Collating Summary of the Literature on:

Fundamentals of SME Management, Entrepreneurial Finance, Corporate Governance, HR, Immigrants' Integration and Transition Issues

Compiled and edited by Miklós Losoncz, Budapest Business School based on the reports of the collating teams

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1. General considerations

Although it was essential, the terms of reference of the Family Business (FB) Sustainability and Growth Project (FAME) did not allow explicit preparatory research activity to lay down the conceptual and theoretical foundations of the work. In order to circumvent this administrative barrier, a collating group was set up organising the collection, the review and the analysis of the available literature on the subject and the compilation of synthesised summaries thereof before the actual start of the project.

The literature collected, reviewed and analysed was structured according to the teaching modules, which are as follows:

IO1 Collating of the results of the off-project preparatory in-depth research.

IO2 Fundamentals of SME management.

IO3 Entrepreneurial finance.

IO4 Corporate governance, HR, immigrants' integration.

IO5 Transition issues.

(IO stands for Intellectual Outputs, SME for Small and Medium-sized Enterprises.)

English, Polish and Hungarian language literary sources relevant to each topic (named intellectual output) indicated above were uploaded to the individual directories of the CooSpace webpage at Budapest Business School (http://coospace.uni-bge.hu/CooSpace/Home) available to all the participants of the FAME project.

The number of literary sources uploaded to CooSpace is as follows:

IO2 Fundamentals of SMEs uploads:

Literature in English: 22

Literature in Hungarian: 7

Literature in Polish: 9

IO3 Entrepreneurial finance

Literature in English: 124

Literature in Hungarian: 11

Literature in Polish: 22

IO4 Corporate governance, human resources, Immigrants' integration

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Literature in English: 16

Literature in Hungarian: 9

Literature in Polish: 7

IO5 Transition issues

Literature in English: 32

Literature in Hungarian: 8

Literature in Polish: 4

As far as the working methodology is concerned, the members of the collating team made overviews and summaries on the original English, Polish and Hungarian language literary sources relating to each topic of family business indicated above according to a pre-determined and approved structure in line with that of the teaching modules.

This report corresponding to IO1 of the categorisation referred to above contains the overall summary of the collating exercise based on the literature summaries of the individual topics. The individual reports can be downloaded from CooSpace

The objective of this summary is to provide the participants of the FAME project, first, with a comprehensive overview of the literature surveyed by putting together, streamlining and editing the reports made on the individual topics. As a result, module developers can obtain a general overview on the literature surveyed with the perception of the relationship between the individual modules.

Second, the report together with the papers on which it is based serves as the theoretical and conceptual foundation of the FAME project, and in this capacity, it provides the curriculum developers of the individual teaching modules with intellectual inputs. The collection, the review and the synthesis of the relevant literature are based on the structure of the individual teaching modules.

The in-depth research concerning the sustainability of SME Family Businesses followed the basic idea of selecting theories elaborated for and concepts and practices derived from large public or private companies and other relevant issues that can be important and useful parts of the innovative Master level curricula for students involved in family businesses and analysing their adaptability to SMEs and FBs. In other words, the guiding principle was that literary sources related to the individual teaching modules were identified, collected and uploaded to the CooSpace website that have implications for SMEs in general and family businesses in particular. The objective of FAME is namely to elaborate teaching materials, curricula and syllabuses tailored for the specific features and needs of family businesses. This should be the value added to the general literature

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covering the relevant topics.

As one of the starting point, the definition of family business should be clarified that seems to be rather controversial. There are more than 100 definitions and concepts of family businesses available in the literature. Furthermore, the terms covering family business are quite heterogeneous as well, with synonymous labels such as family firm, family company, family-owned company, family-controlled company, etc. Although most family businesses are small and medium-sized enterprises, they are not identical.

In the project, the definition of the European Commission was accepted to be used that describes family business as follows:

Family business is an undertaking in which '… most rights of decision are reserved for natural person(s) who founded the enterprise, or such natural person(s) who have obtained ownership in the enterprise or spouse, parents, children or children's children of the persons already mentioned, the rights of decision are direct or indirect, at least one member of family or kinship formally participated in the operation. Stock-exchange listed companies can be considered as family businesses in the case when the person who founded the company or purchased it or his family descendants have ownership over at least 25 % of shares represents right decision'. Nevertheless, other definitions, too, were discussed in the reports.

The second controversial term is the family. There are many definitions for the family as well. From the point of view of family enterprises one useful definition is the following: The family is a group of people that is tied to the founder of the undertaking by blood or marriage. This issue has also been picked up in the literature overviews.

The relationship between family and business is also an important element of the subject.

It should be mentioned in advance, too, that in spite of a great number of attempts, no comprehensive and coherent theory of family business has been developed so far that enjoys general acceptance by specialised in this field. Nevertheless, it goes without saying that the elaboration of such a theory was not the task of this collating exercise. Anyway, the major challenge was to tailor the methods and the research results of other economic sciences to the needs of family businesses.

In identifying, collecting and overviewing the literature, the target group, too, was considered. As defined in the original project proposal, the main objective is to design a Masters level specialization targeted at SME FB leaders to be delivered as the second year of a Master programme in Entrepreneurship, responding to the perceived need on behalf of FBs for long-term support in practical and theoretical issues in FB sustainability.

In line with the title and the contents of the FAME project, sustainability was also

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addressed, it was a guiding principle that appeared in the literature reviews and summaries.

2. Fundamentals of SME Management

2.1. Application of larger company models to SMEs[1]

From initial findings it seems that some of the larger company models have elements that can be applied for SMEs. For example, Mintzberg's 10 strategic schools include the 'entrepreneurial school', in which the entrepreneur's strategy is determined by the vision and a certain degree of gut feeling. However, there the issue of which strategies specifically are employed by SMEs seems to have had little attention. It became apparent that SMEs often lack an exit strategy, despite the fact that the majority are statistically likely to do so. From the view point of sustainability, this aspect is concerned with sustainable entrepreneurial capital, which in turn is critical to the continuation of the continuance of an efficient and entrepreneurial market. Larger company models, such as Porter's generic strategies, could be considered in an SME context, although the application of a model with a limited range of 'off the peg' strategies might limit the discovery of the actual (innovative) strategies that entrepreneurs employ.

Strategy formulation in SMEs has been described in the literature as involving a perception of strategy as practice. This however is often an assumption. The approach to strategic planning is affected by this perception. Whilst many SMEs do not have a formalized strategic planning process, the perception of strategy as practice appears to be linked to the local and situational elements, as well as what each SME perceives as the 'rules of the game'. An explorative study into the perception and meaning of strategic management in the context of SMEs may serve also as a means of discovering entrepreneurial leadership styles and the requisite attributes that accompany a perception of strategy as practice.

In the context of strategy and sustainability, organisational culture should be a key consideration. After all, 'culture has strategy for breakfast'. However, in the context of SMEs, the literature indicates that the existence of organisational culture is somewhat debatable. Despite this apparent lack of literature, many experts suggest that the early stages of growth in SMEs should be seen as an opportunity to 'build a culture'. There has been little attention to how this takes place (if at all) and what types of entrepreneur are more (or less) likely to take this opportunity to build a culture.

[1] Nick Chandler: Research Summary http://coospace.uni-bge.hu/CooSpace/Scene-171172/Folder-271521/Index/IO2%20Fundamentals%20of%20SME%20management

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Leadership style has been covered in SMEs extensively, and there are various models used for larger companies that could be applied in an SME context such as the leadership grid (Daft, 2014) and the personal attributes and skills according to the 'Great Man Approach'. One area that seems lacking, however, is the issue of followership. A study into this might shed further light on the issues relating to succession, and the recruitment and mentoring of new employees as the firm expands.

Finally, the literature has indicated the use of alliances by SMEs to overcome issues such as growth and the liability of newness. Networking appears as a key strategy for SMEs in the early stages and relates to the personal skills, attributes and behaviours of entrepreneurs. This begs the question as to whether a greater external focus leads to a lower internal focus (as in Cameron and Quinn's model of managerial effectiveness). In a nutshell, the question arises as to whether the need for networking and alliances, leads to a lower value placed on internal assets (staff, systems, shared values etc.).

2.2. Fundamentals of SME Management[2]

Based on the literature collected in English, Polish and Hungarian the following literature is seen to be relevant to the Fundamentals of SME Management module. The main objective of this report is to present an overview of literature based on the module structure. It is expected that some of the literature identified here will be drawn on and used to inform and theoretically underpin the delivery of the module. They may be used in full or in part for independent study and class reading and discussion purposes as a means to shed theoretical and conceptual light on issues pertaining to the management of family SME businesses. The purpose at this early stage of the FAME project is to identify an indicative body of academic work that will be built on and developed as the project moves, adapts and responds to partner feedback and, among other things, educational circumstances as well as pedagogical requirements.

The literature identified here is intended to map on to the indicative module content so that both the established body of academic work can feed into and sit alongside the teaching materials and pedagogical delivery of the Fundamentals of SME Management. The literature dealing with topics covered in IO2 module is quite rich and rapidly growing. This report presents main findings of the literature review, following the adopted structure of the module and concentrates on six parts: Managing in the SME Environment; Entrepreneurs and Owner Managers; Growth and Development; New Products, New

[2] Collating Summary: Fundamentals of SME Management. Marek Szarucki: Report on Polish-language literature on Fundamentals of SME Management http://coospace.uni-bge.hu/CooSpace/Scene-171172/Folder-271521/Index/IO2%20Fundamentals%20of%20SME%20management

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Services; Entrepreneurial Marketing and SMEs and Internationalisation. The following content sub-headings have been developed and for each of these a brief explanation is given and some literature identified. For each sub-heading an abstract or part of an abstract or brief discussion is given for illustrative purposes to show the relevance of one particular suggested academic journal paper.

2.2.1. Managing in the SME Environment

The rationale for this sub-heading is to some degree self-evident as it allows for consideration of the concept of small family businesses as against non-family small businesses and how they operate in the micro and macro environments. This helps set the context for study of further sub-headed topics.

There is a growing number of Polish studies on managing SMEs in changing environment. Mostly they are related to the regional development with some specific concerns related to influence of macro and micro environments on SMEs development. Managing under changing macro conditions leads to SMEs adaptation to arising challenges that mostly flow from economic, legal, political, technological, social-cultural environments. There are some regional peculiarities of Polish environment which affects managing SMEs. The issue of entrepreneurship in the context of our times is deeply rooted in some historical developments of Polish economy. The transition process of Poland to the market economy can be divided into three periods: pre-reform and initial phase (1989-1993), development phase (1994-2003) and final phase, which began with Poland's accession to the European Union on May 1, 2004 (Wasilczuk and Zieba, 2008). Polish SMEs were under strong pressure of recent global finacial crisis (Bachnik, Skowronek-Mielczarek 2016; Bachnik 2016, Michałowska 2009). The topic related to the principles of Responsible Management Education (PRME) is rather not present in Polish literature yet. There is a growing interest towards the reaction of SMEs to the environmental protection and social responsibility challenges (Cyran, Dybka 2015).

The comparison of FB and non-FB SMEs by the following article is instructive:

"Using observations of 1,132 small- and medium-sized enterprises in eight European countries, a comparison is made of family and nonfamily businesses. The variables compared concern values and attitudes, objectives, and strategic behavior. The data reveal that family businesses are inwardly directed or closed family-related systems. Among their managers are fewer pioneers than "all-rounders" and

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organizers; as a consequence, their strategic behavior is rather conservative. Therefore, family businesses should be viewed as stable rather than progressive or dynamic factors of the economy."[3]

2.2.2. Entrepreneurs and Owner Managers

Literature on entrepreneurs and owner managers is growing (Ujda-Dyńka 2009; Tomkowiak 2010; Mazurek-Kucharska 2010; Ziemiański, Zięba 2014; Wach 2015). In this area, it is possible to find studies on family businesses entrepreneurs and owner managers, their personal attributes, skills and behaviours. Moreover, there is an important issue related to motivation behind starting own business (Szarucki, Eriksson, Larsson 2007; Konefał 2009; Szarucki, Wałęga 2008) and entrepreneurial attitudes among potential Polish entrepreneurs. Some authors deal with entrepreneurial leadership, usually perceived as corporate entrepreneurship as well as with specific culture that is common to small family businesses. There is also growing number of studies devoted to entrepreneurship among students (Strojny, Chodorek 2016), as well as describing attributes of social entrepreneurs (Piecuch 2014).

It is worth highlighting the abstract of the following paper finetuning the definition of FBs.

"In this paper, we first review the literature on the definitions of a family business. We then propose a theoretical definition based on a firm's intention and vision. We believe that this definition captures the essence of a family business. We examine the operational definitions used in the literature against our theoretical definition both conceptually and empirically. Conceptually, by identifying the overlaps and discrepancies, it appears that family businesses will be a subset of the populations identified by all except one of these operational definitions. The implication for empirical research is that data on a firm's intentions and vision must be collected to properly identify which are the family businesses within a sample delineated by the components of family involvement."[4]

2.2.3. Growth and development

Growth and development of SMEs constitutes a large body of publications in Polish literature (Jeżak 2016; Jakubiak, Buchta 2015; Niedzielski 2015). A lot of attention is concentrated on the competitiveness of SMEs and ways of its improvement. Studies have shown that, among other things, different constraints for starting and running a business are noticed in Poland. Moreover, it is worth to mention that different way (than in large enterprises) of conducting strategic planning in SMEs also has impact on company

[3] Donckels, R. and Frohlich, E. (1991) 'Are Family Businesses Really Different? European Experiences from STRATOS' Family Business Review, Vol. 4, Issue 2 Abstract.
[4] Chua, Jess H., et al. "Defining the Family Business by Behavior." Entrepreneurship: Theory and Practice, Summer 1999, p. 19. Abstract.

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competitiveness Szarucki 2012). Some studies concentrate on strategic entrepreneurship (Szarucki 2011) or development of women entrepreneurship (Kryk 2015).

It is worth highlighting a study on the stages of growth of SMEs.[5] "As a small business develops it moves through five growth stages, each with its own distinctive characteristics. Because the transition from one stage to the next requires change, it will be accompanied by some crisis or another. Crises tend to be disruptive and the problems of change can be minimized if managers are proactive rather than reactive. Prior knowledge of what generates crises and what to expect in each stage will smooth the process of change. This article proposes a model of small business growth to enable managers of small businesses to plan for future growth. The model has been successfully tested and used by the authors in analysing and solving the problem of growing small businesses. The model isolates the five growth stages, the sort of things that will precipitate crises and the major strategies that should be considered at each stage. Its main purpose is as a diagnostic tool in analysing the firm's present position and in planning what will be required as it progresses to the next stage of its development."

2.2.4. New products, New services

There is a growing body of literature on innovations, creating new products and providing new services by SMEs in Poland. Some authors are concentrating on product innovations, while others deal with methodology of innovativeness measurement in the SMEs sector (Weryński 2015), types and sources of innovations in SMEs (Plawgo, Klimczuk-Kochańska, 2015), role of knowledge in e-business development (Janczewska, Kamińska 2015). Some papers highlight necessary conditions of innovative processes in the sector of Polish small and medium enterprises. Favourable changes can improve the level of competitiveness of those companies on the market (Madyda, Dudzik-Lewicka 2014).

The following study on strategic innovation and new product development in FBs may be very useful.[6] "This study aims to investigate the relationship between the presence of the family variable within a business enterprise and the managerial factors affecting the success of new product development (NPD). This can be structured into three research questions: What is the relationship between the presence of the family variable within a business enterprise and the managerial factors affecting the success of NPD activities? How the managerial factors affecting the NPD process are faced in family firms? Which are the main differences (e.g. strengths and/or weaknesses) in dealing with the managerial factors affecting the NPD process between family and non-family firms?"

2.2.5. Entrepreneurial Marketing

Marketing in an SMEs context constitutes a growing body of studies on practices of marketing instruments' application in Polish companies (Burandt 2010; Heryszek 2011;

[5] Scott, M. and Bruce, R. (1987) 'Five Stages of Growth' Long Range Planning, Vol. 20, Issue 3. Abstract
[6] Cassia, L., De Massis, A., Pizzurno, E. (2012) "Strategic innovation and new product development in family firms: An empirically grounded theoretical framework", International Journal of Entrepreneurial Behavior and Research, Vol. 18 Iss: 2, pp.198 – 232. Abstract.

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Misiak 2014; Chmielecki 2014). Functioning of SMEs, in a dynamic market environment, is determined by the efficiency of undertaken marketing activities, which must consider the increasing customers' needs and requirements. Customer loyalty is an important element, which has an impact on decisions to buy products, and, according to marketing orientation, is the result of maintaining long-term customer satisfaction (Misiak 2014). Similarly, issues related to marketing strategies (Price, Place, Product, Promotion), differentiation, customer-orientation (Michalczuk, Widelska 2011), marketing innovations (Wojtkiewicz 2010), market research, sales are of importance in research on Polish SMEs. Some authors have conducted research on marketing audit application in SMEs (Bilińska-Reformat 2011). There is a noticeable increase in research problems related to digital marketing application by Polish SMEs, as well as mentioning Internet barriers to marketing communication among this type of businesses (Mazurek 2010) or utilisation of social media (Sobieska-Karpińska, Kutera 2009). Chmielecki (2014) argues that despite the fact that Poland has still relatively poorly developed Internet and consumer awareness, one can see that popularity of Word of mouth - WoMM is rapidly increasing. Moreover it has been noticed that communication with target buyers via social platforms is an important element of Polish SMEs business activity, although there may be noticed some differences in aims for their presence in social media (Pikuła-Małachowska 2015).

