Good Board Governance and Perceived Business Continuity in Tunisian Corporate Groups

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Abstract

This research deals with the contribution of good board practices to perceived business continuity in Tunisian corporate groups. This paper aims to identify the components of good board governance that can promote business continuity in Tunisian corporate groups through the study of the directors' perceptions. Large Tunisian business groups form the pillars of the country economic development and reflect the ownership structure as well as the management style of Tunisian companies. In this regards, corporate governance and continuity issues are particularly important for Tunisian corporate groups. In this regards, Family-controlled businesses remain the predominant form of corporate groups in Tunisia. Good corporate governance can be a driver of business continuity by introducing good management practices allowing corporate groups to face succession problems and to improve company performance and its sustainability.

The conceptual study has allowed us to identify the components of good board governance: Principles (Responsibility, Transparency, Fairness and Accountability), Board Roles (Control and Strategist), Directors skills and Board procedures. The survey was conducted on a sample composed of 50 Tunisian corporate groups using a questionnaire designed to be filled by the directors and the top management members. The regression analysis revealed the perceived business continuity is positively related to Board Strategic Role, Directors Skills, Board Procedures and Board Accountability. However, the results showed that Board Control Role and Board Fairness are negatively linked to perceived business continuity in sampled Tunisian corporate groups.

Keywords: Corporate governance, Business Continuity, Corporate Groups
JEL Classification: G34, M14, M10

1. Introduction and Problem Statement

This research focuses on the contribution of good corporate governance to the continuity of business groups in Tunisia. The continuity issue is very important for companies operating in developing economy as Tunisia. In this country, the majority of private companies are family-oriented and 75% of the 400 largest private companies are family businesses.

In this regard, Tunisian firms don't have solid traditions of succession - transmission, they are relatively "young" and few of them have successfully surpassed the stage of the second or the third generation. Corporate governance appears to be a solution to the succession problem. In this sense, several authors argue that corporate governance promotes survival, continuity, growth and sustainability of enterprises. Family businesses need a specifically tailored corporate governance approach that takes into account their specificities (Klein, 2010).

Therefore, this paper aims to answer the following question: What are the components of corporate governance promoting business continuity in Tunisia? To provide a response to

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this question, we have chosen to study large Tunisian business groups. They form the pillars of the country economic development and reflect the ownership structure as well as the management style of Tunisian companies.

This research aims to identify the components of governance associated with the board of directors promoting the continuity of business groups in Tunisia. This paper is structured in two parts. We will present, in a first step, the theoretical framework of this research through the conceptual development of the perceived continuity as well as the elements associated with good board governance. This will lead us to formulate the research hypothesis. Besides, we will present the results of the empirical study and the lessons learned from this research.

2. Literature Review

In Tunisia, corporate groups are generally family business having a closed ownership structure with management responsibilities insured by the founding owners (Fitch, 2005). These groups, often take the form of holding, are diversified and operate in different industries (industry, trade, tourism, etc.). The majority of Tunisian groups are under-capitalized and highly leveraged (Fitch, 2005).

The most common form of corporate group in Tunisia is the hypogroup structure (Bouderbala, 2005), defined by Debray (1997) as a group structure whose components are small businesses and linked by financial relations. These relationships give the holding company, the decision-making power over others and therefore it gives the owner-manager a central role and a final authority on the strategic management of the hypogroup.

Tunisian corporate groups are characterized by a lack of transparency and a personalized way of management of the founders (Fitch, 2005). The majority of Tunisian corporate groups are led by the founder owner or by the founding family members. Management quality and organizational efficiency vary from one corporate group to another: Some corporate groups have modern structure, qualified managers and information systems which allow them to manage a large set of companies and activities, while other corporate groups continue to operate in a traditional mode based on the founders' visions (Fitch, 2005; Srairi, 2003). The use of outside counsel and independent expertise still limited due to the reluctance of many group managers.

