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The Importance of Organizational Culture for Entrepreneurship in Family Businesses





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Determinants of Family Business Progress

Abstract: The aim of this article is to indicate the characteristics, which make family business prominent in the free market. Perceiving these characteristics as values of family business gives them the opportunity to gain competitive advantage and enables multi-generation existence of the company. The process of succession, if conducted in a planned and formalized way, becomes a value itself. The two projects: ‘The guide to succession’ and ‘Value codes’, both in the testing phase, promoting the process of succession in Polish family firms, have set the creating of complex tools enabling the succession in the family business to be effected their target.

Keywords: family business management, building values, organization, culture, communication, process of succession

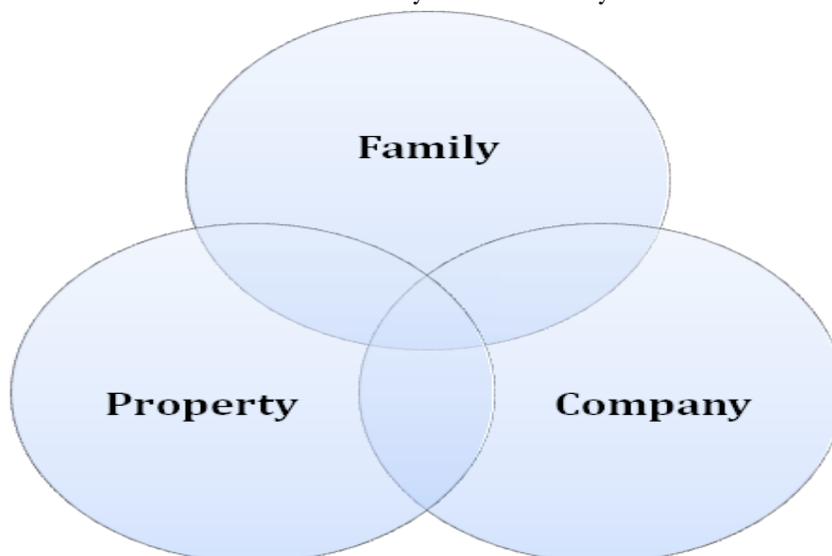
Introduction

The aim of this article is to indicate the characteristics, which make family business prominent in the free market. Perceiving these characteristics as values of family business gives them the opportunity to gain competitive advantage and enables multi-generation existence of the company. Family business is the symbiosis of two worlds: family and business. What help distinguish the family business from the non-family business are the realms of value and the organization culture. In turn, the organization culture, based on family bonds and values, is the factor determining competitive advantage on the market.

According to prof. Peter May: ‘family entrepreneur builds his company upon values, which are of importance to him. It is an invisible thread, strong and tenacious, affiliating generations of family business.’

The reference books often display family firms as a system [Cohn 1992, p. 34] of three intersecting subsystems: family, company and property. It has been illustrated below.

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Illustration 1. Family business as a system

Source: M. Cohn, *Passing the Torch, Succession, Retirement & Estate Planning in Family – Owned Businesses*, McGraw-Hill Inc., New York 1992, p. 34.

The intersection of Family and Company are the family members employed in the company with no proprietary right to the company, those family members not working for the company but with the proprietary right to a part of the enterprise constitute the intersection of Family and Property. In turn, the intersection of Property and Company are people not being members of the family but working for the company and having proprietary rights to a part of it. The intersection of all the subsystems is the owner of the enterprise and the heritors who work in the company and therefore, have proprietary rights to a part of it.

Various definitions of family business may be found in numerous sources concerning family entrepreneurship. As a result, it is problematic to define a business as a family business or not. There is no normative description of family business as such, and the obligation to file the reports to be used in statistic data does not distinguish ‘family business’ as a separate category. Treating the sector of small and medium sized enterprises as family business is not appropriate and does not underline the character of its functioning since a number of family firms belong to the category of large enterprises., such as: ITI, Fakro, Konspol, Witchen, Solaris or Dr. Irena Eris.

The Oregon State university has provided an original, however, not precise definition of family business [Winnicka-Popczyk 2002, p. 201], and that is: if a family claims that its firm is a family firm, it is one, indeed. Brzeziński still proposes

other definition according to, family business it so, which amongst stakeholders the family of the owner is in [2012, Employees, p. 279].

Factors determining success of family business

Family business, in large measure, owe their economic success to an informally assumed system of values [Popczyk A. and W. 1996, p. 85], which passed down from generation to generation has become a code of conduct to future owners, employees and the organization as such. The strengths of family firms described in the reference books are as follows [Korda 2010, p. 6]:

- Flexibility,
- Appropriate public relations,
- Innovation planning,
- Positive atmosphere at workplace,
- Long term prospects,
- Investment plans.

The weaknesses pointed out by Korda [2010, p. 6] are often connected with such factors as:

- Familism,
- Underappreciating employees from ‘outside of the family’,
- Unwillingness to employ professional managers from ‘the outside’,
- Keeping away from the know – how from ‘the outside’,
- Lack of clear development strategy,
- Lack of legal and tax planning culture,
- Underappreciating the issue of succession,
- No succession plan,
- Lack of appropriate preparation for the successor.

Taking the above strengths of family firms into consideration – flexibility – being the first mentioned virtue, appears in the adapting aptitude and fast reaction to changes. That favours innovation and creativity, which result in the increase of technological level and the quality of services offered. Intuition and personal, longstanding experience, which builds such virtues as: honesty and tradition are also important. Good public relations and positive atmosphere, in turn, build up trust, loyalty and result in the sense of social responsibility. Innovation planning means avoiding risky ventures, concentrating on moderate development and building an enterprise sensibly aiming at stability in the company and its duration for next generations.

Considering the above issues of family business functioning, Korda [2010, p.6] mentions familism to be an obstacle in the development of the company. The former factor, defined as negative, should be treated as transferring business problems onto the family ground and vice versa. It does not mean that business matters should not be discussed during family dinners. However, those discussions should gain a form

of discourse, opinion exchange leading to improvement. The second factor, defined as negative, that is the feeling of underappreciation of employees 'from outside of the family', is not justified. From the point of view of employees, it might appear as if they were underappreciated since their chances of promotion compared to those of family members are rather low. However, the organization culture of family firms should allow understanding of both, employers and employees. An employee is endeavouring to assume his/her responsibilities and challenges family members; in most cases the commitment and knowledge are rewarded. Understandably, relying on members of family is caused on the strong bonds, whereas an employee from the outside may want to leave at any time. It depends on each of us what is of greater importance: material aspects or stability of employment, friendly relationships with co-workers, loyalty and honesty, which characterize organization culture of family business. Another reason yet, is that the family members employed in the business also feel the discomfort when colleagues only perceive them as a boss's 'child' and not a competent employee on the appropriate position. The next factors: unwillingness to employ professional managers from 'the outside', keeping away from the know – how from 'the outside', lack of clear development strategy and legal culture stem from the fact that the owners – founders of the family business are convinced that if their business based on intuition and experience has lasted, it will last. It is also connected with the lack of knowledge on the necessity of planning the succession process.

Communication as a key factor of family business success

Communication is a crucial element of family business functioning connecting the owner with the successor, the owner and the employees and the successor with the employees. It is a factor of success when the nestor and the successor have a partner not parental relationship, and the employees are informed about the forthcoming changes, which eliminates anxiety concerning the fate of the company. If the nestor believes that the successor will handle the duties, the anxiety of the subordinates will be quashed. The paternal management style so predominant in family business creates a strong bond between the management and employee, the feeling of belonging to the family and 'the boss' is the one who will always find a solution to every problem.

Communication is also valid when it comes to relationships between employees and successors. The successor, instead of implementing changes often difficult to accept while what is already in practice brings intended effects, should rely on the knowledge of experienced employees working for the company for many years or even from its early beginnings. If that does not happen, the successor becomes untrustworthy in the eyes of coworkers, and is neither supported nor even accepted.

It is, therefore, important that nestors give their children an opportunity, not being afraid to pass down the power, but first of all not being afraid to believe in

the further success, which is the aspect mentioned not only by the owners but also by successors as a 'rather important' aspect in terms of concerns against succession. 'Trust in the future success of the company' is thus a factor most highly rated according to the research carried out under the project 'Value codes - effective succession in Polish family business' [Value Codes, p.15]².

Communication also means joint decision-making regarding the vision of the enterprise functioning and creating its mission. Dr. Herwig Friedag show that nestors do not agree with their successor the vision of future management what, in long term, may lead to complete change in the concept of running the business. Therefore, it is vital to define the market strategy (external potential) and the family constitution (internal potential) together, so that the disputable issues are known from the beginning and may be discussed [Value Codes, p. 20].

Prof. T. Budziak [2012] has also discussed the family constitution as an indispensable element of family business success. It constitutes a set of certain rules, which allow long-term enterprise development plans to be created and to come into effect. The family constitution helps identify the areas of conflict – those existing and the potential ones. He clearly states the roles of family members to ensure the cohesion of family and company. The constitution of family should include the following elements [Widz, www.sukcesja.org.pl]:

- Vision and mission of the family – defining the value of the family, the value of the family business and the owners' vision;
- General statements – who belongs to the family, what are the rules concerning decision-making in the family and the rules concerning changes in the constitution;
- Regulations concerning the family in the business – employing family members and their payment, defining their share in the business and the family bodies (e.g. family gathering);
- Family policy concerning the business – appointing family bodies (e.g. board of directors or advisory board), board of directors, succession plan, code of conduct in relationships between family members and stakeholders;
- Financial policy of the company.

The Polish family business research has demonstrated that the above issues are nonexistent and most founders expect the comparable style of managing the business by their descendants.

² Any other factor was not considered as 'very important'. 'Value codes –the diagnosis of the current state of ownership in Polish family firms' – a summary report based on research conducted in the project 'Value codes –effective succession in Polish family firms' – including the summary of the results of research conducted between 1 November 2012 – 9 February 2013 as part of the task Diagnosis, i.e. in the first stage of the project. The project is implemented by the Higher Education Development Centre TEB Akademia ltd, Business Discovery Adrianna Lewandowska and Hortimex Plus ltd. limited partnership and is also co-financed by the European union from the European Social Fund [www.sukcesja.org.pl].

Succession as a determinant of family business success

The process of succession should be planned and formalized. Dr. A. Marjański rightfully argues that ‘having a good intergenerational plan enables, in most cases, retaining sufficient condition of a business and appropriate family relationships. Succession planning clarifies the organization pattern and helps implement order in the role of the family and avoid conflicts concerning proprietary rights and management’ [Marjański, Value Codes, p. 6].

One of the determinants of success is for the nestors to understand the necessity of his/her retirement. Most Polish family firms are enterprises of first generation founders who identify themselves fiercely with the company treating it as their child. Peter May has defined it appropriately: ‘after retreating from business responsibility, founders need new challenges. When somebody has run a business for many years, they don’t want to become a couch potato, read books, travel or play golf at the age of 65. An entrepreneur potential needs to be allocated somewhere, for instance, in leading a football team, taking over a hotel or founding a college’ [May, Value Codes, p. 22].

The second success factor in the process of succession is the necessity to confront parent’s authority by the successor. In that case, the relationship between the parent and the successor is significant. It should be based on business partnership more than on the arrangement fathers/mother – son/daughter.

The Austrian Spängler family owners of the private bank Bankhaus Spängler, have defined main objectives of the bank in their business mission including the will to retain independent, at the same time admitting that being independent equals moderate development. Such conduct characterizes majority of Polish family firms with long experience on the market. Other key entry in the mission of the above enterprise is that remaining the family business is feasible, if the company is controlled by the family but not necessarily governed by them. Polish entrepreneurs are sceptical towards the idea of delegating management duties to external managers [Brzeziński 2012, Owners, p. 156]. According to Heinrich Spängler, ‘the most educated individuals from every generation should represent bank owners in the board’, however, ‘if the family do not get on well, or there is not such a person who might take the post, they should concentrate on their role as company owners leaving that post to a person from outside. Being a company managed by the family is not our priority.’ Bankhaus Spängler has existed for 180 years [‘Family business’ 6/13, p. 22].

The first tools supporting activity of family firms in Poland, when it comes to strategic management, legal or financial aspects, are just being created. They become even more meaningful due to the current period in Polish economy, the first generation change, when owners –founders of family firms pass down the knowledge and experience in running a business to their already mature children.

The awareness of Polish people regarding the entire process of succession has been increasing recently. It can be proved by the number of over 300 members of the Association of Family Business Initiative established in 2008, or by the number of family entrepreneurs using the 'Family business' sign which on 7 November 2013 has amounted to 158 ['Family business' 6/13, p. 21]. Furthermore, the results of the report 'Value codes - the diagnosis of the succession process reality in family businesses in Poland' has revealed that as much as 74% of owners and 76,8% of successors realizes that succession is an important process in the company which needs to be planned in advance and managed in a professional way. Unfortunately, most of them do not comply with the rule. Almost 505 of the companies (47% of owners and 46% of successors) claim that bowing out will occur in the spoken form. Over 70% of owners and 75% of successor believe that the process of succession will take up to a year or even does not have to come into effect [Value codes, p. 7], while the research of succession on the Swiss market shows that the time ranges from 5 to 10 years.³

Let us hope that younger generation of Polish family business founders will be more aware of the complexity of the process of succession and as a result the future successors will be prepared for takeover much earlier. Certainly the tools improving the process of succession, such as 'The succession guide' or the already mentioned project 'Value codes', which are currently being created or in the testing phase, will prove helpful for the successors. The aim of the projects is to create complex tools improving independent succession in the family business. The process includes a few elements such as:

- Regulatory environment,
- Tax regulations,
- Development strategy,
- Property, division of assets,
- Securing nestors,
- Choosing successor.

Innovative tools conforming to specific needs of family business and future generations will be generated thanks to the testing process among the representatives of family businesses who are planning succession. 'Family business succession guide' is a project co-financed by the European Social Fund and implemented by the Economic Advisory Council to the Prime Minister. The aim of the project is a study and verification of the efficiency of the innovative tool designed to independently plan succession in family business [www.sukcesja.org/].

The tool, which will be the result of the project, includes the following elements:

- Knowledge compendium on succession – a book, multimedia and audio book

³ The lecture entitled '*Succession in Family Firms*' by Prof. Dr. Thomas Zellweger for the Center for Family Business at the University of St. Gallen, as part of the seminar 'Family Business' in the autumn semester of 2012.

version with educational materials, animations, interactive exercises, films, etc.

- Two computer applications including:
 - The analysis and diagnosis of the current state of ownership succession in the company (NOE analytical –diagnostic application) – having completed objective company data (financial, legal, organizational, personal) and subjective owners' opinions, the entrepreneur will automatically receive the analysis and diagnosis of the current state of the ownership succession on the strategic, organizational, personal, financial and legal level to be able to determine succession readiness;
 - Planning succession (NEO planning application) – having considered the results of an earlier analysis and after answering questions about the most significant areas of succession, activity time range, potential and preparation of the successors, an initial succession activity plan with sequence of tasks and estimated time will be generated. Users may also adjust it to their individual circumstances.

Stages of participation in the project:

1. Consultations concerning the innovatory tool which took place between December 2012 and February 2013 helped gather family business owners' opinions on challenges in planning succession. They had to complete electronic survey or give an interview to the moderator in the company;
2. Testing the innovative tool in the form of 'Family business succession guide' – during this stage, which is currently taking place, the Participant of the project are supposed to become familiar with the elements of the 'Guide' and comment to the producer on the utility and effectiveness of the tool in the planned succession. The entrepreneur testing the „Guide” may familiarise with it individually, in any place with access to computer. Comments concerning the tested tool should be reported in the form of a survey or an interview;
3. Improving the tool on the basis of feedback from the testers.

The assumed target is to maintain continuity of business functioning.

The project envisages 20 seminars for 300 family business owners, 2 all-Poland conferences for 300 owners and 100 stakeholders, 8 workshops on practical use of the Guide for 96 owners and guest participation in 5 conferences on family business support for the sector of small and medium enterprises.

The second project concerning succession in family business, which is in the phase of testing, is the project 'Value codes –effective succession in Polish family business'. The project is implemented by the Higher Education Development Centre TEB Akademia ltd, Business Discovery Adrianna Lewandowska and Hortimex Plus ltd. limited partnership and is also co-financed by the European union from the European Social Fund [www.sukcesja.org.pl].

The tool created in the project consists of the following elements:

- Knowledge compendium on succession leading through the process of succession,
- SOS manual – in case of sudden succession,
- Inspiring and guiding animated series including the story of ‘Delikatesy Dobre’ company being in the course of succession and run by the Sierpińscy family.
- Audio book – with the story of the Sierpińscy family which is undergoing the process of succession,
- 58 tools guiding through the particular stages of succession,
- Knowledge portal including i.e. case study, tools, articles, research, forum, job market for the successors.

Particular stages of the Project are:

- Diagnosis – research conducted between 1 November 2012 and 9 February 2013.

While diagnosing the Project ‘Value codes’, 8 key determiners of family business success were defined [Value Codes, p. 21]. Its objective was, like in the already mentioned Project, maintaining continuity of the company by future generations. Those factors concentrate on the improvement of succession process and include:

1. Realizing ‘what is about to happen’ and the earlier we understand it, the more probable the success;
2. The analysis of the initial situation of the company;
3. Starting conversations about the succession;
4. Honest conversation with the family and future successors about the concerns and reaching an agreement;
5. The necessity of expanding the boundaries of responsibility for the company before giving power to the successor;
6. Realizing that the successor is learning and may commit mistakes which does not prove his/her incompetence or lack of preparation;
7. Finding an expert not only on legal matters but also on better communication and understanding of the process of succession when it the problem arises;
8. Planning personal activity after giving power before it happens.

Testing – downloading the tools and completing the testing survey is possible directly from the website www.sukcesja.org.pl.

The succession process involves many people and each group of recipients should have the tool adapted to their specific needs, therefore, in the above project we can distinguish testing tools for the owner-nestor, the board, the family, the successor, the employees and the contractors.

What makes the two projects outstanding is the possibility to perform the succession independently, without additional counseling costs or legal advice. Even in that range the values which determine family business are clearly visible, these are: mutual support, commitment, readiness for skill-sharing and creating something

that can be used by future owners of family business facing the challenge ‘what next?’

Summary

The tools, being now created, enabling independent, effective succession in Polish family businesses, provide an opportunity for endurance or even long - term development of family entrepreneurship. They constitute the grounds for common discussion and commitment of family members to build intergenerational bonds. A correct succession constitutes the greatest family business success.

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Marketing in Sustainability Aspect as a New Culture of Marketing Activity of Companies

Abstract: The essence of this work is a new and rapidly growing trend in the area of marketing science called sustainable marketing. The introduction highlights the changes in the concept of marketing in the past decades, ranging from marketing sales through marketing focused on the needs and expectations of customers, to new marketing orientation called *sustainability marketing*. The first section of the article presents the evolution of marketing according to P. Kotler classified by the author as *Marketing 1.0*, *2.0* and *3.0*. The second chapter presents the content related to the nature and importance of sustainable marketing, which as a new marketing concept, can be a source of competitive advantage of businesses. This part includes the definitions and concepts of sustainable marketing by different authors. The final part of the article indicates the main areas of sustainable marketing performed in businesses. The work is concluded with remarks.

Keywords: sustainability marketing, sustainable marketing, enterprise

Introduction

The development of modern world economy contributes to increased competition in many areas of economic and market areas. Competing for customers and increase of the market share of the company is forcing managers to seek for new competitive advantages. Marketing of companies, whose main idea is listening and proper recognition of customer needs, and their effective satisfying, slowly begins to lose its importance. Marketing concentrated on a client, as the key market participant, successfully dominated the concept of sales marketing, whose main task was to produce and then to sell the product. The changing marketing

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environment creates a situation where the customer satisfaction becomes a secondary task of manufacturing and service organizations. New challenge faced by today's businesses is to achieve financial goals while respecting the environment and taking into account the social aspects. The presented marketing approach is included in the so-called sustainable marketing, whose activities can be a source of competitive advantage of businesses.

Sustainable marketing is a new trend of knowledge derived from the concept of sustainable development. A literature review of sustainable marketing shows a small number of studies in this area of knowledge. The main authors dealing with the issues of sustainable marketing include, inter alia, F. Belz and K. Peattie, D. Martin and J. Schouten, D. Kadirov, K. Leitner and D. Fuller. From the group of Polish authors two names should be mentioned: A. Pabian, W. Grudzewski and T. Trojanowski.

