

GOVERNANCE BODIES IN THE FAMILY BUSINESS: A BIBLIOMETRIC STUDY

**LOS ÓRGANOS DE GOBIERNO EN LA EMPRESA FAMILIAR: UN ESTUDIO
BIBLIOMÉTRICO**

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BIBLIOMÉTRICO**

Andrés Camilo Aponte López

Master's in Interdisciplinary Studies on Development, University of the Andes, Professor at Corporación Unificada Nacional de Educación Superior CUN. ORCID: 0000-0003-4998-7945. E-mail: andres_aponte@cun.edu.co, Ibagué - Colombia.

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Abstract

The article presents a documentary review about the necessary governance bodies to manage the family business (FB). The main objective was to examine the current state in the literature on this subject. A systematic review of documents was used, combining various bibliometric methods, in order to map the topics related to corporate, family, and FB governance to better understand their development and interaction. In the analyzed articles, it was discovered that the FB consists of three areas, which are family, business, and ownership. These operate efficiently in the first generation when everything revolves around the figure of the founder;

however, the growth of these areas brings management challenges, hence the need to establish governance bodies. It was concluded that the creation and operation of these bodies are fundamental to contribute to the management of the FB in all its aspects, thereby breaking free from founder dependence to achieve a professionalized corporate governance.

Keywords: administration; management; organization; small business; family unit.

JEL: M10; M14; M19; M48; M49.

Resumen

El artículo presenta una revisión documental acerca de los órganos de gobierno necesarios para administrar la empresa familiar (EF). El objetivo principal fue examinar el estado actual en la literatura sobre este tema. Fue utilizada una revisión sistemática de documentos que combina varios métodos bibliométricos, con el fin de mapear los temas que se relacionan con el gobierno corporativo, familiar y la EF para comprender mejor su desarrollo e interacción. En los artículos investigados se descubrió que la EF consta de tres ámbitos, que son la familia, la empresa y la propiedad. Estos funcionan de manera eficiente en la primera generación, cuando todo gira en torno a la figura del fundador; sin embargo, el crecimiento de estos ámbitos conlleva desafíos en la gestión, por lo que es necesario establecer órganos de gobierno. Se concluyó que la creación y el funcionamiento de estos órganos son fundamentales para contribuir a la administración de la EF en todos sus ámbitos, logrando así, desprenderse de la dependencia del fundador para que haya un gobierno corporativo profesionalizado.

Palabras clave: administración; gestión; organización; pequeña empresa; unidad familiar.

JEL: M10; M14; M19; M48; M49.

Resumo

O artigo apresenta uma revisão da literatura sobre os órgãos de governança necessários para administrar a empresa familiar (FB). O principal objetivo foi examinar o estado atual da literatura sobre esse tópico. Uma revisão sistemática de documentos combinando vários métodos bibliométricos foi usada para mapear as questões relacionadas à governança corporativa, familiar e de EF, a fim de entender melhor seu desenvolvimento e interação. Os artigos investigados

constatarem que a governança corporativa consiste em três domínios: família, empresa e propriedade. Esses domínios funcionam de forma eficiente na primeira geração, quando tudo gira em torno do fundador; no entanto, o crescimento desses domínios traz desafios para a gestão e os órgãos de governança precisam ser estabelecidos. Concluiu-se que a criação e o funcionamento desses órgãos são essenciais para contribuir para o sucesso da empresa. Concluiu-se que a criação e o funcionamento desses órgãos são essenciais para contribuir para a gestão da EF em todas as suas áreas, conseguindo assim um distanciamento da dependência do fundador para ter uma governança corporativa profissionalizada.

Palavras-chave: administração; gestão; organização; pequena empresa; unidade familiar.

JEL: M10; M14; M19; M48; M49.

Introduction

The family business (FB) is possibly one of the oldest structures in humanity, typically associated with hereditary factors, the transmission of institutional values from a founder or family, and the work carried out by family members within the business. Despite research on FBs, there is no clear definition of them (Ferreira et al., 2021; Silva et al., 2021; Zellweger, 2017). Several relevant themes for FBs exist, such as governance bodies, succession and generational change, family dynamics, corporate governance, family protocol, environmental conditions influencing the growth of such organizations, and business strategies that enhance economic outcomes (Blanco, 2021; Camisón et al., 2020; Solano, 2017).

