



**UNIVERSITÀ  
DEGLI STUDI  
DI BERGAMO**

Dipartimento  
di Ingegneria Gestionale,  
dell'Informazione e della Produzione

## **Networking Seminars Series**

### A.Y. 2023-2024 1<sup>st</sup> Term

December, 14<sup>th</sup> 2023, 1:00-2:00pm (CET)  
Room B002, Via Marconi, Dalmine (BG)  
Online on Microsoft Teams ([Link](#))

#### **Jana Boeckx**

*PhD Candidate in Finance  
@ KU Leuven*

**TITLE** – The influence of business group affiliation on downsizing: will coinsurance save the workforce?

**ABSTRACT** – This study examines the impact of business group affiliation on downsizing decisions in small and medium-sized enterprises (SMEs), a pivotal yet overlooked facet of corporate restructuring. Amidst challenging circumstances, downsizing is often considered a strategic decision, yet research frequently neglects the influence of ownership structures within business groups. Leveraging the Belfirst database for Belgian SMEs, our research dissects the influence of business group affiliation on downsizing events in SMEs. Unveiling three key findings, we demonstrate that, during industry distress, business groups utilize their internal capital markets to mitigate downsizing in affiliated enterprises. Importantly, the ability of business groups is not contingent on this negative relationship, but their willingness to support affiliates plays a crucial role, particularly in subsidiaries with similar names affiliated with more constrained business groups. This effect, possibly related to veil piercing, underscores the heightened insolvency risk, prompting decisive actions like downsizing. Moreover, business group support is more likely when the subsidiary aligns with the group's core industry, emphasizing labor specificity and technical barriers within their workforce.

**METHOD** – Random effect logit model on a panel data of Belgian enterprises

**JOURNEY OF THE PAPER** – First draft

**DISCUSSANT** – Alice Civera, University of Bergamo

For further information please refer to: [wavelab@unibg.it](mailto:wavelab@unibg.it)