Towards a praxiology-based organizational definition of the family business

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Abstract

Family business as a research object has been appearing in management related journals for over two decades. Even though founding its place in research agendas of many scientific centers, family business definition is still lacking persuading us the endeavor to seek it is needed. Thus, the main purpose of this text is to find the appropriate definition exercising organization theory embedded in the praxiological context of its fundamental notions. To start with literature-based review convincing the family is a kind of organization, like a business, the prerequisites of theoretical analysis and the relevance of concept are set. Then, the detailed examination of 16 potential organizational forms of family business taking into consideration the internal dynamic of changes is carried out, ultimately yielding the definition of family business and two forms of family business elucidated by the short case study. Nine forms of firms being under various kind of family influence were identified as well. Additionally, to all analyzed firms the human metaphors reflected their characteristics were ascribed and some of their profiles are completed with real life examples. In closing the invitation to discussion is offered.

Key words: definition, organization theory, family, praxiology, family business

Introduction

Each emerging field of scientific inquiry has to establish its own object of research that will allow the field to become an independent scientific discipline not addicted to the notions used by other ones. Surfacing for over three decades, family business discipline has already found its object of investigation, given the undeniable huge role they play in economies of contemporary world (e.g. Beckhard and Dyer, 1983; Donckels and Fröhlich, 1991; Welsch, 1991; Lank, 1993; Ward and Aronoff, 1995; Shanker and Astrachan, 1996; Cromie *et al.*, 1999; Getz and Carlsen, 2000). It is every family firm. Even though many researchers had conducted in-depth analyses of this idiosyncratic form of human economic activity, their findings still suffer from the principal weakness that is the lack of definitional clarity. Many scholars want to exercise his/her own definition, yet, a large number of definitions indirectly points to the use of them as notions determining research areas rather then describing the traits of object. Conducting the researches and presentation of the findings also seems to be more affable than theoretical considerations of seeking the appropriate definition. Thus, I agree with Ackoff's conclusion that "defining concepts is frequently treated by scientists as an annoying necessity to be completed as quickly and thoughtlessly as possible. A consequence of this disinclination to define is often research carried out like surgery performed with dull instruments. [...] A scientific field can arise only on the base of a system of concepts" (Ackoff 1971, p. 671), and Handler's opinion (1989) of definition problem has my strong support, too. The proper definition is the first, most obvious and salient link of this system. Everybody who cares deeply about the good and future development of family business discipline should strain after making the continuously new field of research could find its place among others ones in the management domain. If we relinquish these efforts, the main goal to make it a separate domain will come to grief. Fortunately, some reasonable trials of establishing a well-chosen definition have been recently made by Chua, Chrisman and Sharma (1999), Astrachan, Klein, Smyrnios (2002) as well as Klein, Astrachan and Smyrnios (2003) that progressed the theme considerably. Both these definitions are built on the synergistic relation of hard and soft components of a family business, appeared exclusively in them, unlike the other kinds of firms. Nevertheless, such inconclusivity due to the plethora of approaches to the definition, not only in my opinion, should not be an acceptable state; on the other hand, it is rather not possible to create a general one that will satisfy all the academics. Thus, there appeared propositions of continuum influence of family on business, e.g. by Shanker and Astrachan (1996) and later on Westhead and Cowling (1998). The search for definition took the form of classification of family businesses (Litz, 1995; Sharma, 2002) as well. This text is in its profound assumption consistent with the essence approach to definition presented by Chrisman, Chua and Sharma (2003). Their conception of family involvement in the firm as only a necessary not sufficient condition to consider a firm a family one supported my assumption regarding this paper. This family involvement in managing/governing and *via* ownership must have its manifestation in distinctive behavior of family, i.e. goals setting and pursuing on its own, for only families who are able to manage their firms without outside help, are family businesses in the strict sense. Therefore, this text is to present the organizational definition of family business embedded in a praxiological way of thinking based on the assumption that both family and firm are the forms of organization, although both encompass lesser and different scope of its notion and both are subsystems of the system of organization, which according to Leavitt (1965), consists of four subsystems: (i) goals, (ii) people, (iii) technology, and (iv) structure. My text rather unravels the scope of family businesses forms in belief that I have succeeded in creating a relevant definition applicable through various cultures and nations, as I have used the underlying assumption: family business is an organization arisen out of family and it makes up an organization completely different from a family form of organization. Such definition has to be a real definition, i.e.

definiendum (family business) must be unambiguously characterized by traits characteristic of it (*definiens*). Moreover, the definition should comprise a basis for methodological *experimentum crucis* that will be used to reject some definitions that do not explain the phenomenon. The general question sought is whether family business has to consist of all four subsystems being also family ones to consider it as a family firm, or maybe it might consists of a lesser number of subsystems. Conversely, does a family firm have to contain the same four subsystems like a family? Does a family firm have to contain solely four family subsystems? Are there any others possible combinations including less than four of the same subsystems that may still be called family firms? I will try to answer above questions by examining 16 possible variants of organizations (family firms) encompassing from zero to four subsystems of family. The following investigation aims at capturing them.

