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IPO Timing in Family and Non-Family Firms: Investigating the CEO's Characteristics Role

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Abstract

The aim of the paper is to investigate the influence of the family nature of the firm on the time to going public and, overcoming the dichotomy between family and non-family firms, addressing the family firms heterogeneity in terms of CEO characteristics. Grounding our regression analyses on a sample of IPO firms went public in Italy from 2000 to 2020, our paper offers theoretical contributions and has practical implications. Findings demonstrate the existence of a positive relationship between family firm status and IPO timing, corroborating previous research claiming that the family influences IPO features. Moreover, empirical results point out that while CEO age increases the time to IPO in family firms, when the CEO is also the company founder, family firms go public earlier. This evidence supports literature advocating that age and founder status matter in shaping family decision making process.

Keywords: IPO timing, family firm status, CEO founder, CEO age

1. Introduction

The process of going public via Initial Public Offering (IPO hereafter) provides a unique opportunity to study strategic changes undertook by companies (Chahine, 2007): it is a crucial step in the growth path of companies and boosts economic development (Ritter & Welch, 2002). At the same time, while it offers extraordinary opportunities (reach lower cost of capital, Bancel & Mittoo, 2009; better reputation, Ravasi & Marchisio, 2003), it also involves critical challenges (new governance and accounting standards; Certo, Holcomb & Holmeset, 2009) and is surrounded by uncertainty linked to the so called "liability of newness" which IPO companies discount as they do not possess previous equity track record to legitimate themselves towards investors (Certo et al., 2009). Considering these arguments, scholars claim that the decision to go public is an entrepreneurial and risky choice rather than a natural step for companies aiming to grow (Lester, Certo, Dalton, Dalton, & Cannella, 2006). In particular, the decision about when go public, the so-called time to IPO (Yang, Zimmerman & Jiang, 2011), appears particularly crucial: it reflects the performance of companies pre-IPO, it allows newly firms to raise resources and it demonstrates that they are ready to grow (Chaganti, Zimmerman, Kumaraswamy, Maggitti & Arkles, 2016; Teng & Li., 2020). At the same time, a wrong decision regarding the IPO timing may hamper IPO success and the post-IPO survival of newly companies (Chang, 2004). Considering the relevance of the topic, numerous studies flourished investigating factors influencing such a critical choice (e.g., CEO characteristics, Romano, Cirillo, Mussolino & Pennacchio, 2019; TMT characteristics, Chaganti et al., 2016; institutions role, Teng & Li, 2020). However, previous research neglected the role played by ownership and governance characteristics and, in particular, the family nature of the business. This gap in research appears to be urgent to fill. First, since family ownership and governance may shape strategic paths of companies (Cirillo, Romano & Ardovino, 2015; Bouzgarrou & Navatte, 2013) and the time to IPO is undoubtedly a strategic choice able to affect firms' survivability, it is time to understand how family status affects such a choice. In this sense, the distinguishing factors between family and non-family firms, in terms of strategic decision making processes, risk attitude and motivations (Zahra, Hayton & Salvato, 2004), may disentangle antecedents of the IPO timing decision. Second, the time to IPO is a choice which, in family firms, may acquire new and interesting peculiarities. Indeed, overcoming common issues, valid for any kind of company (e.g., the uncertainty linked to the process; Certo et al., 2009), family businesses must deal with specific challenges: the necessity to safeguard

the family emotional endowment (Leitterstorf & Rau, 2014), the lack of managerial skills to manage the market complexity (Mazzola & Marchisio, 2002), the will to guarantee a successful generational succession (Poutziouris & Wang, 2004) and the willingness to protect not only the reputation of the firm but also that of the family (Leitterstorf & Rau, 2014). Not surprisingly, many family firms tend to remain private (Helwege & Packer, 2009), with many others fail to achieve growth after the quotation and choose to delist while a significant part of them do not survive after IPO (Cirillo, Mussolino, Romano & Viganò, 2017). In such a scenario, the decision regarding the time to IPO, with its potential effect on family business survival, may be significantly influenced by family concerns. Finally, previous literature on IPO has addressed the relationship between family firms' status and different IPO outcomes (e.g., performance, Ding & Pukthuanthong, 2013; governance aspects; Giovannini, 2010) but left out of the debate the family influence on IPO timing. Starting from these arguments, our research firstly aims to answer the following research question: "How does family status influences the time to IPO?".

