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How Families Shape Successor Motivation—and the Firm's Long-Term Direction

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Family firms don't have goals—people do. The rise and fall of Italy's Florio dynasty shows how successor motivation shapes the balance between growth, legacy, and community—and how families can build more durable, values-led leadership.

The long-term direction of a family firm – whether it prioritizes growth, performance, legacy, or community ties – depends on the goals of the individuals making key decisions. Family businesses and the people who own and manage them pursue both economic goals, such as growth and performance, and noneconomic goals, such as preserving the family legacy and maintaining connections with the local community.

These goals can reinforce one another or work against each other, and the tradeoff between goals shapes decisions that influence long-term performance and survival. I wanted to learn more about how founders and successors shaped the process of goal formation in family businesses.
While research has focused on the economic and noneconomic goals of family businesses, we still do not fully understand how these goals emerge, especially because *individuals* have goals (not businesses). In other words, what appear to be "firm goals" are in fact the goals of the individuals involved, such as emphasizing business growth or preserving family influence. Therefore, my study focused on individuals and not firms.

I used self-determination theory as a lens to explore differences in individual motivation and how they shape the types of goals individuals pursue and how they balance them. This theory suggests that people have either *autonomous* motivation (when they are driven by their own interests, values, and sense of purpose); or *externally driven* motivation (when they prioritize external rewards, expectations, or pressures.)

A Deep Look at One Family Dynasty

My research is based on a case study of a family business spanning 140 years, between the end of the 18th century and the middle of the 20th century. It captures the rise

and fall of the Florio family business, which became one of the wealthiest families in Italy (and Europe) during the 19th century, with four generations that took the family from rags to riches and back to rags again. The Florios started as spice merchants after migrating to Sicily in the late 18th century. The second and third generation grew this venture into a diversified business, including shipping, wine, mining, manufacturing, banking, and tuna fisheries and canneries. This vast business empire elevated the Florios to national and international prominence, earning them recognition among Europe's economic and social elites.

The New York Times defined the Florio family as "the merchant princes of Italy" and the "Italian Lloyds" (NYT, 1881). They were also referred to as "Masters of the Mediterranean, true symbols of Italian industry, from holidays with the Rothschilds to shopping at Cartier in Paris and the great tailors of London: for decades talking about the Florio family meant talking about the manufacturing sector in all its splendor." (Bellanca, 2021)

During the fourth (and last) generation, the family business declined – due to poor business decisions and lavish personal spending, combined with growing international competition, technological changes, and reduced state support. The business was ultimately liquidated in the early 20th century.

What I Studied

Following standards for organizational research based on history, I relied on different types of sources and data, relating to individuals, family, and firm, as well as the political, economic, cultural, and social context in which they operated. Because the Florio family history took place more than 100 years ago, I relied on books, speeches, letters, newspaper articles, personal archives, and diaries rather than interviews.

I also researched the economy of Sicily during the period under study and found several references to the Florio family; and perused other scholarly studies and nonacademic material found online.

What I Found

From studying the founders and successors who took over the ownership and management of the Florio family business, I saw that the firm-level goal formation process is mainly driven by individuals and the type of motivation that drives them --- whether autonomous (adhering to internalized values), or external (motivated by outside rewards.) These individuals' motivations can change depending on several factors, but family plays the biggest role in shaping it.

If the family fosters confidence and competence in the successor, builds their sense of autonomy, and nurtures feelings of connection and belongingness, it will promote goals and behaviors that are internally guided rather than solely driven by external pressures or rewards. This was the case in the Florios' first generation, the rags to riches stage, when the family was strong and united. While the Florios needed to prioritize money to build the business and provide for the family, they pursued a balance of economic and noneconomic goals (benefiting individuals, family, and business. Founders (and brothers) Paolo and Ignazio maintained a relatively modest lifestyle, although they started seeing some success in their business:

"Business… was going very well, even though [they] continued to live in a rental home… but [Paolo's] wife Giuseppa was able to have a housemaid… and they had not only silver cutlery… but also jewelry." (Cancila, 2019.)

The second and third generations grew the "riches" further, by building not only wealth but also social status. The family remained strong and united, and fathers continued to prepare sons for leadership roles in the business. Because external factors were favorable -- exports were booming in several industries -- the Florio successors were able to grow the family business through diversification and consolidation.

Because of their modest origins, the Florios still strived for social acceptance. Only after marrying into nobility in the third generation (a marriage that was made possible thanks to the accumulated wealth), were the Florios were finally accepted on a social level. They developed not only political power but also focused on community and cultural activities. In this era the family balanced economic and noneconomic goals (benefiting individuals, family, business, and community):

"… the Florios' wealth did not consist only of numbers, ships, wine or sulfur: to be accepted, they had to change their lifestyle, opening their home, organizing receptions for friends and acquaintances, hosting painters and writers. The aristocrats had to stop looking at them as 'nouveau riche'." (Auci, 2021.)

Fourth-generation leader Ignazio Florio faced several challenges and took the family and business from riches to rags again. Having known nothing but wealth, Ignazio was entitled and unprepared to take over the family business. Significantly, because his father died young, Ignazio had no role model to help him develop autonomous motivation, as had happened in previous generations.

Ignazio also had an unhappy marriage and his only male heir died as a child; this weakened family ties. He made several bad business decisions and continued to maintain a lavish lifestyle, including visiting the same tailor as the future king of England and buying his wife Franca a 7-meter-long pearl necklace. Then, the outside political and economic climate turned unfavorable, creating an imbalance between economic and noneconomic goals (leaning towards the latter). This ultimately led to the family business's demise:

In the end the Florios lost everything, including their homes. Between 1929 and 1935, the businesses were either sold to pay for debts or liquidated (Pomar, 2002). Ignazio and his wife died destitute.

Based on the analysis, the research offers a framework that explains what shapes the motivation of founders and successors. These influences can unfold over time

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or act at the same time. They can come from the individual (such as upbringing or presence of role models), the family (for example, whether it is united or divided), the business (if it is flourishing or struggling), and external factors (whether they favor the business or not).

Considering these interactions across levels is essential for understanding the mechanisms that explain family business goal formation. Simply considering the individual decision maker, without taking into account the role of the family, would not explain why some individuals appear to have autonomous motivation and others do not. The business and the context also influence which family business goals are pursued, whether economic and noneconomic goal are balanced, and whether these benefit the family or others outside the family.

These findings shed light on mechanisms that have so far not been fully understood.

Takeaways

For family business owners, the main insight is that helping the individuals leading the firm develop the right kind of motivation is key for long-term success of the business.

Families in business should foster autonomous motivation in next-generation successors, as this supports a better balance between economic and noneconomic goals. This is especially important as the business becomes older, larger, or more complex; or operates in an unfavorable economic or political climate.

Family business leaders can take practical steps to foster autonomous motivation by focusing on three areas:

- **Build successors' confidence and competence**: Provide role models and mentoring programs to help successors develop their skills and capacities;
- **Support successors' sense of autonomy**: Involve successors in decision-making more strategically and offer them structured opportunities in the business; and
- **Strengthen connection and belonging**: Share family values; engage in storytelling about the family and business; and introduce governance mechanisms that facilitate a sense of community (starting with regular family meetings), to create a sense of security, trust, and belongingness.

Explore the Research

Family Business Goal Formation: Exploring Individual Motivation and the Interaction with Family, Business, and Context (https://journals.sagepub.com/doi/10.1177/08944865251380604) . *Family Business Review,* October 2025

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