Firm and Family as Organizations

In order to state if organization can be an object of scientific research there is the need to consider it a real object. Using Ingarden's (1960) category of *modus existentiae* it is necessary to prove that organization can be a real object on the ground of ontological realism. Ontological standpoint warrants considering organization as a being (object, thing) implying organization is a collective set $\{\}_c$ (Luschei, 1962) and its elements are complex real objects linked by inclusion, in contrast to distributive sets $\{\}_d$ containing conceptual elements (Krzyżanowski, 1992). It seems to be truism to state that each firm is an organization. Theory delivers us appropriate models (e.g. Leavitt, 1965; Katz and Kahn, 1966; Mintzberg, 1979), widely accepted in management sciences. In order to develop the above assumptions, a family, which is one of two main components of a family firm, has to be the form of organization as well. Some doubts may arise when family is to be considered as an organization, because family is a creature of natural order and as a rule people are setting it up due to biological instinctive behavior. It implies that nobody designed it in the past, whereas organization is an intentional creature of human activity, not only economic, and started appearing in the civilized world when human beings had been able to co-operate with each other. The natural origin just caused families are passed over in organizational research. Nonetheless, family business researches have claimed recently families to be paid attention to (Dyer, 2003; Hoy, 2003). Despite of families are known for anybody the scientists have still problems when trying to give an answer what the family is (e.g. Pine, 1996). Cooley (1909) rated family among primary groups characterized by direct contact, social ties based on personal relations, multiple roles, as opposed to secondary groups-institutions, where contact are indirect and roles functional. Hence, family might be said to be the primary organization, being the ground for building various forms of organizations, which secures the family reaching divergent goals and catering for its all needs. Family is usually defined as a fundamental primary group consisting of a married couple and children as well as totality of relatives of both spouses. Nowadays families are often smaller than the one defined above, and are usually constrained to married couple and/or children as is seized in Szczepański's definition-"family is a group consisted of persons linked with marital and parental relation" (Szczepański 1972, p. 300). However, that kind of a family occurs in the most developed countries. Sociologists noticed that along with the increase of wealth and widely comprehended social development, families are apt to become smaller, often to the degree, which, if reached, make no family any more, just a couple. Changes in roles of women and children and weaker social bonds between family members were also discovered (Aldrich and Cliff, 2003). On the other hand, many people live together and have children without being a formal marriage. Completely different families live in countries, which are more traditional. These are much extended and include many of their branches. Those very distant modes of families enforce changes of Szczepański's definition. Thus, for the purpose of this text, in order to encompass their diversity the right one should be as follows: family is a fundamental group consisting of a (married) couple and children and/or totality of relatives of both spouses. This depiction allows the term ‘family’ to include all couples with children but without remaining branches and couples with children being beyond formal marriage. The latter kind of family should not be considered a family *de jure* because of lack of legal and moral grounds, but it is able to accommodate within the definition, due to the fact of being a family *de facto*. The second important element of the definition is children, regardless of the fact whether they will be bred or adopted. Defined in such a way family will comprise the base for people subsystem in further investigation. The next step is to prove that family is also a form of organization, in the meaning of organization theory. Although Davis (1983) considers a family to be an organization like a firm, this needs to be proven. No agreement among theoreticians has been reached concerning what constitutes an organization. Families are not deliberately established, thus most organization definitions do not include them, e.g. Etzioni (1964). However, an early organization theoretician, Barnard (1938), defined organization as a system of deliberately coordinated actions or strengths of two or more persons. This definition implies that the main determinant of organization is action, thereby does not mean an organization as an institution. Thus, if two family members operate consciously to attain a goal, then they are an organization. Such grasp of organization is in line with typology of notion of organization made by Zieleniewski (1979). He noticed that the word “organization” in Polish has three meanings: thing (institution), action (process of organizing), and attribute (way of organizing). Thus, Bernard’s concept of organization is consistent with Zieleniewski’s organization as an action. Above assumptions warrants calling family an organization in the meaning of action. It is necessary to think over if a family is an organization as a thing. Etymologically, organization origins from the Latin word “*organum*” which means ‘a tool’. Tools are the human inventions that serve to realize goals what suggests that they appeared later than a human being and a family. This standpoint does not authorize family to be an organization. Nevertheless, there are two premises on which it is possible to prove that a family is an organization in the meaning of a thing. Kotarbiński (1955, p. 68), the father of praxiology, characterized by higher degree of generality than organization theory, defined organization in the meaning of a thing as "certain kind of integrity for the sake of relation to it its own elements, namely such an integrity, whose all its components contribute together to the success of integrity". Following Kotarbiński's train of thought, one can state that if all family subsystems, i.e. family members using necessary measures, co-operate in harmony in order to attain goals effectively, they are organization in the meaning of a thing. Kotarbiński's definition points mainly to efficiency and even though it seems to be old, is useful and is able to encompass plethora of various organizations that has been appearing along with dynamic development more and more modern forms of communication and cooperation. The usefulness of this definition is especially clear in contrast to narrow definitions within which the newest organizations, e.g. virtual organizations, foretold in the 1980s (e.g. Johnston, 1987) and widely characterized (Davidow and Malone, 1992; Scholz, 1996), cannot come. Thus, organization theory is enforced to work out a new definition of organization or use more general one, e.g. from praxiology. The second premise is the dichotomy division of organizations into formal and informal ones. A formal organization is the rational designed activity of people for the achievement of their goals, whereas informal organization is a spontaneously arisen, non-rational designed activity of people for the achievement of their goals. On the base of these two premises, family may be defined as organization in meaning of a thing in the following way: family is an informal, less or more deliberately established integrity whose members in more or less conscious and coordinated way contribute to the success of the integrity. Now the particular subsystems of family are described in more detail.

Goals. There is an agreement among social scientists that family has at least seven idiosyncratic goals: (i) procreation (biological continuity), (ii) socialization, (iii) keeping the cultural continuity, (iv) organizing the live of its members and securing them for help and care, (v) catering for their emotional needs, (vi) controlling behaviors, especially of young members, (Szczepański, 1972) and (vii) running the household. Literature also indicates that family reaches its economic goals in concert, but it is often perceived in contemporary sociology to be a distinct and is mostly associated with agricultural families. Such assumption can be acceptable but only by social sciences, since many family business researches had denied it, proving the huge and important role that family businesses play in economies of numerous countries (see introduction), and all over the world (Gersick *et al*., 1997). This literature is the sufficient evidence that families have their own bundles of economic goals achieved together.

Structures. It is obvious that families have an inner structure like organizations. On the surface, there are the hugest differences between family and firm in this subsystem, because positions in the family like father, mother, children, grandparents, and other relatives and family ties (i) conjugal, (ii) parental, (iii) emotional and (iv) kinship linking them in one cohesive structure do not correspond with organizational structure. Yet there are similarities between organizational and family structures and family ties can be called initial material for organizational ties, i.e. (i) official, (ii) functional, (iii) technological, and (iv) informational. These different ties not only do not preclude but also even function similarly. Informational tie exists in both structures. Conjugal tie between husband and wife resemble the functional one in organization. Parental tie is similar to the official tie in a firm. These family ties may be transformed into these organizational ones in a new established firm. Since a married couple is pointed to as a basic start form of a family firm (Gersick *et al*., 1997; Carlock and Ward, 2001), the links between family and firm ties can easily be seized and some similarities need to be described. If a family creates a firm and the founders are spouses, then the conjugal tie becomes a functional one and as the firm grows, may even change in an official one. If children also work at the firm, the parental tie comprises a good base to be easily transformed into functional and official ties while facilitating the communication. It is worth accentuating here arisen claims that close, strong family relationships make up a flaw of a family business (cf. Drucker, 1954) while forgetting that this kind of ties is not the only one and has always been the strength that makes the family and the business inner, cohesive structure resistant to internal and external threats (look into Sharma's article (2004) to see examples of such firms). Among four organizational ties, there is not a permanent counterpart of technological ties in the strict sense though they exist in situations of everyday life, and are depicted the best when, e.g. spouses with children are preparing a family annual party. Then each member has its own position related to technology of the party preparation that determines temporary technological ties. Thus, there is no obstruction to state that families are characterized by structure that resembles organizational structure.

Technology. Each organization has its own equipment and technology enabling goals pursuing. Both the firms and the families have tangible and intangible resources comprising the technology subsystem. All tangible and intangible assets of the firm (know-how, patents) make up a base of resources used to attaining goals. A house, a housing equipment and land are the tangible side of the technology subsystem of a family. On the intangible side one can put general and specific knowledge, distinctive skills and all processes continuously shaped in the complex, multilevel dynamic network of the mutual relations facilitating the interaction and the flexibility that make a family less vulnerable to internal and external threats, enable the family as a group to exist over time and successfully attain goals, while being distinct from other families. Some of the resources can also be used to generate income for a family, e.g. when a part of the house is rented, or land is leased. If a family does not run a business, it uses technology (resources and processes) to achieve its non-business goals, which means that it functions like other organizations. Thus, technologies used by families can be considered as a constituent of an organization.

