

UNIVERSITY OF LJUBLJANA
SCHOOL OF ECONOMICS AND BUSINESS

MASTER THESIS

**HUMAN RESOURCE MANAGEMENT IN SMALL FAMILY-OWNED
BUSINESSES**

Ljubljana, May 2021

URBAN BAVČAR

AUTHORSHIP STATEMENT

The undersigned Urban Bavčar, a student at the University of Ljubljana, School of Economics and Business (hereafter: SEB LU), author of this written final work of studies with the title HUMAN RESOURCE MANAGEMENT IN SMALL FAMILY-OWNED BUSINESSES, prepared under supervision of prof. dr. Robert Kaše

DECLARE

1. this written final work of studies to be based on the results of my own research;
2. the printed form of this written final work of studies to be identical to its electronic form;
3. the text of this written final work of studies to be language-edited and technically in adherence with the SEB LU's Technical Guidelines for Written Works, which means that I cited and / or quoted works and opinions of other authors in this written final work of studies in accordance with the SEB LU's Technical Guidelines for Written Works;
4. to be aware of the fact that plagiarism (in written or graphical form) is a criminal offence and can be prosecuted in accordance with the Criminal Code of the Republic of Slovenia;
5. to be aware of the consequences a proven plagiarism charge based on this written final work could have for my status at the SEB LU in accordance with the relevant SEB LU Rules;
6. to have obtained all the necessary permits to use the data and works of other authors which are (in written or graphical form) referred to in this written final work of studies and to have clearly marked them;
7. to have acted in accordance with ethical principles during the preparation of this written final work of studies and to have, where necessary, obtained permission of the Ethics Committee;
8. my consent to use the electronic form of this written final work of studies for the detection of content similarity with other written works, using similarity detection software that is connected with the SEB LU Study Information System;
9. to transfer to the University of Ljubljana free of charge, non-exclusively, geographically and time-wise unlimited the right of saving this written final work of studies in the electronic form, the right of its reproduction, as well as the right of making this written final work of studies available to the public on the World Wide Web via the Repository of the University of Ljubljana;
10. My consent to publication of my personal data that are included in this written final work of studies and in this declaration, when this written final work of studies is published.

Ljubljana: _____

Author's signature: _____

TABLE OF CONTENTS

| | |
|---|-----------|
| INTRODUCTION | 1 |
| 1 FAMILY-OWNED BUSINESSES..... | 3 |
| 1.1 Defining family-owned business | 3 |
| 1.2 Benefits and drawbacks of a family-owned business..... | 5 |
| 1.3 Characteristics of small and large family businesses | 6 |
| 1.4 Further categorization of family businesses..... | 8 |
| 1.4.1 Age differences | 9 |
| 1.4.2 Differences in business models | 9 |
| 1.4.3 Differences in ownership structure | 9 |
| 1.4.4 Difference in governance structure..... | 10 |
| 2 HRM PROCESSES AND ACTIVITIES IN NON-FAMILY AND FAMILY-OWNED BUSINESSES | 11 |
| 2.1 Recruitment and selection..... | 11 |
| 2.1.1 Comparing internal and external recruitment factors | 11 |
| 2.1.2 Stages of recruitment and selection | 12 |
| 2.1.3 Recruitment and selection in family-owned firms..... | 14 |
| 2.2 Employee/staff evaluation | 15 |
| 2.2.1 Feedback and its consequences | 16 |
| 2.2.2 Employee evaluation in family businesses | 17 |
| 2.3 Employee development..... | 18 |
| 2.3.1 Employee development in family firms | 20 |
| 2.4 Changes in internal environment | 21 |
| 2.4.1 Firms internal environment..... | 21 |
| 2.4.2 Internal control in family-owned businesses | 22 |
| 2.5 Compensations | 23 |
| 2.5.1 Effects of compensation in family-owned firms | 25 |
| 2.5.2 Summary of the pre selected practies | 26 |
| 2.6 Preexisting research of HRM processes in family firms | 26 |
| 2.7 Analysis of preexisting researches and its HRM contributions..... | 29 |
| 3 METHODOLOGY | 30 |
| 3.1 Research method: In-depth interviews..... | 30 |

| | | |
|------------|---|-----------|
| 3.2 | Research Sample & Process | 32 |
| 3.3 | Interpretation of results | 34 |
| 3.4 | Results and interpretation | 36 |
| 3.4.1 | Recruitment & selection | 36 |
| 3.4.2 | Internal promotion system | 37 |
| 3.4.3 | Deciding factors for employment | 38 |
| 3.4.4 | Employment of kin family members | 38 |
| 3.4.5 | Employee evaluation | 39 |
| 3.4.6 | Indicating evaluation factors | 40 |
| 3.4.7 | Employee feedback | 40 |
| 3.4.8 | Evaluation of family member | 41 |
| 3.4.9 | Employee development | 42 |
| 3.4.10 | Family member development | 42 |
| 3.4.11 | Changes within the internal environment | 43 |
| 3.4.12 | Delegation of tasks | 44 |
| 3.4.13 | Balancing personal and business life | 44 |
| 3.4.14 | Expectations for future managers | 45 |
| 3.4.15 | Reward systems | 46 |
| 3.4.16 | Transfer of ownership status to employees | 46 |
| 3.4.17 | Structure of financial benefits | 47 |
| 4 | DISCUSSION..... | 48 |
| 4.1 | Key findings & takeaways | 48 |
| 4.2 | Implications for small businesses HRM | 48 |
| 4.3 | Evaluation of alignment between theory and empirical observations..... | 49 |
| 4.3.1 | Recruitment and selection | 49 |
| 4.3.2 | Employee evaluation | 51 |
| 4.3.3 | Employee development and training | 51 |
| 4.3.4 | Internal development | 52 |
| 4.3.5 | Compensation | 53 |
| 4.4 | Limitations and recommendations for future research | 53 |
| | CONCLUSION..... | 54 |
| | REFERENCE LIST..... | 55 |

LIST OF TABLES

Table 1: Defining family-owned business 4
 Table 2: Positives and negatives of a family-owned business 5
 Table 3: Hard and soft costs associated with evaluations 15
 Table 4: Key differences based on specified processes 26
 Table 5: Strengths of in-depth interviews 31
 Table 6: Weaknesses of in-depth interviews 31
 Table 7: Information of the company and the interviewees 33
 Table 8: Designated markets of the firms 34
 Table 9: Reactions/perceptions on employing a family member 35
 Table 10: Key recruitment and selection indicators 36
 Table 11: Promotion system within the firm 37
 Table 12: Factors contributing to employment 38
 Table 13: Employing kin members 38
 Table 14: Evaluating employees 39
 Table 15: Evaluation factors 40
 Table 16: Feedback techniques 41
 Table 17: Giving feedback to family members 41
 Table 18: Employee development/training planning 42
 Table 19: Family member development planning 43
 Table 20: Delegation of assignments 44
 Table 21: Personal and business life interconnectivity 44
 Table 22: Future expectations for succeeding managers 45
 Table 23: Redistribution of company ownership 47