Chapter 1. Evolution of marketing concepts

The concepts of marketing over the last sixty years have constantly evolved. Marketing was focused mainly on three areas - product management, customer management and brand management. The period of the fifties and sixties of the last century in marketing, was characterised by the product management. The seventies and eighties of the twentieth century focused on the management of the client. The next period of evolution of the marketing concerns the nineties and the first decade of the twenty-first century. During this time the main area was marketing brand management. [Kotler, Kartajaya, Setiawan, 2010, p. 41]

Table 1 shows the periods and effecting changes the perception of marketing over the decade.

Table 1 presents the changes in marketing concept from the 50s of the last century, and ending with the first years after 2000. Last concept, that times of financial pressure attributable to the beginning of the twenty-first century are characterised by a richness of forms of marketing.

P. Kotler, H. Kartajaya, I. Setiawan classify marketing by three levels, namely, *Marketing 1.0*, *2.0* and *3.0*. *Marketing 1.0* is the first concept of marketing, representing the industrial era. The purpose of the *Marketing 1.0* was selling products manufactured in the factory. Manufactured products were common and did not stand out of the ordinary. Were usually offered to a mass audience. The aim of the production was to standardise the products with a focus on reduction of production costs, which would translate into a low price product, and by this reaching a wide range of buyers. *Marketing 1.0* is the period of concentration on the product.

Table 1. Variability of marketing concepts

The fifties. The post-war times	The sixties. The economy development times	The seventies. Time of turbulences	The eighties. The time of uncertainty	The nineties. The times of social contacts	After 2000. The time of financial pressure
<ul style="list-style-type: none"> - mix marketing - life cycle of a product - brand image - segmentation of market - marketing concept - marketing audit 	<ul style="list-style-type: none"> - the four P - short-sightedness marketing - marketing targeted to a variety of life styles - extended conception of marketing 	<ul style="list-style-type: none"> - targeting - positioning - strategic marketing - marketing of services - social marketing - socially committed marketing - macro marketing 	<ul style="list-style-type: none"> - war marketing - global marketing - local marketing - mega marketing - direct marketing - marketing of relationships with customer - internal marketing 	<ul style="list-style-type: none"> - emotional marketing - marketing of experiences - internet marketing and e-business - sponsoring marketing - marketing ethics 	<ul style="list-style-type: none"> - marketing focusing on ROI (return on investment) - marketing based on brand value - marketing based on customer value - marketing socially responsible - more power and impact of a customer - marketing using social media - tribalism - marketing authenticity - marketing set to co creation

Source: own research on the basis of P. Kotler, H. Kartajaya, I. Setiawan, Marketing 3.0, MT Biznes, Warszawa 2010, p. 44.

The next stage in the evolution of marketing is *Marketing 2.0*, which is a result of the development of information technology. Technical and technological progress has made clients become well informed about the offers proposed to them, they also possessed the ability to quickly compare several offers at once. Due to the diversity of consumer preferences, market was divided into groups of customers, to

which relevant product offers were addressed. The focus was given to the customer. *Marketing 2.0* means customer oriented marketing.

Kotler, H. Kartajaya, I. Setiawan propose a third approach to marketing, namely *Marketing 3.0*. According to the authors in the centre of attention of companies is the man, who in addition to satisfying the functional and emotional needs through product or service, is expected to meet the spiritual needs. *Marketing 3.0* raises issues concerning human aspirations, their values and spirit. Version 3.0 assumes that you should not neglect any human's needs and hopes. *Marketing 3.0* like its previous version also seeks to meet the needs of consumers. [Kotler, Kartajaya, Setiawan, 2010, pp. 17-19]

Reflections on the evolution of marketing concepts are summarised and presented in Table 2.

Table 2. Marketing Concepts 1.0, 2.0 and 3.0

	Marketing 1.0	Marketing 2.0	Marketing 3.0
	Focus on the product	Focus on the consumer	Focus on the values
Aim	To sell the product	Satisfy the expectations of a consumer and to keep him	To make world better
Favourable trends	Industrial revolution	Information technology	Technology of new wave
How companies see the market	Mass clients with necessities relating to physical nature of product.	Intelligent consumers guided by their mind and heart	The man in the full meaning of this word, having the mind, heart and spirit.
The key marketing concept	Development of a product	Distinction on the market	Values
Marketing guidelines	Product specificity	Positioning of the product and the company	Mission, vision and corporations
Values offer	Functional	Functional and emotional	Functional, emotional and spiritual
Interaction with the consumer	Transaction one - with - many	Relation one – with - many	Cooperation many – with –many

Source: P. Kotler, H. Kartajaya, I. Setiawan, Marketing 3.0, MT Biznes, Warszawa 2010, p. 21.

The evolution of marketing concepts finished with the 3.0 concept presented by the Authors provides a basis for further studies on the variability of this important and exciting area of knowledge which is marketing. Noteworthy is the sustainability marketing, new trend of marketing research that takes into account environmental and social aspects of business, while setting at achieving the economic objectives of enterprise.

Chapter 2. The essence and meaning of sustainable marketing

Sustainable marketing is a new and developing area of science, which is derived from a sustainable development. A special role in the development of sustainable marketing plays sustainable development. B. Emery believes that if the societies will live in accordance with the idea of sustainable development, they will experience some kind of change, particularly as consumers. The acceptance of the concept of sustainable development by companies will be crucial for them in the next decade. The author further claims that marketing cannot ignore the challenges posed by the ideas of sustainable development. According to the author, some still think that marketing is in conflict with sustainable development. It is quite common to assume that marketing and sustainable development are facing a conflict of interest due to the fact that the marketing refers to the sale, and the idea of sustainable development concerns lower consumption.

According to the author sustainable marketing is not a new type of marketing or its derivative. Marketing in the sustainable concept has to become a new marketing trend, because the traditional marketing does not have anything else to offer and does not have alternatives. [Emery, 2012, p. 5] B. Emery believes that sustainable marketing is a holistic approach whose aim is to ensure that marketing strategies and tactics are specifically designed to secure a socially equitable, environmentally friendly and economically fair and viable business for the benefit of current and future generations of customers, employees and society as a whole. [Emery, 2012, p. 24]

A lot of interest in the sustainable marketing issues show D. Martin i J. Schouten. According to the authors sustainable marketing is the process of creating, communicating, and delivering value to customers in such a way that both natural and human capital are preserved or enhanced throughout. [Martin, Schouten, 2012, p. 10]

Marketing in the opinion of the authors plays an essential and unique role in creating more sustainable society. It is through the marketing systems that most human and psychological needs are satisfied. Marketing drives the global economy and leaves a big footprint in both, the environment and society. Marketing has two tasks. The first is to sell sustainably, which means to make all marketing functions performed in such a way as to maintain or increase the good health of the natural environment and humanity for a reasonable income. The second task is to sell sustainable development, which means to use the power of the impact and to influence the market infrastructure in order to promote the culture of sustainable development.

Sustainable marketing provides the necessary tools to optimise every marketing decision taking into account the profits of the enterprise, the environment and the welfare of society.

When reviewing the literature there can be found, inter alia, the definition of sustainable marketing proposed by G. Armstrong and P. Kotler, who claim that it is “socially responsible marketing, carried out with respect for the environment, that meets the current needs of consumers and enterprises, while maintaining or even improving the ability of future generations to meet their needs in the future” [Armstrong, Kotler, 2012, p. 709]

Expanded definition of sustainable marketing presents D. Fuller. The author gives a slightly different view on the nature and importance of sustainable marketing. According to the Author sustainable marketing is defined as the process of planning, implementing, and controlling the development, pricing, promotion, and distribution of products in a manner that satisfies the following three criteria:[Fuller, 1999, p. 4]

- a) customer needs are met,
- b) organizational goals are attained,
- c) the process is compatible with ecosystems.

Presented definition indicates that the author focuses on the elements of the marketing mix, on the product, price, distribution and promotion.

Among the authors involved in the area of sustainable marketing we should include F. Belz. The author argues that sustainable marketing is designed to meet the needs and expectations of customers with respect to social and environmental criteria and objectives of the organisation. This means building and maintaining sustainable relationships with customers, social environment and environmental surroundings. [Belz, 2006, pp.139 – 144]

Considerations about the nature and importance of sustainable marketing in addition to foreign thinkers are undertaken also by the Polish authors. A. Pabian as one of the few Polish authors devotes a lot of space to the issues of sustainable marketing. The author believes that “sustainable marketing should not be equated only with macro marketing, which refers to the entire economic system of the country. First of all, it should be present in the micro-scale and by that in the individual economic organisations”. [Pabian, 2010, p. 46] According to the author term *sustainable marketing* means “discovering and meeting the needs of the market, which takes into account the long-term view of the economic, ecological and social development of future generations. This concept can be translated as balanced and sustainable marketing, self-sustaining marketing or marketing of sustainability. “[Pabian, 2012, p 128]

Due to the small number of definitions of sustainable marketing proposed in the marketing literature, the author attempts to formulate this concept in the following way: sustainable marketing means the functioning of the business in such a way as to meet the needs of customers while taking into account social, environmental and financial organisations in order to create equal opportunities for the development of future generations. [Trojanowski, 2013, p 146]

Chapter 3. Sustainable marketing companies

The continuing evolution of marketing in manufacturing and service organisations forces to explore new solutions in the field of management, marketing, or providing funding for current and future business activities. Marketing is not just sales, advertising and promotion. New, growing trend of marketing science called sustainable marketing involves four main areas: sustainable research and analysis of the marketing environment, sustainable selection of target markets, sustainable marketing mix and sustainable management of marketing activities. [Pabian, 2012, p. 128] Rationally run business activity should begin from study and analysis of the environment in which the organisation intends to operate. Sustainable marketing companies cannot ignore the important stage of carrying out the sustainable marketing research, which enable a diagnosis of the situation in the marketing environment. Sustainable marketing research can help managers make the right decision and provide information about the needs and expectations of consumers. Marketing research carried out among market participants assume the integration of environmental aspects and environmental issues. Referring to the issues of ecosystem and the social problems gives evidence of sustainable nature of marketing researches.

The second important stage in the implementation of sustainable marketing is the sustainable choice of target markets. Important action in this phase is to carry out a sustainable market segmentation. It involves dividing the market according to pre-defined criteria. Sustainable market segmentation organises clients into groups of buyers with relatively homogeneous needs, which are not indifferent to social and environmental problems, and next, the business tries to meet the identified needs of consumers through its sustainable product or services range.

Sustainable marketing mix is another important block of sustainable marketing. It includes sustainable marketing instruments of influencing the market, namely the product, pricing, distribution and sustainable promotion mix. In order to the sustainable marketing mix could occur, all four elements of the marketing mix in terms of environmental and social aspect, should be considered together. The selective action focusing for example on sustainable product development through pure product development and pure production as a result of which a safe environment for customers and products are created, bypassing in the distribution processes the use of sustainable methods of transport, such as hybrid vehicles, cannot be regarded as sustainable performance in the marketing mix. On the one hand, the manufacturer makes every effort to produce a sustainable product, and the other uses obsolete, fuel transport emitting large amounts of pollution into the atmosphere. [Kadirov, 2010, pp. 55-57]

The fourth stage of sustainable marketing of businesses is the sustainable management of marketing activities. This stage consists of sustainable planning,

organising, leadership and motivation of personnel committed in economic activities of the business and control of marketing activities. These classic management functions can be adapted for a smooth and effective functioning of the business in the context of sustainability [Trojanowski, 2013, ss. 146-147].

Referring to the sustainable planning of marketing activities it should be emphasised that at this stage the purpose is determined and the mission of the business in the sphere of sustainable marketing is defined. The objective should be precisely formulated, and must be assigned its priority, which is the degree of validity.

The starting point and condition for effective implementation of sustainable business marketing is giving the appropriate organisational form. By identifying the organisational structure it is known what are the duties, powers and responsibilities of each employee. The organisational structure defines the official subordination, it indicates who is who and who is has the managerial functions.

Managing sustainable marketing activities will not run properly without the proper motivation of its staff members. The essence of the motivation is to cause employees to engage more strongly in the performance of their work by what, they contribute to the achievement of objectives by the company.

The last function of management of sustainable marketing is the control. It consists on establishing best practices, and then confronting them with actually performed work. In case of identifying errors in proceedings, the negative trends should be corrected, and at the same time the positive trends in the implementation of sustainable marketing activities should be strengthened [Pabian, 2011, pp. 257-260].

Conclusion

Increasing globalisation of societies and the rapid economic, technical and technological development contributes to increased consumption. Increased demand for products, in turn, results in increased exploitation of mineral raw materials, fuel, energy, water and other materials needed to produce a particular good. The observed condition adversely affects the environment and the health of societies. The role of sustainable marketing of production companies, is balancing the level of production and sales with consumer needs while caring for the environment and society. It could be argued that companies that achieve a sustainable level of economic activity will be preferably seen by buyers and other participants in the market in which they operate. The economic and financial success of organisations in the coming years largely depends on the change of companies management policy. Companies that are able to balance marketing efforts will achieve a competitive advantage, and this will certainly help the company to achieve market leadership.

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The Impact of Conflict Management on Organizational Culture in Family Business

Abstract: In the article there is presented the connection between the strategy of conflict management and the level of organizational culture in the family business. There was put forward the argument to formalize the family and business relationships by implementing the internal constitution, which helps to manage conflict management effectively. Particularly, it allows to reduce the movement of conflicts between the enterprise and the family by means of the improvement in, among others, the internal communication.

Key words: family business, organizational culture, conflict management.

Introduction

All members of an organization come from the society, which determines their behavior and influences their organizational behavior both directly and indirectly. The culture of the society is the whole of spiritual and material achievements of the society, passed from generation to generation, beliefs and practices of its members, the adopted patterns of behavior. One of the features of the culture is the ability to spread, not only over the next generations, but also by means of contacts, verbal and non-verbal, between individuals and groups ethnically different. The most frequently, the interpenetration of cultures enriched the societies with some new elements and the modes of conduct, bringing about the civilization development. It also raised the awareness of own autonomy. Too big cultural differences often led to conflicts inside the organization.

The aim of this paper is to describe the impact that conflict has on the organizational culture in family business, and the possibility of him directing.

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Followed by the study is the phenomenological analysis of content available in the literature and research.

The significance of organizational culture in the family business

When defining the enterprise culture, it is important to put emphasis on learning history and the geopolitical environment of the societies whose members work in the enterprise. On the basis of the above statements, it is possible to formulate the definition of organizational culture as a set of norms and intellectual values which characterize a given organization, developing for a long time, whose result is the formation of some patterns of conduct for a given social group and a certain hierarchy of values [Trutkowski 2006, p. 153].

The forms of organizational culture and patterns of behavior, distinguishing them from others, are mostly regulated by the organizational system of the enterprise and the kind of its business activity, the systems of the organization of production, the circulation of documents, patterns of behavior and norms predominating in a given group.

While making an attempt to define the family business one aims at specifying social, economic and legal factors describing this phenomenon. Enterprises defined as family businesses, for many years, evolved in different directions, depending on the economic, social and legal conditions of the specific economies. Nowadays, the family business must be treated in a multidimensional way. It is difficult to indicate appropriate criteria specifying the family business due to the form of ownership, management model or the scope of activity. Moreover, this term consists of the two terms coming from different sciences with a different record of origins, and theoretically, having two aims of existence. While establishing the definition of the family business, it is necessary to include some economic, psychological, sociological, historic and legal factors as well as the ones connected with management [Safin 2007, p. 17].

The definition which best integrates the family with the business activity was given by B.C.J. Lievegoed [Safin 2007, p. 22], in which the enterprise may be defined as the family business when:

- spouses and the next generation take an active part in managing the enterprise,
- the family culture was transferred to the enterprise organizational culture,
- the social behavior of all family members is transferred to the ground of the enterprise,
- the status of the enterprise determines the status and position of the family, which participates both in the generated profit and the funding of the enterprise activity and the suffered losses.

This definition, including both the economic and social aspect of the family business, is, however, only the characteristics of the model enterprise which, e.g.

in a social aspect², is not an ideal solution. On the other hand, as far as financial issues are concerned, the company has a large margin of financial protection by the readiness of family members to give up their own income for the benefit of the enterprise, while protecting its reputation and the possessions of the entire family.

The full definition is given by the following authors: Jeżak, Winnicka-Popczyk, Popczyk [2004, p.19], defining the family business as an enterprise of unlimited legal form whose capital, either in total or in vast majority, is possessed by the family, where at least one family member exerts a significant influence on the management or occupies the managerial position themselves with the intention of long-term maintenance of the business in the hands of the family.

The family resources of the family enterprise are unique and of a great significance for its competitive advantage [Tomski 2013, p. 124]. For the family business, the family is a hidden, additional potential, most of all, as the intellectual support, 'the store of ideas', as the catalyst relieving tension inside the organization and the cultural pattern of behavior, obviously if there are no pathologies in the family.

Organizational culture in the family business refers to the common views and the way of thinking of the whole family, involved (at least spiritually) in the family enterprise. This culture reflects the cultural norms and values transferred from generation to generation and acknowledged as the model. There count, above all, individual features of the character of the main founder and owner. However, there are also important: the influence of the most inner circle of the founder on their attitude, the tradition, and the characteristics of the society the family members come from. The system of values and moral and ethical attitudes, which may include hard work, long-term involvement, sacrifice for some matters of the family business, is a rather conservative attitude. Such attitude stabilizes and directs the enterprise activities, which, from the point of view of the family, is a positive phenomenon, whereas from the perspective of the enterprise, with the dynamically changing economic environment, may impede the reactions of the enterprise to some external factors. Therefore, the conservatism in this case is a kind of 'inertia mass', loading ballast for the enterprise.

Conflicts in the organization

Each company, while looking for its market niche, subconsciously aims at the achievement of stabilization. Such a way of regarding the organization inevitably leads to discrepancies and to the rise of conflicts. Paradoxically, in accordance with the contemporary theories of management, there is not potentially better way

² The author has in mind the transfer of the family behavior to the ground of the enterprise, the one which has a negative impact in the area of management and consequently, the financial performance of the enterprise and the transfer of problems from the enterprise to the family ground.

towards the organizational development than coming through subsequent stages of experiencing and solving conflicts. In the current instability in the economy and with the low efficiency of the forecasting of economic events, there arise a lot of conflicts. They result from the tension occurring as a result of the autonomous thinking of individual members of an organization, and connected with different points of views on solving problems.

Conflict is an element permanently connected with the life of the man. It may be a driving force of their development or a barrier to their activities.

The most frequent causes of conflicts are:

- the differences in views, personalities as well as the differences in understanding and recognizing the norms of behavior (frequently resulting from the differences in gender and age)
- faulty coordination of the project teams performing e.g. different goals
- unclear responsibility
- ‘unfair’ rewarding and sharing the resources
- distortion and hype in communication
- improper style of the enterprise management.

In the framework of the conflicts mentioned above, it is possible to make a distinction on account of the relationships:

- internal conflict of a given person,
- conflict between groups,
- conflict between an individual and a group,
- conflict between individuals,
- conflict between organizations,
- misunderstood competition (fight, disturbing the other party in the achievement of the goal).

All kinds of conflicts may be divided into [Kowalczyk, Sieczyński 1987, p. 222]:

- overt and covert,
- rational and irrational,
- creative and destructive.

Overt conflicts may take a form of criticism or complaints and verbal skirmishes between individuals or group representatives.

Covert conflicts are more difficult to diagnose, and therefore, more dangerous for the organization. In these conflicts there is no direct confrontation.

The reason of *rational conflict* is the objective assessment of the situation. A fast solution of such a conflict usually improves the overall situation in comparison with the previous condition, assuming that it is an overt conflict.

In case of *irrational conflict*, diagnosing its reasons is difficult since they have subjective grounds, resulting from e.g. general well-being, prejudice towards another person or errors in receiving verbal and non-verbal signals.

Creative and destructive conflicts influence the social structure of the organization and the processes connected with the development of strategic goals [Kowalczyk, Sieczyński 1987, pp. 222-223]. The conflict itself, during its course, always disorganizes the processes in the enterprise, and only the end result classifies it to one of the two mentioned above.

The basic sources of conflicts in the family business, apart from the traditional ones, are different views of family members both the ones employed and not employed in the company on the basic goals realized by the enterprise. The periods bringing about most conflicts are transitional moments such as changes in legislation, economic conditions (external factors) and succession, employing younger generation, change of ownership and passing leadership to the hands of others. Then, in the border areas (family, company, ownership) [Safin 2007, p. 30] there occur points of confrontation, creating barriers to the flow of routine and decision-making information. In these places there are interferences and the feedback of intellectual system caused by the processes of the emotional system.

