Entrepreneurship and growth of small family firms. Evidence from a sample of the artistic craftsmen of Florence

Niccolò Gordini - Elisa Rancati

Abstract

Purpose of the paper: Entrepreneurship by craftsmen is essential for the growth of small artistic - artisan family firms. In these firms, entrepreneurship is influenced by the inherent characteristics of the craftsman as well as by the number of generations involved in the firm. We suggest that these variables affect both entrepreneurship and firm growth.

Methodology: We adopt OLS regression on a sample of 52 small artistic artisan family firms using a dependent variable (ROE), four independent variables (entrepreneurship, age, tenure, generations involved) and two control variables (firm size and gender).

Findings: Our results show that 1) the inherent characteristics of the entrepreneur-craftsman do not affect entrepreneurship within those firms; 2) the generations involved in the firms affect entrepreneurship and 3) entrepreneurship affects the growth of family firms.

Research limits: Some limitations regard the size of the sample and the number of independent variables used.

Practical implications: Our findings provide some suggestions in understanding why some artistic artisan family firms grow whilst other stagnate, suggesting that the entrepreneurial behavior of the craftsman plays a key role.

Originality of the paper: A consideration of the potential effects of inherent characteristics of the entrepreneur and the generations involved as antecedents of entrepreneurship for the growth of small artistic -artisan family firms is largely absent from the entrepreneurship literature.

Key words: small artisan family firms; entrepreneurship; personality traits; inherent characteristics; family members involvement; growth

1. Introduction

Craftsmanship has always played a central role in the economic development of a country and in the protection of its heritage. Globalization, the absence of space and time boundaries, and the opportunity for the consumer to find unlimited varieties of each product anywhere (Rancati,
2009), have led to the perception of craftsmanship as a bearing witness to a glorious past or endangered activities (Colombo, 2005). However, in global markets, craftsmanship becomes a symbol of the unexpected effect of a new focus on the significance of territory. Above all, the new role of the glocal, that is, the value that identities and local contexts acquire in the new global competitive environment. Globalization has turned the spotlight on all those skills and attitudes (such as creativity, inspiration and intuition) that the Fordist paradigm had made inconsistent with the acquisition of competitive advantage, thus redeveloping a relationship with the territory (Lanza, 2002). In fact, despite globalization and the current financial crisis, recent data show how craftsmanship in Italy has generated a high increase of turnover, mainly resulting from export.

Artisan firms differ from industrial firms due to the aesthetic value of their products (in terms of design, style, decorations, and color), the high degree of manual skills, creativity and design, as well as the close link with the history and cultural traditions of a specific country (Vichi, 2011).

More difficult is to draw a distinction between craftsmanship and artistic craftsmanship. This difficulty has to be found beyond the disputes among researchers and scholars. It lies also in the decisions made by public authorities, for example, when they legislate (Vichi, 2011). A product can be defined as belonging to the artistic craftsmanship when it does not rely exclusively on technical ability, on site-specific tacit knowledge, on traditions petrified in repetitive activities and routine. Instead, it hinges on innovation, creativity, inspiration, genius, creation of new models, on the effort to contaminate and hybridize tradition with new and contemporary ideas. The craftsmanship is, instead, characterized by the repetition of gestures and behaviors deeply rooted in tradition with a high degree of standardization. Thus craftsmanship, to a certain extent, is closer to industrial production (Vichi, 2011).

Italy has always been characterized by a great tradition of craftsmanship and artistic craftsmanship. Let alone in the province of Florence there are about 33.000 firms listed in the register of craft trade enterprises, i.e. a third of total firms in this province. The turnover of these companies derives mainly from the local market (78%), followed by the domestic market (15%) and exports (7%). Within the 33.000 artisan firms mentioned above, according to the survey carried out by the “Fondazione di Firenze per i mestieri artistici” (Vichi, 2011), 1,317 are artistic artisan firms (this number does not include those companies that provide personal services such as barbers or beauty shops). Table 1 summarizes the main characteristics of artistic artisan firms operating in the province of Florence.

The analysis of these data shows that these firms are mainly small firms, located in Florence and operating in the field of wood and precious metals, precious and semi-precious stones, textiles and clothing, and art restoration. For these firms the key to success is the craftsman, the so-called “master craftsman”, characterized by a high degree of creativity, intuition, genius, in one word “a high entrepreneurship” behavior. Entrepreneurial behavior can be a critically important factor in a firm’s growth (Lumpkin and Dess, 1996; Zahra, 1991, 1996). Entrepreneurship
may be particularly crucial to an artistic - artisan firm as it strives to identify and takes advantage of the opportunities in the dynamic and competitive environment of the 21st century (Sirmon and Hitt, 2003).

