

KNOWLEDGE MANAGEMENT & GENERATIONAL CHANGE: THE IMPACT ON LOCAL SMALL & MEDIUM ENTERPRISE.

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1. Introduction

In the current business environment, knowledge is a crucial competitive factor for the firm's success. Even in the system of SMEs the value of knowledge is clear, but often it's difficult to recognize all the different components involved (Takeuchi, 2001). In the dynamic markets, with a high rate of innovation it's essential that the entrepreneurs aim to the development and management of different aspects of knowledge (Spender, 1996) reviewing the same management way. In a country like Italy - with a lot of SMEs, internationally known for the quality of their production (Made in Italy) (CNA, 2008) – it's necessary to work on knowledge development and transfer, not only for the continuity of the business, but also for the growth of the national economy at all.

This situation is particularly significant in the context of family businesses, strongly rooted on the driving skills of the entrepreneurial family, where the father-son transfer of knowledge often connotes success or failure of the enterprises themselves.

So, the paper aims to identify and analyse - through an empirical approach - what are the main tools for sharing, dissemination and use of knowledge present in businesses, like a principal lever for the survival and development of firms (Durst, Edvardsson, 2012), particularly in the difficult step of generational change. In fact this is a crucial moment in the firm's life because it involves the transfer of know-how and expertise from one generation to the next.

Regarding this particular stage of the business, specific role could have the knowledge management like a strategic tool to overcome the generational crisis and support the enterprise in the way of development and growth.

2. Methodology

A qualitative case-study research methodology was applied to investigate the role of knowledge and management tools suitable for its management, in process of “generational succession” of firm. This work analyzes how role, guidelines and values impact on the effectiveness of succession in this process. In the first pages of the volume of Yin (1994). The research is divided into two phases. The first step revises the main literature on generational succession and knowledge. The second empirical step is directed to explain and highlight what forms of knowledge and organizational tools have been fully implemented in a selection of family businesses, involved in the processes of entrepreneurial succession in the District of Catanzaro. Specifically, the Business investigated was n°3, selected from Industrial Association of Catanzaro (Confindustria Catanzaro). A specific checklist of semi-structured interview was used to collect information from the involved entrepreneurs, concerning the characteristics of the firm, the relationship between family business & generational change, in order to understand what kind of knowledge is transferred.

3. Theoretical framework: generational transition in Family SMEs

In recent years, the issue of succession planning in businesses remained constantly a specific topic in management studies. So, the generational shift had over time significant encouragement from European Commission¹ to deepen in different ways and different approaches the theme. In the following table are identified a selection of contributions able to define the characteristic features of family businesses. In the table is impossible to obtain a general definition of family business, notwithstanding there are several similarities among the definitions.

Tab.1 - Different Definitions for Family Business

Author	Definition
Channon (1971)	An enterprise may be said to be familiar when it is controlled by a family for at least two generations
Bork (1986)	A family business is a firm founded by a family member and who has been transferred or is in the process of being transferred to the descendants. The descendants of the founder will own and will control the company. In addition, work and participate in company activities and they stand to profit.
Churchill e Hatten (1987)	For family business means the event or the expectation that the youngest member of the family takes or take control of the company from the older generation.

¹European Commission – European Commission, *Final Report of the Expert Group. Overview of Family-Business-Relevant Issues. Research, Networks, Policy Measures and Existing Studies*, November 2009.