Conflict management in the family business

The conflict is a constant element in the man's life. All discrepancies the man comes across, result from the decisions taken and the differences between the vision of the future and the reality. In the economy, the conflict may be regarded as an attribute of the enterprise activity. Solving conflicts is the integral part of the enterprise management. On average, about 20% of the energy expended for management and operational activities in the enterprise is devoted to solving and avoiding conflicts.

The conflict, in its basic sense, has a pejorative connotation. Actually, it acts wholly or partially destructively on the environment and the conflicted parties. The task of the management or the owner of the enterprise are such activities which will prevent totally destructive conflicts, solve the existing ones of this type or use, by means of the conflict transformation, its cumulated energy for the optimum effectiveness of the organization.

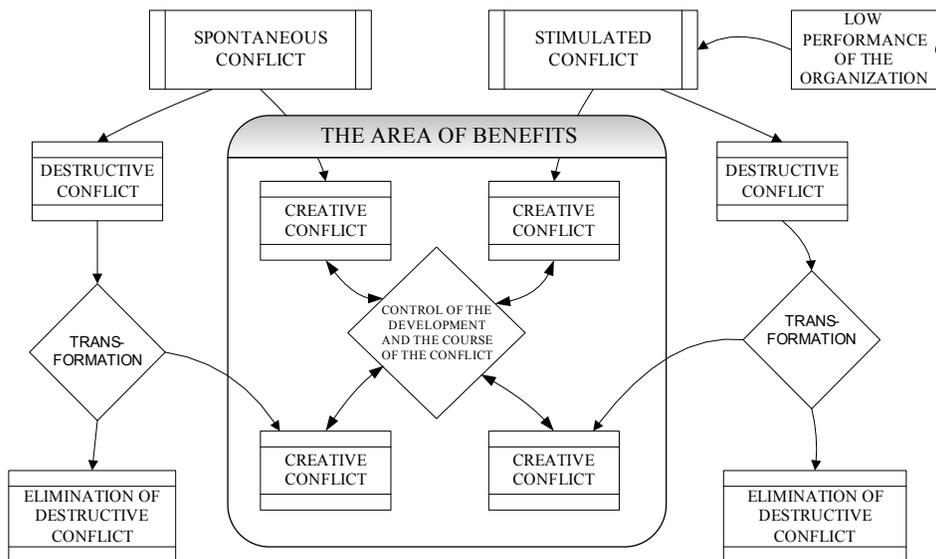
Conflict management consists, therefore, in influencing the conflict, and particularly, in recognizing pre-conflict and conflict situations, the choice and application of the appropriate strategy to handle the conflict and to stimulate the constructive forms of competition. At the pre-conflict stage, it is possible to prevent an undesirable situation unless the element of the conflict is consciously introduced by the management. At the moment of the occurrence of the conflict one aims at taking control over it, by solving, softening or stimulating the situations of competition.

In a situation of the spontaneous appearance of the conflict there is required fast reacting to and locating the conflict and the analysis of all of its elements, i.e.

the subject of the conflict, discrepancies, the parties of the conflict, its duration and dynamics.

Conflict management is based on the research in the field of psychology concerning the nature of the conflict. In these studies there are indicated destructive and constructive conflict processes. (Fig. 1) The destructive results of the conflict may include: stress, sense of threat, negative emotions, aggression, anger, hatred, withdrawal from relationship, deterioration of relationship and communication, departure of people from the organization, and also division, breakdown and liquidation of the organization. The indirect negative effect is the concentration on the conflict and the involvement of the third parties. The positive effects of the conflict include: increase in energy, motivation and trust, sense of justice, specifying the goal, increase in the knowledge of the possibilities of some solutions, revealing dysfunction, triggering competition, gaining experience, technical progress, relieving emotions, learning about people and their views, mobilization, becoming aware of own needs, values and interests, increase in motivation, increase in trust, innovativeness. [Antoszkiewicz, Pawlak 2010, p. 123].

Figure 1. The process of conflict management



Source: The author's own research.

In the framework of sustainable development, apart from objective and spontaneous conflicts, a certain amount of stimulated, creative conflicts ought to be found in the wallet of the management's activities. At this point, it is necessary to emphasize that some, even unconscious, activities in the framework of conflict

management may slip out of control and become undesirable, that is, destructive in the end result. They may include the ones, even theoretically, positive but absorbing too much potential of the enterprise in a given moment.

The advantages of the passive strategy may include the low cost and lack of involvement of the manager in the conflict. However, the strategies of this type usually do not solve the conflict but they only soften it, and they sometimes may lead to the escalation of the conflict. Active strategies are the most effective way of solving conflict since they give chances for the permanent solution of the conflict. While selecting the strategy of resolving the conflict, it is necessary to pay attention to: the size of the conflict and the advantages and disadvantages of the strategy. With conflicts involving a greater number of people, one should choose the active strategies. [Antoszkiewicz, Pawlak 2010, p. 63]

The task of the management is directing the conflict and its solving in a way leading to the optimum efficiency of the organization. The optimum effectiveness of the organization requires the conflict at the moderate level.

Managing and controlling the conflict assumes the application of the active strategy towards this phenomenon, even if the conflict becomes destructive and, particularly, when the conflict involves a greater amount of people. The passive strategies are most frequently related to spontaneous conflicts of small intensity. However, it would be a mistake to adopt a passive attitude, especially the abandonment of intervention, in case of unrecognized problems, in which the irrational ones pose a particular threat. Taking immediate actions in case of the last ones, with no involvement in the conflict, with the application of the strategy, appropriate for the situation, is an optimum solution.

The elements of conflict management, given as an example, have a direct impact on the enterprise management, like the change management etc. It is the interference in the enterprise system, whose aim is to either remove threats or counteract apathy and routine and stimulate initiative and creative problem-solving.

The family business is a particular kind of enterprise which, apart from a range of advantages and disadvantages listed above, also has more complicated structure due to the coexistence of three separate sub-systems: the family, the enterprise and the structure of ownership. The sub-systems overlap, contact each other, creating some additional flashpoints for undesirable conflicts. This may become a big load and challenge for the management of the enterprise, who frequently, as family members or relatives, lose the objectivity and the ability of the appropriate assessment of the situation.

Apart from the enterprise management in the standard approach, it is necessary to create the system of conduct, a kind of the family constitution which may regulate the business relationship and the ownership in the family. Of course, each family enterprise is different with respect to the structure and impact of the selected sub-

systems. It often happens that the family has the autocratic structure of functioning due to the concentration of ownership and experience in the hands of only one person. On the other hand, a reasonable owner must introduce the elements of democracy, most preferably, in a codified way in the form of constitution.

The family constitution should consist in a set of principles which, commonly followed, are to make it possible for the family to cooperate and, in a specific way, to protect business from the perils of the family. Each essential and unsettled family conflict is transferred to the enterprise. The family must create the mechanisms of isolating business from their own problems but, above all, make an attempt to always show unity. The elaboration of this unity is one of the main reasons of creating the family constitution. In this way, the constitution becomes a tool of regulation of everyday work and a tool of solving conflicts. While planning certain solutions, each family must identify the already existing fields of conflicts and their potential places. It ought to establish and describe the procedures of conduct in different possible family situations, such as the insubordination of a family member in the enterprise, including their removal from the enterprise space. [Budziak 2014, p. 10]

Defining the boundaries of the enterprise and the family, establishing the rules, e.g. the procedures and stages of possible succession earlier, sets clear rules and eliminates understatement, speculation and conspiracy, which is, the elements in a straight line generating conflicts [Keyt, McCann [http](#)], which, frequently hidden, are difficult to diagnose and which are dangerous for the family business.

At this point, there appears the penetration and abrasion of the two potentials, the enterprise and the family, in the area of the information flow, the example of which may be some informal talks at home, on the current problems in the enterprise. The decisions taken in an informal way do not always get to all the interested parties or they are passed with the delay, and they are frequently deformed. To eliminate the problem of discussing, decision taking, establishing certain activities behind the back of the remaining family members, the above mentioned family constitution ought to establish the rules of communication in the enterprise and in the family in the field of business topics. This will definitely formalize and reduce the family discussions on business but, simultaneously, separate the family issues from the enterprise. This will bring about the improvement in organizational culture in the field of communication and eliminate the majority of the conflicts occurring in relation with the above.

Each family should elaborate the principles of communication in the framework of their own constitution. The frequently used standard is writing down the arrangements in the form of a protocol, e-mail or a note. After the meeting, they are sent to all interested parties. Then, they know all the key arrangements, decisions and operational tasks. Due to these formalities, it is always possible to refer to the

note, and in case of a conflict situation, it is easier to investigate a mistake was previously made and how to avoid it in the future. [Barcińska 1(2)/2014, p. 12]

To make organizational culture effectively participate in and support the process of conflict management, it is necessary to adjust its (essential) features to its requirements. It is necessary to find out the discrepancies between the desired conditions, from the point of view of the strategy of the family business, and the actual conditions. The phenomenon of discrepancies appearing in different groups on the levels of the organization was called the *cultural gap*.

Establishing the cultural gap between the reality and the culture, required in the management process and for the strategy development, involves [Urbanowska – Sojkin, Banaszczyk, Witczak 2007, p. 296]:

- conducting the cultural audit to identify the previous organizational culture,
- the analysis and simulation of the future organizational culture, taking into consideration the strategy of conflict management,
- specifying the strategy of transition from the present to the required culture.

The most difficult task is transforming the already existing culture into the culture supporting the processes of conflict management and the overall strategy of the organization. It is a long-term process, since all the changes are connected with the process of learning of both the employees and the owners and the effectiveness of this process depends on their involvement [Urbanowska -Sojkin, Banaszczyk, Witczak 2007, p. 298].

Using the systemic approach towards the issue of conflict management, it is necessary to separate conflicts, which are fully intellectual, from the ones with the emotional background. The purely substantive problems concerning the organization and management must be settled down within the boundaries of the enterprise sub-system by the people directly involved. The problems resulting from the emotional system of the family need to be ‘shifted’ exclusively onto the family ground.

Conclusions

In accordance with the theory of systems, all the organisms or more elaborated systems naturally aim at the internal stabilization. To maintain this condition, paradoxically, they must take actions provoking conflicts in their environment. Overcoming barriers and solving problems is inscribed in the functioning of each system. The enterprise, as a system, creates conflicts spontaneously, which are the result of the constant need for development and the achievement of new goals. This is contradictory to the need for stability of the internal sub-systems of the enterprise.

The family business has a more sophisticated structure, which is a catalyst of arising of many conflicts. The conscious conflict management introduces equilibrium

in the enterprise while leveling unfavorable and using positive phenomena for the performance of overall goals. The element combining the sub-systems of the family enterprise and supporting the effective conflict management is the family constitution. It regulates the relationship - the family-the enterprise, by means of which it directly influences the level of organizational culture and the efficiency of conflict management. Consequently, there comes into being the cause and effect relationship between the three elements: the internal constitution, organizational culture of the family enterprise and the process of conflict management.

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Norms and Values in Family Business Management

Abstract: Family entrepreneurship aiming at multi-generation, in which there is no clear distinction between the family and the business, and family members exert a significant influence on or directly manage a family business, is managed by means of norms and values, passed from generation to generation. Therefore, it is important, in the present unclear market conditions, to present the research results concerning norms and values in family business management from the point of view of the students of the Faculty of Management of Czestochowa University of Technology.

Keywords: family entrepreneurship, norms and values

Introduction

In the changing conditions of the environment, a more and more important role in enterprise management is played by instrumental, individual, social and ethical norms and values. This results from the fact that, nowadays, they are present in all undertaken activities, while setting, most of all, the goals of business activity and the ways of their accomplishment. This means that norms and values in each organization should be recognized and taken into consideration in everyday activity. The significance of norms and values is particularly visible in case of family entrepreneurship where, on the one hand, these values are passed from generation to generation, and on the other, it is important to maintain the balance between family involvement, the accomplishment of goals and the recognized values [Olejniczak 2013, p. 79].

Therefore, the aim of the paper is to present the research results concerning norms and values in family business management. Running a family business

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activity is difficult since, apart from enterprise management, it is also necessary to combine family matters with professional ones. Consequently, there appear some untypical challenges, concerning e.g. employing a family member or finding a successor [Kempa 2013, p. 275]. Therefore, it is reasonable to carry out the research aiming at the assessment of the influence of norms and values on family business management from the point of view of the students of the Faculty of Management of Czestochowa University of Technology.

While referring to the problem, the following conditions of the significance of norms and values in family business management, which lay the grounds for the interpretation of the obtain research results, were defined:

- being driven by values is the basic principle of the functioning of family entrepreneurship,
- in family entrepreneurship, it is important to specify norms and behavior in relationships in the company,
- family businesses pay much greater attention to moral standards than non-family businesses.

On the basis of the above, the thesis was formulated that norms and values constitute the basis for family entrepreneurship management.

The results of the survey

The conclusions presented below were formulated on the basis of the obtained results of the survey conducted in January 2014 among the students of year one of extramural studies (second cycle) of the course of Management. 76 students, who are employed, took part in the research, out of whom 36% were the people holding managerial posts, whereas 64% - the people holding lower-level positions. Purposefulness of the selection of the research sample is justified, since the respondents (students) are the employed people, who deal with family businesses in their profession. The research tool was the questionnaire including 18 closed-ended questions, i.e. the ones with previously established responses. It is necessary to indicate that the conducted research was fully anonymous and the participation in the above was voluntary.

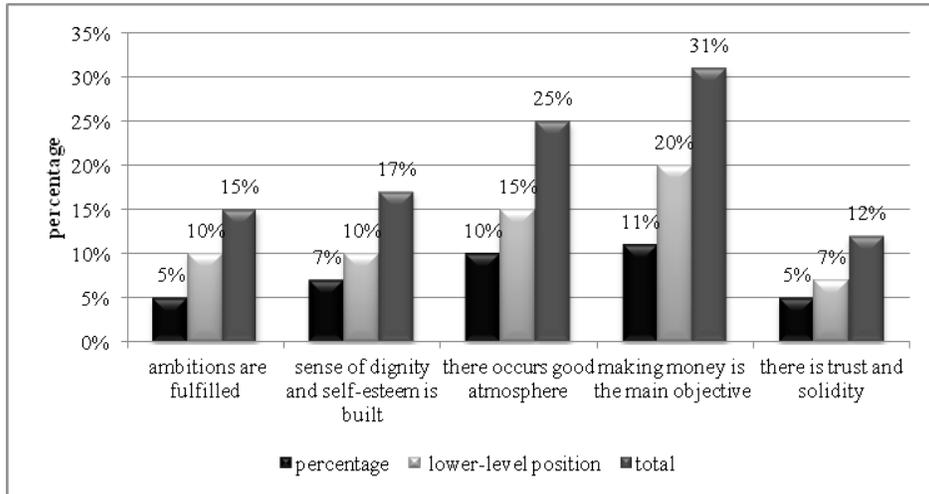
54 women and 22 men took part in the research. The analysis of the respondents showed that the majority of them were the people aged up to 25 (49%), then, the people aged 36 – 50 (28%), and the people aged 25 – 35 (24%).

In the conducted research the factors referring to norms and values in family business management were the subject of the analysis, the family business in which spouses and the next generation take an active part in enterprise management [Safin 2007, p. 22].

Due to the fact that a family business is acknowledged as a special social and economic phenomenon, and the family is favorable environment for entrepreneurial

behavior and they constitute the basis for stable functioning of many economies [Nowodziński 2011, p.101], the respondents were requested to answer the question “In your opinion, is a family business a place where:” (Fig. 1).

Figure 1. The significance of a family business in the respondents’ opinion



Source: The author’s own research based on the survey

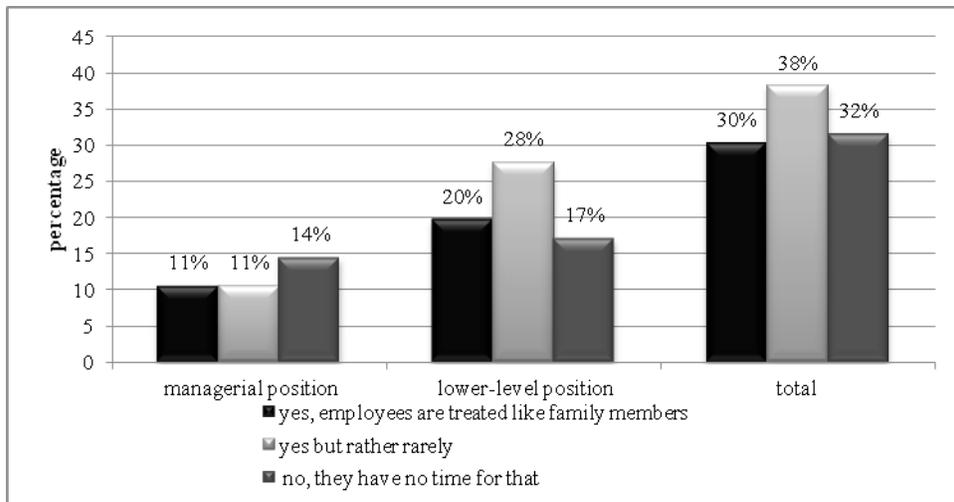
According to 31% of the respondents, a family enterprise is, above all, the place where making money is the priority, and also it is the place in which, due to a family character, there is good atmosphere (25% of indications). According to 17% of those questioned, a family business is the place where a sense of dignity and self-esteem is built, where one’s own ambitions are fulfilled (15% of the total number of responses) and where there is trust and solidarity (12% of indications).

The analysis of the research material showed that, according to 68% of those questioned, the owners of family businesses get involved in the problems of their employees to a greater extent than in case of workers employed in non-family companies, though:

- 38% acknowledged that they do get involved but rather rarely,
- 30% admitted that employees are treated like family members.

32% of the respondent express a different opinion, claiming that the owners, no matter what a nature of the company is (family or non-family), do not get involved in their employees’ problems since they have no time for that. The detailed distribution of responses is shown in Fig. 2.

Figure 2. The involvement of the owners of family businesses in the problems of their employees



Source: The author's own research based on the survey

At the next stage, the respondents were requested to specify the importance of norms and behavior in relations in a family business, and particularly, the employment of family members or establishing relationships among employees. According to 72% of those questioned, family businesses should possess specific norms of behavior referring to all relations inside an enterprise, though 8% express a different opinion and 20% were not able to express their opinion on the presented problem. The detailed distribution of responses, referring to the employment of family members and also establishing relationships among employees is presented in Table 1.

The data shown in Table 1 show that, according to the 50% of the respondents, the employment of family members in family businesses is inscribed in ethical standards and has no greater influence on enterprise management. Interestingly, 28% were not able to express their opinion on the question and 22% assumed that the employment of family members negatively affects the functioning of the company and is not inscribed in the norms. Moreover, these people claim that the employment of family members brings about many threats like in a relationship between an employer and a family member.

Table 1. Ethical standards in relations in family businesses

In your opinion,	Number of responses	N%-76
is the employment of family members in family businesses inscribed in ethical standards of running a business		
Yes	38	50%
No	17	22%
Hard to say	21	28%
Σ	76	100%
is establishing relationships among employees in family businesses inscribed in ethical standards of running a business		
Yes	30	40%
No	18	24%
Hard to say	28	37%
Σ	76	100%

Source: The author’s own research based on the survey

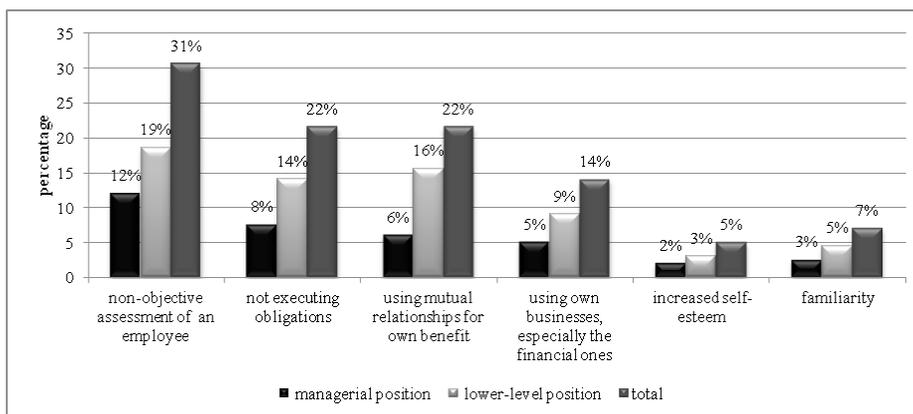
The data presented in Table 1 show that, like in the previous question, the majority of the respondents (40%) acknowledged that establishing relationships among employees in family businesses is also inscribed in the norms of running a business in an ethical way, while not affecting the management and functioning of the company. As it is possible to notice, 37% of the respondents were not able to answer the question whether establishing relationships at work is inscribed in the norms or not, though 30% of the responses were given by the people holding lower-level positions. 24% of those questioned acknowledged that establishing relationships among employees is not inscribed in ethical standards and constitutes the barrier to the functioning since it hinders the work control and also increases the risk of conflicts.

