Pure theoretical discussion with no data analysis neither contrasts with other studies.
11	Belausteguigoitia, I.	2003	*Empresas familiares: dinámica, equilibrio y consolidación*	Mexico	Primary data (interviews) from the 131 companies of the Mexican Stock Exchange in 2011 and additional secondary data from public companies in Latin America.	The family system is a critical element in family businesses, generating complex alterations to the venture's operations. The study provides Mexican case studies, theoretical details, and global examples to contrast general dynamics in family businesses. Narratives and quantitative aspects construct the study comparing relevant situations with rigorous analyses. The study of the family business in Mexican corporations pointed out issues and challenges related to managerial inefficiencies (lack of control, weak management processes, and inefficient use of resources) and the complexities of dealing with the particularities of the family system. Leaders need to	The author contrasts rigorous quantitative elements with relevant experiences that are valuable but lack rigor and evidence.

						identify functional (cognitive) and dysfunctional conflicts to establish governance elements to decrease issues in the firm.	
12	Bentley, G., Pugalis, L. and Shutt, J.	2017	*Leadership and systems of governance: the constraints on the scope for leadership of place-based development in sub-national territories*	International	A theoretical narrative	A conceptualization of leadership, governance, and central–local relations was made to analyse the influence of governance in leadership with an international approach.	Theoretical research without new data analysis was made.
13	Bezemer, P. J., Nicholson, G. and Pugliese, A.	2018	*The influence of board chairs on director engagement: A case-based exploration of boardroom decision-making*	Australia	Case-based approach with primary data with videotaped board meetings and semi-structured interviews	The study suggests that the chair's role requires strong leadership to counter managerial power and orientation as peer to directors, enabling other board members who are immersed in decision-making.	The research has been limited to three boardrooms; various contextual factors might affect the results of the study that need to be considered.
14	BMV	2019	*Minimum Criteria for Acceptance*	Mexico	Document with listing information	Information for companies that need to be listed in the Mexican stock exchange.	Only criteria for acceptance.
15	Branson, D. M.	1986	*The American Law Institute Principles of Corporate Governance and the Derivative Action: A view from the other side*	US	Narrative from legal resources and public data	The discussion provides insights for investors that may need to litigate a derivative action. The article relates to reforms in corporate governance related to derivative action area.	The content of the discussion relates to Fortune 500 organisations, as public information is of easier access.
16	Calder, A.	2008	*Corporate governance: A practical guide to the legal frameworks and international codes of practice*	International – US, UK, …	Theoretical perspective combined with secondary data from public organisations	Details about corporate governance are given, including the concept, board, directors, risks, duties, and responsibilities. A review of SARBANES–OXLEY (SOX) in US and CADBURY, GREENBURY AND HAMPEL from UK was made. A contrast of governance between private and public sectors was also addressed.	Privately-owned Family businesses were not address. Mostly examples were from public organisations.
17	Cámara de Diputados del H. Congreso de la Unión	2018	*Ley General de Sociedades Mercantiles*	Mexico	Legal description	Legal details about creating companies in Mexico, requirements, responsibilities, duties … Elements of corporate governance were mentioned without details.	The document is limited to the legal requirements. No examples nor practical resources.
18	Cámara de Diputados del H. Congreso de la Unión	2019	*Ley de Fondos de Inversión*	Mexico	Legal description	Legal details about investments in different financial instruments, regulations, and actions from intermediaries within the stockmarket.	The document is limited to the legal requirements. No examples nor practical resources.
19	Cannella, B.; Finkelstein, S. and Hambrick, D. C.	2008	*Strategic Leadership: Theory and Research on Executives, Top Management Teams, and Boards*	Uk, US …	Theoretical analysis from articles and documents related to strategic leadership theory and top executives.	Analysis of leadership elements of corporate governance related to executives, managers, and the board. The book mainly focuses on top executives from companies such as IKEA, Virgin, IBM, GE, Google … (public firms). Strategic leadership analysis is needed in the study to understand executive and managerial action. These stakeholders' effects on firms' performance and governance structures to control the organisation are addressed as leadership and governance components. The important thing is that the studies are mainly focused on top executives from top public companies.	It is grounded on a robust literature of top executives but with speculations and open ideas that generate debate and ambiguity.
20	Carlsson, R. H.	2003	*The Benefits of Active Ownership*	UK and US – Sweden	Narratives and stories from the Wallenberg family through a holding venture investor AB. Two in-depth case studies.	Active ownership plays an indispensable and uniquely value-creating role in the market economy. The author presented a leadership structure from five generations and core holdings of one of the companies with their general leadership figures. General issues related to the companies' ownership, governance, and leadership are discussed.	The analysis is limited to two in-depth cases. Comparatives with other corporations are not provided, limiting the results to a particular situation.
21	Carrillo-Gamboa, F.	2002	*Recent reforms in Mexican rules on Corporate Governance and shareholder rights*	Mexico	Discussion from secondary resources	It is a discussion about changes in corporate governance in Mexico for publicly traded companies. Loopholes were tried to be amended regarding insider trading.	Regulations or initiatives for privately-owned family businesses were not addressed.
22	Castañeda, G.	2000	*Corporate Governance in Mexico*	Mexico	Secondary data from the Securities Exchange Commission (SEC).	The paper describes the essential characteristics of corporations within the Mexican context. There is a high concentration in ownership and control with pyramidal structures; integration and diversification are crucial business entities. The general characteristics of Mexican corporations are essential elements to understand the general issues surrounding them and provide governance with actions to mitigate those issues.	Some limitations are related to the methodology because specific assumptions were made due to a lack of detailed information gathered.
23	Cater, J. J. and Kidwell, R. E.	2014	*Function, governance, and trust in successor leadership groups in family firms*	US	A qualitative study of nine family firms using in-depth, semi-structured interviews with grounded theory	The function and governance of successor leadership groups was analysed in the study. The authors conclude that using a group of successors improves trust with the family firm leader and through the members of successor groups.	Cultural limitations were highligted because no comparison with other studies of family/non-family firms in different cultures was offered.
24	Cennamo, C., Berrone, P. and Gomez-Mejia, L. R.	2009	*Does stakeholder management have a dark side?*	International	Theoretical discussion from different sources of information	Firms must create awareness of hidden costs and disfunctionalities of stakeholder management to create benefits for the venture.	Theoretical approach with no practical examples were addressed.

25	Chang, A.	2018	*Analysis on corporate governance compliance standards in New Zealand – a qualitative study on disclosures using content analysis and interviews*	New Zealand	Mixed study - Primary data with interviews and secondary data from public corporations	The study analysed the well-developed corporate governance in New Zealand. It was found that high compliance was detected in areas with a board composition and committees. Great awareness from the country to implement corporate governance to investors created positive outcomes for organisations and the country.	There is a limitatino in the analysed sample size because it represents three percent of total listed companies in the country. Those organisations are the most common in the country.
26	Chiu, I. H.-Y., McKee, M., Donovan, A. P., Edmunds, R., Kokkinis K., A., Lowry, J., Moore, M. T., and Reisberg, A.	2015	*The Law on Corporate Governance in Banks*	UK	Quantitative analysis using secondary data from the London Stock Exchange	Highlights the problems that banks face and the corporate governance initiatives immersed in these organisations. The critical problem is that profit maximisation entails taking substantial risks that cannot be controlled and sometimes differs from public interests. Agency theory is an element used to align managers' and shareholders' interests.	Corporate governance examples were based on public data. Studies from private entities might be useful to contrast the way corporate governance is implemented.
27	Chrisman, J. J. Chuab, J. H., and Steier, L. P.	2003	*An introduction to theories of family business*	International	Documentary analysis of previous work.	The theories related to family business include a connection with entrepreneurship. In addition, the authors argue that family business is a form of strategic management and innovation to fulfill economic needs so that the family system can endure.	The study did not provide practical examples that can be contrasted with theory.
28	Chun-Li, X., Chen, L., Chua, J. H., Kirkman, B. L., Rynes-Weller, S., and Gomez-Mejia, L.	2015	*Research on Chinese Family Businesses: Perspectives*	China	Analysing three articles and proposing pinpoints for family businesses.	Chinese family firms have grown because they can lower costs effectively, respond quickly to the complexities of the environment and expand their network. The authors show particular challenges in Chinese family firms and critical characteristics of these entities related to unique resources, governance, entrepreneurial family activity, political connections, corporate strategies, family governance, and agency issues.	There are differences and circumstances between China and Western (European and North American) countries that need to be contrasted with obtaining insights into family businesses and testing the hypothesis: there are unique issues within Chinese corporations that do not appear in the Western.