Other distinctive features of FBs may include the family's desire to honor the founder's legacy into the future, the transmission of knowledge or craftsmanship to subsequent generations, and the family's intention to preserve intergenerational wealth. This wealth not only refers to financial capital but also to intangible capital (know-how), family capital (relationships, reputation), and social capital (social responsibility) (Aponte, 2019; Martín et al., 2020).

According to the Family Firm Institute (cited by González et al., 2018), 85% of new businesses established worldwide arise from family capital, and over 65% of FBs aim for revenue growth in the next 5 years.

In the United States, 96% of businesses are family-owned, totaling 25 million enterprises, contributing 64% to the GDP and generating 62% of employment. Moreover, they account for 78% of new jobs and comprise 35% of the country's 500 largest companies. In the European Union, there are approximately 20 million FBs, representing 60% of all businesses and employing around 100 million people. Other countries with a notable presence of FBs include Italy (99%), Japan (97%), Switzerland (88%), the United Kingdom (76%), Spain (75%), Portugal (70%), Ecuador and Mexico (90%), and Chile (65%) (Galvis, 2019).

In Latin America, approximately 80% of registered companies are small and medium-sized family enterprises (SMEs), contributing over 50% to the GDP and 68% to job creation. Similarly, 85% of businesses in Latin America are family-owned, employing around 30% of the population and representing 6% of the world's 250 largest companies (González et al., 2018).

In Colombia, there are around a million companies, of which 670,000 are family-owned enterprises (FEs). Their contribution is approximately one-third of the GDP, two-thirds of employment, and 20% of exports. Moreover, it is estimated that 65% of companies in the country are family-owned. The majority of these companies are young, first-generation enterprises, primarily in the service sector (45.6%) and trade (23.5%) (Aponte, 2019; Arenas & Rico, 2014; Fundes, 2008, cited by Gamez, 2020; García and Guerrero, 2017; Sukier et al., 2017).

The fact that the human capital of FBs consists of the same family is their main strength due to the bonds of unity, trust, and love. However, if not managed properly, this can lead to confusion and misunderstandings within different roles. Additionally, internal disputes may arise due to personal interests or neglecting some aspect of the FB, leading to imbalance and harm to the entire system (Biswas et al., 2019; Izquierdo et al., 2017).

According to the above, establishing corporate governance structures such as the board of directors or shareholders' assembly, as well as family governance structures such as family protocols and councils, becomes an urgent necessity. These structures promote better decision-making, transparency, communication within the company and the family, maintain control, and preserve the interests of the founding family over time (Randolph et al., 2023; Trujillo et al., 2021).

Methodology

In this article, a bibliometric review of the literature was conducted using statistical tools to identify trends and citations on a specific topic by year, country, author, journal, method, theory, and research problem. For this purpose, the open-source software Bibliometrix was used, which is widely utilized in these types of reviews as it provides interesting graphical elements (Paul & Criado, 2020).

The analysis of the extracted data allowed the identification of the most relevant authors in terms of citation index, number of citations, and author's production over time. Additionally, it was possible to identify the most significant keywords in the literature.

The data for the bibliometric analysis were collected from the Scopus database, with filters such as articles published in English and document types including research articles, book chapters, and review articles. The search criteria were: "Corporate governance" AND "Family governance" AND "Family firms," which corresponded to the fields of title, keywords, or article abstract. The data search covered the period from 2004 to 2023. Table 1 presents the results of the aforementioned search, which yielded 26 documents.

Table 1

Bibliometrix Results

Description	Results
Time Period	2004 to 2023
Sources (Journals, Books, etc.)	23
Documents	26
Annual Growth Rate %	0
Average Age of Documents	5.46
Average Citations per Document	21.88
References	1
Keywords Plus (ID)	44
Author Keywords (DE):	83

Authors	62
Authors of Single-authored Documents	1
Single-authored Documents	1
Co-authors per Document	2.69
Percentage of International Co-authorship	34.62%

Source: own elaboration based on bibliometrix (2023)

Due to the incomplete results obtained from the Scopus search, it was necessary to conduct a descriptive analysis in other databases such as Jstor, Ebsco, Dialnet, Redalyc, and Google Scholar. In order to assess the relevance of these articles for this literature review, a somewhat broader conception of FBs was used. This means that articles addressing FBs in a general sense were also examined, gradually progressing to more specialized articles on the topic, in order to avoid overlooking relevant articles (Reyes & Carmona, 2020).