2.1 Business Continuity

Business continuity was defined by Srivastva and Fry (1992) as « *the connectedness over time among organizational efforts and a sense or experience of ongoingness that links the past to the present and the present to future hopes and ideals* ».

Perceived future continuity of the business refers to the company ability to insure its sustainability and to provide future generations with wealth and employment (Miller & Le Breton-Miller, 2005; Chrisman, Kellermanns, Chan, & Liano, 2010; Cater & Justis, 2009; Short, Payne, Brigham, Lumpkin, & Broberg, 2009).

The business continuity perception is related to the management ability to insure diligent resources allocation and demonstrate the financial soundness of the company (De Geus, 1997). It depends also on management ability to identify and manage risks and threats as well as to plan the future of the business through setting long-term strategies and succession plan (Mignon, 2010; Bonn, 2000).

Family businesses are often more concerned with the long-term continuity of the business than non-family businesses are (Short, Payne, Brigham, Lumpkin, & Broberg, 2009; Miller, Le Breton-Miller, & Scholnick, 2008). Family businesses place much emphasis on survival (Distelberg & Sorenson, 2009; Short Short, Payne, Brigham, Lumpkin, & Broberg, 2009), because the business is perceived as a long-term resource base to be used by multiple generations (Distelberg & Sorenson, 2009; Castillo & Wakefield, 2007).

2.2 Good board governance

A common definition of corporate governance is "*the relationship among various participants in determining the direction and performance of corporations*" (Monks & Minow, 2004). Concerning the governance of family business, Adendorff (2004) define it as "*a system of processes and structures to direct, control, and account for the family and the family business at the highest level*". Picou and Rubach (2006) define corporate governance as "*the entire rules, methods and incentives that will harmonize the accord between agent (executive board and management) and shareholders (those who supply capital)*".

Within the firm, corporate governance comprises three components: the shareholders assembly, the board of directors and the top management team. Even that the shareholders' assembly has main authority on company decisions, issues concerning corporate governance fall upon the board of directors given its pivotal role in directing and controlling companies (Cadbury, 1993; Brenes, Madrigal, & Requena, 2011).

The literature review shows that many authors articulate the importance of Good board governance (Picou and Rubach, 2006; Barton and Young, 2006). In this regards, Peebles and Lockhart (2011) notice that "*shareholders and stakeholders are increasingly holding boards responsible for value creation, as opposed to CEOs*".

The review of the literature shows many conceptions of the components of good board governance practices and board effectiveness drivers. Regarding to Levrau and Van den Berghe (2007), this divergence in board effectiveness studies is due to researchers' different backgrounds as well as their heterogeneous research approaches to determine the concept of effectiveness. The literature's review shows many conceptions of the components of good board governance practices:

Table 1: Synthesis of the literature review on good board governance

Authors	Good board governance / effective board
Sonnenfeld (2002)	*Structural elements:* regular Meeting Attendance, Board Size and Committees. *Board Member Skills and Profiles* *Board behavior and culture :* involvement, independence, openness, respect, trust
Nicholson and Kiel (2004)	*Human capital:* knowledge, skills, abilities *Structural capital:* process, procedures, practices, routine *Social capital:* intra board, board management, extra organizational Board roles: Monitor & control, access to resources, strategizing, advice & counsel
Levrau and Van den Berghe (2007)	*Culture :* involvement, openness, critical, common values or goal, atmosphere-climate *Individual norms:* commitment, preparation, personality, independence *Relationships among the board members:* cohesiveness, respect, team, trust, contact *Board Tasks (Roles):* context, control, strategy, support *Board composition:* competence, complementarities, diversity, mix, size *Board operations:* meeting, preparation, chairmanship

The various approaches focused on four main areas:

- ***Board culture & values :*** Accountability, transparency, responsibility and fairness (Benham & He, 2010; Murthy, 2006; OECD, 2004; Watson, 2003).