Upton and Sexton (1987)	Define a business like family when they are at least two generations, and when at least two family members are employed daily in the management.
Donneley (1988)	Consider a business like family when she was closely identified with at least two generations of a family or when this bond had a mutual influence on the policies of the company and the interests and goals of the family.
Ward (1990)	Family is a firm where the management and control will be passed on to new generations of the family.
Schillaci (1990)	The family business is a business that can intimately identify with a family (or several families), for a generation or more. The influence of the family on the company is entitled from the ownership of all or part of the venture capital and exercised also through the participation of some of its members to management.
Gallo (1992)	The characteristics of the familiarity of a business are to be considered related to the permanent union between the two institutes (family and business). This link must be based on values and assumptions that members of a generation consider more correct to conduct the business and the family and strive to pass it to future generations.
Raymond (1994)	Defines the family business as a firm in which the family is able to control the succession to the Chief Executive Officer and his direction.
Astrachan e Kolenko (1994)	They write that is familiar business in which the family controls the capital, more than one family member is involved in the company and that there is the prediction of the transfer of ownership to the members of the emerging generation.
Heck and Scannell Trent (1999)	In accord with this approach, the authors stress that there must be the intention to transfer or a generational shift in managerial control. If it does not intend potential means that the company could become a Public Company or may have the intention to take professional managers.
Claessens <i>et al.</i> (2002)	Firm where there is the presence of a group of people related by blood or marriage with large ownership stakes.
Anderson and Reeb (2003)	Firm where there exists fractional equity ownership of the founding family and/or the presence of family members serving on the board of directors.
Barontini and Caprio (2005)	Firm where the largest shareholder owns at least 10 percent of ownership rights and either family or largest shareholder controls more than 51 percent of direct voting rights or controls more than the double of the direct voting rights of the second largest shareholder.
Rouvinez and Ward (2005)	For the authors a family business is a company that is substantially affected by one or more family members. Family includes a group of people descended from a couple, their related and the couple itself. Influence of the family is basically generated by the ownership of the entire capital or in their absence, it is balanced by the influence of the governing body and management.
Fahlenbrach (2006)	Firm where the CEO is the founder or co-founder
Miller <i>et al.</i> (2007)	Firm in which multiple members of the same family are involved as major owners or managers, either contemporaneously or over time.

Source: Our elaborations by Vallone, 2009, Bigliardi and Dormio, 2009;

The different contributions submitted in the table, showed that the succession in family business became over time a particularly sensitive topic,

so that all the actors involved are called to redefine roles and relations. In fact, often, the founder of the business family tends to ignore the demands of succession planning, resulting in conflicting and critics relationships with the potential successor in an unfinished sequence that puts at risk the survival of the same family business (Kets de Vries, 1993). Only 30 and 15 percent of FBs survive to the second and third generation respectively (Dasher and Jens, 1999). The following matrix explicit and summarizes the possible types of transition obtained, as a result of different relationships/ behaviors activated between outgoing and incoming entrepreneurs in the generational change.

Tab.2 - Types of Transition

	Physiological Succession	Pretension Succession	Enthralling Succession	Traumatic Succession
Succession without abdication	Easy	Easy	Easy	Easy
Succession with abdication	Problematic	Problematic	Problematic	Problematic
Succession delayed or evaded	Problematic	Problematic	Easy	Problematic

Source: Our elaboration by Piantone, 1990; Miglietta, 2009

The matrix demonstrates two different transactional models, the critical one, in which the entrepreneur tries to escape to the succession, while the successor has a strong and immediate claim the control of family business. The second one transactional model is “easy”, in which the propensity of the entrepreneur to promote the transition of knowledge skills and compare it with the availability of the successor to a process of gradual involvement in the business. So, the generational shift is a very complex process, being influenced by many variables, some attributable to the contextual features of the business (competitive environment, growth rate, the legal system, etc ...), other related to the firm (organizational dimension, systems of roles and positions, technology, culture and values, etc ...), and others linked to the characteristics of the parties involved (owners and entrepreneur involved in the succession of generations, culture and family values, etc...), other influenced by the operating procedures adopted in practice (systems of transfer of knowledge and skills, education and training, organizational models, etc...). The process of entrepreneurial succession can take place in conditions of presence or absence of heirs; therefore, the sequence can be effective if there are the heirs of the firm, whether derived - even in the presence of heirs – when these are considered as incapable of running the company and so to manage the same transition. In some cases there is the