29	Clarke, T.	2004	*Theories of Corporate Governance: The Philosophical Foundations of Corporate Governance*	International	Mixed methods, including theoretical discussions	A diversity of corporate governance systems was highlighted worldwide, creating complexities to unifying concepts. However, philosophical theories surrounding the concept of corporate governance are addressed, such as agency theory, stewardship theory, and stakeholder theory.	Diverse examples were made mostly from developed countries.
30	Collins, L.; Grisoni, L.; Tucker, J.; Seaman, C.; Graham, S.; Fakoussa, R., and Otten, D.	2012	*The modern family business – Relationships, succession and transition*	International – UK, US, Germany	Mixed Methods. Theoretical narratives and Case studies. Quantitative analysis comparing secondary data from different countries.	Several case studies were analysed to highlight relationships between family members in family corporations, problematics, organisational transitions, and succession. The authors pointed out disadvantages for family firms such as less access to capital markets, confusing organisation because of the emotionally laden familial power relationships, Nepotism as many family members are hired based on blood ties, conflict because of family and business, compensation issues affecting team cohesion, and succession dramas.	No data neither examples from Mexican or other Latin american family companies was found. Cases were mostly grounded on developed countries.
31	Cumming, D.; Hou, W.; Lee, E. and Wu, Z.	2014	*Special issue on corporate governance and entrepreneurial finance in China*	China	Narrative	Different papers were presented as the base of Corporate Finance in Chine.	Brief description about chinese papers related to Corporate Finance. No methodological results were presented.
32	Dana, L. P. and Ramadani, V.	2015	*Family Businesses in Transition Economies Management - Succession and Internationalization*	Central and East European countries (Poland …) and Russia	Mixed methods including qualitative discussions and quantitative analysis from secondary data	Provides an outlook of family firms' research in transitional economies inlcuding challenges. The concept of family business is addressed considered those with ownership control by two or more family members; managerial and strategic influence by family members venture, and concern for family relationships with the possibility of succession. The authors also provide different categories of family business. The authors also highlighted conflict as a critical element immersed in family businesses. Sources of conflict: Future visions, goals and strategy, decision-making, managing growth, family competence in the business, financial stress, Lack of family communication, remmuneration, succession, and sibling rivalry.	Examples and research was focused on European countries and Russia. Differences in cultures might affect if compared with other countries in America.
33	Dawson, P.	2015	*Resolving Corporate Governance problems in executive stock option grants*	US	Quantitative analysis of secondary data from the annual Returns on Dow Jones Constituents, S&P 500 Index, and U.S. Treasury Notes	Different schemes for Corporate governance to decrease problems if managers and shareholders' interests are aligned. The agency problem was analysed because a conflict of interests was detected between management and the outside shareholders. Additional problems were addressed regarding conventional stock options schemes.	Theoretical details about agency could have helped to strengthen the analysis.
34	Dedoussis, E. and Papadaki, A.	2010	*Corporate Governance and Investment: domestic and foreign firms in Greece*	Greece	Quantitative model of asymmetric information hypothesis and the managerial discretion hypothesis; secondary data from different data bases	The study of 2,700 domestic and foreign (multinational) manufacturing companies states that nationality of ownership affects investment behavior and generates certain issues.	Investment behavior of family-owned was not addressed yet can be examined.

35	Del Giudice, M., Della Peruta, M. R. and Carayannis, E. G.	2011	*Knowledge and the Family Business - The Governance and Management of Family Firms in the New Knowledge-Economy*	Mainly in Italy. Western and eastern countries such as Germany, Lebanon, US, Japan … are mentioned	A mixture of quantitative and qualitative information. Documentary analysis was made to construct case studies.	Knowledge systems are critical elements that need to be grounded on corporate governance, including business transfer knowledge and knowledge from the economic context; the book uses examples from Italy as a critical element of analysis. A particular focus on family firms with a theoretical and practical basis helps better understand their properties and features. The concept of knowledge management plays a critical role in these entities' existence. Several decisions are made by family members that affect (positively or negatively) the performance of businesses, so Italian examples are provided to understand the complexities of the family business better. Knowledge transfer and learning are complex components that generate leadership issues within organisations. Leadership issues are detected related to agency problems, proper governance structures, ownership, and control. Examples (case studies) from US, UK, Japan … companies are shown to contrast general dynamics; conflicts are shown as marital conflicts, sibling antagonism, and divergent children's ambition from parents.	The limitation is related to the case study approach because there is insufficient available information; field data was difficult to obtain and not easy to get. Much information remains hidden in the field.
36	Del Giudice, M.	2017	*Understanding family-owned business groups – towards a pluralistic approach*	International – Italy, US and emerging markets, such as China, India, Russia, and Latin America	It is a theoretical discussion that uses quantitative analysis from other sources	The concept of the family business as an entity composed of a family, a business, and ownership was addressed, including theories surrounding such as agency and stewardship. Agency issues were detected and others related to ownership.	The case of Mexico was mentioned in the group of emerging markets. The specific examples discussed did not provide details of the analysis.
37	Dignam, A. and Galanis, M.	2008	*Corporate Governance and the Importance of Macroeconomic Context*	UK and US	Mixed methods using theoretical discussion and quantitative analysis from secondary data	It was discussed the impact of macroeconomic conditions on legal models in the UK and the USA; implying a transformation of corporate governance systems. Macroeconomic conditions have a crucial impact in corporate governance outcomes.	Because macroeconomic conditions impact corporate governance, further information was needed to compare with other countries such as Latin American.
38	Donaldson, L. and Davis, J. H.	1991	*Stewardship Theory or Agency Theory: CEO Governance and Shareholder*	US	Quantitative methods using a compensation survey	The analysis compared several board structures that use agency and stewardship approaches. Results tend towards stewardship theories because they facilitate authority structures and shareholder returns.	Other countries were compares such as Australian. However, no examples from Mexico or Latin America were made.
39	Dyer and Handler	1994	*Entrepreneurship and family business: exploring the connections*	Europe and North America	Documentary analysis of previous work.	Business and family assumptions tend to be perceived as unethical. Nevertheless, family commitment can be a fundamental element for success. The detected analytical dimensions of the study require a strong attachment with governance. It is complicated to obtain information from family and the business; moreover, getting information from the family system seems impossible if you are not part of this close circle. Leaders of these family entities must mitigate issues with governance actions between the business and the family and deal with family involvement in the firm, management succession, and ownership.	A deeper understanding of the business and family dynamics is needed; this type of information is difficult to obtain as it is private. Typically, access can only be gained by family members.
40	Eisenberg, M. A.	1993	*An Overview of the principles of Corporate Governance*	US	Qualitative – theoretical and legal discussion from ALI	Principles of corporate governance were discussed from the American Law Institute (ALI), considering Restatement rules (courts) and Principles. The objective and conduct of a corporation was described in legal terms, its structure, duties, and remedies.	No practical examples neither comparatives with other countries were made. Legal approach was only addressed.
41	Eisenhardt, K.	1989	*Agency theory: An assessment and review*	Mixed using theoretical discussion and quantitative data	Qualitative analysis from several resources	The analysis compares different concepts of agency theory, philosophies, and perspectives. A comparison of organisational perspectives was made, including issues with self-interest and other conflicts.	The theoretical analysis of agency theory lacks practical examples to different corporations.
42	Espinoza-Aguiló, T. I. and Espinoza-Aguiló, N. F.	2012	*Family business performance: evidence from Mexico*	Mexico	Quantitative analysis using secondary data of the Mexican Stock Exchange (univariate and multivariate analysis)	The authors compare differences in performance between family and non-family firms because of the influence of corporate governance systems in Mexico. It was concluded that family businesses in Mexico perform better than non-family ones.	Despite of the evidence presented, more variables are needed to confirm that family businesses in Mexico perform better than non-family ones. Also, governmental influence would be worthy of analysis.