- ***Board of directors role:*** control role as well as a strategist role (Nicholson & Kiel, 2004).
- ***Board human capital:*** Directors expertise and qualifications (Davies, 1999; Zandstra, 2002)
- ***Board procedures:*** Monitoring structures and reporting mechanisms (OECD, 2004).

2.2.1 Board Culture and Values

According to Chilliak (2014) "*a culture of open debate, transparent sharing and grappling with the real issues, and responsibility to help develop strategy is absolutely essential to good governance*". To carry out their mission, Directors should share a culture and values based on generally accepted governance principles and standards: responsibility, accountability, fairness and transparency (OECD, 2004; Jesover & Kirkpatrick, 2005).

Responsibility

Within the board room, responsibility means that the directors recognize stakeholders' rights such as provided by law and promote cooperation between the company and main stakeholders. The responsibility to the stakeholders enables the company to follow market and society trends and to have a thorough knowledge about the changing values of stakeholders (Ben Rejeb & Frioui, 2012). This can help companies to understand better their environment needs and to adapt their behaviors in order to survive. We can formulate the following hypothesis:
H1: *The board responsibility has a positive effect on the business continuity.*

Accountability

From a board room perspective, accountability is defined as the predisposition of the board Directors to provide explanations and justifications for the key stakeholders, concerned by its judgments, intentions, acts and omissions, if they call to do so (Arjoon, 2005).

A board culture of accountability allows the company to increase stakeholders confidence which can ensure the support provided during crises that the company can pass through and thus, increase survival and longevity potential (Ben Rejeb & Frioui, 2012). We can advance the following hypothesis:
H2: *The board accountability has a positive effect on the business continuity.*

Fairness

Given that the board must ensure the fairness in the execution of contracts between the company and the resource providers (OECD, 2004), fairness in board room means that Directors protect all the shareholders interests and ensure equitable treatment of their interests. According to Post, Preston & Sauter-Sachs (2002), the long-term survival of a firm are determined by its ability to establish and maintain relationships with its nexus of stakeholders. In this respect, a culture of fairness can promote longevity of the cooperative node between the company and its stakeholders; this has the effect of favouring the continuity of the firm. Therefore, we can advance the following hypothesis:
H3: *The board fairness has a positive effect on the business continuity.*

Transparency

Transparency is a universal corporate governance principle. Board transparency means that the Directors perform their duties in a transparent manner, provides adequate disclosure and timely information to its stakeholders regarding their decisions, as well as, company operations and activities (Pahuja & Bhatia, 2010). A culture of transparency encourages directors to make diligent decisions and to avoid any conflict of interest which has the effect to ensure the company sustainability.

Scotland (2010) found nine key factors that contribute to the longevity of long-lasting Australian family enterprises including the ability to apply the principles of corporate governance such as transparency and disclosure. Thus, we can advance the following hypothesis:

H4: *The transparency has a positive effect on the business continuity*.

2.2.2 Board of Directors Role

An efficient board can ensure firm global performance. Boards can bring a link between the firm and its environment, provides critical resources (Williamson, 1996; Hillman, Keim, & Luce, 2001), monitor management and help this latter to make strategic decisions (Fama & Jensen, 1983; Davies, 1999; Kemp, 2006). A board performing these roles, can help the organization to achieve superior performance and therefore to ensure survival and longevity (Gompers, Ishii, & Metrick, 2001; Goktan, Kieschnick & Moussawi et al., 2006).

A convergence through the corporate governance literature exists regarding the dependence of the board's effectiveness on the degree of implementation of its various roles (Nicholson & Kiel, 2004). The literature review shows that boards play three main roles:

- A control role: management oversight and monitoring (Zahra & Pearce, 1989; Baysinger & Hoskisson, 1990; Monks & Minow, 2004).
- A strategic role: company strategic guidance and strategy approval (Judge & Zeithamal, 1992; Pettigrew & McNulty, 1995).
- A service role: Networking, management team mentoring and counseling (Pfeffer & Salancik, 1978; Davis & Cobb, 2010)

The study of Ben Rejeb (2012) on the impact of board role on value creation in Tunisian companies did not find a significant effect of the board service role. The author explained this finding by the boards structure largely dominated by the main shareholders. For the purpose of this research, we will retain the role of control and the role of strategist.