People. The fourth subsystem is people who create each form of an organization, both a family and a firm. Without people, they will not exist. The people of themselves have to be organized to make up a group, not an atomized, unrelated cohort. Both a family and a firm comprise of people being the basic, necessary element of their existence, but just the mutual kinships, being lately taken closer attention to (Stewart, 2003), and the goals are linking people in an ordered entity filled with interrelationships, namely the families and the firms. These are built on the family biological relationships so important in family firms for taking the anthropological viewpoint (Rogers, Carsrud and Krueger, 1996) families are locus of meanings and relationships (Stacey, 1998). Only then the family and the firm exist, what partially support the contention that families are also organizations since they are driven by social bonds aimed at attaining goals for the good of the whole entity. This short investigation implies that a family meets the criteria to be called organization in the meaning of a thing.

Prerequisites of Analysis

An entire analysis is a theoretical one. Before it starts, some prerequisites elucidating the subsystems of a family must be established. The appearance of a family and a firm as organizations, i.e. a system consisting of four subsystems, authorize to apply the set theory for each system can be treated and described appropriately like a set and each subsystem is then a subset of the system, i.e. a set. Hence, set theory nomenclature is exercised. Combined with the logical laws it will be the instrument of analysis that permits describing each of the possible organizational variant in the form of set calculus.

Firstly, one should to write down following symbols: Organization *O*, Family *F,* Business *B*, Family Business *FB*, and principal relationships, taking into consideration the fact that the notion of organization is wider then the firm and the family:

$B \subset O$, $F \subset O$, $FB \subset O$, as well as: $B \not\subset F$ and $F \not\subset B$; $B \not\subset FB$ and $FB \not\subset B$; $F \not\subset FB$ but $FB \subset F$. An organization consists of the following subsets (subsystems) $O = \{G_o, P_o, T_o, S_o\}$, where G_o-organizational goals, P_o-people in organization, T_o-technology of organization, S_o-organizational structure. Analogically, family $F = \{G_f, P_f, T_f, S_f\}$, business $B = \{G_b, P_b, T_b, S_b\}$, and family business $FB = \{G_{fb}, P_{fb}, T_{fb}, S_{fb}\}$.

The notations above mean that although a family and a firm are organizations they may overlap. As it was proved in the paragraph above, one can consider a family as a kind of an organization like a firm. If family sets up a firm some of its subsets may also be the subsets of the firm. Thus, the following consideration should delineate which subsets of a family and in what extent must be included in the firm to call it a family one. Both a family and a firm have four subsets (subsystems). If they will be multiplied by one another a matrix of 16 possible organizations as a result of mathematical product of family subsets and organization subsets will be created. In such a way the maximum number of combinations, i.e. the intersection of these two subsets, has been calculated. Each potential organization of the matrix consists of four subsets, thereby each one has a distinct composition not duplicated in the other one. The number of family subsets in these organizations varies form zero to four like the number of organization subsets. Each subset having not relation with a family is marked here as organizational one. Hence, first aim of so designed analysis is to examine the 16 possible organizations depicted in the matrix 1 in order to identify such a combination of subsets that will be a family firm meeting the prerequisites developed below.

Matrix 1 16 hypothetical organizational forms of family business

People

Goals	Family	family	organizational	organizational	Technology
family	O_2	O_{15}	O_9	O_{16}	Family
organizational	O_{14}	O_{11}	O_6	O_{12}	Family
family	O_{13}	O_7	O_3	O_8	Organizational
organizational	O_{10}	O_5	O_1	O_4	Organizational
	Family	organizational	organizational	family	

Structure

Subset of people. The subset of people in the firm does not have to encompass all family members; it can consist of at least one family member in position enabling him/her to implement and effectively attain family goals. At least one member of a family is a necessary condition to pursue family goals for without any family members in the firm the goals although set by family may not be implemented adequately. The condition of the presence of at least one family member is only the lower limit because as the firm grows more than one member will be necessary to put the family goals into effect. In order to dispel doubts whether one family member will be gaining family or personal goals, one can use the following quotation: “group goals are in fact [...] such individual goals that to some extent are shared by all group members or majority of them" (Zieleniewski 1979, p. 188), supported by the another one that "often what appears to be a household strategy turns out to be little more than strategy of one member of the household" (Roberts 1994, p. 12). These citations suggest strong family leadership. Nevertheless, if a family agrees with the goals set by family leader they are family goals but if non-family members participate in or set the goals, even if a family accept them later on, they are not family goals any more. In the case of several families at least one member of one family has to be represented in the firm to meet the foregoing prerequisite. Then, only one family will be actively involved in the firm. However, if two families have their members in the firm, the prerequisite is met as well. Many family businesses employ also non-related people. Therefore, the correct notation capturing the various kinds of people subsets in a family business should be as follow: $P_{fb} = \{P_f^b, P_b\}$ where $P_{fb} \supseteq P_f^b \subseteq P_f$ and $P_{fb} \supset P_b$ if $P_f^b = \{1,...p\}$, $P_b = \{0,...b\}$ where by P_f^b we will call family members engaged in a family business with p as maximum number of them; by P_b we will call non-family members engaged in the firm with b as maximum number of them. Having it established we can also note that if $P_f^b = P_{fb} \Rightarrow P_b = \varnothing$, what allows easily count the number of family members engaged in a family firm using the simple equation $P_f^b = (P_{fb} - P_b)$.

Subset of goals. It includes goals of a family firm agreed exclusively by family members. This condition has been set so strictly in order to include among family firms only these that strategic direction of a firm is a family domain solely, not being impacted by outside executives, since they have been shown as agents playing the important role in strategic decision making (Chua, Chrisman and Sharma, 2003). If they are engaging in a firm the goals may be agreed with family, but a family is not the exclusive administrator of a firm and the whole system of power is changed to that degree that such a firm should be called a family firm no longer, since a family itself cannot manage a firm. The goals are fundamental and primary subset of any organization because they appear far earlier before planning the organization and even if are forgotten or ignored they still are the base for an organization (Hall, 1972). Additionally, family goals were proved to be more important to the owners of family firms then to the owners of non-family firms (Lee and Rogoff, 1996). In the case of goals the situation is quite different as compared to the previously described subset. If the set of family members is lesser or equal to the set of people in a family business, the goals of a family business are the subset of family goals for a family has also goals non-related to business goals $G_f = \{G_f^f, G_f^b\}$, where G_f^f family-related goals of a family, G_f^b business-related goals of a family. The business itself as a family tool used to attain the economic and non-economic business goals has already been suggested (e.g. Stafford *et al.*, 1999) and Chrisman, Chua and Zahra (2003) included non-economic benefits to the set of family goals. The utilitarian sense of a family business has been pinpointed and confirmed recently by Chua, Chrisman and Chang (2003, p. 39) who stated that "the business is constituted for the purpose of achieving the economic and noneconomic goals of a family". One can it noticed as follow: $G_f^b = \{G_f^e, G_f^{ne}\}$, where G_f^e economic business goals of a family, and G_f^{ne} non-economic business goals of a family. Hence, the notation of this subset is $G_{fb} = \{G_f^b\}$. As it was assumed above a family has not only to set the goals, but also attain them effectively, regardless of it is the sole executor of them or attains them with the help of non-family managers. The assumption of effectiveness applies to attaining both the economic and non-economic goals is consistent with praxiology dealing with any efficient human actions (Kotarbiński, 1946, 1955, 1962, 1968; von Mises, 1949; Zieleniewski, 1972; Pszczołowski, 1978; Pszczołowski and Gasparski, 1983; Gasparski, 1999; Ryan, Nahser and Gasparski, 2002) but they can be attained effectively only within the worked out plan, i.e. set of goals.