Tab. 1: Artistic - artisan firms in the province of Florence

<table>
<thead>
<tr>
<th>Legal form</th>
<th>% (N=1.317)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sole trader</td>
<td>64.18%</td>
</tr>
<tr>
<td>Partnership</td>
<td>28.9%</td>
</tr>
<tr>
<td>Corporation</td>
<td>6.92%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Geographical Areas</th>
<th>% (N=1.317)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Florence</td>
<td>48.75%</td>
</tr>
<tr>
<td>Surrounding communities</td>
<td>25.21%</td>
</tr>
<tr>
<td>Empoli</td>
<td>13.44%</td>
</tr>
<tr>
<td>Province of Florence</td>
<td>16.60%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Size (number of employees)</th>
<th>% (N=1.317)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>42.22%</td>
</tr>
<tr>
<td>2-3</td>
<td>35.31%</td>
</tr>
<tr>
<td>4-9</td>
<td>17.23%</td>
</tr>
<tr>
<td>More than 10</td>
<td>5.24%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Business Sectors</th>
<th>% (N=1.317)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Textile, clothing, footwear, shoes and else</td>
<td>10.33%</td>
</tr>
<tr>
<td>Paper</td>
<td>2.28%</td>
</tr>
<tr>
<td>Ceramic</td>
<td>6.99%</td>
</tr>
<tr>
<td>Decorations, portrayal, etc.</td>
<td>1.82%</td>
</tr>
<tr>
<td>Wood</td>
<td>19.99%</td>
</tr>
<tr>
<td>Non precious metals</td>
<td>10.94%</td>
</tr>
<tr>
<td>Precious metals, precious stones, semiprecious stones</td>
<td>19.76%</td>
</tr>
<tr>
<td>Artistic leather goods</td>
<td>2.13%</td>
</tr>
<tr>
<td>Picture</td>
<td>3.28%</td>
</tr>
<tr>
<td>Art restoration</td>
<td>10.03%</td>
</tr>
<tr>
<td>Musical instruments</td>
<td>1.29%</td>
</tr>
<tr>
<td>Wallpaper</td>
<td>7.29%</td>
</tr>
<tr>
<td>Glass and crystal</td>
<td>3.87%</td>
</tr>
</tbody>
</table>

Source: adapted from Vichi (2011)

Nevertheless, up to date, few studies (Aldrich and Cliff, 2003; Dyer, 2006; Kellermanns et al., 2008; Steier et al., 2004) have analyzed how entrepreneurial personality traits affect the entrepreneurship and the growth of the firm, especially in the field of small artistic - artisan family firms. Moreover, the way the number of generations involved in firms affect entrepreneurship and firm’s growth is a topic still little explored in the management studies (Schillaci, 1990; Stavrou, 1999) and, in particular, in the small artisan -artistic family firms.

Therefore, our study aims to address: (1) how the personal characteristics of the craftsman affect entrepreneurship within small artistic - artisan
family firms, (2) how different levels of generational involvement affect entrepreneurship within those firms, and (3) how entrepreneurship affects the growth of small artistic - artisan family firms. The study is organized as follows: Section 2 reviews the literature on entrepreneurial personality traits and entrepreneurship. Section 3 describes the methodology (sample and selection of variables) and the research hypotheses, whilst in Section 4 results are discussed. Finally, Section 5 summarizes the study and its main managerial implications, as well as limitations and future researches.

2. Literature review

Entrepreneurship can be a critically important factor in a firm's profitability and growth (Lumpkin and Dess, 1996; Zahra, 1991, 1996). However, a unique and comprehensive definition of entrepreneurship is still missing from the management literature to date. Previous studies, with different cultural backgrounds and levels of abstraction, have defined the evolution of this concept as “uncoordinated and asymmetric” (Hisrich and Peters, 2006; Sexton and Smilor, 1997; Zanni, 1995).

In this study we define entrepreneurship as a set of personality traits (such as, for example, need for achievement, locus of control, risk-taking propensity, creativity) that, influenced by external variables (such as level of education, tenure, age, previous experiences, institutional and socio-economic factors), show the attitude of a person toward the good governance and management of a firm. Hence, entrepreneurship is a value judgment on how the entrepreneur carries out his functions (Ciappei, 1990; Gordini, 2013).

Three main theories have sought to identify the antecedents of entrepreneurship: trait theory, situationism and interactionism.

Traits theory (Allport, 1937; Galton, 1869) identifies specific ad innate traits that define a personality structure which is reflected in stylistic consistency in behavior. In other words, it identifies a trait or a set of traits that are considered typical of the entrepreneurs. Thus, this theory assumes that the personality trait (PT) causes entrepreneurial behavior (EB) and it could be expressed by the function \( EB = f(PT) \), where personality trait (PT) - the cause - is known as the independent variable, and entrepreneurial behavior (EB) - the effect or overt expression of PT - is known as the dependent variable. A significant amount of studies have been undertaken to answer the question: What are the personality traits that could identify and distinguish an entrepreneur from a non-entrepreneur? Firstly, these studies suggested that a single trait might be identified and from the early literature three possibilities were proposed: need for achievement (N-Ach), locus of control (LOC) and risk-taking propensity.

According to Chell (2008), in the 1960s McClelland suggested that the key to entrepreneurial behavior lies in N-Ach. Begley and Boyd (1986), McClelland (1961), Miron and McClelland (1979), Hornaday and Aboud (1971), Johnson (1990) suggested that the need to achieve is a drive to
excel, to achieve a goal in relation to a set of standards. A person endowed with such a need will spend time considering how to do a job better or how to accomplish something important to them (Chell, 2008). McClelland (1955) distinguished this type of person from the rest, suggesting that they are high achievers. High achievers like rapid feedback on their performance so that they can judge whether they are improving or not. They avoid what they perceive to be very easy or very difficult tasks and they dislike succeeding by chance. They prefer striving to achieve targets that present both a challenge and are not beyond their capabilities. This ensures worthwhile efforts and results in feelings of accomplishment and satisfaction. Further studies suggest, although with contradictory results, that the entrepreneur is characterized by higher levels of N-Ach compared to non-entrepreneur.

Rotter (1966) developed the notion of locus of control (LOC) as part of a wider social learning theory of personality. The author distinguishes between internal and external LOC. People with an internal locus of control are those individuals who believe themselves to be in control of their destiny. In contrast, people with an external locus of control sense that fate, in the form of chance events outside their control or powerful people, has a dominating influence over their lives. Several studies on entrepreneurial personality (Cromie and Johns, 1983; Evans and Leighton, 1989; Rotter, 1966) suggest that entrepreneurs are characterized by higher internal LOC than non-entrepreneurs.

Finally, starting from the first definition of entrepreneur (Cantillon, 1755), several studies have been undertaken in pursuit of the notion that a fundamental characteristic of the entrepreneur is propensity to take risks (Brockhaus, 1980; McClelland, 1961; Kilby, 1971; Palmer, 1971; Scott and Twomey, 1988; Stewart and Roth, 2001).