From the point of view of the conducted research, it was essential to receive an answer to the question what threats coming from too close relationships may occur in family businesses (Fig. 4). At this point, it is necessary to pinpoint that family business management is more difficult than non-family business management. This results from the fact that managing family entrepreneurship is the management of the company and the family, and each failure in the company is immediately transferred onto the family and every crisis in the family – onto the company (...). Fortunately, the family nature of an enterprise carries not only threats but also opportunities, when the company and the family support each other. A well-managed company with a solid foundation in a consistent and loving family has good chances to survive for many generations [Blikle 2012, p. 39] and this trans-generation survival and succession is the main idea in the creation of the family business future [Tomski 2011, pp. 137-150].

Both the managers and lower-level employees stated that the greatest risk coming from too close relationships among employees is non-objective assessment

of an employee (31% of indications), followed by, not enforcing obligations as well as using mutual relationships for own benefit - 22% of indications each. A special attention needs to be drawn to the fact that familiarity does not constitute a big threat in the respondents' opinion, although it negatively affects the relationships inside the company.

Figure 3. Threats from too close relationships among employees



Source: The author's own research based on the survey

In the further part of the research the respondents were asked to indicate in which, out of four relationships, i.e.

- an enterprise owner and a family member (employer – employee),
- a family member and an enterprise owner (employee – employer),
- a family member and the remaining employees (employee – employee),
- an enterprise – a client, where the client is frequently a family member, there occur some ethical dilemmas to the greatest extent (tab. 2).

In spite of the fact that more than a half of the respondents acknowledged that employment of family members in family businesses is inscribed in ethical standards of running a business, it is in the established relationships between an enterprise owner and a family member there occur the greatest ethical dilemmas. Such an opinion was expressed by 46% of those questioned, whereas 22% acknowledged that the biggest problems appear in relationships between a family member and the remaining employees and between a family member and an enterprise owner - 18%.

Table 2. Ethical dilemmas in relationships in family businesses

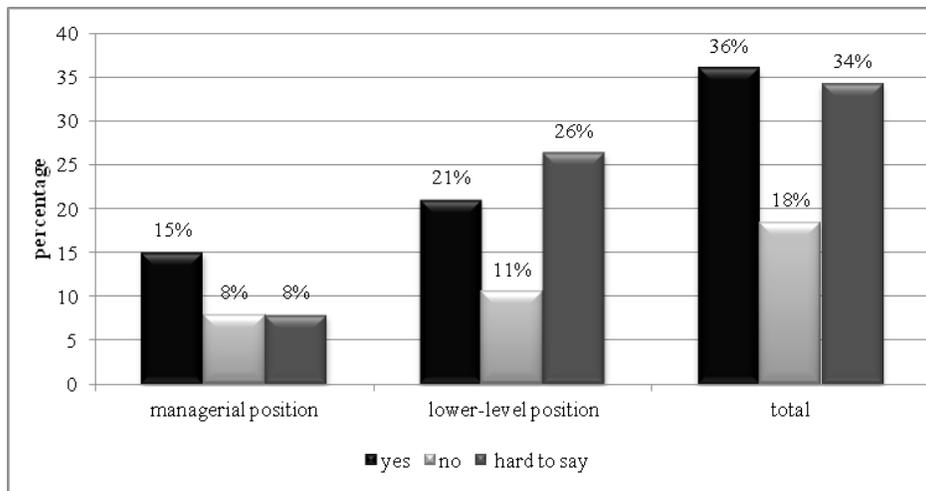
In which of the below relationships there occur ethical dilemmas most frequently:	Number of responses	N%-76
enterprise owner - family member	35	46%

family member - enterprise owner	14	18%
family member - the remaining employees	17	22%
enterprise - client	10	13%

Source: The author’s own research based on the survey

On account of the aim of the conducted research, the respondents were asked “Is being driven by values the basic principle of the functioning of family entrepreneurship?” (Fig. 4), “Can family businesses implement the ethical dimension of business more efficiently than non-family businesses?” (Fig. 5).

Figure 4. The significance of being driven by values in family entrepreneurship



Source: The author’s own research based on the survey

While analyzing the data in Fig. 4, it is possible to conclude that 36% of the total number of the respondents acknowledged that being driven by values in the activity of family businesses is a basic principle of their functioning. A different opinion was expressed by 18% of those questioned. Interestingly, as much as 34% of the respondents answered “hard to say”. However, taking into consideration the position occupied in the company, the research results are slightly different. While for the majority of people holding managerial positions, being driven by values constitutes a basic principle of functioning, in case of people holding lower-level positions, 26% of those questioned were not able to express their opinion on this question, though, 21% stated that the values which dominate in family entrepreneurship provide the foundation for family business.

The vast majority (61%) of those questioned think that family businesses may run their business activity, based on norms and ethical standards, more efficiently

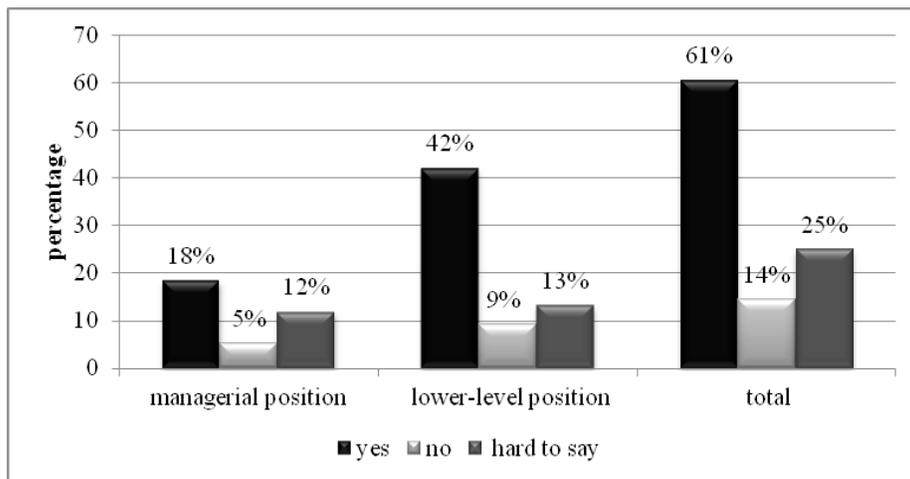
than non-family enterprises (Fig. 5). 25% of the respondents were not able to state their opinion on the above research problem, whereas according to 14%, both family businesses and non-family ones implement the ethical dimension of business in a similar way.

The confirmation of the above is the fact that the vast majority (68%) of those who took part in the research express the opinion that family businesses pay much greater attention to moral values, ethical standards or corporate social responsibility than non-family businesses, though:

- 30% claim that these are the most important assumptions a family business is based on,
- 38% of those questioned state that these are the ones of more important assumptions of the functioning of the company.

According to 32% of the respondents, the family nature of business does not count while developing the activities which are socially responsible or while being driven by ethical and moral values.

Figure 5. Implementation of the ethical dimension of business by family entrepreneurship



Source: The author's own research based on the survey

A similar structure of responses is for the question referring to responsibility for the decisions and activities taken in family entrepreneurship. According to 43% of those questioned, family enterprises, due to their values passed from generation to generation, are more responsible for their activities than non-family businesses. Undoubtedly, it is connected with the fact that the activities of family entrepreneurship are associated with trust, which positively correlates with: regarding

the connection between own business and business of the company, willingness to share knowledge, ability of teamwork, loyalty towards the company, awareness of the enterprise mission and strategy, interpersonal skills, openness towards contacts with the environment, ambitions and need for achievements, orientation towards a customer, atmosphere favorable for creativity and experimenting, atmosphere favorable for confessing ignorance and mistakes, attitude of aiming at development [Glińska-Noweś 2007, pp. 222-228]. 37% of those questioned were not able to state their opinion on the presented research problem, though they acknowledged that being a responsible entrepreneur on the market is an asset for a family business.

On account of the fact that values and norms constitute the foundation in family business management, the respondents were asked whether the implementation of family values provides the sense of trust, safety and certainty, and also whether a family business, while referring to their traditions and values, attracts clients (Tab. 3).

The data presented in Table 3 unambiguously indicate that the vast majority of the respondents (61%) state that values (norms, patterns, customs) passed from generation to generation, create the sense of trust, safety and certainty, particularly among the employed workers. Undoubtedly, it is connected with the fact that family businesses are regarded in family terms, which are associated with durability, trust, attachment, mutuality, help in difficult situations, family atmosphere, being driven by values which, in turn, amounts to relationships at work, in which there are visible values like: mutuality, help, involvement and responsibility. Unfortunately, not all the respondents shared the opinion that family values influence the quality of work. A different opinion is expressed by 17% of those who took part in the research, whereas 22% were not able to state their opinion on the question included in the questionnaire.

Table 3. Family values and the feelings of stakeholders in family businesses

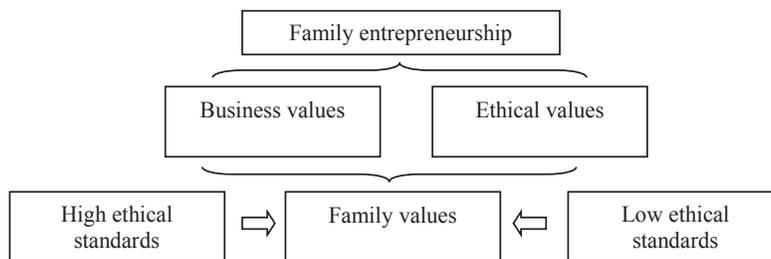
In your opinion,	Number of responses	N%-76
does the implementation of family values create the sense of trust, safety and certainty in a family business?		
Yes	46	61%
No	13	17%
Hard to say	17	22%
Σ	76	100%
do family businesses attract clients while referring to their traditions and family values?		
Yes	52	68%
No	7	9%
Hard to say	17	22%
Σ	76	100%

Source: The author's own research based on the survey

68% of the respondents state that family businesses attract their clients while referring to traditions and family values. As A. Blikle indicates, it is connected with honor of the family, clients see not only the company but a specific family, the people who testify to the reliability of their company with their honor. [Blikle, 2012, s. 46]. The fact that the respondents regard the products of family businesses as being of good quality, healthy and solid, deserves a special attention. For 9% of those questioned, referring to tradition and family values is not a factor determining the choice of products or services. On the other hand, 22% find it hard to specify whether such activities on the side of family entrepreneurship attract clients.

While performing the analysis of norms and values in family business management, the respondents were asked to indicate which, out of three groups of values (ethical, business and family) are the most significant for family businesses (Fig. 6).

Figure 6. Values of a family business



Source: [Olejniczak 2013, p. 83].

In the light of the conducted empirical studies, it turned out that, according to 49% of those questioned, business values are the most important, and among them the following:

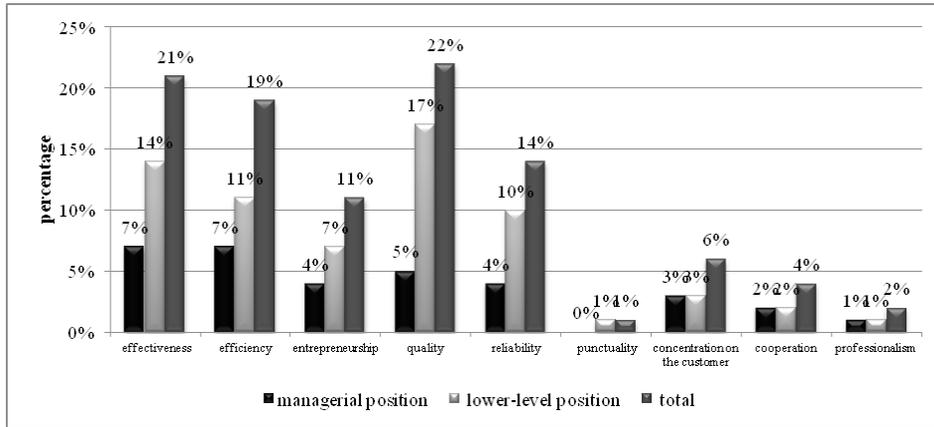
- quality – 22% of indications,
- effectiveness – 21% of indications,
- efficiency – 19% of indications.

The detailed list of business values in family business management in the respondents' opinion is presented in Fig. 7.

Apart from business values in family business management there are family values (39% of indications) and ethical values (12% of indications). However, family values, particularly the ones passed from generation to generation, may have a dual dimension, i.e. the first one – creating high ethical standards, referring to pursuing norms by family members, and the other dimension, creating low ethical standards, connected with unethical behavior of family members. In spite of the fact that ethical standards do not constitute the most important norms in family

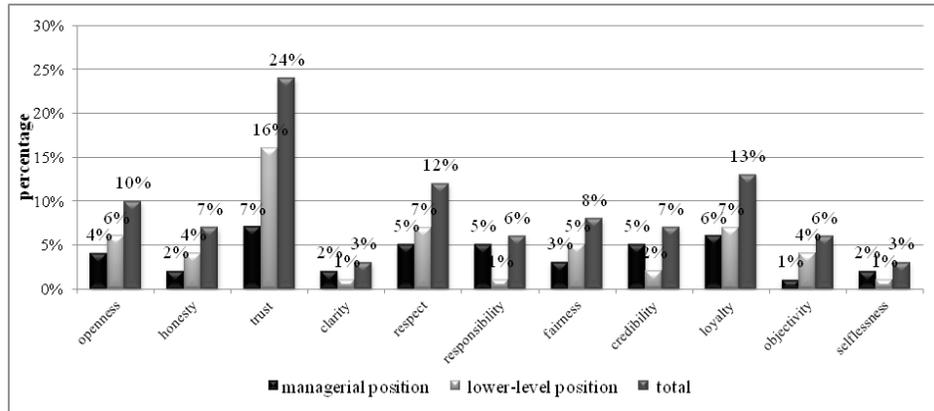
business management, the respondents were asked what ethical values influence the functioning of the enterprise (Fig. 8).

Figure 7. Business values in family business management



Source: The author's own research based on the survey

Figure 8. Ethical values in family business management



Source: The author's own research based on the survey

The analysis of the collected empirical material showed that the basic ethical value is trust - 24% of indications. The remaining values are at a similar level, though such ethical values as: loyalty, respect and openness deserve a special attention. In the last part of the research, the respondents were asked to specify the influence of norms and values on family business management (Tab. 4).

Table 4. The influence of norms and values on family business management

In your opinion,	Number of responses	N%-76
defining key values in family businesses		
creates its organizational culture	31	41%
increases competitive potential	8	11%
guarantees the continuity of recognizing values in the future	20	26%
influences more effective succession	6	8%
brings about the increase in the effectiveness of employees' activity	11	14%
Σ	76	100%
system of values in a family business brings about that:		
family members identify their way of life with the company's development and prosperity	25	33%
family members advocate for continuity and continuation of the project	23	30%
family members aim at preserving family tradition	20	26%
unites the family around the company's activity	8	11%
Σ	76	100%

Source: The author's own research based on the survey

In the light of the conducted empirical studies, it turned out that defining key values in family businesses creates, most of all, organizational culture (41% of indications). As K. Łukasik underlines, organizational culture represents specific ideas and values, which are common for the group of people working in a given family business, irrespective of its size or ownership. These values are revealed by symbols (e.g. brand, logo), tales (records, stories, anecdotes), slogans, rituals and heroes of the company. Therefore, it is a kind of a set of features which allow employees to understand what an organization stands for, how it works and what it regards as important [Łukasik 2013, p. 33]. Moreover, defining key values acknowledged in everyday activity guarantees following them in the future. Such an opinion was expressed by 26% of the respondents. While analyzing the data referring to the influence of the value system, it is possible to notice that possessing such a system brings about, most of all, that family members, on the one hand, identify their way of life with the company's development and prosperity (33% of indications), and on the other, they advocate for the continuity and continuation of the project (30% of indications). The fact that, due to specific values and norms, family members aim at preserving family traditions, is also undeniable.

Conclusions

The considerations presented above show that family entrepreneurship is not only aiming at achieving economic goals (profit growth, increase in market share, achievement and realization of sales targets etc.) but it is basically the place where ambitions are fulfilled and dignity and self-esteem is built. This results from the fact that family businesses develop along with the family, which is connected with their specificity, by means of which there are created norms and values passed from generation to generation. Moreover, these values are more deeply rooted than in case of non-family businesses. Therefore, it is possible to conclude that norms and values constitute the basis for the functioning and, simultaneously, the management of a family business. On the basis of the conducted research, it is possible to state that the owners of family businesses treat their employees like family members, while getting involved in their problems. What is more, employing family members or establishing relationships among employees is inscribed in ethical norms and values, though most threats come from the relationship between an enterprise owner and a family member. The conducted research also indicated that family businesses may run their activity, based on ethical norms and values, more efficiently than non-family businesses, while being more responsible for their activities and decisions.

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The Impact of the Family-owned Businesses Specificity on the Dominance of the Cultural Features in their Organizational Structures – Theoretical Approach

Abstract: The purpose of this article is to show how the specifics of family businesses (the „familiness”) affects the company’s organization culture. In other words, the article aim is to identify the specific impact of family businesses on certain cultural traits identified in international studies and in the literature as „culture’s dimensions „.Literature analysis and the results of previous research on family businesses let the authors to specify a list of characteristics that „possession”, in the most comprehensive way, describes the specifics of the family business. Based on the literature review authors decided to select some dimensions - cultural traits that are particularly distinctive and noticeable in family businesses, such as: universalism/particularism and status assigned/achieved according to Trompenaars and Hampden-Turner, power distance and femininity/masculinity according to Hofstede, pro-partnership/pro-transaction according to Gesteland. Combining the specificity of family and selected cultural dimensions authors found that in family businesses predominate particularistic behavior, hierarchies, there is also a high power distance but with the advantage of setting pro-partnership and female characteristics. In family businesses, there is also a predominance of assigned status. Conducted analysis leads authors to the conclusion that family businesses, regardless of their country and its cultural differences in which they operate, have common features,

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which are expressed in the intensity of specific cultural characteristics. The article is a theoretical analysis and will be the basis for forward empirical research.

Keywords: family companies, organizational culture, national culture, foreign markets

Introduction

The family-owned businesses development in the international markets is conditioned by many factors, amongst which, besides of the most important economic factors, it is pointed on the cultural of the certain country. The values arising from the tradition and other constant elements of the national culture, including the important role of the family in the every individual life, have its influence on the fact, that ex. Italy or Spain are characterized with the one of the highest percentage in Europe of the family-owned businesses in the general number of the private enterprises. It is from these European countries originate numerous multigenerational family-owned business known worldwide, such as, Benneton, Adolfo Dominguez or PUIG. In the Asiatic or Arabian countries the situation is similar, here the meaning of the family and respect for its oldest members is extremely important, the dominant business position belongs to the family-owned businesses [Pant, Rajadhyaksha 1996, p. 812].

The purpose of this paper is to indicate the manner of influence of the “familiness” in the family-owned businesses on the cultural elements of its organization. In other words, the authors make an attempt of indication the influence of the family-owned businesses specificity on the “power” of certain cultural features marked in the international researches and often specified in the literature as the “culture dimensions”.