LIST OF FIGURES

Figure 1: Effects of rewarding on individual, group and organizational level 25
 Figure 2: Theoretical model of recruitment and selection 50
 Figure 3: Development and training approaches 52

LIST OF APPENDICES

Appendix 1: Povzetek 1
 Appendix 2: Interview protocol (slovene) 2
 Appendix 3: interview protocol (english) 4

| | |
|--|----|
| Appendix 4: Original transcript of interview in firm 1 | 6 |
| Appendix 5: Original transcript of interview in firm 2 | 9 |
| Appendix 6: Original transcript of interview in firm 3 | 11 |
| Appendix 7: Original transcript of interview in firm 4 | 13 |
| Appendix 8: Original transcript of interview in firm 5 | 16 |

LIST OF ABBREVIATIONS

sl. – slovene

GDP – (sl. bruto domači proizvod); gross domestic product

HR – (sl. človeški viri); human resources

KPI – (sl. kazalci uspešnosti); key performance indicators

INTRODUCTION

Family-owned businesses have taken a firm place in the business world we know. According to David Bain (2015), the top family businesses in the Fortune 500 contribute as much as \$ 6.5 trillion to global gross domestic product (hereafter GDP). The overall success of these companies is measured in relation to their competitors within a given market segment and in accordance with the number of new jobs created by a given family business.

Family-owned business can be defined as an organization in which the family has full control in the decision-making processes (Rosenblatt, de Mik, Anderson & Johnson, 1985, p. 204). On the other hand, a much more detailed definition states that a family-owned business is an organization where companies have more than one generation with at least one family member being present within the responsibilities of a manager (Astrachan & Shanker, 2003).

When analyzing family businesses' effectiveness and efficiency worldwide we can define their status within the economy with two factors: ranking based on revenue reported and ranking based on the year the company was established (Bain, 2015). Note that these two factors cannot be considered substitutes since they do not contain equal variables and can provide different conclusions. It is important to note that there are several "young" companies that top the charts according to revenues but on the other hand are not shown within the ranking with respect to the founding year.

Comprehensive research performed by Antončič, Antončič and Juričič (2015) identified Wal-Mart Stores, Inc. as the world most profitable family business which totaled 485.6 billion USD (Walmart, 2015). On the other hand, Wal-Mart is nowhere close to being seen within the top 25 oldest family businesses; although being a "middle-aged" company it is not even close to other companies such as Takenaka Corporation from Japan. With its presence being mostly within the real estate and construction business, Takenaka reported revenues in 2015 totaled up to "only" 9.7 billion USD, but on the other hand, they represented the world oldest family-owned business that was officially established back in the 17th century and numbers approximately 7300 workers employed today (Bain, 2015).

According to Leach (1993) and Syms (1992), around 58% of family companies are managed/owned by the first generation, followed by 37% of the second generation owners and a meagerly 5% led by the third generation. Conway Center for Family Business. (n.d.) states that American family-owned businesses have a similar success rate as the one mentioned above; that is around 30% of all family-owned businesses survive and transition to the second generation.

Since the large family-owned businesses mentioned above represent a relative outlier (especially size-wise) in comparison to the Slovene economy, the focus of this research will be on small family-owned businesses with up to 50 employees.

According to the Global Talent Competitiveness Index (Lanvin & Evans, 2018), the Slovene economy is considered to be within the high-income country bracket, however, as shown by a study (Antončič, Antončič & Juričič, 2015) Slovene market is considered to be mostly populated by micro-sized family-owned businesses, which amount up to 95% of family businesses in the country.

With yearly revenues going up to 4 million EUR, companies are more or less present within their respective markets for approximately 20 years, ranging across various industries such as retail, construction and production of industrial goods.

Such small family-owned businesses have a relatively different approach when it comes to designing business plans, strategy and other areas of importance including HRM. While non-family-managed businesses tend to focus on one, common specific task there are several hidden factors present within the family-owned ones. A well-known occurrence present within a family-owned business is the so-called family business triangle (Rivers, 2014). It can be considered as an unsustainable triangle consisting of three main areas: business, family and ownership. What this triangle tells us is that future generations within family businesses face troublesome times when transitioning to the next generation of owners with respect to the three above-mentioned phenomena.

There are many challenges present in today's world of business. This is especially true for managing human resources within small family-owned businesses. Petrič (2010) states that small companies should consider human resources much more seriously since this area has an important effect on their strategic planning and outcomes. The problem is that such businesses do not give enough emphasis on managing human resources within a firm. By neglecting this crucial factor within the firm, the companies subject themselves to future unforeseen contingencies such as faltering business-wise in terms of competition (Andrejčič et al., 1994)

The purpose of this master thesis is to analyze how key factors within human resource management affect the way of doing business in small family-owned companies and also to emphasize the importance of such a business model of the respected firms. In the thesis, I intend to conduct a research on how small family-owned businesses internally manage employees with respect to the internal environment, recruitment, performance management, and staff development.

The goals of the thesis, on the other hand, are: to perform an in-depth evaluation of human resource management within small family-owned companies; to analyze the factors that influence it, to determine the advantages and disadvantages of these factors, and finally to offer an evaluation of how particular HRM approaches benefit these businesses.

My key research question is, therefore: "How do small family businesses handle human resource management practices and challenges such as selection, training and challenges such as nepotism, interaction of professional and personal (kin) relationships and differences across family generations?"

I continue with reports of analyses based on primary data. The first part of the thesis is dedicated to the theoretical background of family-owned businesses; describing what a family-owned business is, what are its benefits and drawbacks and how does it differ from a non-family-owned business. Next, an in-depth analysis is made with respect to evaluating problems within such firms, focusing on the benefits that small and medium enterprises have with respect to large family-owned firms and non-family-owned firms.

In the second part of the thesis, I use an analytical approach. I start a critical review of the pre-existing research and studies. Studies such as family business characteristics in Slovenia by Antončič, Antončič and Juričič (2015), Next generation family business, Leading a family business in a disruptive environment (Deloitte, 2017) and Manual for family entrepreneurship (Krajnc, n.d.) will be used to evaluate and analyze the focal phenomenon. The empirical part of this thesis is composed of content analysis of in-depth interviews with pre-selected managers within selected firms.

The third part of the thesis will be dedicated to a critical review regarding the fact whether primary data collected in the past has been efficiently and effectively apprehended and connected to the in-depth Slovene market analysis regarding the designated family business model that will be used in this thesis. Results and analyses of the upper mentioned case studies will be used to determine if there is a sufficient theoretical foundation for Slovenia and whether or not we can connect these results and interpret them according to the goal of this thesis.