Subset of structure. The hierarchical family structure $S_f^h = \{V_f(\{P_f\})\}$ is the set of all family hierarchical ties V_f between family members. It suggests that a family structure is dependent on the presence of family members in the firm what is noted as one-sided relation: $\underset{FB}{\forall}(P_f^b)^+ \to (S_f^h)^*$, i.e. for each family business if family members engaged in the family business, then possible that hierarchical family business structure. Conversely, for each family business if hierarchical family structure, then necessary that family members engaged in the family business $\underset{FB}{\forall} S_f^h \to (P_f^b)^+$. It means that hierarchical family structure in the firm is a possibility not a necessity. Family structure that can but does not have to comprise the entire organizational structure encompasses a hierarchical family structure duplicated in the firm. Thus, one can easily infer that if family members make up the whole family business staff, the hierarchical family structure duplicated precisely in the firm is the organizational structure of family business $S_f^h = S_{fb}$. If such a family business employs also non-family members, a family business structure is larger than a hierarchical family structure that becomes a subset of it then $S_f^h \subset S_{fb}$. If not all family members are engaging in a family business, then the hierarchical family ties between them have to be kept the prerequisite of a family structure to be met. Then, a hierarchical family structure of engaged members (a set of hierarchical family ties of family members engaged in a family firm) is the subset of a family structure (a whole bundle of family ties) $S_f^{hb} \subset S_f$. If such a family business employs additionally non-family members then the above notation changes and is as follow: $S_f^{hb} \subset S_{fb}$. These detailed considerations allow noticing the ultimate family business structure that can be used to describe all family businesses, namely $S_{fb} = \{V_f(\{P_f^b\}), V_b(\{P_f^b, P_b\})\}$, where V_b business (organizational) ties in a family firm.

Subset of technology. This subset encompasses equipment and technology, i.e. all technical infrastructure of a firm, i.e. buildings, machines, tools, etc., including processes and procedures as well as knowledge and skills of a family $T_f = \{T_f^t, T_f^i\}$, where T_f^t tangible technologies possessed by a family, T_f^i intangible resources possessed by a family. The significance of this subset has been felicitously captured by Salancik and Pfeffer (1980: 112) who noticed that "ownership represents a source of power that can be used either to support or oppose to management depending on how it is concentrated or used". In the case of a family firm the ownership is especially important if non-family executives are hired. Then the ownership is the only real source of control. It is obvious that not all family resources can or should be used in a firm. Hence, only a part of the technology subset of a family is engaged in the firm $T_f^b \subset T_f$. It is made up of family owned tangible technologies necessary for the firm existence and intangible family-owned technologies useful in the firm $T_f^b = \{T_f^{tb}, T_f^{ib}\}$, where T_f^{tb} tangible family technology engaged in a family business, and T_f^{ib} intangible family technology engaged in a family business. If a family is the owner of the whole of shares then the technologies possessed by a family comprise the technology subset of a family firm $T_f^b = T_{fb}$. One can assume that as the firm grows and the demand for capital increases then the share of family ownership often shrinks in favor of non-family investors. Therefore, the family technology is narrower then the technology of a firm: $T_f^b \subset T_{fb}$. The full description of this family business subset is: $T_{fb} = \{T_f^b, T_b\}$, where T_b is technology possessed by non-family co-owner(s).

Sixteen Possible Organizations: A Theoretical Analysis

Organization #1. This firm does not include any of four family subsets. There is no investigation needed to call it non-family business. This kind of organization is a business that can be noted as an empty set as regards subsets belonging to a family.

$$O_1 = \{G_o, P_o, T_o, S_o\} \equiv O = \{FB(\varnothing)\} \neq FB$$

Organization #2. As a second, the firm consisting of all four subsets of a family will be analyzed. It should enable to follow up the next possibilities to scrutinize. Organization in which a family is represented among its employees or even makes up the whole crew, family goals are also goals of a firm, the technology belongs to a family and its structure is reflected in a firm, is a family firm. Yet, the definition of family assumes *ex ante* that at least two persons create it. It can be husband and wife, parent and child, or any other combination of relatives. According to this definition, there would be the need to assume that at least two family members have to be part of the people subset in a family firm. Otherwise, this subset will not contain a family. It seems that the way of reasoning is misleading. Accepted on the level of two family members in a family firm, it would preclude all firms, which have only one family member, but can still effectively control the firm and benefit from it. Thus, it is of no significance for the firm to be considered as a family firm if it employs one family member and employees from outside the family as well. Appearance of a family in the firm as a result of partially buying into will be sufficient condition to call it family one, if the shares allow the family to decide on firm's goals, implement and attain them. Otherwise, it will not be a family firm. In the case of two or more families involved, e.g. they set up a firm together, regardless of engaging only one or more families, the firm will be a family firm if the goals of at least one family will be pursuing. Therefore, the inaction of the remaining family(-ies) is not relevant here. If two or more families decide that the firm will be a common business of them (e.g. a firm established by a pair (a few) of young marriages where both family members work and manage) attaining their goals it will be a family firm as well, although multifamily. The above description can also imply that the firm has to be a small one as the family structure is implemented in the firm. However, it does not have to be so. The family structure in the firm removes the hierarchical, parental ties between parents and their children, based on partnership conjugal ties of spouses and the whole bundle of informational, kinship and emotional ties. Such an assumption means that it is the stage of development of a family firm in which the parent(s) still run the business, children and/or grandchildren also work at the firm but on the lower levels. Moreover, such family structure in the firm does not point to the generation currently running the business. It may be the firm in the first generation, but also in the second, third, etc. Paradoxically, though the structure of a family is easy perceptible and salient in the firm, its appearance in the firm is neither necessary nor significant condition to consider it a family business. However, the importance of it is unquestionable especially in cultivating organizational culture displayed in ongoing gorgeous family atmosphere and hovering spirit of the past. This spirit emphasizes the heritage of ancestors and facilitates the next generation and non-family employees to identify with a firm. Family structure duplicated in a firm does not constrain it or inhibit it from growth, development or succession. As the firm develops over years it may still have the same family structure duplicated in a firm comprising the entire organizational structure or after enlarging of structure as a result of changes and adaptation to new external and internal conditions, hierarchical family structure becomes a part of the larger organizational structure and reside inside it, with the top positions kept by family members. Family businesses can repeat their organizational-family structures through generations without changing them after succession. Namely, one of the children, or maybe the only one, becomes a leader while either the other siblings also work at the firm on lower levels remaining in official, functional ties or they are not involved in the firm. Then the family firm resembles royal dynasty though nowadays the primogeniture of male offspring is not the only form of inheritance. Siblings or a combination of relatives may also run the business together dividing the scope of responsibility among them what can cause the transformation of the firm into cousin consortium but simultaneously do not preclude the return of the previous form of the structure established by its founder(s). Developmental models by Gersick *et al*. (1997) and Carlock and Ward (2001) show clear that as a family firm grows, it employs new workers and professional non-family managers and then its whole structure resembles the primary family structure less and less and is slowly becoming similar to that of a non-family firm. Taking this context of organizational changes in the structure into account it is worth pointing here to abounded firm growth theories suggesting growth is the principal goal of organizations, enabling their survival and success (Downie, 1958; Penrose, 1959; Marris, 1964). Unlimited growth entails the changes in an organizational structure based on a family structure what seems to be inevitable. In addition, Ansoff's (1957) two-dimensional product-market growth perspective directly points to considerable changes in the firm strategy and structure, and Chandler (1962) rejects the obsolete model of a family business in favor of a large corporation. Also life cycles, stage and evolutionary models offer similar development and growth consequences. Thain's model (1969) assumes changes in structure, products and markets as determinants of success; otherwise, the firm heads for stagnation. Mintzberg (1979) noted that the criterion of the complicated organizational structure determinates life cycle of organization that is inevitably going to mechanistic and then professional bureaucracy. However, Greiner's (1972) crisis model of organizational transformations displayed the results of founder's departure-the firm fails or is passed to professional management. In addition, a newer proposition by Hanks (1990) is in line with Greiner's findings. The above findings are not supported by recent research by Simon (1996) who identified large number of small and medium-sized businesses, mostly family businesses, which succeeded in their development focusing on their best core competencies, unique fostered culture cultivated through generations, attachment to their customers and ultra high quality products what made them insurmountable. Moreover, these firms do not intent to grow, suggesting family structures are kept either by repeating the structure established by its founder or by making necessary modifications of it. Taking above findings into consideration it needs to be stated that family structure does not determine the firm to be a family firm but significantly increases probability of successful continuity. This kind of organization is surely a family business. $O_2 = \{G_{fb}, P_{fb}, T_{fb}, S_{fb}\} = FB$