The criteria for selecting articles were as follows:

1. Publications between January 2013 and June 2023.
2. Articles available in full text in English or Spanish.
3. Material published in peer-reviewed scientific journals.
4. Articles addressing the topic of governance bodies in family businesses.

The articles were read to validate the information they provide about governance bodies in FBs.

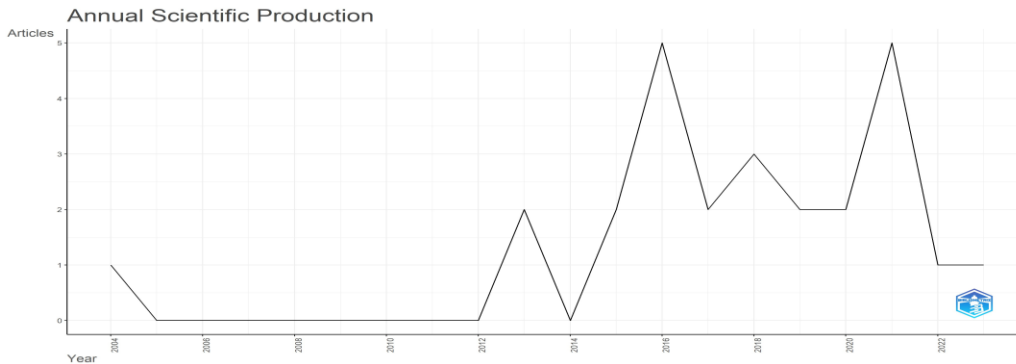
As exclusion criteria, documents with the following characteristics were not considered: exploratory research, case studies or isolated narrative reviews, and studies with subjective, incomplete, or unclear methodology. In the manual review, 33 related documents were found, resulting in a total of 59 documents reviewed on the addressed topic.

Figure 1 illustrates the evolution of articles and citations published each year on corporate and family governance in family businesses. Until 2012, the field did not see an increase in

publications since its foundation in 2004. The growth of publications from 2012 to 2021 was irregular; however, since 2014, there has been a steady increase in the number of published articles. 2016 and 2021 were the years with the most publications, reflecting a young, recent, and expanding scientific domain.

Figure 1

Annual scientific production

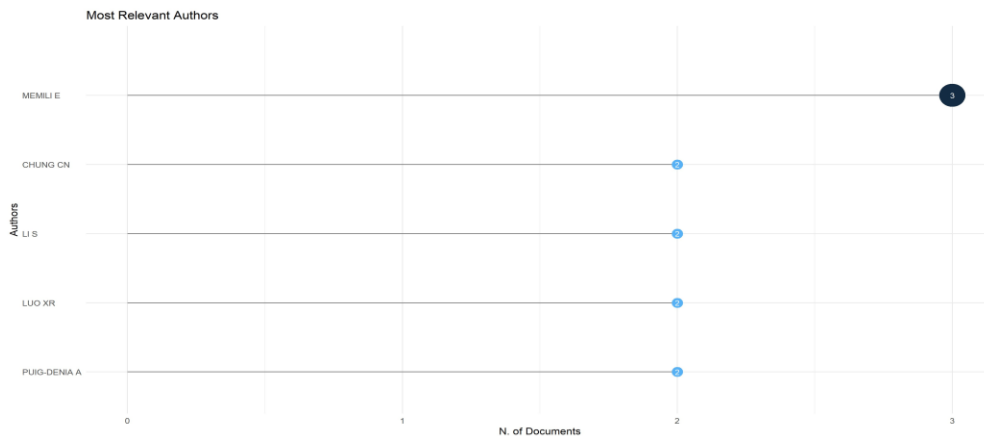


Source: own elaboration based on bibliometrix (2023).

Figure 2 displays the most prominent authors regarding the study topic. It highlights that Memili has 3 published articles, while Chung, Li, Luo, and Puig-Denia each have two.