The following report providing a literature survey on SMEs and marketing is particularly useful.[7] "This paper presents a systematic review of recent academic literature analysing the role, organization and management of marketing activities in small and medium-sized enterprises (SMEs). To this end, 310 articles published between 2006 and 2015 in 69 main journals devoted to small firms/entrepreneurship and management/marketing fields were analysed. This review shows that SMEs' marketing has received great attention in both management and marketing literature in recent years. Findings reveal, on the one hand, the emerging role of networks and information and communication technologies in marketing behaviour by SMEs, and on the other hand a research gap in terms of specific marketing practices. Entrepreneurial marketing has been used as the main conceptual framework in reviewed studies, even if findings overall still point out a distance between the theoretical bases of reviewed contributions and the study of SMEs' marketing behaviour and practices. Therefore, future research on the role of resources, relationships and networks could benefit from the combination of theories developed within the field of entrepreneurship with other approaches such as the resource-based view, the dynamic capabilities theory and the Industrial Marketing and Purchasing (IMP) framework."

2.2.6. SMEs and internationalisation

There is a lot of studies on the Polish SMEs internationalisation process (Daszkiewicz 2007; Sękowska-Adamiak, Michna, Męczyńska 2013; Gajowiak 2014; Bielawska, Brojakowska

[7] Bocconcelli, R., Cioppi, M., Fortezza, F., Francioni, B., Pagano, A., Savelli, E. And Splendiani, S. (2016) 'SMEs and Marketing: A Systematic Literature Review', International Journal of Management Reviews, Vol. 00, pp. 1-28. Abstract.

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2014; Wach 2016). Among the issues related to internationalisation of SMEs in Poland, different forms of expanding business activity to foreign markets are of importance. Among them exporting as means to increase company competitiveness (Drejka 2006). The conditions of the external environment push companies for undertaking activities on the international scale. Very often internationalization is a necessity. Enterprises also undertake international activity as an opportunity for company development. Nevertheless, it is important to remember that as enterprises extend their activity, especially to overseas markets, the number of barriers repeatedly increases (Genge 2009). It is also important to broaden our understanding of antecedents of the global mindset and its significance for internationalization outcomes (performance and behavior) of small and medium-sized Polish firms. Some studies indicate that the global mindset is a key capability relevant for explaining the international performance of SMEs, although its impact on firms' international behavior is to some extent equivocal (Ciszewska-Mlinarič 2015).

The following paper highlights some interesting features of the internationalisation of SMEs.[8]"This study determines the extent of internationalization (i.e., global business attitudes and activities) of family businesses. A survey of 187 family businesses from northwest Ohio finds that family businesses do not regularly monitor the international marketplace or integrate global developments into domestic decisions. Although a small pool of businesses currently has ties with family businesses in foreign countries, many more would like to develop such ties. The study finds that if a family business does not get involved in foreign markets in the first and second generations, it is unlikely to do so in later generations. The majority of family businesses does not develop sources in foreign countries. The family businesses that do source from overseas markets do so mostly for cost and quality benefits. Approximately half of family businesses sold their products in foreign markets primarily via exporting and joint ventures."

3. Entrepreneurial Finance

3.1. Financial issues of small and medium-sized family enterprises in the English language literature[9]

A considerable part of the literature produced by UK researchers related to family owned small and medium enterprises discusses the performance of small and medium family enterprises (Family SMES). The literary sources focus on entrepreneurial finance in general and on the characteristics of entrepreneurs in relation to family business in particular.

[8] Okoroafo, S.C. (1999) 'Internationalization of Family Businesses: Evidence from North West Ohio, U.S.A.', Family Business Review, Vol. 12, issue 2, pp. 147-158. Abstract.

[9] Report On English-Language Literature On Small and Medium Family Enterprises (Family SMES) – Financial Issues http://coospace.uni-bge.hu/CooSpace/Scene-171172/Folder-271521/Index/IO3%20Entrepreneurial%20finance

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3.1.1. Thriving without Intervention: Entrepreneurship in Perspective

The entrepreneurial attractiveness that is important characteristics for Small and Medium Family Enterprises (Family SMES). Entrepreneurship can thrive with and without government intervention for family enterprises, providing they improve the quality of their performance through entrepreneurship thinking.

An entrepreneur is one who either creates a new invention/business idea/product/service that changes the way how market works, or one who redefines the market by carving a market niche where it is not replicable.

Nevertheless, there are many definitions of entrepreneur found in the management and economic literature and it is certainly a task to provide a concise and unambiguous definition. Endeavours to define it concentrated on utilizing the abilities that portray the entrepreneur, using those procedures and events which are a part of entrepreneurship, and using those outcomes that entrepreneurship leads to. Most of the existing definitions are a mix of these three. For instance:

An entrepreneur is a person who identifies an opportunity or new idea and develops it into a new venture project (Burke, 2006). The most of family enterprises are considered as an entrepreneurial thinking project.

3.1.2. Family businesses: do they perform better?

European Foundation for the Improvement of Living and Working Conditions, (2002) stated in their literature on how to manage family businesses, deal with conflict within the family owning the business and how to plan a proper succession is extremely voluminous and has been the topic of many conferences and studies.

Studies that have attempted to explain and/or quantify the performance of FBs cover a wide range of subject areas and disciplines. For example, the performance of FBs can be analysed in relation to an already large literature on ownership structure, such as the implications of corporate governance structures, or in relation to the particular systemic, psychological or economic characteristics that make FBs unique units of enterprise. Smyrnios, Romano and Tanewski (1997), a business should meet at least one of the following four criteria for it to be considered as an FB:

- More than 50% of ownership is held by a single family.
- More than 50% of ownership is held by more than one family.
- A single family group effectively controls the business.
- A majority of senior management is drawn from the same family.

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3.1.3. Succession Planning in Family-owned Businesses

Succession planning is an important factor that should not be overlooked as part of the business process in small to medium sized family-owned businesses. Succession planning can be defined as "…a structured process involving the identification and preparation of a potential successor to assume a new role" (Garman & Glawe, 2004, p. 120). The purpose of this research is to gain a better understanding of what issues should be considered when a family-owned business is determining who the successor will be and what skills and experience are valuable to the business. The topic is worth further exploration for a number of reasons, the first being that family-owned businesses typically do not fare well when they are passed from one generation to the next (Sharma & Smith, 2008).

3.1.4. Accounting Framework for Family Business

Family business is a relatively young scientific field that only recently started to investigate how major business disciplines, such as human resource management, marketing and accounting, might contribute to its development. Accounting represents one of the most under developed streams of research in family business studies, despite the fact that accounting research is one of the eldest business disciplines and family business represents the prevalent form of economic organization in the world (Beckhard & Dyer, 1983; Feltham, Feltham, & Barnett, 2005; Kelly, Athanassiou, & Crittenden, 2000; Shanker & Astrachan, 1996).

In particular, research propose that managerial accounting represents an area in family business that requires increasing attention from accounting scholars.

3.1.5. Summary

Most family businesses start their first venture in their own field of interest and expertise. This implies that emerging family businesses with entrepreneurs skills. Therefore, it is important that, as a prospective family business entrepreneur, should understand the full extent of the small to medium sized enterprises (SMEs) industry and where they might find potential business opportunities.

Despite the global economic downturn and the challenges and opportunities presented by the emerging economic superpowers like India and China, the small to medium sized enterprises (SMEs) industry in the West is still thriving, with plenty of opportunities for innovative and intuitive family entrepreneurs.

The most articles considered number of different issues are faced by the Family business owners, as well as non-family managers in family businesses, might find helpful food for

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thought regarding how to establish or develop further the Entrepreneurial Finance in a family business.

3.2. Financial issues in the Polish language literature[10]

The Polish-language literature on family owned small and medium enterprises is rapidly growing. Research shows that authors tend to focus on several main topics. The most important of these, in our opinion, are described below.

3.2.1. Financing of family SME businesses

Sourcing of finance is one of the most common topic. It is a "critical issue" for many Polish family SMEs (Winnicka-Popczyk 2011) and some authors analyze in theoretical context the advantages and disadvantages of different financial strategies of family SMEs (Smus 2011).

The specific factors influencing opportunities and limitations of raising funds in these types of companies are: specific logic of financing in family business, the level of management professionalism, the demographics of owners and family board (Winnicka-Popczyk 2011).

The early '90s research (Sułkowski, Haus, Safin 2005) showed that the first family owned enterprises were started almost solely on the basis of owners' equity. In the first years of operations, they only used external financing in the second order.

A survey of some 1,280 Polish companies showed that the family enterprises' tendency to finance investment by means of bank credit is obviously larger than that of non-family enterprises. Conversely the ratio of companies using EU funds is significantly lower than in all SMEs (PARP 2009). The latest Deloitte report (2016) confirms, which can be to some extent surprising, that the main source of financing the development of family SMEs in the last five years has been bank credit and family entrepreneurs don't expect any change in this area. According to this report the least important ways of raising funds are IPO and crowdfunding.

3.2.2. Accounting and financial reporting in family SMEs

The problem of simplification of accounting and financial reporting is widely discussed. The first main topic is the level of accepted simplifications in financial reporting of SMEs.

[10] Report on Polish-language literature on small and medium family enterprises (family SMEs) – financial issues. Collating report – Gorowski http://coospace.uni-bge.hu/CooSpace/Scene-171172/Folder-271521/Index/IO3%20Entrepreneurial%20finance

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The main issue is whether or not the simplifications lead to a distortion of economic substance in the reported information. A further area of concern are the distortions caused by the tax system to the financial reporting of SMEs entities. Family businesses are not the subject of special interest here.

3.2.3. Valuation of family SMEs

Valuation of SMEs is the topic of several articles in Polish publications. The authors tend to focus on difficulties that may appear during the valuation of family businesses (e.g. the valuation of tangible and intangible assets). The issue of 'emotional value' is also discussed (Martyniuk 2013). The majority of articles refer to how the notion of 'the family' contributes to the overall company value.

3.2.4. Working capital management

The findings of Wysłocka's research (2016) suggest that many SME companies are increasingly becoming aware of the need for effective receivables management. The findings are also confirmed by other researchers. For example, Kościelniak and Wróblewska-Kazakin (2011) found that the family SMEs ratio of overdue accounts receivables is higher in comparison to other enterprises. However, the knowledge of managers and used tools are not always sufficient.

Some authors (Michalski 2012) try to adopt the accounts receivables incremental analysis application and well known inventory management models to the needs of SMEs (not necessarily family owned).

3.2.5. Legal aspects of succession

One of the most important areas of interest in family SMEs literature is a legal aspect of succession. This issue is combined with financial topics. The literature review shows that authors (e.g., Miszczuk 2011, Martyniec i Rataj 2013) focus on the practical legal aspects of succession perceived from the point of view of different areas of Polish law (tax law, civil law etc.)

3.2.6. General conclusions

In the case of Poland, there exists quite an extensive number of publications on SMEs. Conversely, the number of publications on the financial issue of family entities is

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surprisingly limited. In many cases the conclusions of all these publications refer to family businesses – which consist of an overwhelming majority of SMEs.

The mainstream discussion in financial fields of family SMEs is focused on the sources of financing. Some statistical analysis on Polish entities was made, however, this only goes to support the need for further research into this area as the findings are often contradictory.

Of particular note, it is worth mentioning that the majority of papers are based on international publications and the personal experience of the authors rather than on any hard statistical analysis. This is probably caused by the fact that the specialty of family companies is to some extent still quite a new topic. The publications give description of the Polish economy and the typical problems that family businesses face. It can be argued that these publications do not focus on the choice of more effective financial management. It is noticeable that there is also, in publications on Polish family owned SMEs, a lack of international comparisons.

This probably constitutes a niche for the FAME project, which can provide Polish entrepreneurs with some useful knowledge about the financial aspect of family SMEs activities.

3.3. Collating summary[11]

3.3.1. Key areas in the literature

Based on the literature collected in English, Polish, and Hungarian, the following key topics get the most focus in the latest papers. While of some of these fields overlap or connection among them is also often analysed, a number of key areas that were identified when planning the final structure of the educational material are neglected completely.

Definition and typology of family businesses (FBs). It is vital to accept one general definition for the whole research and to offer a description of types of FBs.

Role of family business in the economy. Only rude estimations are usually given. It is common to consider all SMEs as FBs.

SME/FB development opportunities. This field includes not only recommendations for policy makers, but also case study based identification of problems and strategic opportunities within the companies.

[11] Péter Juhász – Ireneusz Górowski: Entrepreneurial Finance Collating Summary OI3EFColatingSummary http://coospace.uni-bge.hu/CooSpace/Scene-171172/Folder-271521/Index/IO3%20Entrepreneurial%20finance

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Historical development of SMEs. This is a special issue in the post-socialist countries. The description of how SMEs and FBs developed after the change might be interesting to understand the development of the individual companies (path dependency concept).

Succession planning. HR, taxation, timing and strategic points are all investigated. One of the most popular fields.

Switching to professional management. Articles investigate when and how family members should be replaced in top management by professionals and how this change may affect the performance and strategy of FBs.

Corporate governance and strategic decision making in FBs. Popular field with papers concentrating on unique structures, agency cost, decision making process, and role of the board in FBs.

Cultural traits. Papers focusing on the social background of the owners test for differences among nations and generations.

Planning and strategy. These papers describe how FBs strategy is different in internationalisation, R&D, expansion, sustainability.

SME financing. This is the only financial field for which papers were found in all three languages. Access to courses, importance of personal contact, financing strategies are the most common research topics.

Working capital management. Improvements are recorded and still needed. Very few papers are available on FB specialities.

Valuation specialities of FBs. Emotional value, personal and enterprise goodwill are usually addressed in these papers.

Financial reporting of SMEs/FBs. The studies focus on how much information is lost if FBs may prepare some kind of simplified reports.

Efficiency, financial performance. A very popular field of study is to test for differences in return and performance of FBs and non-FB firms. Most of them focus only on listed companies, but it is hard to underpin why family ownership effect would appear only or change after the company is listed.

3.3.2. Areas that still need more sources

Some of the key areas of the final paper are not yet covered by relevant literature. We need more information (if available) on (1) Working capital management, (2) Investment decisions, (3) Dividend policy, (4) State subsidies, (5) M&As, (6) Philanthropy, and (7) Ethical challenges.

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3.3.3. Potential topics for further investigation

The following areas may be a good choice for further research and joint publications: (1) Valuation issues of FBs, (2) Adapting and reviewing theories on optimal financing policy, (3) Taxation and state subvention, and (4) Risk management and ethical challenges.

3.3.4. Contrasting collected English literature to output structure

In the detailed summary of literature on financial management, a great number of English language literary sources are assigned the module output structure, which will be used in the elaboration of the final product.

1. Corporate Finance
    a. Market position and importance, perception, policy

        Petlina – Korár (2015), Breckova (2016), Basco (2015), Crecente-Romero et al. (2016), Cruz et al. (2012), Basco – Bartkeviciute (2016), Aldrich – Cliff (2003), Benavides-Velasco et al. (2013)

    b. Value based management, conflicts of interest, corporate governance, agency costs, board roles, choosing management members, control inheritance, monitoring, (financial) decision making

        Xiang et al. (2014), Hauvel et al. (2006), Lin – Hu (2007), Gurd – Thomas (2012), Chen (2013), Baek – Kim (2015), Liu (2014), Schmid et al. (2015), González et al. (2012), Csákné (2012), Feltham et al. (2005), Baronchelli et al. (2016), Bertrand et al. (2008), Koropp et al. (2013), Masulis et al. (2011), Chen et al (2014), Ahrens et al. (2015), Swamy (2011), Pindado – Requejo (2015), Blanco-Mazagatos et al. (2016), Song – Wang (2013), Molly (2011), Wangfeng – Lihong (2016), Farrington – Venter (2011), Cheung et al. (2014), Hiebl (2014), Almeida – Wolfenzon (2006), Di Carlo (2014), Colot – Bauweraerts (2014), van der Merwe (2010), Gomez-Mejia et al. (2011)

    c. Financial reporting, Accounting

        Prencipe et al. (2013), Ma et al. (2016), Fujibayashi et al. (2015)

    d. Financial planning, expansion and growth strategy, internationalisation, diversification, sustainability

        Zhang (2012), Schmid et al. (2015), González et al. (2012), Basco (2015), Lodh et al. (2014), Molly (2011), Merino et al. (2015), Chen (2014), Pukall – Calabrò (2014), Patel – Chrisman (2014), O'Regan

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(2010), Staniewski (2016), Antheaume et al. (2013)

e. Operational policy, Working capital management
   i. Cash management, Liquidity
      Yu-Thompson et al. (2016)
   ii. Sales/Receivables management
   iii. Inventory management
   iv. Payables management
f. Investment policy
   Andres (2011), Tahir – Sabir (2014)
g. Financing policy
   i. Sources of capital, financing policy
      Bornhäll et al. (2016), Bjuggren et al. (2012), Zhang (2012), Csákné (2012), Romano (2000), Crespí – Martín-Oliver (2015), González et al. (2013), Koropp et al. (2013), Koropp et al. (2014), Bauweraerts – Colot (2012), Jain – Shao (2015), Masulis et al. (2011), Chen et al (2014), Keasey (2015), Molly (2011), Burgstaller – Wagner (2015), Vos et al. (2007), Zata-Poutziouris (2011)