At the same time, urgent seems the understanding of factors influencing how family firms go public (Carbone, Cirillo, Saggese & Sarto, 2022). Indeed, literature on IPO and family firms diffusely analyzed the ending part of the IPO process, i.e. the short term performance (Yang, Ma & Doty, 2020), and the post-IPO phase (Hearn, 2013). In contrast, unexplored remains the area of the antecedents of the IPO, i.e. the comprehension of factors boosting or inhibiting the IPO in family firms (Carbone et al., 2022). In this sense, leaders characteristics emerge as particularly worthy of interest (Cirillo, Romano & Pennacchio, 2015; Kotlar, Signori, De Massis & Vismara, 2018). Indeed, since the CEO is often the main, and sometime the sole, leader in such companies, the strategic paths undertook by family firms strongly depend from strategic choices made by this manager (Feltham T. S., Feltham G. & Barnett, 2005). Is not a case that the family entrepreneurship is intrinsically linked with CEO individual characteristics (Salvato, 2004). Considering that the decision to take the firm public is, by definition, a strategic entrepreneurial choice (Lester et al., 2006), CEO characteristics may considerably affects time to IPO. Indeed, IPO scholars pointed out that the CEO leadership is especially relevant in family IPO firms (Kotlar et al., 2018). However, while some scholars investigated how CEO characteristics affect time to IPO (e.g., Yang et al., 2011), the issue has not received attention in family business context. Starting from this gap, our second aim is to answer the following research question: "How do CEO characteristic affect time to IPO in family firms?".

To answer the above research questions, the paper uses a quantitative approach and implements statistical analyses on a sample of Italian IPO firms went public on Milan Stock Exchange from 2000 to 2020. The choice to set the study in the Italian context appears meaningful considering not only the role played by family firms in such a context (AIDAF, 2019), but also the recently development on the Italian Stock Market, mainly due to increasing number of firms going public via IPO (Finaldi Russo, Parlapiano, Pianeselli & Supino, 2020). Empirical findings show that family firms go public later than non-family firms and that, within family firms, CEO age(founder status) inhibits(boosts) the speed to IPO. Starting from these results, our study contributes to different research streams. First, by highlighting the role played by family firm status on the time to IPO, it enriches the literature investigating factors influencing such a critical choice, so far focused on firms, individual, and contextual factors (e.g., Chaganti et al., 2016; Teng & Li, 2020; Lee & Lee, 2008; Romano et al., 2019). Second, by focusing on CEO characteristics, it extends findings regarding the effect of leadership in family IPOs as it considers a critical as well underexplored outcome in family business literature, the time to IPO one. Finally, by studying the CEO features-IPO timing relationship in the family businesses context, the study contributes to the academic debate on the topic, by offering a new perspective.

2. Theoretical Background and Hypotheses Development

2.1 Family Firm Status and the Time to IPO

Recognising the ambivalent nature of the IPO, scholars diffusely scrutinized the going public route, aiming to disentangle, at different levels, factors influencing such a critical process. Indeed, while the IPO supports firms in their growth path (Ritter & Welch, 2002), it also poses numerous challenges (e.g., the necessity to overcome the so called "liability of market newness"; Certo, 2003) and risks (e.g., that of failure, Certo et al., 2009). In this regard, undertake the IPO is considered an entrepreneurial and, as such, risky choice rather than a necessary step in the companies' life cycle.

Among factors investigated in literature, the time to IPO, that is the time passes by the firm's foundation to the IPO, plays a primary role in view of its ability to influence the process in itself as well as the survival of the company in the post-IPO phase (Clark, 2002; Yang et al. 2011). Indeed, IPO timing indicates the potential return on investment, it affects the valuation of investment attractiveness, determines a firm's ability to acquire new resources (Chang, 2004; Zacharakis & Shepherd, 2001) and matters for considerations about control and firm

value for owners (Field & Karpoff, 2002).