Organization #3. This organization includes only the subset of family goals, while the remaining subsets have no connections with family. It seems to be very hard to find a firm like that. Virtually, there are no firms, which would want to gain goals of any family having completely different non-family staff, structure and technology. Yet, there is only one possible explanation of the composition of such a firm. It can be a former family firm, whose long-term goals are still being achieved by its new owners or management. The family itself probably sold this business or completely lost control over the firm in favor of non-family managers and do not benefit from it. In addition, the goals will surely be changed, because there is every reason to claim that the vision of new management will be different and the goals may be not correct as the family decided not to run the firm. It means that the appearance of family goals merely is not a significant condition to consider the firm as a family firm. Thus, this kind of organization is no longer a family firm.

$O_3 = \{G_{fb}, P_o, T_o, S_o\} \neq FB$

Organization #4. This organization has only family structure, while three remaining subsets are non-family. According to one of prerequisites, existing of family structure is closely dependent on the presence of the family members in the firm $\forall_{FB} S_f^h \rightarrow (P_f^b)^+$. It implies that an organization with only family structure does not exist. Therefore, such an organization cannot be a family business. $O_4 = \{G_o, P_o, T_o, S_{fb}\} \neq FB$

Organization #5. In this organization, only staff comes from a family and no matter if it comprises the entire crew or only a part of it, there is no reason to call it a family firm. The presence of a family in the firm is a necessary but no significant condition. Such an assumption protects from considering any firm employing family members to be a family firm, because family members can work at the same enterprise even on top positions. Yet, this state of the firm suggests that a family may try to increase influence on the firm in the future if there will be the possibility of taking shares or taking part in management. If family members employed in the firm do not possess any part of it and, moreover, they do not set and implement their goals, they at best run the firm in behalf of the owner(s) what is consistent with stewardship theory, comprise a part of management team or simply work there. The direction of development of this firm is unclear. It is not known if a family will want impact the firm more and more or will be withdrawing from. In the case of the first possibility, the firm may even become organization #7, # 10, # 11 or # 15. From theoretical point of view, in such a situation there are sufficient grounds for stating that business employing only family members, even if they comprise the entire business crew, is not a family firm. $O_5 = \{G_o, P_{fb}, T_o, S_o\} \neq FB$

Organization #6. Technology is the sole subset of a family, i.e. family controls the proprietary rights and/or intangible assets; goals, structure and all people come from outside family. Such a firm can have two origins. It may be a former family firm whose family members as the generations pass have been relinquished the active role reaching the state of passive owner focusing on benefiting; or when a part of shares of a buoyant firm has been bought by a family counting on profits. The first case means the firm in which a family does not have its own representation or goals any more as a result of (deliberate or unintentional) handing the power over non-family managers. It may mean that a family want to stay a passive owner, or a family lost control over the firm because of poor qualifications, conflicts among its members, deteriorated financial standing, the lack of successor, poor health or very active outside management team that removed family members from power step by step. Also it may be the case of goals autonomization-phenomenon in organization theory-which means here the achieving particular goals of non-family managing group instead of family ones. Even if a family has the full ownership of the technology of a firm, but do not manage it, and non-family management team sets the goals, it is only a matter of time that management will start pursuing its own goals (a case of agency theory), causing the real loss of power by a family. Family can establish such a firm for a passive child too when it is not able to run a firm hiring all staff and non-family management that is empowered to set the goals and run a firm. The family or the child focuses on benefiting from the firm and behaves like a passive exclusive owner. Undoubtedly, not too many families are in want of creating a firm, in which they will not have their own set of goals nor people running the firm. Hence, this organization appears rarely and may be the basis on which a family will build the firm. These cases warrant claiming that family technology is a necessary but not significant condition to consider the firm a family firm, because no-related individuals or investment groups' behavior is similar to that of families described here. $O_6 = \{G_o, P_o, T_{fb}, S_o\} \neq FB$

Organization #7. Family members and their goals are the family subsets of this organization. It is not possible to establish a firm without any of its own equipment. Thus, the organization described in this way is an already existing firm, currently run by a family and additionally, a family sets its goals. It may be after-effect of the gradual taking the organization #5 over by a family who worked for or managed the firm on behalf of owner(s). As a result of the goals autonomization, owner(s)' goals have been slowly replaced by family goals, and the owner(s), knowingly or not, have been loosing control over the firm. Still lacking technology suggests also that family may acts here like an octopus by taking more and more of the firm. It started expanding its influence on new subsets, i.e. moving from the stage described as the case of organization #5, through current #7, heading towards #15, impacting the firm more and more, and may become a family business. Now its future depends on the firm's owner(s) actions. If they decide to increase their influence, that move can deprive a family of the management. Then the organization becomes organization # 3. The second solution is the family will take shares in the technology of the firm big enough to move towards organization # 15, e.g. by MBO. It means that the family plays here the role of agent and this organization is a transitional stage. $O_7 = \{G_{fb}, P_{fb}, T_o, S_o\} \neq FB$

Organization #8. Goals and structure comes from a family. As it was stated in prerequisites $\forall_{FB} S_f^h \rightarrow (P_f^b)^+$, the family structure does not exist without family members in a firm. Despite of the theoretical presence of these two family subsets organization defined in such a way is merely conceptual variant not having equivalent in reality-it does not exist.

