

REVIEW

Professionalising to endure: a strategic approach for Argentine family businesses

Profesionalizar para perdurar: un enfoque estratégico para empresas familiares argentinas

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ABSTRACT

Introduction: the article addressed the importance of the professionalisation process in Argentine family businesses, focusing particularly on the structuring stage that usually begins ten years after the business is established. It was based on the theoretical analysis of authors such as Quirós, Molinari and Hamba, who provided different perspectives on the challenges faced by founders when professionalising their businesses.

Development: it was highlighted that professionalisation involved not only the incorporation of formal rules and processes, but also a profound change in the mindset of the founder, who had to learn to delegate, train successors and adopt new leadership models. It was also observed that this process generated significant transformations in strategies, talent management and organisational control. Molinari stressed that the biggest obstacles were not financial, but emotional and personal, and lay with the leader himself. Hamba contributed the notion of business life cycles, showing how growth without structure led to disorder and highlighted the need for institutionalisation. The emerging role of artificial intelligence as a tool for optimising operational efficiency was also analysed, although its adoption in this type of company remained limited due to the conservative profile of its leaders.

Conclusion: the study concluded that professionalisation proved to be the only way to ensure the continuity of family businesses. This process should have begun at the founding stage and included both the transformation of the founder and the integration of disruptive technologies, while always respecting the family identity.

Keywords: Family Business; Professionalisation; Leadership; Succession; Transformation.

RESUMEN

Introducción: el artículo abordó la importancia del proceso de profesionalización en las empresas familiares argentinas, enfocándose especialmente en la etapa de estructuración que suele iniciarse a los diez años de vida empresarial. Se partió del análisis teórico de autores como Quirós, Molinari y Hamba, quienes aportaron distintas perspectivas sobre los desafíos que enfrentan los fundadores al profesionalizar su negocio.

Desarrollo: se destacó que la profesionalización implicó no solo la incorporación de normas y procesos formales, sino un cambio profundo en la mentalidad del fundador, quien debió aprender a delegar, formar sucesores y asumir nuevos modelos de liderazgo. Asimismo, se observó que este proceso generó transformaciones significativas en las estrategias, la gestión de talento y el control organizacional. Molinari subrayó que los mayores obstáculos no fueron de tipo financiero, sino emocionales y personales del propio líder. Hamba aportó la noción de ciclos de vida empresariales, mostrando cómo el crecimiento sin estructura llevó al desorden y evidenció la necesidad de institucionalización. También se analizó el rol emergente de la Inteligencia Artificial como herramienta para optimizar la eficiencia operativa, aunque su adopción en este tipo de empresas permaneció limitada por el perfil conservador de sus dirigentes.

Conclusión: el estudio concluyó que la profesionalización resultó ser el camino ineludible para garantizar la continuidad de las empresas familiares. Este proceso debió iniciarse en la etapa fundacional e incluir tanto la

transformación del fundador como la integración de tecnologías disruptivas, respetando siempre la identidad familiar.

Palabras clave: Empresa Familiar; Profesionalización; Liderazgo; Sucesión; Transformación.

INTRODUCTION

In Argentina, a scholar of SMEs, founder of a family business, Human Resources consultant and author of the book *Etapas de las Pymes* (Stages of SMEs), states that the process of structuring (moving and structuring) begins approximately ten years into the company's life. Then, procedures, rules, regulations, control, and audits are the new participants of business life.⁽¹⁾

Quirós⁽¹⁾ defines the professionalization process as the time to transform effort into managerial intelligence. He compares professionalization to the keys that open doors, the doors to the consolidation of the family business. One of these keys is for the owner of the company, for his enlightenment and renewal of his motivation, and the other keys will be for the company, for its renewed organization and greater profitability.

Continuing with Quirós⁽¹⁾, outsourcing is carried out as an art where the family business has to know how to determine when to intervene on the operational functions and not to be distracted from the key functions. This is nothing more than establishing priorities and stop living in the urgent, learning to tolerate operational errors, since the latter will not increase the profitability margin and can always be improved. The more knowledge the company acquires and dedicates itself to exploration, discovery, improvement engineering and innovation, the more money it will produce.

In this order of ideas in relation to family businesses, there is the study embodied in the book *El Salto del Dueño*⁽²⁾ with a suggestive subtitle: *El Camino de la profesionalización*. Then, it can be affirmed that family businesses are born from a founder; and that the process of professionalization -with its advances and setbacks- wears down the founder entrepreneur and his team, therefore, changes in strategies, people, information and processes will be generated.