      1. Equity, ownership structure
         Wu et al. (2007), Keasey (2015), Chen (2014), Almeida – Wolfenzon (2006), Jin – Park (2015), Gill et all (2016)
      2. Family loans
         Sheng – Mendes-Da-Silva (2014)
      3. Bank loans, access to lending, collaterals, agency cost
         D'Aurizio (2015), Steijvers (2010), Jewartowski – Kałdoński (2015), Song – Wang (2013), HAYNES et al. (2008), Stacchini – Degasperi (2015)
      4. Bonds
      5. Mezzanine
      6. Venture capital
         Chua et al. (2011)
      7. Stock exchange
   ii. Cost of capital, Tax shield
h. Dividend policy
   He et al. (2012), Attig et al. (2016)

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i. Corporate taxation
   Brunetti (2006), Mafrolla – D'Amico (2016), Chen et al. (2010), Sánchez et al. (2016), Woodruff et al. (2012), Steijvers – Niskanen (2014)

j. Financial performance, Efficiency, Business valuation, Personal vs Enterprise goodwill
   González et al. (2012), Machek et al. (2013), Randall et al. (2011), Huang (2015), Miller et al. (2007), O'Boyle et al. (2012), Mazzi (2011), Lins et al. (2013), Goel (2011), Maury (2006), Xu et al. (2015), Swamy (2011), Pindado – Requejo (2015), Andres (2008), Bunkanwanicha et al. (2013), Cruz et al. (2012), Gill – Kaur (2015), Bresciani et al. (2016), Reilly (2016), Gill et all (2016), Sanchez-Famoso et al. (2015), Staniewski (2016), Colot – Bauweraerts (2014), Martin-Reyna – Duran-Encalada (2012), Lopez-Delgado – Dieguez-Soto (2015), Zata-Poutziouris (2011), Fargher – Goodyer (2016), Villalonga – Amit (2006), Reilly (2016)

k. State subsidies

l. Risk management
   Kim et al. (2014), Jiang et al. (2015), Staehr (2015)

m. Forms of exit
   i. Inheritance
      Merwe (2009), Reardon (2008), Bjuggren – Sund (2005)
   ii. Divorce
      Randall et al. (2011)
   iii. Buy-out, Buy-in
   iv. M&A
   v. Going Public, IPO
      Cirillo (2015), Jain – Shao (2015), Yu – Zheng (2012), Lien – Li (2014)
   vi. Liquidation
      Konstantaras – Siriopoulos (2011), Salloum et al. (2013)

2. Personal Finance
   a. Financial education
   b. Wealth management, Financial planning
      Kess – Mendlowitz (2015), Kim et al. (2014), Wiktor (2014)
      i. Assessing risk taking ability and willingness
      ii. Restrictions and limitations

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iii. Investment asset types
iv. Portfolio optimisation
v. Personal taxation
Brunetti (2006), Grossmann – Strulik (2010)

vi. Personal debt for financing a business

c. Inheritance, estate planning, family trusts, succession planning
Merwe (2009), Reardon (2008), Stanaland (2008), Belmonte et al. (2016), Drake (2008), Grassi (2008), Giarmarco (2012), Bjuggren – Sund (2005), van der Merwe (2010)

d. Philanthropy
Du (2015)

3. Challenges of financial ethics at family businesses
Ding – Wu (2013), Du (2015)

a. Taxation/Legal compliance
b. Accounting/Reporting
c. Working conditions
Zierold et al. (2011)

d. Informed trading
Anderson et al. (2012)

4. Corporate Governance, HR, Immigrants' Integration

4.1. English language literature[12]

4.1.1. Immigrant, diaspora, ethnic and minority entrepreneurship (CUE)

The research on immigrant, diaspora, ethnic and minority entrepreneurship is growing at an impressive pace. The popularity of the studies on that topic can be explained by both negative and positive factors connected to political atmosphere on migration issues in last years, with the notable focus on European refugee/migrant crisis (2014-?). The positive motivation is the possibility to present the economic contribution of immigrants to their hosting countries, while the negative one is associated with presenting

[12] Jan Brzozowski, Hanna Kelm and Nick Beech: Report on English-language literature on Corporate Governance, Human Resources, Immigrant's Integration http://coospace.uni-bge.hu/CooSpace/Scene-171172/Folder-271521/Index/IO4%20Corporate%20Governance%2c%20HR%2c%20Immigrants'%20Integration

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entrepreneurship as the way to improve the socio-economic integration of minorities at risk of marginalisation (women, refugees, etc.).

4.1.1.1. What are the key differences and interlinkages between those concepts?

The terms immigrant, diaspora, ethnic and minority entrepreneurship are often used interchangeably. Yet, there are some important differences which should be mentioned.

Immigrant entrepreneurship encompasses mostly foreign-born individuals who have settled in a host country and have established their own business. Those firms do not necessarily have to bear an ethnic mark or do not have to be connected to the co-ethnic community; on the contrary, many of these establishments operate within the mainstream economy.

Ethnic entrepreneurship in turn includes the firms that use precisely the "ethnic brand" to market specific products or services both to immigrant community in the host country (for instance halal shops) and to the native clientele (for instance Iranian ethnic restaurants, ajurweda spa centers). These businesses are often run by the second- and third-generation migrants, i.e. persons already born in host country.

Moreover, the "ethnicity" can be a broader concept which encompasses many individuals originating from more than one country, for instance Asians from Subindian continent (Pakistani, Indians, Bangladeshi) or Latinos in the US (Mexicans, Colombians, Salvadorans etc., cf. Brzozowski, Cucculelli & Surdej, 2014).

The trickiest term is diaspora entrepreneurship, as it includes the entrepreneurs who are the members of a certain diaspora (i.e. ethnic group dispersed from one historical centre who maintains intra-diasporic connections between various destinations) and who use diasporic assets in their business activities (Vemuri, 2014; Elo, 2016).

Finally, the minority entrepreneurship is the most inclusive concept, as it encompasses both "new" immigrant communities (both foreign-born and individuals born in the host country) and the "old" ethnic communities, whose presence in the host country is much long-lasting phenomenon (Collins & Fakoussa, 2015). Obviously, minority entrepreneurship is much more inclusive term, as within this group there are also other minority groups, including women or sexual minorities. In all cases, however minority entrepreneurship term stresses the obstacles connected to being "different" from the rest of society, indicating at potential discrimination and risk of socio-economic marginalization. In this regard, entrepreneurial activity can constitute a way to overcome barriers in upward socio-economic mobility (Bates, Jackson & Johnson , 2007).

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4.1.1.2. Sound explanation why we are focusing on ethnic and minority entrepreneurship

The ethnic and minority entrepreneurship concept is also more useful from political point of view, as – contrasting to the immigrant entrepreneurship case – suggests to focus the attention of policy-makers, advisors, tutors, teachers and academics on already well-established ethnic communities in the host countries (Rath & Swagerman, 2016), than to promote potential new waves of immigrants, which at current stage of the development of European refugee crisis are not necessarily feasible from political perspective.

4.1.1.3. Main types of ethnic and minority entrepreneurship

The ethnic and minority enterprises do not constitute a homogenous group. In the literature, several types of such firms are presented. The most influential typology is proposed by Curci and Mackoy (2010), who identify 4 types of such enterprises. Highly segmented firms offer specific ethnic goods and services to co-ethnic costumers, relying on the ethnic enclave and ethnic geographical concentration within the ethnic districts (for instance Chinatowns). Product-integrated businesses offer mainstream goods and services (for instance used cars, legal and translation services) to co-ethnic clientele, taking the advantage of ethnic networks, but also of the relative discrimination of their costumers on the mainstream market (for instance apartment rental). Market-integrated businesses offer ethnic goods and services to native clientele of the host country: the most typical examples are the Vietnamese restaurants of Kebab kiosks. Then the highly-integrated firms compete on equal terms with native-owned businesses, offering the mainstream products and services on the mainstream market. Each type of the enterprise has its weaknesses and strengths, and requires a different support from the public authorities who aim to improve the performance of minority enterprises.

4.1.2. Ethnic and minorities economic integration and entrepreneurship

The ethnic and minority entrepreneurship is mostly portrayed in the literature as both a way but also a manifestation of improved economic integration in host country (Heilman & Chen, 2003; Rath & Swagerman, 2016), albeit the real impact of entrepreneurial activities on socio-economic adaptation is not so clear and obvious (Chiang, 2004).

4.1.2.1. Structural and relational social capital influence and network benefits

The social capital theory and migration studies literature both stress that migrants usually take advantage of rich ethnic and migration networks. The importance of social capital lies in its elasticity and ability to transform in different forms of capital: through networks the access to specific resources (like financial or human capital) is facilitated and enabled

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(Brzozowski, Cucculelli & Surdej, 2014). Moreover, this capital is able to replace or compensate gaps in the capital endowment among minority entrepreneurs, especially in the case of cultural capital (i.e. knowledge of norms, cultural habits and the language commandment in the host country, cf. Chiang, 2004)

4.1.2.2. Push factors towards entrepreneurship: segmentation of labour market and brain waste

Literature on the economic performance of immigrants and ethnic minority individuals stresses that the structural factors operating at the moment of entry matter for their future economic advancement. Many immigrants enter the heavily segmented labour market, where the vacancies exist only in the bottom of labour hierarchy, or in the secondary labour market, where jobs are unstable, low paid and less prestigious (Hjerm, 2004). In this aspect, in many cases the only way to improve the economic situation for a migrant is to enter self-employment (Chrysostome, 2010). This phenomenon is especially visible in the case of tertiary-educated immigrants, which are often at risk of over-qualification and might be affected by brain waste.

4.1.2.3. Pull factors towards entrepreneurship: exploring new opportunities

On the other hand, another type of opportunity-driven enterprises is also visible. Immigrants often see the new niches and possibilities that natives are not able to identify or are unable to exploit. Moreover, their different cultural background and specific experiences and skills make them more innovative than in the case of the native entrepreneurs (Nathan, 2015). In this case, the economic contribution of minority entrepreneurs in terms of competitiveness, innovation and job creation in the host country can be substantial (Brzozowski, Cucculelli & Surdej, 2014).

4.1.2.4. Entrepreneurship and economic integration: puzzled relationship

In spite of these positive findings on the economic contribution of minority entrepreneurs, the relationship between entrepreneurship and economic integration is at best puzzled. There is little evidence that entry to self-employment, not to mention the business creation has a positive impact on the socio-economic integration of immigrants and ethnic minorities in the host countries (Hjerm, 2004; Wang & Lo, 2005)

4.1.2.5. Political implications

The studies on political implications of minority entrepreneurship are relatively scarce (Rath & Swagerman, 2016), but this topic is becoming increasingly popular, which is

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manifested through a number of workshops and conferences. Therefore, we expect to have more literature in this topic in the upcoming months, including especially studies on refugee entrepreneurship.

4.1.3. Ethnic and minority entrepreneurship development: the role of family

Most of the ethnic and minority entrepreneurs belong to SMEs sector. Moreover, most of them have not only been created with the help of migrant's family located in the home country, other diaspora center and/or in the host country, but also the development of such enterprises relies mostly on migrant's family. Interestingly, so far little attention has been paid to this intersection of family and ethnic/minority entrepreneurship, even if those studies are interrelated and interconnected.

4.1.3.1. Ethnic and minority specific resources

The specific resources of immigrants include specific immigrant associations, like home-town associations in case of Mexicans in the US, which offer consultancy and legal advice for immigrant entrepreneurs. Another specific benefit is the access to co-ethnic suppliers (so-called vertical integration) and to rotating small-credit associations, like in the case of Koreans in the US (ie. kye ties, cf. Raijman & Tienda, 2003).

4.1.3.2. Risk of ghettoization/enclavization

The minority entrepreneurs are on one hand aware of the risk of ghettoization: reliance on only co-ethnic clientele, pursuing highly segmented type of business leads to limited growth prospects (Curci and Mackoy, 2010). This risk of ghettoization of minority firms is especially visible in the case of succession, as the new generation often exhibits reservation to take over the ethnic minority business from their parents and often considers exit from entrepreneurship (Bird & Wennberg, 2016). If the second and third-generation individuals become entrepreneurs, it happens mostly not due succession process. They tend to create their new mainstream businesses instead, which do not bear the "stigma" of the ethnic group. Surprisingly, these new businesses formed outside the ethnic enclave by the second- and third-generation individuals do not attain the same economics success as the "oldfashioned" ethnic businesses created by the pioneering entrepreneurial generation of immigrant/ethnic minorities individuals (Beckers & Blumberg, 2013).

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4.1.3.3. Transnational families and transnational diaspora entrepreneurship

The transnationalism concept is a hot topic in studies on minority entrepreneurship, as due to the liberal integration policies in host countries, improving communication technologies and the falling costs of transportation (Bagwell, 2015), more and more immigrants are allowed, encouraged and able to maintain regular connections with their home countries (or countries of birth, cf. Lin & Tao, 2012). Such linkages with the home country constitute and additional asset and a competitive advantage to many transnational minority businesses over the non-transnational immigrant entrepreneurs and the native entrepreneurs (Brzozowski, Cucculelli & Surdej, 2014). Moreover, the transnational families influence the business models, allowing for faster internationalization and for acquisition of specific know-how, technology, specialized workforce etc.

4.1.3.4. Family entrepreneurs vs. ethnic and minority entrepreneurs: towards a unifying approach within the SME sector

This strand of research is yet to be developed within the literature review activities, but main finding so far is the discovery that family role is visible through the entire business life cycle: not only during the firm creation, but also in the phase of business development and closure (Bird & Wennberg, 2016).

4.1.4. HR management in small (family) business

4.1.4.1. Culture, strategy, systems, value and praxis

A helpful starting point would be conducting a systematic review of the state of the art (Nolan & Garavan 2016). Introducing the concept of corporate culture in family firms (Cruz et al. 2012, Kotlar & De Massis 2013, Jaskiewicz & Luchak 2013, Bryson &White 2016). Employment systems in SMEs and family firms (Verreynne et al. 2013). Management philosophies and styles in family and non-family firms (Mullins & Schoar 2016). The values and goals in family business and how they differ from nonfamily business? (Kotlar & De Massis 2013). Best practices in HR management in small (family) business (Jarvis & Rigby 2012, Garavan et al. 2016, Lai et al. 2016, Psychogios et al. 2016).

4.1.4.2. Special features of HRM in small (family) businesses (in connection with the level of enterprise development)

What are the key differences in management between small and large businesses in Europe? (Gray & Mabey 2005). HR management revolution in SMEs growth (Rouditser &

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McKeown 2015, Garavan 2016). When does HR management 'work' in SMEs? (Verreynne et al. 2013, Bryson & White 2016) Does family employment enhance SMEs performance? (Cruz et al. 2012) What is special about working in family firms? (Bassanini et al. 2013) HRM practices in SMEs (Psychogios et al. 2016).

4.1.4.3. What does sustainable HRM could mean?

Defining and developing the concept of sustainable HR management (Barbero et al. 2011, Jaskiewicz & Luchak 2013, Kotlar & De Massis 2013).

4.1.4.4. Competition for talent: how small (family) firms can attract, select and keep the best&brightest, engagement and loyalty

How small (family) business may attract and keep the best employees? First, it is necessary to answer the question about the employment systems in SME (family business) (Verreynne et al. 2013, Lai et al. 2016). Second, it would be good to show what makes the difference for the employees when they choose to work in family business? Security, loyalty, engagement (Bassanini et al. 2013, Miller et al. 2014). Third, how small (family) business attracts best employees – some advice and best practices (Jarvis & Rigby 2012, Wyatt et al. 2010). Finally how a family business can gain an advantage from employing non-family employees? (Miller et al. 2014).

4.1.4.5. Diversity and discrimination issues (gender, age, disability, immigrants, family and not family members, nepotism, etc.)

At this point, it is important to introduce the general concepts of diversity and discrimination in SME (Wyatt et al. 2010, Lewis et al. 2016). But concerning the family business, there is another (unknown in other SMEs) field of possible discrimination: being or not being a part of the family (Barnett & Kellermanns, 2006).

4.1.4.6. Career development and learning and development in family firms (management *training)*

What are the career horizons in family firms? (Strike et al. 2015) What is the best practice in advancing selection and is it applicable in the family business? (Wyatt et al. 2010). Management development and organizational learning (Gray & Mabey 2005, Dada & Fogg 2016). When do non-family CEOs outperform in family firms? (Miller et al. 2014).

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4.1.4.7. Designing sound performance appraisal and reward policies for a specific level of enterprise development

Human resource management and performance in small (family) business (Cruz et al. 2012, Sheehan 2014). Does family employment enhance SMEs performance? (Cruz et al. 2012) Is there a difference (and why) in the performance of family and nonfamily CEOs? (Jaskiewicz & Luchak 2013) Perception of justice in family firms (Barnett & Kellermanns, 2006). Performance appraisal and reward policies in small (family) firms (Lai et al. 2016).

4.1.4.8. Building and development of corporate culture (for examples espoused values and values in use – which stage do they go to different ways, is familiness always a positive?)

What are the values and goals in family business and how they differ from nonfamily business? (Kotlar & De Massis 2013). What is the role of socioemotional wealth and family embeddedness? (Cruz et al. 2012, Jaskiewicz & Luchak 2013) What are the key differences in management philosophies, styles and development in family and nonfamily business? (Gray & Mabey 2005, Mullins & Schoar 2016) When is family and when is non family better? (Cruz et al. 2012, Jaskiewicz & Luchak 2013, Miller et al. 2014).