43	Espinoza-Aguiló, T. I. and Espinoza-Aguiló, N. F.	2012	*Family Business Performance: Evidence from Mexico*	Mexico	Secondary data of 101 companies listed in the Mexican Stock Exchange for the 2000-2010 period.	The study's findings suggest that, for Mexican businesses, the increase in ownership concentration is correlated to an improvement in performance. Evidence suggests that family firms perform better than non-family ventures. Ownership concentration positively impacts firm performance and generates different issues in the family system and venture issues. It is more challenging to mitigate agency issues within family firms because of the vague dynamics between the two subsystems. It is challenging to detect and define leadership issues and the general dynamics between the business and the family in the Mexican context because of the complexity of gaining access.	There are new dimensions of corporate governance in the Latin American environment because most studies focus on listed organisations. More variables are required to be included to understand why family companies perform better than non-family entities. Financial firms were excluded because of the complexity of calculating Tobin's q.
44	Fahed-Sreih, J.	2018	*Conflict in Family Businesses - Conflict, Models, and Practices*	US and Italy	Documentary analysis and a mixture of primary and secondary data to construct case studies.	Conflict is a detonator of several operational issues that can arise within a family venture; hence, it is crucial to define conflict management techniques because these entities tend to be more exposed to conflict dynamics. The concept of conflict is approached with a theoretical base, including types, models, and causes. Conflict management frameworks are elements to deal with within family businesses; these business entities present additional issues related to their family business that needs to be appropriately addressed. Specific conflicts in the family business are detected, such as: "complex relationships, chronic pressures, work-family conflicts, and	The book is grounded on real-life experiences, generating debate on the methodological processes and the rigour of the analysis.

						factors beyond individual control (Fahed-Sreih, pp. 54, 2018)". Three types of conflict are defined: task conflict, relationship conflict, and process conflict; they also generate issues related.	
45	Fernández-Aráoz, C.; Igbal, S. and Ritter, J.	2015	*Leadership Lessons from Great Family Business*	Different countries around the world	Sample of 50 leading family firms in America, Europe, and Asia.	Top family-led companies establish good governance, preserve family gravity, identify future leaders, and bring discipline to their CEO succession. The authors' key survival components (governance, family gravity, and leadership succession) generate critical elements to define and solve leadership issues among corporations.	The study was made to top family business firms; however, more successful companies (private) can offer additional insights about their survival that are not considered.
46	Garcia, H.	2011	*Regulation, corporate governance on financial-leveraged companies Mexico case*	Mexico	Quantitative analysis with descriptive statistics and other tests using secondary data from public companies.	The study describes how corporate governance has improved in Mexico regarding board of directors, transparency in information, debt limitations, and shareholder rights.	Information based on public organisations; privately-owned family firms were not addressed.
47	Gibson, B., Vozikis, G., and Weaver, M.	2013	*Exploring governance issues in family firms*	Different countries like Germany and Japan	Theoretical elements from governance, stewardship theory, agency theory.	Compared with non-family firms, family business governance structures are likely to be more tightly linked and/or financially committed to their family. There are contextual variations that show family firms to be different from large firms regarding governance; this does not mean family firms need to ignore governance characteristics. Corporate governance, regulation, and control are fundamental elements of survival for ventures. Issues in family firms are related to agency problems, ownership, control, lack of structures, stewardship divergence, and individualistic/opportunist behaviours.	There is a problem of generalisability because the research related to corporate governance and family firms creates contextual variations that can lead to misconceptions and incorrect assumptions.
48	Gimeno, A.; Baulenas, G. and Coma-Cros, J.	2010	*Family Business Models – Practical solutions for the family business*	Spain	Mixed methods using secondary data from 1,500 Spanish companies	The authors propose a model to handle the complexity of the family business. Everything depends on the complexity of the family and the complexity of the business. Each part will create a certain level of issues. The model includes the following dimensions: institutionalisation, family business differentiation, management pratices, communication, and succession. Issues related to succession, ownership, family conflicts, nepotism, and interference from in-laws were detected.	Despite the detected issues, no further details were given, for example, cases and specific situations of conflicts in the family that can affect the business.
49	Glinkowska, B. and Kaczmarek, B.	2015	*Classical and modern concepts of corporate governance (Stewardship Theory and Agency Theory)*	Poland	Qualitative narrative of theoretical concepts	The authors addressed the concept of corporate governance as a system of managerial and supervision rules for corporations. Also, a comparison between agency and stewardship theories based on standards of the OECD attempting to improve the efficiency of supervisory boards was discussed.	The theoretical references were limited, mostly using resources from Poland. No practical examples were highlighted.
50	Gómez-Betancourt, G and Zapata-Cuervo, N.	2013	*Gobierno corporativo: una comparación de códigos de gobierno en el mundo, un modelo para empresas latinoamericanas familiares y no familiares*	UK, US, Australia, Japan, Mexico, Brazil, and Colombia.	Secondary Data – codes from public companies from fourteen countries.	Fourteen countries were analysed with a corporate governance perspective, highlighting differences in leadership and ownership. German and Norwegian structures are the best because they seek a balance in power. On the other hand, Mexican firms tend to centralise power and control, creating internal leadership issues with family and the business.	Limitations are based on the number of countries analysed; the authors suggest analysing additional structures in more countries to contrast the findings.
51	Guanghui, S. and Xiaohui, W.	2010	*China State-Owned Overseas Corporation's Optimal Corporate Governance Based on Double Principal-Agency Theory*	China	Quantitative analysis using Target Function Modeling	The authors discussed that it is more favorable for companies with concentrated equity to reduce the double agency costs to maximise stockholders' interest. Agency costs and conflicts of interest were detected between the shareholders and agents.	The explanation was purely Mathematical; no data was used within the models—only a description of the model.
52	Hall, A.	2012	*Family business dynamics - a role and identity-based perspective*	Sweden	Qualitative – interpretive research approach using primary data (interviews) to create in-depth case studies	The author is mainly focused on understanding the family relations and their influence on the family firm. Three family organisations were analysed. Primary socialisation, belonging, and individuation are elements that generate influence between the family members affecting the family venture.	The interpretive view generated rich content buth there might be many truths to open divergence in the analysis. However, a practical framework, comparing more theoretical elements, would have been helpful for practice.
53	Heather, T. S.	2003	*Corporate governance trends in Mexico*	Mexico	Qualitative – narrative from secondary sources and legal public documents	The objective of the study was to analyse improvements in corporate governance in Mexico released from the National and Banking Securities Commission (CNBV). Improvements are mostly seen in the transparency of financial reporting, functions of independent board members and committees, and corporate responsibility.	The improvements of the code of best corporate practices in Mexico were discussed without specific examples.
54	Heather, T. S.	2004	*Current Issues in Corporate Governance for Mexican Companies, Including Effects of Sarbanes-Oxley*	Mexico and USA	Documents of regulations and Sarbanes-Oxley statements. Information from public companies immersed in the Mexican Stock Exchange.	New regulations were created to improve the quality and transparency of financial reporting for public firms. Sarbanes-Oxley is a stepping stone to achieve reliability and accurateness for the Mexican business environment. There are inconclusive governance elements because the Mexican legal environment is dynamic and unstable, so additional and continuous changes will be expected. The vague Mexican environment generates other leadership issues in governance that need to be considered by executives.	There is no rigour in the discussion as it tends to have a more relevant approach. However, the lack of rigidness opens assumptions and room for debate.
55	Hennessey, S. M.	2005	*Corporate Governance Mechanisms in Action: The Case of Air Canada*	Canada	Quantitative analysis with secondary data from public Airlines	The study suggests that corporate governance can be limited even when most board members are foreign directors. The study is grounded on finance theory and has implications in agency theory because of the separation of ownership and control.	The study used public information without comparison with private entities or family organisations.
56	Hernandez, P., and Conejo, J. C.	2003	*Mexico takes on corporate governance challenge*	Mexico	Qualitative discussion from public and governmental information	The code of best practices in Mexico was discussed with improved principles related to information transparency and accuracy in reporting. It was clear that this is a code of best practices, Mexico does not have an obligation to use corporate governance guidelines.	The discussion did not provide any specific cases from Mexican organisations; only the discussion from legal and governmental documents.
57	Hicks, J.	1989	*A Market Theory of Money*	UK	Mixed methods using theoretical discussion and quantitative data	The Market theory was used in the monetary sector to reflect the development of the economy.	Practical examples are required to get a better understanding of the economic theory.

58	Howe, J. S.	2015	*Corporate Governance characteristics of firms that issue preferred stock*	US	Quantitative analysis using secondary data from the Compact Disclosure New Issues database	The study found that preferred issuers possess lower equity than their controls implying agency costs and other issues. Three corporate governance characteristics were analysed: managerial ownership, board size, and shareholder ownership.	The analysis used secondary avoiding information from private entities. Family companies were not highlighted.