The family-owned business specificity

It is difficult to find in the literature unequivocal definition of the family-owned business, which would be preferred by all researches in this field. This is, inter alia, due to the engagement of many different academic disciplines in the family-owned businesses researches, such as ex.: economics, anthropology, finance, sociology, management, psychology, organizational behavior or accounting [Niedbala 2003, p.44]. Therefore, the definitions of the family-owned businesses are embedded in theoretical systems derived from the others, mentioned above academic fields. The social approach took its starting point from the social bonds as a main organizational binder. Others, based on the resources (Resources-based Theory) determine the family-owned businesses through the prism of its resources, which include impact of the specificity of the family-owned business financial resources and physical resources (in the context of the property). They can be used as an enterprise support. It is also distinguished the personal resources (in the context of an exercise the authority) and also the social capital arising from the relations

a certain enterprise is creating with employees, clients, suppliers and widely understood environment. The other, most developed approach, join economic and social attribute of the family-owned businesses. It is defined as integrated, as it is trying to connect in the one model the issues related to the family and the business sphere of the enterprise and reviling the interrelations between them. In this approach the enterprise towards the family is a base and the center of the family life and it impacts the family members lives. In the other hand, the family towards the enterprise is an initiator of its creation and development and above all, it stands for its existence. Therefore a family-owned business is define as: *“the enterprise managed by use of family ownership supervision and/or managers with intention of creating and/ or continuing a vision of the enterprise by dominating coalition, which are controlled by the members of one or few families in such a way, that it allows its potential maintenance of the vision between the family or families generations”* [Chua, Chrisman, Sharma, 1999, p.23].

In the literature can be found the chosen list of the characteristics, “possession” of which, in the most comprehensive manner describes a specificity of the family-owned business. Amongst them is located existence of the so-called feedback loop between the family and the enterprise. It is said most often about a lack of significant distinction between them, what is particularly evident in the small entities. This feedback determines the manner of functioning, so it impacts the management of a certain enterprise. Most of all, the family members take the crucial position or hold the decision majority in regards to the company management control. The family-owned business specificity is also determined by the system of values, priorities and goals, which in the same time determine all operator’s activities and the philosophy of the enterprise. The condition for “familiness” of the enterprise is also the fact, that in the company works more than one member of the family. The fact of possessing by the family an enterprise can impact the decisions of choice of the professional life direction for the next generation. An external system of the family relationships often also decides about who will be taken into consideration in the matters of succession and taking over the management and ownership of the enterprise or its assets.

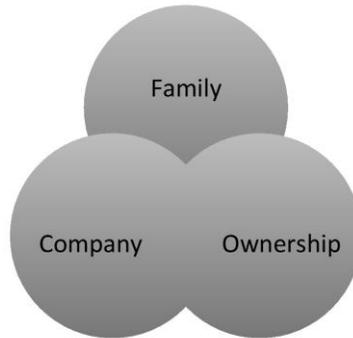
Characterizing family-owned businesses the authors also attempt to identify those characteristics, which distinguish them from non-family-owned businesses. One of the aspects is, for example, that the features related with the company development may not harmonize with current ownership structure. Together with the foreign expansion or enlargement of the products range may occur a need to obtain an additional financial sources ex. stock issues. Then may occur one or more new owners, what sometimes can result in control acquisition (control package) or even by not desirable persons or institutions².

² An example of such hostile takeover can be a case of KRUK, which was bought by the Vistula. However, the actions taken by the owner of the hostile acquired company allowed to return it in the

Another feature distinguishes family-owned businesses from the non-family-owned ones is that in the first type the more important is long-term security than the short-term pursuit of profit. Welsch (1991) in 1991 compared the results of the researches conducted in Spain by Gallo and Pont, in Germany by Wieselhuber and Spannag and in Great Britain (research team of Stoy Hayward). The researches has shown, that the family-owned businesses are older than non-family-owned ones, and that management period longitude of the main manager is also longer in the family-owned businesses than in non-family-owned ones. The impact of the family factor may determine a competition superiority of the family-owned business, due to an existence of the consequent, coherent and long-term strategic goals. This, in turn diminishes importance and pressure only on short-terms benefits. The family culture, and in consequence the culture of the company makes the employees to be surrounded by a larger concern and the owners demonstrate a larger responsibility towards them and the nearest society. This strong culture and family values provide a certain stabilization, which may release in the employees a sense of unity and loyalty, and in consequence strengthen their motivation and engagement. The external business image is created by the family or families system of values [Safin 2002, p. 36-40]. This, in turn impact a larger responsibility, due to identification the business with the family. The family-owned companies characterized with the larger flexibility and resistance to the periods of economic downturns³. This is due to the willingness to provide the family existence and maintaining continuity of an ownership. Despite the fact, that family-owned businesses distinguish each other with the size, trade field etc. they possess one common feature distinguish them from the other businesses. In the family-owned enterprises the family, business and property are interdependent and infiltrate each other. In 1982 Tagiuri and Davis (1982) have presented a model showing the family-owned business as a system of three circles, which included as follows: family, business and property (picture 1). Every of the mentioned subsystem is to be described as an independent link, nonetheless maintained in the very tight relation. Every family member plays the one or a few roles, which means that he may be only an owner or simultaneously an owner, a family member or a family member and investment manager [Cohn 1992, p.32].

family hands.

³ These results are taken from the third Stoy Hayward report in 1992 and the framework program "Management of the Family-owned Business in UK".

Picture 1. Systems of the family-owned business.

Source: Cohn 1992, p.32.

The family subsystem includes the individual family members, often the next generations. The relations are based on feelings and emotions and the system is oriented on providing the security, calmness and internal harmony. In other words, the system is being focused on the members of the family. The enterprise subsystem, so-called economic subsystem includes employees, managers and clients. Its task is to accomplish the enterprise goals, thus it should be external orientated on clients (assuming the company marketing orientation). The property subsystem is created by all enterprise owners, including family members, both active in the ongoing business and those passive due to their age (but with the decision voice still meaningful) and the company co-owners outside of the family. This subsystem determines a strategic management, creates a mission and a vision. The overlapping areas are the fields predisposed to the arising conflicts. This is due to the fact, that the rules and expectations in every subsystem differ each other and at times remain in a conflict. For example, in the family subsystem remuneration is measured by a need, whereas in the enterprise subsystem remuneration includes activities and its efficiency [Jaffe 1990, pp. 27-36]. Habbershon and Williams [1999] using the resource-based theory show that in the family-owned businesses the family, its resources and abilities so-called “familiness” may generate competitive advantage. The “familiness” is a concept refers to a family with its unique set of resources, which arise from the interactions, the business, the family as a whole and the individual family members. These included engagement of the family, both formal and informal in the ongoing strategic activity of the enterprise. It can be measured by use of the family members in the decision process and also by the number of the generations working in the company. The special feature arises from the family engagement is a willingness to maintain a control over company in the family hands. The control is to provide the enterprise existence for the next generations.

Another resource arises straight from the family-owned business character is the system of values in the enterprise. This system is often a calque of the family system of values. In the case of the family-owned enterprises economic values coexists with the family, moral and often religious and the others values. All decisions taken in the enterprise are dominated by the family welfare, which is the most important factor. The enterprise is treated as a very important element of the family life, as it provides means for survival, and also simultaneously may be the center of family functions, and unite it around the common issues. The important feature of the enterprise system of values is pursuance to minimize the risk and omitting the short-term speculations activities. The family-owned businesses possess a long-term perspective of activity, which allows the actions in the more stable conditions. The feature of the family-owned business is a pursuance to maintain an independence. Emotional approach is also a characteristic that specifies the family-owned business system of values. Not without significance is the fact, that on the one hand family-owned businesses tend to be rather hermetic ex. towards to generally understood cooperation with other companies or employees outside the family, and on the other hand they are very sensitive to the relationship with the local community. The family-owned businesses system of values may be divided to the two different co-existing with each other dimensions: internal, so-called organizational culture of the enterprise and external including reputation, renown, and good name of the company. The set of the crucial factors includes also a resource of the knowledge (especially knowledge arisen from an experience). Widely understood knowledge resource is thought to be one of the most important resource in every enterprise. In the family-owned business it is based on an experience and tradition, which are thought to be so-called a hidden knowledge, difficult to reach for competitive companies. The list of the family-owned business internal factors includes also a special kind of confidence, which exists between family members, employees and also in relation with an external environment. In the family-owned business the values and family needs are co-existing together with the reality of the economic entity, which results in arising significant differences between family-owned businesses and non-family ones, especially, that the family and business goals are often incompatible [Fridman 1991, pp. 3-20].

Family-owned business organizational culture and national culture

The family-owned businesses are dominating in the most of the world economies, they are source of the enterprise development, however, not many worldwide researches take into consideration the cultural factor [Brice, Richardson 2009, p. 246; Vallejo 2008, p. 261].

In one of the national culture definitions distinguishes its components is stating, that:

“the culture is the accumulation of the shared meanings, rituals, norms and traditions among the members of the community. It is something that characterizes the human community its individuals, social organizations, and also economic and political systems. It includes both abstract ideas such as values or ethics and material objects or services, such as cars, cloths, food, or art and sport, which are manufactured or valued in a group of people (society)” [after: Bartosik-Purgat 2011, p. 27]. It is need to notice, that between national culture and culture of the enterprise exist many common areas.

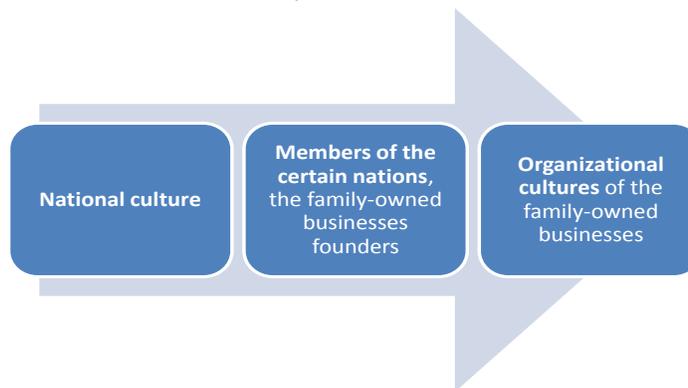
The substance of the relationship between national culture and organizational culture arises from the singularity of the organizational culture. It is due to characteristic of the enterprise system of processes, which join preferred by the management board and employees social and cultural values and norms with their bases and approaches, in which these attitudes create the organizational behaviors. The elements of the organizational culture include these, which are observed to have significant influence on the national culture factors, these are, amongst others: values, language, symbols, rituals [Gorynia, Bartosik-Purgat, Jankowska, Owczarzak 2005, p. 113-114].

In the literature on family-owned businesses there are mentioned two main elements of the organizational culture impact the structure and functions of the family-owned businesses, namely the family goals and the values. These family goals include encouraging and supporting the family members to co-create an organization and common contribution in gaining a profit. The studies showed, that in a number of decisions relating to the family-own companies (strategic, financial) the family needs are taken into consideration. Leenders and Waarts called this family-owned businesses feature as a “family orientation” [Leenders, Waarts 2003, p. 687]. The values impact, in turn, the dynamics of the family-owned businesses, creating bounds of the confidence and loyalty, which determine extremely valuable feature, at times impossible to gain in the “non-family-owned” companies [Brice, Richardson 2009, p. 248]. Both values and goals are determined by the family-owned businesses founders. In the situations, where are observed very strong family relations the next generations protect these values, often considering them as a mission and the main challenge of the company. The founders effects are continued for a long time especially in small and middle-sized operators, which is indicated by the results of empirical researches conducted in companies such, as Akdogana and ve Mirapa [Erdem, Başer 2010, p. 49]. The similar conclusions were reached by Sonfield and Lussier conducting their researches in the family-owned businesses, in which were working three next generations. The reason of the founders goals continuation is a family impact and the strength of the family-owned business system [Sonfield, Lussier 2004, p. 198]. In turn, Davis and Harveston stated, that the basic assumptions, activities and approaches in family-owned businesses functions change together with the managing generations [Davis, Harveston 2001, s. 25]. The

authors believe, that the differences between generations impact mainly the variant approach in conducting business.

In the most of the family-owned businesses the founders are those who form its organizational culture, which is based mostly on confirmed by themselves values and cultivated customs [Erdem, Başer 2010, p. 48; Klein, Waxin, Radnell 2009, p. 46; Van Oudenhoven 2001, p. 105]. The organizational culture is a transporter of values and norms shares by the participants in the organization, which are components of their national cultures. The values and customs are acquired and learned most often in the family homes. The whole of the cultural canon is being installed in the youngest community members in the acculturation process by the family and external environment [Jaw, Ling, Wang, Chang 2007, p. 128-144; Lyman 1991, p. 305]. The family values, in turn are determined also by the features of the national culture, in which these people were raised. Therefore it may be stated, that the national culture has an indirect (with the help of companies founders, members of a certain nation) impact on a family-owned business functions, the accepted principles, rituals, communicational approaches and other elements of the organizational culture (picture 2).

Figure 2. Relation between the national culture and the organizational culture in the family-owned businesses.



The national culture impact the organizational culture of the companies implies them the certain features characteristic for given community. Below are presented results of the researches conducted in the discussed area in the many countries and cultures. The following analysis is to attempt to isolate the cultural factor, in the view of existing classifications and cultural theories, which may differ with a character, a structure and functions of the family-owned businesses on the international scale. Above this, it was decided to analyze the impact of the family-owned businesses specificity on the distinguished cultural features.

After detailed reading of the presented field literature it was decided to select a certain dimensions – cultural features, which are especially characteristic and noticeable in the family-owned businesses, namely:

- Universalism versus particularism, according to Trompenaars and Hampden-Turner,
- Achievement versus ascription, according to Trompenaars and Hampden-Turner,
- Distance of power, according to Hofstede,
- Masculinity versus femininity, according to Hofstede,
- Relationship-focused versus deal-focused, according to Gesteland.

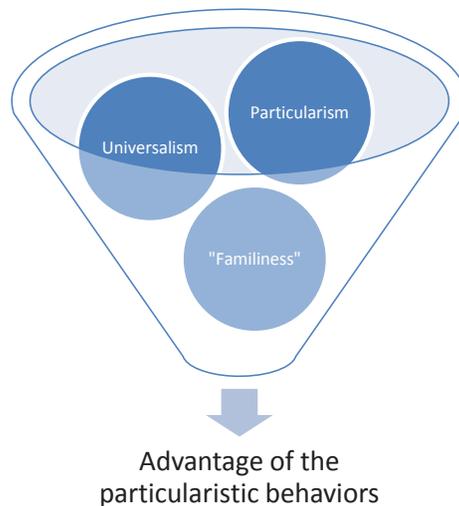
Universalism – particularism is a cultural dimension differ the countries with their enterprises in the area of perception and interpretation of the existing rules, customs and norms. In some of the countries the procedure is always the same according to the generally accepted principles, specific standards regardless of the nature of the given situation. These are the cultures specified in the Trompenaars and Hampden-Turner's researches as universalistic and these include among others: Switzerland, Sweden, and Great Britain. In the countries with the opposite attitude given behavior or decision is considered from the viewpoint of the situation. It is taken into consideration the circumstances appeared, which ex. we could not to proceed according to the generally accepted rules. The authors specify these cultures as particularistic and these include: Greece, Venezuela, and Russia [Trompenaars, Hampden-Turner 2002, p. 48].

In the view of Adams, Taschian and Shore study the family-owned businesses in general does not formalize the proceeding codes in the organizations, although they are tend to establish standards of behavior using the models of the family roles. In addition, assessing the specific situation and solving the problem it is often rather a given circumstances taken into consideration then accepted procedures [Adams, Taschian, Shore 1996, p. 162]. Therefore it may be concluded, that “familiness” in this type of enterprises may weaken a universalistic tendencies. In other words, comparing family-owned businesses and no-family-owned businesses (even from the universalistic country) these firsts more often may show particularistic features in relation to given situation (picture 3). This is due to the fact, that “familiness” impact advantage of particularistic behaviors not only in the particularistic societies, but also in those with universalistic attitude.

The important cultural factor impact the enterprises organizational structure are differences related with the perception of inequalities between subordinates and superiors. This dimension has been distinguished by Hofstede and define as a “distance of power” relied on the relationships existed between elderly and young family members (ex. parents and children), as well as persons occupying different positions in the organization. In the culture characterized with a large “distance of power”, the decision is usually taken by the elderly, ex. parents, or being higher in

the hierarchy (those “having more power”). The parents are authorities for their, often adult, children, granted deserved respect and impact decisions taken by them. An example of large “distance of power” countries are: Malaysia, Guatemala, Panama, Philippines, Mexico, Venezuela, Saudi Arabia, India, Spain, Italy. In turn in the opposite cultures from the viewpoint of the “distance of power” an influence on decisions have not only persons, which are on the highest level in the family hierarchy or organization (enterprise). Into consideration are taken opinions all the members/ representatives, which participate in talks, the consequence of which is to take appropriate decisions. The representatives of this culture type are: Austria, Denmark, New Zealand, Ireland, Sweden, Norway, Finland, Switzerland, Germany, Great Britain, Holland, Australia [Hofstede, Hofstede, Minkov 2010, pp. 23-47; Harvey 1997, p. 137].

Figure 3. Impact of the family-owned businesses specificity on the particularistic and universalistic behavior.



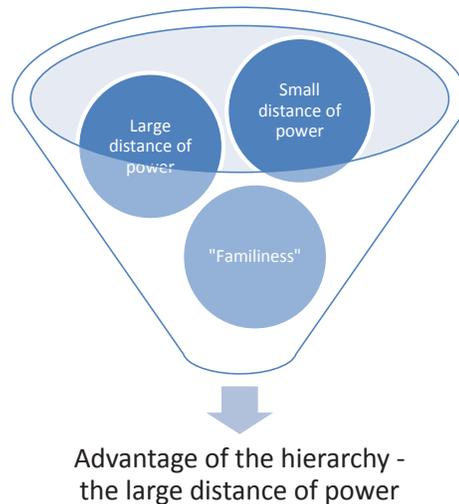
Source: own study

The study of Kets de Vries shows, that the family businesses founders and their successors are usually reluctant to delegate power and decisiveness on persons from the outside of the closest circle. It is observed a management centralization with the unidirectional flow of information from the management to the employees [Kets deVries 1996, s. 63]. An example may be Spanish or Italian family-owned businesses, in which the most important person is father, usually the company founder or his successor, who enjoys a great respect amongst his adult children, and who usually also work in the company. Poza, Alfred and Maheshwari also showed in their report, that taking decisions in the family-owned business is centralized and concerns the

main members of the founding family [Poza, Alfred, Maheshwari 1997, p. 140]. This would indicate an occurrence of differences between the employees in the family-owned organizations and existence the hierarchic structures. In other words “familiness” may impact increase of the “distance of power” rate. Therefore a specificity of the family-owned businesses may cause, even in the countries with relatively low “distance of power” occurring a hierarchy and differences between individuals in the organization. Similarly, the results of Brice and Richardson studies (2009), conducted in Ukrainian and American family-owned businesses and those not belonging only to the one family, showed, that in the family-owned businesses “distance of power” rate is higher than in the non-family-owned businesses. On the Ukrainian market it was a little higher than in the American market. It is also shown by Rao’s analyses conducted in the Mexican family-owned businesses, in which hierarchy is intensified by paternalism of the Mexican culture [Rao 2009, p. 298]. This situation in the Mexican businesses confirm studies conducted by Athanassiou, Crittenden, Kelly and Marquez (2002, p. 140), in which emphasized are multigenerational businesses conducted and managed by successive generations the founders successors. These are hierarchical, however relations occurring inside them reminds the situations in many of the traditional families, in which the most important and the last word belongs to the head of the family (father or mother), who is taking care of all its members. Similarly in the Mexican family-owned businesses the authors perceive the family relations, which is hierarchy and focusing on an employee and his needs. Also features of the Arabic culture related, on the one hand, with a rigid allocation of roles, paternalism, hierarchy, and on the other hand with confidence and importance of the interpersonal relations, which all impact the fact, that the representatives of those cultures find themselves better in the local family-owned businesses than in the international corporations. Therefore it appears, that the features listed above characterized family-owned businesses regardless of in which corner of the world they were created, wherein in some countries they occur with a greater intensity [Calza, Aliane, Cannavale, 2010, p. 249]. Kim and Gao studies also confirm above mentioned statements and show increased hierarchy and family impact on the business activity in the Chinese family-owned businesses. These studies shown, that in the Chinese family-owned businesses exists very large differences between positions (rank) of the superiors and subordinates. Chinese culture belongs to those characterized by, in the light of Hofstede’s dimensions, with a large “distance of power”, in which almost all the important decisions in the company are taken at the highest levels of the organizational structure [Kim, Gao 2013, p. 270]. Concluding it is need to repeat, that specificity of the family-owned businesses impact increasing hierarchy and differences between the managing (most often the owners) and the subordinates. Even in the societies characterized by a small “distance of power”, compering family-owned and non-family-owned

businesses, in those firsts above mentioned features are more common and more visible.