4.1.5. Corporate governance: the perspective of SMEs

Generally, the topic of governance, the focus for small, medium-sized and family-owned businesses, in family SMEs is relatively recent, and it mostly focuses on boards of directors. Even though family firms are overwhelmingly present in all but a handful of developed countries, they are incredibly different (Morck & Steier, 2005). Their evolutionary paths can be attributed to broad social and institutional contexts including ownership patterns and presenting unique governance problems and conflicts between among controlling family owners, sibling minority stakeholder and nonfamily managers (Morck & Yeung, 2003). This can be made more complex as it cannot be assumed that such family institutions have a single business activity which further complicates the collective objectives, strategies, structure, culture, and performance pertaining to that family business.

Corporate governance guidance tends to be more orientated to vision, strategy, oversight and in part accountability but often from a managerial or entrepreneurial perspective and to a greater degree links to mainstream governance theory and practice (Monks & Minow, 2011). However, the broader academic community research accessed but mainly focusing on, the nature or family businesses, board performance and value creation. It is acknowledged that often such businesses have information opacity that creates more information asymmetry problems for such firms (Al-Najjar, 2015).

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There is evidence of the nature of family continuity and that there is a "duty" to pass the estate on and to act as trustees for the next generation his culture of obligation to the next generation defines this group of families and steers their actions with regards to the business and their family relationships (di Belmonte, Seaman and Bent, 2017) which influences decision making.

However, it is suggested (La Porta, Lopez-de-Silanes and Shleifer, 1999) conventional "managerialists" understanding of corporate governance such as agency (Berle and Means, 1932) is almost absent in a world in which families directly or indirectly influence most business activities.

4.1.5.1. Challenges for decision-making in a family context

The challenges for owner managers when confronted with issues, such as those associated with succession and inter-generational transfer present complex problems as they reach beyond the confines of conventional business thinking (Devins and Jones, 2016) and that broader family agenda need to be considered and that possible solutions are often fraught with political peril. Presenting the call for a more holistic approach that re-frames traditional governance thinking and business strategic planning processes to achieve more sustainable 'family business' futures. Conversely family firms anchor decision making with a constant awareness of their past, incorporate anticipation in decision making and exhibit patience for investment (Veider and Kallmuenzer, 2016).

Further founder-led family firms put the founder and its family central to business decisions (Veider and Kallmuenzer, 2016) a focus that is continued by their descendants maintaining a coherence and congruence over the generations.

4.1.5.2. Different types of family firm management and its impact on firm's survival and its development

Family businesses consist of a family system, a business system, and an ownership system (Burch, Batchelor, Burch and Heller, 2015). Awareness is growing of disrupted process, such as succession, may re-position the focus and nature family moving from a founder-led to a decedent led family firm through agents such as the successors vision, proactivity, innovative spirit and specific technical knowledge are relevant variables that initiate the process (Meneses, Coutinho and Pinho, (2014) as well as the loss of tacit knowledge and influence within selective networks.

The nature of wealth concentration can generate greater risk aversion in family firms, and in the aggregate, this desire to minimize business risk can have the side effect of impeding both the firm and overall economic development (La Porta, Lopez-de-Silanes, and

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Shleifer, 1999; Morck and Yeung (2003) as they wish to retain family business dominance. Therefore, other non-financial factors such as socioemotional wealth that meet the family's affective needs, such as identity, exercise authority (Schulze, Lubatkin, and Dino, 2003), the satisfaction of needs for belonging, kinship and intimacy (Kepner, 1983) as was the ability to exercise family influence, and the perpetuation of the family dynasty must be accounted for.

This presents a number of different risks to the business and performance hazard, concerns the potential for negative consequences associated with a decision choice (March and Shapira, 1987; Hoskisson, Hitt, and Hill, 1991; Shapira, 1992), concerning below-target performance (Cyert and March, 1963) or worse impacting on the probability of organizational failure and threats to business survival (Shapira, 1992).

4.1.6. Family business charter

4.1.7. Family constitution

The academic literature in family business charter and family constitution is almost non-existent, as it is still a novel topic and therefore very few empirical studies tackle this issue. The practitioner-oriented professional magazines provide rather descriptive articles on some aspects and types of family firms' institutions. Some academics have broached this subject area such as Simpson and Taylor (2013) but this is more a contextualised background to ethics and CSR. A family constitution appears a relatively unexplored concept with minimal inclusion in practitioners journals including the IoD, there are however some consultancy publishing works that provides some insight and guidance for family businesses such as by Taylor and Wessing (2014).

4.2. Polish language literature[13]

The Polish literature dealing with topics raised in IO4 module is still relatively scarce, but rapidly growing. The main obstacle in gathering various sources of information and collating the results of literature review is the early stage of development of open-access repositories in Poland, as most of the academic journals are still published in paper format only. Having in mind this limitation, the current report presents the main findings of the Polish literature, following the adopted structure of the module.

[13] Jan Brzozowski: Report on Polish-language literature on Corporate Governance, Human Resources, Immigrant's Integration http://coospace.uni-bge.hu/CooSpace/Scene-171172/Folder-271521/Index/IO4%20Corporate%20Governance%2c%20HR%2c%20Immigrants'%20Integration

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4.2.1. Immigrant, diaspora, ethnic and minority entrepreneurship

The Polish literature focuses mostly on traditional minority entrepreneurship (Osuch, Dwojak, 2009; Świętek, 2015), while the immigrant entrepreneurship is a relatively new strand of research (OBM, 2008; Grzymała-Kazłowska, 2010; Pindel, 2014). Moreover, against the trends visible in the international and mostly English-language literature, those two strands of research are clearly detatched from each other. The studies on minority entrepreneurship focus mostly on traditional ethnic minorities, which are understood by Polish law as non-national ethnic minorities (Karaites, Lemkos, Romani and Tatars). Out of these, only Romani minority is relatively large enough (ca. 17 thousand people) to attract the attention of researchers. Due to specific socio-cultural traits of this group, most of research is focused on the relationship between entrepreneurship and social inclusion (Szewczyk, 2012; Świętek, 2015). The only connection between minority and immigrant entrepreneurship is the Armenian group, which is both considered as a traditional national minority (i.e. a national group which was present in the Polish state already in 1918-1939 period and due to this fact is entitled to some provisions from the public administration, for instance the financing of language courses for children), but also as an immigrant group, as many Armenians have settled in Poland in the early 1990s (Pindel, 2014).

4.2.2. Ethnic and minorities economic integration and entrepreneurship

The Armenians are obviously a minority group which exhibits a strong tendency to self-employment and business creation, as their members are mostly active in textile and electronics trade (both retail and wholesale). Moreover, in this case the entrepreneurship is positively associated to socio-economic and even cultural integration, as most of Armenians speak Polish language and achieve relatively high economic status. Yet, the same cannot be said about the Vietnamese community. Vietnamese are also inclined towards entrepreneurship, moreover most of their firm is family-based, in which almost all members of family are involved in work in the business (usually textile trade and also ethnic restaurants, cf. Wysieńska, 2011). Yet, as compared to Armenians, they exhibit a relatively strong tendency to separate from the rest of society. Moreover, their business development perspectives are uncertain, as they cluster mostly on declining sector – trade carried out at open-air fairs, which are driven off the market by supermalls and large shopping centres (Grzymała-Kazłowska, 2010; Pindel, 2014).

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4.2.3. Ethnic and minority entrepreneurship development: the role of family

The role of families in minority entrepreneurship is mostly visible in the strand of research on immigrant's economic integration. On one hand, entrepreneurship is perceived as a potentially viable and beneficial strategy which enables economic integration in Poland (Grzymała-Kazłowska, 2010). In this case, the family involvement is appraised, especially when the second-generation born in Poland constitutes a bridge with the Polish society and Polish customers. On the other hand, the notion of "entrepreneurial trap" is raised especially in relation to Vietnamese group: many Vietnamese entrepreneurs have so long working hours, that they are not able to communicate with the Polish-speaking children. In this regard, the succession of family business to younger generation is unlikely, as the children of Vietnamese perceive the businesses of their parents as unattractive career choice (Pindel, 2014).

4.2.4. HR management in small (family) business

The literature on family firms in Poland - and the literature on HR in this sector in particular – is evolving very fast. However, at this (rather initial stage) it suffers from a number of limitations. First, as the family firms are on average on the early phase of development (most of them were created in 1990s), the typical "Western" problems, like family succession and transition problems are relatively new and have become the object of analyses only in the last decade (Sułkowski, 2006). Second, the relative shallowness of Polish labour market especially in the first decade of 21st century (the unemployment rate just before the EU accession stood at a record high – ca. 20%) made entrepreneurs, and family entrepreneurs in particular – very comfortable in terms of dictating the terms and conditions to employees (Sułkowski, 2012; Pocztowski and Pauli, 2013). Third, the relative novelty of family firm research implies that much of the literature is dominated by literature reviews and presents the well-known concepts from English-language literature, which is only adapted to suit the needs of Polish researchers and managers (Więcek-Janka, 2014). Consequently, the research mostly relies on selected case studies, and by the nature of the method and relatively short timeframe is mostly explorative (Więcek-Janka, Pawłowska and Bazyluk, 2014)

4.2.5. Corporate governance: the perspective of SME

The research in this topic is relatively underexplored in Polish literature. The pioneering works of Lewandowska (2013), Więcek-Janka (2013) and Pawlak (2014) have mostly explorative, if not even the descriptive character (providing the adoption of Western theories and concepts on the Polish socio-cultural framework).

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4.2.6. Family business charter and Family constitution

The academic literature in this topic is almost non-existent. The practitioner-oriented professional magazines provide rather descriptive articles on some aspects and types of family firms' institutions. A family constitution is a novel concept for Polish managers and the only publication dealing with this topic (mostly from the consultancy perspective, not purely academic one) is the handbook written by Lewandowska and Lipiec (2015).

4.2.7. Conclusions

Polish literature on module Corporate Governance, Human Resources, Immigrant's Integration mostly covers chapters 1, 2, 3 and 4, while for the corporate governance and family business charter&consititution there are very limited resources in Polish language. This might be perceived both as a challenge, but also as a advantage for the FAME project, as the materials prepared by our team can be of a great benefit both for academics in Poland, but also for the practitioners which still lack reliable resources on this topics.

5. Transitional Issues

5.1. Report on English-language literature on Transition Issues[14]

5.1.1. Power transfer (psychological approach)

This section encompasses several issues connected with the functioning and controlling power by the family through ownership and the share in management during the transition period. English language literature on psychological aspects of transfer in small and medium family enterprises (SMEs) has been developing dynamically over the last few years. Issues discussed in academic writings can be allocated within a few categories.

[14] Dobrosława Wiktor-Mach, Romana Paszkowska, Stratis Koutsoukos: Report on English-language literature on Transition Issues IO5 – Master Course Module 4 http://coospace.uni-bge.hu/CooSpace/Scene-171172/Folder-271521/Index/IO5%20Transition%20issues/IO5%20Transition%20Collating%20reports

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5.1.1.1. Working in family context

Differences between family and non-family firms have been discussed in literature, with special attention devoted to issues concerning how they affect the transition processes. Several examine the effects of business ownership on families, e.g. (Beehr, Drexler Jr, Faulkner, 1997), (Jennings, Breitkreuz, James 2013).

One of the topics of greatest interest for scholars investigating the specificity of transition in family firms is the role of the socioemotional wealth as the potential dominant paradigm in the family business field especially during the phase of transition (Berrone, Cruz, C. Gomez-Mejia, 2012), (Arregle, Hitt, Sirmon, Very, 2007). In their paper Breton-Miller, & Miller (2013) investigate how changes in patterns of family involvement in the business can influence several socioemotional wealth priorities and how these in turn can shape the board composition required to enhance firm survival. Cruz, Justo, De Castro, (2012) analyze the effect of family employment on performance in micro and small enterprises. They combine two research perspectives: the family embeddedness perspective of entrepreneurship and the socioemotional wealth (SEW) approach to family business. They claim the nature of the employment relationships in medium and small enterprises enhances the benefits derived from the socioemotional endowment associated with family labour, and reduces the opportunity costs of employing relatives. In result of their study, the authors assert that this relationship is moderated by specific family characteristics that determine the firm's ability to preserve the SEW, while at the same time pursuing financial goals.

Tokarczyk, Hansen, Green, Down, (2007) discuss the concept of "familiness" in family business and try to answer the question to what extent family relationships contribute to a propensity for execution of an effective market orientation. 'Familiness' is also discussed in the paper by Carrigan and Buckley, (2008) who study Irish and UK consumer perceptions of family-owned businesses. They claim that issues such as family business heritage, community bonds and social stewardship, consumer loyalty and generational transfer, distinction, choice and retail heterogeneity are of major importance and need future research.

There are several more papers examining the effects of business ownership on families. Chrisman, Chua, Pearson and Barnett, (2012) investigated the family involvement and family firms' adoption of family centred non-economic goals.

Several scholars are preoccupied in establishing measures that would help develop methods of family business evaluation from various perspectives. Quite a few works deal with the impact of the non-financial aspects of family businesses on their valuation. Chirico & Bau research the dynamics that regulate the family as either an asset or liability for the firm (2014), while Reilly summarizes the analyst's considerations with regard to the

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elements of the separability of, and the documentation of a shareholder/employee's personal goodwill (as distinguished from the company's entity goodwill). Also Astrachan & Jaskiewicz (2008) suggest that emotional components have a significant impact on valuation. In particular, it is assumed that emotional returns positively affect total value, whereas emotional costs negatively affect total value of a family firm. In his doctorate dissertation Neff (2011) seeks to explore and understand the drivers of family firm performance from a non-financial perspective. The key research question underlying this research is whether certain organizational traits may compose a predictor of firm financial performance

5.1.1.2. Challenges of ownership and how to build it to last.

This part deals with various family member types and their roles in FBs transition, the role of trust and founder's personality, mutual relations of family members cooperating within the family business, threats of informality, threats of paternalism maintain control and entrepreneurial spirit

Several papers analyse the relationships among family members working jointly for their family firm and how the quality of these relations affect the process of transition.

In their work, Luo & Chung (2005) examine the role of particularistic relationships (such as family and prior social ties) in business groups during institutional transition and test how particularistic ties between top leaders affect business group performance in Taiwan, where such ties have been central to the functioning of business groups.

The issue of trust and methods of sustaining it as family business develops and lasts seems to dominate works of many scholars. Sundaramurthy (2008) develops a model of sustaining trust which is based on an integration of this trust literature with the family business literature. Dunn (1999) explores the nature, characteristics, and effects of family relationship dynamics in three family business systems undertaking the transfer of controlling ownership to the next generation (from father to son). A model is presented to describe the sources of anxiety "imperatives" and their management during transition processes.

Family business and human resource management scholars often suggest that firms whose leaders experience affective commitment are more likely to achieve their goals. McMullen & Warnick (2015) propose a model in which parent-founders promote affective commitment in child-successors by supporting their psychological needs for competence, autonomy, and relatedness within the family business.

Murphy's & Lambrechts's (2015) findings based on the empirical results of an interpretive qualitative study of the phenomenon of the careers of next-generation family members

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suggest that the family business involvement of the next generation not only influences but also alters the careers of the next generation. Through the activity of helping, the next generation explores the arena of the family business, which has significant consequences on career decision making

The most broadly investigated area of interest deals with the analysis of factors determining successful succession and attempts to develop models explaining the secret of successful transitions (Handler, 1994), (Barach, Ganitsky, 1995), (Royer, Simons, Boyd, Rafferty, 2008), (Morris, Williams, Allen, Avila, 1997). The latter paper's authors claim that relationships within the family has the single greatest impact on successful transitions.

In their paper on various aspects of succession Solomon, Breunlin, Panattoni, Gustafson, Ransburg, Ryan, Terrien, J. (2011) recognize four key influences, which seem to have the potential to facilitate or constrain the family business owner's approach to succession, while Ghee & Ibrahim (2012) identify the key success factors by examining the management practices of family businesses in Malaysia; by determining the potential growth and development; and addressing the intergenerational-transition issues in family businesses

The paper of Filser, Kraus & Märk, (2013) concentrate on the psychological dimension the succession process, while the work of Williams, Zorn, Russell Crook, & Combs, (2013) develops the concept of transgenerational intent (TI)—the plan to pass management of the business to future generations—as a defining characteristic of family firms. Also Mussolino, & Calabrò, (2014) investigate the succession process from the owners' viewpoint, especially examine how the various paternalistic leadership styles practiced by predecessors influence the attitudes, subjective norms and perceived behavioural control of successors in family firms and the extent to which these factors influence a successor's perceptions of the quality of the succession process.

On the other hand, Chalus-Sauvannet, Deschamps, & Cisneros, (2016) explores family succession through successors' experiences and explain in what way success they experienced in their professional careers far from the family business positioned them as legitimate leaders to family businesses. Also Sharma, & Irving claim that the success of succession depends on four bases of successor commitment to family firm—affective (based on perceived desire), normative (based on perceived sense of obligation), calculative (based on perceived opportunity costs involved), and imperative (based on perceived need) (2005).

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5.1.1.3. Communication in family firms

One of the methods of presenting transitions in family firms, however not very broadly developed in literature is the analysis of communication patterns, narratives and discourse within family businesses. Language patterns of family business owners were explored by identifying discourse styles and emphasized ideas in four presenting contexts: business, family, intersection of family and business, and business success.

A general theoretical approach to the analysis of organizations through verbal communication has been presented in a book by Tietze, Cohen & Musson, G. (2003). Already in 1994 Lundberg proposed the analysis of a conceptual model of role-to-role communications and discussed communication process among family members as role performers in family businesses.