Because of the ambiguous results obtained from the use of a single trait, scholars have also discussed the finding of a set of traits that could be the best combination to identify the entrepreneur. These studies have suggested several traits such as: need for independence and autonomy (Davids, 1963; Dunkelberg and Cooper, 1982; Henderson and Robertson, 2000; Lumpkin and Hess, 1996); tolerance for ambiguity (Knight, 1921; Koh, 1996), innovation and creativity (Baum, 1995; Carland et al., 1984; Koh, 1996; Schumpeter, 1934, 1961; Timmons, 1978); self-efficacy (Bandura, 1955, 1977; Boyd and Vozikis, 1994; Krueger et al., 2000; Segal et al., 2005); self-esteem (Brockner et al., 1987; Davids, 1963; Timmons, 1978); ability to identify and catch opportunities (Gaglio and Katz, 2001; Kirzner, 1982a, 1982b; Park, 2005).

Criticisms to trait theory as applied to entrepreneurs are, however, many. For example, this theory leaves open the question of whether it is possible to identify a single trait or a set of traits that characterize and differentiate an entrepreneur, who will perform and produce entrepreneurial outcomes, from a non entrepreneur. Thus, more sophisticated research designs are required to provide more convincing evidence that any of these traits are prototypical of entrepreneurs and predictors of entrepreneurial behavior.

To try to solve this limitation, situationism (Fiedler, 1967; Hersey and Blanchard, 1982) suggests that entrepreneurial behavior can be explained wholly by the situation a person finds himself in. Thus, environmental
or situational factors are the key elements that influence, positively or negatively, entrepreneurship and entrepreneurial behavior, regardless of the personality traits of the entrepreneur. Situationism emphasises environmental or situational factors as the main determinants of behavior and can be summarized as $\text{EB} = f(E)$, where $\text{EB}$ stands for entrepreneurial behavior and $E$ for environment or situation. However, this theory is also ineffective and inefficient in explaining a complex phenomenon such as entrepreneurship. The main criticism of this theory is that it theorizes the dominance of the situation, where there is no variability in behavior shown by people finding themselves in those situations. Therefore, situationism fails to explain why in the same situation people have different entrepreneurial behavior and entrepreneurship (Gordini, 2013).

The criticism of traits theory and of situationism led Argyle and Little (1972) and Bowers (1973) to the rediscovery of the interactionism, whose precursors can be traced back to the 1920s (Ekehammer, 1974; Lewin, 1951). Interactionism postulates that the entrepreneur is the result of continuous interaction of innate personal traits with environmental (such as family influence, level of education, previous experience) and socio-economic factors (such as macroeconomic environment, employment rate, institutional policies). Interactionism implies, therefore, that neither personality traits nor situation are emphasised, but the interaction of these two factors is regarded as the main source of entrepreneurial behavior - hence, $\text{EB} = f\text{PTE}(\text{PT}\times E)$, where $\text{EB}$ stands for entrepreneurial behavior, $\text{PT}$ for personality traits and $E$ for environment or situation. In the interactionist model, therefore, people show variability in their behavior across situations, that is, people behaving in particular ways in some situations but not in others. This means that researchers should consider both the aspects of person and situation in order to specify or predict entrepreneurial behavior (Argyle and Little, 1972). Recent studies (Abatecola et al., 2013a, 2014; Aldrich and Cliff, 2003; Chatman, 1989; Davidsson, 2006; Dubini and Schillaci, 1998; Dyer, 1994; Dyer and Handler, 1994; Nahapiet and Ghoshal, 1998; Sexton and Bowman, 1984; Starr and Fondas, 1992) have shown that variables such as age, gender, level of education, tenure, previous work experience, corporate governance, social capital, socio-economic factors could be considered useful predictors of entrepreneurship when analyzed together with personality traits.

3. Methodology

3.1 Data Set

Our initial sample consisted of 640 small artistic - artisan firms operating in Florence, as shown in Table 1. Among them, we selected only family firms. According to Chua et al. (1999, p. 25), we define the family firm as: “a business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families.
in a manner that is potentially sustainable across generations of the family or families”. Following this definition, we selected 225 firms. For the purpose of our data-collection, a semi-structured questionnaire was administered, by email or by hand, at the master craftsman or, in case of his absence and as part of a larger data-collection effort, at the family member within the family firm who carries out the most important entrepreneurial functions.

The questionnaire consisted of 30 questions: 2 open-response questions to measure the personal characteristics of entrepreneurs (age, tenure), 4 closed-response questions designed to measure the generations involved, the firm growth, the gender of the entrepreneur and the firm size; 24 questions designed to measure the 6 personality traits and assessed with a 5-point Likert scale, as described in section 3.2. The initial response rate was 14% (32 firms). To encourage those who did not answer within the specified deadline, a follow-up was sent out. The response rate in this case is increased to 25% for a total of 56 firms. We have, then, analyzed all these 56 questionnaires in order to verify their correct compilation: 4 questionnaires were incomplete or incorrectly filled out and, therefore, have been removed from the sample. Finally, to reduce the errors of nonresponse, we also performed checks for potential nonresponse biases by dividing our respondents into early and late respondents. This procedure is performed under the assumption that late respondents are more similar in nature to nonrespondents than early respondents. No statistical differences between the early and late respondents were observed, which suggests that nonresponse bias was not a major problem (e.g., Kanuk and Berenson, 1975). Our final sample consisted of 52 small artistic - artisan family firms led, mainly, by a male entrepreneur (89% of cases), with an average age of 60 years, at the head of the firm since about 32 years and operating mainly in the clothing (28%) and art restoration (26%) sectors. On average, two generations are involved in the firms.