Considering the critical role played by IPO timing in influencing IPO performance, growth opportunities and survivability of newly companies, literature has paid attention investigating antecedents of such a critical choice (e.g., Romano et al., 2019). In this vein, Chang (2004) studied how different factors - venture capital involvement, firms' networking and fund raised during the listing - affect time to IPO, reporting a positive relationship. Looking at external factors, Shepherd and Zacharakis (2001) pointed out that contextual factors such as the location, the technological level and market conditions influence the time to IPO. Finally, a stream of research focused on decision makers characteristics able to shape the IPO timing (Teng & Li, 2020; Romano et al., 2019; Yang et al., 2011). Scholars highlighted that while TMT age, tenure, size, and tenure heterogeneity reduce the speed to go public (Chaganti et al., 2016), CEO's prior experience, network and career horizon reduce the time to IPO (Romano et al., 2019; Yang et al., 2011).Considering the critical role played by IPO timing in influencing IPO performance, growth opportunities and survivability of newly companies, literature has paid attention investigating antecedents of such a critical choice (e.g., Romano et al., 2019). In this vein, Chang (2004) studied how different factors - venture capital involvement, firms' networking and fund raised during the listing - affect time to IPO, reporting a positive relationship. Looking at external factors, Shepherd and Zacharakis (2001) pointed out that contextual factors such as the location, the technological level and market conditions influence the time to IPO. Finally, a stream of research focused on decision makers characteristics able to shape the IPO timing (Teng & Li, 2020; Romano et al., 2019; Yang et al., 2011). Scholars highlighted that while TMT age, tenure, size, and tenure heterogeneity reduce the speed to go public (Chaganti et al., 2016), CEO's prior experience, network and career horizon reduce the time to IPO (Romano et al., 2019; Yang et al., 2011).

Despite the growing body of literature on the topic, previous research left out of the debate firms' governance and ownership features and, in particular, how the family involvement may shape the IPO timing choice. This is surprising if we consider that by shaping each phase of the listing process (Carbone et al., 2022), family involvement in the business, at different levels, affects the way in which they undertake the quotation (Chung et al., 2015), the short term IPO evaluation (González et al., 2019), the long term post-IPO performance (Masulis, Pham & Zein, 2020), investment and financial choices after the listing (Jain & Shao, 2014, 2015; Nikolov & Wen, 2018), and firms survivability on the market (Cirillo et al., 2017). In particular, family firms are less willing to go public since they are more concerned with the possible independence and control constraints linked with the firm's listing status (Helwege & Packer, 2009). During the IPO process, family firm status affects underpricing both positively - as family businesses accept larger short performance losses to safeguard IPO success (Leitterstorf & Rau, 2014) - and negatively, as they experience lower conflicts with positive effect on short term performance (Yang et al., 2020). Finally, even after the quotation, family firm status continues to influence decision making process by pushing newly firms to retain more control than non-family firms (Kriaa, & Hamza, 2019).

Similarly, the IPO timing may be also reasonably affected by considerations arising from the family nature of the firm. First, family firms need to safeguard the family reputation other than business one (Leitterstorf & Rau, 2014), thus they especially need to assure the success of the listing process avoiding imaging damage which may occur due to a wrong choice about the IPO timing. Second, since the IPO often occurs to facilitate the generational succession (Poutziouris & Wang, 2004), family firms need to coordinate the IPO timing with such a critical – and peculiar to family firms – transition. Not a minor issue rests in the necessity of family firms to acquire proper managerial skills (Mazzola & Marchisio, 2002) in time to legitimate themselves on the market (Ding & Pukthuanthong, 2013).

However, despite family peculiarities may affect the IPO timing choice, the implication of the family firm's nature on this critical choice did not receive attention by literature until now. In the aim to fill this relevant research gap, this paper investigates the relationship between family firm status and the time to IPO and predicts that family involvement increases the time necessary to go public. This assertion, other than arising on arguments reported above, theoretically grounds on different strategic behaviours and risk attitude detected between family and non-family firms. Indeed, in contrast to non-family businesses, family firms take strategic decision, such as that related with the IPO timing, assuming as primary reference point the necessity to safeguard the SEW, that is the socio-emotional endowment linked with the family influence over the business (Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson & Moyano-Fuentes, 2007). In this vein, since the IPO timing is potentially able to affect the safeguard of the SEW over time, the family concerns to SEW has the potential to affect the decision on when go public. In particular, in order to protect such endowment, family firms, which are usually reluctant to strategic, organizational and governance changes, such as those which the listing process

implies (Carbone et al., 2022), may lengthen the listing time. Indeed, since family firms are more conservative (Wang & Poutziouris, 2010), risk averse if non-financial goals are threatened (Gómez-Mejía et al., 2007) and resistance to change (Hall, Melin & Nordqvist, 2001), they are more inclined to ponder the decision to go public and, in doing so, to increase the time to IPO. Formally:

Hypothesis 1: Family firm status positively affects the time to IPO.