59	Husted, B.W. and Serrano, C.	2002	*Corporate Governance in Mexico*	Mexico	Secondary data from the financial banking system and the Mexican stock market and contrasts with OECD.	Family control will continue in place because family capital is decreasing in contrast with external capital. Mexico needs stronger regulations because several issues are related to undisclosed information and vague uses of corporate cash flow.	The study is only focused on Mexico, so there is a need to compare results with additional countries.
60	Idowu, SO and Tunca-Çaliyurt, K.	2014	*Corporate governance - an international perspective*	International – Europe, Asia, and Africa	Mixed methods using theoretical resources and secondary data from public data bases	The six OECD's corporate governance principles were analysed including: ensuring the basis for an effective corporate governance framework, the rights of shareholders and essential ownership functions, the equitable treatment of shareholders, the role of stakeholders in corporate governance, disclosure and transparency, the responsibilities of the board. Despite this, several organisations worldwide have been immersed in scandals and frauds.	Mexican examples were not addressed in the study even though is part of the OECD.
61	Jackling, B. and Johl, S.	2009	*Board structure and firm performance: evidence from India's top companies*	India	Quantitative analysis with descriptive statistics using secondary data from the Bombay Stock Exchange (BSE)	Agency and resource dependence theories were addressed with the research. It was discovered that a larger board size has a positive impact on the performance of the analysed organisations; also, outside directors with multiple responsibilities negatively affect the performance of the ventures.	Further investigation is needed particularly on the unique aspects of family businesses.
62	Jain, S. and Nangia, V. K.	2014	*Corporate Governance Disclosures: Emerging Trends in Indian Banks*	India	Mixed methods using secondary information from public and private banks	Because of the increased competition, banks are starting to improve their corporate governance structures, including disclosure of information and transparency in reporting.	Despite the study included public and private banks, no family companies were highlighted in the study.
63	Josi, M., Dixit, S., Sinha, A. K., and Shukla, B.	2018	*Conflicts in a Closely Held Family Business: Durga and Company*	India	Qualitative analysis with primary data using unstructured interviews	It was found that conflict is inevitable inside the family business, but it is seen as a critical element of progress and improvement for the operations. Conflicts identified are related to ownership, management of business, governance, and succession ... Detailed examples about issues in the family business were explained. One was the gender; even though some daughters were professionally qualified, they were not allowed to participate in the business because of cultural beliefs.	Case study in an Indian corporation. No comparison with other companies was made.
64	Kakabadse, A. and Kakabadse, N.	2008	*Leading the board*	UK, Turkey, Australia, US, Ireland, Germany …	Research-based interviews with the chairman through several countries. Documentary analysis of theoretical concepts is also addressed.	The study analyses the chairman's dynamics, vision, values, and power to the board and the corporation. On a concrete way, the chairman's role as the leader of the board of directors is the most critical one that can define the success of a venture. Another important finding is that Board structure and formal governance guidelines are not essential in leadership issues. Transparency in the decision-making processes and reporting procedures are some of the issues detected. This book offers elements to delineate roles, boundaries, responsibilities, involvement, and influences among leaders to promote better business action and achieve higher performance. Where does the leadership role of the CEO end, and where does the chairman's start? Creating specific boundaries and clear guidelines is crucial for leadership practice. Examples of leadership dynamics are shown from different countries. In Turkey, within a public family corporation, there was interference and involvement from family members that generated critical issues to the firm; the difficulty to manage change through the next generations is another critical leadership issue to solve.	The contrast between the theory and the reality gathered from the interviews creates open perspectives and different realities of interpretation.
65	Kaufman, A. (1998)	1998	*Leadership and Governance*	US	Narrative about leadership and governance	The concepts of leadership and governance are defined to create a bridge between them. A discussion about the case of the leadership and governance of a University was addressed. Successful leadership must be based on tangible incentives, create a vision, and solve central governance and control issues.	The discussion was primarily centralised on leadership; deeper insights would have been helpful about the governance of the University.
66	Keay, A.	2017	*Stewardship theory: is board accountability necessary?*	UK	Qualitative approach with grounded theory	The paper shows that stewardship theory embraces directors' trust, loyalty, and willingness to concern for others' interests. It also rejects the foundation of agency theory.	Practical examples were not addressed, hence necessary to define possible issues.
67	Kenyon-Rouvinez, D., Koeberle-Schmid, A., and Poza E.	2014	*Governance in family enterprises – maximising economic and emotional success.*	International	Mostly qualitative research using primary data from public companies	The book covers both areas of family business governance: the family and the business. Examples from different companies are provided. Responsibilities, roles, and duties for the board and chairman are specified and complemented with examples.	A few Mexican companies were mentioned in the study without details. Also, the examples were from public family conglomerates such as Femsa. No private companies were mentioned.
68	Kenyon-Rouvinez, D. and Ward J. W.	2005	*Family Business – Key Issues*	Italy, US, Spain …	Systematic analysis of documents from the best international specialists in the field.	Elements of the family business in Italy that provide cultural beliefs, issues, and succession features are defined. Several examples and studies related to family businesses are shown from different organisations and international entities, such as the International Family Enterprise Research Association (IFERA), The Family Business Network (FBN) based in Lausanne in Switzerland, and Universities such as INSEAD, IESE, Bocconi, IMD, and Kellogg. Family businesses possess specific characteristics and problems derived from the operational tasks and the family system. It is a dream for business leaders to work harmonically with family members. Leaders require to envision the business in terms of long-term initiatives, define boundaries and measure the generations to provide a succession plan if they want the company to endure.	The research was mainly grounded on documentary analysis; insider research might be needed to complement the study. This perspective might create complementary insights with an internal view of family businesses.

						The critical issues of family businesses are succession, business viability, family harmony, and responsible and unified ownership. The definition of family members and management roles is arduous to generate aligned family and business dynamics.	
69	Kilenthong, W. T. and Rueanthip, K.	2018	*Entrepreneurship and family businesses in Thailand*	Thailand	Quantitative analysis using logit model to secondary data from Thai Socio-Economic Survey panel	On a concrete way, the study found that those who had a family member doing business are more likely to start their firm, regardless of whether they worked in the family venture. The authors did not find evidence that being a family member of a business owner increases the survival rate of the organisation. Only those with long hours in the business increase the probability of survival.	The study was focused on secondary data in Thailand. Comparisons with other countries might be worth to see if there are cultural differences.
70	Kirkpatrick, G.	2004	*Corporate governance – a survey of OECD countries*	International	Mixed methods using theoretical narratives and quantitative analysis for discussion	The study discusses the elements that contributed to corporate crises, inefficient allocation of capital, financial increase in costs, and growth decrease. Several cases were highlighted from differnet countres and changes made to corporate governance, including Mexico.	The examples made from different organisations did not specify family firms. Mexico was immersed in the statistics without details of corporate cases.
71	Kirkpatrick, G.	2009	*The corporate governance lessons from the financial crisis*	International	Mixed methods using theoretical discussion and quantitative data	Financial crisis is a factor that can affect corporate governance outcomes; hence, it is crucial to create robust risk management systems to improve the performance.	Countries like Mexico were not addressed in the discussion. Mostly developed countries.
72	Klock, M.	2016	*The enduring legacy of modern efficient market theory after Halliburton V. John*	US	Qualitative discussion of theoretical and legal documents	This article was of importance because it contains elements of market theory. The basic assumption is that the price of a company's stock is determined by the available information of the organisation, which can lead to fraud.	The discussion was based on information for public organisations. No quantitative comparison was made.
73	Knell, A.	2006	*Corporate governance: how to add value to your company - a practical implementation guide*	UK	Mixed methods including theoretical analysis from different resources including secondary information	A deep analysis of corporate governance highlights the board's structure, including related stakeholders to show how to add value to a business. Some elements discussed are Decision-making powers, Risk-taking, remuneration, and financial reporting and auditing.	Despite the well-structured details of corporate governance for organisations, there is no information to adapt the framework to family businesses.
74	Koeberle-Schmid, A. Kenyon-Rouvinez, D., and Poza, E. J.	2014	*Governance in Family Enterprises.*	US, Europe, Latin America, Asia	Mixed methods using primary and secondary data	The analysis includes several issues detected within family business such as nepotism, insufficient professionalization, issues in succession, a loss of family identity, loss of values, and specific family issues. A governance framework is proposed to address those issues.	Despite the authors address examples (conglomarates like Femsa) from Mexico, no specific issues from private sector were addressed.