The fourth part of the thesis will be dedicated to the interpretation and analysis of the results acquired by the pre-selected companies. Methods of acquiring data will be in-depth interviews with pre-selected managers or owners. Interviews shall be constructed in such a way from which I will be able to analyze and determine if there are any common patterns present within these companies.

The next part will focus to interpret the answers given by the pre-selected managers and analyzing them with respect to how companies handle certain phenomena and to what can these attributes, characteristics and potential outlying answers be connected in accordance with the research question.

Conclusion on the results derived from conducted interviews, which is the last part of the thesis, will be dedicated to concluding remarks and how these remarks, analyses and contributions can be used for future uses and practices.

1 FAMILY-OWNED BUSINESSES

1.1 Defining family-owned business

Defining family business is difficult. The rationale is quite reasonable and credible; many underlying factors shift the universal proposition for such a business one way or the other,

meaning that while a business may be just a local business with the original "mother and father" founders supported by their descendants, there may be large multinational businesses run by a single family that may be present in the shareholder functions and strategic responsibilities of the business.

There are several definitions of a family-owned business. Rosenblatt, de Mik, Anderson and Johnson (1985, p. 204) define a family-owned business as a business in which ownership control is distributed within a single family. An alternative, more in-depth definition by Astrachan and Shanker (2003) states that a family-owned business, similar to the statement made before, has control over the strategic objectives of a firm, while the narrow one states that family-owned businesses are the firms that include more than one generation and more than one family member with respected managerial capabilities.

A more internal perspective can define a family-owned business as a complex organization that has two meanings attached to it; one side of this phenomenon is represented by a family "system" which is based on emotions or family values, and on the other hand, there is a completely rational, business-oriented system (Žaler, 2008).

Another similar definition of a family-owned business was also identified by Ianarelli (in Kleiman & Peacock, 1996), stating that certain family business is an entity that has to separate family and business aspects while at the same time being subjected to different rules and roles, leading to an overlap of family and company/business culture. A summary of each statement is described in table 1.

Table 1: Defining family-owned business

| Author(s) | Definition of a family business |
|---------------------------------------|---|
| Rosenblatt, de Mik, Anderson, Johnson | A business in which the ownership control is distributed within a single family |
| Astrachan, Shanker | Family business has control over the strategic objectives Businesses that include more than one generation and more than one family member with designated managerial capabilities |
| Žaler | A complex organization with a family system based on values and a rational business-oriented system |
| Ianarelli | An entity that separates family and business aspects while being subjected to rules and roles that overlap the family and company business culture |

Adapted from Kleiman & Peacock (1996).

As examined in the table above, there are several definitions concerning a family-owned business. This thesis shall focus to describe family business concerning human resource phenomena while taking into consideration its structure based on the overlap of family and business environment. Thus, the working definition that I will use is the one stated by Astrachan and Shanker (2003) since it offers a specific in-depth representation of the problem and also covers the aspect of the possibility of a multi-familiar ownership structure.

1.2 Benefits and drawbacks of a family-owned business

There is a common belief that family businesses have beneficial effects on the local and global economies (Athwal, 2020). However, as it was stated in the chapter before, such businesses have a very little chance to survive in the next generation of family owners.

Table 2 below shows us the positives and negatives of a family business. An in-depth analysis will be made in the subchapters below.

Table 2: Positives and negatives of a family-owned business

| Positives/benefits | Negatives/drawbacks |
|--------------------|-------------------------|
| Commitment | Family conflict |
| Stability | Unstructured governance |
| Flexibility | Nepotism |
| Long term planning | Succession planning |
| Decreased costs | |

Source: Athwal (2020).

Being in a family does not only stop within a closed family circle of internal relations but it also prolongs and extends to the workplace (Davis & Englis, 2001). Therefore, it can be said that commitment to the family from both perspectives leads to many positive outcomes, like for example structural organization, chain of command hierarchy, better and stronger relationships, marketing and eventually even sales with respect to their customers.

Commitment goes hand in hand with flexibility and stability. As mentioned before, stability is a direct attribute to the chain of command (Merrill, 2017) therefore determining family positions such as who will the leader or manager be in order to achieve long-term stability and beneficiary results. Such leaders are appointed or selected to represent the main core interest and goals of the company as long as there are no unforeseen contingencies inside their private life such as retirement, illness and others (Leybag, 2008).

Flexibility can be directly used to describe the position of other, non-manager/owner family employee within a firm. They share their goals, mission and vision with the owner therefore they also see themselves as a part in something much larger than them (Martinho, Domingos & Varajão, 2015). This term refers to the principal-agent dilemma; it is a relationship between the principal (in this case the owner/manager) and the agent (in this case a non-managing family member or a non-managing non-family member) where the principal hires an agent to serve as an extension of himself (Agarwal, 2018).

While there may be a conflict of interest where the agents strive to “take care of themselves” within the firm as long as their personal success is concerned (Hawkins, Lake, Nielson & Tierney, 2006) there is also an alternative to it, meaning that the agents see themselves as an extension of the firm, putting personal goals aside for the greater good of a company (Sherman, 2018). Referring back to family-owned business, the non-manager members tend to view

themselves as extensions of the company therefore expanding their areas of expertise to many areas and sectors within the company.

Directly correlated with the stability and flexibility is also the long term planning. Maintaining and sustaining the plan that exceeds short term periods is also a very important feature of family-owned businesses since they strive to keep their businesses afloat for many years, if not decades (Ward, 1988).

Again going back to principal-agent dilemma, there is also the aspect of decreasing costs. By seeing themselves as an extension of the company, non-manager family workers' priority is long term survival, therefore they are willing to invest their personal belongings in the company such as capital. Such kind of phenomena might be present especially when the family-owned company faces economic decline, keeping the business "alive" or unforeseen contingencies such as a crisis.

One common factor that is present in both advantages and disadvantages is conflict of interest. Sooner or later, conflict of interest will almost certainly show itself within firms (Dragomir, 2017). What is even worse it can be very dangerous that various conflicts of interest prolong outside the workplace therefore making them much harder to resolve.

Besides that, conflict of interest might be directly correlated to nepotism. It can be presented or "diagnosed" with various aspects such as giving a certain spot within the firm despite that individuals lack of skills compared to someone more qualified, non-family employee of the firm. (Gjinovci, 2016)

Another problem that can be the exact opposite of the phenomena mentioned before is unstructured governance. This can again be backtracked to the conflict of interest, denying and hindering the company's long-term success due to the lack of governance with respect to the chain of command (Thomann, Trein & Maggetti, 2019).

Probably the most controversial characteristic within family-owned businesses is succession planning (Ayres, 1990). Who shall be deemed worthy enough to continue the legacy of original founders? Such problems occur due to the fact that the original owners/founders do not have any wishes or desires to step down or simply do not see their potential successor be the desired person with respect to the image of the company regarding the values and mission of the firm.

1.3 Characteristics of small and large family businesses

We simply cannot equate various sizes of family-owned businesses. There are differences between family businesses of different sizes (Glassdoor, 2018). To describe key differences, I will use three subcategories: structure of the firm, the role of the individual and future projections/opportunities (Huhman, 2018).