2.2 CEO Characteristics and the Time to IPO in Family Firms

Overcoming the dichotomy between family and non-family firms, studies highlighted the importance to address the family firms heterogeneity (Melin & Nordqvist, 2007). In particular, we focus on CEO characteristics influence on IPO timing. Our choice rests on several reasons. First, previous literature empirically demonstrated the significant influence of CEO characteristics on the time to IPO (e.g., Romano et al., 2019). Second, CEO and his/her peculiarities constitutes one of the main factors shaping family firms strategic and risk behaviors (Kellermanns, Eddleston, Barnett & Pearson, 2008). Finally, and even more important for the purpose of our study, family business scholars pointed out that CEO leadership matters in explaining family firms choices in the IPO context (e.g., Huang, Li & Zhang, 2019). In this regard, Cirillo et al. (2015b), focusing on the CEO power construct, suggested that powerful leaders can reduce uncertainty and foster trust among new potential investors by, in turn, positively affecting short-term IPO performance. Differently, numerous scholars addressed the impact of the CEO's family status on IPO outcomes by highlighting both a positive (e.g., on long run performance, Nikolov & Wen, 2018) and a negative (on the ability to acquire resources, Lien & Li, 2014) effect on IPO features and outcomes. Finally, founder status of the CEO appears to be crucial in determining the IPO short term performance in terms of underpricing (Kotlar et al., 2018). Looking at the time to IPO choice, several CEO characteristics have been investigated (e.g., CEO career horizon, Romano et al., 2019; CEO expertise, Yang et al., 2011). Among these, CEO age and his/her founder status are particularly worthy of attention due to the different risk propensity, strategic attitude and entrepreneurial spirits linked with these features, especially in family firms (Bettinelli, Sciascia, Randerson & Fayolle, 2017).

Generally speaking, since age shapes individual perspectives, value-system and relationship approach (Yang et al., 2011), it significantly influences individuals' attitude to the status quo and their propensity to accept changes (Hambrick & Mason 1984). Considering the IPO as an entrepreneurial choice involving strategic changes as well new complexity arising from the market and its players, previous research reported that older CEOs show a more conservative and cautious approach toward the decision to go public, by increasing the time to IPO (Yang et al., 2011). This empirical evidence theoretically grounds on the fact that while older managers usually tend to show a more risk-averse behavior (Kahneman & Tversky 1979) and take longer to make decision (Taylor, 1975), young managers appear more prone to risky decision like seize growth (and risky) opportunities (Wiersema & Bantel 1992) and more inclined to business and organizational changes by also easier embracing the complexity linked with new strategic options (Pegels & Yang 2000). Framing the discussion in family firms, we have to say that while literature is far from reach consensus about the direction of the influence, scholars strongly agree on the critical roleplayed by CEO leaders' in predicting entrepreneurial choices in family firms (Feltham et al., 2005; Kellermanns et al., 2008). In detail, despite some studies reported a positive effect of CEO age on entrepreneurial choices (Eddleston, Kellermanns & Zellweger, 2012), the majority of studies claimed for a negative impact of this CEO characteristics on entrepreneurship in family firms (e.g., Bauweraerts & Colot, 2017) . Indeed, in such companies, already sometimes conservative, the CEO age may act as a catalyst for risk-averse behaviors (Strike, Berrone, Sapp & Congiu, 2015). Indeed, since the succession issue is of crucial importance in family businesses (Feltham et al., 2005), as the time to retire approaches, the CEO becomes increasingly concerned with ensuring a smooth transition and less concerned with undertake entrepreneurial and risky decisions (Sharma, Chrisman & Chua, 1997; Kellermanns et al., 2008). Therefore, as age advances, CEOs of family businesses may physiologically become even more risk-averse. Following these arguments, we hypothesize that the age of the CEO in family firms increases the time to IPO. Formally:

Hypothesis 2: CEO age positively affects the time to IPO in family firms.

Shifting the attention to the CEO founder status, previous literature argued that founder CEOs demonstrate a stronger entrepreneurial spirit and a greater appetite for risk with positive effect on firms' entrepreneurship and strategic changes (Tzabbar & Margolis, 2017; Boling, Pieper & Covin, 2016). Moreover, thanks to their peculiarities (e.g., better reputation, stronger and long term relationship with firm's key stakeholders and long-run perspective; Abebe, Li, Acharya & Daspit, 2020), founder CEOs usually are more able to guide the firm during uncertain and transformational periods by also increasing the chance of post-IPO survival (Fischer & Pollock, 2004). In family firms, Founder CEOs give entrepreneurial impetus to the family (Bettinelli et al., 2017)

and, also during the IPO process, they are crucial for the business's growth and bring to the family firms several advantages. In particular, Kotlar and colleagues (2018) claimed that not only founder CEOs exhibit greater entrepreneurial behaviors but also that they appear more concerned with economic objectives than socio-emotional ones. These different attitudes may bring to pursue entrepreneurial risky choices such as the IPO one faster. In this regard, scholars revealed that founder CEOs reduce the time necessary to undertake the going public process thanks to their peculiarities as exposed above (Yang et al. 2011). Following previous literature, therefore, we propose that founder CEOs would boosts family businesses' entrepreneurial spirit and, in doing so, would reduce the time to go public in family firms. Formally:

Hypothesis 3: CEO founder status negatively affects the time to IPO in family firms.

3. Method

3.1 Sample

To test our theoretical predictions, we based statistical analyses on a sample which includes firms went public via IPO on the Milan Stock Exchange in Italy in the period 2000-2020. Following previous studies, firms operating in the financial sector were not included because of intrinsic differences in the nature of their operations (e.g., Chahine & Filatotchev, 2008). Therefore, our final sample comprises 288 IPO firms, both family and non-family. The choice to start the data collection on 2000 stands on the fact that the propensity of firms to go public via IPO has increased since the Draghi Law (D.Lgs. N.58/1998), which offered higher protection to investors (Cattaneo, Meoli & Vismara, 2015). The context under investigation also appear meaningful. Indeed, the Italian market grew significantly in the last decade, driven by the surge in IPOs (Finaldi Russo et al., 2020). At the same time, the Italian stock market remains considerably smaller than its European peers (Finaldi Russo et al., 2020). Therefore, in order to support economic development, it is necessary to take a closer look at this context. Secondly, Italy offers an ideal context to study the family influence over firms' strategic decision making process as its economy is dominated by family businesses, which account for about 85% of all enterprises and almost the 60% of the Italian stock market (AIDAF, 2019).

3.2. Data Collection and Variables

Following previous literature (Romano et al., 2019), the research used the IPO prospectus as principal source of data, integrated by multiple sources (e.g., CEOs' cv, LinkedIn, other Internet sources).

The dependent variable is the time to IPO (TIME_TO_IPO) which is measured as the logarithm of the length of time, measured in months, from the company's founding to its IPO (Zacharakis & Shepherd 2001; Chang, 2004; Lee & Lee, 2008; Yang et al., 2011; Romano et al., 2019).

Independent variables are family status and CEO characteristics. The former is a binary variable (FAM_50) which takes value of 1 if the IPO firm is considered a family business according to our definition, 0 otherwise. We consider an IPO firm being a family firm if two simultaneous criteria occur (Cascino, Pugliese, Mussolino, & Sansone, 2010): first, family members (i.e., persons related by blood or marriage ties) must hold equity capital (with a threshold of 50%) and second, the family must be actively involved in the governance through at least one family member who is involved in the governance but is different from the owner. Based on this definition, our sample comprises 168 non-family IPOs and 120 family IPO firms. On this latter sub-sample, we tested our hypotheses regarding family firms heterogeneity (i.e., 2 and 3). First, we measure CEO age (CEO_AGE) as the difference between IPO year and CEO born date (Romano et al., 2019). Moreover, we use a binary variable (CEO_FOUND) equal to 1 if the CEO founded the IPO firm, 0 otherwise (Filatotchev, Chahine, Wright, & Arberk, 2005).

Moreover, we employed control variables at different levels: individual, firm and contextual ones. First, since alongside age and founde status, other CEO characteristics may affect the IPO timing (Yang et al. 2011; Romano et al., 2019), we control for CEO tenure (CEO_TEN), the length of time, in months, between IPO date and CEO first appointment and CEO duality (CEO_DUAL), a binary variable equal to 1 if the CEO occupies also the chair position in the board, 0 otherwise (Romano et al., 2019). Following previous studies (e.g., Chaganti et al., 2016), we expect a positive (negative) impact of CEO tenure (duality) on IPO timing. At firm level, the analysis controls for board independence percentage (BOARD_IND) and for profitability, measured as the ratio of price on equity per share (PR_EQ). In line with previous studies, we predict for both variables a positive effect on IPO timing. Indeed, board independence may hinder the board contribution to the strategic decision making (Pugliese et al., 2009) by slowing down the decision to go public. At the same time, previous research demonstrated that higher performant firms go public later (e.g., Lee & Lee, 2008). Furthermore, we control for leverage (LEV), which is the ratio of the book value of non-equity liabilities to the book value of total assets, and for size (SIZE),