$O_8 = \{G_{fb}, P_o, T_o, S_{fb}\} \neq FB$

Organization #9. It consists of two family subsets: goals and technology, which means that this firm should be not perceived as a passive investment any more. A family is not only the owner of the technology but also sets the goals. At the same time, the whole staff and organizational structure have no links with a family. The firm like that is a mean that serves to pursue family goals, and family itself does not manage the firm because of two reasons: firstly, does not have competencies to run the firm and maybe there are no family members who want to manage after founder’s departure. The cases of founder’s reluctance to lose control over the firm (Adizes, 1999), his/her inability of successful managing the firm and the pressure to managerial change (Finkelstein and Hambrick, 1996) and the need for change if firm’s grow entails new skills (Flamholtz, 1990) has been showed in literature. It seems to be possible that a family may lose the firm if there are no relatives among the staff. Goals autonomization resulting from spotted by non-family managers extraordinary benefits, e.g. possibility of increasing in control of the firm (Koźmiński and Zawiślak, 1982); enforced decrease in shares, even if by unpredictable act of God, causing loss of technology may make the firm will become organization #6. The second reason is that a family does not have yet the possibility to manage the firm, since professional non-family managers on behalf of the owning family run it; however, if the conditions are favorable, a family will do its best to take the management over and become organization # 15. The latter firm is the opposite the former. While the former has no members of its own who will be able to manage, the latter has a successor(s) not only to the ownership but also to the management, and in due time he/she/they will take part in managing. Nevertheless, both these firms, despite of differences, are able to attain their goals with the help of hired managing staff that behaves like executors of family will, not being involved in setting and pursuing goals, i.e. a classic example of stewardship theory-rather a collector's item among businesses. Yet, both these organizations cannot be called family firms, although their behaviors are also very similar to the family firms. The lack of family members in active management does not guarantee the goals to be achieved and until a family has not its representation among managers, the firm is not a family firm, but may behave like one. $O_9 = \{G_{fb}, P_o, T_{fb}, S_o\} \neq FB$

Organization #10. This organization contains people and family structure; the remaining two subsets are not family ones. It is quite idiosyncratic firm. Although a family is keeping its structure in the firm and may have its members among managers, it has no control over the technology and goals. Just the hierarchical structure is the important component differentiating this firm from organization #5. This suggests such organization was an organization #13 in the past rather then become one in the future, what is pointed to by hierarchical ties linking family members. Such a family constellation and the narrow extent of family involvement is probably a result of withdrawing a family from the firm. Family has already lost control over the goals and technology and is apt to deteriorate its position. A family without its own technology and goals will have its members in the positions until the new owner(s) change them, or family members relinquish running the firm earlier before. New owner(s)' decision may make some family members to leave other to stay, what destroy the family structure resulting in reaching the state of organization #5. With considerably lesser probability a family may try taking control over the firm by setting the goals and/or gaining stronger position by seizing shares in technology and it will reach the state described as organization # 14 heading for # 2. The other, most prosaic explanation is the hierarchical presence of family members in any firm. Yet, this stage of the organization does not permit to call it family enterprise. $O_{10} = \{G_o, P_{fb}, T_o, S_{fb}\} \neq FB$

Organization #11. This organization has two family subsets: people and technology. It means that though a family, who owns big enough shares in the technology empowering it to put its representatives among small group of managers, goals are set by dominant coalition (Thompson, 1967) of non-family managers. Even if CEO comes from family, he/she has not enough power to implement and attain family goals. It implies that a family lost control over the direction of firm development rather then it is becoming stronger and is willing to increase its position, although this possibility cannot be precluded as well. The firm, probably organization # 15 in the past, may going towards further impairing of the family position and possible taking it over by dominant coalition of outside managers, which will replace family member(s) in top position(s) or they may leave the business earlier what will make the firm become organization # 6. The loss of goals may also suggest the leadership crisis in a family since, in spite of having both technology and people, it has not been able to decide on the firm. Such impasse may also be a result of declined interest of business affairs among family circle what can lead to withdrawal of a family. Nevertheless, the removal of decision center from a family to the business arena filled with non-family managers is mainly caused by the broad development and rapid growth of the firm persuading a family is no longer able to manage the firm on their own and the help of outside executives is necessary. In this form they are the most prevalence family-influenced firms which success led them to impressive size and scope of operations, products and markets. The decreased family impact on the firm do not preclude that as the firms move across generation a family may intend to seize fuller scope of control. Therefore, organization like that may also be a field of boosting family influence, what will later manifest itself in capturing the helms of the firm and starting attain its own set of goals again. Nevertheless, this organization is not a family business.

$O_{11} = \{G_o, P_{fb}, T_{fb}, S_o\} \neq FB$

Organization #12. Family structure in the firm and technology characterize this organization. As one of the prerequisites states that the structure is closely linked with family presence in organization $\underset{FB}{\forall} S_f^h \rightarrow (P_f^b)^+$, such an arrangement is only a theoretical one. This implies that the organization #12 does not exist in reality. $O_{12} = \{G_o, P_o, T_{fb}, S_{fb}\} \neq FB$

Organization #13. In this organization, there are three family subsets: goals, structure and people. Most probably, the firm (organization #2) has lost influence on the technology although family structure is duplicated in the organizational structure, what indicates that it could be the firm before succession, but it might also be a traditional, dynastic business thriving over generations by preserving and simultaneously renewing its structure from generation to generation. Such loss of technology clearly points to public listed family firm, since it could happen despite of engaging family, e.g. by hostile takeover. If a family really has no control over the technology, it is expected to decrease the scope of power. It suggest that a new player, powerful, but not active in management yet, appears increasing the scope of control over the firm. Until new owners do not remove family members from power and change their goals, the firm will be *de facto* a family firm, what seems to be only a matter of time. This case is very idiosyncratic, because for some time the firm without its own technology can act like a family firm. A family still manages the firm, but its control is decreasing and it will probably lose the management and the firm will move towards organization #3 or 1 suggesting this organization is a transitional stage of development. Therefore, it cannot be called a family firm. $O_{13} = \{G_{fb}, P_{fb}, T_o, S_{fb}\} \neq FB$

Organization #14. People, their family structure and technology comprise family subsets in this firm but the principal cause of firm establishing-goals are beyond family control. Such an arrangement points to former family business (organization # 2) that is achieving its own goals no longer, its situation is similar to organization #11 and it may be its preceding stage. Having its hierarchical structure in the firm while being the owner of the firm family has to have serious reasons to hire non-family managing staff allowing it to set the direction of the firm independently or participate in. This reason may be the operating of the firm on high technology market or each of high-demanding rapidly changing markets where the experts' knowledge is necessity. It enforces a family to cede a part of the responsibility to non-family people or even completely empowering them while limiting itself to governance issues. Therefore, the composition of the firm results from the process of professionalization. The family structure being reflected in the business is what distinguishes the firm from organization # 11 and suggests the firm run by founder(s) or being in later stages of life cycle but the common trait of these firms is the growth outgrowing the owner's skills to manage the business. Family managers may have a feeling that they are not able to cope with operating their firm. Then it is possible a family like that can easy lose the firm due to the passive approach of its managers as well. Taking advantage of the lack of abilities to solve important organizational problems or shy family management, non-family managers may be tempted to form informal coalition aimed at their own, egoistic goals (cf. Crozier and Friedberg, 1980) and thus, more active and independent family members are able to leave the firm destroying the family-organizational structure and the family ties. Consequences of this situation might seem to be inclined plane for a family business. The scope of family influence will be shrinking and a family, facing the proposition of MBO by non-family managers, may become organization #6, and even #1. Therefore, a family in order to hold the firm must work out the appropriate control mechanisms preventing from excessive non-family members independence threatening the family interests. The firm that is owned by a family has its structure based on family structure while not achieving its goals, is not a family firm.