presence of a multiplicity of heirs and this brings forth a series of conflicts in family relationships that, in some cases, determine the assignment of the company. In other cases, even if there is the figure of the heir this may prove unsuitable to the direction of the company and therefore it's necessary to resort to an external figure. When the founder out by the firm shall have not knowledge, skills and characteristics considered important for the development of the company, so the one who will replace him must have adequate knowledge to continue to run the business. The entrepreneur \ founder must have the ability to lead the training of specific skills for the continuation of the business, taking care not to restrict the freedom of self-determination regarding the future, because the opportunity to develop a personal vision to the successor enables the so-called "intergenerational innovation" (Litz and Kleysen, 2001). On the other hand, the same attitude of the successor can be conservative (attachment to the past), rebellious (rejection of the past), fluctuating (incongruity between past and present), and this situation can influence the chances of the process of succession (Miller, Steiner and Le Breton - Miller, 2003); so the same successor may have different characteristics:

- He/she does not possess the required skills and consequently adversely affects the management of the firm;
- He/she has an adequate supply of skills but without any innovative trend, therefore the management is affected by the inability to adapt the successor;
- He/she has a very wide knowledge management that allows to efficiently manage the firm directing the development and growth in accordance with the opportunities offered by the competitive scenario.

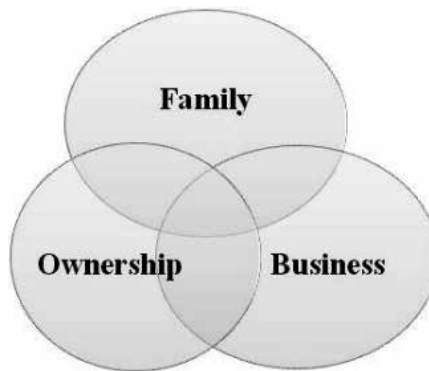
Therefore, precisely with regard to the items reported in the generational succession, specific role has internal relations within the family, the opportunity to increase their knowledge on the business processes and communication processes adopted, taken for granted, but often sources of misunderstandings and surprises not easily circumvented. That is why, once identified actors and context, the purpose of the present study concerns the processes of knowledge transfer that can be implemented in order to support and enable a less traumatic transition of the business among the generations involved.

4. The role of Knowledge in the process of generational succession

After clarified the scope and the different elements influencing the time of succession, the planning of generational change can be divided into its main phases emerging (Sharma, 2004; Miglietta, 2009). The start-up phase

and/or preparation can often be supported by use of the appropriate organizational units that are responsible for preparing the succession plan and its monitoring (Carlock and Ward, 2001). The next stage regards the formation of the heirs that begins after the definition of the minimum requirements needed for entry into the family business. This training is to be adjusted according to the needs related to business roles (Cabrera-Suarez, De Saà-Perez, Garcia-Almeida, 2001). The phase of the choice of successor is quite delicate; in fact it should prefer people who have the most appropriate skills to the management of the business. This phase is characterized by the propensity to choose on emotional aspects and not on the objective one, making more complicated the resulting process. The presence of external consultants to the family is considered more effective in achieving organizational objectives. The complex process of generational succession permits the transfer of company and the withdrawal from the scene of the founder (Fleming, 2000). The real result of generational process planning depends on the degree of interdependence that binds “Family, Ownership and Business”, in fact conflicts may arise in the distribution of the charges and the relationship between predecessor and successor. Tagiuri and Davis (1992) identify the different relationships that arise from the superposition of the three systems, represent in the Fig. 1a.

Fig. 1a - Relationship in transition: F-B-O

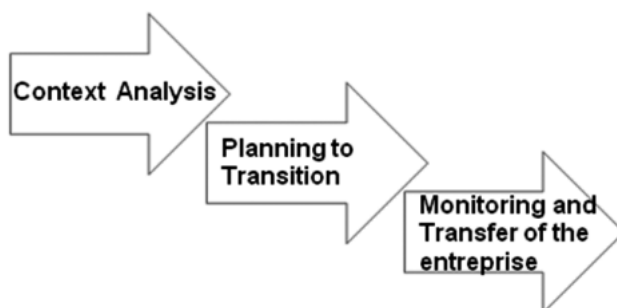


Source: Our Elaboration by Tagiuri and Davis, 1992

The interdependence between the three sub-systems identifies how each one has its own identity and strength, as well as the objectives and rules of action, but at the same time it relates to and interface with others by contributing to the success in the transition from one generation to the next. Basic is not so much the distinction between family, property and