3.2 Variables

In this study we used dependent, independent and control variables.

The dependent variable is the growth of the firms. It was measured using the return of equity (ROE). ROE was measured via a subjective self-reported assessment since objective measures relating to growth or other performance dimensions are often not available or obtainable from small, privately owned firms. Prior research has shown that such subjective self-assessments are highly correlated with objective data (Dess and Robinson, 1984; Love et al., 2002; Venkatraman and Ramanujam, 1987). The respondents were given multiple options related to ROE, ranging from a decrease in ROE to increases in 3% increments up to 9% or more. The 10% of the craftsmen (N=8) has answered in decline, 17% (N=9) between 0% and 3%, 21% (N=11) between 3% and 6%, 23% (N=12) between 6% and 9%, while 29% (N=15) ROE> 9%, highlighting that the majority of small artistic - artisan family firms of Florence showed significant growth.

The independent variables are entrepreneurship and personal traits of the entrepreneur-craftsman that affect entrepreneurship.
Entrepreneurship was firstly investigated using 18 personality traits recognized in the literature as the most suitable to explain and predict entrepreneurial behavior (Abatecola et al., 2013b; Begley and Boyd, 1986, 1987; Brockhaus, 1980; Chell, 1985, 2008; Chell and Haworth, 1987; Chell et al., 1991; Gordini, 2013; Hornaday and Aboud, 1971; Kirzner, 1982a; McClelland, 1961, 1965, 1987; Rotter, 1966; Timmons, 1978, 1989). For the purposes of selecting only those traits that could best predict entrepreneurship and also had the lowest possible correlation levels, we carried out a multicollinearity analysis using the Variance Inflation Factor (VIF) method (Montgomery and Peck, 1992). Values of VIF above 5 (Judge et al., 1987) imply that variables within the model are highly correlated, while values less than 3 mean that the variables are almost independent (Judge et al., 1987). Thus, in this study, we decided to exclude the variables with a VIF value of above 3. In this step 11 personality traits were selected. On these traits was finally conducted a factor analysis that led to select the 6 traits described in Table 2 and used in the study. Each trait was assessed with 4 items on a 5-point Likert scale (1=totally disagree, 5=totally agree). Hence, each of the six traits can assume a score between a minimum of 4 and a maximum of 20. A score between 4 and 9 implies a low presence of the trait in the individual, a score between 10 and 15 an average presence, while a score between 16 and 20 a high presence. The wording of the questions was based on the analysis of the main psychometric instruments developed in the literature. In addition, the questionnaire includes the alternation of an item for each of the six traits. Therefore, the first group of six questions will be represented by the first item of each of the six traits. This order of items aims to reduce the distortion generated by the tendency to respond similarly to similar questions, reducing the reliability and validity of the test. Finally, the questionnaire has been tested for reliability by using statistical index of internal consistency Cronbach’s alpha (Cronbach, 1951). The value of alpha varies from zero to 1. Values above 0.7 indicate a good level of internal consistency and reliability. In this study the measure demonstrated acceptable reliability with an alpha of 0.82.
Tab. 2: Personality traits used to measure entrepreneurship

<table>
<thead>
<tr>
<th>TRAITS</th>
<th>DESCRIPTION</th>
<th>SOURCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personal qualities</strong></td>
<td>Physical stamina; health; ability to tolerate stress; tenacity; perseverance; emotional control; fun; realism; wisdom; political astuteness; manual skills</td>
<td>Bateman and Crant (1993); Baum (1995); Begley and Boyd (1986); Casson (2000); Chell (2008); Chell et al. (1991); Ciappei (1990); Gordini (2013); Hisrich and Peters (2006); Koh (1996); Korunka et al. (2003); Littunen (2002); Lumpkin and Dess (1996); Sexton (1997); Vallini (2006).</td>
</tr>
<tr>
<td><strong>Charisma and leadership</strong></td>
<td>Leadership; ability to formulate strategies; organizational skills; persuasive ability.</td>
<td>Chell (1985, 2008); Gordini (2013); Hartman (1959); Kets De Vries (1977); Weber (1947).</td>
</tr>
<tr>
<td><strong>N-Ach</strong></td>
<td>Need for personal achievement; ambition; desire for success.</td>
<td>Atkinson and Birch (1978); Begley and Boyd (1986), Chell (1985, 2008); Chell and Haworth (1987); Chell et al. (1991); Collins et al. (2004); Gordini (2013); Hansemark (2003); Hornaday and Aboud (1971); Hull et al. (1980); Johnson (1990); McClelland (1961, 1965, 1987); McClelland and Winter (1971); Miron and McClelland (1979).</td>
</tr>
<tr>
<td><strong>Risk-taking propensity</strong></td>
<td>Attitude, willingness and ability to deal with risky, ambiguous and uncertain situations.</td>
<td>Atkinson and Birch (1978); Brockhaus (1980); Carland et al. (1984); Chell (1985, 2008); Chell and Haworth (1987); Gordini (2013); Kilby (1971); Knight (1921); McClelland (1961); Meredith et al. (1982); Miner and Raju (2004); Palmer (1971).</td>
</tr>
<tr>
<td><strong>Creativity and innovation</strong></td>
<td>Initiative; intuition; curiosity; ability to develop new ideas; ability to identify, seize and create opportunities; ability to exploit new technologies.</td>
<td>Allinson et al. (2000); Baum (1995); Bird (1988); Carland et al. (1984); Gaglio and Katz (2001); Gordini (2013); Hornaday and Aboud (1971); Kirzner (1982a, 1982b); Park (2005); Shane (2003); Schumpeter (1934, 1961); Timmons (1978, 1989).</td>
</tr>
<tr>
<td><strong>LOC</strong></td>
<td>Ability to be the master and to change of its own destiny; positivism; flexibility; dynamism.</td>
<td>Abatecoca et al. (2013b); Begley and Boyd (1986); Furnham (1986); Gordini (2013); Hansemark (2003); Hull et al. (1980); Lee and Tsang (2001); Miller and Friesen (1982); Mueller e Thomas (2001); Rotter (1966).</td>
</tr>
</tbody>
</table>