75	Kumeto, G.	2015	*Behavioural agency theory and the family business*	International	Mixed methods deconstructing theoretical elements and comparing different studies	The author uses agency, prospect, and behavioural theories to analyse organisational risk behaviour from the decision-makers of a family firm. States that family organisations possess socioemotional elements between such as family control, influence, emotional attachment, and a need to renew family bonds through succession. The author also made a theoretical comparison of different authors about the socioemotional wealth of family firms.	The concept of socioemotional wealth (SEW) was addressed, no family business issues were clearly highlighted by the author. Mainly was focused on comparing different resources related to SEW.
76	Lansberg, I.	1988	*The succession conspiracy*	US	Narrative from different resources	The problem that many family firms face is continuity and succession; the lack of succession planning affects the assets of the family, its employees, and the community in which the business operates. The author shows a family business model that includes the family system, the management system, and the ownership system.	The author uses several sources of information; however, no details about insights immersed in the family system and specific leadership issues were found.
77	Lasfer, M. A.	2015	*On the monitoring role of the board of directors: The case of the adoption of Cadbury recommendations in the UK*	UK	Quantitative analysis using secondary data from the London Stock Exchange	The study results showed that the Cadbury adoption increasing outside board members generates improvement on the firms' performance. Suggesting that corporate governance recommendations have improved.	Only public data was analysed, without highlighting family organisations.
78	Learmount, S.	2004	*Corporate Governance: What Can Be Learned From Japan?*	Japan	Review of various studies and research related to corporate governance and Japan.	The author establishes concepts in corporate governance that are aligned with global standards but adapted to Japanese firms. Fourteen public Japanese companies were analysed to show issues and corporate scandals. This book shows the increasing interest and importance of implementing corporate governance codes within corporations. The specific board and leadership elements from Japanese organisations offer additional insights. The rigidity of their complex discipline systems, responsibilities, reciprocal duties, and trust are crucial elements considered within the Japanese environment. Corporate impropriety from public Japanese companies raises the need for more vital corporate governance guidelines. The general issues related to corporate are disclosure, accounting practices, board structures, and the role and influence of shareholders.	Limitations of the study are related to the governance concepts explicitly used for the Japanese economic environment. The rigid culture of this country generates contrasts with different cultures.
79	LeCouvie, K. and Pendergast, J.	2014	*Family Business Succession – Your roadmap to continuity*	International – US, Mexico, China, India …	Mixed Methods from different family organisations using primary data	Ownership continuity is a complex issue in the family business that was discussed and detected in the study. One of the studied organisations started with two brothers who share the same ownership. However, issues started to arise when the next generation immersed in the business. Effective leadership was challenging, and ownership transitions created differences in the family. Issues of succession, ownership, family conflicts between generations.	The study could have been contrasted with rigorous studies to compare succession results and general issues.
80	Lee, K. and Barnes, L.	2017	*Corporate governance and performance in Hong Kong founded family firms: evidence from the Hang Seng composite industry index*	Hong Kong	Quantitative analysis using secondary data from 75 public companies listed in the HSCII for five years.	Family firms in Hong Kong may not outperform non-family firms. Nevertheless, family firms with a founder as CEO are some of the best managed. Agency costs generated from the divergence between leader's interest and shareholders were addressed. So, the present study must analyse implications and costs related to family members' and shareholders' interests. Succession still is one of the central leadership issues in governance within Hong Kong corporations.	The study is limited to secondary data from Hong Kong. The author mentions some contrasts with other world regions, but no rigorous information supports the assumptions.

81	Lowengrub, P.; Luedecke, T. and Melvin, M.	2015	*Does Corporate Governance matter in the market response to merger announcements? Evidence from the US and Germany*	Germany and US	Quantitative analysis of secondary data	Despite differences in governance related to disclosure and public information, the authors found that there is no difference in market response and mergers from US and German firms.	The Mathematical model used for the analysis is robust yet does not provide specific details about similarities and differences in governance.
82	Lubrano, M.	2001	*Corporate governance: an international and Mexican perspective*	International	Theoretical discussion	The Latin American securites market is not showing a gradual evolution; hence, it needs governance practices to be improved. And the new markets that are emerging need to continue its improvement in terms of transparency.	The study could show quantitative data from the markets to see the behaviours.
83	Macey, J. R.	2008	*Corporate Governance: Promises Kept, Promises Broken*	US, UK, Europe, and Asia	Documentary analysis of previous work.	Theoretical elements of corporate governance related to investor expectations are contrasted with managerial action. Deviance in a business generates several issues that can alter its survival; corporate governance guidelines are elements to align and govern those entities. There are some divides between management and shareholder's expectations that in the long term generate issues and even decrease the performance in the organisation. One definition of lousy governance is precisely a promise-breaking behaviour. This book offers elements (theoretical and practical) and commitments to respect between managers and shareholders (who are also family members) that can be ruled with strict corporate governance guidelines. Even though there are contractual agreements with shareholders, there must be a solid commitment to achieve the expectations offered to investors and avoid additional issues and costs. Different cases are provided from executives of public entities (GE, Enron, Disney …), showing corporate governance dynamics issues.	The author made individual views, interpretations, and reflections. This personal perspective might create biases that need to be contrasted with rigorous research.
84	Machuga, S. and Teitel, K.	2009	*Board of director characteristics and earnings quality surrounding the implementation of a corporate governance code in Mexico*	Mexico	Secondary data, a sample of Mexican firms registered in the Stock Exchange	Some firms do not have concentrated family ownership and have more significant increases in earnings quality. Managers tend to use different strategies that are not necessarily aligned with shareholder's desires. Concentrated family ownership prevails in Mexico, generating leadership divides with managerial action. Earning stability from the managerial activity may not be highly valued as the strategic initiatives of the family prevail.	The use of various measures such as earnings management, income smoothing, and abnormal accruals. Methodological limitations make them challenging to analyse; so, additional factors may affect the earnings.
85	Macias, A. J. and Roman, F. J.	2014	*Economic consequences of the reform of corporate government in an emerging capital market - Mexican tests*	Mexico	Quantitative methods using secondary data from the Mexican Stock Exchange	The results of the analysis showed an improvement in corporate governance in Mexican public companies. Most organisation fulfill the suggested requirements for the corporate governance code.	Examples from private companies were not found—neither family organisations.
86	Madrigal-Torres, B. E., Luna-Ruiz, R. G. and Vargas-Hernández, J. G.	2017	*Multicultural leadership: comparative study India-Mexico'*	India and Mexico	Mixed methods – case study using primary data	The authors discovered that Mexicans and Indians tend towards a democratic leadership style. Specific characteristics from managers and leaders from both cultures were contrasted within the studied organisation.	Further research can be made contrasting other types of corporations—especially family firms.
87	Malla, P.	2010	*Corporate Governance: History, Evolution, and India Story*	India, Latin America, China, …	Secondary data from public organisations are used to exemplify concepts related to corporate governance from various countries. Documentary analysis of previous work is mainly used.	Theoretical foundations of international corporate governance concepts are merged with the influence and evolution of corporate governance in India. The author shows examples of public entities from Latin America (Brazil, Argentina, and Chile), China, France, Japan … explaining ownership dynamics and general corporate governance models. The author offers a continuous connection between ownership and control through rigorous and relevant information that shows the importance and evolution of corporate governance in India. Players, models, and regulations demonstrate key governance components to solve leadership issues to be used and adapted in the present study. Examples from listed companies show general dynamics of corporate governance, including ownership composition that affects the firm's performance. Some ownership structures are defined, such as pyramidal, cross (in Japan), employee inclusion, large institutional block holders, and retail. Ownership concentration is a key performance measure for organisations and leadership centralisation (CEO - chairman); it is also a characteristic that generates leadership issues in governance.	The author pretends to specify the concepts of corporate governance for novice readers. He also uses information from the economic environment to analyse the specific situation in India. Cases were not used to complement the analysis because the book was intended for novice readers (as the author claims).
88	Manoj, J.; Shailja, D.; Amit, S. and Balvinder, S.	2018	*Conflicts in a closely held family business: Durga and company*	India	Unstructured interviews in the family business were taken and triangulated with additional sources of information	The issues detected in the family business are related to ownership, management of business, governance, and succession. To attenuate conflicts in the family, the patriarch retained the financial powers and maintained an ownership concentration strategy. The case also shows that there was no succession plan that, in the end, led to additional leadership issues in governance.	It is limited to a family business in India.