expressed as market capitalization at the offer price (in log form). Accordingly, with other similar studies (e.g., Yang et al., 2011), for both we expect a positive effect on IPO timing. As for the context, we control for crisis (CRIS), a dummy variable equal to 1 if the IPO took place during the financial crisis (i.e. from January 2007 to December 2011) and 0 otherwise (Cirillo et al., 2015b). Since contextual factors may differently affect IPO timing (Zacharakis & Shepherd, 2001), we didn't expect any sign for its effect. Finally, considering that family governance involvement affects the decision-making process during the IPO time (Ding & Pukthuanthong, 2013), in our analyses on the sub-sample of family IPO firms, we also control for the percentage of family board directors (BOARD_FAM_PERC). For this variable, considering that family involvement in governance increases the concerns towards SEW losses (Ding & Pukthuanthong, 2013), we expect a positive effect on IPO timing.

3.3 Analytical Model

Hypotheses were tested by running OLS regression analyses. In detail, we used a standard models as follow:

$$Yi = ai+\beta 0+ \beta 1 *FAM\_50 + yXi+\varepsilon i \quad (1)$$

$$Yi = ai+\beta 0+ \beta 1 *CEO\_AGE \text{ or } \beta 1 *CEO\_FOUND + yXi+\varepsilon i \quad (2)$$

Where i indicates IPOs; Yi was the variable TIME_TO_IPO. For model (1), FAM_50 is the main regressor of interest while, for model (2), CEO_AGE and CEO_FOUND represented the main independent variables. Finally, Xi is a vector of control variables and εi represented the stochastic errors. The multicollinearity was not a problem as all variables included had an average variance-inflated factor below the cut-off of 5 (the highest value was 1.65) (Hair, Black, Babin & Anderson, 2010).

4. Results

4.1 Descriptive

Descriptive statistics are reported in Table 1 and Table 2.

Table 1. Descriptive statistics for the whole sample

Sample of family and non family IPOs in Italy from 2000 to 2020				
Variable	**Mean**	**Std. dev.**	**Min**	**Max**
Dependent Variable				
TIME_TO_IPO	5.00	1.03	1.79	8.03
Independent Variables				
FAM_50	0.42	0.49	0.00	1.00
Control Variables				
CEO_TEN	98.5	90.1	1.0	449.0
CEO_DUAL	0.50	0.5	0.0	1.0
BOARD_IND_PERC	0.30	0.2	0.0	0.8
LEV	0.70	0.2	0.0	1.0
SIZE	18.4	1.6	14.4	22.8
CRIS	0.1	0.3	0.0	1.0
PR_EQ	103.0	625.5	0.0	2547
N = 288				

Table 2. Descriptive statistics for the sub-sample of family IPO firms

Sample of family IPOs in Italy from 2000 to 2020				
Variable	**Mean**	**Std. dev.**	**Min**	**Max**
Dependent Variable				
TIME_TO_IPO	5.22	0.96	1.79	7.45
Independent Variables				
CEO_AGE	50.70	9.86	29.00	79.00
CEO_FOUND	0.45	0.50	0.00	1.00
Control Variables				
CEO_TEN	117.78	99.50	2.00	449.00
CEO_DUAL	0.50	0.50	0.00	1.00
BOARD_IND_PERC	0.26	0.13	0.00	0.67
BOARD_FAM_PERC	0.37	0.16	0.07	0.75
LEV	0.68	0.20	0.03	0.99
SIZE	18.34	1.52	15.07	22.77
CRIS	0.16	0.37	0.00	1.00
PR_EQ	59.88	149.82	0.67	992
N = 120				

The CEOs of the firms in our sample have an average tenure of 8 years (Table 1., CEO_TEN: 98.2; 10 years in family IPOs, Table 2., CEO_TEN: 117.78) and half of them also hold the position of chairman of the board of directors (Table 1. and Table 2., CEO_DUAL: 0.50). Focusing on Table 2., it can be seen that family firms are listed with family members occupying more than one third of the boards (Table 2., BOARD_FAM_PERC: 0.37). Finally, Table 3 shows the correlations between the variables obtained through Pearson's correlation coefficients: they do not suggest multicollinearity problems.