Source: our elaboration

The results of the analysis of the traits (Table 3) give a first evidence of the positive relationship between the possession of certain personality traits (antecedents of entrepreneurial behavior) and the firm growth.
The intensification of the presence of some traits is, in fact, associated with a marked increase in ROE. In particular, our results show that: 1) entrepreneurs are characterized, on average, by high levels of quality personal (17/20), N-Ach (16/20), creativity and innovation (18/20), average levels of charisma and leadership (13/20) and internal LOC (13/20), and low levels of risk-taking propensity (8/20); 2) the craftsmen who have declared an increase in ROE over 9% (29% of the sample) show high values in each traits and a maximum (20/20) in the following traits: personal qualities, N-Ach, creativity and innovation, while 3) craftsmen who reported a decrease in ROE (10% of the sample) show medium-low or low values in these traits.

**Tab. 3: Personality traits and ROE**

<table>
<thead>
<tr>
<th>TRAITS</th>
<th>GROWTH</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ROE in decrease</td>
</tr>
<tr>
<td>Personal qualities</td>
<td>11</td>
</tr>
<tr>
<td>Charisma and Leadership</td>
<td>9</td>
</tr>
<tr>
<td>N-Ach</td>
<td>11</td>
</tr>
<tr>
<td>Risk-taking propensity</td>
<td>5</td>
</tr>
<tr>
<td>Creativity-innovation</td>
<td>11</td>
</tr>
<tr>
<td>LOC</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: our elaboration

The personal characteristics of the entrepreneur-craftsman analyzed in this study are the following: age, tenure and the generations involved. These variables are recognized in previous studies (Kellermanns et al., 2008; Kellermanns and Eddleston, 2006; Levesque and Minniti, 2006; Salvato, 2004; Zahra, 2005) as useful predictors of the level of entrepreneurship. Tenure was measured via a self-report question asking for how many years the craftsman had worked in the family firm. Age was similarly assessed via self-report. Lastly, we asked the entrepreneur-craftsman to indicate the number of generations currently working in the family firm (Kellermanns and Eddleston, 2006; Kellermanns et al., 2008).

Finally, two control variables were used. First, we controlled for entrepreneur-craftsman gender since entrepreneurial roles are more often associated with men than women (Kellermanns et al., 2008; Olson et al., 2003) and with different levels of performance (Chell and Baines, 1998). Second, we controlled the firm size based on the turnover of 2013, since larger turnover may allow the family firm to accumulate more organizational slack, which in turn may positively affect the ability to engage in entrepreneurship (Kellermanns and Eddleston, 2006; Kellermanns et al., 2008).

Table 4 shows the dependent, independent and control variables used in the analysis, whilst table 5 shows the means, standard deviations, and zero-order correlations.
Tab. 4: Variables used in the analysis

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>DESCRIPTION</th>
<th>SOURCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurship</td>
<td>Measured by using the six personality traits shown in Table 1, assessed with four items on a 5-point Likert scale</td>
<td>Baum (1995); Begley and Boyd (1986); Brockhaus (1980); Chell (1985, 2008); Chell and Haworth (1987); Chell et al. (1991); Ciappei (1990); Collins et al. (2004); Gordini (2013); Hornaday and Aboud (1971); Kirzner (1982a); Knight (1921); McClelland (1961, 1965, 1987), Meredith et al. (1982); Rotter (1966); Shane (2003); Schumpeter (1934, 1961); Timmons (1978, 1989); Weber (1947); Vallini (2006).</td>
</tr>
<tr>
<td>Age</td>
<td>Age of the entrepreneur-craftsman, measured by a open-ended question</td>
<td>Corbetta (1995); Feltham et al. (2005); Hambrick and Finkelstein (1987); Kellermanns and Eddleston (2006); Kellermanns et al. (2008); Levesque and Minniti (2006); Litz e Kleysen (2001); Parker (2006); Salvato (2004); Sharma et al. (1997); Zahra (2005).</td>
</tr>
<tr>
<td>Tenure</td>
<td>Number of years at the head of the firm, measured by a open-ended question</td>
<td>Daily and Dollinger (1992); Feltham et al. (2005); Finkelstein and Hambrick (1990); Gersick et al. (1997); Levesque and Minniti (2006); Kellermanns and Eddleston (2006); Kellermanns et al. (2008); Kesner et al. (1994); Zahra (2005).</td>
</tr>
<tr>
<td>Generations involved</td>
<td>Number of generations involved in the firms, measured by a open-ended question</td>
<td>Davis et al. (1997); Eddleston and Kellermanns (2007); Gersick et al. (1997); Hoy (2006); Kellermanns e Eddleston (2006); Kellermanns et al. (2008); Kenyon-Rouvinez (2001); Kepner (1991); Jaffe e Lane (2004); Litz e Kleysen (2001); McConaughy and Phillips, 1999; Salvato (2004); Schillaci (1990); Songini and Gnan (2013); Zahra (2005).</td>
</tr>
<tr>
<td>Gender</td>
<td>Gender of the respondent, measured by a closed question</td>
<td>Chell and Baines (1998); Kellermanns et al. (2008); Olson et al. (2003).</td>
</tr>
<tr>
<td>Size</td>
<td>Calculated on turnover of 2013</td>
<td>Kellermanns and Eddleston (2006); Kellermanns et al. (2008).</td>
</tr>
</tbody>
</table>

Source: our elaboration
Tab. 5: Descriptive statistics and correlations between variables