business, but the relationships between them and their mutual influence. These relationships delineates the characteristics that make each business like unique in the world of family business. Obviously the dynamics of any family business depends on the activity of the business actors involved and objectives that they are seeking to pursue. As explained above, at the time of the transfer sequence and the support of the values rooted in the culture of the family becomes important because, without the force generated by these process, continuity and growth may be interrupted. Thus, the process of succession planning (Fig. 1b) needs to find the right balance between recognize and internalize the values of the past, with their appropriate reinterpretation in order to enable new applications.

Fig. 1b - First step "Analysis of the business environment" for the generational succession



Source: Our Adaptation by Gallucci And Gentile, 2000

The analysis of the business environment allows to identify the environment of the family, whose focus on common heritage, will start the phase of succession planning. In fact, in family businesses the company's assets is made not only by the productive assets, from all those issues of value that can strengthen the identity of the business such as:

- Identification of the firm as Public good, to be managed with great responsibility towards all stakeholders (customers, suppliers, partners of the supply chain);
- The meritocracy that helps to make clear choices in the selection of people;
- Entrepreneurship that asks for every generation can contribute to business growth.

Often, we think of the succession only in terms of contracts, capital charges, but it is difficult to think of the body of knowledge that are likely to be lost during this process. A company that is based on knowledge, recognizing the strategic importance and the value represented by the people and their knowledge, gives them a key role especially in a crucial phase of the generational shift. Thus, the transfer of the knowledge leads

to the possibility to reduce the effects caused by the loss of expertise that may occur when the founder leaves the company (Botti, 2006). Only a few years ago, the continuity and sustainability of the enterprise was linked to the transfer of knowledge, that matter planning organizational solutions facilitating the successor in understanding the context. Thirteen years ago McAdam and Reid (2001) wrote that Knowledge Management (KM), like other management practices, was invented and developed in large organizations to be applied later on small enterprises and family businesses. From 2005 there seemed to be an increasing interest in the topic. Knowledge management became an emerging field that commanded attention and support from the industrial community. Many organizations currently engage in knowledge management in order to leverage knowledge both within their organization and externally to their shareholders and customers. Knowledge management involves the creation of value from an organization's intangible assets (Rubenstein-Montano, Liebowitz et al., 2012). So even with reference to family businesses, over the past few years, there has been felt the need to develop a system of management skills / knowledge in the firm by defining, in this way, an overall strategy capable of producing longer lasting effects than those traditionally oriented to exploitation of market opportunities (Camuffo 1996; Sbrana, 1996). This will enable businesses to increase responsible capabilities and organizational flexibility, focusing on the ability to manage the processes and tools through which knowledge can be created, disseminated and shared in the company (Hunt, 2008). The theme of knowledge has long been addressed by scholars of organizational disciplines, developing and enriching in parallel to what happened in firms with reference to business studies, enriching the implications flow from IT to Management² (De Nito and Reina, 2003).

A key aspect to deal with when it comes to knowledge is related to the nature of knowledge and its size. As for the size, the knowledge must be analyzed from two aspects both ontological and epistemological. The former refers to those who create knowledge moving from the individual to the organization, it can be said that knowledge is a product of the individuals in an organization because without them it could not create knowledge (Monzani, 2005). From the epistemological point of view, the concept of knowledge has always been a place of comparison and interpretation within the scientific community: from the classical distinction between tacit and explicit knowledge to the leaky/steaky (Polanyi, 1966; Nonaka, 1994;

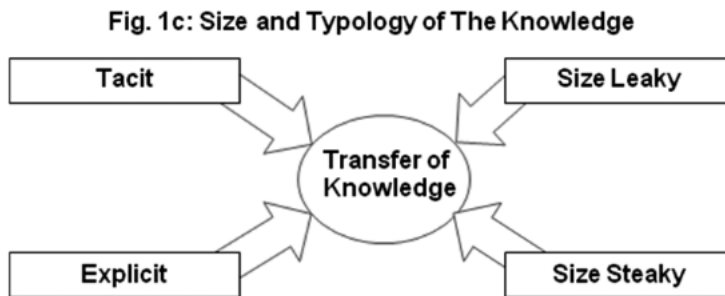
² The actually great attention to knowledge is not to be considered that in the past there was or was not to produce knowledge in enterprises; the difference lies in the fact that there arose the problem of its proper management and / or this happened so totally unaware, without adequately considering the importance of the relationship between knowledge and value to the company.