Table 3. Correlation matrix

Variabile	**1.**	**2.**	**3.**	**4.**	**5.**	**6.**	**7.**	**8.**	**9.**	**10.**	**11.**
1. *FAM_50*	1										
2. *CEO_AGE*	-0.02	1									
3. *CEO_FOUND*	0.03	-0.05*	1								
4. *CEO_TEN*	0.18*	0.21*	0.24*	1							
5. *CEO_DUAL*	0.05*	0.07*	0.50*	0.19*	1						
6. *BOARD_IND_PERC*	-0.06*	0.00*	-0.04*	0,03	-0.08*	1					
7. *BOARD_FAM_PERC*	0.77*	-0.08*	0.04*	0.20*	0.03	-0.13*	1				
8. *LEV*	0.05*	-0,03	0.09*	0.02	0.04**	0.00	0.02	1			
9. *SIZE*	-0.01	-0,18*	-0.28*	-0.08*	-0.18*	0.16*	-0.06*	-0.16*	1		
10. *CRIS*	0.06*	-0.01	-0.06*	-0.08*	-0.03	0.05*	0.00	0.03	0.10*	1	
11. *PR_EQ*	-0.06*	0.06*	-0.04	-0.02	-0.02	0.07*	-0.05*	0.01	0.09*	-0.06*	1

Note. * $p < 0,05$.

4.2 Regression Results

Statistical results from our analyses regarding the relationship between family firm status and the IPO timing and between CEO characteristics and the time to IPO are reported, respectively, in Table 4 and in Table 5. To strength our relationships, we first regressed the dependent variable only on the main independent variable (Table 4., model 1; Table 5., model 1 and 3) and then we added the control variables (Table 4., model 2; Table 5., model 2 and 4).

Table 4. Regression results on the relationship between family firm status and the time to IPO

	Model 1	Model 2
FAM_50	0.383***	0.210**
	(0.119)	(0.104)
CEO_TEN		0.005***
		(0.001)
CEO_DUAL		-0.412***
		(0.104)
BOARD_IND_PERC		0.503
		(0.388)
LEV		0.752***
		(0.268)
SIZE		0.019
		(0.035)
CRIS		-0.175
		(0.165)
PR_EQ		-0.000***
		(0.000)
_cons	4.845***	3.590***
	(0.080)	(0.695)
Prob > F	0.001	0.000
R-squared	0.034	0.320
Adj R-squared	0.030	0.301
VIF (mean)	1.00	1.06
N	288	288

Standard errors in parentheses * p < 0.10, ** p < 0.05, *** p < 0.01

Table 5. Regression results on the relationship between CEO characteristics and the time to IPO in family IPOs

	Model 1	Model 2	Model 3	Model 4
CEO_AGE	0.020**	0.019**		
	(0.008)	(0.010)		
CEO_FOUND			-0.563***	-0.881***
			(0.168)	(0.163)
CEO_TEN		0.004***		0.005***
		(0.001)		(0.001)
CEO_DUAL		-0.576***		-0.048
		(0.162)		(0.152)
BOARD_IND_PERC		0.442		0.260
		(0.664)		(0.541)
BOARD_FAM_PERC		-0.105		0.181
		(0.452)		(0.422)
LEV		0.608*		0.801**

		(0.373)		(0.385)
SIZE		0.009		0.022
		(0.056)		(0.052)
CRIS		-0.520**		-0.560***
		(0.225)		(0.190)
PR_EQ		-0.001*		-0.001***
		(0.001)		(0.000)
_cons	4.219***	3.493***	5.481***	4.092***
	(0.437)	(1.140)	(0.115)	(1.132)
Prob > F	0.021	0.000	0.001	0.000
R-squared	0.042	0.374	0.086	0.486
Adj R-squared	0.033	0.322	0.078	0.444
VIF (mean)	1.00	1.14	1.00	1.18
N	120	120	120	120

Standard errors in parentheses * p < 0.10, ** p < 0.05, *** p < 0.01

Regression results confirm our hypotheses. First, family firm status is positively and statistically significant related with our dependent variable (Table 4., model 2: $\beta1 = 0.210$, $p < 0.05$), demonstrating that family influence lengthens the time required for listing, due to the lower risk propensity of family businesses and the greater attention required to make the decision to list for such companies (Wang & Poutziouris, 2010). The hypothesis 1 is therefore confirmed. Moreover, focusing on the influence of CEO characteristics, as we predicted, CEO age positively affects the time to IPO (Table 5, model 2: $\beta1 = 0.019$, $p < 0.05$) since older managers exhibit less attitude to strategic changes, especially in family firms (Kellermanns et al., 2008). At the same time, family firms with a founder CEO go public earlier, indeed founder CEOs negatively influence the time to IPO (Table 5, model 4: $\beta1 = -0.881$, $p < 0.01$) thanks to their stronger entrepreneurial spirit (Abebe et al., 2020). These results corroborate our theoretical arguments and support hypotheses 2 and 3.