Paula Molinari⁽²⁾ states that the main obstacle on the road to professionalization is not the economic, financial or context but the owner himself with his fears of the major changes that a professionalized company implies to be led. He points out that the deep process of transformation of the company is related - yes or yes - to a great personal change of the owner: recruiting the best talent, assembling solid teams, directing performance and detecting and developing high potentials.

In relation to the professional training of the owner or founder, he indicates that the training period for a leader is ten years, and advises that -approximately- at 50 years of age of the founder, is when the training plan for the future leaders of the family business would work, clarifying that it is not about the retirement age of the founder but about the possibility that the successor generations can assume the transfer with the necessary skills and capacity required to grow the company and give continuity to the family legacy.⁽³⁾

Regarding the structuring and professionalization stage, it is highlighted that in a world dominated by the globalization of markets and with continuous crises, the professionalization of the family business turns out to be a subject that -sooner rather than later- the organization will have to validate in order to remain in its environment. In short, professionalization is the life project of a business organization.⁽³⁾

In another order, Santiago Doderó⁽⁴⁾ in the same line as Imanol Belausteguigoitia Rius⁽⁵⁾ expresses that family businesses have an effective governance, plan strategically and -in addition- plan succession with a strategic approach, both family and business.⁽⁴⁾

Hambra⁽⁶⁾, another of the authors consulted, points out that it is necessary to train the new generations to become owners and, in the event that they choose management, to know how to manage to add profit and value to the family business.

In particular, Hambra⁽⁶⁾ points out that the professionalization of the family business is not about filling the company with university graduates but about improving the controllability of the business by incorporating processes that allow, among other things, to move from explaining how money is earned to explaining how it will be earned, maintaining the necessary quota of flexibility and intuition that allowed it to achieve success. A professionalized organization will be able to consolidate, be measurable and predictable.⁽⁶⁾

Effective delegation is one of the fundamental processes that must be carried out successfully; otherwise, the company finds a limit to growth precisely in the one who leads it.

Hambra⁽⁶⁾ asks how to realize what is the right time to deal comprehensively with the professionalization of the company. Then, he brings to his book *The Family SME*, the model of Life Cycles of companies devised by Ichak Adizes (Management specialist from California): *Infancy, Go - Go and Early Ordering*.

Hambra⁽⁶⁾ argues that every enterprise begins in the mind and spirit of someone who imagines it. If it transcends from the ideational plane, the enterprise starts its first steps being highly flexible and very little

controllable. In this period, the management style is strongly centralized in a single person, who develops a crisis management model in the style of a fire brigade that puts out fires.

This autocratic method in this first cycle allows to speed up decisions and procedures and enables very fast responses, which, in this infancy period, are an essential competitive factor in growth. That is why - in its beginnings - it is not usually convenient to provide a company with professional management methods that may result in excess and lead to a premature death.⁽⁶⁾

In the second cycle called Go - Go, the company starts its growth, although with dangers lurking due to lack of control. The growth is excessive and the company cannot delegate because it does not yet have a sufficiently clear policy system, nor does the human resource have the appropriate skills to avoid uncontrolled growth.

Then, when growth is sustained, we are at the gates of the 3rd cycle called Ordering, where what was done spontaneously is turned into work models and also the good practices required for intuition to be turned into documents that allow appropriate follow-ups and corrections, on the way to the goal of every company, where the balance between controllability and flexibility in the business prevails.

Concretely, this transformation that we call professionalization necessarily implies the professionalization of the business and the professionalization of family relationships with respect to the business, at the risk of falling into The Professionalization Traps, as Hambrø⁽⁶⁾ calls them: The Trust Trap, The Leader Trap, The Vision Trap and The Single Strategy Trap.

Moving from the informality of family dealings to the formality of a professional organization is quite a challenge for family businesses. Therefore, it is necessary to conceptually understand and differentiate between delegation (which specifies what is to be done) and decentralization (which implies -in addition- knowing what for, having the authority to make decisions and being accountable for results, which always means tolerating the tension of uncertainty).