Brown and Duguid, 2001). Tacit knowledge is personal, context-specific and difficult to be formalized, while explicit is coded and transmitted through a formal and systematic language. Also, while tacit knowledge is highly subjective and difficult to define, explicit on the other hand can be expressed in words and numbers and, once organized, can be distributed in the form of data, formulas and manuals. The distinction between tacit and explicit knowledge, then, is the starting point for any cataloging of the concept of knowledge and just starting from the famous distinction of Polanyi, Nonaka is a remake of this distinction in order to formulate a new model of knowledge conversion.

One of the main matters for managing knowledge resources is diffusion of knowledge within organizations. Knowledge management needs different forms according to the possibility to code knowledge. Internal individual processes like experience and talent obtain tacit knowledge that is difficult to code. Therefore it cannot be managed and shared as explicit knowledge. To rely on personal tacit knowledge is risky. Conversion of tacit knowledge to explicit or at least ability to share it offers greater value to an organization (Herrgard, 2000, pp.357-361). There has been some interest in management of tacit knowledge but the field is still relatively unexplored and not fully understood (Zack, 1999) compared to work on explicit knowledge (Leonard and Sensiper, 1998; Holtshouse, 1998). The tacitness of knowledge is hard to estimate but knowledge can be seen in a spectrum where in one extreme we find the completely tacit and unconscious knowledge and in the other the completely explicit, structured and coded knowledge (Polanyi, quoted in Leonard and Sensiper, 1998). In such a dualist framework tacit and explicit is juxtaposed or co-existing in a synergetic relationship (Gill, 2000). In working life we find many epitomes of tacit knowledge such as intuition, rule-of-thumb, gut feeling and personal skills. These can be classified into two dimensions, the technical and the cognitive dimension. The technical dimension encompasses information and expertise in relation to "know-how" and the cognitive dimension consists of mental models, beliefs and values (Gore and Gore, 1999). Individuals are the primary repositories of tacit knowledge that due to its transparent characteristics is difficult to communicate. We can understand tacit knowledge as when one has emancipated oneself from the technical formulas for action. It is for example to be able to cook without a recipe or to have an intuitive feeling of the right decision. Tacit knowledge is obtained by internal individual processes like experience, reflection, internalization or individual talents. Therefore it cannot be managed and taught in the same manner as explicit knowledge. While explicit knowledge is possible to store in a mechanical or technological way, like in handbooks or information systems, tacit knowledge is mostly stored only in human beings. Tacit knowledge cannot be given in lectures and it cannot be found in databases, textbooks, manuals

or internal newsletters for diffusion. It has to be internalized in the human body and soul. Different methods like apprenticeship, direct interaction, networking and action learning that include face-to-face social interaction and practical experiences are more suitable for supporting the sharing of tacit knowledge. To rely on personal tacit knowledge in organizations is risky. Conversion of tacit knowledge to explicit or at least ability to share it offers greater value to the Organization (Herrgard, 2000, pp.357-361). It must also be pointed out that despite the differences between tacit and explicit knowledge, it is still two complementary dimensions because knowledge can not be decomposed into two separate entities since it is composed of a tacit and explicit by another that “can be divided sharply” (Polanyi, 1988). Compared to the further distinction, the leaky size considers knowledge as a resource to be spread within the organization and focuses on the ways in which the organization must act to encourage the creation, growth and dissemination of knowledge. The steaky size, however, identify knowledge as a resource which share must be limited and therefore bother to make sure that the knowledge is not transferred to people who may take advantage of it. Obviously, these insights refer and are interwoven with reflections on the types tacit / explicit knowledge and the potential opportunities “to identify defensive mechanisms to limit the escape” (De Nito and Reina, 2003) (Fig. 1c).