Figure 2

Most relevant authors

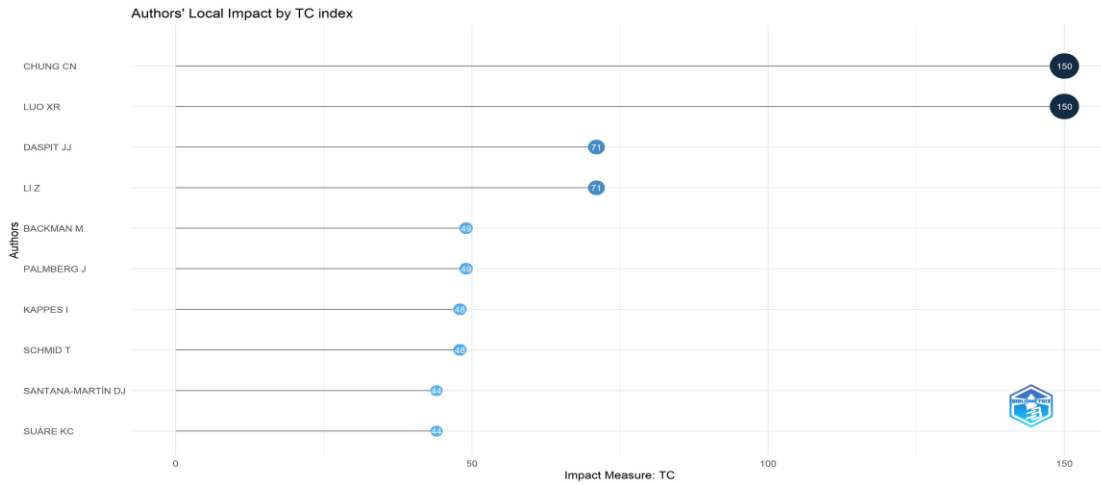


Source: own elaboration based on bibliometrix (2023).

Figure 3 presents the top 10 authors with the highest local impact in terms of citation index, among which Chung and Luo stand out with an H-index of 150 each, followed by Daspit and Liz with an H-index of 71 each.

Figure 3

Local impact of authors by index



Source: own elaboration based on bibliometrix (2023).

Figure 4 displays the significance of the top 10 keywords within the reviewed dataset. It highlights keywords such as corporate governance, family firms, family business, and family governance

From an economic perspective, families have been driven to form businesses due to the need to generate production. This phenomenon led to the emergence of markets and subsequently to capital, the opportunity to obtain profits, money, agreements, and law as fundamental institutions (Nogales, 2020). Additionally, families have contributed to the economic development of nations. Among their objectives as an institution and their particular characteristics are family cohesion, philanthropy, the creation of new businesses, family learning, support for the needy, and participation in political and social spheres. These are considered key elements for promoting entrepreneurial development (Diaz, 2017).

For FBs, the family is the central axis as they are the owners not only of material assets but also of roots and a sense of belonging that they seek to preserve over time. From there, innovation activities arise that generate intergenerational value, allowing them to be sustainable and competitive. Additionally, family involvement in decision-making and business control can have a positive impact on their financial performance (Aponte, 2019; Franzoi & Mietzner, 2021; Su & Daspit, 2022). However, the emotional nature of the family, which provides a sense of mutual collaboration, could potentially lead to a subjective decision-making process, which may distance the family and ultimately destroy the business. This is one of the main challenges of FBs since their founders focus so much on the business sphere that they neglect family management. This complicates the inheritance of family ownership (Lopez et al., 2020; Rave & Hernández, 2023).

Family Governance Bodies

Next, we present the governance bodies concerning the family domain in FBs, which are: the family assembly and the family council.

Family Assembly

The initial meetings of the FB are informal and frequent in nature. The aim is to communicate values, generate new ideas, and prepare the next generation. However, this becomes inefficient as the family and the business begin to grow, leading to the establishment of the family assembly (López, 2019; Moreno & Lafuente, 2020).