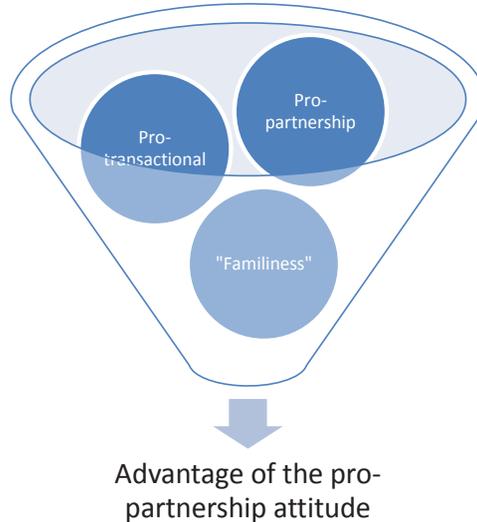
Figure 4. Impact of the family-owned businesses specificity on the behaviors connected with hierarchy in the company.



Source: own study.

Above were presented cultural features of the family organizations connected with the hierarchy, but also involving treatment of the employee almost as a family member, even if he is not. This attribute is particularly noticeable in the cultures described by Gesteland as the pro-partnership. Describing these cultures, the author turns attention on the persons not only tasks, effects, gaining a profit etc. In the pro-partnership countries important are relations between persons cooperating, it is preferred to keep the contacts with the family, friends, or well-known individuals, these which are worth of trust. Amongst pro-partnership countries it may be distinguished most of the Asiatic, Arabic, African and Latin American countries. In turn, the societies oriented on quick tasks execution, and attaining goals are specified as pro-transactional. For this type the most important is transaction and its successful completion for trading profit, on the beginning without paying attention to wide degree of knowledge about the partners. Pro-transactional cultures include, inter alia, United States, the Scandinavian countries and other Germanic European countries, Australia, New Zealand [Gesteland 2001, pp. 20-22]. In the family-owned businesses dominating attitude is pro-partnership one, which it is shown even in the countries known as pro-transactional (picture 5).

Figure 5. Impact the specificity of the family-owned businesses on the degree of the pro-partnership/ pro-transactional behaviors.



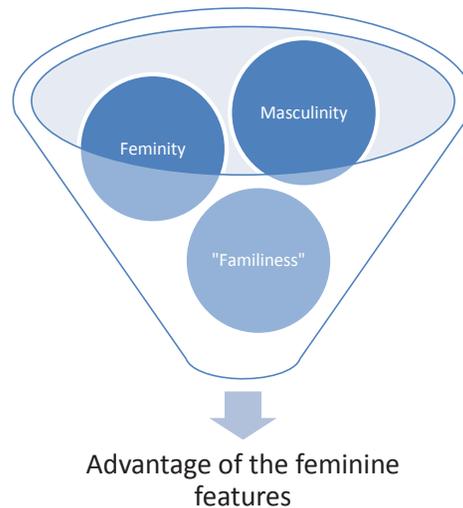
Source: own study

A cultural dimension having a large importance in forming organizational structures in the companies is **masculinity – femininity**, which refers to the existence of the masculine or feminine advantages. It is mainly reflected in the values accepted by the members of the organization, certain behaviors or roles performing by them. For example, in the masculine cultures popular are such features, as activity, aggression, implementation, permanent competition and conquering. The feminine cultures are characterized, most of all, by tenderness and protectiveness in the wide spectrum of meaning of these words [Hofstede, Hofstede, Minkov 2010, pp. 79-105].

According to Schulze and others, the family-owned businesses are characterized by altruistic values, their members care more about prosperity and quality of life [Schulze, Lubatkin, Dino, Buchholtz 2001, p. 104]. Referring to Hofstede's (2010) cultural dimensions such features could indicate femininity of these companies, which is connected with emphasizing quality of life and not its material dimensions, what is count is willingness and not only success and competition, those who fail are getting help, "one work in order to live" and not "one live in order to work" (the masculine dimension). The views of the Schulze and his cooperators were confirmed in the studies conducted by Brice and Richardson amongst the group of the Ukrainian and American family-owned businesses, in which the feminine values rated much higher than in the non-family-owned ones [Brice, Richardson 2009, p. 258]. The specificity of the family own businesses impact the emphasis of

the feminine values regardless of which environment, feminine or masculine the company conduct its activity (picture 6).

Figure 6. Impact of the specificity of the family-owned businesses on the domination masculine or feminine features in the organization.

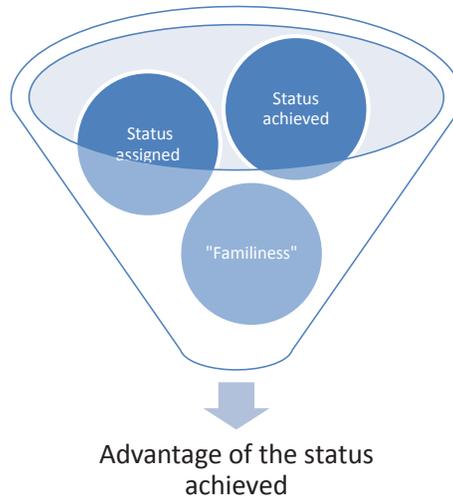


Source: own study

The studies of Trompenaars and Hampden-Turner conducted in the differential culture environments showed also, that there are differences in regards to the methods of obtaining the status in the community or company. They distinguish countries, in which the status and given position are granted persons in exchange for goals they achieved (ex. Norway, Denmark, Finland, Great Britain, United States, Sweden, Canada, Australia, France) and those, in which the status is granted ex. due to the age, class affiliation, gender, or possessing certain connections (here status refers mainly to who the person is, ex. Kuwait, Saudi Arabia, Thailand, India, Philippines, Kenya, Argentina) [Trompenaars, Hampden – Turner 2002, pp. 126-145].

The analysis of the family-owned structures shows described above behavior as a “status assigned”, wherein the status in the company is granted mainly in the view of family connections. It is especially noticeable in the countries with the assigned status. However, also in the countries with the status achieved “familiness” in the business impact ex. occupation the position only due to the family connections (picture 7) [Rao 2009, p. 297].

Figure 7. Impact the specificity of the family-owned businesses on the domination of the status achieved or assigned.



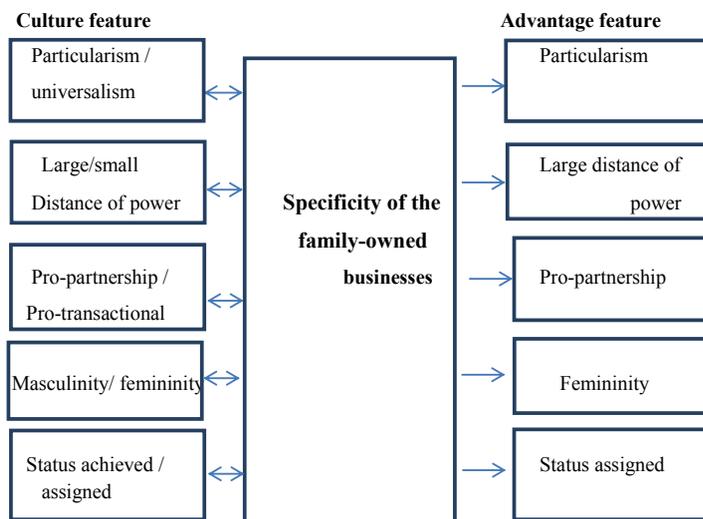
Source: own study

Conclusion

Concluding above theoretical analysis, it must be stated, that the “familiness” is the factor, which impact the force of occurring in the family-owned organizations certain features arising from the national culture of given country. Below table 8 presents collected relations of the force of occurring certain (chosen) cultural features in the family-owned business and impact of the specificity of the family-owned businesses (so-called “familiness”).

The studies conducted by various authors in the international arena (in various markets and differential cultures) tend to conclude, that the “familiness” of these entities has a significant impact on the features of the organizational family-owned businesses. These studies also show, that “familiness” of these entities determines specified behaviors even if they function in the market characterized with the advantage of another cultural features. In other words it may be stated, that the family-owned businesses, regardless to the country, in which they function, possess the common features. They occur with the more or less force in the given market, which can be related with its cultural influences. Theoretical analysis conducted in the paper gives the framework to empirical research. Crated above model needs to be verify.

Figure 8. Impact of the „familiness” on the cultural features advantage in the organizational structures of the family-owned businesses.



Source: own study

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Culture of Marketing Actions of a Company in the Area of Sustainable Marketing Mix

Abstract: The article focuses on the essence and importance of a sustainable marketing mix in business enterprises. In the first chapter the concept of this work the concept of sustainable product is brought closer. The characteristics of a sustainable product are presented. The further part of the article describes the prices of the products in terms of sustainability. Inter alia, the impact of the use of sustainable corporate policy on the price level of products is indicated. The third chapter addresses the issues of sustainable products distribution including the description of sustainable distribution channels. The final part of the work includes the information on sustainable marketing communication with the use of promotion mix instruments. The paper presents the main objectives of sustainable marketing communication and identifies means of marketing messages. The paper concludes with a summary.

Key-words: sustainable marketing mix, marketing mix, sustainable development, enterprise

Introduction

Degradation of natural environment and growing social problems constitute an important area of sustainable development. The international community more often take the debate on the future of our planet in the context of the development opportunities of future generations. Increasing, at a rapid pace, number of inhabitants of the earth causes an increase in consumption and meet the needs of existential societies. Enterprises in order to meet the growing needs of the population produce

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more goods, and this in turn, increases the demand for all kinds of raw material needed to produce specific product.

Important role in a sustainable functioning of production enterprises, plays sustainable instruments of marketing mix: product, price, distribution and promotion mix. Marketing as the main driving force of the world economy leaves a big footprint in both, the environment and society. Through marketing systems, most human needs and psychological needs are satisfied. For this reason, marketing, including marketing mix strategies implemented by companies play a significant and unique role in creating a more sustainable society.

Sustainable product

Undertaking considerations on sustainable marketing mix, special attention should be given to product as the most important element of the marketing mix. By purchasing product, the customers meets their needs and gains benefits associated with its use. D. Martin and J. Schouten argue that the main task of marketing is the development and management of products, which includes all goods and services that the company offers to its customers along with the packaging, which is part of the product. The range of products is the cause of interests of many sites, which include first of all the company's customers, both current and future. [Martin, Schouten 2012, p 122] W. Stanton, M. Etzel and B. Walker define the **product** as "a set of tangible and intangible attributes including packaging, color, price, quality, and brand. Plus the seller's services and **reputation**" [Stanton, Etzel, Walker 1994, p 211]

The concept of sustainable product already at the stage of designing assumes the use of materials, raw materials and other necessary components to produce a product which is environmentally friendly. Production processes should be designed in such a way to interact with the environment in a least disruptive manner. A characteristic feature of sustainable products is the use of energy-efficient equipment and appliances that are powered by electricity, fuel, gas or water in their manufacture process. During the production of sustainable products attention should be paid to the size of the waste products, emission of harmful gases into the atmosphere, or other substances and factors affecting the ecosystem and the quality of human life. Depending on the specificity of product, the production chain involves suppliers, contractors, co-operators, distributors and other entities that have an impact on the formation of the final product. Sustainable production in a sustainable enterprise requires cooperation with entities which are not indifferent to environmental issues or aspects of the quality of life of societies.

Sustainable product is characterised by its reliability during use. Reliable product quality allows its long-term use, and this in turn, causes a decrease in demand for its purchase. That way it also reduces the need for different kind of raw materials and

energy or fuel required to produce a particular product. Reducing the demand for the purchase of products is in conflict with the financial interests of the company. The aim of the manufacturing companies is to manufacture more and more of the products for sale, which translates into tangible financial benefits of businesses. Presented dependence is one of the most important areas of sustainable development, including sustainable marketing. For this reason, sustainable company takes into account in its operations the environmental and social aspects while achieving the economic objectives of the company. Ability to balance the mentioned aspects by the company management is the strength and competitive advantage of the organisation. Sustainable product in addition to the durability feature is functional and safe for its users, does not endanger the health and lives of purchaser. Depending on the characteristics of the product and its intended use, manufactured goods are characterised by low power consumption inducing the movement of the product. Referring to the product life cycle, specifically the fourth phase of the cycle, the decrease, withdrawing the product from the market, we should bear in mind the further fate of the product, which has already been withdrawn from the market. The amount of used equipment translates into countless tons of waste destined for disposal or recycling, which in turn, causes environmental problems associated with the storage of unnecessary products and social conflicts caused by such close proximity to the storage yard.

Sustainable prices of products

Product price is an important element of the strategy of the enterprise. In contrast to other instruments of the marketing mix, price does not generate costs for the company, but brings profits. In relation to the customer, price is the value expressed in money which the purchaser has to pay for the purchase of a particular product or service. The price for the buyer is, therefore, a cost. Z. Knecht specifies the price as a sum of money which the company charges the buyers and that buyers are willing to pay for the product. For the buyer the price is expressed in money at the expense which he bears, buying the product. [Knecht 2005, p 88]

Price, in sustainable marketing mix that specifies the value of a sustainable product, should include expenditures incurred to produce a sustainable product. Including the environmental and social aspects in the production processes may lead to the increase of costs. For example, using the non-conventional sources of energy for production, may increase the unit price of the product. The use of raw materials necessary to produce a sustainable product with a low or trace harm to the environment, may also translate into a rise in the price of the final product. Another reason for the increase of production costs, and thus, the increase in the price of the product, may be the use of environmentally and people friendly technology, which can be much more expensive than traditional methods of the product manufacture. An example of

sustainable product with a much higher purchase price can be a hybrid vehicle. The costs associated with the purchase of a hybrid car are higher than the price of a car with internal combustion engine. Analysis of the costs of buying a hybrid car may deter potential buyers to purchase such vehicle. However, higher costs of purchasing a hybrid vehicle are compensated by the advantages of this product. Hybrid cars consume less fuel, and this results in lower overall cost of its usage. Additionally, owners of hybrid cars in the countries of Western Europe, can count on the special relief, associated even with free entry to the city centre, as it is in London. However, the main advantage of hybrid vehicles is considerably lower emissions of harmful substances into the atmosphere, including carbon dioxide. Taking into account the condition of the environment and the health and life of humans, as well as the health of future generations, production and sales of hybrid or electric vehicles is a reasonable and legitimate action of car manufacturers. For the sake of the ecosystem and the quality of life of societies costs associated with the purchase of a hybrid vehicle are of secondary importance. Despite the risks associated with the increase in the unit price of the product through the use of clean energy, fuels, ecosystem-friendly materials and raw materials for production, sustainable packaging and other elements of the product, the company should undertake economic activities compatible with the ideas of sustainable development and sustainable marketing. Increased financial investments to produce sustainable products should be seen by the company not only as a cost of production, but above all, as a good investment in the future that will pay off with a mutual satisfaction of both, the buyers and the company itself. D. Fuller believes that „at the general level, sustainable pricing objectives address the challenge of integrating eco-costs into unit cost structures so that resulting prices better reflect the full costs associated with the resources being converted and offered for consumption.” [Fuller 1999, p. 277]

In order to increase the chances of sale of sustainable products, the product range of the company, after the previous segmentation of the market, should be addressed to groups of buyers that are socially and ecologically sensitive, which are not indifferent to the condition of the environment and increasing social problems. An important impulse inducing the purchase of sustainable product may be posting information on the product providing that it was manufactured in accordance with the principles of sustainable development, using sustainable marketing activities. Customer who has information about the product manufacture process will be able to pay a higher price for buying a sustainable product.

“Consumer costs for sustainable products are individually perceived, evaluated and weighted based on a number of personal and situational factors such as socio-ecological awareness, socio-ecological knowledge, disposable income, peer groups and purchasing situation. If the other cost components are more or less visible or predictable to the individual consumer, price has a special status in the cost

assessment process for the following reasons; it is known prior to the purchase; it is expressed in monetary units; and it (generally) belongs to the up-front costs. Since consumers tend to minimize present and not future costs, price takes the lion's share in the cost evaluation process." [Belz, Peattie 2010, p. 204]

Sustainable distribution of products

The growing number of the world's population increases the demand for various kinds of products satisfying the needs of existing societies. Increasing world population means an increase in demand for food products, material goods and services. In order to meet the needs and expectations of the global community it will be necessary to increase production and effectively provide desired products to buyers.

Distribution as part of a sustainable marketing mix plays a significant role in the economic development of societies. The main task of sustainable distribution is effectively providing of products desired by purchasers in the given place at the right time while maintaining the integrity of the product in terms of quality. The essence of sustainable distribution are therefore social and environmental aspects relating to infrastructure, with particular emphasis on transport and storage processes. A significant role in the sustainable distribution play the participants of the distribution channels. [Trojanowski 2013, p. 1050] G. Armstrong and P. Kotler indicate that the distribution channel (marketing channel) is "a set of interconnected interdependent organisations that help in making the product (service) to consumers or business users." [Armstrong, Kotler 2012, p. 448]. A. Pabian shows examples of sustainable distribution - "selecting environmentally and socially sensitive commercial intermediaries, reducing the number and scope of the storage and transport, moving goods by using hybrid or electric vehicles, supporting charity activities it's just a few examples of sustainable distribution contributing to protect the environment and solving society problems." [Pabian 2012, p. 131]

Sustainable distribution requires a balanced action of all participants involved in the process of flow of goods from the producer to the target audience. Realtors, contractors, distributors, wholesalers, retailers and other participants in the distribution channel should include in their activities the environmental and social aspects. Sustainable flow of goods may be manifested in the choice of such means of transport that will affect, to the least troublesome extent, the environment in terms of emissions to air, noise level and adjustment of the type and capacity of the vehicle to the specific nature of the supplied goods. Besides, the logistical services should also determine the shortest and the fastest route, not only in the interests of the environment but for the quality of the goods and the speed of delivery, which will translate into customer satisfaction with the provided transport service. The

synchronization of orders is also important, the author has in mind the elimination of the so-called “empty runs”. Excessive use of means of transport, especially the vehicular one, becomes a source of environmental and social problems. In social terms the nuisance of road transport involves the destruction of roads and increasing danger to other road users.

Essential role in choosing the intermediaries involved in the process of distribution play the managers. On the decisions of the owners of the organisation may depend the choice of environmentally and socially sensitive participants in the distribution channel. The company can resign from the services of intermediaries, which ignore the problems of ecology and social aspects. One example is the decision of the head of the British branch of McDonald’s corporation, Steve Esterbrook, who initiated the processing of used cooking oil into bio-fuel that supply McDonald’s cars in the UK. Choosing sustainable distribution channels contributes to improving the image of the business among trading partners, customers and the community. Emphasising environmental and social sensitivity of enterprise will certainly meet with approval and positive attitude of market participants.

Communication of an enterprise with the use of sustainable promotion mix

Complementation of the activities of sustainable marketing mix sphere is the implementation of projects in the field of sustainable promotion mix. The fourth element of the marketing mix, which is the promotion mix, includes advertising, direct marketing, sales promotion, personal selling and public relations. The presented promotion mix instruments play a special role in sustainable marketing communications of businesses. Using these elements of the promotion, the company communicates with the market participants. B. Emery says that the task of sustainable marketing communications is to achieve four main objectives: [Emery 2012, pp. 218-219]

- to change everyone’s behaviour with regard to the sustainability of their lifestyle affecting variety of habits and practices such as: energy use and conservation, recycling, personal travel, consumption reduction and de-marketing,
- to change consumer purchase behaviour, encouraging people to lead more sustainable lifestyle through the consumption of sustainable alternatives to conventional products and services,
- to inform consumers and other stakeholders about the sustainable credentials, reputation, practice, performance and achievements of national, regional and local governments NGOs, charities, businesses and other interested parties,
- to persuade consumers to purchase goods and services from particular companies on the basis of their sustainable features and benefits.