Fig. 1c - Size and Typology of the knowledge



Source: Our Elaboration by Nonaka 1994 and Polanyi 1888

Source: Our elaboration by Nonaka 1994 and Polanyi 1888

KM research tended over time to focus on processes and structures within organizations, able to transform knowledge from tacit to explicit, organizational culture and learning, and technologies for knowledge storage and sharing to enhance productivity and sales, reduce cost, or increase innovation and quality (Kluge et al., 2001; Quintas, 2002; O’Dell et al., 2003; Edvardsson, 2009; Jashapara, 2011). The subject of knowledge

management implementation is another KM topic relatively widely examined. The findings illustrate that the firms reviewed use different ways to handle the aspect of knowledge management implementation. This raises the issue of heterogeneity (Curran and Blackburn, 2001) which must be taken into consideration when researching and discussing about firms. Furthermore, some studies imply that small firms are involved in KM activities, especially in business succession, that in family business represents peculiarities, already identified above with actors involved.

The communication flows can be facilitated through communication between people who already know each other because there is a family relationship, which eventually leads to connote the relationship and closer trade relations, compared to the other obstacles already identified and related to the management of the relationship between employer and successor (Botti, 2006).

5. Empirical analysis: reference context

In today's world small businesses are seen more than ever as a vehicle for entrepreneurship, contributing not just to employment and social and political stability, but also to innovative and competitive power (Wennekers and Thurik, 1999). In short, the focus has shifted from small businesses as a social good that should be maintained at an economic cost to small businesses as a vehicle for entrepreneurship.

The data of the European SMEs show that 99% of companies fall into this bracket, and 9 of 10 are micro firm with a staff of fewer than 10 people. In this context, family businesses are a special type, with strong economic and social impact not only with reference to the national context, but also internationally. (Montemerlo, 2000; A.A.V.V., 2010).

So, the European economy is based, on a group of micro companies employing an average of 2 or 3 people. On these basis, the following table represents the Italian entrepreneurial system at 2010, as it appears on official statistics.

The situation of dimensional data of Italian firms - shown in the table below - regard the year 2010, in which it's possible to highlight the diversity of different companies, by sector, size, ownership structure, propensity to export and innovation.

Tab. 3 - Total Number of Separate Enterprises³ by Sector of Economic Activity (Absolute Values)

Employees Range	Industry	Construction Industry	Trade, Transport, Hotels	Other Services	Total Industry	Total Employees
1	153.224	342.897	840.488	1.319.159	2.655.768	2.480.178
from 2 to 9	211.912	221.354	697.990	446.798	1.578.054	5.341.753
from 10 to 19	45.215	19.013	48.900	24.084	137.212	1.795.963
from 20 to 49	21.809	5.783	15.783	10.843	54.218	1.613.195
from 50 to 249	9.496	1.361	5.268	5.914	22.039	2.125.788
from 250 e più	1.416	83	909	1.238	3.646	3.520.706
Total	443.072	590.491	1.609.338	1.808.036	4.450.937	16.877.583

Source: Istat, Statistical Archive of Active Companies, 2011

The table makes us understand how the Italian economic system is heavily based on the presence of small and medium enterprises and also when discussing family business refers to a widespread phenomenon mainly attributable to the segment of SMEs, although many large private enterprises Italian having this connotation⁴. The CNEL has arranged that family businesses are approximately 4 million and represent about 80% of all firms in all economic sectors. The Bank of Italy has arranged that 58% of Italian firms are controlled by one or more families. The data published by Mandl (2008) try to measure the importance of family businesses in almost all EU countries. In terms of percentage on total firms is observed the strong presence of the phenomenon, approximately 93%, for the Italy.

The data may change depending on the definition that you want to give to the family business and of the classification criteria of the familiar presence in the enterprise (Cesaroni and Ciambotti, 2011).