The board Control Role

The board control role is at the heart of contractual corporate governance theories (Fama & Jensen, 1983; Jensen & Meckling, 1979). This board role can insure the proper use of the company resources as well as the protection of the interests of the legitimate stakeholders (Ben Rejeb & Frioui, 2012). The board control role suggests that Directors are responsible for setting and enforcing budget restrictions and operating rules (Jensen & Meckling, 1976) and overseeing strategy implementation (Rindova, 1999). Furthermore, directors are in charge of selecting, bonding, evaluating, compensating and replacing top managers (Conyon & Peck, 1998; Pitcher, Chreim, & Kisfalvi, 2000).

Since the board is responsible for reducing opportunism and agency costs the (Eisenhardt 1989; Fama & Jensen, 1983) and because directors sit at the apex of the organization, then it is expected that corporate continuity and survival is affected by corporate board attributes.

Therefore, we can advance the following hypothesis:

H5: *The board control role has a positive effect on the business continuity*.

The Board Strategist Role

Strategy is a central factor affecting firms success or failure (Porter, 1991). According to corporate governance cognitive theories, the board play a central role in identifying opportunities and taking strategic decisions that enable the company to develop a sustainable competitive advantage (Charreaux, 2000).

The board is involved in different issues relating to the company strategic management: defining company mission, vision and core values, setting objectives, formulating strategy (Ingley & Van der Walt, 2001). Therein, strategic vision is a philosophy composed by a set of beliefs and core values, a clear and engaging aim and a projected image of a desired future (Collins & Porras, 1996; Ben Rejeb, 2012). The definition of a clear and shared strategic vision can help to trace the pathway of business continuity and expansion. Since the board of directors is responsible for the strategy development (Pass, 2004), then it is expected that corporate continuity and survival is affected by corporate board attributes. We can advance the following hypothesis:

H6: *The board strategist role has a positive effect on the business continuity*.

2.2.3 Board Human Capital

Board human capital is the individual knowledge, skills and abilities possessed by directors (Nicholson & Kiel, 2004). The board human capital is related to the director possession of due diligence abilities, strong industry and board experience as well as, reputation and relationship skills (Taylor, 2000). Nicholson and Kiel (2004) consider that board human capital is a pillar of board effectiveness framework.

From a resource based view, the personal and intangible skills and competencies of directors, make of them a valuable resources for the firm (Barney, 1991). Regarding to Huse, Gabrielsson and Minichilli (2009), the existence of skilled directors can contribute "*to secure company resources that may be valuable, rare, non-substitutable and inimitable in a way that may provide long term competitive advantage*". In this regards, Ben Rejeb and Frioui (2012) found that director's qualifications, preparation, skills, competencies and experience has a positive effect on the stakeholder’s satisfaction in Tunisia listed companies. The board human capital can be considered as a characteristic of successful organisations since that it can help firms to collaborate with stakeholders and to adapt to their environment (Barrett, 1998; Collins & Porras, 1997; De Geus, 1999; Fitz-Enz, 1997). Therefore, we can advance the following hypothesis:

H5: *The board human capital has a positive effect on the business continuity*.

2.2.4 Board Procedures

Board procedures can be defined as explicit and implicit codified knowledge as routines, policies, norms, processes and methods (Bontis, 1998; Nicholson & Kiel, 2004). The board procedures are related to the various mechanical aspect of governance functions as board agenda, board meetings, documentation provided to directors, board charter and manuals. Nicholson and Kiel (2004) consider that board procedures among board effectiveness framework pillars.