Using sustainable promotion mix instruments is justified in the case of companies, which implement the concept of sustainable development in all aspects of the

business. The author has in mind, inter alia, the members of the staff, the materials and raw materials for the production, energy-efficient equipment and furnishing, as well as the promotion of financial austerity policies and the reduction of waste. Mission and goals of the organization shall be in accordance with the principles of sustainable development, and it manifests itself, inter alia, in the economic activity in such a way as to minimize the negative impact of businesses on the environment and society. [Trojanowski 2013, p 34]

Sustainable promotional activity poses no threat to the environment and does not cause social conflicts. Does not affect the chances of future generations negatively. The use of certain means and forms of communication with the company can have a positive impact on the environment and can positively affect social problems. Messages posted in the media calling for respect for the environment and the rational use of water, energy, or means of private transport can have a positive influence on the attitude of many market participants and to some extent, reduce the negative human impact on the ecosystem. Promotional social awareness campaigns carried out using mass media such as newspaper, radio or TV can be helpful for example in the fight against poverty, hunger, social exclusion, and can contribute to improving the quality of life of communities and the natural environment. Sustainable marketing communication also involves the use of means and forms compatible with the ideas of sustainable development. The contents of pro-social and pro-environmental marketing messages should be transmitted using such equipment and materials, which, in a least harmful manner, impact the surrounding environment and take into account the social aspect. A popular way to communicate the company with market participants is the use of media, press, radio, television and the Internet. Analysing various media, it can be said that the use of these measures is not really consistent with the principles of sustainable development. Marketing press releases are published on the paper, which is manufactured from wood. The use of sophisticated electronic equipment in the case of radio or television requires the acquisition of various raw materials for the production of specialised equipment, by means of which the marketing messages are created and transmitted. It remains to consider the question of disposal of spent or obsolete electronic equipment used in radio and television. [Trojanowski 2013 , pp. 35-36]

Marketing communication of a company with buyers plays a key role in achieving the marketing objectives of company. Without the use of effective means and forms of communication, the business organisation is doomed to a failure. The changing marketing environment of a company forces the change of the course of thinking of managers responsible for creating and managing promotional messages to the target audience.

Conclusion

The changing marketing environment the company involves a change in the current economic policies of the organisation. The increased interest of the international community with the aspects of the persevering natural environment and solving social problems forces the enterprises to a change and to adapt to sustainable development conditions, including sustainable marketing mix. The concept of sustainable marketing mix involves the use of sustainability standards for all four elements of the marketing mix, i.e. product, price, distribution and promotion mix by which marketing messages are transmitted. Selective action in accordance with the principles of sustainable development to one or two instruments of the marketing mix can not be regarded as a strategy for sustainable marketing mix. Applying sustainable marketing ventures to all four elements of the marketing mix is the basis for recognising the strategy as sustainable.

The implementation of sustainable development principles in the enterprise is not an easy task. This involves some difficulties, barriers and hanging costs. Despite the difficulties, actions towards the creation of sustainable enterprises must be taken, it will translate into financial benefits from marketing activities.

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The Functioning of Small and Medium-Sized Enterprises in Conditions of Economic Stability

Abstract: Modern companies operate in an unstable environment. This requires management of the companies to undertake adjusting measures that will enable companies to survive and achieve competitive advantage. Increasing the risk of doing business has prompted the author to undertake empirical studies of the SME sector and to identify the types of risks faced by entrepreneurs. The article presents the results of empirical studies and contains conclusions that may serve as an advice for the SME sector.

Keywords: economic instability, SME sector

Introduction

Enterprises that want to survive and achieve a competitive advantage should have the ability to adapt to the market situation. Environment in which they operate today A. Koźmiński defines as a “generalized insecurity” [Kozminski A.K., 2004, p. 27]. Entrepreneurs for many years were accustomed to the evolutionary changes. This led to the activity model maladjusted to today’s era of strong fluctuations. The unpredictability of changes faced by enterprises today makes their response to market situations sometimes delayed. Therefore, there may appear asymmetric responses – the market flexibly adapts to changes, whereas companies respond with a delay, inappropriately to the scale of changes [R. Foster, S. Kaplan, 2003, p. 33]. P. Kotler, J.U. Caslione believe that the new normality of economy is the fluctuations and shocks that increase the risks and uncertainty of conducting business activity on the macro and micro level [Kotler P., Caslione J.U., 2009, p. 32].

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Companies operating under turbulent environment must perform continuous analysis of sensitivity, that is, analysis of changes of conditions and information, which were the basis of the decisions made earlier [Szymański W., 2012, p. 22]. Changes may become an inspiration to create new innovative solutions, be an impulse to restructure the company, but they can also cause the collapse of the company, when the managers do not react quickly enough, do not take activities that enable survival in a turbulent environment. The increasing risk of doing business resulting from the instability of the environment in which contemporary enterprises operate prompted the author to undertake empirical research of the SME sector and to specify the types of risks faced by entrepreneurs². The purpose of this article is to discuss the functioning of the SME sector in terms of economic instability. Analysis was based on empirical research, literature and observations and reflections of the author.

The impact of economic instability on behaviour of enterprises

The speed and unpredictability of changes in the environment requires from enterprises other strategies than those that have been effective in a period of stable conditions. Turbulent changes cause rapid aging of the products, information, acquired experience, strategy. Nowadays more and more visible, as defined by J.A. Schumpeter [Schumpeter J.A., 1992, p. 139], are the processes of creative destruction – an enterprise when adapting to the uncertainty and unpredictability rejects the old methods and replace them with new ones. Economic instability faced by enterprises can be described in three areas: market volatility, financial instability, instability in the business environment. Depending on the severity of these phenomena, there may occur a decline in economic activity, the reduction of incomes of enterprises and population.

Market instability manifests itself in many ways. High sensitivity of enterprises to changes in the volume of demand for goods and services compels them to actions aimed at stiffening the demand for manufactured products. Procedure that allows for the reduction of risk associated with the uncertainty of the market is an active influence on the patterns and structure of consumption by shaping the needs of buyers. Motives of consumers today are not always based on rational or economic calculation, these criteria are replaced by imitation, fashion, impulses inherent in the sphere of man's subconscious [Pietrewicz J.W., 2012, pp. 36 -37]. The speed at which enterprises adapt to the new structure of demand resulting from the new market conditions depends on the mobility of production factors and profitability

² Research results presented in the paper are a part of the work performed by the author within the statutory study of the Collegium of Business Administration of the Warsaw School of Economics in 2013 titled "*The impact of economic instability on the functioning of the SME sector in Poland*" in a team led by prof. dr hab. R. Sobiecki.

of production. The predicted high adjustment costs and risks connected with them, stiffen behaviour of enterprises towards ongoing changes.

Free operation of the market mechanism in the conditions of economic globalization causes the disappearance of barriers that restrict competition and protect the economically weaker countries and companies operating in their area against external competitors. This forces enterprises to change their attitude towards competition. Awareness of such risks makes the enterprises, regardless of the scale of business, to take into account market signals on the intensity of competition and adjust undertaken competition strategies to these realities. The processes of economic globalization lead to reduction of the possibility of state influence on economic processes. A role of macroeconomic interests is weakened in favour of microeconomic interests. Such a change in the balance of power in the economy limits the state's capacity to react in order to absorb the negative effects of externalities caused by the market mechanism.

Change of the business model as a way to respond to the instability of the environment

Dynamic changes in the business environment have effects for control of the enterprise both in terms of strategic and operational management. In the literature there are views that under such conditions the traditional approach to the management is not very useful. New conditions for enterprises, new market opportunities are the basis for creating new ways of creating value, new ways of organizing activities and use these changes as an opportunity for the company [Davenport T.H., Leibold M., Voelpel S., 2006, p. 25]. The increase of the complexity of the environment, the increase of uncertainty and risk requires the use of another method of enterprise management taking into account these variables. In this situation, in the early twenty-first century in the strategic management the dominant approach becomes the business model [Duczkowska-Malysz K., Duczkowska-Piasecka M., 2012, p. 149].

The speed of changes in the market makes even the most relevant elements of the business model and the pattern of their relationships unstable. Managers have to change some elements of the model in order to stay ahead of their competitors in this way. In many sectors, the operating conditions are changing so fast that companies must re-define their business models [Brzóška J. 2009, p. 13]. It happens that a company meeting the needs of several segments of customers, applies to each of them a different business model. It is usually justified by the desire to oust competitors or outperform them on existing markets, the intention to enter new markets, the drive for more efficient resource management and generation of new revenue streams [Casadeus-Masanell R., Tarzijan J., 2012, p. 95]. The consequences of the changes occurring in the business environment manifest themselves in business models, and as a result are reflected in the profitability of enterprises.

Continuous redefining of the business model seems to be in the conditions of turbulent changes in the economic environment a necessary action to anticipate the behaviour of competitors. Competitors are able to force the company to lower prices of products, to provide customers with the offer of greater value. The rivalry also includes competition for resources: raw materials, commodities, talented employees. Factors forcing changes in business models of contemporary businesses are largely dynamic changes in technology, which provides the basis for the production of goods and services.

To determine whether the business model implemented so far in the enterprise is adequate for the conditions in which the enterprise operates, it is needed to analyze the hitherto effectiveness of the enterprises, the factors that determine its current level, as well as the processes of changes that may affect the future efficiency of the company. For this purpose it is necessary to analyze the competitive and macroeconomic environment of the company, indicate the strengths and weaknesses of the company, the foreseeable risks and opportunities for development. Analysis of the effectiveness of the company's activities should include the following: company's profitability, profit margin, cash flow, market share, market valuation of the company.

Characteristics of the author's own research

Empirical research conducted by the author among 58 enterprises of the SME sector in 2013 were aimed at examining, on the basis of the opinions of entrepreneurs, the types of risks faced by entrepreneurs and determining the effects of economic instability for conducting business. Companies participating in the study are located in the following voivodeships: podlaskie, mazowieckie, warmińsko-mazurskie, wielkopolskie i kujawsko-pomorskie. The samples for research were chosen purposeful, entities participating in the study varied in terms of size, organizational and legal form, place of business and business profile. Most strongly represented in the study were entities from the services and trade sector, which reflects the structure of the SME sector in Poland. The respondents were owners or managers of companies. Due to the researched issue, the companies that operate on the market relatively long were invited to participate in a pilot study.

Organizational and legal form of companies surveyed exposes typical for small and medium businesses dominance of entities run in the form of individual business activity (27 enterprises). Frequently represented in the sample were limited liability companies (13 enterprises) and the civil law partnerships (11 enterprises). Among surveyed enterprises were 3 general partnerships and 2 joint-stock companies, one limited partnership and one state-owned enterprise. From the perspective of the volume of employment, the sample was dominated by micro and small enterprises, which accounted for a total of 85% of the entities. 15% of surveyed enterprises

belong to the group of medium-sized enterprises. Entities not employing workers did not participate in the sample, therefore the share of micro-enterprises in the surveyed group was lower than in the population of all enterprises. The examined enterprises were located in small towns (village – 10 enterprises in the group, towns with less than 20 thousand inhabitants – 7), medium-sized towns (towns with population of 20-50 thousand inhabitants – 5 enterprises, towns of 50-100 thousand inhabitants – 28) and the cities of over 100,000 inhabitants – 8 entities.

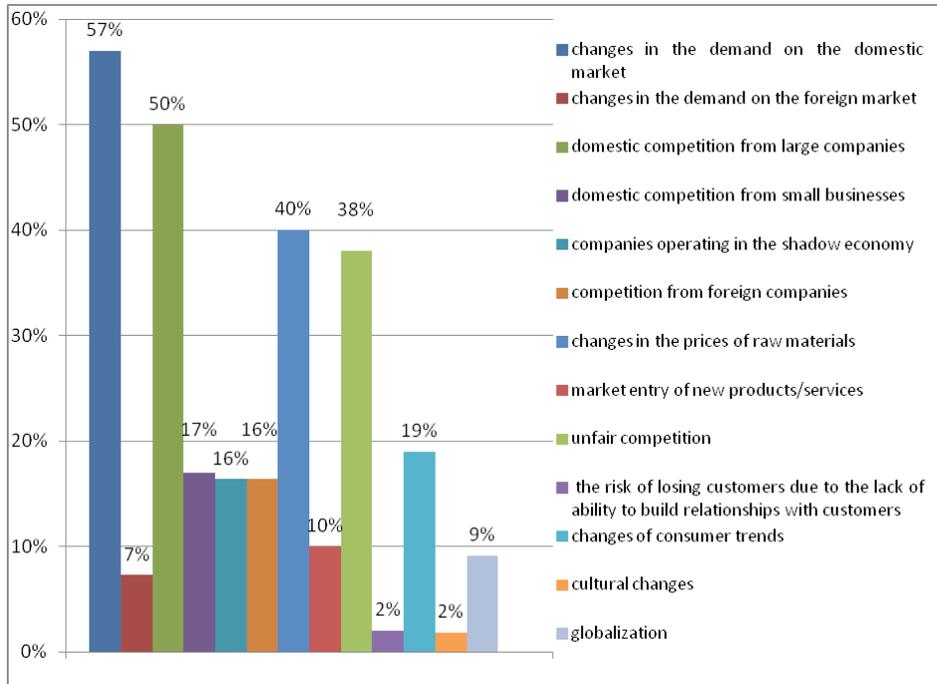
1. To verify the hypothesis assuming that small and medium-sized enterprises are feeling the increasing instability of external business environment the entrepreneurs were asked the following questions: Does the enterprise feel the risks in doing business associated with changes in market conditions?
2. Does the enterprise feel the financial risk in doing business?
3. What factors impede doing business in Poland the most?

Risk in the SME sector in the light of the research

Analysis of the market risk of the surveyed companies on the basis of the obtained answers can formulate an opinion that the greatest threat for economic activity are changes in the demand on the domestic market (this answer was given by 57% of respondents). The instability of demand is induced primarily by the decline of real income of the population and the inflow of substitute products from abroad. Other significant factors of market risk pointed by the respondents were domestic competition from large companies (50% of responses), changes in the prices of raw materials (40% of responses) and unfair competition (38% of responses). Less importance the participants of the study attributed to changes of consumer trends, domestic competition from small businesses and companies operating in the shadow economy, competition from foreign companies (respectively 19%, 17%, 16%, 16% of responses). As the insignificant factors of uncertainty respondents recognized changes in demand on foreign markets, the risk of losing customers due to the lack of ability to build relationships with customers and cultural changes (respectively 7%, 2%, 2% of responses).

Analysis of financial factors relevant to doing business allows to conclude that the biggest hurdle for entrepreneurs are changing condition of the loans (43% of responses), changes in the conditions of using EU funds (38% of responses) and changes in exchange rates (33% of responses). As a particularly troublesome, respondents consider complicated banking procedures and conditions of the security of loans, which are difficult to meet, and complicated procedures of applying for EU funds. As the most important financial factor facilitating conducting business activity participants of the study recognized the reductions of interest rates (14% of responses).

Figure 1 Does the enterprise feel the risks in doing business associated with changes in market conditions? *



Source: Prepared on the basis of own research.

* respondents indicated 3 greatest risks in their companies

Table 1 How do the factors listed below affect the functioning of the enterprise?

Specification	Hinder	No influence	Facilitate	Not applicable
Changes of the interest rates	29%	24%	14%	33%
Changes of the exchange rates	33%	26%	2%	40%
Changes of the conditions of loans	43%	19%	5%	33%
Changes of the conditions of capital investment	14%	19%	9%	59%
Changes of the conditions of leasing	12%	14%	9%	66%
Changes of the inflation rate	31%	22%	7%	40%
Changes of the conditions of the use of EU funds	38%	7%	10%	45%

Source: Prepared on the basis of own research.

Entrepreneurs asked, which factors impede conducting business activity in Poland the most could indicate the 3 major risks and difficulties that affect their business. The factor most hindering conducting business activity in the opinion of the respondents are highly burdened labour costs with social security contributions (64% of responses). A large group of respondents said that significant obstacles in doing business are the changing, unclear tax law and high costs of tax settlements (respectively 52% and 45% of responses). The following factors limiting entrepreneurship in the opinion of the respondents are: long-lasting administrative procedures (29% of responses), changing, overly complex reporting obligations (22% of responses), and complex rules of public procurement (21% response rate). The obtained results are closely related to the result of the research by the Ministry of Economy, the Confederation Lewiatan, Polish Agency for Enterprise Development and the author's own research conducted among the SMEs operating in the Podlaskie [*Przedsiębiorczość ...*, 2013 *Black list of barriers ...*, 2013 .. *Global Report*, 2012] .

Table 2 Factors hindering conducting business activity in Poland the most*

Specification	Response rate
Political instability	10%
Changing, unclear tax law	52%
High costs of tax settlements	45%
Companies registration costs	3%
Bankruptcy costs	2%
Changes in the level of the minimum wage	10%
Changes in the conditions of hiring and firing workers	17%
Costs and complexity of employment documentation	17%
Long-lasting administrative procedures	29%
Highly burdened labour costs with social security contributions	64%
Changing, overly complex reporting obligations	22%
Complex rules of public procurement	21%
Other	3%

* respondents indicated 3 greatest risks in their companies

Source: Prepared on the basis of own research.

When asked about whether they felt that unstable economic conditions is increasing, the surveyed in overwhelming number responded affirmatively (80% of responses). Only 7% of respondents specified that the uncertainty of economic conditions decreases, and 13% said that the uncertainty of economic conditions is not changing.

Table 3 Does the uncertainty of economic conditions increases?

Specification	Response rate
Increases	80%
Decreases	7%
No changes	13%

Source: Prepared on the basis of own research.

The increase in instability of the environment in which enterprises operate was unequally assessed by the entrepreneurs conducting business in small and large towns. The smallest percentage of responses confirming the increase in volatility of economic conditions (67%) was obtained from respondents representing enterprises located in cities with populations above 100,000 inhabitants. In smaller towns the proportion of indications for answers „instability of economic conditions increases” amounted to 80 percent or more.

The effects of economic instability for the SME sector in the light of the research

Entrepreneurs participating in the study determined that economic instability mainly affects investment decisions and financial situation of the enterprises. As many as 62% of entrepreneurs indicated that the result of the uncertainty of economic conditions is reduced propensity to invest. Liquidity risk and the deterioration of the financial situation of the company are the effects of instability in the opinion of more than half of the respondents. The result of economic instability, pointed out by the respondents, is the uncertainty in doing business, reduction of employment and no prospects for development, which in turn can lead to refraining from conducting business activity. What is worth emphasizing is the fact that among the consequences caused by volatility of environment the entrepreneurs participating in a pilot study saw the positives: increased flexibility and increased entrepreneurship.

Table 4 What are the effects of economic instability for the company? *

Specification	The response rate
Reduced propensity to invest	62%
No prospects for business growth	29%
Uncertainty in doing business	52%
Deterioration of the financial situation of the company	50%
Liquidity risk	53%
Escape to the shadow economy	19%
Decrease in employment of the company	41%
Increased entrepreneurship	19%

Increasing flexibility	34%
Aiming at the discontinuation of business	19%

* Respondents could indicate all present consequences

Source: Prepared on the basis of own research.

Important from the point of view of the study was to investigate ways of responding of entrepreneurs to changes in the socio-economic environment. Participants of the study were asked whether the instability of the environment in which they operate forces changing of the business model. Majority of them responded affirmatively (59% of responses). Only 12% of respondents do not see the need to change their business model.

Table 5 Does the instability of the environment in which enterprises operate forces a change in the business model?

Specification	The response rate
Yes	59%
No	12%
Difficult to say	29%

Source: Prepared on the basis of own research.

The answers obtained can be concluded that the most frequently implemented strategy of action in the conditions of instability of the environment is reduction of the operating costs of the company (83% of responses). More than a half of the respondents indicated that when seeking ways to survive in a turbulent environment they implement innovative solutions that enables the company to be competitive in the market and seek to gain competitive advantage through a better product quality. Subsequently, respondents indicated that their response to the unpredictability of market conditions is to analyze the legal, macroeconomic and financial situation and diversify their business activity. Actions indicated by the respondents taken in the conditions of instable environment should be assessed as adequate to the situation of uncertainty.

Summary

Dynamics of changes faced by contemporary enterprises is much greater than in earlier periods. This requires the management of the companies to undertake adaptation measures, which will allow the companies to survive and achieve an advantage over competitors, as well as predict possible events and make decisions that will protect the company against the effects of economic instability. Changes in the environment may become an inspiration to create innovative solutions and implement new business models, as well as may be an incentive to the restructuring

of the company, but they can also lead to the collapse of the company, if the managers do not take corrective actions on time.

The conducted pilot study allowed the author to specify the types of risks faced by entrepreneurs and the effects of economic instability for the companies. Vast majority of entrepreneurs participating in the study claimed that the companies from the SME sector feel the increasing instability of the external condition of conducting business activity. Respondents indicated that conducting business is mostly hindered by the risk associated with the volatility of the market demand and instability of financial conditions associated with the acquisition of external funds (loans and funds from the EU). Despite the measures taken by the government to facilitate the activities of entrepreneurs, the respondents pointed out that many of the problems in running of the company are caused by the changing, unclear economic law and high costs of hiring employees.

