

# Managing a Family Business in the Czech Republic

Zbyněk Mašláň

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## **ZADÁNÍ BAKALÁŘSKÉ PRÁCE**

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**Provedte dotazníkové šetření ve vybraných rodinných firmách.**  
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**Vyvodte závěr a provedte zhodnocení.**

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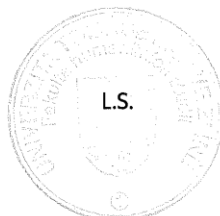
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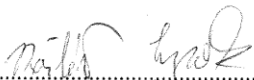
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## **ABSTRAKT**

Tato bakalářská práce se zabývá problematikou řízení rodinných podniků v České republice. Tato forma podnikání je v porovnání s jinými poměrně specifická a proto bylo nezbytné se na tyto specifika důkladněji zaměřit a to především na to nejdůležitější, kterým je propojení rodiny a podnikání.

Teoretická část popisuje charakteristické rysy, typické pro toto podnikání. Vzhledem k tomu, že stále neexistuje žádná ustálená definice tohoto podnikání, jsou zde uvedeny tři možné definice, z nich každá pohlíží na rodinné podniky z jiného úhlu pohledu. Poměrně obsáhlá část je také věnována historii a vývoji rodinných firem. Dále jsou zde zahrnuty kapitoly o významu tohoto podnikání v České republice. Teoretická část se také zaměřuje na význam rodiny a její vliv na chod firmy. Poslední kapitola teoretické části se zabývá managementem rodinných firem.

Praktická část je pojata formou dotazníkového šetření. Dotazník vytvořený za tímto účelem byl rozeslán majitelům rodinných firem z různých regionů České republiky. Na základě výsledků těchto dotazníků byly vytvořeny grafy znázorňující jednotlivé odpovědi od respondentů. Na konci praktické části jsou výsledky mého výzkumu shrnuty a zhodnoceny. Je zde také doporučení do budoucna.

**Klíčová slova:** rodinný podnik, rodinné podnikání, management, rodinní příslušníci, rodinné vztahy, majitel, manažer

## **ABSTRACT**

This bachelor's thesis deals with management of family business in the Czech Republic. As this form of business is relatively specific in comparison to others, it was necessary to focused on these specifics, especially on its most significant attribute which is the connection of family and business.

The theoretical part describes characteristics features of this entrepreneurship. With respect to the fact, that there is no any fixed definition of such business, it includes three possible definitions, each of these definitions describes family undertaking from different point of view. Relatively extensive part is also devoted to history and development of family companies. In addition to that there are chapter concerning importance of such business in the Czech Republic. The theoretical part is also focused on the importance of family and its influence on business policy. Last chapter of this part deals with family business management.

The analytical part is conceived in form of questionnaire survey. The questioner created for the purpose of this bachelor's thesis was sent directly to family business owners from various regions of the Czech Republic. On bases of results from questionnaires, there were created charts, illustrating all the answers from my respondents. At the end of this analytical part, there is a conclusion and evaluation of my research. There is also recommendation for the future.

Keywords: family business, family undertaking, management, family members, family relationships, owner, manager

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## INTRODUCTION

This bachelor's thesis deals with an issue of family business management in Czech Republic, inclusive the main characteristics features and specifics, which are typical for this kind of business. It is composed from theoretical and analytical part.

From the historical point of view, family businesses put the basics for business itself and it is considered the oldest form of entrepreneurship ever.

Family-owned companies are characterised by unique attributes, which differs it from other forms of business. Important attribute of such business is family member's motivation to work on company's development. Also the founders' effort to build a strong family business tradition in particular region is remarkable.

Unique element, which is characteristic for family business, is connection of family name with name of the company. This interconnection is also one of the reasons for high family members' loyalty towards the family-owned business. In addition to that family member are often will to work hard, reinvest their profits or even insert their own property to the company in order to insecure company' success and development.

Family companies have usually simpler structure than non-family ones which provides them advantage of bigger flexibility. On the other hand there is also a possible disadvantage considering family involvement.

With respect to all the aspects, it is obvious that family business is special business which requires special management.

## **I. THEORY**

## 1 Defining a Family Business

Poutziouris, Smyrnios and Klein claim that with respect to private character which is typical for most family businesses there could hardly be found accurate information about them. As there is not any concise, measurable definition which has been agreed upon, the quantifying of a family business' collective impact is a big challenge. There were many different criteria such as the percentage of ownership, strategic control, involvement of multiple generations and the intention to keep the business in family, used by experts in the field. These criteria are considered as important characteristics of a family business and its description and they all depend on where the business is in its life cycle. During their research, they created a range of possible definitions concerning broad, narrow and exclusive ones. They also created a scheme called "bull's eye".

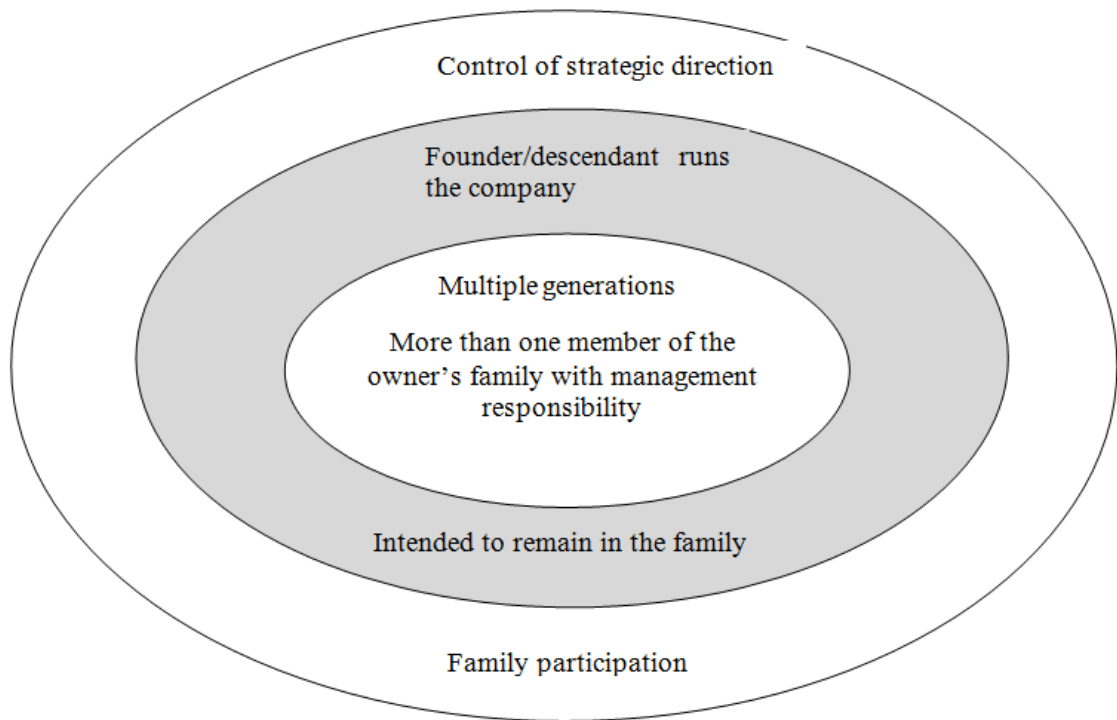
The broad definition represented by a marginal circle of the bull's eye is the most inclusive one, requiring some family participation in the business and that the family has control over the business in its strategic direction (see Figure 1.). There is a gamut of possibilities involved in this definition.

From a large public company in which the descendants of the company founder own a major share of stock to an independent tradesman whose daughter manages his administration and his son does occasional manual work.

The narrow definition supposes that the business owner has the intention to pass the business on to another member of the family who will take a role in running the business (see Figure 1.). The latter requirement involves day-to-day interaction in the company. Concerning the other requirement – intention, the authors claim that if the entrepreneur plans to build a wealthy company for his or her descendants, that his or her decisions in strategic planning will be different from those who run nonfamily business.

A central ring represents the narrowest definition which may concern a grand-parent or founder as chairman and some siblings in the top management. It also requires one relative with ownership without day-to-day interaction and other relatives in entry-level positions (see Figure 1.). Nevertheless the founder of such a company had in the past a similar profile to entrepreneurs included in marginal parts of the bull's eye.

The measurement used for defining and characterizing a family business is often partial and not objective. That is the major reason why more research hasn't been done in this field. (Poutziouris 2006)



*Figure 1 The bull's eye. (Poutziouris et al., 2006).*

## 2 Characteristics of Family Business

Family firms make the Czech business community healthier. Families try to maintain their good name and tradition, on which they have been working hard. That's why they devote attention to high quality of products and services. This family business has a significantly different orientation than the non-family one. They are much more oriented on the future rather than on short-term profit. In contrast with the non-family business, family ones are able to sacrifice their profit to keep their business working and healthy, which is also a reason why this kind of business is more resistant when it comes to critical situation. Family-owned businesses are also considered as relatively reliable business partners. The progressivity of such businesses is determined by the fact that they very often employ people from risk groups of residents. These businesses thus become a new possible solution for problems with unemployment, since they proved an ability to create new working opportunities. This ability is probably closely connected to high social responsibility of many family business' owners. Many of these firms are also dependent on passing the business to younger family members, usually on owner's son or daughter. This successful handover requires relatively long-term cooperation between the owner and his or her successor. All these aspects point the family business openness towards younger family members, graduates, students, people without working experience and all the people who represent this risk group. (Rodinné firmy)

Hesková states, that very charismatic element of many family businesses is the connection of name of founding family with the name of the founder's family (for instance: Baťa, Ford, Petrof, Porsche, Esteé). The name is considered as a huge motivation factor which enhances motivation and loyalty of individual family members. Family member are often willing to work harder, reinvest profits and put their own property into the company in order to secure the success and continuity of the company. (Hesková 2008)

All these characteristics properties mentioned above make the family business a strong and powerful subject. High social feeling, emphasis on quality, tradition and also motivation of family members make this type of business unique. These characteristics also prove that family business has its irreplaceable position on the market. (Rodinné firmy)

On the other hand, according to Hesková, all these positive attributes are dependent on good relationships among the family members. If the relationships in family are disrupted, all the positive aspects become negative ones. Nevertheless there are some other threats

which may affect the function of the family-owned business. Very often the situation is that the family members don't separate their business affairs from the family ones and conversely. Sometimes family members are also inclined to seek more powers than they actually have. For the owner or founder, it is also very hard to keep the criticism level of family members and regular employees at the same level. Another significant problem is that some family businesses don't see a boundary line between family property and business' property. And this may be very risky. (Hesková 2008)



### 3 Importance of Family Businesses

Family-owned companies form a significant part of the European economy. Despite this, family businesses in the Czech Republic are still underestimated. As this type of business is not a part of a separate category in Czech Republic, it is still considered as a classic business without any definition of ownership characteristics. Significant differences in personal, psychological and economic fields are denigrated by simple generalization which leads to underestimation of the family and family relationships at the business level. Specific social relationships, typical for family business can't be neglected, but research must be done in a wider framework.

(Rodinné firmy)

As Hesková claims, one of the few specifics of the family-owned business defined by law is employment of family members defined in labour law. The basic stream is thus family law which is rooted in the Constitution of the Czech Republic and Family Law. The main legislation governing activity of family businesses is the Trades Licensing Act, Commercial Code, Civil Code and Labour Code. In addition to these statutes regarding a family business is the Income Tax Law. (Hesková 2008)

In the Czech Republic only few researches have been done on this specific business. Most of the studies on this topic were done in USA and Western Europe. Researches in the eastern part of Europe are relatively unique. Moreover, the Czech Republic does not have any legislative framework which would provide a definition of family business and its system of order. Contemporary formulations of legislation are very unclear and complicated for a family. Families are compelled to hire external operator for specific action which they are not allowed to do on their own such as accountancy or tax declaration.

(Rodinné firmy)

According to Odehnalová, family businesses significantly participate in the creation of GDP and employment throughout the European Union. International Enterprise Research Academy claims that 85% of all businesses in EU are family businesses. The largest share of family businesses throughout EU is in Italy, where 95% of all businesses have a family character. Considering a family-owned business in EU, these businesses can't be categorized only as small or medium undertakings. Among the family businesses there are to be found those, which are included in the category of big companies, namely those which employ more than 500 employees. (Odehnalová 2011)

The only statistical figure in the field of family business in the Czech Republic is the one from 2007, which indicates 937 thousand business entities including 786,2 thousand persons. More than half of the businessmen, including cooperating family members, mentioned in the statistics operate in the field of services. The deficit of statistical information concerning family businesses in the Czech Republic is evidently caused by the fact that there isn't any exact demarcation of the term "Family business". (Rodinné firmy)

### **3.1 Family-owned Businesses as a Source of Regional Development**

Hesková (2008) states that family businesses can be beneficial for the regions of the Czech Republic, especially for their pro-growth strategy based on diversified regional development in particular areas. Influence of family businesses in regions can be tremendous, especially in some fields such as:

#### **Utilization of the natural and cultural potential**

Family-owned businesses can play a part in this field by participation in revitalization of regional traditions and their utilization as a source of economic growth. This could inclusive segments such as: tourism or economization of the cultural heritage.

#### **Source of Innovations**

As most of the Family businesses in Czech Republic are represented by small or middle-sized companies and these types of businesses are considered as the most flexible ones, they can relatively easily use a development potential of a given region by placing on the market new innovations with a potential economic impact for the whole region.