This body aims to foster greater commitment among its members, promote good relationships, and foster family unity. It also has two objectives: 1. To inform the family about the activities and decisions made in the business with proper justification; and 2. To educate the family in the business culture, transfer values, and emotional ownership of the company (Jiménez et al., 2017). The family assembly is a discussion space where the family addresses simple issues such as family values, or complex issues such as the commitment and responsibilities of each member. All family members participate in these discussions, including blood relatives and in-laws (Galvis, 2019; Oro & Lavarda, 2019). This body is expressive and consultative in nature, but not decision-making. Its creation in the second generation of the FB is crucial due to the different cultures of the family branches, which are no longer unified as in the culture of the founding family. Through this dialogue space, it is expected to address differences, share information, and, above all, create a collective identity in which all members feel comfortable (Rodríguez & Menéndez, 2023; Schell et al., 2023).

Family Council

The family assembly becomes inefficient as the business-owning family continues to grow, particularly with the entry of in-laws. In this case, the family council is formed as a permanent body that brings together only some family members representing each family branch. In this meeting, issues related to the FB are addressed, aiming to establish policies and mechanisms to resolve future conflicts (Schell et al., 2023).

According to Jiménez et al. (2017), the family council allows:

Articulating beliefs, values, expectations, and shared interests that will be reflected in the family mission, family protocol, code of ethics, and code of conduct. Managing and planning the future of the family, as concretized and explained in the vision of the future of the company and in the family strategic plan. Ensuring the follow-up of the culture and values of the family business. (pp. 26-27)

In the family council, the aim is to agree on the relationship between the family and the business by establishing norms and rules on relevant topics such as positions, responsibilities,

salaries, development and promotion, management succession, ownership participation, conflict management, principles, and ways of acting of the FB, which constitute the organizational strategy, among others. This document is known as the family protocol (Coca et al., 2018; González et al., 2021; Ramon & Sanchez, 2017). The establishment of the family council as the body responsible for creating and supervising the family protocol is necessary due to emotional elements and differences that may arise. The participation of a member of the founding branch and each family branch allows for more effective meetings, which are held annually (Laguna, 2018; Nogales, 2020).

According to Goyzueta (2013), the family council has other functions besides building the family protocol, which are:

- Exercising the right to veto the appointment of relatives or promotions within the company.
- Performing mediation and arbitration tasks.
- Annually reviewing the compensation of family members to ensure equity.
- Ensuring compliance with the family protocol.
- Approving or vetoing share transfers.
- Implementing the mandatory transfer procedure (pp. 114-115).

According to Nogales (2020), the family council has to fulfill the following tasks:

- Knowledge of the family history and its medium to long-term projection.
- Annual schedule of family meetings.
- Decisions regarding the succession process.
- SWOT analysis of the family business and its future projection.
- Definition of the successor's profile.
- Selection and career path of the successor.
- Decisions regarding family heritage.

In the family council, the most important issues are deliberated, but also the history, culture and entrepreneurial spirit are transmitted to the next generation, thus teaching them to love the FE. Therefore, the above is done through working committees dedicated to specific projects, which are led by family members or, failing that, by an external coordinator who shall be trusted by the family (Laguna, 2018; Moreno & Lafuente, 2020).

In short, the family council must be accurately knowledgeable about the agreements established in the family protocol, enforce the rules of good governance and articulate the necessary changes. It is important to be professional in fields such as pedagogy, business and family law, psychology, analytical skills, economics and finance.

Enterprise

The enterprise is the economic unit that seeks to produce goods and services. This can be of public, private or mixed nature; classified as micro, small, medium or large enterprise; dedicated to agricultural, industrial, commercial or service provision activities; its main purpose is to obtain profit through efficiency and effectiveness (Báez et al., 2021; Gamez, 2020; Hernández et al., 2019; Moreno & Lafuente, 2020).

The enterprise counts on a structure, operations, client portfolio and resources of different types, which, if properly managed, allow it to be a vehicle for generating wealth. To achieve this, innovation, risk and market disruption are some of its strengths. For most of human history, they have emerged from within the family (Zambrano & Vegas, 2020).

The FE is a type of organization that belongs to the business world. This one has a particular functioning, mainly because its human capital and its managers belong to the same family (Arregle et al., 2021; Baker & Quéré, 2019; Clauß et al., 2022).

González et al., (2018) state that the family factor promotes a more emotional type of relationship within the enterprise, which can affect the decision-making process. This is why it is necessary to professionalize and harmoniously manage each area of the FE.