Structure of the firm: Large companies tend to have a specific structure set for each individual according to the needs and goals of the company, therefore, making the assumption that an individual's role within a company is clearly defined and could also be as stable and risk "free" as possible. Not completely the opposite but close to it can be said for the structure within small businesses. Especially in companies with a relatively low number of employees the individual's assignments tend to vary or rather be more flexible. To further evaluate such phenomena, present within small firms, there is a lot more leeway/discretion for an individual meaning that the specified position may vary from time to time due to the size of the company, meaning that there might be a possibility that work assignments are not specified to direct one area of expertise.

Roles of individuals: When working in large firms there is a large possibility that an individual is usually just a small part of something much bigger. Regardless of the position within the company roles can also be subcategorized to more broad or narrow ones. Broad roles such as the ability to plan, organize, lead, coordinate and control (Tucker-McLaughlin, n.d.) ensure that an individual does not only perform better but also manage the employees who work for you better. Certain individuals can find such work to be fulfilling to themselves especially since they might enjoy teamwork more compared to individual assignments. There is a small caveat to it which is the ability to avoid direct confrontation when the set goal was not fully implemented according to the facts or rather the mission of the superior. On the other hand, there is the concept of narrower roles. Smaller companies tend to follow the rule where they hire certain employees that represent and co-exist with the company culture (Roy, 2018). Working in small companies offers a completely different dynamic. As mentioned before, there might come an opportunity where an individual may be tasked with performing certain objectives that might not be within his main area of expertise. Similar to the large ones, there is also a hidden opportunity present here. An individual can expand into other areas of expertise, therefore, transitioning from one, pre-designated place to another, therefore satisfying his personal needs and passions while at the same time receive positive feedback from the owners.

Future projections/opportunities: Since large companies tend to have their core values, missions, visions and plans for longer periods sorted out, that same objectives are automatically transferred to the newcomers. Since an individual is a part of something much bigger than him, he immediately embraces the core values of the company and aligns them with his personal goals that are deeply inter-connected to the company's core values. That is not the case for small companies. An individual is still a part of something greater than him, but not on such a scale compared to large companies. For starters, he competes with very few others for promotion and power within his area of expertise and also it can be said that he is the only one "in charge" of his destiny within the company (DeVaro, 2006). Backtracking to teamwork vs individualism; one's work can be seen more clearly within small companies and can also serve as proof and a foundation for the individual's next job opportunity in he decides to pursue a business career somewhere else where he might have the ability to bring life into his ideas of that specific business.

Shifting the focus to economic factors, Hamel (2019) identifies four key factors that are present within both small and large firms but still possess noticeable differences:

- Business legal structure: when evaluating aspects such as taxes, the way the business is managed and the assets and liabilities the owners possess, there has to be a line drawn between small and large companies. For starters, small companies may be registered to a person or rather sole proprietor therefore assets, liabilities and others represent a personal income tax to the owner which also makes him liable for all business debts. Large companies are considered as gatherings/groups who pay taxes not directly related to the owners.
- Financing: it describes how an organization can allocate financial resources based on the present and future operations. Small businesses can be subjected to the owner's inflow of capital, miniature loans from banks and financial institutions while the large corporations might increase their financials by selling certain shares, stocks within the company and even selling corporate bonds.
- Pre-selection of markets (niche): the company may influence the number of segments that it can target. Since small firms do not possess many assets compared to the large ones, they tend to focus on a pre-selected specific market niche. They strive to sell a specific product or service within a market. On the other hand, large companies tend to offer more products/services to various markets and segments. Especially when such companies grow, they strive to expand their business to other markets and offer new services and products which eventually leads to a potential positive outcome in sales and also opens the opportunity to create new jobs within that specific market.

1.4 Further categorization of family businesses

While size is an important differentiator, others are also meaningful, which makes the categorization of (small) family businesses quite complex. While some similarities can be applied, many differences need to be considered. Non-family-owned companies have many different sizes ranging from small, small proprietor businesses to large corporations.

The same can be said for family-owned businesses; there are many shapes and sizes of these companies. Small family-owned firms tend to shift their focus to professionalism and maintain a rather unchanged and not open to adjustment management and ownership (Adams, Taschian & Shore, 1996). Most of the time small family businesses avoid delegating authority to non-family members. On the other hand, large family companies tend to shift their focus on complexity or to put it in a different perspective, setting the motion and guidelines to what the economic situation dictates. Also, ownership and management must be taken as a separate issue especially due to the size of the company since combining one with the other is relatively impossible (Baron & Lachenauer, 2016).

Family-owned businesses are not only different from generic, non-family-owned businesses but also differ from each other, meaning there is quite a high possibility that family-owned businesses differ a lot from their respected counterparts within the same business or even other businesses, segments and regions.

Besides the size of the business, May (2016) categorizes these differences into the following categories:

- age differences
- differences in business models
- differences in ownership structures
- differences in governance structures

1.4.1 Age differences

Age generation can be especially viewed on how exactly the businesses behave; either it is a young company with the first generation of owners or a company that has been present for decades or centuries. As generations are switched there is also that sense of urgency to maintain and keep the family businesses ongoing but at the same time, an event might occur when future generations do not see eye to eye with the previous generations of owners and managers (Haykir & Çelik, 2018) therefore try to steer the business in other directions or rather segments, regions and also pursue their careers somewhere else in accordance to their individual beliefs and life goals (Serrasqueiro, Nunes & da Silva, 2016).

1.4.2 Differences in business models

Constructing different business models can also have a direct effect on such companies. As previously mentioned, there might be a possibility where the new generation of owners of such businesses might shift their goals to a completely different area, therefore diversifying their business (Litz & Kleysen, 2001). On the other hand, the previous/current generation of owners and managers might strive to maintain and pass on the lifestyle and business choices to the next generation, giving the possibility to create a rift between the generations. There is one crucial aspect that must be taken into consideration which is mixing business and emotional values; having a negative relationship within one category usually leads to negative transition to the other, therefore making a life decision, especially business-wise, even more difficult to manage (Ward, 2002).

1.4.3 Differences in ownership structure

When it comes to ownership, there are many aspects that need to be taken into consideration. Obviously, having a unified and also “healthy” family management must be considered as a core foundation of a company (Daily & Dollinger, 1992). If the company possesses a single

owner one can think that he or she does not face many problems, right? That statement is unfortunately too simplistic; while being the sole owner does have certain benefits, there are also some things that might hinder the success and existence of the company in the long run such as having a relatively monopolized position or rather be subjected to abuse of power and also succession which might prove to be a quite difficult task to perform (Bozer, Levin & Santora, 2017). The same problems but with more persons afflicted apply to businesses with various family members in control. The potential rivalry between siblings might lead to harsh decisions in both the business process and internal conflict within the family circle (Friedman, 1991). However if such rivalries have been extinguished it still might leave a negative aftertaste especially in the next generations where a succeeding family member might be subjected to the same problematics, therefore, altering their decisions based on transgressions that occurred with their predecessors. Even if there are differences within respected aspects a family must not only have strong family core values but must also transition to the economic, business life (Nelton, 1997).