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>MEAN</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size (turnover)</td>
<td>5.23</td>
<td>2.41</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>59.63</td>
<td>10.59</td>
<td>0.18*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>0.89</td>
<td>0.63</td>
<td>0.37*</td>
<td>0.45**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tenure</td>
<td>32.71</td>
<td>16.26</td>
<td>0.18**</td>
<td>0.61**</td>
<td>0.49**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generations Involved</td>
<td>2.14</td>
<td>0.83</td>
<td>0.23*</td>
<td>0.19*</td>
<td>0.15</td>
<td>0.39**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurship</td>
<td>18.72</td>
<td>8.15</td>
<td>0.49**</td>
<td>0.10</td>
<td>0.16</td>
<td>0.23*</td>
<td>0.48***</td>
<td></td>
</tr>
<tr>
<td>ROE</td>
<td>4.04</td>
<td>3.84</td>
<td>0.21*</td>
<td>-0.15</td>
<td>0.11</td>
<td>-0.07</td>
<td>0.31</td>
<td>0.46***</td>
</tr>
</tbody>
</table>

*p < 0.05; **p < 0.01; ***p < 0.001

Source: our elaboration

3.3 Hypotheses

The aim of this study is to show how the personal characteristics of the entrepreneur-craftsman and the generational involvement in small artistic - artisan family firms may affect the level of entrepreneurship and, consequently, the success, growth and competitiveness of the firms.

In fact, personal characteristics of the entrepreneur-craftsman may be key factors in predicting entrepreneurship since family firms tend to be overly dependent on a single decision maker (Feltham et al., 2005) and their entrepreneur-craftsmen tend to remain in power much longer than the entrepreneur of nonfamily firms (Gersick et al., 1997). Moreover, generational involvement may be a unique predictor of entrepreneurship in artistic - artisan family firms given that family members from newer generations tend to be a driving force for change (Kepner, 1991) and innovation (Litz and Kleyson, 2001).

In particular, the age of the entrepreneur is considered a key antecedent of entrepreneurial behavior (Levesque and Minniti, 2006). Levesque and Minniti (2006) argued that a CEO’s entrepreneurial efforts will decline over time. In fact, on one hand, according to Hambrick e Finkelstein (1987), as entrepreneurs grow older, they may limit their decision making to commonly held norms of industry behavior, rather than seeking unique, yet risky, strategic directions. On the other hand, Kellermanns et al. (2008) and Parker (2006) argue that younger entrepreneurs have been found to adjust their expectations faster in response to new information than older entrepreneurs do, supporting the notion that older entrepreneurs are more complacent than their younger counterparts. Further, age may be a particularly salient predictor of entrepreneurship in small artistic - artisan family firms since their craftsmen often become preoccupied with succession issues as they age (Feltham et al., 2005). In fact, because craftsmen are often motivated to build a lasting legacy for their children, they often become conservative in their decisions because of the high risk of entrepreneurial ventures (Morris, 1998) and their fear of losing family wealth (Sharma et al., 1997). Therefore we can formulate our first hypothesis:
**H1: The age of the entrepreneur is negatively related to entrepreneurship.**

Some researchers (Levesque and Minniti, 2006) argued that long entrepreneur tenures inspire entrepreneurial behavior. Long tenures allow the entrepreneur-craftsman to accumulate a wealth of knowledge and experience, to build valuable relationships among organizational constituents and to create a positive firm culture, making him or her better able to pursue aggressive change and risky decisions necessary to entrepreneurship (Kellermanns et al., 2008; Levesque and Minniti, 2006). Other studies (Daily and Dollinger, 1992; Feltham et al., 2005; Finkelstein and Hambrick, 1990; Kellermanns and Eddleston, 2006; Kellermanns et al., 2008; Zahra, 2005) found that a long tenure was negatively related to entrepreneurship. In fact, long tenures may create an internal organizational environment that stifles the creativity and innovativeness, making employees less likely to question ideas and practices. In addition, Finkelstein and Hambrick (1990) and Kellermanns et al. (2008) argue that entrepreneurs with longer tenure have been found to be more likely to conform to industry norms, presumably because their firm-specific human capital keeps them from compromising the comfortable status quo. Therefore, long tenure has a negative effect on firm growth. Based on these observations, our second hypothesis states that:

**H2: A long-term tenure is negatively correlated with entrepreneurship.**

Over time the entrepreneur-craftsman may lose his entrepreneurial edge (Corbetta, 1995; Salvato, 2004). The generational involvement increases the firm’s chance that entrepreneurial opportunities will be identified and pursued (Gersick et al., 1997; Songini and Gnan, 2013; Salvato, 2004). As Salvato explains, “the founder alone may find it difficult to have innovative ideas without the fresh momentum added to the firm by second-generation members” (Salvato, 2004, p. 73). In addition, the involvement of multiple generations may increase entrepreneurship because newer generations may be the driving force for change and innovation and they may also be more likely to perceive the importance of entrepreneurial behavior to the long-term survival of the firm. Thus:

**H3: The number of generations involved in artistic - artisan family firms has a positive effect on entrepreneurship.**

Entrepreneurship is essential for small family firms in order for them to adapt and respond to environmental changes. In fact, entrepreneurship increases innovation, creativity, the ability to recognize and exploit opportunities by reconfiguring existing and new resources in different ways that create a strong competitive advantage (Zahra, 2005). Zahra et al. (2000) highlight that entrepreneurship can help a firm acquire new capabilities, launch new businesses, develop new revenue streams, and improve firm performance, profitability, and growth. Thus, entrepreneurship is seen as an important element in the survival and growth of family firms because it helps create jobs and wealth for family members (Kellermanns and Eddleston, 2006; Salvato, 2004). Without entrepreneurship firms and, in particular
small family firms, will likely become stagnant, thereby limiting the potential for firm success and growth in the future. Consequently:

**H4: Entrepreneurship has a positive impact on firm growth.**

4. Results

We tested our hypotheses through multiple regression analysis. We tested three models. Table 6 shows the results.