The existence of board procedures establish the regularity and diligence in the functioning of boards of directors to avoid the interest's conflicts, the opportunism and the managerial abuse. The research of Astrachan and Kolenko, (1994) found that there is a correlation between firms with governance practices, that included strategic plans, boards of directors, and the business longevity. We can advance the following hypothesis:

H6: *The board procedures has a positive effect on the business continuity*.

3. Research Design and Methodology

3.1 The Sample and Data Collection

For this survey purpose, we choose to study corporate groups in Tunisia. Sraïri (2003) proposes a classification of Tunisian corporate groups based on the size criterion, measured through the number of companies in a single corporate group. Four categories are identified: micro groups (≤ 3 companies); small groups (4-5 enterprises); middle groups (6-10 business) and large groups (> 10 companies).

Large Tunisian business groups form the pillars of the country economic development and reflect the ownership structure as well as the management style of Tunisian companies. In this regards, corporate governance and continuity issues are particularly important for Tunisian corporate groups. Besides, Family-controlled businesses remain the predominant form of corporate groups in Tunisia and are facing growth and succession challenges.

According to the Tunisian Central Bank (2006), there are 116 large corporate groups in Tunisia. Given the limited number of large groups, we have tried to insure a comprehensive sampling. We chose a simple random probability sampling method (Zikmund, 2003). Thus, we managed to get 50 questionnaires filled out; it represents 44% of the sample.

3.2 The Measuring Instrument

The questionnaire used for this research purpose includes a majority of items which the validity and the reliability have been confirmed in previous research. In some cases, where the scales were not available, items were developed on the basis of the literature in this field. Our dependent variable is the perceived business continuity, our independent variables are: the four values of board culture, the control role, the strategist role, the board human capital and the board procedures.

Table 2: Operationalization of research variables

Variable	Items description	References
Perceived business continuity (4 items)	Risk and threats identification and management Soundness of the company Long-term planning : strategy and succession Diligent allocation of resources	Venter, Van der Merwe & Farrington (2013); Farrington, Venter & Boshoff (2010)
Responsibility (3 items)	Recognizing the rights of stakeholders, promoting active cooperation with the stakeholders	CLSA (2002)
Accountability (3 items)	Stakeholders accountability	Adendorff (2008) ; CLSA (2002)
Transparency (4 items)	Disclosure of information's related to the financial performance, ownership structure and governance	Jongsureyapart (2006) ; CLSA (2006)

Fairness (4 items)	Stakeholders interests protection and fair treatment	CLSA (2002)
Control role (5 items)	Performance monitoring, control, opportunism minimization, manager evaluation	Minichilli, Zattoni & Zona (2009); Huse (2007) ; Wan & Ong (2005) ; Zahra & Pearce (1990)
Strategist role 5 items	Defining the company vision and mission, strategic guidance	Minichilli, Zattoni & Zona (2009); Huse (2007) ; Wan & Ong (2005) ; Zahra & Pearce (1990)
Board human capital (4 items)	Directors skills, competencies, background and experience	Forbes & Milliken (1999); Ingley & Van der Walt (2001) ; Hillman & Dalziel (2003); Adendorff (2008)
Board procedures (3items)	Existence of clear board responsibilities Existence of clear rules of governance Existence of documented procedure of the board	Ingley and Van der Walt (2001) ; Adendorff (2008)

4. Empirical Results

4.1 Reliability and Validity of Measurement Scales

The scales used in this research were subjected to a pre-test but also to the tests of validity and reliability. We tested the unidimensionality of the constructs through the factor analysis (CFA) with SPSS 20 and we evaluated the scales reliability through the Cronbach's alpha (Fink, 1995). As shown in table 3, the scales used show a Cronbach alpha greater than 0.76 which reflect a good reliability.