1.4.4 Difference in governance structure

Lastly, the structure of the governance and its differences need to be analyzed. Having a relative “easier” path, such family-owned businesses i.e. family businesses with up to fifty employees tend to be managed by owners, therefore, the alignments of interest between owners and managers are usually on the same beneficial level (Corbetta & Salvato, 2004). What is also beneficial is that in such cases there can usually be transitions to the next generation of managers with much less turmoil concerning conflict of interests. What needs to be taken into the consideration is that the situation explained might not necessarily be applied to such companies especially if there is joint ownership consisting of more than one owner (Steier, 2001). Consequently, that is also dependable on the status of the owner within the company meaning that there can be active and non-active owners within the company. Even though it seems that non-active owners are present only as a legal entity that may sometimes lead back to the original problem of conflict of interests, especially in the times where the original or succeeding owners decides to “abandon” their share of the company. Alongside that, there is also the business versus personal life aspect that needs to be taken into consideration. That is directly going back to the original problems family-owned businesses face; having a stable and properly managed life outside and inside the company, balancing and not interfering one with the other (Beck-Gernsheim & Camiller, 2002). What might be a bit uncommon is that such companies may exercise the possibility to involve other, non-family members as the leading managers within the firm. By taking such decisions and changes in the ownership, the originating owners may forego the problems such as nepotism (Wong & Kleiner, 1994), conflict of interest and various other negatives that might hinder the company’s success.

2 HRM PROCESSES AND ACTIVITIES IN NON-FAMILY AND FAMILY-OWNED BUSINESSES

In this chapter, I focus on the various factors that shape the structure of specific firms and also later transition to family-owned firms. Various sub-chapters will be used to establish a foundation that will be evaluated, analyzed and subjected to an in-depth explanation of the phenomena. Each chapter is described based on the theoretical studies that are present within it. That is backed up by the analysis of what kind of factors are the ones that are present the most.

Theoretical approaches will then be transitioned to specific characteristics and will be also be subjected to cross-comparison between non-family-owned firms to family-owned firms. The purpose of such an approach is to use these pre-selected factors within the firm and use them to evaluate and disseminate how companies should or rather do manage.

Backtracked to the original theories regarding family-owned firms (Astrachan & Shanker, 2003, p. 211), these subcategories serve as a more in-depth analysis that offers additional insight to managing specific firms.

The preselected categories that are used in this study include the following sub-categories:

- Recruitment and selection
- Employee evaluation
- Employee development
- Changes in internal environment
- Compensations

2.1 Recruitment and selection

Recruitment and selection processes have always been a must-have addition to each company (Fellman, 2013). To shift focus exclusively towards recruitment within the human resource department is considered to be an act where a company attracts, engages and assesses talent to work within its environment. Performed at a strategic level, a company tries to identify the most appropriate candidate for their specific job opening by dividing the recruitment process into various stages such as job analysis, sourcing talent, making assessments of the talent and finally engaging the talent (Smooke, 2014).

2.1.1 Comparing internal and external recruitment factors

Similar to the control mechanisms that will be described in the chapters ahead, recruitment is also influenced by external and internal factors meaning that obviously firm tends to internally control phenomena to a practical unanimity while still being subjected to various aspects such

as trends that happen outside of their reach. Shah (2017) categorizes HR policies, size of the firm, company's budget, reputation and age of the firm as internal factors and on the other hand factors such as unemployment rate, competition, labor laws and finally demand round up the external factors.

Starting with internal factors; as was mentioned at the beginning of this chapter, recruitment falls to the HR departments within the company. Factors such as budget and age of the firm can have detrimental effects since small firms do not possess adequate budgets in comparison to large corporations, meaning that finances committed to recruitment can serve as an additional burden while comparing them to large companies (Reid, Morrow, Kelly & McCartan, 2002). This can also be correlated to the age of the firm, meaning that newly established firms do not have specifically strict budgets and HR policies to follow. Reputation also falls in line with the age of the company which could be seen in the number of applications received, especially compared to the number received in large firms.

On the other hand, external factors such as the unemployment rate have a high impact on the recruiting process. To put it in perspective, a higher unemployment rate could lead to a higher number of applicants which can be taken as a positive since firms expand their applicant pool (Mueller & Philippon, 2011). The competition also plays into consideration since it increases the amount of choices candidates have therefore forcing companies to enhance their recruitment policies. Similarly to competition, demand can also have a detrimental effect due to lack of supply, i.e. lack of open job offerings. Although this still is a negative effect it may not be considered detrimental since it allows to have some maneuvering room for companies, making them more attractable, which is considered to be an opposite to competition restrictions. Finally, there could be a presence of specific industry, labor laws which can be seen as governmental regulations on specific sectors. Such regulations might include gender policies, age groups or even the location of the employees.

2.1.2 Stages of recruitment and selection

Recruitment is an important feature that all companies must take into consideration. Regardless of company sizes, small companies and also large multinationals are subjected to it however there can be minor differences in the recruitment processes (Rynes, Bretz & Gerhart, 1991).

Starting with the process; the first thing the company must ensure is how or rather where the company should advertise its vacancy. Several ways enable the company to start their process of recruitment but at the end of the day, companies strive to be as involved in recruitment as possible (Johannisson & Huse, 2000). Since that might not be the most optimal solution due to various setbacks such as lack of time and resources there is a possibility that a company contacts its local recruitment agency or even consider matters via online recruitment sites. Since today's processes and trends of globalization tend to focus on social media, companies should also use social platforms to advertise their open job offerings (Colot, Dupont & Volral, 2009), which could be especially true for those who are already in the proposed/interested business markets,

segments and sectors. When the process of strategically placing job adverts is completed the company can now move to the next stage of recruitment, i.e. perfecting the job advert. To have their advert as clear as possible, firms may divide the structure of it into various categories:

- Introduction- To understand more clearly what exactly the job is, firms usually tend to briefly explain who they are and what is their required role is advertised. Note that this must be as brief as possible to capture the candidate attention, otherwise, it fails to “persuade” the candidate to continue reading the offer
- Brief explanation of responsibilities-here it can become a little tricky since the company may try to oversimplify the required goals. To ensure that the candidate directly understands the goals, firms may choose to ensnare the candidate by directly specifying to them how and where will their contribution be noticed to the entire firm. Since the specific position is relatively tailored to the firm’s needs, requirements follow the responsibilities, therefore listing various characteristics that the candidate should have acquired from previous educations, seminars and occupations
- Being the best option for the candidate-at the end of each job offering the companies must eventually “sell themselves” to the candidate. That can be done by showing the candidate how his work could impact the firm as a whole, the benefits of working in such firms and also how they can offer him certain specifics such as life goals and achievements in his business career.