#### **Utilization of Comparative Advantages**

Strong motivation of family members involved in their common business and their strategic planning aimed at long-term prosperity may indicate the biggest advantage of such a business.

#### **Differentiated Development of Human Resources**

Considering a family business development, it really has an importance in organizing a network of consulting services, special education courses focused on support of family-owned businesses based on knowledge from abroad. This development could be beneficial for local citizens and could really help them in gaining special knowledge or even bigger involvement in developing projects.

#### **International and Interregional Cooperation**

There is an opportunity to cooperate with neighbouring states or regions.

### **Growth of Social Cohesion**

Family businesses with their specific character can help in reaching a high level of social cohesion of subjects, based on economic and civic participation of certain groups of people and their identification with a given area. This could be done for example by sponsoring or participation in organizing some cultural or sport events.

### **Stabilization of the residential structure in regions and revitalization of countryside**

Regional family-owned businesses have no tendency to migration so they can have profit from the development of rural areas and their stabilization. Families owning their business in some particular region have, of course, an interest and motivation to participate in prestigious development of their region and appreciation of the landscape potential.

There could be a big development potential in rural areas which are out of the development axis and in peripheral regions and other areas with low economic performance.

Family businesses can have significant involvement in the solution process of specific problems including rural and peripheral areas of development. These should be determined by concrete missions:

- Rural areas and peripheral regions to be revitalized, including rehabilitation of rural housing.
- Development of multifunctional agriculture and support of its non-productive functions.
- Support of diversification in economical activities in the countryside and peripheral territorial region. This should include for example development of organic-farms, landscape and locality maintenance, development of centres for agrotourism etc..
- Trade undertaking support in rural areas especially those providing services to public.
- Support of small and middle-sized enterprises in rural areas, support of traditional crafts recovery and production fields.

Businesses oriented on these points could be also supported by adequate grant programs. (Hesková 2008)

## 4 Czech Family Businesses in Course of History

Hesková indicates, that from a historical perspective, the family businesses set up the basics for business itself. This type of businesses has been going along society for a very long time and it is still significant part of economy. (Hesková 2008)

According to Koráb, family business tradition in Czech Republic is as old as the republic itself. This kind of business, as well as other businesses, experienced a big growth after the Velvet Revolution which meant the fall of the communist regime, which was strictly against all activities concerning any kind of undertaking. So the development of undertaking was highly influenced by the political development in the country. On the other hand, if we look back in history, we will find out that this kind of business was relatively developed, especially in field of small crafts. These trades were usually inherited from father to son. (Koráb 2008)

As Odehnalová states, the first type of such a business, could be considered activities of nobles. Family members of these aristocratic families owned the soil and land. For taking care of these properties, they hired subjects. The main problem of these nobles was that they were bad in management which led to huge losses. They rarely reinvested the profit they made from the farming back to the business so most of the families ended up in big debts. Later, people started establishing guilds. These guilds could be found in big cities first, but then they spread to smaller ones as well. The guilds were represented by a community of craftsmen who worked within the same field. Their mission was protection of their field of activity. They watched over the prices and also tried to regulate the amount of products and experts in the field. The craft was thus inherited from father to son. (Odehnalová 2011)

### 4.1 The Industrial revolution

The Industrial Revolution took place between 20's and 70's of 19th Century. This revolution meant a transition from manufacturing to factory production. Family manufactories founded by a father transformed to factory productions which were later taken over by posterity. Preservation of family property was supported by the economical background of that time and also the conception of a family. The basis of the families of those days was their property. After the founder's death, the oldest son usually inherited the whole family property. This inheritor had to take care of the whole family fortune and also of the family members. That consisted in not only supporting them, but also in providing

for their education. This had changed by the end of the 19<sup>th</sup> Century, because of growing liberalization in the sociological conception of a family. With regard to the Civil Code which equalized siblings in the inheritance procedure, properties like factories started to be divided into smaller entities. As industry and competition were growing and many family-owned businesses lacked capital, banks became more and more involved. Later, most of the family-owned businesses were transformed into joint stock companies. Nevertheless the families usually kept a major share. (Odehnalová 2011)

## **4.2 World War I**

Four years before World War I, the ratio between light and heavy industry was approximately 70:30. But before the beginning of the war, heavy industry started to experience a dynamic growth. This was a result of militarization of industry. (Odehnalová 2011)

## **4.3 The First Republic**

After World War I, the situation in Czechoslovakian industry was very chaotic and there was also a huge decline of heavy industry connected with demilitarization of industry. This whole situation improved by the year 1921 when the Czechoslovakian government applied a series of reforms involving financial, social and land sectors. The return of soldiers to firms procurement of domestic and imported raw materials, and restoration of rail transport also contributed to remedy of the situation. (Odehnalová 2011)

According to Odehnalová, the Czechoslovakian economy became modern, open and strongly oriented on export. Export was mainly oriented towards products of the light industry such as textiles, clothes, shoes and later also groceries, fuels and glass. (Hanzelková 2004)

Odehnalová claims, that very significant role of former times was played by the workforce. Apprenticeships were at a high level, providing high-quality crafts education, which were of high repute. Craftsmen than tended to set up their own small family businesses. (Odehanalová 2011)

#### **4.4 World War II**

Odehnalová indicates, that about the beginning of the World War II, militarization of industry came into the game again. It meant that light industry was pushed down like in the case of World War I. On the other hand since the German Empire aimed at heavy industry, the Protectorate's light industry gained a relatively strong position. Particular fields, which could be highlighted are the sugar industry, leather industry, brewing and glassblowing. (Odehnalová 2011)

#### **4.5 Post-war period**

As Hesková stays, after the World War II, Czechoslovakia became a part of the eastern bloc countries. The democratic regime was completely destroyed and the growing private sector was completely nationalized. Firms were taken from their original owners and transformed into state property. The open market economy was replaced by a centrally planned economy, which was planned for five-year period (so called "pětiletka"). This plan ordered what products and how many of them should factories produce. Prices and allocation of sources were controlled centrally. There were no market principles. The direction of trading also changed and the country switched its orientation from the west to the east. This period of nationalization brought difficult times for most of the family business owners. They experienced both economical and personal tragedies. The families didn't lose only their firms and means of livelihood, but in many cases they also lost the tradition on which they had been working for a years or even generations. For those who didn't fit into the communist regime, this tragedy was also often magnified by persecution and imprisonment. This did not change until the Velvet Revolution. (Hesková 2008)

#### **4.6 The Velvet Revolution**

According to Hanzelková, this revolution of November 1989 which re-established traditional democratic systems in Czechoslovakia brought many political, social and economical changes. The most significant event for former family business owners was the process of restitution and privatization. This process enabled owners to regain their family businesses into their ownership. (Hanzelková 2004)

As Hesková gives, the joy of families who regained their firms back turned into disappointment quite soon. The firm already wasn't the same like it was at the time of

nationalization. Inasmuch as during 45 years of communism regime there was no money invested in new technologies, the families very often found their firms in a very obsolescent state and its original production programmes were divided throughout the whole country into various national firms. The families found themselves in hard financial situations and also high indebtedness was very common matter. Very significant thing that the families had to deal with was lack of appropriate education which could have helped them in managing their business. Also the economical and political environment which was a result of the current economical transformation process made this whole situation even more difficult.

(Hesková 2008)

## 5 FAMILY BUSINESS – SPECIAL BUSINESS

### 5.1 Values and Culture

According to Hanzelková, the role of family values and culture is a very significant factor in a family business. A rich value system and stable culture is considered as one of the differences between family and non-family business. (Hanzelková 2008)

#### 5.1.1 Values

Family values are represented by a family's fundamental values, ambitions, beliefs and these determine how the family works. Values, ambitions and beliefs are very important for a company culture and strongly influence its business practices. By translating these family values into core values, a family gets a moral compass for its business activity.

(Bik, 2012)

Leach claims, that values and business practices are also bases for family vision and business mission. Although it is usually the founder who states the mission for his or her business, the succeeding generation habitually follows all these values. On the other hand, sometimes it is necessary for the successor generation to reinterpret or revitalise the original values. (Leach 2011)

#### 5.1.2 Culture

Culture could be understood as the sum of all the messages, which a company sends out. These messages could be formal or informal. They are represented by company values and behaviour. (Bik, 2012 )

Hesková (2008) claims that behaviour of the company members is determined by various aspects like: human nature, relationships among people within the company, business environment etc. There are four main types of company culture: paternalistic, liberal, participatory and professional.

- **Paternalistic Culture**

Main characteristic of this culture is the effort to maintain family tradition. A company is represented by its founder and those family members who are responsible for key decisions. Leadership of such a company hardly accepts opinions of non-family employees. Head of the family has a tendency to interfere in the lives of his family members.



If the head of the family has predispositions to lead the business progressively and effectively, he or she is usually supported by other family members. This type of culture is considered as a positive one.

On the other hand this culture has also a certain negative aspect, because of its strong orientation on the head of the family. This could cause serious problems when the founder falls sick or dies. Another thing is the process of preparation for succession which is very slow. This type of culture is characterized especially by small family-owned business situated in stable regions.

- **Liberal Culture**

The liberal culture has certain similar characteristics as the paternalistic one, but it has a certain extent of freedom. Employees are allowed to make some decisions considering actual business issues and also have an opportunity to show their own creativity. This is very positive in comparison to paternalistic culture.

This culture requires an enterprising approach and flexibility. The negative aspect can show up when the employees do not follow the founder's vision and values. As a result of such behaviour, the founder can change his or her succession policy.

- **Participatory Culture**

This culture is based on equality and position of particular groups. Employees play a relatively big role in business activities. This could be a cause that employees gain stronger position in the business than the founding family which lose its control over the business activities.

As this culture has its roots in collective decision-making, it places a high demand on collective consensus and time.

It should be said that this type of culture is not very common in family businesses and when it appears, it is only for short time.

- **Professional Culture**

Professional culture is based on the personality of management staff. This has a big impact on relationships among employees which become very individual. Working relationships are based on personal development with elements of competition. Employees are encouraged and motivated for more effective work, loyalty and flexibility.

Unsound competition among employees and low morale is considered as a negative factor in this culture. (Hesková 2008)

## **5.2 Role of the Family**

Koráb states, that in contrast with non-family businesses, in family-owned businesses, the role of the founding family is very essential and has a huge influence on business policy. Individual family members can gain their influence so that they play a part in its management and in all company' activities. Many family members are permanently on the edge between family issues based on feelings and business issues which are based more on rational thinking. When it comes to stress situation, in contrast with non-family business, family members often tend to behave more emotionally to each other and this could be very dangerous for rational decision-making in a family business. Overlapping of various roles is in family-owned business much more frequent than in other types of entrepreneurship. On the top of the hierarchy, there must be one person playing four roles: main supervisory authority, business leader, owner or companion and head of the family. Each of these roles requires individual approach, which is in contrast with the rest. For instance: Owner's or companion's interest in the highest possible profit doesn't coincide with business leader's interest in increasing company' equity. There could also appear other problems, those on an emotional level. For instance: When the head of the family has to say to his son, that he doesn't fit a management position, when considering that the position had been promised to him in the past. (Koráb 2008)

Considering all the aspects of family business there is no doubt that the family plays an essential role in such companies.

### **5.2.1 The F-PEC Scale of Family Influence**

According to Odehnalová, the F-PEC scale is a tool for measuring family influence on family business. This scale operates with three main factors- power, experience and culture. The strength of all these factors then shows the extent of family involvement in the company. (Odehanlová 2011)

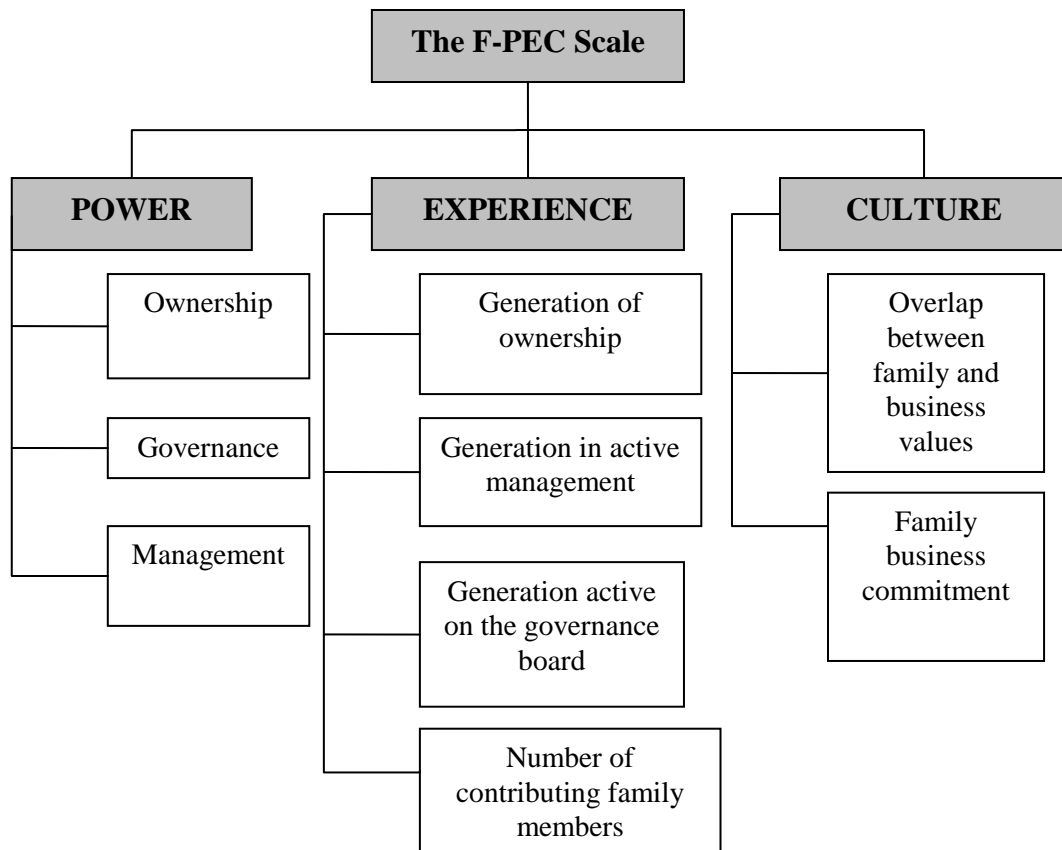


Figure 2 The F-PEC Scale 1(Hanzelková, 2004).