Theoretical and practical ramifications of a narrative view of succession in family firms is presented in the paper of Dawson and Hjorth (2012) where five key themes centring on leadership style and succession, trust and communication, balance between agents, history and identity, and fear of losing one's identity and social standing through the succession process have been discussed.

The paper by Dalpiaz and Tracey (2014) presents literature on organizational narratives to develop a framework for understanding family business succession narratives and a typology of some of the narrative strategies that can be used during succession.

Von Schlippe & Frank (2013) give a brief overview of various approaches and models and then introduces the modern theory of social systems. This theory no longer considers individuals as parts of the system but assumes that the basic elements of a social system are acts of communication. In each system (family, business, ownership), a specific communication pattern evolves and each system operates within a specific functional logic. To understand how a family business functions, it is important to understand the concrete functional logics and the structural coupling of the three systems.

Similarities and differences between men and women in a general discourse style within family businesses emphasized were investigated by Danes, Haberman, and McTavish (2005)

In 2009 Hubler undertook attempts to explores how a family can nurture dialog so as to create the expression of family. He claimed that a common communication framework supports the discussion necessary for emergence of the family point of view.

Based on a real-time qualitative study of an owner family's conversations during succession three dimensions of dialogic transformation are elaborated in the paper by Helin and Jabri, (2016): the role of differences during conversations, the role of multi-voiced conversations and the role of listening during conversations.

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5.1.1.4. Conflict management and resolution in family firms

This part encompasses problems connected with approaches to conflict understanding in general, conflict in family businesses taxonomies and the impact of conflict on family firms transition processes.

Insight into the psychodynamics of family firms is provided by Harry Levinson in his article "Conflicts that Plague Family Businesses," (1971), while Kwan, Lau & Au (2012) in their study examine how type of businesses (family business vs. nonfamily business) moderates the relationships between family-to-work conflict and job satisfaction and social networks in Chinese context. Drawing on a model of conflict between work and family roles, Carr, and Hmieleski (2015) predicted that founders of family businesses would experience significantly greater work tension from family–work conflict than founders of nonfamily businesses while work–family conflict would exert more negative effects on founders of nonfamily businesses than for those running family businesses.

Quite a few scholars examine and investigate various causes of conflicts in family businesses. Conflicts often arise when attempts are made to modify the family business as it progresses to another stage of development, e.g. during transition. Harvey & Evans (1994) examine ways to predict conflicts connected with various phases of family business development.

One of the mostly covered issues in literature are problems deriving from the work – family balance (Smyrnios, Romano, Tanewski, Karofsky, Millen, Yilmaz, 2003), (Premeaux, Adkins, Mossholder, 2007).

By using Jehn's (1997) framework, Cosier & Harvey identify three types of conflict and relate them to family business issues. They also offer recommendations for introducing and managing positive conflict in family businesses (1998).

A number of works identify conflict management profiles for achieving positive outcomes for both business and family and develop various conflict managing strategies effective in family businesses environment (Sorenson, 1999), (Shepherd, Haynie, 2009), (Pieper, Astrachan & Manners, 2013).

5.1.1.5. Most serious problems in family firms that may affect the transfer process.

Under this heading such problems are tackled as bereavement, illness of the principal or siblings, marriage and cross facility interests, family cohesion, family feuds derived from rivalry, feminism and construct of woman as mother and manager.

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The paper by de Vries, (1993) analyses the dynamics of family controlled firms by stating their advantages and disadvantages and later examining barriers to succession planning in family firms. Cooper, Kidwell & Eddleston in their paper (2013) explore potential difficulties experienced by family employees in making transitions from their family role to work role and the potential for family employees to engage in deviant behaviour due to unresolved conflict and ambiguity from work-family role integration Succession is problematic for a majority of family firms. The paper by Handler & Kram, (1988) argues that resistance to succession exists across many levels in these organizations and proposes a model that highlights the multiple contributing factors.

Significant number of papers have been devoted to the analysis of women's participation and roles in family businesses (Salganicoff, 1990), (Cole, 1997). Special attention was given to studies of family firms owned and managed by women. Meroño-Cerdán & López-Nicolás (2017) found out that regarding the manager profile there are no differences either in the level of training or the age of female managers. They possess, however, less management experience but only in first generation family firms. The authors claim that gender differences found in the management literature disappear in family firms. Vera & Dean, (2005) examined the challenges daughters face in family business succession. Respondents of their study reported few problems with their fathers upon succession, many experienced difficulties succeeding their mothers.

Gender preferences in the CEO successions of family firms were the main interest of the studies conducted by Ahrens, Landmann, Woywode (2015). The purpose of the study carried out by Haberman & Danes (2007) was to investigate power structures and interactions among father-daughter and father-son family business decision teams experiencing management transfer.

Issues connected with the family members' commitment is another area of possible difficulties in family business transition process. In their paper, Van Auken, and Werbel analyse to what extent the survival of a family business depend, among other factors, on spousal commitment. Hypotheses are developed to guide empirical research on the antecedents and consequences of spousal commitment to a family business (2006).

Bertrand and Schoar (2006), while studying the role of family in family firms, provide cases of family businesses brought down by bitter feuds among family members, disappointed expectations between generations, and tragic sagas of later generations unable to manage their wealth. Sibling rivalry plays a critical role in the succession process and Avloniti, Latridou, Kaloupsis, Vozikis (2014) claim in their work, that the impact of sibling rivalry on the succession outcome within family enterprises could be critical.

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The primary objective of the study conducted by Farrington, S., Venter, E., & Boshoff, C. (2011). was to identify and empirically test the intragroup processes influencing the effectiveness of sibling partnerships. In the context of the family business team, intra-group processes describe the interaction that takes place between the family members and affect the psychological climate that exists in the family business. The empirical findings of this study show that the sibling relationship and fairness are important determinants of sibling team effectiveness.

5.1.2. Experience and knowledge transfer (managerial approach)

5.1.2.1. Family firm cycle and survival

One of the most critical events in the family business is the succession process (Bizri, 2016 and Brockhaus, 2004). Succession is defined as those actions and events that lead to the transition of leadership from one family member to another (Sharma et al., 2001). The initial statistics suggest "only about 30% of family businesses survive into the second generation, 10-15% are still viable into the third generation, and only about 3% operate into the fourth generation or beyond" (Beckhard and Dyer, 1983; Ward, 1987). These statistics have remained constant across a number of studies and the alarming rate of failure highlights the importance for reviewing this area to gain insight.

The succession process represents a crucial phase in the family business lifecycle. Bizri, R. (2016) in the context of a study based in Lebanon and using Social Capital Theory, i.e. the relationship between individuals and organisations that facilitate action and create value, highlight the importance that succession in the family business plays in the firm's long term viability. "Familial stewardship" was introduced as a cognitive construct emerging from the cognitive dimension of social capital, and shedding light on the influence of shared cognitive values on the succession decision. The three dimensions of social capital utilised structural, cognitive, and relational, all were seen to constitute the bundle of relationships connecting family members in a family business. The research showed that when "familial stewardship" is shared by incumbent and sibling, it strengthens the latter's chances of being chosen as successor. Further, a succession pathways model was introduced that depicts the siblings' behaviour following the succession decision which often triggers further entrepreneurship activity.

Much of the literature on transgenerational succession is focused on efficiency issues and the performance of family successors, who typically underperform founders due to factors such as inferior ability, emotional attachment, and risk or loss aversion. There are also some suggestions that short-term strategies may be detrimental to the relationship

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between organizational commitment and organizational performance (Harris and Twomey, 2008).

Much management research on intergenerational transfer of family firm property is concerned with either the transition of the firm from family to professional management (Davis & Stern, 1988; Gedajlovic, Lubatkin, & Schulze, 2004; Stewart & Hitt, 2012) or with succession and the identification of best practices that promote firm vitality and longevity, such as succession planning (Eddleston, Kellermanns, Floyd, Crittenden, & Crittenden, 2013), successor socialization (Steier, 2001), and family evaluation of firm assets (Zellweger, Kellermanns, Chrisman, & Chua, 2012). However, family firm survival rates into the second generation are low, estimated at less than 30% (Lee, Lim, & Lim, 2003). A study by Sonfield and Lussier in 2004 expanded comparisons between first to second and third generation family firms. Furthermore, research focused exclusively on the experiences of surviving firms, can be misleading because, by excluding the large number of family firms that do not survive succession, it ignores central tendencies in the population. While the main body of literature on family firm succession and professionalization is focused on factors internal to the firm, other organizational theories suggest that survival is often explained by contextual factors that are external to the firm (Aldrich, 1979; Hannan & Freeman, 1977). Equally, economic geographers have established that there is much geographic variation in firm growth and survival rates (Johnson & Parker, 1996), further suggesting contextual effects.

However, much of the literature overlooks the possibility that founders are likely to be influenced by the laws governing their property rights and the incentives they face in the disposal of their personal wealth. Carney et al 2014, in a study considering the effects of inheritance law provisions on property transfers and the potential impact on family firm vitality in an international context identify external institutional factors that determine the central tendencies on family firm longevity in a literature that has since focused on internal factors such as the efficacy of adopting professional management and succession planning.

5.1.2.2. Transfer of management - various patterns and models of management succession

Since the emergence of family business as a field of study in its own right (Lansberg, Perrow, & Rogolsky, 1988), there has been intense interest in the dynamics and challenges that family enterprise systems face when they transfer ownership (Nordqvist, et al, 2013). Various models discuss non-market (e.g. Churchill, & Hatten, 1997; Dekker, et al, 2013) and market transitions (e.g. DeTienne, & Chirico, 2013; DeTienne, et al, 2015).

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There is a significant body of recent research interest into the succession process from the managerial task perspective and into what factors lead to successful or less successful successions (Handler, 1994). Different types of succession journeys were identified in which the succession process requires the owning family to make a choice about which type of transitionary journey to undertake (Dunn, 1999). Additionally, the three established archetypal family business structures are considered in the research. These are the controlling ownership archetype, where ownership is concentrated often in the hands of one person such as the founder; the sibling partnership archetype, where ownership of the business is divided among siblings, some of whom may or may not work in the business; and the cousins' consortium archetype, in which ownership is dispersed among people from different family branches and generations—a more dilute and complex form of partnership (Gersick et al., 1997).

The research of intergenerational transfer (e.g. Murray, 2003; Fox et al., 1996; Dekker, et al, 2013; DeTienne, & Chirico, 2013) examines the system of relationship through which such succession must be managed and patterns of selection parameters. These consist of timing, testing of transitions the transition cycle as well as incremental phases of transfer of responsibilities to the next generation. Work by Williams et. al., 2013, transgenerational intent (TI) is influenced by the current leader's consideration of factors related to three subsystems firm age and size, ownership characteristics, and the family's engagement in the firm) that underlie the family business system and are important factors that influence the current leader's TI. A study by Roye et al in 2008 concludes that specific or tacit knowledge characteristics combined with a favorable transaction atmosphere, in certain contexts, can make a family member the most suitable successor and proposes a conceptual model that outlines when inside-family succession is preferred. Westhead et al (2002) work on the differences between first and further multi-generational family firms, highlights important differences between first and multi-generational firms and their governance structures and practices.

5.1.2.3. Transition organisation - identification of the best moment for transition, upbringing and education of the next generations, various approaches to pre-succession activities, expectations of the entrepreneur, successors, employees.

Barnes and Hershon (1976) wrote that family transitions and company transitions usually occur together. They believe that, while the stress might be higher at these times, the combination of both transitions usually results in a smooth transition from relationship perspectives. Drozdow (1990) suggests that before a family business selects a successor, it must answer some basic questions: "Is it a source of employment, an investment, or a vehicle to bring the family together? Is the business operating efficiently and profitably?"

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It is proposed that answers to these questions will determine what type of leader is needed to achieve the goals.

Churchill & Hatten (1984) take a 'Biological Imperative' perspective where they argue that transition and succession in a family business are related to the human life cycle. Family members involved in a business differ from non-family employees or managers because there are emotional relationships that have been formed outside the business. These family members bring roles and obligations in both the business and the family into the business. Thus, relationships in one area influence relationships in the other. These interrelationships are what make family businesses unique. They begin when a family member enters the business and end when either the family member departs or succeeds the owner-manager in control of the enterprise, because of the biological reality of the human life-cycle. When the life cycles of two generations are examined concurrently, a natural periodicity, or phase difference, is evident. This phase difference produces unique stages within the company, which, are repeated from generation to generation. According to this model four stages are observed. The first where the owner-manager business that covers the period from stat-up to the first entry of a family member into the business. The second phase relates to the training and development of the new generation. The third stage observes a partnership emerging between generations where the new generation is the recipient of delegated responsibilities. In the final fourth stage occurs the transfer of power.

Brockhaus' review of family business successions (2004) argues that among the important conditions affecting management succession is the attitude of the family. If the family does not support a specific family member assuming the leadership role, it is unlikely to occur. Personal relations among relatives often take precedence over maximum profit in family firms.

5.1.2.4. Transition planning

Succession or in other words, transition planning and strategic planning are interrelated Malone (1989). Among the important conditions affecting management succession is the attitude of the family. If the family does not support a specific family member assuming the leadership role, it is unlikely to occur. Brockhaaus (2004) review of succession planning research highlights how personal relations among relatives often take precedence over profit maximisation in family firms, concluding that a potential successor must have the trust of family members actively involved in the business. Aligned to this idea, Drury & Drury (2016) review of best practice of a 160-year-old East Yorkshire food family business case study discuss successful principles utilised that includes the family electing a family member to be the chairman for 5 years all embedded within the context of a Family

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constitution establishing key governance. Succession planning encompasses not only top-level management, but also other factors such as the procedures necessary for a successful transfer, legal and financial considerations, psychological factors, leadership development, and exit strategies.

Gilding et al (2015) go further to suggest that there is a tension in the literature when motives for succession planning are examined. The taken-for-granted assumption of continuity and harmony as motives for family business succession planning suggests a normative dynamic, whereby actors feel obliged to assert them even if they do not feel them and suggest that they actual motives of incumbent business owners can not be assumed as they place individual self-interest above familial goals, consistent with an economist understanding of human motivation. The study concludes with a proposed typology of motives that inform succession planning and promote distinct respective succession outcomes.

Business succession planning can also raise complex questions of law, tax and business planning. Giarmarco (2013), highlights successful transfer reasoning from a legal perspective to rest on three essential levels to a business succession plan. The first level of a business succession plan is management. It is important to recognize that management and ownership are not the same. While a family member or a key employee are in charge of running the business, the ownership might still be shared across family members. The second level, must take into account a fair share for those family members and especially children that will not participate in the business succession as well as the business owner continued stake and influence. In the third level, owners must make allowances and adopt certain lifetime strategies to ensure the transfer taxes to be absorbed by the next generation without negatively affecting the business.

There is clear consensus in the literature that transition planning is of critical concern to the successful continuity and development of family businesses yet little ability to apply a one fits all formula for those needing to undertake it. Ip & Jacobs' (2006) extensive review of business succession planning literature concludes that "The most telling issue of all, however, is that the advice available in the literature clearly lacks consensus. Not only are there stark differences between advice in general management articles, but also within texts where the topic of BSP is considered in great detail. A good example is that of Wolfe (1996) compared with that of Hawkey (2002). Wolfe certainly provides a practical approach towards succession planning, where issues are made transparent and actions are encouraged. Yet Hawkey, good on financial aspects, presents a completely different viewpoint. Succession planning is generally considered to be a unique, case-by-case process, where a one-size-fits-all mentality is simply not appropriate, and thus the wide variation in viewpoints cannot be avoided. It also covers a large number of topics, from

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finance to law, leadership to human resources, training to performance measurement – little or no area is excluded. No text on the topic can therefore ever be sufficient to cover all related issues, just as no individual can purport to be proficient in each and every area." Pp341

5.1.2.5. Transition and the family firm's involvement in community

Because of family involvement in the business and ties to the community, family-centered businesses may hold a unique perspective of socially responsible business behavior. In a qualitative study of family firms, Steier (2001) discussed the strategic advantage of social capital or relational wealth for family businesses. He states that social capital is an asset which is accumulated over time and has value because it is not easily traded or transferred. The research identified a variety of means through which social capital can be transferred, created, or managed to sustain the family-owned firm.

Besser's (1999) study of small-town business operators found that older businesses and those with more employees were more likely to be committed, provide leadership, and support to the community. Further, education was positively related to commitment, leadership, and support and older operators provided more community leadership and support than younger operators. Owners were also more likely to demonstrate community commitment than managers and those operating older businesses were more likely to hold leadership roles and demonstrate community support. In another study of small-town business operators, Besser (1998) found operator education, business age, and collective action to be significant predictors of community leadership.

Niehm, et. al. (2008) examine further involvement in community social responsibility and its consequences for family business performance. Their findings suggest that CSR is an identifiable business behavior that has important consequences for performance along both business and family dimensions for family firms in small rural communities. Community support and commitment appear to be complementary factors that drive the CSR of family business operators in small and rural communities. Their study results suggest that family-owned businesses do receive reciprocal benefits from giving to the community and that benefits (both given and received) increase as the firm grows in size and scope.

In a study of Polish family business transitions, Mazur-Wierzbicka (2015) introduces the concept of socially responsible succession where "succession is performed transparently and honestly allows to maintain proper relations between stakeholders of family owned business, their internal stakeholders in particular". pp 74. Principles of succession have to

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be predefined by incumbent owner managers and the family and CSR principles. Subsequent successions based on this approach not only offer a socially responsible route to succession but also have positive benefits according to the author.