Table 3: Summary statistics of CFA

Variable	Average variance extracted	Range of loading	Composite reliability
Perceived Business Continuity (PBC)	64%	0.71-0.88	0.80
Responsibility (RES)	82%	0.80-0.95	0.86
Transparency (TR)	84%	0.90-0.95	0.94
Fairness (FR)	63%	0.47-0.91	0.78
Accountability (AC)	61%	0.48-0.93	0.75
Control role (CR)	53%	0.54-0.89	0.77
Strategist role (SR)	58%	0.54-0.88	0.82
Board human capital (BHC)	61%	0.40-0.92	0.76
Board Procedures (BP)	74%	0.75-0.93	0.82

Table 4 shows significant correlations between the dependent and the independent variables. Overall, the correlation results are consistent with our hypothesis. Besides, there are no correlations above 0.9 confirming the absence of the problem of multicollinearity between the independent variables.

Table 3: Descriptive statistics, and correlation

Variable	1	2	3	4	5	6	7	8	9
1. PBC	1								
2. RES	-0.28*	1							
3. TR	0.51***	-0.06	1						
4. FR	0.27	-0.48***	0.38**	1					
5. AC	0.64***	-0.32*	0.65***	0.35**	1				
6. CR	0.33*	0.02	0.55***	0.32*	0.58***	1			
7. SR	0.68***	-0.25	0.26	0.42**	0.48***	0.31*	1		
8. BHC	0.61***	-0.27	0.60***	0.38**	0.48***	0.57***	0.35**	1	
9. BP	0.68***	-0.3*	0.62***	0.33*	0.55***	0.63***	0.47***	0.75***	1

*$p<0.05$, ** $p<0.01$, ** $p<0.001$; N=50*

4.2 Multiple Regression Analysis

Taking into account the nature of our model and the problem statement, the multiple regression technique seems to be the most appropriate method to perform the statistical analysis since it proposes to identify the effect of one or more independent variables on a dependant variable.

Moreover, given the size of our sample, the method of regression is the most appropriate. Indeed, although it includes 50 observations, the sample size remains insufficient to use the structural equation modeling method and to produce relevant and generalizable results given the number of parameters included in the model. In this respect, this method requires a sample composed of 200 to 300 observations (Hair, Tatham, Anderson, & Black, 2006). Table 5 presents the results of two regressions: We ran two regressions: a multiple regression (Model 1), and a stepwise regression (Model 2). The stepwise regression technique will lead to optimal regression equation composed only by variables with significant contributions in explaining the perceived business continuity.

Table 5: Results of regression analyses of stakeholder's satisfaction

	Model 1 (Multiple regression)		**Model 2 (stepwise regression)**	
	Beta	***t-value***	***Beta***	***t-value***
Constant : Perceived business continuity (PBC)	0.33	0.56	0.58	1.19
Responsibility (RES)	0.06	0.57		
Transparency (TR)	0.04	0.30		
Fairness (FR)	-0.17	-1.77		
Accountability (AC)	0.39**	3.06	0.38***	3.99
Control role (MR)	-0.38**	-3.24	-0.34***	-3.44
Strategist role (SR)	0.42***	4.43	0.42***	4.77
Board human capital (BHC)	0.30*	2.58	0.30**	2.73
Board Procedures (BP)	0.35*	2.54	0.33**	2.75
R^2	0.79		0.79	
Adjusted R^2	0.75		0.76	
F-test	19.30***		26.39***	

*$p<0.10$, **$p<0.05$, *** $p<0.001$; N=50*

The model is statistically significant and has good predictive capacity ($R^2 = 0.79$, $p<0.001$). The results show that the perceived business continuity is significantly related to accountability, strategist role, board human capital as well as board procedures. Contrary to our expectation, we find a negative and statistically significant association between perceived business continuity and board control. The results doesn't reveal a significant link between perceived business continuity and three board values that are: fairness, transparency and responsibility. Therefore, we did not find support for hypotheses H1, H3, H4 and H5; they cannot be confirmed.