Hanzelková describes the free main factors of the F-PEC scale as:

POWER measures the family influence via its extent of participation in ownership, governance and management.

EXPERIENCE shows how many successions were done in past. Number of successions has also an impact on family and business values.

CULTURE indicates how the family and business values overlap with family commitment to the company. (Hanzelková 2004)

### 5.3 Succession

According to Mojca, next to the business's creation and growth, succession represents another crucial phase in family business's lifecycle. However because of the strong influence of the family, this process is often very emotional. (Mojca Duh 2012)

As Pfeifer indicates, generational exchange of the key person in the company, who is usually also an executive manager, can often endanger the strength and stability of the

company. In addition to that, when the company is prosperous, the family members tend to be very insecure about the succession. It is thus obvious that succession planning requires long preparation. (Pfeifer 2011)

According to Leach, the choice of the new successor usually represents selection between the founder's sons or daughters. These siblings, of course, have been carrying their ambition of succeeding their whole career- that is what makes the founder's choice even harder. In addition to that, the founders are often worried about their children's ability and also about the manner of choosing one of them without hurting the others. It should be said that family business succession is not only about passing the firm to the younger generation. It is also a certain kind of revolution in the company with respect to the fact that the new successor usually partly reconstructs the business culture and values. He or she may also bring new ideas about farther development of the company, business policy, staff, loyalties etc. (Leach 2011)

## 6 FAMILY BUSINESS MANAGEMENT

### 6.1 The Success Model of Family business

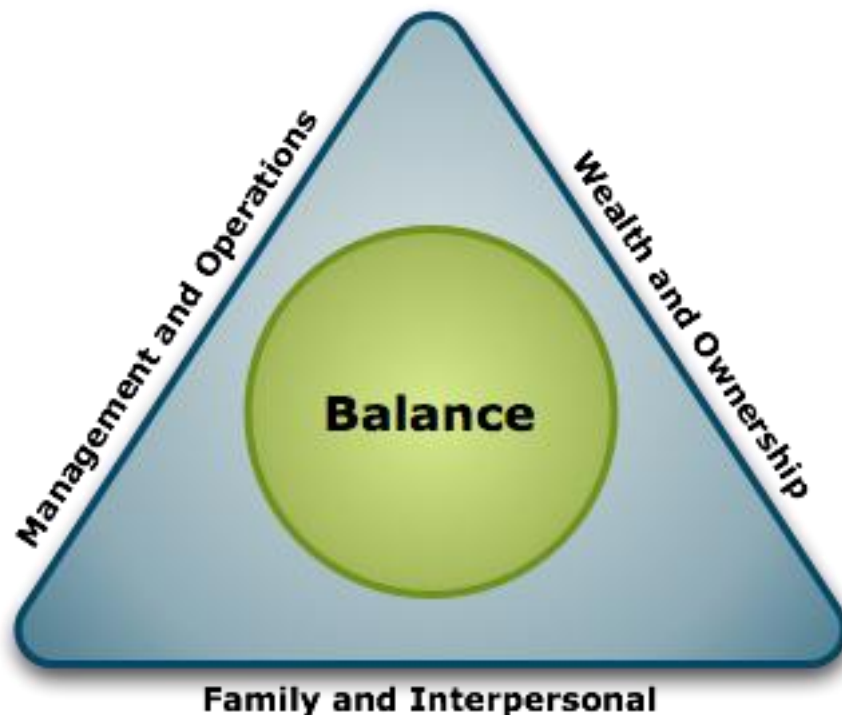


Figure 3. The Success Model of Family Business (Family Business Institute 2014)

The family business success model is based on three balancing three distinct family business dynamics.

- Family and interpersonal
- Management and Operations
- Wealth and Ownership

#### 6.1.1 Family and Interpersonal

The business family system represents the base of the triangle. It is composed from interpersonal relations among members of family and interpersonal relations in business family team. It is necessary to realize that business is not just a machine producing goods or services, but complex which is led by group of people. Those people are supposed to manage the business. It means: to communicate, lead, follow and motivate. They also have to handle defeat or victory. Dealing between issues of family and interpersonal

relationships is considered as the most delicate and usually overlooked area of need in this kind of business.

### **6.1.2 Management and Operation**

Another side of the triangle is about day-to-day family business management and operation of the company. Management and operations could be understood as something composed of authority, distribution of roles and responsibilities, the administrative function of the enterprise, delivery of products and services, marketing, sales, customer service and other function which keep business working.

### **6.1.3 Wealth and ownership**

The third side of the triangle deals with power and money. It is usual that in founding generation, that the owner and manager are the same person., but in subsequent generation the family business management may be consist of group of people without no ownership. Distinction of roles and responsibilities between owner and family business management must be strictly defined. In other case, conflicts and confusion are the results.

### **6.1.4 Balance**

Balance represents the fourth dimension of the triangle. Because the family enterprise has a huge importance for involved families, they often tend to find their lives out of balance. The customers or business demand at least 80 hours of work in week, it means that the family communication, spirituality, health and other areas suffers because of the requirements of the business. Very often this cause, that at certain point of the lifespan of the family firm, the enterprise starts to drain the life of the family out instead of improving and adding quality to it.

(<http://www.familybusinessinstitute.com/index.php/the-family-business-management-success-model/success-triangle.html>)

## **6.2 Strategic Management of Family business**

Hesková(2008) mentioned, that standard principles of strategic management theory are applied for family-business management. A family-owned business must have a clear given strategy, based on a realistically set of goals. Owners of the firm more or less participate in the whole process of strategic management from the proposal to its realization. In family-owned businesses, whose shares are traded on the stock exchange, the owners promote

their interest indirectly while in companies owned only privately, the strategic management process is done directly by the owner.

Family influence and its values represent (in contrast with non-family business) a very significant influence and importance for a family business. (Hesková 2008)

As Bláha claim, close connection between management and ownership brings also other difficulties which may cause discords among family members. For example: When the influence of one family member is bigger than influence of others, if there are no given competences borders of individual family members or if there is no succession plan yet. Application of suitable strategic management thus may contribute to risk reduction. It is very essential for family-owned businesses to harmonize needs of the individual family members and needs of the business.

For this purpose, there were created some basic rules for effective management of such business which should be considered:

- Definition of family business vision
- Definition of principles for family-owned business management (decision making, staff policy, ethic code etc.)
- Definition of responsibility of individual family members
- Definition of roles and tasks individual family members
- Establishment of supervisory authorities, their structure and responsibility
- Establishment of company's governance, its structure and responsibility
- Method of profit determination and its distribution
- Options of ownership share transfer and the way of leaving the ownership structure
- Method of ownership share evaluating during its transfer
- Unanimous and written approval of family business management rules
- Succession plan

(Bláha)

In addition to these, Aronoff, Creig and ward (2011) claim, that management of family business requires its specific rules, which should be strictly followed in order to keep it work. In this context he created three basic rules. *First rule* stays that if we want to employ a family member in our company, he or she must have the same qualities as any other

employee of the firm. *Second rule* points at the importance of external manager participation. This person usually plays a role of financial director or other higher function. Although it is very important that this external manager must have good relationship with family members, he or she must also keep certain distance from this family. For this manager it is not required to participate in family events such as holiday celebration, weddings and all the events concerning private live of the owners of the firm. In other words, it must be a person dedicated to the family who is not a part of the family and doesn't mix family and business issues. Bruckner adds that this second rule is the one which is very often violated. *Last-Third rule* is concerned with succession in leading functions. It is important that the issues concerning succession in given company must be solved by external person who is not a part of the family and even doesn't work in the company. Author stays that this is only way how to avoid conflict of interests, because what is the best for the family does not have to be the best for the company. (Aronoff et al. , 2011)

### **6.2.1 Competence Distribution of Family Members in Management Process**

Hesková (2008) stays that as there is a joint responsibility among family members in family business management, its goals and tasks differ from non-family ones.

For development of family business strategy there was created a three-level pattern of family business development. On the first development level the family and business needs are identical. The owner acts like a manager and makes all decisions. So it is obvious that there is no distribution of competence. On the second development level, the family business owner (founder) plays the role of supervisor. In this case, company goals change. In addition to the primary business goals it is becoming necessary to start thinking about future of siblings-create a succession plan. On the third development level conflicts and critical situation start to appears. Entrepreneurship can stagnate despite innovation need to seek new business opportunities. Owner (often still a manager) has to face a new situation and make the first steps for succession. The goal of this phase is to keep the family in harmony (this could become a priority for the family business). Objectives of the family entrepreneurship are usually set up according to family needs or desire to reach effective economy performance. A very important factor is early reaction to possible changes within the family business at all levels of its life. (Hesková 2008)



### **6.3 Organization of Family Business Management**

According to Koráb (2008), there are four family participation forms in business management:

- Management by owners
- Management by family
- Management of owner/ family with participation of external managers
- Management only by external managers (separation of capital and management)

#### **Management by owners**

In this type of management, appropriate leadership positions belong exclusively to one or more owners. In other words, all leading positions in family-owned company are controlled by owners. However there is also a need to separate those situations, when the company is owned by one person or more persons. If the company has more owners, the management is proportionally divided among them.

#### **Family business run by single owner**

If the given firm has only one owner, its management could be called as “autocratic management”. In practice, there may be a single companion and secretary of some limited company in one person, a general partner in limited partnership in which he or she owns a major share, or just a single entrepreneur. To determine the advantages and disadvantages of such management is almost impossible, because they depend on particular examples.

Most of businessmen do not tend to delegate powers. This approach may eliminate possible struggles about important decision-making but on the other hand it creates an authoritative structure, which is considered as inappropriate when it comes to complex decision-making. Character, knowledge, education, experience and intuition are essential factors influencing success or failure of this type of management.

#### **Family business run by multiple owners**

If the company is run by more than one owner, than we talk about partnership management. In this type of management, owners and managers are represented by the same group. The border between manager and ownership interest should not be crossed. This possible overlap between management and ownership interest may cause serious troubles for family-owned companies. As a big overlap could such a situation be considered when all owners are in leading positions and each of them having a different vision, strategy and

wishes. An organization of partners in business management could be a possible solution in avoiding these struggles among partners.

### **Management by family**

This type represents such management in which two or more members of given family participate in top management regardless of their ownership. It could be for example a company which is owned only by the father of the family but his two sons participate in top management. On the other hand if those two sons had a share in the company, it would represent a combination of management by family and partnership management.

### **Sibling management**

This type of management is represented by siblings managing the family business together. The fact that they have been growing up together can result in problems considering sibling rivalry and mutual conflicts among siblings. When entering into the family business management, relationships among them get into a different level. These relationships have crucial impact on the company's employees and whole company. After the transition to ownership, siblings are dependent on mutual respect and understanding (as there is no father to settle the struggles).

### **Management with contribution of sons-in-law and daughters-in-law**

This type of management may work normally when the sons-in-law or daughters-in-law accept all family traditions, values and culture. In another case this involvement could mean difficulties. In other words these sons-in-law or daughters-in-law would be acting only to fulfil their own needs regardless the family. Basics for decision-making competence of these family members must be their professional knowledge, abilities and skills. They usually have also to prove all these skills much more than former family members, since there is no assumption that they will be privileged.

### **Management by "clans"**

This type of management is seen just rarely. It is probably caused by the fact that such big families exist only in a very small number. This management includes a huge participation of family members, even distant ones (uncles, nephews, cousins etc.). Assumption for this management is a big family with a sufficient number of family members for choosing suitable management candidates. Appropriate education, skills and will to work are also important aspects. A potential non-family job applicant has to deal with the fact that his or her career growth will be limited by the fact that he or she does not belong to family. (Koráb 2008)

**Management by external managers**

As Strážovská claim, the employment of young, competent and promising external managers is one of the privileges of small-sized and medium-sized family companies (in big-sized companies it is practically a rule). This group of people has two tasks. At the beginning, they act like competitors of founder's siblings. They compete with them for founder's appreciation-that stimulates their growth. Later, they became candidates for team of managers in subsequent generation. (Strážovská 2002)

## **II. ANALYSIS**

## **7 RESEARCH**

### **7.1 The aim of the research**

The aim of the research is to map current situation of family business in the Czech Republic, especially the management of this type of entrepreneurship. In order to cover all the attributes which are specific to this undertaking, it is necessary to explore several factors. The most important and unique factor is considered to be the connection of family and business. The questionnaire created for the purpose of this research is a main tool for gathering of real information from the founders / owners of family businesses. This information should help to reveal objective and truthful picture of family business with its specifics, strengths and weaknesses.