The final step of the recruitment process is to maintain that continuity described by the previous steps and also finalize the recruitment which eventually leads to the selection of the desired candidate. Even though this appears to be the most formal, one-sided, or even simplified process is the toughest one for the company. The first bullet still focuses on the stage of recruitment, the recurring ones move on to selection and how firms emphasize their selection criteria of the targeted candidate concerning the approaches stated below.

- Narrowing the recruitment circle-this process is initialized when the firm’s deadline for submitting the applications is surpassed. If the specific job opening is desired a lot, there may be tons of applications that the firm has to evaluate according to their needs. Such cases can appear to be very time-consuming therefore companies tend to analyze CV in a matter of seconds. Augustine (n.d.) states that an average recruiter spends approximately six seconds “scanning” an applicant’s CV. To ensure the company narrows the initial circle as much as possible within these couple of seconds their main focus is directed towards name, contact information, certifications acquired from various sources, possible access to more personal, private forms of media and obviously the ever-important previous job experiences such as previous occupations and feasible/tangible results (if possible)
- Interviews- this is again a process where firms decide to make the selection circles even narrower. Backtracking to the previous selection, a new list is made concerning the pedigree of the candidates and if the employers see their added value to the company. Again, time is of the essence so these interviews must be strictly constructed in such a way that it allows the companies representatives to immediately recognize their next potential employee

- Assessing the applicants- while it may not be present within some companies, assessing the applicants with specifically modified tests during the interviews can serve as an additional background and skills check to the firm’s representatives. These tests vary from simple everyday tasks to problem-related topics that might directly impact the company
- Determining the appropriate candidate-after all the conducted interviews there is only one more decision to accept which is the selection of the perfect candidate according to the firm. This is where it might become a bit difficult to determine with ease who the perfect candidate might be. Ideally, the companies search for the candidate that fits their needs and requirements as much as possible or sometimes even perfectly

Zivkovic (2018) indicates that the people in charge of recruitment and selection analyze not only CV’s but also other aspects of their candidate such as cover letters, where they try to analyze the candidate's personality and compare it to the companies culture of their own, presence on social media which can again be connected to the candidate’s personality and also doing a reference check. Reference checking can be used most effectively since it offers direct input on the firm’s candidate but can also be considered a relative setback or overlap of opinions due to a lack of former employer's objectivity towards the candidate.

2.1.3 Recruitment and selection in family-owned firms

A common ground must be set again concerning the way human resource departments in non-family firms tackle recruitment and selection in comparison to family-owned firms. There are some similarities such as the presence of internal and external factors that a firm faces within the mentioned stages (Spath & Redmond, 1994). The issue that arises here is that family-owned firms tend to diverse their ways of recruitment meaning that while some of the employees, especially non-family ones, receive the so-called standard treatment while employees that are somehow related to the owner or top managers get the preferential treatment, even though their required skills might not be up to par in comparison with other employees.

This is where nepotism or rather preferential treatment comes to the forefront and also several other issues such as a disability to keep managerial functions strictly within the family. Nepotism can be experienced both in family and also non-family businesses especially in terms of preferential treatment that exists between two individuals or even two groups. What started as preferential treatment amongst bishops of the Catholic religion, nepotism today is considered as the hiring of a family member in which the family member is considered to receive beneficial treatment in comparison with non-family members (Riggio, 2012).

Shifting the focus to firms; since small firms tend to have a relatively small number of people employed, nepotism can be seen as a perfect setup for the succession of the next generation of managers within the family (Vinton, 1998). This is where the preferential treatment tends to arise; even though family succession is in the first place it might still not be the most optimal solution in terms of the future of the firm. Ideally, the company’s rational and sensible thing to

do is to follow the competence rule, i.e. which individual has “lived up” to expectation concerning consistency and high level of performance throughout his years in the firm. Even though nepotism immediately triggers the reaction of using preferential treatment as a bad thing, it is not always the same, negative aspect that is attached to it.

On the positive side, it can also be considered as a parenting effect which is raising an individual that can “survive” independently in the business environment and have high self-esteem. Such kind of process must include various values such as integrity, honesty, respect for others and dependability. Failing to fulfill and train such values can usually lead to false senses of entitlement, especially within the inner family circle of the business that can again be backtracked to preferential treatment (Bork, 2012).

2.2 Employee/staff evaluation

Organizations and firms are constantly trying to adapt and overcome the challenges that today’s globalization presents to them. Problems such as cost efficiency and productivity are crucial factors that ensure firms worldwide continue prospering and maintaining the obstacles which lie in the way for the future. Every sort of firm has one common denominator, its employees. This phenomenon goes hand in hand with globalization, therefore some could backtrack this back to the internal perspective of a firm’s competitive advantage concerning the internal environment. That is why companies worldwide pay close attention to the evaluations of the company’s employees. Although regular evaluations may lead to an increase in the firm’s wellbeing, there are also opponents to such kinds of proposed techniques.

Kennedy (1999) states that such processes performed regularly tend to have a spillover effect, especially in terms of time consumed, paperwork and the general discomfort of the evaluation process results as can be seen from the table below.

Table 3: Hard and soft costs associated with evaluations

| Quantifiable hard costs | Unquantifiable soft costs |
|---|--|
| Preparing appraisals | Reduction in productivity in the aftermath of the evaluations |
| Setting goals and objectives | Structural inflation that can occur when appraisals are attached to pay or merit rewards |
| Conducting reviews, annual and periodic | Stress caused by appraisals |
| Higher level reviews of low level appraisals | Lower morale due to unfair evaluations |
| Design, print, copying, distribution of appraisal forms | Shattering pre-existing teamwork attitude |
| Design and communicating process | |
| Training in the appraisal process | |
| Post-appraisal appeals and grievances | |

Source: Nickols (1995).

There is an opposition present within the evaluation processes, but it is tough to argue that evaluations do occur regardless and are especially shown within the performance measures. Longenecker (1997) recognizes that there is a link between appraisals and rewards and it is considered to be the most creative appraisal system but recognizes it as a relatively sensitive topic, especially in political and social aspects. Another thing to be careful of is balancing organizational needs concerning the cultural environment. The balance of the two represents a challenge for firms that need to take into account the implementation and design of the employee evaluation mechanisms (Bloom, Milkovich & Mitra, 2000). Sizes, types and structure of the organization do not matter in this case since each company should take the time to implement specifically tailored evaluation systems to make sure that such systems are tied to strategic objectives and also include specialized training to all the company's employees.