*Tab. 6: OLS regression model results*

<table>
<thead>
<tr>
<th></th>
<th>MODEL 1</th>
<th>MODEL 2</th>
<th>MODEL 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FIRM GROWTH</td>
<td>ENTREPRENEURSHIP</td>
<td>FIRM GROWTH</td>
</tr>
<tr>
<td>Age</td>
<td>-0.53*</td>
<td>-0.39</td>
<td>-0.33</td>
</tr>
<tr>
<td>Tenure</td>
<td>-0.65*</td>
<td>-0.62</td>
<td>-0.34*</td>
</tr>
<tr>
<td>Generations Involved</td>
<td>0.67**</td>
<td>0.53**</td>
<td>0.23</td>
</tr>
<tr>
<td>Entrepreneurship</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Size (turnover)</td>
<td>0.26*</td>
<td>0.34*</td>
<td>0.38*</td>
</tr>
<tr>
<td>Gender (male/female)</td>
<td>0.20</td>
<td>0.23</td>
<td>0.13</td>
</tr>
<tr>
<td>$R^2$</td>
<td>0.745</td>
<td>0.782</td>
<td>0.825</td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
<td>0.810</td>
<td>0.846</td>
<td>0.890</td>
</tr>
<tr>
<td>$F$</td>
<td>3.471**</td>
<td>5.431***</td>
<td>5.657***</td>
</tr>
</tbody>
</table>

* p<0.05 ** p< 0.01 *** p<0.001 N = 52

Source: our elaboration

In model 1, we regressed firm growth in small artistic –artisan family firms onto age, tenure, and generations involved. The coefficient of all variables is significant, confirming our hypotheses. In particular, age ($\beta = -0.53$, p<0.05) and tenure ($\beta = -0.65$, p<0.05) have a significant but negative impact on firm growth confirming H1 and H2, whilst generations involved ($\beta = 0.67$, p<0.01) show a significant and positive relationship with firm growth, in line with H3. Finally, the size effect is positive and significant ($\beta = 0.26$, p<0.05), while gender does not affect firm growth ($\beta = 0.20$, ns).

In model 2, we tested if the hypothesized effects of age, tenure and generations involved existed in entrepreneurship. In this model, only the variable generations involved ($\beta = 0.53$, p<0.01) was found significant confirming H3, whilst both age ($\beta = 0.39$, ns) and tenure ($\beta =0.62$, ns) were not. This suggested that only the relationship between generational involvement and firm growth is mediated by entrepreneurship, which do not support H1 and H2.

Indeed, Model 3 confirms full mediation, supporting H3. When entrepreneurship ($\beta=0.63$, p<0.001) is added to the main effects (supporting Hypothesis 4), generational involvement loses its significance ($\beta=0.23$, ns) indicating full mediation. In addition, tenure ($\beta=-0.34$, p< 0.05) is significant in this model.
Our results show some differences with previous studies, highlighting the peculiar characteristics of the analyzed sample.

Contrary to expectations, our findings related to entrepreneur-craftsman tenure only partly supported our hypotheses. In fact, tenure is not related to entrepreneurship by the entrepreneur-craftsman, whilst it is negatively related to firm growth. Although entrepreneurship in general may be strongly related to tenure, it is possible that the specific characteristics of the small artistic - artisan family firms may mitigate the effect of this variable on entrepreneurship and firm growth. In addition, the non-significant effect on entrepreneurship further suggests that many constraints may be imposed on the entrepreneur-craftsman by the family, which may limit his or her engagement to such behavior.

Regarding the age of the entrepreneur-craftsman, results confirm only partially our hypotheses (and previous studies). This variable is not related to entrepreneurship, and it is negatively related with firm growth only in model 1. These results suggest that, although entrepreneurship may be strongly associated with age, it is possible that as the entrepreneur-craftsmen grow older, they may naturally become less innovative, creative, and risky and also become more focused on maintaining family wealth, thereby reducing their entrepreneurship.

Generational involvement confirms both hypotheses 3 and 4. Indeed, the relationship between generational involvement and firm growth is fully mediated by entrepreneurship in small artistic - artisan family firms. As such, generational involvement is the only strong predictor of entrepreneurship in our sample. This is an important finding, since the main effect of generational involvement on entrepreneurship has been generally found non significant at a firm level (Kellermanns and Eddleston, 2006). Moreover, these findings add new proofs to the growing evidence that although agency costs in family firms exist, they may be lower than agency costs in non family firms (Davis et al., 1997; Eddleston and Kellermanns, 2007; Kellermanns et al., 2008).

Finally, entrepreneurship is strongly associated with firm growth, confirming H4. This result confirms that the degree of entrepreneurship of entrepreneur-craftsman is a key factor in explaining firm growth and in understanding why some small artistic - artisan family firms grow while other family firms stagnate.

In conclusion, our results provide some new empirical evidences about a specific type of family firm still little investigated in management literature such as small artistic - artisan family firms. The study of entrepreneurial behavior of the entrepreneur-craftsman can provide additional insights in understanding why some artistic - artisan family firms grow while other family firms stagnate. In particular, our study has showed that: 1) generations involved is an important predictor of entrepreneurship and firm growth and 2) the entrepreneurship of the craftsman is a key factor in explaining growth in small artistic - artisan family firms.
5. Conclusion

The growth of small artistic - artisan family firms hinges on the personality traits of the artist - craftsman, on which globalization has again focused attention. Consequently, there is a need for a new entrepreneurial behavior, based on the enhancement of creative skills, intellectual capital, human relations and, not least, the ability to provide an immediate response to change. Entrepreneurship is, therefore, the answer to the growing complexity and dynamism of global markets. Such response should not be understood solely as a disruptive innovation: even minor and incremental changes in the value proposition may be, in fact, an effective way to promote firm’s growth (Lanza, 2002).