After the collection of data required for this research, these data will be processed. According to results of analysis, the recommendations will be suggested.

### **7.2 Methodology of the research**

This research was done in quantitative way in purpose of getting wider perspective when mapping the issue. The questionnaire served as a major source of information. In order to ensure greater simplicity of completing, this questionnaire contained multiple choice questions.

The questionnaire includes 21 questions and it was based on knowledge gained from theoretical part.

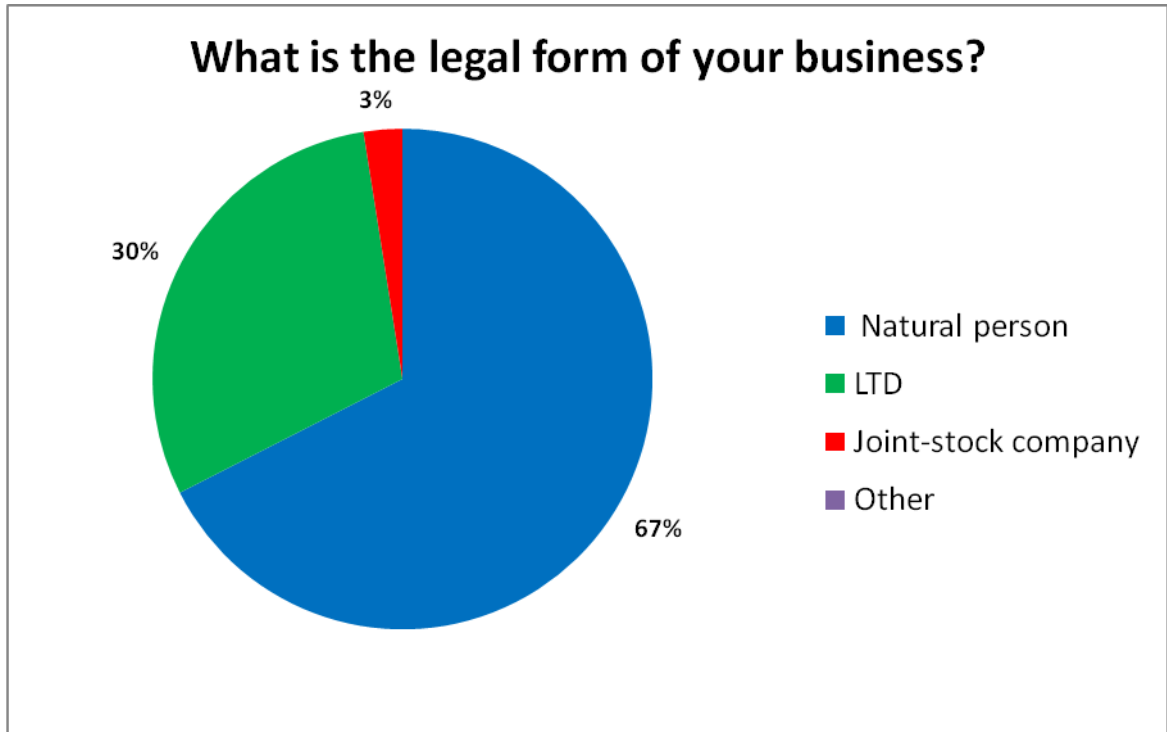
When working on my research I managed to get in touch with 57 family companies from various regions of the Czech Republic, after that, 40 heads of these companies became my respondents. My only requirement for the firms was, that the questionnaire must be filled only by head (owner) of the family company.

When all the data were collected, I have created the charts for every question from the questionnaire and comment on them. In some cases, I also showed connection between two charts.

Final part of my research is evaluation of research with recommendations.

## 7.3 Questionnaire results

### 7.3.1 Legal forms of family businesses



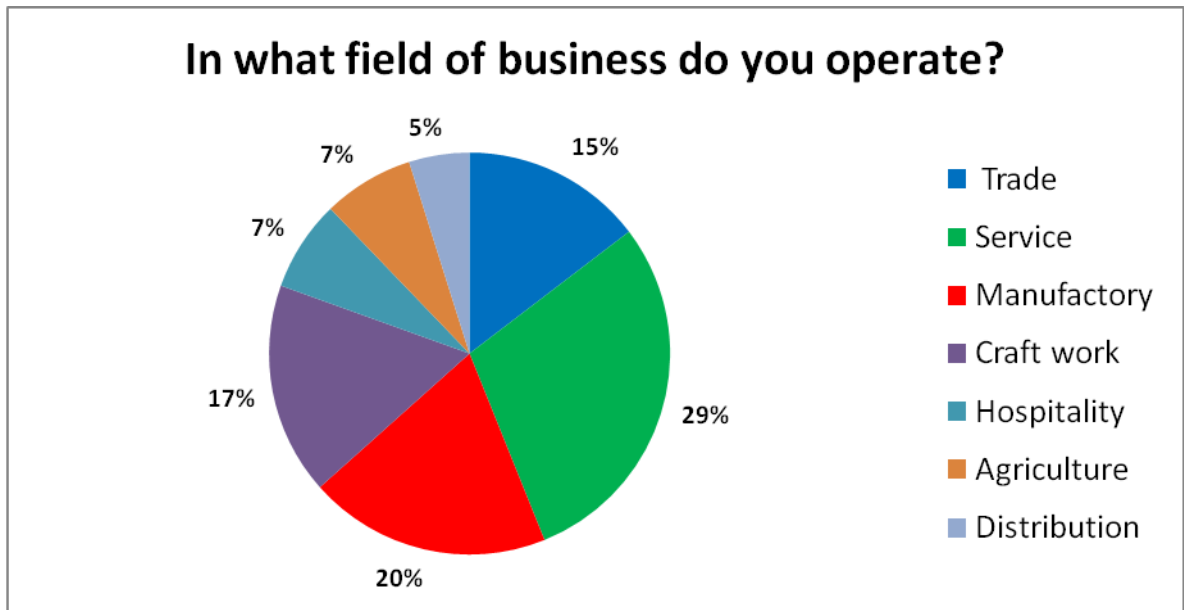
*Figure 4-Question n.1*

This chart showed that most of the company founders (67 %) run their businesses as natural persons. When we look at *figure 6*, we can find out that 55% of researched companies can be characterized as micro enterprises.

Most of the founders of these firms probably choose this legal form because it is the easiest legal form of business with lowest administrative and financial requirements of the establishment. It also proves that this 62% of the companies were founded by single person. LTD companies represents with their 30% second biggest category in this research. When we look at *figure 6* again, we find out that almost the same number (29%) represents amount of small enterprises. We can suppose that these companies were founded by two or more founders, reach bigger profit or their business field requires legal person as legal form. (Štreit, 2007 )

Only 3% of researched companies have form of joint-stock company.

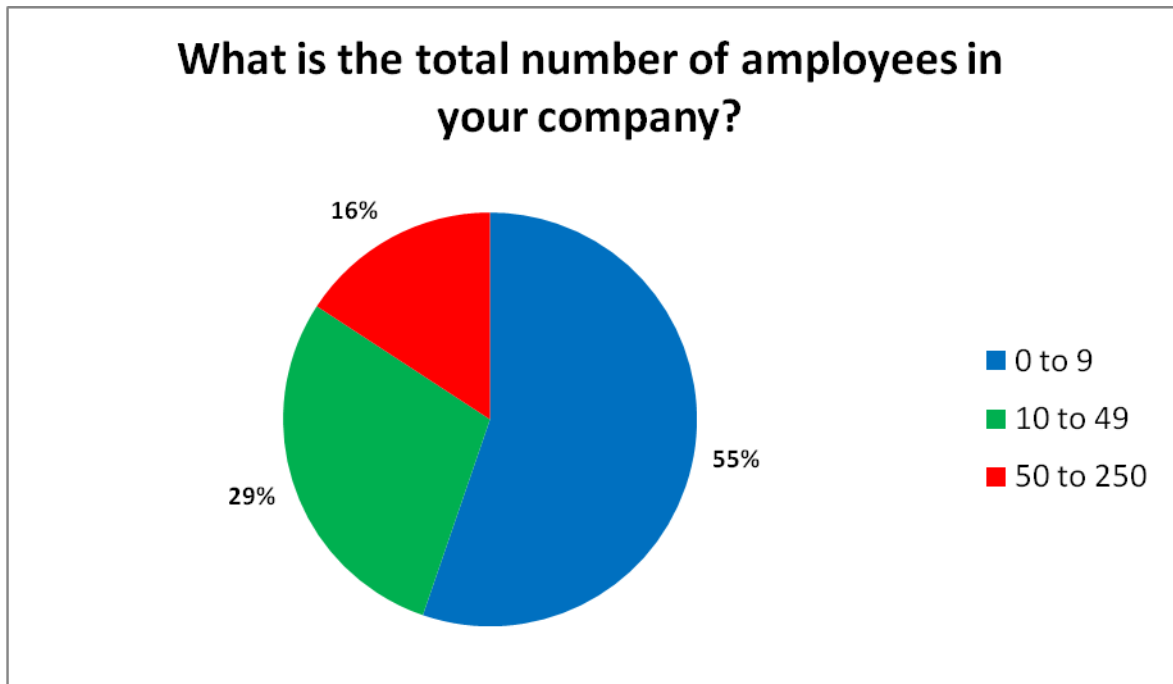
### 7.3.2 Fields of business



*Figure 5-Question n.2*

Most of the researched family firms (29%) operate in field of services. This number proves that the situation hasn't changed since 2007 when the last and only research on family business in the Czech Republic was done (chapter 3). Second place (20%) belongs to manufactory. This is probably not surprising with respect to the fact that the society we live in is considered as consumer society. Craft work took a third place with its 17 %. This is not very surprising position, since the craft work is one of the oldest form of business (chapter 4). Hospitality, agriculture and distribution create a minor part of the chart.

### 7.3.3 Size of businesses



*Figure 6-Question n.3*

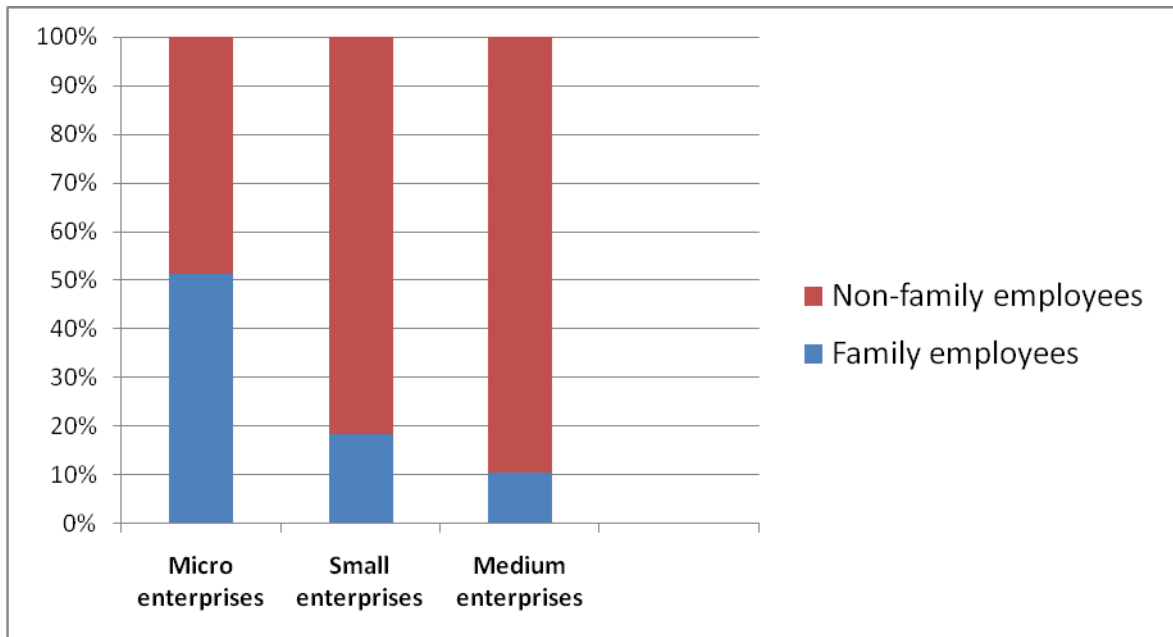
Through the figures of this chart, we can divide given companies into several categories according to their size.

To determine the size of a company according to rules of European Union is not an easy process. To define the size of company is important thing, especially for those companies which want to use the benefits of EU such as grants etc.. One of the tools for determination of size of the business is the number of employees. According to this tool we can recognise four types of companies: MICRO enterprises (less than 10 employees), SMAL enterprises (less than 50 employees), Medium enterprises (less than 250 employees), BIG enterprises (specific conditions). (Evropský sociální fond, 2014)

The chart thus shows that 55% of companies can be classified as micro family enterprises. Another 29% can be classified as small enterprises and only 16% of the chart is represented by medium enterprises.