$O_{14} = \{G_o, P_{fb}, T_{fb}, S_{fb}\} \neq FB$

Organization #15. The kind of organization includes family goals, technology and people. The lack of the family structure inside the firm is not a significant obstacle to call it a family business. It is a real family firm, although there is an important, but not significant difference between it and organization #2, i.e. hierarchical family structure reflected in or comprising the organizational structure. Hence, one can presume a family firm can exist with or without its structure duplicated in the firm. That assumption needs to be examined by researches who should elucidate whether both kinds of these firms are able to succeed through generations although the hierarchical family structure seems to be most obvious and the easiest to use in a family firm. Hierarchical family structure is implemented because firms are usually set up by rather young men, before or just post decision of getting married. If the firm is a thriving one, it becomes the workplace for children, and for grandchildren. Yet, there are some firms in which there is no need and even possibility to copy the family structure in the firm. It happens when young, dynamic, entrepreneurial person, son or daughter, establishes the firm and creates the workplace for his/her parents and other family members who lack these qualities. This firm can operate without idiosyncratic family structure, and there is no need to try implementing it. Family structure may arise in the firm in a natural way when family members start working in positions consistent with hierarchical family structure, often as a result of succession. $O_{15} = \{G_{fb}, P_{fb}, T_{fb}, S_o\} = FB$

Organization #16. The last organization considered encompasses family goals, structure and technology. Because hierarchical family structure is inseparably linked with family in the firm

$\underset{FB}{\forall} S_f^h \rightarrow (P_f^b)^+$, such constructed organization cannot be found in real world. Therefore

$O_{16} = \{G_{fb}, P_o, T_{fb}, S_{fb}\} \neq FB$.

Analysis results-nine kinds of family impacted firms and the definition of a family firm

From 16 possible organizations depicted in matrix 1 and described above four are only conceptual propositions having not their real counterparts. Taking into consideration one of the prerequisites $\underset{FB}{\forall} S_f^h \rightarrow (P_f^b)^+$, organizations # 4, 8, 12, and 16 do not exist in reality. Thus, one can reduce the matrix 1 by rejecting the last column. Narrowed in such a way it contains only 12 organizations. To ease telling each of them apart persons' metaphors emphasizing features characteristic of them will be attributed to each one organization.

Organization #1 **is non-family business** and includes all enterprises with no family links. Here it is called **stranger**. Organization #3 may be called **loser**, since family has lost control over the firm; yet the new management is enforced to attain old (family) goals for some time after buying or taking over. Organization #6 may be compared to **owner** due to family possesses only the technology, e.g. L'Oréal; J.Sainsbury. Organization # 9 will be labeled as **controller** who besides his own technology sets also the goals. Organization #5 is a **steward**, since a family runs the firm while not possessing any technology or setting the goals. Organization# 7 is an **agent** who has no shares yet but sets his goals; it is a transitional state between organization#5 and #3 or 15. Organization # 11 will be labeled **governor**, because a family does not set its goals independently and controls the firm by ownership and non-hierarchical family structure in the firm, e.g. Ford Motor Company; ComArch SA; Nowy Styl SA; John Willey & Sons, Inc.; Gap, Inc.; Coors Brewing Comp.; Corning, Inc.; Bertelsmann AG; Stihl Holding AG; Al-Ko-Kober Gruppe; GW Sohlberg; SC Johnson & Son; Kelly Services; Henkel Group; Novartis; American Financial Group; Benetton Group. Organization

Matrix 2 12 real organizational forms resulting from analysis

Goals	Technology	People: family / Structure: family	People: family / Structure: organizational	People: organizational / Structure: organizational
family	family	*early-feudal monarch* O_2	*master* O_{15}	*controller* O_9
organizational	family	*late-feudal monarch* O_{14}	*governor* O_{11}	*owner* O_6
family	organizational	*monarch-regent* O_{13}	*agent* O_7	*loser* O_3
organizational	organizational	*titular monarch* O_{10}	*steward* O_5	*stranger* O_1

10 is **titular monarch** as a family lost the control of ownership and does not have its own goals while keeping its structure. Organization # 13 is **monarch-regent**. The family has no control of technology but may achieve its goals; it suggests a family is here in power until further notice by the owner-a transitional stage between organization #2 and #10 or 5. Organization # 14 is **late-feudal monarch** because a family does not set its goals independently and controls the firm by ownership and its members linked by hierarchical family structure, e.g. Farmacol SA; Nordstrom, Inc.; Canadian Tire Corp.; Grohmann Engineering GmbH; Mokate SA; Dr Irena Eris; J.M.Smucker Company; Vaisala Group; Dillard’s; Viacom; Estée Lauder Cos.; Danaher Corp.; Hallmark Cards; Heineken; Carlson

Cos.; Swatch Group; Alberto-Culver; Sierra Pacific Industries; Hunt Construction Group; W. Kruk SA.

It seems that such a classification will help researchers to pay attention to the gentle differences and, what is most important, to distinguish the above firms from real family businesses. Among these organizations, only two are family businesses, namely, organization #2 and 15. Both of them will be labeled because of the family structure that appeared in one of them and lacked in the other. Although family structure has been proved not to be a sufficient condition to consider the firm a family firm, its appearance in these two family businesses made them different. Organization #15 $O_{15} = \{G_{fb}, P_{fb}, T_{fb}, S_o\} = FB$, i.e. family business without family structure may be compared to **master** who is the most important person, sovereign ruler of an organization but has no its own dynasty, since the family hierarchy currently does not occur in the firm, e.g. Ludwisarnia Felczyńskich Taciszów; Felczyńscy sp. z o.o.; Gospodarstwo Ogrodnicze Piotr Sroka. However, organization #2 is called **early-feudal monarch** as a family has full decision power based on ownership with its hierarchical family structure $O_2 = \{G_{fb}, P_{fb}, T_{fb}, S_{fb}\} = FB$, e.g. Bulgari; Chopard; Dynaweld; Clean the Uniform; John J. Masonry; Brita GmbH; PPHU Petecki; Party Serwis Catering. Attention must be paid to the fact that these two types do not move on the distinct paths of development. An early-feudal monarch may become master and *vice versa*. They have no specific sequence of development. Although it is possible to assume that master is rather an initial form of development, each of them may but does not have to be a starting point for the latter one and the changes can repeat, even as a result of the succession process or joining new family members. Family businesses with hierarchical family structures cultivated across generations appear oftener in traditional businesses operating on stabile markets, with sustainable steady growth and well-known competition, entry barriers limiting the appearance of new competitors and reputation, brand and wide-recognized family name are particularly precious and distinctive resources almost inimitable. Thus, the successful takeover of the firm is strongly dependent on gaining the entire knowledge, especially tacit knowledge, about the firm and its environment what is a long-lasting process based on presence, trust, co-operation and learning by action. The whole tacit knowledge is passing on to and absorbing by the next generation slowly. The young, would-be successor is involving in the firm operation step by step, is recognized by the participants of social network of a family while adding his/her own ties. However, master may be the former early-feudal monarch who, as the generations changed, lost its dynastic ties in the firm. It may be also a new family firm that started operating on the market without family structure due to forming a partnership with partners from a few families while no one of them has its members in the firm bond by hierarchical family ties, or when a young individual, single or already married, established a small own firm and his/her family supports him/her informally.