89	Marnet, O.	2015	*Behavioural aspects of Corporate Governance*	International	Theoretical discussion	The study analyse corporate governance with an agency view, considering the board of directors and auditors for decision-making. Issues related to human cognition and perception were discussed, affecting decision-making.	The issues detected did not provide specific examples and details from firms.
90	Martin, D.	2005	*Corporate Governance and failure to act*	UK	Qualitative using information from public organisations	A discussion of the Cadbury code of best corporate governance practices was detailed including case studies from public organisations.	No details neither research from private companied were discussed.
91	Martin, D.	2006	*Corporate governance: practical guidance on accountability requirements*	US	Discussion using public sources of information	A discussion was made from scandals faced by big public organisations and in general about failures of leadership and governance.	No information about family companies was discussed; only public sources were used.
92	Martin, W. L., McKelvie, A., and Lumpkin, G. T.	2016	*Centralization and delegation practices in family versus non-family SMEs: a Rasch analysis*	US	Quantitative analysis of primary data - surveys to a sample of 321 firms	The study shows that family ventures have a more centralised decision-making processes and different delegation strategies that non-family firms.	No leadership issues were discussed.

93	Martínez, S. M. and Dorfman, P. W.	1998	*The Mexican entrepreneur*	Mexico	Primary data – semi-structured interviews	Findings stated that the entrepreneur creates a system of values, network of alliances, interpersonal links, patriarchal leadership model, trust relationships… In addition, critical characteristics of Mexican family business and entrepreneurs are discovered, such as the value of the families, importance of personal relationships, courtesy and respect, social and professional distance between supervisors and subordinates …	A limitation is related to the small number of informants that took the interviews.
94	Mayo-Castro, A.; González-Hernández, A, and Pérez-Sánchez, B.	2016	*Empresas Familiares en México: Gobierno Corporativo y la Sucesión*	Mexico	Secondary data from INEGI (Instituto Nacional de Estadística y Geografía)	The authors pointed out an elevated mortality rate of family corporations; hence, it is crucial to define governance structures and succession plans to mitigate that risk. The study's relevance supports the assumption that many Mexican family corporations lack corporate governance structures and succession plans. As a result, there is a high rate of mortality in the Mexican environment that can be avoided by analysing leadership issues, create controlling processes, and defining guidelines to solve conflicts with the business and the family system. Succession is also another leadership issue in governance that Mexican corporations struggle.	The qualitative section of the study has no details about the data gathering process. The biannual survey collected would provide additional elements of this section, but there are no details about the data collection process.
95	McCahery, J. A. and Vermeulen, E. P.M.	2008	*Corporate Governance of Non-Listed Companies*	US, Europe, and Asia	Detailed analysis and discussion from secondary resources	A comparison of governance laws and their structures was made from the US, Europe, and Asia. The discussion focus on non-listed organisations, including family businesses. It was found that especially family businesses are often confronted with complexities in governance and succession issues. The proposed governance framework includes company law, contractual mechanisms, and best governance practices.	Even though the discussion analysed the US corporate law, no mentions were made for the Latin American area.
96	Miller, D. and Le Breton-Miller, I.	2006	*Family governance and firm performance: Agency, stewardship, and capabilities*	International	Literature from distinct authors, governance, agency, and stewardship theories Also, data from existing articles such as Fortune 1000	Family businesses do better when they take advantage of the potential for lower agency costs and elicit attitudes of stewardship among leaders and majority owners. The authors create a relevant theoretical base on governance choices among family businesses that include level and mode of family ownership, family leadership, the broader involvement of multiple family members, and the planned or actual participation of later generations.	The heterogeneous group of organisations analysed generate significant differences and issues in their capabilities, performance, and analysis.
97	Morales-Barrón, H.; Quiroz-Chavez, O. A.; and Reza-Villarreal, M. K.	2020	*Corporate governance and directors' duties in Mexico: overview*	Mexico	Discussion of primary data from questionnaires	The overview includes an analysis of board composition, rules, duties, conflicts, audits … from directors or organisations. Also, internal audit processes and transparency. Conflicts of interest were detected in this study as issues in governance.	The discussion did not provide details about research methods neither approach followed to obtain the information.
98	Morgestein-Sánchez, W. I.	2015	*El gobierno corporativo en las sociedades no cotizadas. Algunos apuntes para el caso colombiano*	Colombia	Secondary data - Documentary analysis from specialised theoretical sources and public Colombian business sources	Vital initiatives to create governance structures arise in the Colombian economic environment. For example, closed companies are those that neither register nor trade their shares on the public stock market; these entities are the ones that try to include governance guidelines in their operations to avoid issues.	The author's research allows a deeper understanding of the Colombian reality; however, it is a unique adaptation that will not enable generalisability.
99	Mouna, A.	2018	*The effects of corporate governance on the stock return volatility: During the financial crisis*	France	Quantitative analysis proposing using Mathematical models used with secondary data from the French stock exchange	The study found that stock return volatility is dependent of the CEO, the audit size, debt ratio, and outside directors. The study highlights importance of corporate governance in organisations.	The data only used public information; no data nor analysis was made to private entities.
100	Nordqvist, M.; Marzano, G.; Brenes, E.R.; Jiménez, G. and Fonseca-Paredes, M.	2011	*Understanding Entrepreneurial Family Businesses in Uncertain Environments - Opportunities and Resources in Latin America*	Regions in Latin America	Documentary analysis separating the role and meaning of family in the business and entrepreneurship in established family businesses	It is a collaborative study on entrepreneurship within family businesses that touches regions in Latin America (Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Mexico, Panamá, Peru, Puerto Rico, and Venezuela). Explains the family business's role, solid organisational cultures, and additional economic elements that define corporate entrepreneurship, innovation, and new firms' creation. The literature on entrepreneurship and family business is separated into a) role and meaning of family as support for start-up and b) corporate entrepreneurship. This book offers conceptual frameworks and specific characteristics from family businesses in Latin America. Organisational culture is a factor that defines the heterogeneity of family ventures and even their performance. The emerging economies and specific dynamics in this area of the world also include additional considerations to be taken to lead corporations to endure. The research was based on case studies constructed with **qualitative case studies** (In-depth interviews, observations, and documentary analysis). The analysis chose a "**privately-owned, family business in Mexico" creating in-depth interviews with family and non-family members; results show that social capital's relational and structural dimensions** are crucial to creating cooperative environments.	Little research has been done about how leaders manage to survive in the uncertain environments of Latin America. The study does not address such issues with rigour and convincing evidence.
101	Nosé, L., Korunka, C., Frank, H. and Danes, S. M.	2017	*Decreasing the Effects of Relationship Conflict on Family Businesses: The Moderating Role of Family Climate*	Austria	Cross-sectional self-reported data obtained with questionnaires from a national sample of 392 family ventures and contrasted with the Aurelia database	A framework of family climate with three dimensions for analysis was addressed. The framework to analyse family businesses includes critical components such as adaptability, cohesion, and communication patterns (especially with the family system).	Future studies might include longitudinal data that would allow interpretation over time and insight into changing processes and the conditions under which family social capital tends to be consumed.

102	Odehnalová, P. and Pirožek, P.	2015	*Family Business in the Corporate Governance of MNCS*	Czech Republic	SMEs of up to 250 employees and 214 subsidiaries of multinational companies	The most centralised activity of family businesses was financial management. The contrast between family and non-family businesses provides elements of analysis for the study. Again, there are elements of solid control within a family business that characterise Czech entities.	Although it is a large sample, it is limited to information from the Czech Republic.
103	Pendergast, J. M., Ward, J. L. and Brun-de-Pontet, S.	2011	*Building a Successful Family Business Board - A Guide for Leaders, Directors, and Families*	The US and Europe	Primary data from consultation complemented with documentary analysis.	Effective boards in family businesses are important in duality with independent directors to provide corporate reliability and growth to the firm. The succession process and knowledge transfer can generate unstable corporate behaviors; additional issues related to training, mentorship, and shareholder's relations are addressed through family business dynamics. A design board framework is offered, and leadership elements show how to mitigate issues within the corporations. A key finding is that primogeniture ownership succession is less common; instead, ownership tends to be separated among family members. Knowledge transfer and training are vital elements to achieve effective succession processes that boards can address. Issues related to these entities are inherent in family businesses. Examples from family-controlled public entities were shown, such as Parmalat and Lehman Brothers Holdings, or public entities such as Enron.	The study used primary data from consulting activity; this relevant perspective might contain individual biases from researchers that were not contrasted with rigorous methodologies.