5.1.2.6. The role of transfer consultant/mentor/trainer

Mentoring broadly encompasses an in-depth relationship between a protégé and a mentor for the purpose of encouraging the protégé's development. While three decades of research on mentoring in SMEs have offered insight in empirically supported processes in developing a mentoring relationship, little exploration of mentoring within family businesses has been conducted. The uniqueness of family businesses requires an exploration of the mentor best practices in relationship to the multidimensional and interdependent nature of family businesses.

Distelberg & Schwarz (2015) examines inter-organizational family business mentoring relationships to determine whether there are any aspects which differentiate it from the existing mentoring research findings. Researchers accessed 12 family business mentoring relationships from an existing formal, inter-organizational mentoring program. Through qualitative methods they examined how each of these characteristics were defined and used within these 12 relationships. Findings from this exploration provide a conceptual model for transferring the vast wealth of information from the mentoring field to family businesses. The research emphasized findings within inter- from intra-organizational mentoring perspectives and mentoring and the multidimensional and interdependent nature of family businesses.

5.1.2.7. Successor from outside the family (reasons/threats/opportunities)

Johannisson & Huse (2000) in their study explore how contrasting ideologies influence the selection process of outside directors in the small family business. Small family businesses do not just represent small scale economic activity but they are the outcome of entrepreneurial ambition and family involvement. This means that willpower and emotional commitment blend with calculative considerations. As emotional as well as cognitive constructs the family, management and entrepreneurship each represent an ideology: paternalism, managerialism and entrepreneurialism. The authors propose an ideological framework positioned against alternative approaches to the study of board selection processes. The study offers evidence of the theoretical assumption that entrepreneurial firms avoid having outside directors and managerial firms welcome outside directors, leaving paternalistically- run family businesses ambivalent. It reveals how the professionalization of the board enforces managerialism, challenging thus far

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dominating ideologies, entrepreneurialism and paternalism. They claim that the outcome of this ideological contest, if properly orchestrated, is an energised and more competitive family business.

Some studies examine the factors influencing the decision between a family and an external ownership succession (Ward, 1988). Whilst much research focuses on management succession rather than on ownership transition, Wiklund et al (2013) discuss ownership transition suggesting that different modes of ownership transition (i.e., internal, external, and possibly others) are voluntary choices. The authors applied a novel conceptual framework to predict how important and tangible factors of family structure and involvement (i.e., family ownership dispersion, number and age of potential heirs, intergenerational ownership involvement, and whether the CEO is a family or a not) impact the type of ownership transition chosen. Interestingly, findings suggest that greater ownership dispersion and a larger pool of potential adult heirs are associated with a higher probability of external ownership transition relative to internal ownership transition.

5.1.3. Culture transfer (Cultural approach)

In recent years increasing levels of interest in family business research has been devoted to cultural dimensions and embraces cross-cultural perspectives. Patterns of behaviour, values, social and ethical norms are being recognized and analysed as key variables both in theory and practice of family businesses (FBs). This section summarizes the review of academic literature on cultural aspects of transition in small and medium family enterprises (SMEs). Transition in the FB context is understood widely. It encompasses various changes experienced by and within organisation (succession, internationalisation, hiring new employees, cross-cultural business activities, etc.). The foundations and seminal work of Dyer (2009) has set the foundations for discussion on how to recognize, anticipate, and solve the problems created by the cultures of family firms as they grow and mature.

5.1.3.1. Organisational culture in the process of transition. Approaches to identification of company cultures (a few useful taxonomies- e.g. Handy). Methods of transferring company culture

Research developed by Pearson et al (2014) demonstrates the unique influence behavioural the family team can exert on teams in the business, as well as how company culture is affected by the family team and transferred to the business as a whole. The authors argue that the very nature of family relationships is at the essence of what makes family firms unique from other organizational forms. In their study Pearson et al (2014)

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employ the Inputs-Process-Outcomes perspective, to develop understanding of the family team influence. In their examination of "inputs", the authors propose the unique position of the family firm, where depending on the family firm team characteristics, the family social process can exert an influence on the firm. In addition social interactions, including the patterns and strength of ties, among the members of the family firm team, can impact future processes the team develops. Very importantly, the strength of shared ties among family team members can affect the firm's shared vision and purpose, as well as unique language, stories, and culture of a family team that are commonly known and understood, yet deeply embedded, or what can be described as the culture of the firm. The authors argue that this in addition to a family firm identity of the family team creates the collective understanding necessary for the family to develop and maintain collaborative processes and achieve long-term family team performance.

Family firms have different organisational cultures to non-family firms as demonstrated by Vallejo (2008). The authors' research demonstrates statistically significantly differences in 9 out of 12 defining variables of organisational culture between family and non-family firms mostly explained through a combination of the existence of greater levels of commitment and harmony in family firms, as well as a stronger long-term orientation. Authors conclude with the formulation of a new cultural model termed "courage" that emphasises commitment and long term orientation or a combination of harmony and specialised customer management. Sharma and Manikutty (2005), demonstrate the reverse impact but also a level of disassociation between firm and family structure. By examining the influence of community culture (in this case the firm) and family structure on divestment decisions in family firms, they conclude by proposing a set of varying levels of inertia to divest depending on the values held by the owning family and the prevailing firm culture.

5.1.3.2. Leadership style, succession, trust, agent balance, history and identity, and fear of losing one's identity and social standing (LBU)

There are a number of types of family business cultures and associated leadership styles widely discussed in literature and encapsulated in Dyer's seminal work (2008). Family businesses are organizations whose formal, legal ownership remains with a major stakeholder, the owning family, across generations. Many families avoid relinquishing or diminishing their formal ownership and refrain from sharing it with nonfamily employees (Sharma & Irving, 2005). Bernhard and O'Driscoll (2011) suggest that family businesses can benefit from the recognition of the favourable effects of psychological ownership on individuals' attitudes and behaviours and that enhancing psychological ownership over the job and organization is a mechanism for motivating non-family employees without a

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reduction of family ownership. They suggest that family business owner-managers need to reflect on their leadership style (particularly trying to engage in transformational leadership approaches) in relation to increased psychological ownership among nonfamily employees.

Sorenson's (2000) study focuses on five approaches to leadership, namely participative, autocratic, laissez-faire/mission, expert, and referent. It argues that participative, referent leadership and, unexpectedly, laissez-faire/mission leadership produce positive outcomes for the business and the family, and high levels of employee satisfaction and commitment. The research highlights also a set of practices related to the respective positive leadership styles that might further aid participative, referent, and laissez-faire/mission leadership approaches.

Some research moves the debate beyond the dichotomy between 'the family' and 'the business' in organisational culture terms, to reflect agent balance in succession and specifically how succession identity interacts with other non-family stakeholders and in relation to the primogeniture practice i.e. that the 'first son' succeeds the owner manager. The study by Yoo et al (2014) is based on a cohort of Korean family firms and incorporates the notion of social embeddedness of economic activity. The main research question in the study is the degree to which performance is affected by the intergenerational transfer when the candidate pool is predetermined by blood relations, or limited to those of direct descent from the founder. The study concludes that "NFSs are better able to "see" and act on new sources of entrepreneurial opportunity that arise in their interactions with input from external board members and block holders, as well as eschew developing an overly internal-orientated focus that can place greater disproportionate emphasis on "family" rather than "business" to a greater extent than FSs". Pp 261

5.1.3.3. Goal disengagement/reengagement: retirement, projection compromise and letting go

Accounts on business exit cannot be understood in simple 'binary' terminologies, as 'successes' and 'failures' in the context of family firms. In a decomposition of potential business outcomes and therefore business exits it is suggested that there are many more complexities to understand and distinguish between these; ultimately exposing the trivial and negative perceptions associated with 'business failure' and 'business death' and instead refocusing on the importance of learning journeys as well as changing owner manager priorities (Coad, 2014). The example of the 'failed' Japanese temple-building firm Kongo Gumi is used, to illustrate how the world's oldest continuously ongoing independent company before it went into liquidation in 2006 was actually a very successful entity.

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The notion of owner-manager goal adjustment capacities facilitate retirement planning among family business leaders who are approaching normative retirement age is explored in work by Gagnè et al (2011). Findings indicated that the capacity to identify and pursue new goals can also support the retirement planning process among family business leaders, and contextual factors can compensate for poor goal reengagement capacities. Trust in the successor helped owner managers who are having a difficult time in adopting new goals with their retirement planning. The study also found that extent to which incumbents trusted their child with the succession, the more the adverse effect of poor goal reengagement capacities on retirement date became reversed and incumbents set an earlier retirement date. Work by Shepherd (2009), develops understanding of business families and family leaders in their ability to recover emotionally from business death and how this relates at family group, meso and individual family member levels. Smith (1997), identifies in his work

5.1.3.4. The role of values and cultural factors, institutionalisation in the process of transition and evaluation of performance

Family culture permeates all aspects of daily life and work, and its influence cannot be underestimated (Sipa, 2015). The significance of socio-cultural factors in many aspects of family entrepreneurship, including transition processes is widely acknowledged. Literature suggests that passing norms and values from generation to generation in FB is particularly sensitive and challenging (e.g., Olejniczak, 2014). Therefore there is an interest in values which contribute to longevity and sustainability in family business (Więcek-Janka, 2014). There are still numerous gaps in scientific research, for example in regard to the topic of intergenerational transmission of the entrepreneurial spirit (Arcand, 2012; Danes et al., 2008), which is essential for FB sustainability.

5.1.3.5. Family values vs company values and their impact on the transition process

Family and non-family firms differ to some extent in regard to how they perceive ethical behaviour and in types of ethical dilemmas they encounter (Bieńkowska, 2014; Duh et al., 2010). On one hand there are negative issues, such as nepotism in FBs, or problematic government-business relationships. On the other hand, it has been suggested that in family entrepreneurship more attention is being paid to moral standards (Olejniczak, 2014). The concept of familiness, as a unique feature of FB, is widely explored (Frank et al., 2010; Zellweger, 2010). A closer comparison of family and non-family businesses suggests that these are not clearly separate groups, and it's thus more relevant to speak of a continuum of family engagement in business (Casillas, Acedo, Moreno, 2007). Family values are also emphasized in relations to ethnic entrepreneurship, where the positive

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role of family can lead to more business opportunities, which is seen, e.g., in the case of Greek FBs in South Africa (Adendorff, Halkias, 2014).

5.1.3.6. The impact of national culture on entrepreneurship

There is a recognition of significant differences in family cultures around the world, which directly or indirectly are interwoven with the functioning of FBs. (e.g. Brockhaus, 2004). A common topic discussed in academic literature revolves around restricting and facilitating factors in family firms transition process. Case studies from various national cultures are useful for expanding our knowledge on how FBs are influenced by national cultures. Chinese family entrepreneurs, for instance, pay attention to the problem of succession and the topic of guanxi is often discussed (e.g., Ambler, Witzel, 2000; Sharma, Chua, 2013). Some elements in Chinese culture are analyzed as restricting the ability to handle transition in a smooth way (e.g., an inclination to make business within close circle of trusted people, Redding, 2013). Topic of social norms, shared to some extent within a national culture, is also popular. Standards of behaviour acceptable in a society are subjects of concern in analysing transition (e.g., Brockhaus, 2004).

5.1.3.7. International/intercultural context - culture dimensions as practical diagnostic tools for recognizing family/company values (Models by Hofstede/ Trompenaars/ Lewis)

In the global marketplace, new tools are needed to assess and compare cultures. Several classic models enable international/intercultural comparisons and an identification of a family firm's culture in a contextual way. Schein (2010) has proposed to analyse it on three levels: 1) artifacts (visible structures and processes; observed behaviour), 2) beliefs and values, and 3) basic underlying assumptions. Hofstede's (Hofstede et al., 2010) cultural dimensions enable relative comparisons of business cultures with an emphasis on values and norms. His empirical investigation revealed that national cultures differ along 6 key dimensions (power distance, individualism-collectivism, masculinity-femininity, uncertainty avoidance, long-short time orientation, indulgence-restraint). Trompenaars (2012) made a model of categorizing cultural differences into the four types of corporate culture (incubator, guided missile, Eiffel tower and family). Lewis (2005) proposes three categories (linear-active, multi-active and reactive cultures), each with a set of specific socio-cultural characteristics. Although those models were not devised specifically for SMEe, they have nevertheless potential which can be explored. For the topic of transition it will be interesting to look into the determinants and implications of long-term orientation of FB (Lumpkin et al., 2010).

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5.1.3.8. Conflict: role reversal family and business

Research suggest that for a family firm to prosper in a sustainable way it is crucial to achieve a balance between family engagement and the realisation of business goals (Olejniczak 2013). Changes in family composition, roles or relationships affect FB both negatively (e.g., less trust) and positively (e.g., new business opportunities) (Aldrich, Cliff, 2003). In FBs the choices employees make, like marriage or divorce, become major issues for their firm. Norms which emerge in this areas often derive from the founding family's ideas about sustainability and further development of a company (Beckhard and Dyer 1983).

Literature review also showed that the topic of culture and the internationalization of FBs is developing into a significant research area (e.g. Kontinen, Ojala 2010a, 2010b). Internalization may influence various aspects of family firms, such as their values, strategies, organizational culture, the nature of family involvement (Zahra 2003). Research shows that international joint ventures between family firms have more chances for success than between FB and non-FBs, and one of the factors explaining it is similarity of values and mindsets (Svinth 1993). It may thus be an interesting issue to develop additionally in the course preparation.

5.2. Report on Polish language literature on transitional issues[15]

5.2.1. Power transfer (psychological approach)

Polish academic literature on psychological aspects of transfer in small and medium family enterprises (SMEs) has been developing dynamically over the last few years. Authors of many publications in Polish language tackle issues that have already been analysed in international research, but mainly concentrate on the specificity of Polish market and Polish family businesses. Exploratory research and case studies seem to balance the empirical field of this topic.

5.2.1.1. Working in family context

This section encompasses several issues connected with the functioning and controlling power by the family through ownership and the share in management during the transition period.

[15] Romana Paszkowska and Dobrosława Wiktor-Mach: Report on Polish-language literature on Transition Issues
IO5 – Master Course Module 4 http://coospace.uni-bge.hu/CooSpace/Scene-171172/Folder-271521/Index/IO5%20Transition%20issues/IO5%20Transition%20Collating%20reports

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There are several papers that analyse the topic of succession in broad, general terms, e.g. Lewandowska A., Greser, J., Jakubowski, J. (2012) indicating main areas of importance during the succession in FBs. Also in the first chapter of her paper, Więcek-Janka (2013) introduces and describes several taxonomies and types of family firms, while a paper by Blikle & Kosewski (Blikle, Kosewski, 2012) analyzes the roles and functions of family leaders and how their behaviour determines the management of a family firm.

The role of family ties in the context of succession in family firms has been discussed in the research paper by Niemczal (2015), while the issue of trust management as a method of gaining competitive advantage over non-family firms is covered by W. Popczyk (2011). Popczyk claims that the family social capital is the natural source of the family business competitive advantage. The nature of trust is described and critical conditions necessary to sustain this strategic resource as time goes by and business grows, are identified.

5.2.1.2. Communication in family firms

This topic is relatively well represented in several works and investigated from various angles: general, e.g. (Jurysta, 2012), generational (Weroniczek, 2012), where the inter-generational dialog is studied. Psychological approach is investigated in the work of Lewandowska and Hadryś-Nowak (2012) who analyse selected psychological aspects of the process of succession in family companies in Poland. Communication is the carrier of emotions and determines the reasoning and behaviours during all stages of transition in family enterprises.

5.2.1.3. Conflict management and resolution in family firms

Conflict management seems to be the most widely investigated by Polish authors area, out of all section I topics. Więcek-Janka (2013) devotes chapter 5 of her work to the analysis of family business crises and conflicts. She deals not only with the causes, dynamics and escalation of conflicts but presents her model of conflict management in family firms and other methods of family business conflict solving. Taxonomies of conflicts in reference to corporate cultures and conflicts in family business management have been analysed by Królik, (2011), while Pawłowska, (2015) concentrates on conflicts associated with succession in family enterprises through the analysis of a case study. Transgenerational conflicts in family businesses were studied by Nowodziński and Budzik-Nowodzińska, (2015). Stefańska presents the issue of conflict management, potential sources of conflict and their significance for family businesses. She concentrates on communication as an instrument for solving and prevention of conflicts in family companies. (Stefańska, 2011). Węgielnik claims that the best way to resolve conflicts is

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introduction of formalized principles of operations, mediations and talks, which can help to understand reasons of conflict occurrence and profitable solutions. (Węgielnik, 2011)

5.2.1.4. Most serious problems in family firms that may affect the transfer process.

In comparison with English-language texts, there are relatively few papers written in Polish which consider individual problems that affect family firms during the transition. Research results on the barriers in the process of succession in the opinion of the successors of family businesses have been presented in the research paper by Więcek-Janka (2015). The issue of female succession - a comparative study of the situation of women in the succession in selected countries was conducted by Alicja Hadryś-Nowak (2015)

5.2.2. Experience and knowledge transfer (managerial approach)

5.2.2.1. Family firm cycle and survival

In chapter 2 of her work Więcek-Janka discusses family firm cycles from three perspectives: of the company, the family and an individual. Chapter 4 is devoted to problems and decision making in family businesses. Więcek-Janka concentrates on decision making models and the application of investigation methods for decision taking. (Więcek-Janka, 2013).