The interrelationship between these two kinds of family businesses is depicted in the mini case study below.

Mini case study

Origin of the firm. The bells foundry “Ludwisarnia Felczyńskich Taciszów” was established in 1978 in Taciszów (Upper Silesia) by three brothers Wacław, Jerzy and Tadeusz Felczyński, members of the fifth generation of family Felczyński. Their great great-grandfather, Michał, set up first bells foundry in Kałusz in 1808. Michał III, the four generation member, set up his bells foundry in Przemyśl, currently run by his grandson Janusz, creating first branch of famous foundrymen. As a result of political postwar changes the members of the fifth generation of family, Wacław, Jerzy and Tadeusz removed from Kałusz to Przemyśl to their uncle’s bells foundry. Tadeusz worked there as ordinary worker gaining in-depth knowledge of technological processes of bells founding. Later on he removed to Taciszów, but establishing of the private firm was impossible. Only slight liberalization in the 70s allowed brothers set up their bells foundry taking advantage of Tadeusz's rich experience. In 1995, after retirement of brothers the firm was taken over by their children: Wacław's daughter Anna and Tadeusz's son Zbigniew. After one year of co-operation the firm split into two separate and independent businesses. Becoming his own boss Zbigniew decided to follow the old tradition of bells founding. He founds single bells and multi-toned sets of bells in the 40-2400 kg range. The existing sets can also be completed and all conservation works of old bells are made. Extension of the existing sets as well as designing and building of church towers are offered topics of consultations. The firm employs six workers.

People. Tadeusz died in 2004 and since 1996 only his son Zbigniew with his wife Bogumiła are the family members formally engaged in the firm. Zbigniew started working in the foundry in 1978 as worker. His wife Bogumiła also works in the firm as a plastic; she artistically decorates custom-designed and -made bells with unique custom-designed images and inscriptions. Their daughter Agata is tourism and recreation student at Academy of Physician Education Katowice. She is not employed yet, nevertheless is knowledgeable about technology of bells founding since in her childhood she answered customers' detailed questions by phone. As much as possible she helps her parents in the firm preparing herself for the role of owner and manager.

Goals. Zbigniew is the main, hands-on manager of the bells foundry. He sets all goals of the firm. His wife and daughter are not engaged in decision making process because Bogumiła intuitively, without formal managerial education, subscribes to two basic Fayol's principles (Fayol, 1949), i.e. unity of command and of direction, especially important in efficient managing of small technology-based firm where all know-how is in owner-manager's hands. There are no outside managers participating in goals setting or having authorization to set them.

Technology. From the beginning of the firm, i.e. from 1808, the art of bells foundry was the tacit knowledge passed across generations and it is up to now. Zbigniew learned this idiosyncratic artisanship from his father Tadeusz who was the apprentice to his father and uncle. Currently Zbigniew's daughter Agata learns by participation in all works related to bells founding. In 1980 he completed his tacit knowledge with explicit knowledge at Silesian University of Technology in Gliwice specializing in automatic control and robotics. He is master of bells foundry. The whole firm is the exclusive ownership of Zbigniew and Bogumiła inherited from his father.

Structure. The firm had the hierarchical family structure until the day founder Tadeusz retired in 1995. It caused the hierarchical family structure disappeared and remains so up to now. (The early-feudal monarch became master because only marriage couple is currently active in the firm). Being retired founder emeritus fulfilled role of informal, outside in relation to the firm, technical advisor. The future joining of the daughter will revive the hierarchical family structure and impinge upon the internal dynamics of human relations in the firm and the family.

Taking all these considerations into account one can ultimately define family business as **each organization, i.e. certain integrity for the sake of relation to it its own elements, namely such an integrity, in which family member(s) with/without hierarchical family structure on the basis of possessed technology is/are setting and attaining family goals, i.e. contribute together to the success of this integrity, is a family business**

$$O = \{G_{fb}, P_{fb}, T_{fb}, S_f^h \vee S_f^{nh}\} = FB \text{ .}$$

Only the mutual completion of organization theory and praxiology gives the real, consistent with the essence approach definition of a family business. Using only organization theory means following components-of-involvement approach because entails the involvement of a family in each of four subsystems while not specifying who really sets the goals and how the effectiveness of attaining them is. Rejecting organization theory and focusing only on praxiological effectiveness leads to paying no attention to the aspect of ownership of the firm and does not identify the owner or the goals. Hence, such a definition is definition of process of functioning of an organization with family members and cannot be a family business definition because it gives only the answer to the question “how” while leaving the questions “whose” and “who” unanswered. The definition does not take into consideration the succession in belief that it is no needed at all. If the family business definition would be dependent on the succession process (even if potential) then all the family firms, which have not undergone this process or are unable to foresee it, cannot be considered to be family businesses. Simply, if the firm meets the definition criteria but did not undergo succession it is a family firm. If it has already passed to the next generation and still meets the criteria it is a family firm. Although each firm is usually established to last and succeed, such an assumption allows to state that firms, which will never be in the hands of children, are family businesses.

Invitation to discussion

The carried out above investigation brought results that seem to be promising. Despite of applying systems organization theory profoundly embedment in praxiology emphasizing efficiency of organizational actions and successful goals achieving, with the help of strict logic and set rules yielded a family business definition that characterize clearly the essence of problem while distancing itself from components-of-involvement approach (Chrisman, Chua and Sharma, 2003). Although the necessity of some components (subsystems, subsets) was proved above, they comprise foundations of all organizations, not only family firms, and are exclusively a *sine qua non* of achieving family goals. The family goals themselves are the finial of the building whose name is family business. It was just praxiology that suggested focusing on goals as a basic determinant of any organization. Since family firms are distinct entities in business world, having their own bunch of particular features, i.e. familiness

(Habbershon & Williams, 1999), their characteristic is the goals set only by family members, then implement and attain also on their own or with the outside help. The family goals are the joint penetrating the remainder firm's subsystems while uniting the family and firm in an inseparable connection that have raison d'être solely through carrying the family developmental vision (strategic intent), materializing by goals, into effect. As the definition should be applied to all family firms regardless of their size and stage of development, to come this true, the prerequisite of at least one family member in the firm was set. Many may argue that the definition outlined so strictly do not encompass many firms impacted by families to a considerable degree. Nevertheless, a good definition should separate the real family business from these impacted by the family even to a large extent without any harm for the field. Moreover, this separation shall bring the field the so needed transparency that delineate the similar and related to some degree notwithstanding other problem area, for family firms and firms influenced by family are really different, especially then the latter are multidivisional worldwide companies with few family members and thousands of non-family employees. The further discussion ought to bear fruit with the refinement of this conception and future validation in practice.

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