Tab. 3 - Dimension of the phenomenon of Family Business in Italy

	Enterprises	Employees	Impact% of total Enterprises	Impact% of total Employees
Total Family Business	4.168.640	13.397.760	86,9	75,7

Source: Centro Studi UnionCamere, 2012

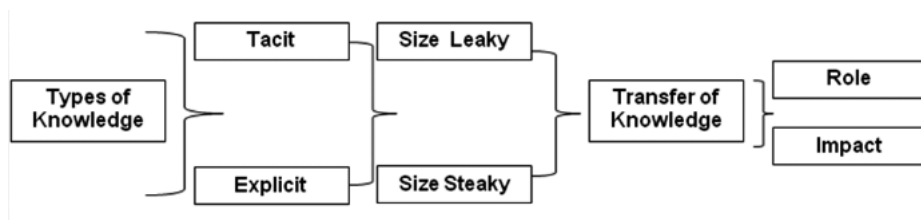
³ The micro, small or medium-sized businesses are defined according to their headcount and annual turnover; a Medium Enterprise is defined as an enterprise whose workforce is less than 250 people and whose turnover does not exceed EUR 50 million; a Small Business is defined as an enterprise whose workforce is less than 50 persons and whose annual turnover not exceeding EUR 10 million; a Micro-Enterprise is defined as an enterprise whose workforce is less than 10 persons and whose turnover does not exceed EUR 2 million; the connotation of family business represents instead a transverse phenomenon regarding dimension and therefore difficult to identify respect the official parameters, www.europa.eu.

⁴ Zimmerer et al. (2008) show that not all family businesses are of small size.

6. Empirical Analysis: Results and Discussion

Given the assumptions outlined, the future of the Italian passes, through the ability to enhance the contribution of the human factor within the system of business. All family businesses, for the same process of genesis that characterize them are rooted in a heritage of values handed by the family that owns and updated through the different generations. Without the force generated by the values rooted in the culture of family ownership, the process of continuity and growth of the company would stop. The theoretical model suggested (Fig. 1d) is, as an example, the following.

Fig. 1d - Theoretical Model



Source: Our Adaption by Nonaka 1994 and Polanyi 1988

On the theoretical model discussed above, the surveys developed on the field have explored whether and how knowledge is seen as a strategic tool used by the entrepreneur in the complex process of generational succession. Specifically, the companies under study were No. 3, selected in companies associated with Confindustria Catanzaro, on the basis of specific situations; in fact, both are characterized by being SMEs, both are family businesses, both are living the coexistence of both generations proprietary, that parental outgoing and new incoming entrusted to the children. In this regard, the literature has been theorized index F-PEC (Family-Power, Experience, Culture), a valid tool for quantifying the degree of involvement of the family, which, even if it is not a solution to the distinction between a family business by a non-family business, identifies the possible classifications. The index F-PEC considers three sub-dimensions: that of power, analyzed on the level of ownership, government and management; that of experience, determined on the basis of the contribution to the business of the generations that follow in time; Finally, the culture, understood as shared values and guiding principles of the enterprise and the family. In view of the three sizes "Power- Experience and Culture" that qualify a family business we conducted a check list of semi - structured interview that was submitted to the entrepreneurs interviewed, designed with the aim to explore the theme and entrepreneurial positions relative; the research team therefore conducted these interviews - separately - than the two entrepreneurial generations, reporting the first results in the following tables.

Tab. 6 - First Results on Analyzed Cases

Firm	Foundation year	Sector	Type of family ownership ¹	Relationship between Business and Family ²	Dimension
Costruzioni Zinzi srl	1960	Construction company building	ownership closed restricted	Cda and management family	Small
Desta Industrie srl	1984	Production & Trade of ecclesiastical robes and vestments	ownership closed restricted	Cda and management family	Small
Cotto Cusimano Spa	1972	Bricks, tiles	ownership closed restricted	Cda and management family	Small

Source: Our Elaboration on Questionnaires Administered

Tab. 6.1 - First Results on Analyzed Cases

Firm	Generation	Type of Knowledge transfereed	Methodology and Tools
Costruzioni Zinzi srl	II°	Tacit and explicit	Intuitive component, observations, participation, mentoring, regular meetings
Desta Industrie srl	II°	Tacit	Intuitive component, observation
Cotto Cusimano spa	II°	Tacit and explicit	Intuitive component, observations, participation