Organizations and firms devise their strategic plans according to the company's vision. These goals are set as guidelines throughout the entire organization to accomplish their specified goals or rather a mission while at the same time maintain and respecting the values of various segments within the firm (Beamish, Morrison, Rosenzweig & Inkpen, 2000). When these characteristics are aligned with each other, managers within their respected sections are placed in charge to oversee and also implement such strategies. These employee evaluations serve to back up and support the goals the firms have set. Tracing back to the problem stated above, such kinds of evaluations must take into consideration how the local culture shall accept and comprehend such measures (Bloom, Milkovich & Mitra, 2000; Taylor, Beechler & Napier, 1996).

2.2.1 Feedback and its consequences

One of the toughest tasks a supervisor, owner, CEO must do is give an honest opinion or rather and honest feedback to the employee. But at the end of the day, it has to be done so that both the supervisor and the employee can take the information given and use it to "add more value" to the organization as a whole. Such processes should be done on an individual level.

Peters (2000) identified seven key steps in evaluating and sending feedback to the evaluated employees:

- Ideally, the supervising manager and the evaluated employee should be able to discuss such things in a private environment, regardless of the critique is either negative or positive and also informal or formal
- Ensuring that both the supervisor and the evaluated employee have the opportunity to comment on the evaluated outcomes
- Addressing the problem quickly, effectively and most important honestly since failing to seek or avoid confrontation can only cause a potential setback in the future

- Identification of a problem should be backed up by positive feedback and encouragement since managers tend only to focus on negative feedbacks without paying much attention to the positives seeing them as a tool that might somehow “spoil” the employee
- Communication with the employee should be perfected, clearly interpreted and it must maintain a level of objectivity
- Supervising managers must be knowledgeable on various cultural and ethical differences
- Managers must maintain fair but appropriate standards and be trained to avoid common, “textbook” evaluations. Having preferential opinions on various kinds of performance evaluations can again have a detrimental effect on the company’s long term goals

2.2.2 Employee evaluation in family businesses

Ghoshal and Bartlett (1994) stated that firms can build strong employee engagement can ultimately lead to an organization with fully supported company values. The same principle applies to family firms. By having strong family values, such firms can ensure that relationships are more emotional, humane and fundamental. Some studies have shown that family firms value generosity as their number one priority (Van Willigen, 2000), often seen as the purest form of altruism.

Altruism is a term commonly used in social psychology but can also be translated and shifted to economic phenomena; Cherry (2021) defines altruism as an unselfish concern for others, doing a specific task exclusively to assist that person while not being under the influence of duty, loyalty, religions or other factors.

Evaluating family employees represents one of the most disturbing issues that a company has to make. In the processes described above the focus was shifted towards the generalized employee evaluation strictly through the “what is the best for business” process. Staff evaluations within family-owned firms tend to be a bit more subjective. The immediate and most obvious problem that can occur is that the employed family member might feel entitled especially since he or she is not only business-related but also family-related (Ramos, Man, Mustafa & Ng, 2014, p. 302). That can also be troublesome in the eyes of the owner/manager since he might misuse his objectivity in favor of a family employee. On the contrary, it can also have an opposite effect, especially when the leading manager tends to evaluate a member of his own family to a much higher, also unfair, standard. Another thing that plagues such firms is the fact that fair/unfair evaluations can leak themselves out to the private environment. Determining the perfect family employee evaluation, especially if that employee is a family member, can be a difficult task. That is why managers within all firms should ensure to set out clear goals and expectations with each employee, regardless of his status and connection to the leading manager (if any). The same must be applied to evaluations, managers should perform them as objectively as possible (Kappel, 2017).

2.3 Employee development

Economists have been stating that regardless of the situation, the economy within region, state, country, continent and worldwide must continue to grow. To put it into the perspective of succeeding generations, the ideal model is that growth and prosperity must be co-aligned with each other so that the future generations will benefit more in comparison with the generations today and in the past (Semuels, 2016).

The same principle applies to firms worldwide, regardless of size and type of business. Similar to the chapters above, employee development should be deeply interconnected with a company's strategic objectives. Armstrong (1990), Beardwell and Holden (1997) indicate that improving quality, performance and increasing the firm's ability is the key to compete within the respected market segment. To focus exclusively on individual and organizational aspects, development of the firm's employees is seen as a sign of competitive advantage which can be seen in its full effect within times of multiple changes that may have a detrimental toll on the economy (Browell, 2000).

A term that is commonly applied within the corporate world is learning organizations. Roderick (1993) states that learning organizations are the ones that use every experience and use it to experiment with new, future endeavors from inside and also outside of the company. That is why such companies are very important since they constantly provide so-called alternatives in coping with the external changes, prioritizing company survival and growth.

Lipman (2013) identifies several reasons for both why employee development is often overlooked and also why it should be implemented in businesses. Starting with the negative ones; businesses usually tend to shift their focus to the present, meaning that day-to-day operations are considered to have a more prioritized role in comparison with long-term activities. Time goes hand in hand with such tendencies meaning that firms usually do not recognize and evaluate how to spend the time effectively which may lead to the neglecting of employee performance and ultimately detrimental effects on a firm as a whole.

On the other hand, that is why Lipman (2013) states that development planning benefits the firm in the long run. Leading managers should take the initiative by personally managing the developments of their subordinates, not delegating the staff entirely to the HR departments. Similar to the time concept mentioned before, taking a personal stance within the developmental processes the leading managers can build up loyalty amongst their employees, which ultimately leads to employees being more engaged and also more productive.

Lastly, employees tend to naturally advance within their work environment which is also approved if they are subjected to managerial "care". Putting into perspective, they would like to personally grow and become even more valuable to the firm.

Taking the development of the company employees can be very beneficial. The main objective within it is that leading managers personally ensure that development is included within the

work environment, ensuring the employee's skills, needs and capabilities and the most important one, guiding them to prosperity in terms of their business careers.

Human resources today have an important part within the company's culture. A misconception that might be present today is that large companies, multinationals tend to be the only ones that put focus and effort into human resource development. On the contrary, Westhead and Storey (1997) state that it is important to realize that small businesses consider such practices as fundamentals. Besides that, they also pinpoint that two factors decide on how the small organizations handle or rather mishandle development/training; these factors are market forces and ignorance.

Now market forces are an external factor, meaning that various factors such as demand and supply generated by the market influence the decision making. Directly correlated to such problems are the firm's lack of financial resources and also and also the lack of time to implement. What can be especially challenging are the fixed costs associated with training meaning that small firms might not possess the appropriate budget compared to the large ones.

The term ignorance is most commonly associated with the lack of awareness managers possess and also the mishandled training abilities. That can be considered from the perspective of empirical data; Johnson (2002) states that encouraging firms to evaluate and provide satisfactory training might not be the optimal strategy especially since the results cannot be shown to have a direct correlation between staff training and business success. On the contrary, a lack of awareness and values focused on training might eventually lead to problems such as a lack of being competitive within their respected market segments.