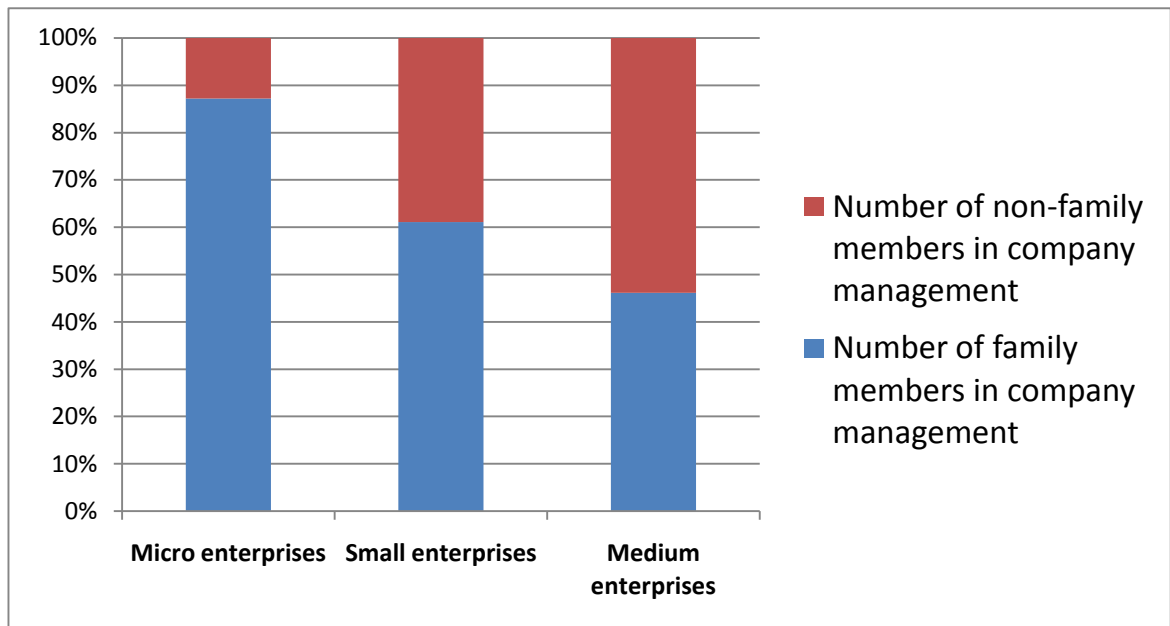
### 7.3.4 Ratio of family and non-family employees



*Figure 7-Questions n.4 and 5*

This chart was created on basis of data gathered from questions 4 and 5 in my questionnaire and it shows the ratio of family and non-family employees. It has showed that participation of family members in micro companies is more than 50%. When consider the fact that these companies do not have more than 9 employees this number is not surprising. Ratio of family and non-family members in small enterprises is significantly lower. Participation of family member employees is under 20%. Firms of this size can have up to 49 employees so on the other hand this number is not so small. Family members in medium enterprises create only about 10% of total number of employees. Maximum number of employees in such companies can be up to 250 what bring as to question if all the family employees (in this example its approximately 25 people) have the required competences for their job.

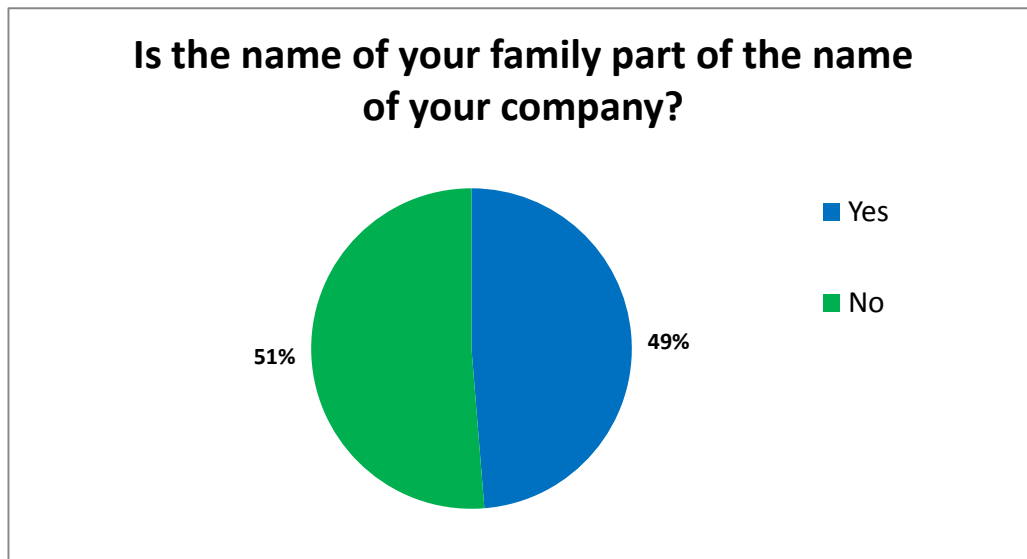
### 7.3.5 Ratio of family and non-family members in company management



*Figure 8-Questions n.6 and 7*

This chart was created on basis of data gathered from questions 5 and 6 in my questionnaire and it shows the ratio of family and non-family employees involved in business management. Almost 90% of management in micro companies is composed of family members. Companies of this size usually do not operate with big amount of money and total number of employees is small as well (up to 9). It is thus obvious that owners of such firms prefer family management. We can also see in this chart that the larger the company is, the lower ratio of family members in management it has. Small and medium enterprises have significantly more employees and operate with much bigger cash turnover than the micro ones. In addition to that, such companies (because of its size and complexity) need more people in its management than the micro ones and it is obvious that founding families usually do not have required amount of competent family managers.

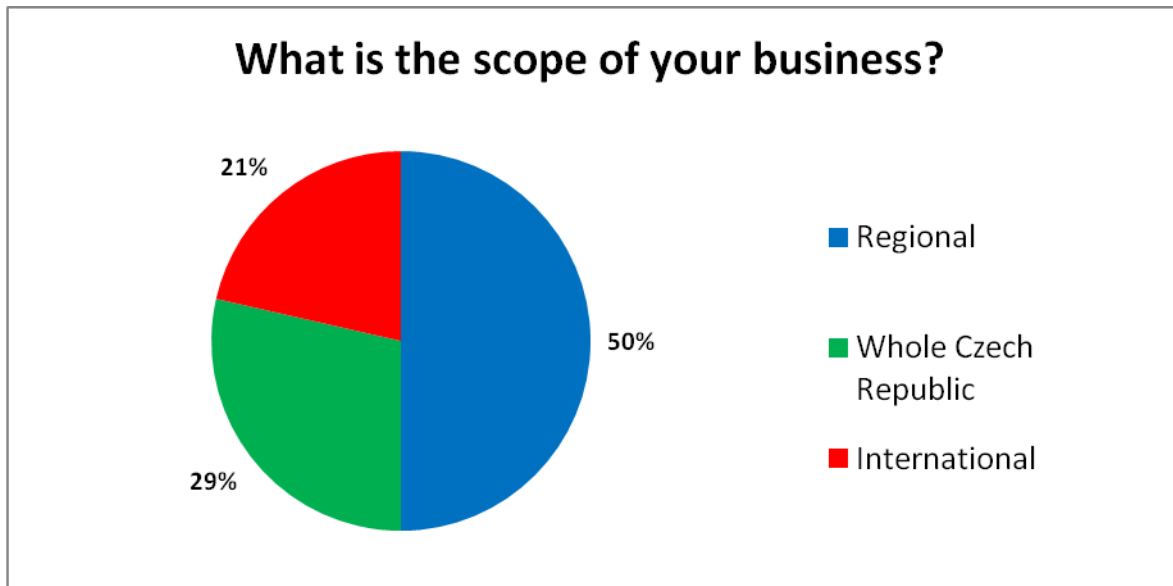
### 7.3.6 Connection of family and company names



*Figure 9-Question n.8*

This chart illustrates one of the specifics of family business which is the involvement of family name in the name of the company. It showed that almost every second (concretely 49 %) company wears the name of the founding family. This is considered to be a unique characteristic of such entrepreneurship. This involvement of founding family name in the name of the company creates a good stimulant for family members. (chapter2) In other words, the good name of the company means the good name of the family and opposite.

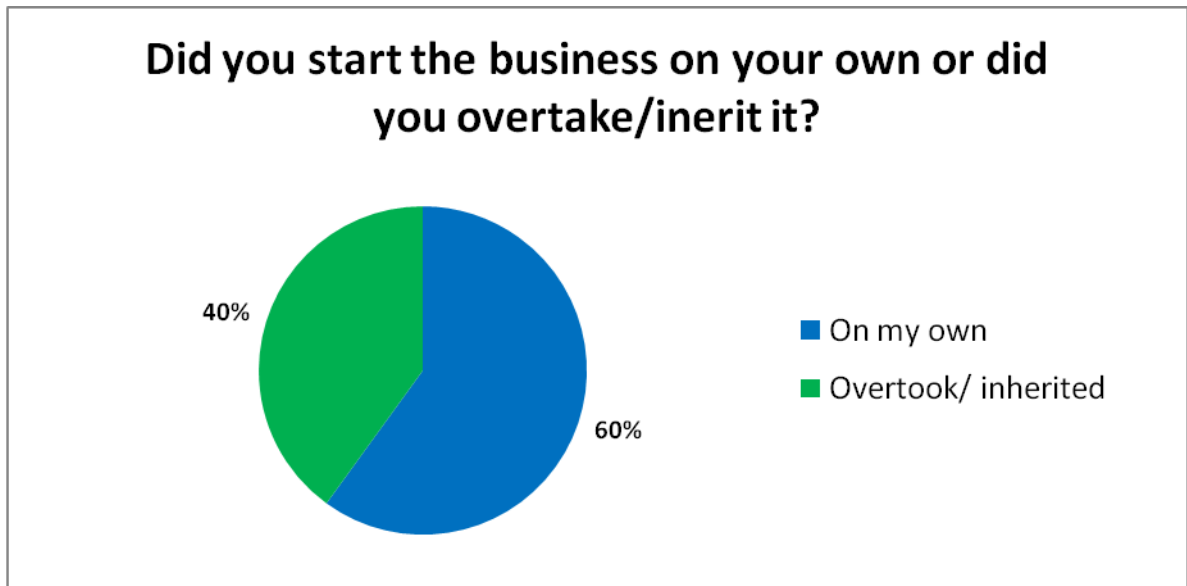
### 7.3.7 Scope of business



*Figure 10-Question n.9*

Half of the researched companies (50%) operate only at regional level. Another 29% of family firms operate in whole Czech Republic and 21% of businesses even operate abroad. When compare figures of this chart with figures of *Figure 6*, which divides companies in 3 categories according their size, we will find out that these two charts are very similar. From this we can generally deduce, that bigger company is the bigger scope of business it has (this is meant only for this research). Fact that 50% of firms operate at regional level could be considered a good one, because such companies seems to be a good participators in regional development (chapter 3.1).

### 7.3.8 Beginning of the business



*Figure 11-Question n.10*

Research showed that 60% of respondents (managers or owners of family firms) started their businesses on their own. Although this number may seem low, since passing of family businesses to younger generation is one of its main specifics (chapter 5.3) we have to take into account political development of Czech Republic in recent history which caused that undertaking was forbidden in this country until 1989 (chapter 4). On the other hand, in 40% of researched companies, the succession has already been done.

### 7.3.9 Advantages of family business

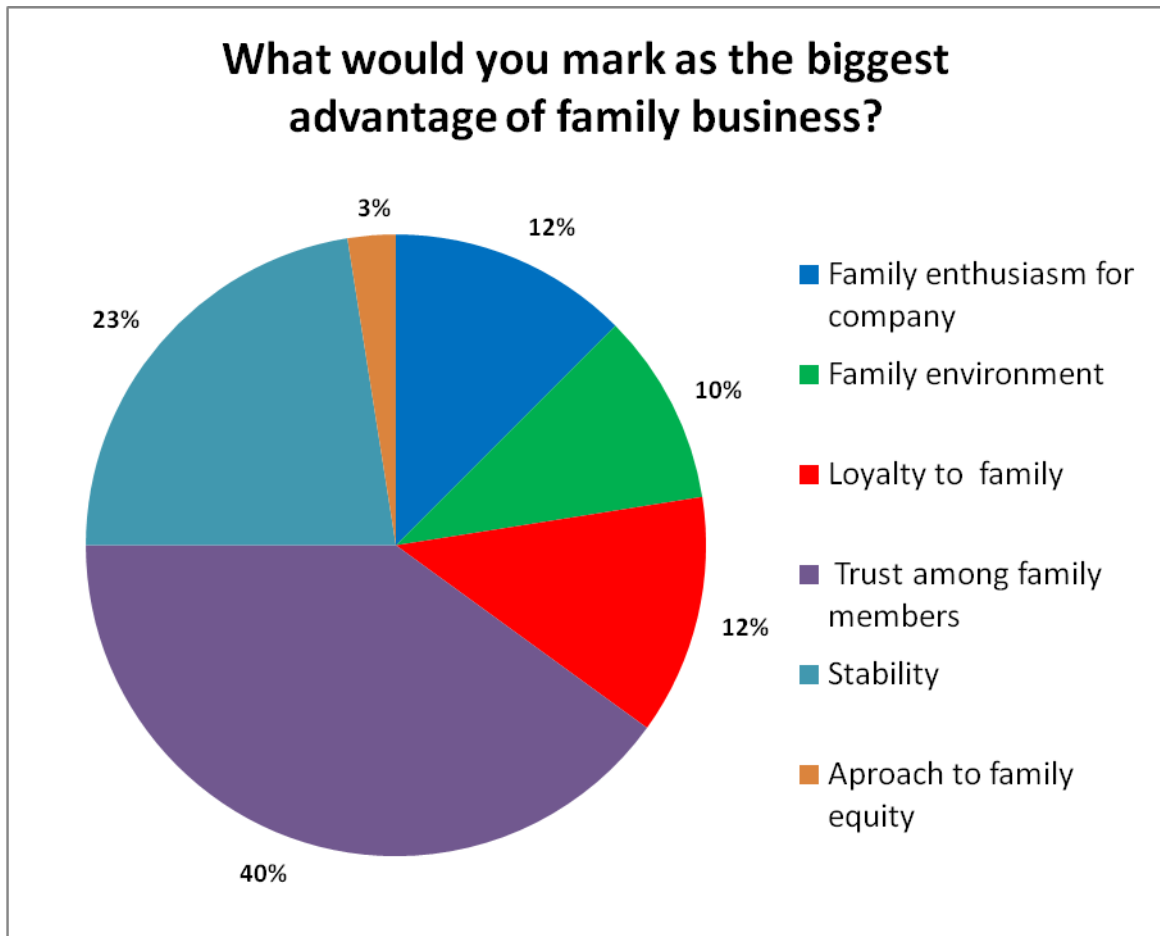


Figure 12-Question n.11

40% of respondents see the biggest advantage of family business in *trust among family members*. There is no doubt that trust is the basis of every relationship and in this case it doubly true, because this type of entrepreneurship is based on relationship-family and business. Lack of trust among family members can interrupt day-to-day communication between family members which is necessary when managing the business. *Stability* is represented by 23% of this chart and it is one of the attributes of family firms (chapter2). *Family enthusiasm for company* (12%) and *Loyalty to family* (12%) are also one of the attributes of such business, because the family members perceive their company as their child. 10% of respondents prefer *the environment of family*, which is also unique in compare to non-family companies.