Factors influencing the success and long-term existence of family businesses are covered in the paper by E. Małyszek (2014). The author applies three complementary approaches: Resource-Based View, The Three-Circle Model and Sustainability Family Business to analyze different aspects of success and long term survival of family company.

5.2.2.2. Transfer of management

Various aspects of leadership continuity as a challenge in the succession process of family companies has been investigated by A. Lewandowska (2014). She states that the owners' leadership styles strongly influence the organizational culture of their businesses and later, the models of succession. Eventually they also determine the success or failure of succession.

In his paper, A. Grześ (2011) attempts to position the concept of change management within the family business. The paper analyzes the problems connected with K. Lewin and J. Kotter's theoretical models and suggests that knowledge of change management stages can and contribute to the development of family businesses. Also Więcek-Janka in chapter 3 of her work discusses various aspects of change and knowledge management and develops the concept of succession change and knowledge management process.

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The issue of potential impact of parental attitudes on leadership styles in family firms is discussed by M. Krajewska-Nieckarz and M. Klimka (2014). Parental attitude of the FB's owner influences not only the future behaviour of the successor but also, by executing certain leadership style, indirectly affects the behaviour of non-family employees.

5.2.2.3. Transition organisation - identification of the best moment for transition, upbringing and education of the next generations, various approaches to pre-succession activities, expectations of the entrepreneur, successors, employees.

The issue of preparing a successor to take over the family business is discussed by J. Bieńkowska (2011). She claims that the effectiveness of the succession process is strongly conditioned by parents' ability to motivate the successors to continue their project. It is deeply rooted in the quality of parents - children relations from long before the succession.

Problems of succession and generational differences affecting the changes in family businesses are investigated by M. Brenk, and S. Wnuk (2015). Well-planned, implemented and closely linked to the strategic objectives of the company, succession is of great importance for the future of the company. It determines the long-term and stable development of intergenerational family business.

5.2.2.4. Various patterns and models of management succession

Succession potential and strategies of Polish family firms have been investigated in papers by K. Safin, (2015) and K. Safin, J. Pluta (2014). The latter analyses initial research results.

5.2.2.5. Transition planning

In order to develop unique long-term potential of family businesses, family companies need to master generational changes. A. Lewandowska and Ł. Tylczyński (2015) analysed results of two comprehensively conducted surveys: Global University Entrepreneurial Spirit Students' Survey and Diagnosis. On the basis of these survey results key challenges and barriers in succession of Polish family businesses were specified.

Selected succession issues from the perspective of future programming of a family business and attempts to characterize the main aspects and problems of wealth and power transfer in a family business have been noticed by Tomski (2011)

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5.2.2.6. Transition and the family firm's involvement in community

E. Stawicka (2015) investigates the area of social responsibility in family businesses. Since family business stems from the affirmation of workplace, family and their connection with family professional values, it traditionally links values with business performance. This connection involves social responsibility and attempts to minimize the number of irresponsible decisions made by business leaders. On the other hand, Gołaszewska-Kaczan's paper (2011) discusses the concept of small firms' involvement in corporate community as a reference for family firms' involvement in similar activities. It studies the scale, forms and areas of social activities of small family firms from Podlasie voivodship. The conclusion states that trends observed in SME sector are also observed in family businesses. Conditions associated with the implementation of CSR (Corporate Social Responsibility) principles in small family businesses are the main concerns of Banasiak (2014). The possible benefits connected with the implementation of CSR (Corporate Social Responsibility) principles in small family businesses indicate, that these principles have tendencies to grow and will probably be even more popular in the future.

5.2.2.7. The role of transfer consultant/mentor/trainer

The paper by D. Nawrat, (2011) is a good example of considerations upon the role of mentoring in the transfer of knowledge in family businesses.

5.2.2.8. Successor from outside the family (reasons/threats/opportunities)

Koładkiewiecz I., Wojtyra M. (2015) present the theme of external succession in a family firm and discuss its complicated character.

5.2.3. Culture transfer. (Cultural approach)

Polish literature on the culture transfer in small and medium family enterprises (SMEs) is relatively new, but is gradually growing. Much of the publications in Polish language takes an inspiration from international research, review it or compare. However, more and more authors undertake family business (FB) issues from the perspective of Polish national culture and specifically Polish challenges. Exploratory research and case studies seem to dominate the empirical field of this topic.

5.2.3.1. Organisational culture in the process of transition

There is a great deal of publications which analyze organizational culture from various aspects, but an explicit focus on family firms and transition process is still rare. Polish

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authors recognize a need for a more thorough research on cultural determinants of small FBs (Wiśniewska-Mikosik, 2014).

Some research and publications in Polish language underline socio-cultural aspects related to the process of family business transition, such as organizational atmosphere (Sipa 2015). It is assumed that family firms have stronger organizational culture, which is expressed in conformism to norms and tradition, high engagement and stronger bonds (Żukowska, Pindelski 2012). Organizational culture is often mentioned as one of the key factors influencing intergenerational changes (Sułkowski, Marjański, 2009). The term organisational culture is, however, understood in Polish literature in many different ways (Sikorski 2002; Sułkowski 2002; Sułkowski, Marjański 2011).

Another line of inquiry is focused on the question: which features of organizational culture facilitate introducing changes. Literature on process-oriented organizations, for instance, suggests that it is easier to transform FBs towards this model since business communication permeates all aspects of family life (Baskiewicz, Niziałek, 2014).

5.2.3.2. Leadership style, succession, trust, agent balance, history and identity, and fear of losing one's identity and social standing

Report on Polish family firms states that due to a short tradition of Polish entrepreneurship succession, there is a scarcity of firms which underwent succession. However, among a significant part of the Polish FBs' owners (58%) there is a willingness to hand over their businesses to their offspring (Badanie firm rodzinnych, 2009). Polish FBs also search for new leadership models which can effectively respond to the fast-changing environment. Blikle (2012) argues that the former socialist organizational culture should urgently be replaced by a new approach based on values.

Due to the lack of empirical material Polish literature mostly assesses existing models of leadership transfer. There is an analysis of succession in FBs and specifically of transfer of power according to a Japanese concept of Lean Management, developed by Toyota executives. According to this philosophy the main role of a leader is to prepare his successor, and this approach has many advantages for family firms (Baskiewicz, Niziałek, 2013).

5.2.3.3. Mentoring and coaching capability and change AND

5.2.3.4. Goal disengagement/reengagement: retirement, projection compromise and letting go

Research in this topic in Poland is so far under-explored.

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5.2.3.5. The role of values and cultural factors, institutionalisation in the process of transition and evaluation of performance

The role of values and norms for transition in family entrepreneurship is perceived as pivotal in the family firm sector, because they influence all aspects of activities (Olejniczak, 2014). The process of institutionalisation increasingly becomes an important issue for Polish family firms. Most of them emerged during the transformation period along with economic and political opportunities, and thus numerous FB founders had natural entrepreneurship attitudes, such as enthusiasm, creativity, courage, proactiveness. Further development requires new features, such as openness to change and establishing patterns of action (Stępniewska, 2013). There has been some exploratory research on which values are the most important for Polish FBs, what are their determinants and impact on the overall functioning of firms and transition (Więcek-Janka, 2013). Some of the intangible factors are assessed as favourable for a long duration of family firms (including succession and adaptation to new circumstances, such as an emphasis on knowledge and skills, reputation, organisational culture and a system of values (Springer, Hadryś-Nowak, 2016).

Moreover, pros and cons of the familiness concept are discussed by Mączyńska (2009) and Leszczewska (2012). It can imply a higher level of loyalty and trust which, in turn, lead to better efficiency (Sipa 2015), but even the most dynamic rise of a company may be hindered in the second generation due to the lack of institutionalisation.

5.2.3.6. Family values vs company values and their impact on the transition process

There are attempts at identifying entrepreneurial characteristics affecting the longevity of family businesses. Based on empirical research, interviews and surveys with FBs, Więcek-Janka (2013) proposed the following set of socio-cultural features: charisma of the founder, the family relationship, family consensus, determination to achieve one's goals, flexibility and courage to take risk. Other explorative research suggests values and norms characteristic of medium family firms – more emphasis on development, self-control, initiative. But also ethical problems are explored in FBs, such as an unequal treatment of family and non-family employees with preference for children of the company's owner (Baskiewicz, Niziałek, 2014). This division into two groups of employees is seen as a serious obstacle for a company development. Nepotism is a kind of cultural norm and researchers often evaluate it from the point of view of its effectiveness. While it's often underlined that such a practice is conductive in the first phase of a FB, in Poland preferences to hire members of one's family have positive impact on firm's development. Family social capital is regarded as a valuable strategic resource for family firms (Popczyk 2014). It influences a firm's morale, effectiveness, strategic decisions (Wiśniewska-Mikosik 2014). Qualitative

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research on a representative sample of Polish FBs suggests differences between family and non-family firms: while no significant differences were observed in structural factors, there were unique features in the field of organisational culture and values (e.g. trustworthiness, effectiveness, readiness to sacrify one's time, decision-making pace, sincerity, atmosphere at work, flexibility, ability to adapt) which derive from familiness. They can have both positive and negative influence on transition (e.g more trust in family members means that they get key functions and more responsibility) (Badanie firm rodzinnych 2009).

5.2.3.7. The impact of national culture and cultural factors on entrepreneurship

There is an on-going discussion, rooted in English-speaking literature, on which cultural elements promote and hinder economic development (e.g. Kostro, 2009). Although the typologies are on a general level, they may however have application for analyzing family entrepreneurship. There are many publications which analyse particular national cultures and their influence on family business. A lot of attention is devoted to the Chinese cultural context and guanxi (relationships or connections), which is transmitted to new generation as a part of social capital (e.g., Bąkiewicz, 2014).

5.2.3.8. International/intercultural context - culture dimensions as practical diagnostic tools for recognizing family/company values

This strand of Polish-language literature is to a large degree a review or an adaptation of models and concepts from international literature in English. It presents to Polish readers classic definitions and theories of Hofstede, Hampden-Turner and Trimpenaars, Gesteland, Lewis, to name the most popular in Poland, and in some cases apply them for exploration of Polish business culture in general (Bartosik-Purgat M. 2006; Mikułowski-Pomorski 2006; Kostro, 2009; Sikorski 2002; Zbiegień-Maciąg, 2002). Family business has not been so far explored in this context, although the models have potential for that.

5.2.3.9. Role conflict: role reversal family and business

Much of the literature on this topic deals with the problems or dilemmas resulting from overlapping of family and professional features and tasks, such as hiring family member or choosing a successor (e.g. Kempa 2013, Stępniewska 2013). Some authors try to identify the main challenges facing FBs related to their unique features, in particular to the co-existence family and business layers, which have an impact of transition process (Zalewska, 2015; Blikle, 2012).

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5.3. Report on Hungarian language literature on transitional issues[16]

5.3.1. Power transfer (psychological approach)

5.3.1.1. Working in family context

Family businesses are at heart of the economy. Their function is not exclusively restricted to the contribution to economic wealth, but they play a significant role in employment creation and stabilisation as well as in intergenerational knowledge transfer. When defining the term 'family business' usually three different aspects are taken into account, namely ownership, governance and participation in daily operation. Ownership refers to the assets the family possesses in the company. Governance is related to the fact to what extent the family members are represented in decision making bodies (board of supervision, board of directors, etc.) and exercise control over the company's strategic direction. The third aspect is the involvement of the company members into the day-to-day managerial actions. Family businesses may differ with respect to what combination of the above presented practices they apply in their everyday operation.

In the family business most rights of decision are reserved for natural person(s) who founded the enterprise, or such natural person(s) who have obtained ownership in the enterprise or spouse, parents, children or children's children of the persons already mentioned, the rights of decision are direct or indirect, at least one member of family or kinship formally participated in the operation, stock-exchange- listed companies can be considered as family businesses in the case when the person who founded the company or purchased it or his family, descendants have ownership over at least 25 % of shares represents right decision." (Csákné Filep 2012:5)

In Hungary, there is no systematic data collection about family businesses, there are, however, different statistical sources available that can provide an overall picture. The distribution of the different size-categories within the Hungarian firms indicates the dominance of micro-sized companies. According to the data of the Hungarian Central Statistical Office (HCSO) in 2012 89.26% (575.476) of the total economic organisations employed 1-4 people, 5.84% (37.765) of them operated with 5-9, 2,67% (17.312) with 10-19, 1,39% (8.690) with 20-49, 0,71% (4.578) with 50-249 and 0,13% (871) with more than 250 employees.

The global financial and economic crisis started affected negatively the Hungarian firms in general and the family businesses in particular. The Hungarian GDP decreased by 6.8 per cent in 2009, which was accompanied by a dramatic increase of unemployment rate

[16] Andrea Madarasi-Szirmai: Report on Hungarian-language literature on Transition Issues http://coospace.uni-bge.hu/CooSpace/Scene-171172/Folder-271521/Index/IO5%20Transition%20issues

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(from 7.8 to 11.2 %). Most of the enterprises experienced turnover decrease, difficulties in accessing financial resources, decrease in investments, delay in payments and most of them reacted with cost and capacity reduction. (Szabó 2009)

Köteles and Vincze (2011) investigated motivating powers in the case of family businesses. They examined with questionnaires, which are directed to discover the main motivations of the founders, plan of the company's vision and the career of the founders. The respondents were 63 persons from the southern Great Plains region. Based on the frequency of responded words the researchers recognised McClelland's motivation theory in the personality of the family business founders.

1. Power: leading, influence, creation need, financial independence (mentioned words: independent, self-employed, free, self-realization)
2. Relationships: interaction, cooperation, collaboration (mentioned words: family, unit, existence, cohesion)
3. Performance: result-orientation, tendentiousness (innovation, market, need, expansion)
4. Job creation: scope of forced entrepreneurs (job creation, compulsion, maintenance)

The most frequent motivation is the need of power (45,6% of sample). The performance was the second most frequent motivation (24,1% of sample), 17,7% of founders in sample was motivated mostly by the need of job creation and 12,6% of sample was driven by relationship.

Based on the research the family entrepreneurs are mostly motivated by power need and the financial independence. The person of the owner and the manager is often identical. The leaders of family enterprise rarely make a written business plan at the time of the foundation or in the case of succession. The family life and the course of business affect each other.

Csákné Filep and Pákozdi (2012) approached the succession not from the side of the family relations. The researchers described the characteristics of founders because the founders are the key actors in succession, strategic targets, culture, external relationship and performance. They completed 25 case studies about the issue of succession, generational change in Hungarian SMEs sector. Those enterprisers who take over the company and not found it, have own experiences in how to transfer a business and it can make easy business transfer, but the founders rarely get at acting the retirement and can obstruct the decisions on succession. The surveyed enterprisers looked at their enterprises as life course, modernisation and innovation. They are considered, dynamic

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and self- fulfilling. During their entrepreneurship, the financial stability is the most important. According to this research there are expectations towards the successor person. There are the followings: good organiser, communication skill, professional knowledge, financial management and knowledge about competitors and business and cooperation with predecessor and balance of power within the business, conflict tolerance are all greatly important in the firm strategy considering the innovation and change.

5.3.1.2. Conflict management and resolution in family firms

The solution of conflicts often arises through specific logic in different subsystem (ownership, leadership, family). Conflicts occur from the merge of boundaries and paradoxes. The ways in which individuals communicate within a family, may be inappropriate in business situations, but that is fact in business situation both of partners are family members. Family business must keep lines of communication open, make use of strategic planning tools, and engage the assistance of outside advisors as needed. Bogáth (2013) examined 44 family businesses and by 68% of them conflicts have not impacts on family and business system. Half of the firms in the sample reported that the leader was able to balance between family and business duties. 38.6% of the leader devoted more attention to company than to family affairs, which can lead to long-term weakening of family ties. 11.4% of leader preferred family over business, which may be the danger of neglecting the enterprise, and therefore may decline.

In Hungary, SEED Foundation organised several programs and conferences on Family Business They found that there is a lack of a comprehensive research on family businesses, including succession questions. (Soltész, 2007) Román (2007) also finds a lack in life cycle researches on Hungarian family businesses. SEED Foundation emphasises that family businesses need to pay attention on keeping the harmony and balance of the family and business. (Horváth, 2008) They found that most of the founders are afraid of the external takeover, they find optimal if the children succeed the company.

No matter if the family takes part in the management or not, the family business could improve only if the management is well prepared and consists of professionals. It is essential to define the role of the founder-manager, understand and customize the operation rules of the business, choose the right managers for the operation, and create an entrepreneurial organization for sustainability and prosperity. For a family firm, business reputation is closely linked to family reputation. Vecsenyi (2009) emphasises that in most Hungarian cases, family firms use the name of the family. This guarantees quality and commitment. In multigenerational family businesses accumulated knowledge, secret recipes, professional experiences succeed from parents to children.

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5.3.1.3. The most serious problems in family firms that may affect the transfer process

Bálint (2006) conducted a survey among a representative sample of Hungarian family firms operating in various sectors. The most important factors that influence succession decisions and the process itself are the followings:

- the size of the company: the bigger is the company, the stronger is the wish to preserve it within the family,
- business prospects: companies over 7 billion HUF pa (~22.5 million €) prefer the sale to family-based succession,
- the age of owner/entrepreneur: the younger is the owner, the higher is the probability of sale to external parties,
- the successor's competences,
- competition in the sectors: the more intensive is the competition, the bigger is the pressure on the owner to sell the company to external parties.