The scope of the enterprise in the FE is where ownership is materialized in the business, so it is necessary to establish corporate governance bodies which improve the performance of the FE (Azila et al., 2018). This is labor-based, in other words, it offers retributions to each family member according to their contribution to the enterprise. It is characterized by being rational and objective. In many cases the family can work for the enterprise or hold managerial positions, although there are exceptions, especially when it comes to large companies (Amir et al., 2020; Arregle et al., 2021; Belausteguigoitia, 2004; Freiling & Pöschl, 2023; Memili & Misra, 2015; Teng et al., 2021).

Governing bodies of the enterprise

The following is a description of the enterprise's governing bodies, which are the management team and the board of directors.

Management team

The management team consists of the general manager and the area managers. While the general manager is in charge of directing all the area managers, the latter direct those functional areas of the enterprise, such as marketing, commercial, production, human resources, technology and finance (Báez et al., 2021; Lopez et al., 2020).

This team direct the enterprise's available resources in order to achieve the objectives set. It is necessary that each profile is occupied by academically and professionally qualified personnel; but also, that teamwork combines the exercise of different roles that cooperate for a common good. The manager is the natural leader of the enterprise, but he/she requires the work of his/her team. (Duarte, 2019).

Their basic responsibilities are: 1. Transmitting values; 2. Creating efficiency and rigor in the basic functions of the enterprise; and 3. Generating the results expected by its main shareholders. In addition to this, it is important that this team has a good adaptation to the particularities of the generation the FE is in (Nogales, 2020).

This team is located at the top of the organizational structure, represented graphically by the pinnacle of the traditional organization chart. This is an organizational scheme that expresses the hierarchy and functions of the enterprise, making it an essential instrument for the enterprise, by organizing the work team into structures, roles, categories, hierarchies, functions and responsibilities (Blanco et al., 2020).

The enterprise is a social system composed of human and material resources, which must be organized and coordinated by the management team to achieve the strategic objectives. It is noteworthy that at the internal level the main element to be managed is the human resource, while at the external level it is the relationships with customers, suppliers, government, etc. (Arango et al., 2022; Blanco, 2021).

Board of directors

The board of directors is a body in charge of managing, directing and controlling the evolution of the family's business, seeking to protect its interests as shareholders. The board members are responsible for efficiently managing the business, generating economic value. Here it is defined the strategic plan that projects the future of the business, reviews the financial situation, protects the interests of the shareholders, establishes the professionalization process for the enterprise, the level of competitiveness to be maintained and the technical career plan for the successor (Rodríguez et al., 2021).

It should be noted that while the management team focuses on managing the enterprise internally, the board of directors manages the business externally in decisions on investments, expansion of the business in the same sector or others; both bodies have autonomy in making decisions. (Nogales, 2020).

According to Goyzueta (2013), FE board members can be:

- Family members working for the enterprise.
- Family members who do not work for the enterprise.
- No family members in management positions.
- No family members who are external to the enterprise (p. 26).

Some of the board's tasks are to supervise the management of the enterprise and to ensure that the management team is upholding the ethical and social principles of the business family. This proceeds with the board of directors' assignment to the management team of fulfilling different specific functions, entrusting and supervising the general manager and team's due fulfillment (Moreno & Lafuente, 2020).

The management team is in charge of making significant decisions for the business, so it can be an advantage to include external managers to the enterprise. They have different skills and knowledge which complement very well the operation of the enterprise, providing greater professionalism and continuity in the business, contributing to the increase of ethical standards and labor responsibility, providing expertise and reducing or clearing up questions from senior executives. When the FE is starting up, its board of directors is only formed by an advisory board supported by some external members (Coca et al., 2018; Jiménez et al., 2017).

According to Nogales (2020) This body goes through four transitions: 1. The board of directors has little or no influence and is composed of trusted individuals, accountants and close businessmen; 2. The board has an executive role that seeks to lead the enterprise and is composed of children, internal managers and trusted individuals; 3. The board of directors seeks to protect the family, and is composed of shareholders, internal managers and external advisors; and 4. the board of directors defines the strategy and supervises the management team, which is already consolidated as a professional board, with tools such as a code of good governance, working committees and business responsibilities.