### 7.3.10 Disadvantages of family business

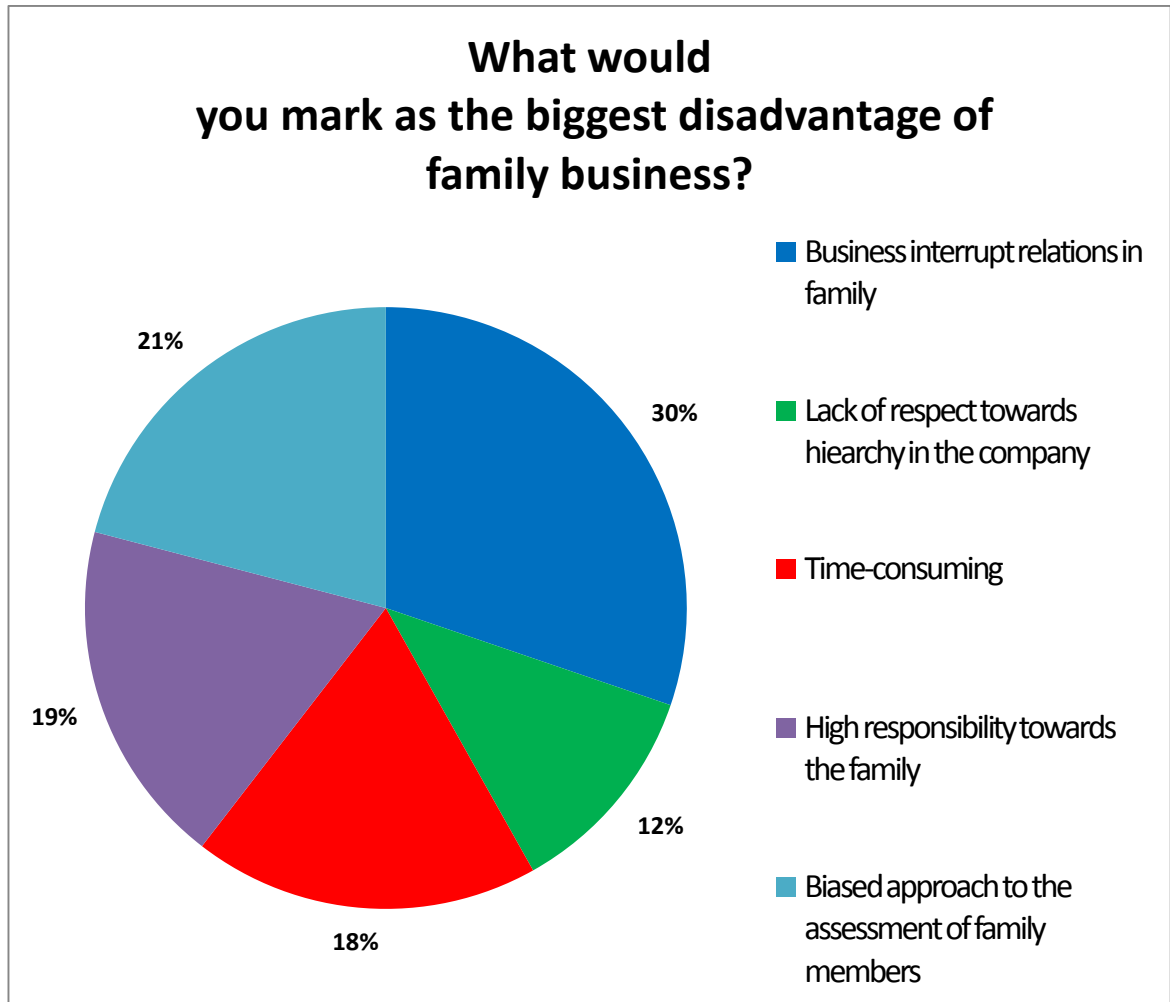


Figure 13-Question n.12

One third (30 %) of researched family firms deals with fact that the *business interrupts relations in family*. Cause of this could be in an inability to separate business and family issues.(chapter 2) *Biased approach to the assessment of family members* is represented in this chart by 21%. Close family ties can be undoubtedly a big obstacle for an objective point of view.

Family business owners of 18 % researched firms think, that the biggest disadvantage of their business is the *high responsibility towards their families*. When we have a look at *figure 18* we probably realise the reason for this statement, because 62 % of families is dependent purely on income from their business and another 25 % is dependent on this

income from their firms partly. When realise this there is no doubt that heads of the family companies feel this high responsibility towards their families. Another 18% of respondents find their business as *time consuming*. *Figure 22* chows that 35 % of them devote more than 80 hours weekly to their firm. The *Lack of respect towards hierarchy in the company* bothers 12 % of firms.

### 7.3.11 Decision making

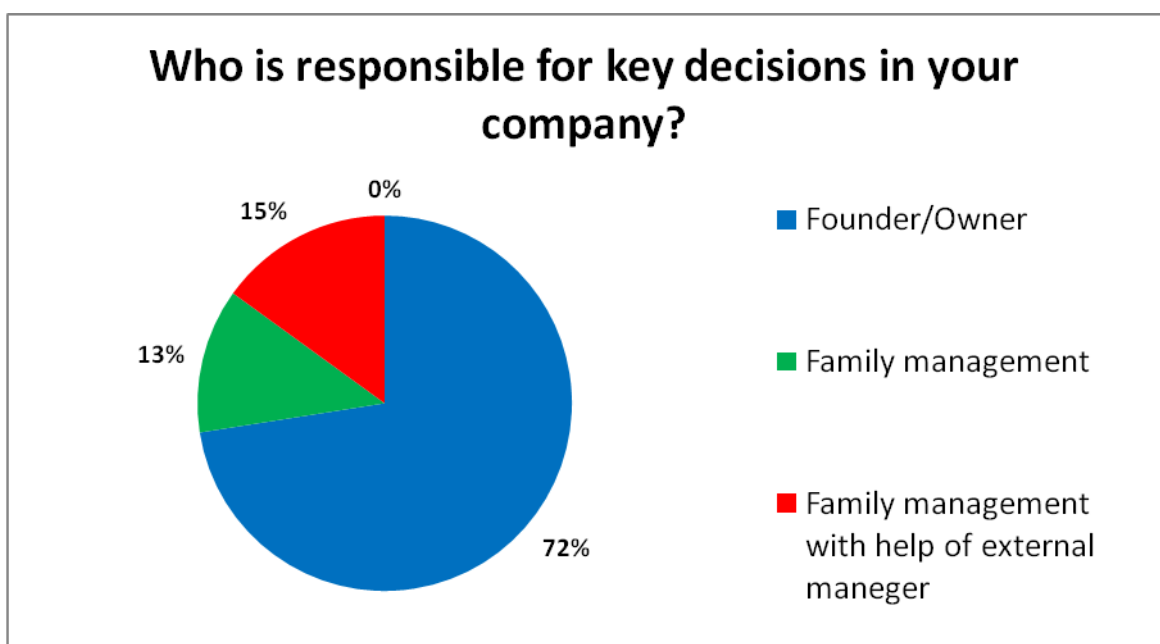


Figure 14-Question n.13

When it comes to a question about decision making of key issues, it showed up that in 72% of companies, this process is fully in competences of founder/ owner of family company. As a result of this fact we can mark the culture of these companies as a paternalistic one (Chapter 5.1.2) and this type of management is called “autocratic management” (chapter 6.3.1). Another 13% of companies run their business through “family management” (chapter 6.4) and 15% of firms use help of external manager (chapter 6.4.4).



### 7.3.12 Advantages of external manager participation

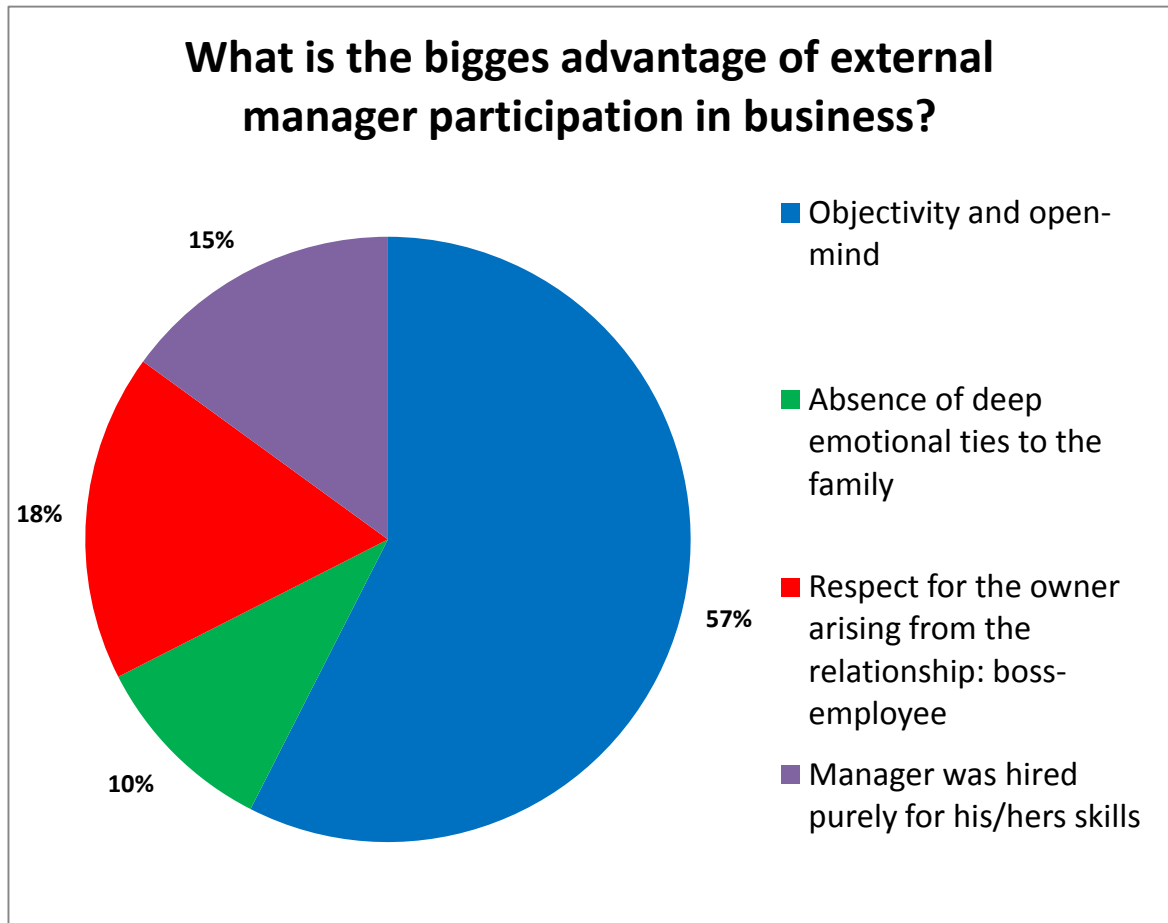


Figure 15-Question n.14

*Objectivity and open-mind* appears to be the biggest advantage of external manager participation in family business. External managers are not biased against family members as he or she also does not have the strong emotional ties to the family (which is also considered as advantage by 10% of respondents) what allowed him to see things in wider and more objective perspective. These attributes make from external managers good advisors. *Respect for the owner arising purely from the relationship: boss-employee* (with no emotional ties typical for family member) is considered as advantage by 18 % of respondents. This formula seems to work in both ways because 15 % of family business

owners see the advantage of external manager that he or she was *hired purely on bases of skills* (without emotion or personal ties).

