

Networks and family firm performance. Some evidence from Italy

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Abstract

The process of globalization, characterized by fundamental changes in the organization of global production, rapid advances in information and communication technologies (ICTs), and the emergence of multilateral agreements, is significantly changing the international environment. This obliges firms, in particular the SME, to be flexible and innovative. Collaborations allow SME firms to overcome the lack of flexibility, expertise and of financial resources, improving individual performance. Furthermore, networks facilitate knowledge flows and technological improvements, thereby enhancing innovation. Using a large sample of Italian small medium-sized firms, this note analyses the effects of formal inter-firm cooperation on family firms (FFs) performance. The study is based on the network contract (“*Contratto di rete*”) implemented in Italy in 2009. Results show that the network has a positive effect on FFs, while no conclusive evidence is found for non-family firms. Additionally, the advantages are high for southern FFs and for small firms.

Keywords: family firms; formal business networks; performance
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