Board meetings should be professionalized through the use of an agenda with time and recurrence of sessions, moderator assignment, topics to be developed, responsibilities, record format and review of new projects. Likewise, some of the topics to be discussed in this type of meeting are: follow-up of the budget plan, follow-up of financial indicators, follow-up and adjustment of the strategic plan, analysis of financial statements, review of the investment plan, follow-up of the portfolio and review of the income tax (Blanco, 2021; Fernández, 2020).

It is essential that family members are present on the board of directors, since they know very well the family history and values helping in the continuity and stability of the FE; however, if the personal interests of family members are superimposed over those of the enterprise, there may be difficulties (Gallucci et al., 2020).

Property

The third area to be reviewed is property, which constitutes the set of assets that a business family has. Also known as equity, it is the sum of all the components that allow generating value for its members. According to Durán (2013), ownership can be classified into three main areas:

1. Tangible assets: these are characterized by being tangible and for personal use (e.g., property, jewelry, vehicles, art collections, etc.).
2. Financial assets: characterized by generating economic flows (e.g. real estate, one or more family businesses, financial assets, etc.).
3. Intangible assets: these are composed of human and intellectual assets (e.g. principles and values, academic training, contacts, ethical credibility and reputation, etc.).

On his part, Merino (2013) classifies family business ownership into four types of capital:

1. Financial capital: This refers to shareholders' equity, which expresses the enterprise's ownership and governance, in addition to tangible assets, which are all investments outside the enterprise (e.g., housing, real estate, farms, shares, vehicles, etc.).
2. Intellectual capital: This refers to academic training and the acquisition of work experience in the FE or outside it. Both types of knowledge add value to the work to be performed. It also has to do with identifying the skills and vocation of each family member, in order to be able to place the most suitable ones in the leadership of the corporate governance structure.
3. Human capital: It is considered the most important capital, since the family is the one that generates the greatest value in the patrimonial sphere. It has to do with the health and wellbeing of each individual within the family nucleus. It also includes the preservation of

principles that keep individuals from falling into bad habits, such as work ethics and self-realization of family members.

4. Social capital: This capital refers to the set of relationships and networks of contacts that each family member forms throughout his or her life, as he or she comes into contact with people and contexts outside his or her family and enterprise. These can be beneficial both for personal and professional life, and even for the benefit of the other members of the family when shared.

It is necessary to differentiate the concept of financial capital from that of property. Financial capital is the money that is made available to work in order to produce greater monetary profit. It can be its own or that of third parties and is committed in the short, medium or long term. While equity has to do with the application of those resources, i.e., it is the value of all business assets obtained, including the same money available for business operation (Biel & Ślusarczyk, 2022).

In the wealth area, those involved are not represented as family or labor members, but as shareholder members. In the FE, this area generates the main interest because it provides power to the members, even if they are from the same family. This power represented by ownership is one of the most common factors that can generate disunity among family members and that implies greater challenges for this type of companies (Gersick et al., 1997, cited by Belausteguigoitia, 2004).

The property must be preserved, protected and increased with legal certainty, because the security of the patrimony is what will provide economic stability to the family. This implies that the family must manage the assets in the diversification of the type of risk, in the sectors and in the territories where they are involved. In this sense, it is important that the founders not only focus on the enterprise, but should also be involved in wealth management (Alshirah et al., 2022; Amir et al., 2020).

Property governing bodies

In the following section, the governing bodies concerning the ownership of the FE, which is the shareholders' meeting, will be presented.

Shareholders' Assembly

It is the body that brings together the partners of the enterprise, who through their vote direct the life of the enterprise. It defines the agreements to be adopted in the enterprise. It should be noted that it can only be formed by the partners of the enterprise, whether or not they belong to the family, although the agreements they specify will be executed by the management (López, 2019; Rodríguez & Menéndez, 2023).

This allows owners to have access to inside information and specialized knowledge about the enterprise and the market in which it operates, thus enabling shareholders to make informed decisions (Fan & Yu, 2022).

The owners meet in this body to analyze and resolve any situations that may arise based on the economic and financial information provided by the board of directors. It is the board's responsibility to appoint the members of the board of directors, their revocation and stipends (Goyzueta, 2013). They also have the right to ask for accounts on the enterprise's performance and demand economic performance of the enterprise, which does not imply that they can intervene in the operational or strategic management of the enterprise (Jiménez et al., 2017).