### 7.3.13 Disadvantages of external manager participation

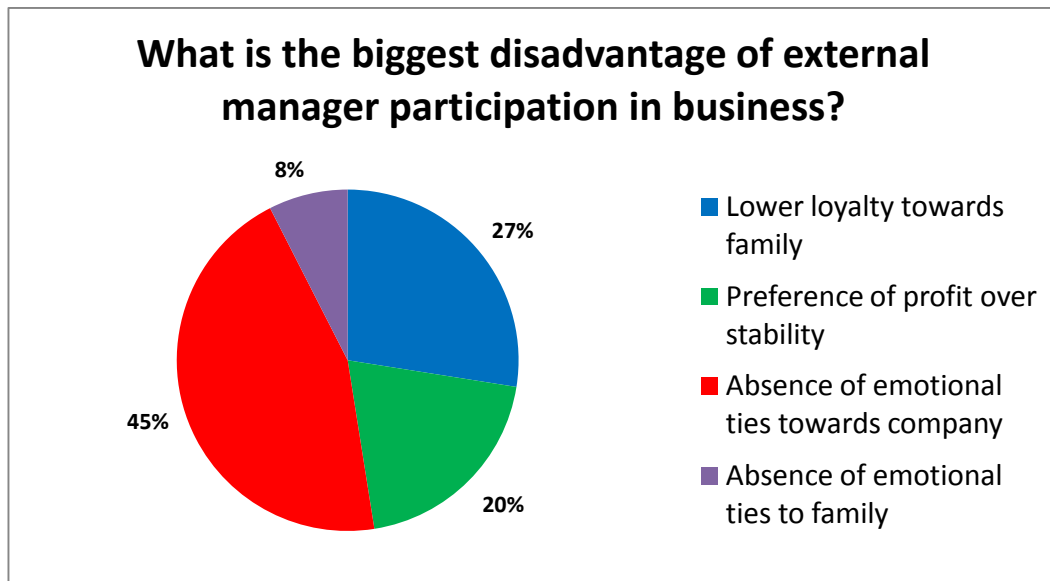
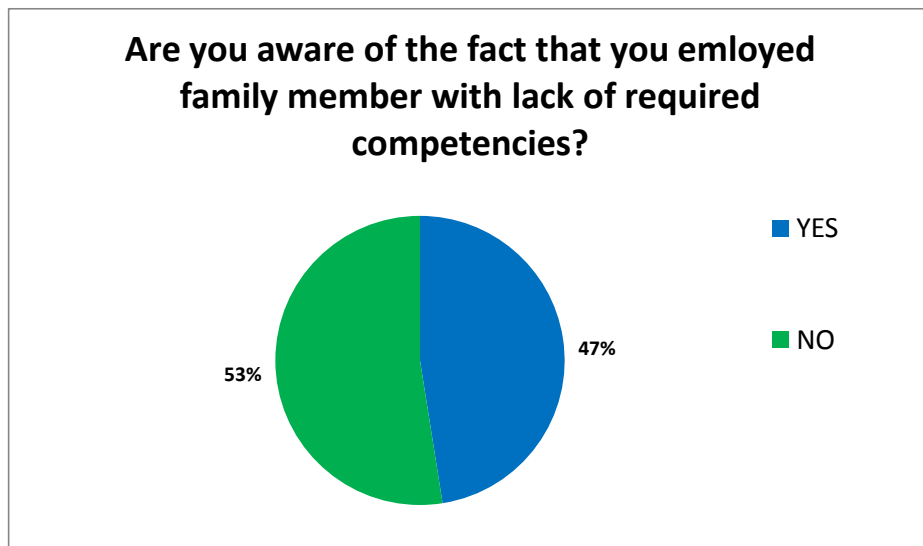


Figure 16-Question n.15

As there is no doubt that external managers could be very beneficial for the company (for the reasons mentioned above), some disadvantages may appear also. As it was already said, many families see their firm as their child, because they realise how much time and hard work their members put in the company. This may be a reason why 45 % of respondents find the *absence of emotional ties towards company* as a disadvantage. 27% of researched companies also marked as a disadvantage *lower loyalty towards family*. *Preference of profit over stability* was marked as inconvenience by 20%. Although the external manager does not have the same emotional ties to the company, his or her opinions on company management may be different. Absence of emotional ties towards the family could be considered as both- advantage or disadvantage and 8% of respondents see this factor as disadvantage.

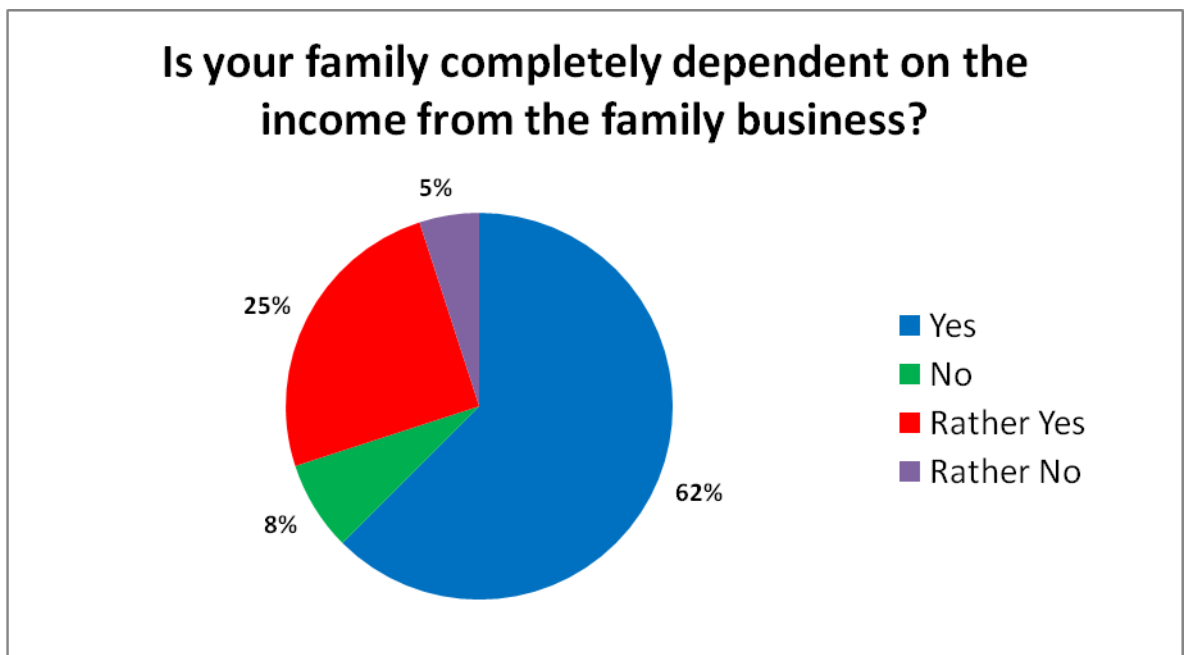
### 7.3.14 Competencies of family members



*Figure 17-Question n.16*

Figures in this chart are very alarming, since 54 % of family business heads admitted hiring of family members without required competencies. This chart clearly shows that more than the half of family business owners put emotions and feeling before objectivity. This obviously not a good attribute of company manager.

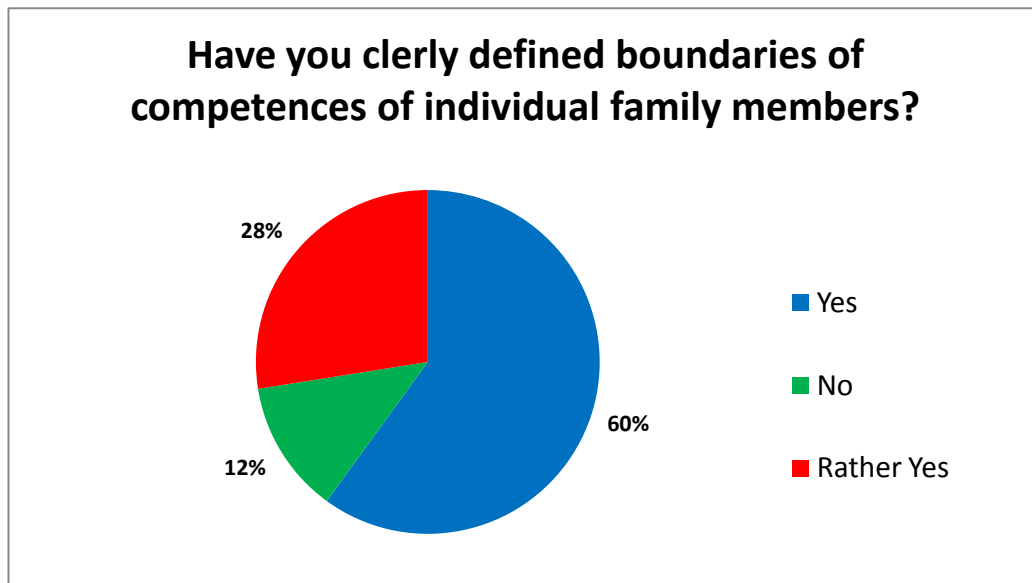
### 7.3.15 Dependence on income from family business



*Figure 18-Question n.17*

This chart illustrates the dependence of families on income from their business. More than half (62%) of families are completely dependent on money from the company, what may be a good motivation factor for keeping the company healthy, but on the other hand it could also be very stressful for family members in management and it may have bad impact on whole family. Another 25% is dependent on the business partially and only 8% showed their independence on family company.

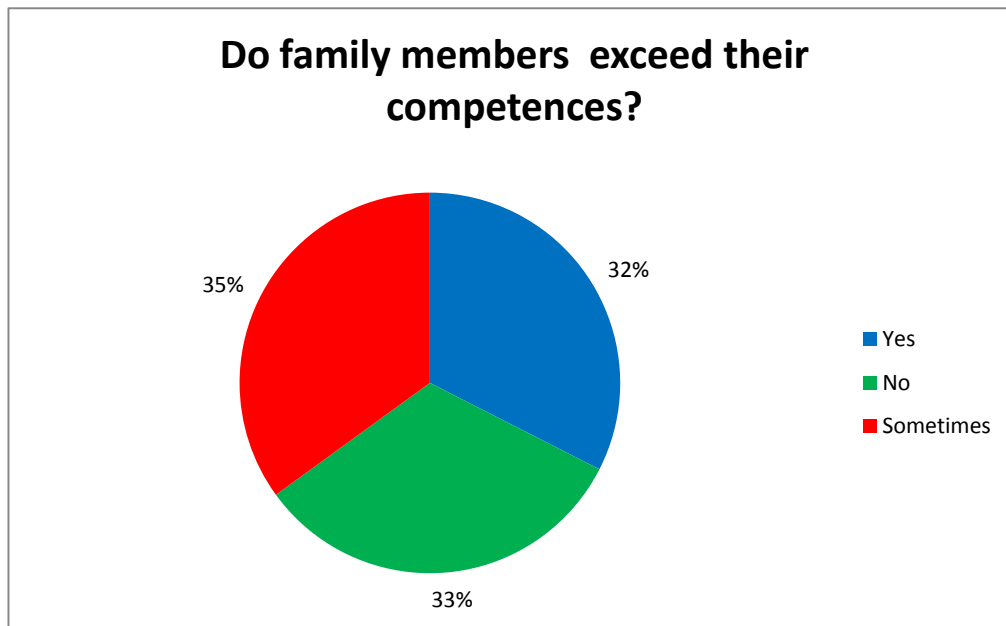
### 7.3.16 Distribution of competences



*Figure 19-Question n.18*

More than half (60%) of the researched companies have defined the competence boundaries of individual family members. This number may seem relatively high but the opposite is true, because definition of competencies is one of the key assumption for successful management of such kind of business (chapter 6). Another 28% of companies set the boundaries of competencies only informally and 12 % of family firms even do not have any distribution of competences what seems to be very risky, especially in case of bigger companies, since the management of these companies is a complex thing.

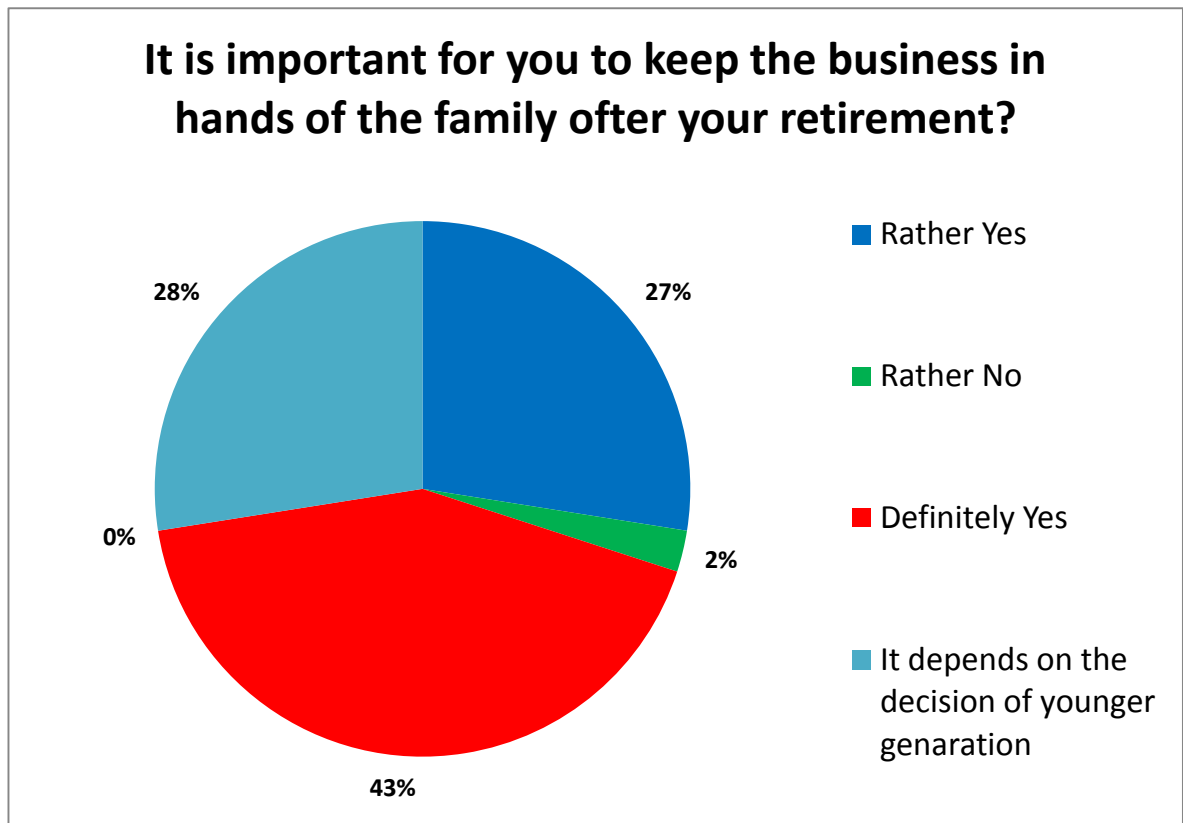
### 7.3.17 Framework of competences



*Figure 20-Question n.19*

Approximately one third (32%) of family business heads admit that members of their family frequently broke the border of their competences and another third (35%) admits that this happens sometimes. When consider the chart above, which states that only 12 % of owners haven't defined the boundaries of competences, this number may seems alarming. Exceeding of competences is considered to be a dangerous factor interrupting the family business (chapter 6). The rest of the respondents (33%) do not face this problem.