104	Piszczek, M. M. DeArmond, S., and Feinauer, D.	2018	*Employee work-to-family role boundary management in the family business*	US	Quantitative analysis with descriptive statistics from online surveys of 149 family and non-family employees in family businesses	The study highlights the boundary theory as a foundational element of this analysis. Their research suggests that family employees are very different from non-family employees in terms of boundaries. Even between nations, boundaries are important to avoid conflict. Specifically, the adoption of work–family guidelines and their implications on the workforce may allow balancing their responsibilities with their personal lives. Family employees have lower work-to-family conflict and turnover intentions rather than non-family employees.	The analysis was based on a single employee survey and small-locally-run family firms.
105	Poelmans, S.; Greenhaus, J. H., and Las Heras Maestro, M.	2013	*Expanding the Boundaries of Work-Family Research - A Vision for the Future*	International	Ethnographic studies using interviews.	The research stated that individuals are continuously immersed in multiple groups in work, the family, the society, and the community. However, these behaviors cause numerous conflicts if boundaries are not created properly. Evidence from different countries was presented, such as India, Spain, USA, and Japan.	The ethnographic analysis is mainly focused at the individual level. Family firms and boundaries related with employees are not highlighted.
106	Popp, A.	2012	*Entrepreneurial families: business, marriage, and life in the early Eighteenth century*	UK	Qualitative analysis from a wide range of archival sources	The discussion started in 1832 with the story of an English hardware merchant. Different challenges were discussed, from an enterprising couple and family demanded, when managing work and family. One of the rich things discovered is the everyday life challenges in most families related to a business. The couple found what is called separate spheres, meaning that each element of the family needs to be defined on the roles, daily activities, responsibilities, strengths, and weaknesses to function properly in the family and the business. The male and female ideology was out of the table to define all those elements. The business also generates anxieties and worries that affect the couple experiencing physical and mental exhaustion. Sometimes this results on emotions and tensions in the couple.	Despite the fruitful information collected from this study, comparisons with different family businesses from different countries would be worth it.
107	Rafique-Yasser, Q.	2011	*Corporate Governance and Firm Performance: An Analysis of Family and Non-family Controlled Firms*	Pakistan	Secondary data – a sample of 134 companies listed in the Karachi Stock Exchange between 2003-2008	There are significant differences between family and non-family-controlled firms' performance. Boards that professional directors compose have a positive impact on the performance of the firm. Evidence suggests that the variables related to corporate governance improve the firm's performance.	The study used data from Pakistani organisations; there is no contrast with other regions of the world.
108	Randoy, T.; Dibrell, C. and Craig, J. B.	2009	*Founding family leadership and industry profitability*	Sweden	Sample of 294 firm-year observations from 98 publicly traded companies	Founding family leadership enhances firm value and profitability in higher-profit margin industries due to the ongoing family influence. Findings suggest that family-owned firms have a significant impact on all economies. However, publicly traded family firms require adaptive ownership and governance structures strategies, especially when entering different countries.	The overall representativeness of the findings may fall short as family firms are more attracted to high-profit margin industries and potentially avoid entry in more competitive industries
109	Rhodes, K. and Lansky, D.	2013	*Managing Conflict in the Family Business – Understanding challenges at the intersection of family and business*	US, UK, and several experiences from various countries	Documentary analysis of previous work	A delicate intersection generates conflicts, volatility, and destructive behaviors; this point is made between the family system and the business. Common dilemmas related to compensation and ownership, families tend to be averse to conflict, triangulating issues with third parties, the rivalry between siblings, privileges and lifestyles affectations, avoidance of responsibility for decisions, events, and situations were addressed. Also, tensions related to leadership governance are grounded on personal relationships in the family and the business. It is crucial to fulfill and even control (with governance guidelines) the needs of the three domains of any family business: a) family, b) business, and c) ownership.	The narrative does not provide rigorous quantitative elements to support the common dilemmas and tensions immersed in family businesses. There is no clarity that the information provided can be applied within any country.
110	Rocha-González, J.M.	2011	*Boards of directors and corporate governance in Mexico*	Mexico	Quantitative analysis of secondary data from 115 firms quoted on the Mexican Stock Exchange in 2004	Characteristics of corporate governance structures were analysed from public companies in Mexico. It was found that Mexico is the country with the most family-owned firms. There is an ownership centralisation among the studied ventures in Mexico really strong because of the legal environment in the country. The average of board members is 21, with particular relationships and connections among other organisations.	The study is limited to analysing only public firms. Private companies were not mentioned nor compared.
111	Rosenbaum, M.	2004	*Corporate Governance an Emerald Guide – Road map to peace (in the boardroom)*	US	Discussion using theoretical resources and secondary data	Because of several corporate scandals, the author highlights importance of corporate governance in organisations by using Sarbanes-Oxley. It specifies roles and general responsibilities of directors, CEO, and the board.	The paper lacks detailes examples about frauds and implementations of this act.
112	Ruiz, C. E.; Wang, J. and Hamlin, R. G.	2013	*What makes managers effective in Mexico?*	Mexico	Qualitative study based on the grounded theory using primary data	The study focused on analysing leadership in Mexican executives. The authors found that employees perceive Mexican leaders as approachable, democratic, and hard working.	Only one region of Mexico was considered for the study hence generalisation can be complicated to achieve.

113	Saltaji, I. M. F.	2018	*Corporate Governance: A General Review*	International	Theoretical discussion	The article creates a theoretical discussion of the concept of corporate governance. Research suggests that there is no unified concept of corporate governance, hence can be seen as a system of relationships between serveral stakeholders to manage and control an organisation. A list of benefits, controls, and principles was discussed.	No study from specific organisations was made to see the implemetation of the concept.
114	Samad, F. A. 2015	2015	*Corporate Governance and Ownership Structure in the Malaysian corporate sector*	Malaysia	Quantitative using secondary data	The study focuses on ownership concentration and financial decision-making. The findings showed that ownership concentration increases the performance of a firm.	The relation between corporate governance and performance was found on a crisis. Hence, different results might arise in different conditions.
115	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*	Mexico	Secondary data from the Stock Exchange 2005-2009	The relationship between ownership concentration, the composition of board, debt, and performance is different for family holding companies than for companies with lower ownership concentration. Academic research explicitly recognises the prevalence and better performance of family businesses around the world. However, there are a low number of studies in Mexico that allow actionable knowledge to be created in family firms.	Further research is needed to better understand the effect of family on firm performance, especially in the Mexican context.
116	San Martin-Reyna, J.M. and Duran-Encalada, J. A.	2015	*Effects of Family Ownership, Debt and Board Composition on Mexican Firms Performance*	Mexico	Secondary data from public companies	Exists a positive association between family ownership concentration and performance. Ownership concentration and family firms typically have more concentrated ownership. The relationship between ownership concentration and performance has several dynamics depending on the economic arena. In the Mexican context, performance is positively associated with ownership control, especially in these family entities.	The results may be only valid for Mexico and possibly for countries with a relatively high concentration of firm property.
117	San Martin-Reyna, J.M. and Duran-Encalada, J. A.	2017	*Radiografía de la Empresa Familiar Mexicana*	Mexico	Secondary data was used from public databases and complemented with a questionnaire to 1,496 companies; 83% were identified as family ventures.	The authors offer insights on ownership centralisation, strategies, and governance in public family corporations. Specific details about companies through all the states of the Mexican Republic are shown derived from the analysed data. A crucial component that defines the family companies in Mexico is ownership centralisation. Usually, the founder (also the shareholder with most of the shares) is the one who takes the decisions and assumes full responsibility for the organisation. The study analysed public entities because it is an easy way to obtain secondary and primary data; contrasts of data from each state and several characteristics and issues of family ventures support the ownership centralisation style.	Further research is needed within privately owned family businesses and within those called (PYMES – Pequeñas y Medianas Empresas), representing most business entities in Mexico. However, it is not easy to obtain information from this type of closed organisations.
118	Saravanamuthu, K.	2015	*Corporate governance: does any size fit?*	International	Discussion of different resources	The narrative contrasts different resources related to corporate governance.	No examples of organisations were presented.