The identification of the antecedents and of the characteristics of an entrepreneur provides interesting insights that are helpful for a thorough understanding of the reasons that have lead some small artistic - artisan family firms to grow and to meet the challenges of globalization much faster than many other firms of even bigger size. Therefore, this study has tried to identify antecedents of entrepreneurship and to test their effects on the growth of a sample of small artistic - artisan family firms. The findings suggest that: 1) personality traits (especially creativity, innovation, and N-Ach) and the generational involvement are useful predictors of the level of entrepreneurship of the small entrepreneur-craftsman; 2) the entrepreneurship is crucial for the growth of the firm.

Our study contributes to the management literature on this topic in three ways.

First, unlike former studies (Chell, 1985, 2008; Chell and Haworth, 1987; Gordini, 2012, 2013; Kellermanns et al., 2008; Levesque and Minniti, 2006; Lumpkin and Dess, 1996; Miller, 1983; Zahra, 1996) that have analyzed the antecedent of entrepreneurial behavior on sample of medium sized enterprises operating in industrial sectors, our study has tried to identify the antecedents of entrepreneurship on a sample of small artistic - artisan family firms, still few investigated in reality, but fundamental for the economy of every country and, even more, for the future of Made in Italy.

Second, the results show the personality traits and characteristics that a craftsman should own to have a high level of entrepreneurship and, consequently, to be a successful entrepreneur. In particular, findings show that 1) on average, artistic craftsmen have a high-level of the traits: personal quality, creativity and innovation, N-Ach; an average-level of: charisma, leadership and internal LOC; and a low-level of: risk-taking propensity; 2) the above personality traits assume very high values in 29% of entrepreneurs who report a marked increase in ROE (ROE> 9%) and low or medium-low values in 10% declaring a decrease in ROE; and 3) these traits are not influenced by the age or the tenure of the entrepreneur, but only by the generational involvement, suggesting that family, through the sharing of their experiences and tacit knowledge, is a key factor in determining the behavior of the entrepreneur - craftsman and consequently the growth of the firm. In particular, the maximum value (20/20) showed by the traits personal qualities, creativity and innovation, and N-Ach in
firms with the highest growth rate of ROE is particularly significant. These three traits, investigating characteristics such as the dexterity, the love and passion for work, creativity, the ability to use new technologies and the need to excel and to find satisfaction and self-fulfillment in their own work, are, in fact, the most significant traits in order to consider a craftsman a successful entrepreneur. No wonder then that these three traits assume the maximum value in firms with the most marked growth in ROE and the lowest in those with a decrease in ROE. Therefore, these results confirm that the possession of certain personality traits distinguish a craftsman who creates value from the one who does not create it. Moreover, the high value of the trait “creativity and innovation” shows the strong relationship between artistic craftsmanship and innovation.

Finally, our findings shed new light on another aspect still little investigated in the management studies, i.e. the relationship between entrepreneurship and artistic - artisan firm growth. Confirming H4, results show that the entrepreneurship has a significant impact on the growth of a firm. Thus, this result suggests that the distinctive and characteristic personality traits of a craftsman play a key role in helping small family firms to face crisis and globalization, thus exploiting to their own advantage what has been identified as weak points, namely the opening of borders and the increased competition. With globalization, therefore, craftsmanship does not become a relic of a glorious past, but a key factor for the growth of a country. Craftsmanship is a “glocal” resource that, due to its roots in local systems and cultures, allows the firm to compete on markets even more complex and dynamic (Colombo, 2005).

Florence has always been a famous attraction for tourists from all over the world, who visit artistic workshop in search of products whose quality and artistic features are unique and impossible to reproduce. In order to satisfy the search for beauty of these global consumers, in recent years craftsmen have significantly enhanced the use of technological tools such as websites and e-mails. This makes it possible to show production online, liaise with customers and increase the turnover through exports.

In sum, the present study shows that an artistic craftsman creates value if he/she has a high-level of entrepreneurship, i.e. the six personality traits (especially personal qualities, N-Ach, creativity and innovation) influenced by the generational involvement.

This study also presents some limitations: 1) the cross-sectional design employed in this research does not allow inferring causality in our study; 2) the small sample size and the sample origination in a specific and particular geographic reality, i.e. Florence. A small sample size may always cause a Type II error. However, since the majority of our hypotheses were supported, this does not seem to be a significant concern in this study (Kellermans et al., 2008); 3) the self-assessment of the variables used that could reduce the reliability of the results.

Future researches should therefore investigate the relationship between entrepreneurship and growth of small artistic - artisan family firms: 1) using longitudinal design to infer causality in the study; 2) using a larger sample of firms, operating in a broader geographic area in order to analyze the impact of a territory on entrepreneurship and growth, allowing to
make comparisons both within a country (e.g. between regions) and between countries, thus obtaining more significant results; 2) using a greater number of variables (e.g. level of education, previous work experience, socio-economic environment, social capital, trust, tacit knowledge, culture and modus operandi; family support and norms) as antecedents of entrepreneurship; 3) assessing the combined effect that the personal characteristics of each member of the family has on the level of entrepreneurship. In fact, according to Kellermanns et al. (2008, p.10), the members of a family are in a position of power that allows the family to better control decision making and implementation (Arregle et al., 2007) and may thus facilitate entrepreneurship. As such, family involvement can be seen as an integral component that allows the creation of “familiness” in family firms (Habbershon et al., 2003); 4) finally, although our study focuses exclusively on entrepreneurship within the firm, future research needs to develop a better understanding of the facilitating conditions that allow an entrepreneurial behavior. In this regard, future research should focus on more organizational-level predictors.

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