Unpredictable, profound changes in the environment of contemporary enterprises cause considerable risk in doing business, for which management of companies is not always prepared. Due to the instability of the external situation, necessary for the survival and the market success become the internal changes in companies. Participants of the study asked whether the currently observed instability of the environment in which enterprises operate forces changes in the organization of production (change of the business model) in the majority responded affirmatively. This indicates an understanding of the need for a rapid adjustment of the business model of enterprises to an unstable environment. The ability of SME sector enterprises to react flexibly to new socio-economic conditions emerging in the environment can provide these entities with a competitive advantage over large enterprises.

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The Importance of Organizational Culture for Entrepreneurship in Family Businesses

Abstract: The article discusses the issue of the importance of organizational culture for business development of family businesses. In connection with the above, there will be presented the essence and types of organizational culture, leading to the entrepreneurial attitudes of all members of family business. The theoretical part of the article is supported by empirical research, carried out in a selected group of family businesses in various industries in Czestochowa.

Keywords: organizational culture, entrepreneurship, family businesses, impact, development

1. Introduction

Organizational culture plays an important role in the life of every organization, and in case of a family business, its significance is gaining a greater attention. The main reason of the above are deeply rooted, long-established traditions and values. On the one hand, they may constrain innovative activities of an organization, due to multiple copying clichés of the functioning and on the other, with appropriate flexibility of an organization and creativity of a younger generation, they may lead to creative plans and future decisions. The above leads to the conclusion that an entrepreneurial family business requires appropriate potential and changes, the ones which are both more and less visible, and elements of organizational culture with a focus on pro-innovative thinking.

Therefore, the task of organizational culture is to set certain limits, bringing about the isolation of an organization from others, giving it its peculiar character,

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its manner of functioning, regarding the market and clients. On the other hand, for people working there, it gives a sense of identity while constituting the reference point and determining their everyday behavior and decisions, leading to a common interest. Its existence is independent of ownership or organization size. On the other hand, in case of entrepreneurship, the situation is rather different, i.e. either the company shows entrepreneurial attitudes and benefits from it or not. While using the definition by S. Sudol [2008, p.10] either the company possesses some entrepreneurial features (also concerning the employees individually), manifesting themselves in its processes, projects, activities or the way of management, or it just remains on the market with the remnants of the possibility. According to K. Chudy: "Moreover, entrepreneurship refers to the attitudes of an entrepreneurial person, the person who, actually, takes up their own business, manages it, accepts their own failures. An important role of an entrepreneur results from the fact that it is them who discover consumers' new needs, introduce new products onto the market, discover new markets, technologies, reorganize the existing enterprises or create new ones, achieve goals effectively or implement new management methods, above all, the ones of managing people and leading to increase in work efficiency" [2011, p. 41]. Different ways of understanding entrepreneurship result in lack of precise definition of this phenomenon. In the view of the above, how does entrepreneurship develop in family businesses?

From the perspective of large, world family businesses (like Ford), the phenomenon of entrepreneurship in family businesses is not a concept entirely unknown. The situation is different in case of Polish family companies which, only 25 ago, ran a stable and profitable business, while not expecting that, to them, the consequence of "free market" would be a necessity to face trans-national competitors, e.g. the Asian ones. For many local entrepreneurs, who inherited their businesses, it was a moment of the outbreak of a real revolution, which often resulted in the fall, or in the best case, the change of business profile. (From the point of view of the discussed entrepreneurship, this was the beginning of paying special attention to the environment of an organization, also the distant one). And so, out of the chaos of the unknown and frequently accidental activities, there emerged the first patterns of specific actions, among others, what tools should be used to beat competitors effectively, what techniques and marketing tricks will attract clients the fastest, how to build a strong relationship with a client, and finally the most important, where from and how to gain knowledge for creating innovative products or services. Nowadays, the knowledge of management, marketing or economic laws is no longer a significant problem in the performance of functions in family businesses but very often it happens that their activities are not connected with organizational culture which, by some, is simply treated as internal atmosphere of a company. If a family business requires from its employees to adopt and conform to

values, principles, views and norms of behavior in force in an organization, while simultaneously emphasizing efficiency, success and creating innovative solutions, it should provide its employees with appropriate working conditions and possibilities of their development. Entrepreneurial attitudes often have their origin in free workplaces, not bound by the excessive control, and organizational culture should create and support such developmental working conditions.

Therefore, the aim of the present paper is to examine the importance of organizational culture for creating entrepreneurship in family businesses. The research is based on the literature studies and the empirical results obtained from the conducted survey.

2. Organizational culture in the importance of entrepreneurship in family businesses

Family businesses occupy an important place in the economy of Poland and other countries. Simultaneously, they are the oldest form of running a business activity and as some claim, they constitute a very durable and strong pillar of Polish economy [Kempa 2011, p.73; <http://www.forbes.pl/artykuly/sekcje/Wydarzenia/pawlak--firmy-rodzinne-trwalym-filarem-gospodarki,25356,1>]. In the opinion of the above author, apart from the basic functions, i.e. production, sales of products or services, there is concern for family ties and satisfying the needs of family members. Therefore, a family business is a specific creation of a business activity which, with the proper management, meets financial and non-financial objectives. This, in case of this type of activity, means, on the one hand, waiting for steady profit and achieving success (it is often a long-term plan on well-thought investments), and on the other, tightening family ties, creating one community and securing the succession. The practice shows, however, that the effective succession for two or more generations in family businesses is not so easy. The chances for a family business to survive long enough to be passed to the hands of another generation are not big. And so the research shows that only 30% of the companies will last to the next generation and only 10% to the third generation, whereas merely 3-5% of the companies will survive to the fourth generation [Fleming 2006, p. 8; Tomski 2011, pp. 137-150]. There are a lot of reasons of this phenomenon, beginning with the displacement by foreign competitors, discussed above, through family conflicts, lack of a successor, ending with lack of ideas for further existence of the company. In spite of many obstacles, these 30% of the family businesses found a way to stay on the market for another generation. It is possible to acknowledge that, to a large extent, it is the result of well-established strategy, supported with values, principles and rules of operating, bringing about creative thinking and aiming at searching for the latest solutions.

It is also worth remarking that family businesses in Poland, most frequently, are not such large organizations, which were formally established and for the

functioning of which a very formal nature of business is needed. Because of that, less formalized family organizations are more flexible, they adapt to changes more easily, they are not so bureaucratic, which brings about easiness of decision-taking among family members and easier establishment of goals, and also the correction of their potential if needed [<http://firmyrodzinne.pl/warto-przeczytac/baza-wiedzy/45-artykuly/70-charakterystyka-firm-rodzinnych-cz1.html>]. In family businesses, which is important, there is stronger identification with the values of the enterprise itself or internal beliefs as for the accomplishment of the company's mission. Successors, who are to continue a family business, take over responsibilities resulting from the main values, constituting the identity of the company. They often focus on the standards they got accustomed to. However, it does not mean the rejection of innovativeness. This consists in preserving the values which lead to the establishment of the company, its success, the ones which are in the awareness of family members who create business as well as the remaining unrelated employees. Their maintenance is important from the point of view of the company identity.

In case of creating entrepreneurial environment, it is important to change the attitude of employees, their way of thinking, which will no longer consist in outdated, obsolete solutions but contrary, in searching for unknown, far from beaten, tracks. Activity or otherwise understood creativity of the people in a family business must result from not only the need of a situation but also the future image of the company and the assessment of its position among the competitors. This means, among others, the openness for the needs of the market and flexibility, the rate of reaction to changes, sometimes taking risk. An important role is also played by the factors which are closely related to organizational culture like, among others, [Antoszkiewicz 2003, p.11]:

- initiative,
- persistence in pursuing goals,
- corporate social responsibility,
- ability to search for opportunities and occasions,
- ability to learn fast (training and self-development of employees),
- openness for information from the outside,
- social and family conditions,
- leadership skills,
- motivating employees (rewarding for the performance),
- identification and assessment of strengths and weaknesses of an organization.

To activate and develop the above factors, it is important to pay attention to the cultural aspects of family businesses. The determinant is building up a common trust between the senior/founder of the company and the successors and employees who are not relatives. Moreover, there must be a common goal for their activities, focusing on the actions and involvement of all the participants of the business.

Collectivism, characteristic of Japanese companies, should be reflected in running a common business by the family.

According to A. Puto [2013, pp.25-26], the companies from the SME sector, including the family ones, must fight for their autonomy and the management ought to allow employees to take decisions corresponding to the principles and values of the entire company. Therefore, for the development of creative potential of employees of a family business, there is a need for appropriate management, directed towards the opportunities of the company development, which is consistent with appropriate atmosphere and non-creating communication barriers.

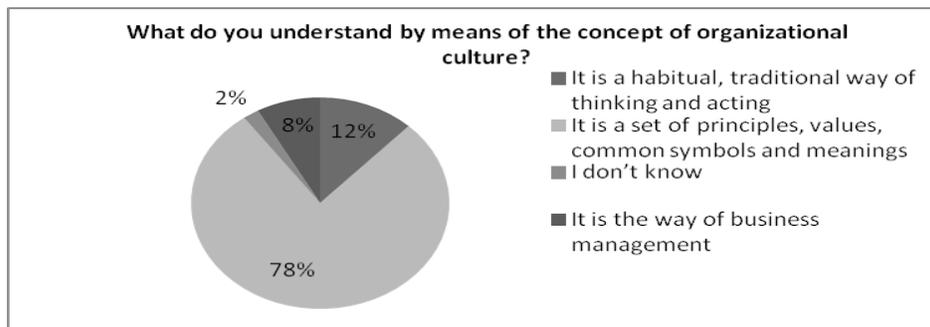
3. Entrepreneurial organizational culture of family businesses in the research results

The questionnaire was used to carry out the assessment of the importance of organizational culture for entrepreneurship in family businesses. The obtained results allowed to specify whether and how organizational culture influences the entrepreneurship of these companies. In the questionnaire there were used closed-ended questions and the research was anonymous and it was a pilot study supplemented with direct interview.

The research was conducted in the four selected family businesses located in the city of Czestochowa in December 2013. 56 correctly filled in questionnaires were obtained. Among those questioned, there were 34% of women and 66% of men (the respondents were both family members and the remaining, not related, employees).

To assess the problem under consideration, the responses to the following questions, presented in the below figures, were analyzed.

Figure 1. The understanding of organizational culture



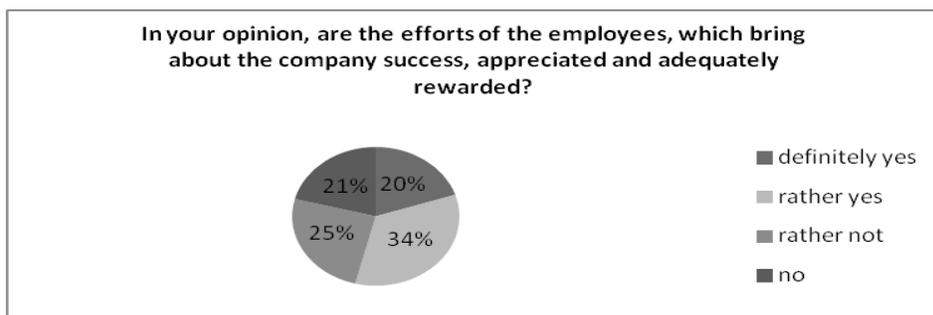
Source: The author's own research based on the conducted studies.

The obtained answer concerning *the knowledge of the concept of organizational culture*, among the employees of the analyzed family businesses, seem to be satisfactory.

As much as 78% of the respondents indicated the most important elements of the culture in the company, i.e. principles, values, common symbols and meanings. Therefore, the knowledge of this concept is not unknown but, what is more, during direct contact, the respondents are able to list a few principles, rules or values (even though they are not written down formally e.g. in the form of the code of ethics) in the company, while simultaneously acknowledging them as rightful and giving an exceptional character to a family business. 12% of those questioned regarded organizational culture as habitual and traditional ways of thinking, which, in a simplified way, also characterizes the concept under research. Only 8% understand the term of organizational culture as a way of management and 2% are not able to assess what it consists in. However, in the next question: *Is there strong attachment to the values and traditions in the company?*, 61% of the respondents answered 'yes' whereas 39% - 'no'. During the direct interview they explained that they are aware of the existence of organizational culture in their companies but, e.g. they treat traditions, holidays and other events in their workplace more like entertainment than the culture.

Then, there was assessed *the atmosphere in the family businesses under research*. In spite of the fact of receiving many positive opinions, i.e. 32% of the respondents evaluated the atmosphere and moods in their companies as very good, 48% as good, 18% as average and only 2% as very bad. During the direct interview the employees (mainly the successors) complained about excluding them in the decision-making processes, sometimes ignoring their ideas or requests. From the perspective of entrepreneurship, such organizational climate does not seem to be advantageous, which the managers of the family businesses were informed about after conducting the research.

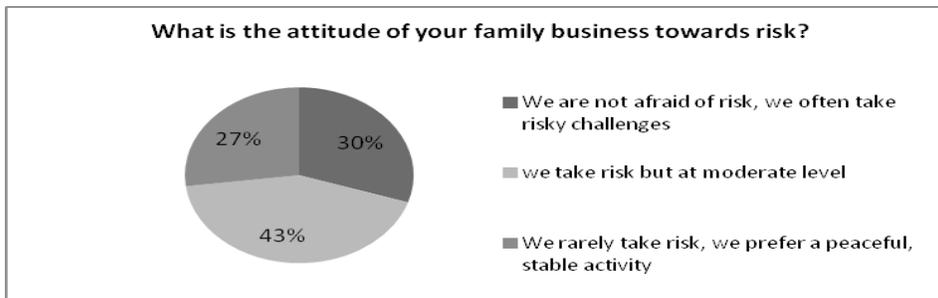
Figure 2. The assessment of the appreciation of the involvement of the employees in the performance in the companies under research



Source: The author's own research based on the conducted studies.

Another question (Fig. 2) referred to the assessment of the contribution and efforts put in everyday struggle with tasks by the family business employees and whether this contribution, bringing about the company success, is appreciated. In this case, the proportions of the responses were spread evenly, i.e. 21% of the respondents feel appreciated in their job, 34% answered 'rather yes', and 25% - 'rather not' and also the same number answered 'no' (21%). Adequately to the previous question, also in this case the situation in the family businesses under consideration is not regarded as exceptionally motivating to further activities and the involvement of the employees in a common goal. Therefore, there are required some changes in the values and certain rules e.g. rewarding the subordinates the successors sometimes forget about. It is essential for the development of employees, their efficiency and aiming at innovativeness, even in a small family business.

Figure 3. The attitude towards risk

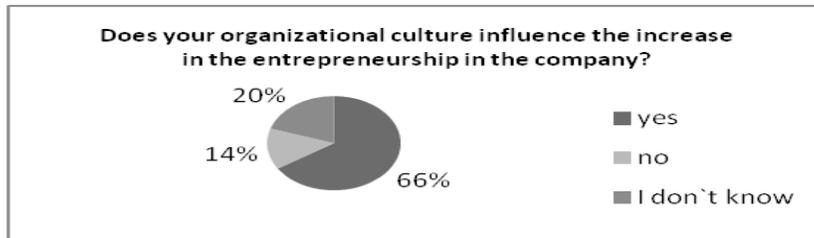


Source: The author's own research based on the conducted studies.

The above Figure (Fig. 3) indicates that the analyzed family businesses, in the respondents' opinion, in most cases (43%), are careful as for risk-taking. 27% of those questioned think that their companies often take risky actions, and 30% point out at their rarity, while choosing the stable activity. According to such authors as R. Cantillon, J.S. Milla or G. Knight [Gostkowska-Dźwig 2011, p. 9] willingness to take risk is the integral part of an entrepreneurial organization. Therefore, the family businesses under research ought to more frequently search for market opportunities and take risk, while appraising their own potential.

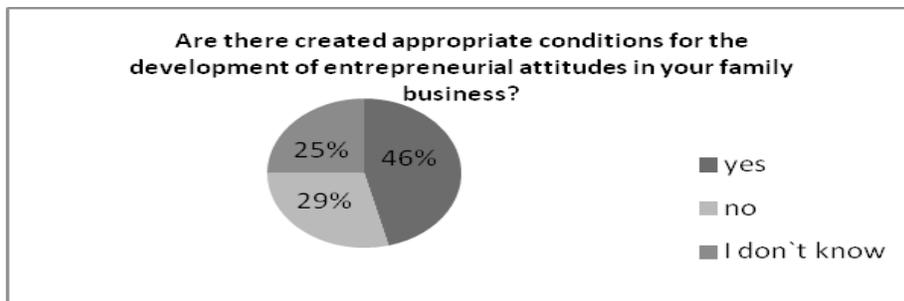
In the opinion of the respondents of the family businesses under consideration, 66% think that their organizational culture influences the development of entrepreneurship in the company (Fig. 4). 20% express no opinion and 14% do not associate the increase in entrepreneurship in the company with organizational culture. While referring to the theoretical considerations on the problem, receiving 66% of the 'yes' responses, seems to be satisfactory. For the analyzed group of employees, the culture in the company is expressed in entrepreneurial behavior of the employees.

Figure 4. The influence of organizational culture on entrepreneurship



Source: The author's own research based on the conducted studies.

Figure 5. The assessment of the conditions for the development of entrepreneurial attitudes



Source: The author's own research based on the conducted studies.

In another question, the respondents were asked about creating the conditions for the development of entrepreneurial attitudes in their family businesses (Fig. 5). In the opinion of 46% of the respondents, in their companies there are created the conditions favorable for the above. The responses to another question state what kind of conditions were most frequently indicated. On the other hand, for almost the same amount of the respondents, i.e. 29% (the answer 'no') and 25% ('I don't know'), there are no visible conditions favorable for the expansion of entrepreneurship in the company. This may be the evidence e.g. of lack of knowledge, by the employees, on the undertaken development activities by the managers of the company, and promoting them inside the company or, actually, ignoring the market situations by the managers and not paying attention to the needs for development.

Table 1. The factors determining the entrepreneurial attitude in the family businesses under consideration

Factors	The percentage of responses (in case of a positive answer to the previous question, the respondents selected 3 factors conditioning the entrepreneurial attitude in their company)
Employees attend specialized training (symposia, conferences)	15%
Employees are encouraged to self-development	73%
There are introduced some improvements in the company if needed	61%
There are promoted some positive (socially ethical) attitudes	36%
Employees possess professionally prepared workplaces	46%
Creative employees are always appreciated	50%
There is preferred the participative management style (giving more discretionary powers to employees)	19%
The company is willing to take new challenges	50%

Source: The author's own research based on the conducted studies.

According to Table 1, the entrepreneurial working conditions are not unfamiliar to family businesses. The companies under research, above all, concentrate on encouraging their employees to self-development (73%) (in two of the examined companies, this was partial funding of gaining expertise). 61% of those questioned indicated that their company introduces, if possible, the improvements in workplaces to increase efficiency (e.g. by automation, computerization). The respondents also pointed out that their enterprises are willing to take new challenges (50%) and their creativity is appreciated (50%). What is important, in the examined companies, the attention is drawn to the promotion of socially ethical attitudes (36%), which is also significant for the evolution of organizational culture and incorporating, with regard to the employees, some ethical values referring to the internal and external environment of the company. Only 19% of the respondents pointed to using participative management style by the companies. This situation, from the point of view of family businesses, is not favorable since this style could stimulate, to a greater extent, the employees to be creative or to show their hidden skills in different situations.

4. Conclusions

Paying attention to the role of culture in creating entrepreneurial work environment is becoming increasingly important for the Polish business from the SME sector. It is not possible to be an entrepreneurial family business without appropriate cultural attitude. There is strong cultural potential in Polish family

businesses, though it is sometimes suppressed by conservative and traditional habits. Any entrepreneurial activities of the company require openness, flexibility or pluralism of the ideas and this, in turn, makes managers and their subordinates build up inspiring, creative work environment and use employees' intellectual potential the most considerably. From the perspective of the temporary pace of change, the priority for the majority of family businesses should be pro-innovative and entrepreneurial attitude and organizational culture ought to operate in here as a supportive element, giving an entrepreneurial direction to the activities. The discussed determinants of organizational/entrepreneurial culture, clearly indicate the necessity of significant changes of many important values, norms and organizational rules, for unifying people's work in the entrepreneurial environment. The conducted research presented the situation of the four Czestochowa family businesses which, in spite of many problems, crises, have been staying on the market for at least two generations. This has been considerably influenced by organizational culture which, in these four cases, has evolved along with the market needs, while aiming at creating the development opportunities of the companies. The successors preserved the most important values of organizational culture but they also did not forget about introducing changes, which is extremely important for the contemporary businesses.

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