Institutionalize leadership. To have clarity in the Vision of the family business and never lose the character of a family business, which is different from being only an SME, since family businesses have a Family Protocol, honor the space for non-conversations (those that arise in the family environment and are transferred to the business environment or vice versa), and dedicate one day a year for the business family. In addition, they have a Family Council whose primary function is to protect the entrepreneurial life of the everyday family.⁽⁶⁾

Continuing with the idea of the transmission of the company and for its successful continuity, Glikin⁽⁷⁾ points out that the characteristics of great determination and strong capacity to take risks that entrepreneurs possess (essential characteristics to start a business) have the effect of generating difficulties to let go of their creature and allow it to continue with its own life. Of course, in the next line of leaders, the characteristics will be quite different from those of the founder. The author emphasizes the difference between “giving continuity” and “creating something”, as both situations demand different skills and leadership style.⁽⁷⁾

Family businesses are businesses, and they are in a world of strong competition, globalization, technological changes, among others. That is why they need to be fast and efficient, and require people with the knowledge, skills and competences to face it.⁽⁸⁾

It is therefore said that professionalization is an evolutionary process that every family business must go through if it intends to consolidate its competitive capacity. At this point, family members usually ask themselves what the roadmap will be, what to do and what not to do.

The publication maintains that the secret lies in developing sequentially and in order, three fundamental axes: 1°) the owner family as a business family, learning to manage the family links in the company, 2°) the solid governance and management structures of the company to meet the needs of the members that interact both in family, company and ownership; and 3°) the external professionals to the family group, trying to find the best ones offered by the market and that the company can afford. In turn, this external professional must be aware of the particularities of family businesses, taking into account both strengths and weaknesses.

It was said that one of the current key conditioning factors in the professionalization of companies is Artificial Intelligence as it is evolving extremely fast, where machines are not only becoming more and more powerful and capable of performing the most complex tasks but are also starting to do tasks that used to require a human being, such as a language translation, driving vehicles and even in the field of medical sciences, performing research on terminal diseases and their possible cure.⁽⁹⁾

In his book, Rouhiainen⁽⁹⁾ highlights that one of the key features of AI is that it allows machines to learn new things instead of requiring specific programming for new tasks; recommending to remember that AI learns exponentially, so the achievements it makes will be difficult to imagine for people and even more so, for conservative family businesses as we all tend to think linearly.

The result of research on the identity of a family business, its stages, its strengths and weaknesses and its challenges has been extracted. The transcendent character that they possess even with the weight of the family legacy and the weight of a long leadership of its founder emerges with certainty. Undoubtedly, the professionalization processes constitute the passport to effective continuity and greater wealth, without forgetting that this professionalization process, on the one hand, will be renewed by the dynamics and the

constant state of crisis of the regional and global market and, on the other hand, will never be of the same characteristics since nowadays technological development and Artificial Intelligence condition any training plan.

In view of the significant amount of existing literature on family businesses, not being a subject considered scientific yet, with clearly defined axes for their business life cycles, with their culture and challenges, the present research work seeks to find new paradigms for the path of professionalization in family businesses in the province of Tucumán, considering that it should begin with the professionalization of its owner during the foundational stage.

Although the background information consulted is not specific to the jurisdiction chosen for the sample and does not coincide with each other in relation to the geographical region, it shows that family businesses have similar characteristics and stages of business life in the world and that the difference with non-family SMEs lies essentially in the emotional management that challenges family organizations since their foundation in their family and business relationships.

The general objective of this research is to analyze the trend of the key factors of the professionalization process that affect the success and longevity of family businesses in Tucumán, as well as the incorporation of new digital technologies to optimize this process, promoting organizational improvement.

As specific objectives, the following can be mentioned:

- To study the level of importance that the owner of family businesses in Tucumán assigns to the professionalization process and how he/she is involved in it.
- To inquire about the practices related to strategic management developed by family businesses in Tucumán to improve their competitive advantages.
- To deduce what is the thinking about the application of artificial intelligence in family businesses in Tucumán.

DEVELOPMENT

The family business as an economic and social unit

Family businesses constitute an essential component of the world economic fabric. They are organizations in which ownership and management are, totally or partially, in the hands of one or several families that aspire to maintain control and management through generations.⁽⁵⁾ These types of companies not only fulfill an economic role but also a social one, as they concentrate family values, traditions, and a high emotional commitment to the business.

In Argentina, family businesses represent 90 % of SMEs, generate 68 % of the Gross Domestic Product and support 70 % of formal private employment. Despite their structural importance, they face high mortality rates throughout generational successions, with only 30 % reaching the second generation, 9 % the third and barely 1 % managing to reach a fourth generation.

Organizational culture and professionalization

One of the key factors in the durability of these companies is professionalization. This refers to the process by which the company ceases to depend exclusively on the founder's intuition, incorporating formal management structures, strategic planning, professional recruitment and institutionalized processes.^(1,2) According to Molinari⁽²⁾, professionalization is not only technical, but implies a profound transformation of the founder, who must lead the process of cultural change and delegate strategic functions for sustained growth.