Source: Our Elaboration on Questionnaires Administered

While the first five columns describe briefly the types of companies involved, controlling interest, the relationship between family and business and dimension, that enabled us to identify the different configuration and representation of family business (Corbetta, 1993, pp.81-102) in the other columns (in the table above), are reported the most relevant data related to the object of analysis: moment generational lived, type of knowledge used in the process of entrepreneurial succession, awareness tools and methodologies useful to improve organizational performance. In fact, the objective of the survey was directed to explain and highlight what forms of knowledge are transferred and what tools are used in the organizational phase of generational change. From the taxonomy reported shows that the surveyed companies are all involved in the generational transition from the first to the second generation, and in all three contexts, there has been a transfer of both tacit and explicit knowledge. This transfer is done using tools such as mentoring, participation, intuitive components that significantly affect the wealth of knowledge of his successor.

7. Conclusions and implications

A major challenge facing the family firm is the generational change. One reason for this challenge might involve the successor's ability to acquire the predecessor's key knowledge and skills adequately to maintain and improve the organizational performance of the firm. The knowledge and its transfer offer an additional view of the relevance of the succession issue in family businesses (Cabrera-Suarez, De Saà-Perez, Garcia-Almeida, 2001). Succession that in family-owned businesses has been revealed to be a multistaged phenomenon with trigger events distinguishing one stage from the other (Pardo-del-Val M., 2008) among these, the training stage is very relevant when considering that the predecessor is the repository for knowledge of how the main strategic aspects of the business function, particularly during the transfer from the first to the second generation. The successor must capture both explicit and implicit knowledge to guarantee his or her future performance in the top management tasks. Such knowledge makes it possible to identify, solve, and even predict and anticipate problems (Leonard & Sensiper, 1998) which, in family enterprises, is vital. In our research, what has been achieved, it seems clear to respondents highlight how the role of knowledge in its various phases of the acquisition, preservation and dissemination, and application of the transfer, is considered one of the key points on which it's necessary to face the challenge of growth and recovery of productivity for Small and Medium Enterprises. Another result of this research step, is the positive feedback - compared to the change in the style of leadership, management processes and organizational structure - related to a perspective that focuses on knowledge - especially at the stage of generational transition - that the enterprise produces through the consolidation of knowledge and value of the firm.

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Abstract

The paper wants to analyse the role and the impact of knowledge management in the development of local *FAMILY SME's* specifically linked to the stage of business succession and generational change. In *FAMILY SME's* the generational transition is critic and often become a real and complex situation to overcome. The aim of the work is to understand if knowledge management can be a lever with which it is possible to support the generational transition and what are the empirical mode used in some different organizations investigated, all of them engaged in this critical stage.

The work in progress research is focused on the different actors and methods involved in the generational change. In this way different figures are investigated like entrepreneur and his/her next generation and management engaged, but otherwise the role of practical methods, guidelines, values and culture like specific forms of knowledge used in order to manage the business process.

Riassunto

Nelle piccole e medie imprese familiari il passaggio generazionale è critico e spesso diventa una situazione reale e complessa da superare. Lo scopo del lavoro è capire se la gestione della conoscenza può essere una leva con cui è possibile sostenere la transizione generazionale e quali modalità empiriche sono state utilizzate nei diversi casi studiati, tutti impegnati in questa fase critica.

(In small and medium family businesses generational change is critical and often becomes a real and complex situation to overcome. The scope of this work is undestand if knowledge management can be a lever suitable to support the generational transition, investigating what methods have been used effectively in some empirical cases examined, all interested in entrepreneurial succession).

JEL Classification: M12

Parole Chiave (Keywords):

Gestione della Conoscenza; Cambio Generazionale; Impresa Familiare; Piccola e Media Impresa; Italia (Knowledge Management, Generational Change, Family business, Small Medium Enterprise, Italy).

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