4.Conclusion

In this study, we explored the association between good board governance practices and perceived business continuity in Tunisian corporate groups. By so doing, we sought to contribute to the current literature on corporate governance in developing economies.

The results of the survey conducted on 50 Tunisian corporate groups partially validated hypotheses. Our results indicate a positive and significant association between the board culture of accountability, the board human capital, the board procedures, the strategist role of the board, and perceived business continuity in Tunisian corporate groups. However, contrary to our prediction, we didn't find a statistically significant effect of three components of board culture which are fairness, transparency and responsibility and the results revealed a negative effect of the board control role on the perceived business continuity.

Board human capital and board procedures contributes to the perceived business continuity meaning that the sustainability of the company and is dependent on the existence of formal mechanisms and clear monitoring rules as well as the skills and competencies of board members. Active and diligent boards composed by qualified and experienced directors increase the chances of survival of the company and the effective use of its assets.

Regarding board culture, we found that accountability contributes positively to the perceived business continuity. Indeed, a culture of accountability within board room promotes more care and diligence at the decision-making process especially resource allocation and strategic choices. In this regard, authors suggest that accountability reduce over confidence among decision makers (Tetlock & Kim, 1987). In this sense, it has been shown that administrators show high levels of cognitive complexity when they are accountable to shareholders (Jensen, 1998; Tetlock, Skitka, & Boettger, 1989).

A corporate group consists of a community of interests: those of the parent company, other affiliated enterprises and family businesses whether it is a family group. The relationship between officers of subsidiaries and group management nay board of directors' mixes relationships submission and independence, difficult to catalog (Pariente, 1993). That's why, it is important that each party affiliated to the group be accountable for its actions and decisions.

We found that board strategist role is positively related to perceived business continuity. This result converges to Khanna and Palepu (1999) results which suggest that the counseling management is very important in groups in emerging economies because managers often lack the skills and appropriate expertise to run the business.

Finally, we found a negative relationship between the board control role and the perceived business continuity that can be explained by the nature of family groups, the stewardship culture and the positive management entrenchment. Indeed, traditional agency problems are less important in family groups because of the unification of ownership and management (Dharwadkar, George, & Brandes, 2000). Therefore, board control focus can reduce the ability of governance to put emphasis on strategic orientation as well as long-term innovation. In this regard, Cadbury (2000) and Hansen & Hill (1991) suggest that mangers belonging to the families controlling groups invest in themselves more than their non-family counterparts.

Confirming the relationship between good board governance and perceived business continuity in a developing economy context is important for many reasons: Our study is one of the few researches in the area that provides evidence of this association in a non-developed economy. Besides, this study showed that the board strategist role is determinant to business continuity in Tunisian corporate groups while in developed economies, the traditional control role is often highlighted.

Identifying the board governance components that can affect positively business continuity can help corporate groups and holding in developing economies to voluntarily improve their board practices to insure their longevity as well as a long term competitive advantage. The results of this study show that companies concerned about their continuity have to attract competent and qualified directors with diversified knowledge's. Furthermore, this study provides evidence that Tunisian corporate groups must have boards adopting an entrepreneurial approach by putting more emphasis on the strategic role rather than on the overseeing role. In addition, Tunisian corporate groups would benefit from a board culture of accountability and fairness to ensure better decision making process, efficient management of the stakeholders interests as well as diligent management of company resources.

Our results should be viewed with caution. Indeed, some limitations make that the study findings cannot be generalized to all Tunisian companies. The business fabric in Tunisia is largely dominated by SMEs. Besides, in Tunisia, like the case of many developing economies, most companies show non advanced and often not formalized corporate governance practices.

Although this study provides evidence on a positive relationship between good board governance and business continuity perception, it does not open the board "black box" to understand the process through which the board effectiveness can be insured. A more in-depth research may be a future research allowing to explore this process.

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