Velasco et al. point out that, although the most studied topic in the literature on family businesses has been succession, professionalization and strategic planning constitute essential elements to ensure the continuity of the company. Aguilar and Briozzo state that in family businesses, family values and corporate values tend to overlap, which can strengthen the organizational culture, but can also generate conflicts when clear boundaries are not established between the family and the corporate spheres.

The life cycles of the family business

The development of a family business can be analyzed from its life cycle, as proposed by Ichak Adizes with his model of stages: Infancy, Go-Go, and Ordering. Hambra⁽⁶⁾ recovers this model to warn that in the initial stages, power centralization and intuition are useful, but that, with growth, it becomes essential to incorporate professionalization processes, strategic planning and control structures.

Likewise, the three-circle model proposed by Tagiuri and Davis-business, family and ownership- makes it possible to understand the multiple dimensions that interact in the management and governance of a family business.⁽¹⁰⁾ Overlapping roles, informality and resistance to change are often common obstacles, especially when there is no clear separation between family and business interests.⁽¹¹⁾

Artificial intelligence as a new organizational challenge

Today, business professionalization cannot be separated from technological progress. Artificial Intelligence

(AI) is presented as a disruptive element that can transform the way companies are managed, automating repetitive processes, optimizing decisions and improving organizational efficiency.^(9,12)

However, the degree of technology adoption in family businesses is still limited. According to Manpower Group, only 7 % of family businesses have pilot projects linked to AI, and most still do not contemplate its formal implementation. This resistance can be explained by the conservative profile of their leaders and by the investments required for its implementation.⁽¹³⁾

AI does not replace people, but frees up time to develop higher cognitive skills such as creativity, innovation and strategic thinking. Although there are still legal and conceptual gaps around its application, AI represents a key opportunity for companies that wish to evolve without losing their identity.⁽¹⁴⁾

Identity, leadership and continuity

Glikin⁽⁷⁾ argues that one of the biggest challenges in the family business is the transition of leadership. The founding generation, characterized by an entrepreneurial and vertical style, often finds it difficult to “let go” of the business, which can generate tensions at the time of succession. Differentiating between “creating something” and “providing continuity” implies understanding that leadership is not inherited, but is formed and adapted.

Therefore, Hambra⁽⁶⁾ and Molinari⁽²⁾ agree on the need to train new generations in technical and soft skills, ensuring the continuity of the family business without compromising its emotional stability or its founding values.

CONCLUSIONS

This paper has shown that the professionalization of family businesses is not only a strategic necessity, but an indispensable condition for their continuity, growth and adaptation in an increasingly complex and technologically dynamic environment. Although family businesses are born from the entrepreneurial impulse of their founders and are sustained by values such as trust, belonging and legacy, they need to evolve in their structure, processes and leadership in order to avoid being trapped in the limits imposed by informality.

The authors analyzed agree that professionalizing a family business is not reduced to the incorporation of technicians or university graduates, but implies a profound cultural change, in which the founder must undergo a process of personal transformation that allows him/her to delegate, train successors, institutionalize leadership and strengthen the organization's governance. This evolution must take place with a clear vision and in stages, accompanied by strategic planning tools, performance evaluation, training policies and control systems.

On this path, Artificial Intelligence emerges as a disruptive factor, but also as an unprecedented opportunity. Despite the current low level of adoption, its progressive implementation can facilitate process automation, data-driven decision making and the freeing of human resources for higher value-added tasks. However, to achieve this, it requires a prepared leadership, open to continuous learning and willing to rethink the family business model under new technological paradigms.

The specific case of family businesses in the province of Tucumán offers a fertile scenario to analyze how these processes manifest themselves in local contexts. Although there are not enough specific regional studies, it can be affirmed that the challenges, strengths and life cycles observed are aligned with global patterns. Therefore, this paper proposes as a roadmap to start with the training of the founder during the foundational stage, accompanied by a long-term strategic vision, the development of competencies in the new generations, and the gradual integration of technology, especially AI, as a tool to strengthen competitiveness without sacrificing family identity.

Finally, professionalization should not be seen as a point of arrival, but as a continuous process of improvement and adaptation. Only those family businesses that take on this challenge in a conscious and planned manner will be in a position to project themselves beyond the leadership of the founder, thus guaranteeing their legacy, profitability and sustainability over time.

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