The sector is a key issue with regard to succession motifs. In chemistry, construction and retail trade the dominant pattern is the sale of the company, while in food industry the future vision is the family-based ownership transfer. In case of services the sale to other owners or to management is the dominant option. Export-orientation is also an important aspect of succession process. In cases where the share of export exceeds 50% of total revenue sale to external parties is preferred. (Bálint 2006)

5.3.2. Experience and knowledge transfer (managerial approach)

1. Family firm cycle and survival
2. Transfer of management
3. Transition organisation - identification of the best moment for transition, upbringing and education of the next generations, various approaches to pre-succession activities, expectations of the entrepreneur, successors, employees.
4. Various patterns and models of management succession
5. Transition planning
6. Transition and the family firm's involvement in community
7. The role of transfer consultant/mentor/trainer
8. Successor from outside the family (reasons/threats/opportunities)

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Gere (1997) found, 70% of family business owners recruited their employees and colleagues from their family members. They considered the cohesion, trust, common targets as the most important advantage of family business.

In 2007 Corvinus University conducted a research among business owners who planned retirement. (Csákné Filep 2007) The researchers analysed succession characteristics and focused on two questions: 1. To what extent family and non-family businesses can be distingushed by the preferred succession outcome, the ownership structure and the family members active in business. 2. How family businesses can be classified by the preferred succession outcome, the ownership structure and the family members active in business. In family businesses there are combinations of family members in various business roles and subsystem (husbands-wives, parents-children, extended families, multiple generations playing the roles of stockholders, board members, working partners, advisors, and employees).

Kuczi (2011) discussed the topic in Family and Enterprise after 1989. In half of family businesses both husband and wife participated in business. Where the wife was the owner, the role of husbands has not changed much over the years, but where the owner the husband was, the wife gradually lost ground in the company. The asymmetry of the gender can be detected on different level of spouses' participation. 21 percent of the wives are co-owners of the company, while the husbands have 40 percent of the ownership in the wife's companies. Relatives had generally 28% of ownership in the family business in 1996 and their relevance showed that 26% of enterprisers received loan from relatives. Due to the lack of resources the family and relatives got significant role in such a business. In Kuczi's opinion a non-negligible factor of family business success is to what extent solidarity family members have to independent (external) parties.

Csákné Filep (2012) conducted a representative survey among those Hungarian SMEs that were facing with succession challenges 2011 (not exclusively family businesses). According to her results 49.3% of family business owners have succession plans without having written that, 3.9% of them have a written plan, 18.8% thinks that succession is automatic process and 28.6% of the family firms have no idea about succession. Based on a non-hierarchical cluster analysis she distinguished five basic types of succession strategies of the Hungarian succession-involved SMEs. The clusters represent not exclusively the family-owned businesses but all the SMEs that have been involved into the research. Category 3, 4 and 5, however, cover the different types of family firms.

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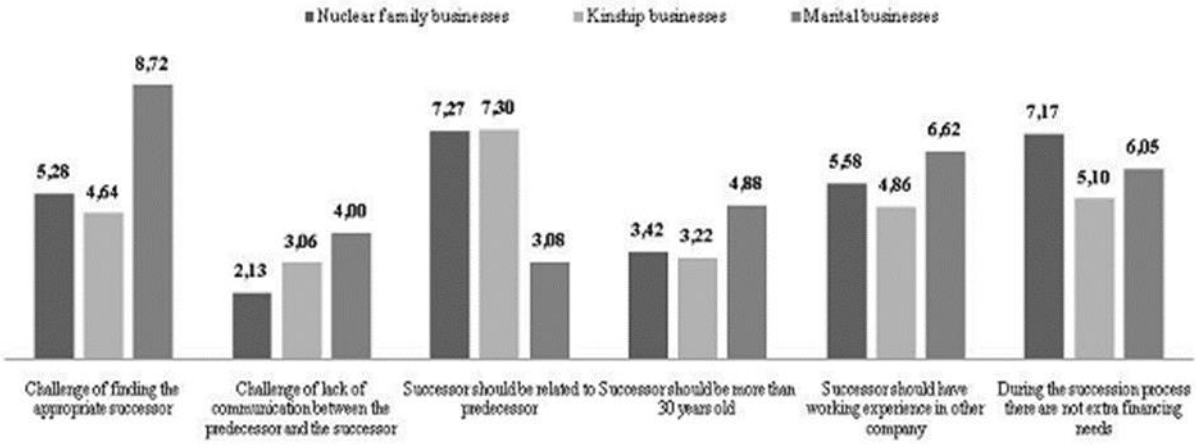
Specialities of succession in different types of family businesses



Source: Csákné Filep (2012:151)

Marital family firms seem to differ from the other two types (Nuclear family businesses and Kinship businesses) quite significantly. In their case the most important challenge is to find the person who can act as an appropriate successor. The successor's age and working experience is of more particular importance to them than in case of the other two family business models while in their case the probability of an 'external-to-family' successor's engagement is the highest.

Strategy formation and decision (participation of family and non-family members)

Family firms are distinguished from other organizational forms by the overlap of family and work systems. Members of the controlling family significantly influence the goals and strategic direction, as well the performance and survival of their enterprises. (Sharma et. al 2013) For long term prosperity, a family firm must achieve efficiency and effectiveness focused business goals, like other businesses. However, family oriented goals such as harmony, generational transition, and ownership issues must also be managed.

In Hungary, doing private business became legal again after the regime changed. We don't have much literature from the early years, and of course circumstances have changed in the last twenty years, but there is an interesting fact from the early years of market economy. Czakó et al. (1995) found the majority of the Hungarian SME founders had chosen their spouses and other relatives to be their co-workers. We suppose that these founders from the early stage are predominantly the same ones, who are now facing the challenges of succession.

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A qualitative research at the end of 1990's and its' follow-up at the early 2000's examined a cooperative network of enterprising carpenters. (Kuczi-Makó 1993, Makó-Csizmadia 2003). These small business owners organized themselves in an innovative way to do large-scale work at the construction industry in the rural area of Hungary near the river Galga. The research proves that a certain type of effective and efficient work organization model exists, where specialists are linked to each other in a loose network rather than a formal organization, and where individual success depends on cooperation. Within the community not only economic factors define the regulating behavioural patterns of the cooperation among the actors, but also the professional and ethnic relations, or the level of trust being present at the local community.

The experience in the incorporation system highlighted the fact that that it does not worth to risk long-term stability for the short-term advantages of the competing behaviour, as long as the market conditions let them to do so. Kuczi's research (2000) raised our awareness that after the collapse of the state socialism, similar temporary or permanent exchanges worked among small business owner professionals, like among households in the traditional bees. In these new transactions not only labour, but information, goods, means or even capital were being leased.

The organizing method of these economic relations could be considered innovative in the SME sector that is in the lack of funds, but it also has its' own barriers. Bruno Dallago raised awareness on the fact that cooperation between Hungarian SMEs is mainly loose, and means only consultancy, leasing means and capital or acquisition of business. By contrast, Dallago (2011) shows in his work that they lack common production networks, which are common in Italian small business zones, and require more developed forms of division of labour and deeper integration of actors. These 'hard' networks need higher investments, deeper commitment and often even cross-ownership, but due to the more rational and flexible use of resources, they are more competitive and able to adapt to the changing environment. (Simonyi 1987, Pyke – Sengenberger 1992)

Csákné Filep (2012) in her dissertation examined if family business founders in Hungary want to succeed the ownership to the successor and if there is a difference if the successor is a family member, especially their children, or not. In 61% of the examined cases, regardless to the relationship with the successor, they do not want to give up their ownership at the firm, which makes decision-making more complicated for the successor. 50% of the family business does not even think about succession planning, but existence of a potential successor encourages them to do so.

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5.3.3. Culture transfer. (Cultural approach)

1. Organisational culture in the process of transition
2. Leadership style, succession, trust, agent balance, history and identity, and fear of losing one's identity and social standing
3. Mentoring and coaching capability and change
4. Goal disengagement/reengagement: retirement, projection compromise and letting go
5. The role of values and cultural factors, institutionalisation in the process of transition and evaluation of performance
6. Family values vs company values and their impact on the transition process
7. The impact of national culture and cultural factors on entrepreneurship

Family business can be meant as multigenerational unit, thus from this dynamic explanation we can see the importance of the following research results. Reisinger and Kovács (2011) examined higher education students as potential successors. Their central question was what kind of facts affects the continuity of family business and the start of own business among students in higher education. The researchers focused on examination of the strength of family and institutional effects on students' carrier choice expectations. This research was the part of Global University Entrepreneurial Spirit Students' Survey: GUESSS project. The sample was based on students studying economic, engineering and IT. Most of them have completed the Bachelor's degree programme. In the project researchers wanted to demonstrate the stronger family effect on students' carrier expectation. The family effect variables were measured by family affect and family cohesion, the institutional effect by practise-lecture, scientific field and qualification variables. Results showed that right after completion of studies 51% of students would like to work in SMEs. If students thought about 5-year perspective received the diploma, one-fifth of them would choose job in SMEs, but 25% of them would decide on start of own business. 25% of students are involved in family business, but only 3% of them would continue the family firm. Research results showed that men are more venturesome, so the gender and family effects influence the plan of continuing/starting business.

Most of Hungarian family businesses are micro or small firms and serve mainly local needs as such. There are, however, some family-owned firms that are present on the global markets. Without being exhaustive, some examples are listed here:

- Kompozitor Kft.: the company developed new chimney lining material and technology, along with corrosion resistant industrial composite chimneys.
- Zwack Unicum Zrt.: Internationally well-known fine herb liqueur producer.
- Kürt Kft.: Data insurance and data recovery technologies.

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- iData Kft.: The firms develops and sells GPS tracking systems and related services.

Learning and Knowledge development/ transfer in the firm

One of the most critical organizational changes family businesses deal with at some stage in their lives is the succession process. When evaluating it, two main targets are sought: quality and effectiveness. To meet these quality-effectiveness standards three elements should be transferred from the predecessor to the next generation member(s): (1) ownership control/power, (2) management responsibility and (3) competence/knowledge. (Varamäki et al. 2003)

One important factor that affects transferability of knowledge is the perceived trustworthiness of the source of knowledge (Szulanski et al., 2004). In fact, experiments in the communication field have demonstrated that a trustworthy source could substantially influence a recipient's behaviour. (Szulanski et al., 2004) Likewise, it has to be said that trust develops over time as a consequence of individual interaction; in the end, trust is placed in a person, not in that person's specific actions. (Rempel et al. 1985)

Gere (1997) found that the strength of the Hungarian family businesses are: the unconditional transmission of the practice and knowledge, the commitment of the family members, relationship with the customers, easy decision making processes, safety and experience of common pride. It is important to show an example, but the question is how could it be succeeded to the next generations? Bálint (2002) found that many of the founders in Hungary do not have a long-term vision, either because of the lack of time, as they are too much involved in daily life activities or because they try to avoid strategic planning, because they are afraid of an inconvenient conflict which may occur with their family members or employees.

Family and business is built on different values. Cole (2000) found that conflicts in family businesses are often due to the dual contacts and roles of the family members. Solving conflicts in these cases is hard, because to find the real reasons you need to dig deep, and examine family members' relations, which is often loaded with tension. Bálint (2006) explains a case, where the father didn't take his potential successor son to any negations, so it was really hard to accept him then by the partners as a successor. It is helpful if at the beginning with the help of an older mentor to design a structured succession plan with milestones, to see how the successor can get ready for the takeover of the company. In an ideal case, developing the successor is supported by a mentor. The ideal mentor is someone, who works at the company since a longer time at a high position and ready to share the experience and some criticism. Parents could be really week teachers, because of the mutual emotional concern. Csákné Filep (2012) recommends to involve external

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advisors to the succession planning and to monitor the firm. It also helps if they establish a Succession Board of family members and managers. It seems that in Hungary lately a need for external help emerged. If the supporting infrastructure is developed or mature enough, the knowledge of an external professional, the objective interpretation and reflexions made help to avoid the misrepresentation of objectives the inner interpretation solely may make.

Most of family businesses in Hungary have been founded after the collapse of the state socialism. The majority of the founders were in their 30s and 40s in that time and are now about retiring. As a consequence, ownership transfer seems to be a quite radical challenge. Two aspects of the issue should be emphasised here. The first one is the lack previous experiences and traditions of successions. The second is that the economic and social-institutional environment has been dramatically changed in the last two decades. Successors, therefore, should be able to preserve the founders' values and successful business solutions, while being able to cope with the new challenges represented by the different development cycles of the Hungarian economy and society.

The growing public attention on the issue of succession can be illustrated by the fact that in the last 3 years two business associations have been founded with the aim to provide support to family firms and to represent their specific interests. Their goal is to transfer best practices based on international experiences and to help of the creation of more family business-friendly institutional environment.

Despite the growing interest on the issue, there is neither broadly accepted definition of, nor systematic data collection on family firms in Hungary. When defining the term 'family business' usually three different aspects are taken into account, namely ownership, governance and participation in daily operation. After 1990 the large, state-owned companies dominated the state-socialist economy have been replaced by micro-, small- and medium-sized enterprises and as a consequence, a rather heterogeneous economic structure came into being. According to Martin (2008) Hungary represents a segmented market economy, where the following four basic types of firms are forming the organisational landscape: state-owned, privatized, foreign-owned and newly established (de novo) organisations. Most of family firms fall under the latest category, e.g. they have been founded in the last 25 years and are micro-, small- or medium-sized enterprises.

Empirical data collections show that Hungarian family firms have different succession strategies. Csákné Filep (2012) classified three types of family businesses in this respect. In case of kinship businesses owners are recruited from the wider family (distant relatives) and/or friends, acquaintances, external professionals and other investors. Their successions vision is clearly identifiable: they want to keep the ownership within the (wider) family. Marital businesses are owned by the family members, especially by spouses

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but distant relatives also may have share. Their primary goal is to preserve family-ownership accompanied by the delegation of the management tasks to an external party. In case of the nuclear family businesses ownership and management is planned to be preserved in the hands of the close relatives. The ownership goes mainly from the parents to the children.

There are external and/or structural factors that influence the ownerships transfer, as well. Bálint (2006) calls attention of the following aspects: the size of the company, business prospects, the age of the owner, the successor's competences and the competition within the sectors. It is very important to stress the significance of the market, especially the local/regional and international dimensions.

As for the legal environment of the succession we have to call attention to the fact that the Hungarian laws do not currently support the succession within the family. The Civil Code in case of limited partnership prescribes market valuation for the outgoing member, in case of limited company there is no any regulation for it, so this is a very challenging case to obtain what is actually ours. Due to unifying nature of the assets of the company the company itself is the owner of the property, so it is not so easy to inherit the share of capital. This situation is often accompanied by the absence of written agreements between the family members and/or generations that often leads to irreconcilable conflicts within the different stakeholders.

6. Conclusions, next steps

6.1. Some concluding remarks

A rather rich literature was identified, collected and reviewed in this collating work. In spite of the fact that the comprehensive and coherent theory of family business is still missing, a great number of publications are available on the subject. Due to the specific features of the details, there are differences in the number of publications related to the individual fields of family business. These differences are reflected in both the scope and the length of the individual chapters.

The collating project shed light to some weaknesses and deficiencies in the discussion of the specific features of family businesses by academic research. It is primarily entrepreneurial finance targeted to family business where the major niches exist e.g. in terms of working capital management, investment decisions, etc. but other fields and aspects, too, can be mentioned. A specific result or more or less unintended by-product of collating is that unchartered fields and even niches were discovered and identified in the current stock of publications. The major conclusion that can be drawn from the niches

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and weaknesses is that there is still room for theoretical and applied research concerning family business. Although producing new research results was not the primary objective of the FAME project, collating may lead in certain cases to some original conclusions as a by-product that could be discussed and later published as new research results.

Not only the major fields of the subject differ from each other, but the scope and the contents of the publications disclosed in English, Polish and Hungarian as well. The different approach of the authors reflects the problems and challenges their countries are facing as well as the specific features, perceptions and interpretations of family businesses in the United Kingdom, Poland and Hungary.

The overview of the literature followed in most cases the structure of the modules accepted by the research teams. This summary together with the detailed literature overviews and summaries as well as the individual publications and other documents are uploaded to Coospace, they are available to the users. Taking into account the limits of collating discussed above, this material provides the members of the project with a more or less complete overview on the current state of academic work on family businesses in a rather broad context of economic and business sciences and in a holistic approach.

The results of collating will be incorporated in and adapted to the teaching materials to be elaborated or being under elaboration. They may (or even should) be used fully or in partly as background materials for independent study as well as class reading and discussions.

6.2. Suggestions for next steps

Although the documentation of the family business subject was more or less completed by the collating exercise, monitoring the topic until the end of the project could be useful. It can be assumed that further publications are appearing on the subject continuously that could be included in the pool of literary sources and used in the development of the individual teaching modules, respectively.

In order to improve their quality, fine-tuning the existing summaries may also be valuable.

It could be worth making additional efforts to find publications on issues of family business that have not been discussed in depth until recently.

It follows from the logics of the project that the results of collating should be adopted to and incorporated in the teaching materials of the relevant modules.

It is subject to discussion to what extent the country-specific features manifested in the collected literature should be emphasized and included in the final teaching materials.

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The two guiding principle of the needs of the target group and sustainability should be kept in mind in the further development of collating and the teaching modules.

The compilation of a list of compulsory and/or recommended literature to students for independent learning could be useful so that they could deepen their knowledge on family business.

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