Finally, looking at the control variables, our results highlight that while the CEO tenure increases the time to go public (Table 4., model 2: $\beta1 = 0.005$, $p < 0.01$), the CEO duality increases the speed to undertake the IPO (Table 4., model 2: $\beta1 = -0.412$, $p < 0.01$). Moreover, firms with higher level of leverage take longer to list (Table 4., model 2: $\beta1 = 0.752$, $p < 0.01$) while performance reduces the time to go public (Table 4, model 2: -0.000, $p < 0.01$). These results are consistent also if we focus on the sub-sample of family IPO firms as shown by Table 5, model 2 and model 4.

5. Discussion

The study investigated the effect of family firm status on IPO timing. Moreover, overcoming the dichotomy between family vs non-family firms, it studied the CEO leadership characteristics influence, in terms of age and founder status, on this critical choice within family businesses.

The findings corroborate the theoretical predictions of a positive effect of family firm status on IPO timing. Indeed, since family firms are concerned regarding a possible SEW damage arising from an unsuccessful IPO process, they act more cautiously and, by carefully pondering the decision to go public, increase the time to IPO. This results thus support previous literature suggesting that family firms are more risk adverse than non-family firms in their strategic choices (Gómez-Mejía et al., 2007), also in the IPO context (Leitterstorf & Rau, 2014).

Addressing the heterogeneity within family firms, our findings point out that CEO age increases the IPO timing. As reported by previous research (e.g., Eddleston et al., 2012), indeed, we found that older CEOs in family firms are more conservative and show less propensity to strategic changes as those linked with the IPO process (Yang et al., 2011). At the same time, our findings demonstrate that CEO founder negatively affects the time to IPO as this manager, thanks to his/her peculiarities, boosts the entrepreneurial spirits of family firms (Bettinelli et al., 2017) by reducing the IPO timing.

Taking together, these results offer several theoretical contributions. As for our first research question, by

scrutinizing how family firm status influences the time to IPO, our study introduces the ownership and governance features, in particular the family ones, in the academic conversation about factors affecting such a critical choice. Indeed, so far, literature focused on firm, group, individual, and contextual factors (e.g., Chaganti et al., 2016; Teng & Li, 2020; Lee & Lee, 2008; Romano et al., 2019) neglecting the family dimension which, in turn, appears critical in explain not only firms' entrepreneurial choices (Zahra et al., 2004), like the IPO timing but, in particular, those related with the IPO process (Cirillo et al., 2015a; Mahérault, 2004). Moving to our second research question, while until now scholars investigated the effect of CEO leadership on family IPO's short (Cirillo et al., 2015b) and long term performance (Chahine, 2007), we went a step behind by highlighting that CEO characteristics influence the IPO timing. In doing so, we also answer to the call for more research on pre-IPO phase (Carbone et al., 2022; Chaganti et al., 2016). Furthermore, the study adds to research on CEO features-IPO timing relationship (e.g., Romano et al., 2019) by investigating the issue in the family businesses domain, a research context which still requires further knowledge.

The article may also have practical implications. Indeed, shedding light on how family firms face IPO appears particularly timing looking at the contributions of family firms all around the world (E&Y, 2019), which is significantly prompted by the IPO process (Mazzola & Marchisio, 2002). In particular, by investigating how family status affects the IPO timing, this study corroborates knowledge claiming that governance and ownership features, by influencing decision making process, shape growth path of companies, in particular the IPO one. At the same time, by investigating CEO characteristics within family firms, the article enhances understanding factors affecting the IPO in such companies by offering potential insights to practitioners which aim to support family firms during such a challenging process.

Despite these contributions, our study is not without limitations. However, the latter constitute starting point for future development of the topic. Indeed, while our geographical context appears fitting and significant for the purpose of the research, considering the influence of institutional elements on IPO (Bruton, Filatotchev, Chahine Wright, 2010), future research could extend our study by investigating the same relationship in different context. At the same time, while CEO age and founder status are factors undoubtedly worthy of attention in family firms, scholars suggested other individual characteristics, such as education and work experience; Cirillo et al. 2017) which have the potential to affect family behaviors during the IPO process. Since their influence was not investigated regarding the IPO timing choice, future studies could benefit from this gap.

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