### 7.3.18 Importance of succession



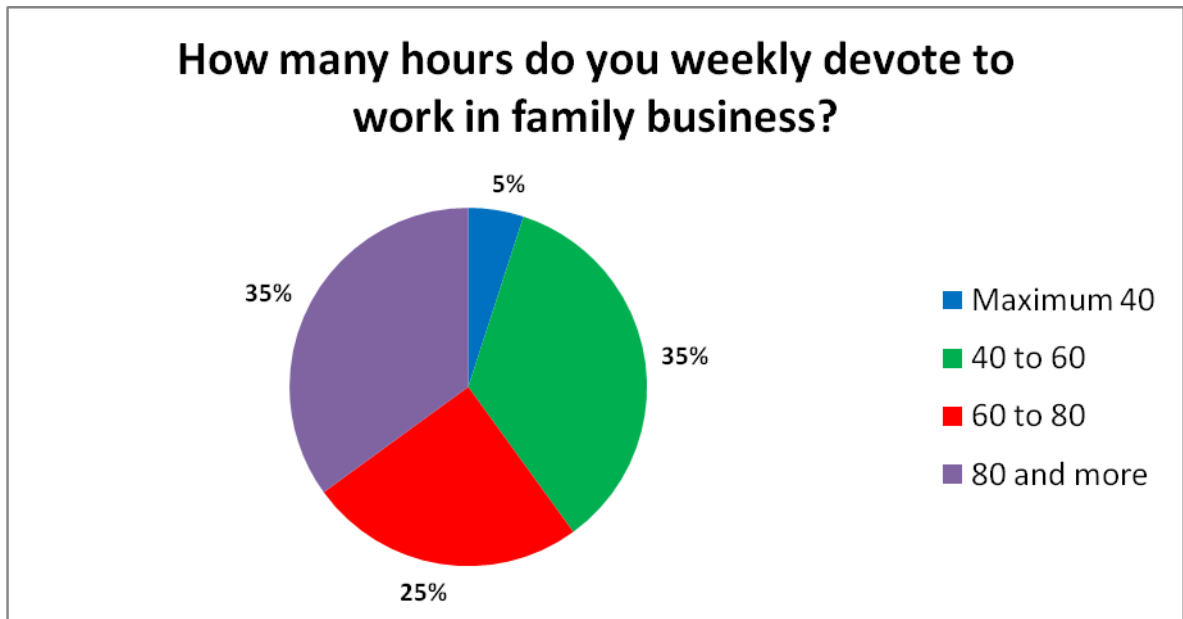
*Figure 21-Question n.20*

Result of this chart could be expected. Succession is another attribute typical for family companies. Exactly 43% of family business owners insist on passing their companies to their siblings. Family business is much more oriented on long-term profit and stability than non family one and owner of such business usually starts the business with vision of creating tool for long-term financial security for his or her family. In addition to that, when consider all the time, work and passion which the founders devoted to their companies, their effort to pass the business to younger generation is understandable.

On the other hand some heads of families showed certain benevolence. Another 27 % of respondents would like to pass the business to younger generation but do not insist on it and 28 % of respondents leave the decision on their siblings.

Rest (2%) of the respondents would rather not pass the business to their siblings.

### 7.3.19 Working time



*Figure 22-Question n.21*

Working in family business appears to be very time consuming for 35 % of respondents who spend more than 80 hours a week by working in the business. When we think of that it is more than 11 hours of work every day including weekends. This could have devastating impact on owner's mental and physical health.

On the other hand there is another extreme. It showed up that 5% of respondents work less than 40 hours a week. This testifies to the fact that the management in 5% of researched companies is highly self-sufficient.

## 7.4 Results of the research

The analytic part of this bachelor's thesis processed results of the questionnaire survey analyzing the management of family business in the Czech Republic.

The survey showed that most of the family businesses included in this research could be characterized as micro businesses. These little firms are characterised by small number of employees and most of these employees are often members of the founding family. Also the management of these companies is predominantly consisted of family members. Survey also confirmed that companies of this size operate mainly at regional level.

Almost one third (29%) of companies in this survey is represented by small enterprises with maximum number of 49 employees. Approximately one fifth of staff in this firm is



composed of family members but dominance of family members in management is still considerable (62%).

Medium enterprises represent the last category of researched firms and their participation in this survey is 16 %. Maximum number of workers can be up to 250 what indicates that these companies are the biggest ones in framework of this survey. Almost half of the management of these relatively big companies is composed of family members.

Running business as a natural person appeared to be dominant legal form of entrepreneurship. This proves that most of the companies have character of micro business. Dominant fields of business of researched companies is service, manufactory and craft work. Craft work represents one of the typical example of such business (*for ex.* father works with his son/s).

Connection of name of the family with name of the company was confirmed by half of the researched companies and it proves the strong emotional ties of families to their firms. Managers/ owners of researched firms see their strength mainly in trust among family members and stability. Loyalty to family and family enthusiasm for company appears to be indisputable advantage as well. On the other hand they admit that the business issues interrupt relation among family members. This problem of inability to separate family and business issues bothers one third of family firms and as the research revealed that the most widespread form of management is the autocratic one, the problem could be that family members feel the lack of power in the company which may leads to exceeding of competences by subordinate family members. Although most of the managers states that the boundaries of competences in company are clearly defined, the research revealed that the family members do not respect this fact. It was proved that in one third of researched companies, this crossing of competences is very common, in second third is occasional. It means that only 30% of responding managers demonstrated the ability to keep the hierarchy in company. As the significant disadvantage of this type of business is also fact that one fifth of respondents feel high responsibility towards family what definitely does not have good impact on their spiritual health, since the research showed that most of the families are completely dependent on income from their business. This is logical when consider the ratio of family members in researched companies.

Another problem influencing the management of family firms appeared to be the inability of their owners to keep their objectivity and disinterestedness towards family members, since almost half of the business owners admitted hiring of family members

despite of the fact that they did not proved required competences. On the other hand is good, that my respondents are aware of this fact and state, that the objectivity is the biggest benefit of external manager. But what they see as weakness of external manager is lack of emotional ties towards company.

Interesting fact also is that nearly one third of responding owners showed certain benevolence when it comes to the question of succession and leave the decision about succession on younger generation. Only less than half of the owners insist on passing their business on their siblings. On the other hand 40% of respondents stays that they inherited their business from older generation, which is relatively high number when consider fact, that undertaking in this country has only 25-years tradition.

To evaluate this chapter it showed up, that the unique connection of family and business, which is most significant attribute of such entrepreneurship, does not have to be always an advantage.

## **7.5 Recommendation for the companies**

The survey revealed significant problems influencing the family business which became the bases for my following recommendations.

The main recommendation for current owners of family firms is strengthening of the position as top manager in the company by setting the strict hierarchy in structure of business.

Another suggestion is that the owners should re-establish the distribution of individual family member competences, because the overlapping of competences showed to be significant problem.

Inability to separate the business and family issues is another problem in this type of entrepreneurship. This could be solved by regular meetings of family members, held in neutral environment, where all problems bothering individual members can be said directly.

My last recommendation involves increasing the ratio of external managers in family business management, which could leads to solving of the problem with lack of objectivity and disinterestedness typical for managers from family.

## CONCLUSION

This bachelor thesis was concerned with topic of family business management. Family business represents a specific kind of business that comprises of many characteristic features. These companies usually represent a set of highly regarded culture and values. There are two systems in the family business, which overlap: family and business. The connection of these two systems creates a unique competitive advantage in comparison to non-family ones. Family members' motivation to work on the development of the company, which carries the same name as the family, is remarkable. The relationships within a family play crucial role in a family business management.

The theoretical part described a family business with all the unique characteristic features, which are typical for this form of entrepreneurship. As no official definition concerning family business has been carried out, this theoretical part provided three possible definitions, which characterise this kind of business from various points of view. The rest of the theoretical part described the interconnection between family and business considering its impact on management of such companies.

Analytical part of this work provides quantitative exploration of family business management. In this researched were involved forty companies from various regions in Czech Republic. The questionnaires were sent directly to family company owners. After receiving back, the results of the questionnaires were analysed and evaluated. According to results of the survey, the recommendations were suggested.

This analytical part proved that family really plays a significant role in a business. The main problem of this entrepreneurship appears to be an inability to separate business and family issues. This often leads to lack of objectivity and disinterestedness.

On the other hand the trust among family members and family enthusiasm for the business seem to be very positive attribute of this undertaking.

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## APPENDICES

### Dotazník- Rodinné podnikání

1) Jaká je právní forma Vašeho rodinného podniku?

- Podnikající fyzická osoba
- Společnost s ručením omezeným
- Akciová společnost
- Jiné (uveďte).....

2) V jakém oboru podnikáte?

- Obchod
- Služby
- Výroba
- Řemeslné práce
- Jiné (uveďte).....

3) Jaký je celkový počet zaměstnanců Vaší firmy?

- 0-9
- 10-49
- 50-250

4) Počet rodinných zaměstnanců:

5) Počet nerodinných zaměstnanců:

6) Počet nerodinných zaměstnanců ve vedení firmy:

7) Počet rodinných zaměstnanců ve vedení firmy:

8) Je v názvu Vaší firmy zahrnuto i jméno rodiny?

- Ano
- ne

9) Jaký je rozsah působnosti Vašeho podniku?

- Regionální
- V rámci celé ČR
- Nadnárodní

10) Začal/a jste s podnikáním sám/a nebo jste již podnik převzal/a ?

- Sám/a
- Převzal/a

11) Co je podle Vás největší VÝHODOU rodinného podnikání?

- Zapálení rodiny pro firmu
- Rodinné prostředí
- Loajalita vůči rodině
- Důvěra mezi členy rodiny
- Stabilita
- Přístup ke kapitálu firmy
- Jiné (uveďte).....

12) Co je podle Vás největší NEVÝHODOU rodinného podnikání?

- Podnikání narušuje vztahy v rodině
- Nerespektování hierarchie ve firmě
- Časová náročnost
- Vysoká zodpovědnost vůči rodině
- Neobjektivní přístup k hodnocení členů rodiny
- Jiné (uveďte).....

13) Kdo je zodpovědný za klíčová rozhodnutí ve firmě?

- Zakladatel/majitel
- Rodinný management
- Majitel s pomocí externího manažera
- Pouze externí manažeři

14) Co byste označil/a jako největší VÝHODU participace nerodinného manažera ve vedení podniku?

- Objektivita a nezájatost
- Absence hlubší citové vazby vůči rodině
- Respekt vůči majiteli pramenící ze vztahu: šéf-zaměstnanec
- Byl najat čistě na základě kompetencí
- Jiné (uveďte).....

15) Co byste označil/a jako největší NEVÝHODU participace nerodinného manažera ve vedení podniku?

- Nižší loajalita vůči rodině (oproti rodinným zaměstnancům)
- Upřednostňuje zisk před stabilitou
- Absence hlubší citové vazby vůči podniku
- Absence hlubší citové vazby vůči rodině
- Jiné (uveďte).....

16) Připouštíte si někdy fakt, že jste najal/a člena rodiny, který není pro danou práci plně kompetentní?

- Ano
- Ne



17) Je Vaše rodina zcela závislá na příjmech z rodinného podnikání?

- Ano
- Ne
- Spíše ano
- Spíše ne

18) Máte jasně stanoveny hranice kompetencí jednotlivých členů rodiny?

- Ano
- Ne

19) Překračují někdy členové rodiny své kompetence?

- Ano
- Ne
- Někdy

20) Je pro Vás důležité, aby i po Vašem odchodu do penze zůstal podnik v rukou rodiny?

- Spíše ano
- Spíše ne
- Rozhodně ano
- To záleží na rozhodnutí mladší generace

21) Kolik hodin týdně věnujete práci v rodinném podniku?

- maximálně 40
- 40-60
- 60-80
- 80 a více