119	Shamsudin, S. M. and Noor, R. M.	2012	*Corporate governance and tax compliance: A study on Small Medium Enterprises (SMEs) in Malaysia*	Malaysia	Quantitative analysis with descriptive statistics using secondary data from SME	From a corporate governance perspective, directors have a crucial role in tax compliance matters. Also, it was found that a larger board size is linked with higher tax compliance.	A limitation was the insufficient information provided especially financial statements. Also, no details about family companies were specified.
120	Sharma, P.	2004	*An Overview of the Field of Family Business Studies: Current Status and Directions for the Future*	International	Qualitative analysis of different resources	The concept of family firm was discussed with no concrete definition found. The literature stated analysing family ventures from three dimensions: individual, interpersonal or group, organisational, and societal.	No concrete examples or cases from organisations were presented. Only a contrast of theories and knowledge creation for the field.
121	Sharma-Wallace, L., Velarde, S. J. and Wreford, A.	2018	*Adaptive Governance good practice: show me the evidence*	International	Systematic literature review methodology	The authors contrasted the methods used to analyse adaptive governance as a theory for complex problems.	The theoretical discussion lacks detailed examples that use adaptive governance as a problem solver perspective.
122	Siebels, J. F., and Knyphausen-Aufsess, D. Z.	2012	*A review of theory in family business research: The implications for corporate governance*	International	Comprehensive review and a critical assessment of the theoretical resources	An analysis of different sources of information related to family business and corporate governance was made. The theories related include principal–agent theory, stewardship theory, and the resource-based view of the firm. None of these theories address all complexities associated with family businesses and corporate governance. From an agency perspective, conflicts of interest and asymmetric information are issues in family firms. Agency costs associated with the separation of ownership and control were also addressed. Non-economic motives of parental altruism may cause owner-managers to make decisions in favor of their employed children, harming the business. Opportunistic behavior and succession issues were mentioned.	Several issues related to the theories were highlighted. Perhaps a practical and more detailed explanation of the issues could complement the study.
123	Sikka, P.	2019	*Corporate governance and family-owned companies – the case of BHS*	Thailand	Secondary data from previous cases, narratives, letters, press, and public databases	The present case study offers practical knowledge of governance strategies used by Thai organisations. The ownership structure and the close involvement of family members alleviate agency problems; these dynamics provide the firm a long-term orientation compared to a corporation with dispersed shareholding and control.	The limitation is linked to a unique company that was analysed as a case study.
124	Stanculescu, A.	2018	*A new approach of Corporate Governance*	Bucarest	Discussion using secondary data	The study briefly discusses corporate governance mechanisms trying to propose a new paradigm.	No examples of firms were detailed neither quantitative data analysed to contrast resources.
125	Subramanian, 2018	2018	*Stewardship Theory of Corporate Governance and Value System: The Case of a Family-owned Business Group in India*	India	Case study was used different sources of information	The studied organisation has ethical and governance structures that enable managers to display stewardship behaviour in protecting the interests of the shareholders and society.	Single case study that was not contrasted with other cases.
126	Suehiro, A. and Wailerdsak, N.	2004	*Family Business in Thailand - Its Management, Governance, and Future Challenges*	Anglo American jurisdictions	Secondary data from the Stock Exchange of Thailand – 448 listed firms	The family business still strongly persists and can be categorised into four groups: closed family businesses, specialised family businesses, authoritarian family conglomerates, and modem. Building a solid organisation that benefits the family as a whole and other business stakeholders is especially encouraged. There is a tendency to	It is limited to the data obtained from the Thai Stock Exchange.

						use pyramidal structures with the typical centralised ownership. Good corporate governance is a new issue in Thailand.	
127	Tagiuri, R. and Davis, J.A.	1992	*On the goals of successful family companies*	Unites States	Primary data – survey to more than 100 participants; then survey 524 participants from family-owned companies—quantitative analysis.	Theorists stated that discovering the company's family business goals is a difficult task; more difficult is obtaining the goals that are not necessarily aligned, from the family system. Family business is a complex entity composed of three interrelated sub-systems: family, ownership, and the business. These entities possess complex dynamics and linkages that can create issues if not governed properly.	No specific examples of family issues were highlighted. Yet, the importance to define company goals and the objectives of the family system is crucial to avoid differences.
128	Tichy, N.M.	2014	*Succession – mastering the make or break process of leadership transition.*	International	Mixed methods	A deep analysis of examples of leadership succession were analysed considering implications, problematics, and challenges.	Examples and perspectives from emergent countries could have been useful for the study.
129	Tricker, B.	2015	*Corporate governance: principles, policies, and practices*	International	Mixed methods	The author discussed the concept of corporate governance, its theories, phisolophies and several examples. It also shows different corporate governance frameworks used in different countries.	Mexican organisations could be considered in the study to complement the examples and see perspective in other non-developed countries.
130	Tudway, R. and Pascal A. M.	2006	*Corporate Governance: Shareholder Value and Societal Expectations*	Anglo American jurisdictions	Analysis from legal and other secondary resources	There is no clarity on the expectations from directors when trying to meet their duties to maximise shareholder value. The study showed that there is non-accurate communication between shareholders and directors regarding this matter of maximisation.	The discussion includes examples that did not provide details about challenges and specific situations between the agents.
131	Van den Berghe, L.A.A. and Carchon, S.	2002	*Corporate governance practices in Flemish family businesses*	From different regions of the world	Primary data created from a survey instrument made to 2602 firms but with valid data of 325	The composition of the shareholders differs from family and non-family firms. Families have an active policy toward keeping control over the firm. As a result, different family ownership structures and different family generations influence the governance structures. Ownership centralisation seems to be one of the favourite structures within these types of entities.	Continual scientific efforts are required to improve family firm governance, distinctive characteristics, and corporate governance affectations.
132	Van den Berghe, L.A.A. and Carchon, S.	2003	*Agency Relations within the Family Business System: an exploratory approach*	UK	The discussion analyse theoretical resources and assumes a specific situation to be modeled mathematically	The agency theory helped define a family business as an entity with one central dimension: family involvement in the firm. However, family firms possess specific agency relations, a particular ownership structure, and a business system. Ownership and control again contrast in family businesses. The authors presented a typology of family business contrasted with different theoretical perspectives. With an agency theory perspective, conflicts of interest are a latent source of conflict in family business.	The mathematical model of the family firm is limited to two individuals where all shares are held by a single person (founder who is the father) and management is in the hands of a relative (the daugther).
133	Watson, S. and Vasudev, P. M.	2017	*Innovations in Corporate Governance – Global perspectives*	International	Analytical discussion from several sources of information	The study provides international tendencies in corporate governance. It also tries to identify common elements and differences from the resources.	Examples and research were mostly focused on listed organisation.
134	Wei, J. G., Zhang, W. and Xiao, J. Z.	2015	*Dividend payment and ownership structure in China*	China	Quantitative analysis from secondary information – listed organisations	The study found relations between state ownership and cash dividend payment and correlations between private ownership and stock dividend payment. It concludes that managers of the analysed organisations prefer different shareholders.	The study focused on Chinese information; specific differences might apply to other cultures.
135	Weston, H.	2018	*Flash Traders (Milliseconds) to Indexed Institutions (Centuries): The Challenges of an Agency Theory Approach to Governance in the Era of Diverse Investor Time Horizons*	US	Mixed methods using secondary data and legal resources	The normal agency issues were found associated with the separation of ownership and control. Differences between the ownership of publicly-traded and private firms were highlighted, suggesting differences in agency issues.	Detailed examples of private organisations were not discussed—only theoretical and legal concepts of these entities.
136	Zona, F.	2016	*CEO Leadership and Board Decision Processes in Family-Controlled Firms: Comparing Family and Non-family CEOs*	Italy	Secondary data from 104 Italian family firms	Cognitive conflict is particularly beneficial for board task performance under a non-family CEO, while knowledge and skills are especially beneficial under a non-family CEO. The specificities of family firms provide valuable opportunities to explore the implications of decision processes for broader organisational contexts.	Findings are limited and apply to large Italian firms. Hence, further detailed examinations are needed to explore whether the results are consistent across countries and different family firm size clusters.
137	Zoran, V.	2012	*Importance of Corporate Governance*	International	Discussion from theoretical and legal resources	Fundaments and the importance of corporate governance were discussed. Principles provided by the OECD were analysed with their impact on institutions.	No clear and detailed examples from private corporations were discussed.

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