According to Nogales (2020), there are two types of meetings of this body, ordinary and extraordinary. Ordinary meetings are held in the first six months of each fiscal year to approve the previous year's accounts. Extraordinary meetings are held at different times. There can be ordinary and extraordinary board meetings at the same time, when annual accounts are to be approved. The following actions are also possible:

- Appointment and removal of directors.
- Amendment of the Articles of Incorporation
- Granting of credits and guarantees in favor of members.

- Authorization for the transfer of shares.
- Authorization to the administrators for the exercise of activities analogous to those of the corporate purpose.
- Transformation of the enterprise, merger and spin-off, dissolution and liquidation of the enterprise.
- Acquisition, disposal or contribution to a enterprise of essential assets. (Lopez, 2019, pp. 13 - 14).

This is a transcendental body for the enterprise, because more than a governing body, it is a sovereign body for the owners as a commercial economic society. The decisions taken in this body will guide and direct the other organs of the FE, so it is essential to plan the professionalization of the family shareholding from the first generation; that is, to prepare the children before transmitting the shares, as well as to train those who are already established as shareholders (Ramon & Sanchez, 2017).

In short, the governing bodies play a fundamental role in managing the areas of the FE, guaranteeing its sustainability and success in the long term. This involves a planning process for family members to assume leadership roles and responsibility within the enterprise, incorporating values such as transparency, ethics and long-term vision. The creation of corporate and family governance structures, such as steering committees and family councils, is essential for effective decision-making processes, preserving family cohesion and promoting shared organizational interests.

This study provides practical guidance for implementing good governance practices in family businesses, but also emphasizes the need to address challenges as the family business grows and expands. By promoting a culture of trust, respect and collaboration, the study aims to support the sustainable development and continuity of the family business over time.

Conclusions

This article provides an overview of the literature on governing bodies in the FE; the main conclusion that emerges after reviewing the existing studies on this topic is that the FE comprises three interrelated domains, the family, the firm and the ownership. These three domains converge into a single organization and are manageable by the founder in the initial stages. However, the growth of these spheres exceeds the founder's capacity, making the establishment of governing bodies indispensable in the process of professionalizing the FE.

This review seeks to help researchers broaden their research horizons, and to improve understanding of the concept of the EF, as well as the management domains and governance bodies developed in the present paper.

For managers of a FE, this research can also be valuable. First of all, the management of the family environment seeks to maintain unity and prevent family members from drifting away and seeking other life projects. Therefore, the founder should involve the family in the business project from the beginning, as well as study the family members' different personalities, skills and preferences to place them in appropriate roles.

Secondly, business management pursues profit through efficiency and organizational effectiveness. This implies taking risks and innovating in order to grow and remain in the market. Therefore, the founder should move away from technical and operational tasks to focus on activities such as strategic planning, documenting internal processes, hiring external professionals, and delegating based on experience and academic preparation, among others.

Third, asset management seeks to conserve and protect existing wealth in order to transfer it to the next generation. To this purpose, specific strategies, such as diversification, must be applied to protect capital without putting it at risk in its entirety. It is also crucial to manage financial and wealth capital separately, since the former is used to generate wealth, while the latter constitutes the family inheritance.

Finally, it is essential that the founder shows a balanced interest and care for all three areas of the FE. Although his or her natural inclination tends to be towards the entrepreneurial sphere, it is necessary to attend to the family and ownership spheres as well. Neglecting these can lead to the failure of the FE and its inability to transcend to the next generation. The FE should be seen as a set of three areas that require detailed examination and proper management through governing bodies, which will enable it to achieve business competitiveness, maintain family unity and preserve wealth effectively.

Ethical considerations

The present research is classified as minimal risk because common procedures were performed, such as the application of instruments to bibliographic sources. All information was handled under strict confidentiality. The information obtained before starting the research was used for academic purposes for the construction of this project. During the research, the information obtained helped to elaborate categories of analysis to explain the phenomenon studied.

Conflict of interest

All authors made significant contributions to the paper and declare that there is no conflict of interest related to the article.

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