Such barriers are usually commonly present within all firms. Problems such as the predominant focus on the short run instead of the long run hinder a company's success (Matlay, 1999) and also changes the perception or rather goals, meaning that eventually in theory firms do falter in terms of competitiveness (Hendry, Arthur & Jones, 1995). This is backed up by the fact that firms place too much emphasis on daily tasks and short-term pressures that both internal and external environments present to them in terms of pressures and obligations. Besides that, such owners are also hesitant to re-invest in people since they might believe that the people trained might not be employed within their firms in the long run. This can be referred to as poaching, a situation where a company hires an employee directly from their competing firm (Doyle, 2020). To put it in perspective, an owner of a firm is reluctant to spend his financial resources for training his employees since he fears that the same employee might leave the company to join another after the training has been completed.

The previous section stated that employers are the ones taking the maximum risk in training but there is also the employee's perspective that needs to be taken into consideration. Since there are very few career development opportunities for employees, there is also a perception that there is very little enthusiasm shown for additional development and training. Alongside that, there is also the fact that managers within firms are not capable to analyze and comprehend

their lack of competence effectively, meaning that they tend to misdiagnose their weaknesses and threats from the external environment (Johnson, 2002).

2.3.1 Employee development in family firms

The paragraphs in this chapter do not directly address the issue of employee training. Alongside that, the studies are also very limited, especially in terms of employee development within family firms. To try to replicate the effect and results, this chapter will focus on adding additional factors and categories, meaning that not only non-family-owned firms but also other firms will be taken into consideration when defining and interpreting the theoretical section.

The evaluation and development of staff, regardless of the business, must be considered one of the priorities within firms. As it was already stated in the chapters before, some firms simply lack the appropriate HR practices to foresee such activities, smaller firms tend to have very limited financial resources and lastly, family businesses also do not consider that HR practices one of the crucial priorities.

Various sections and chapters of this thesis have already explained that there are correlations and similarities between different non-family-owned firms and family-owned firms. There is a distinction here meaning that one might not summarize and compare employee development in family firms and connect it with the predetermined system that “traditional” firms use as practices.

The biggest obstacle that such firms face is the fact that aligning family culture and business culture within a family-owned firm can be problematic. Fredy-Planchot (2002) states that family firms tend to develop staff loyalty and also to prolong it in the long run. Such strategy might eventually lead to more sacrifices within the employees in a firm which can also ultimately lead to the long-run existence of a firm. Similarly, Flament (2006) states that family firms that focus on the employees maintaining their job also leads to staff happiness.

An HR study performed by Carlson, Upton and Seaman (2006) showed that within the 168 family firms the main focus and attention is directed towards performance appraisals, recruitment, competitive compensation levels and also training. Similarly, PricewaterhouseCoopers (2007) also performed a study ranging within 28 countries and at the same time also discovering that staff training is also present within family firms.

Several studies show family firms do not focus on training as much as they should. In one of the studies, Hayton (2006) analyzed and concluded that family firms do not prioritize training within the firms and even less to HR practices, using relatively less complex procedures in comparison to non-family firms.

Harris, Reid and McAdam (2004) also state that family firms resort to much lesser practices when it comes to employee training. Within their studies are well-documented cases of lack of

communication within the owners concerning employees and also lacking communicational techniques, especially in terms of being subjected to lack of information from the upper management.

2.4 Changes in internal environment

One of the goals of the company is to strive to be relevant and competitive within their respected market segment.

All of that cannot be achieved if the company neglects its internal process i.e. managing its internal environment.

What makes such processes even more important is that the company has absolute control of them therefore it is crucial to analyze its positives or rather strengths alongside opportunities and even handle negatives and future threats.

2.4.1 Firms internal environment

Several key characteristics apply directly to businesses and also firms. As it was similar to differences between family and non-family owned firms before, the same applies here; one cannot differentiate and set up a universal risk evaluation for a specific company especially due to factors such as the size of the company and others.

The problem that can be identified within such companies is the management or lack thereof. This might cause a big burden on the company's decision-making process therefore developing strong and positive relationships between the company's founders or rather owners and its staff are crucial especially since poor management can have a domino effect on the entire company i.e. hindering the company's success in areas such as competitiveness in comparison with other firms.

These factors spread out within various areas such as under or overstocking, presence of equipment that is not up to date but for the thesis the focus must be shifted towards the staff. The effects of the internal environment are immediately noticeable on various characteristics such as employee motivation; the employees' goals are aligned with the one from the company making their common, mutual success as beneficial as possible. By neglecting or maintaining these factors companies strives to forward these characteristics from the individual standpoint to the entire company. Having control over such factors enables transitions on to how the company is perceived in terms of company culture and its image (Heidgen, 2018).

One of the factors that are directly linked to the internal environment is the presence or lack of control. It is a concept that just like the universal definition of business cannot be directly explained with a single definition. Walsh and Seward (1990) and Dhillon (2001) identify it as

a mixture of external and internal control mechanisms that ensure the pre-designated set of goals and objectives.

The upper statement can be considered adequate but for this thesis, the focus will be shifted exclusively towards the internal aspect. Therefore another properly suitable definition of control is a process of supervising various procedures and processes that are ultimately backtracked to the company's strategic outcomes and decisions (Katkus, 1997; Suárez, 2017). An in-depth analysis of the statement shows that control cannot be solely focused on an individual but on the organization as a whole, which ensures the firm to maintain and supervise specified strategic objectives ranging from essential core functions to the final objectives as a whole.

When it comes to internal control of a business, factors such as governance, leading managers at the top and the structure of the leadership are taken into consideration. Anthony (1965) considered that control is the process in which the leaders, managers of a firm use the resources as effectively and as efficiently as possible to achieve the company's objectives.

King (2011) states that internal control is a process where firms perform their designated objectives and at the same time monitor their progress. By implementing such internal control mechanisms, a company can benefit as a whole concerning the enhancement of its capabilities, carefully making uses of analysis in their favors of rather opportunities, restructuring (if possible) the financial processes and what can be considered one of the most important ones, being cost-efficient as much as it can and also while also maintaining or rather minimizing the potential unforeseen losses. Internal control has to co-exist with the external one, but as was mentioned before, firms have direct control of the internal control, therefore, having an opportunity to turn the potential outcomes in the favor. Of course, lack of internal implementation can always be present within the decision-making system, but most of the time it allows the company to internally evaluate and have a direct impact on their decision making processes, making the firm's internal systems flexible, economical and in the long run prone to positive or rather corrective action (UKEssays, 2018).

2.4.2 Internal control in family-owned businesses

Internal control in businesses is a big issue to tackle. Not only are such businesses subjected to turmoil in succession planning or rather moving on to the next generation of owners, but they are also subjected to the fact that they mishandled or rather misevaluated their potential growth strategy concerning factors such as the survival of the firm that might be present within highly competitive environments (Danco, 1980).

Several other potential roadblocks hinder a company's success in optimizing its internal environments. The case of both family and non-family firms might be even more correlated due to factors such as having limited access to prerequisite resources and also not being able of optimizing or rather fully utilize their capabilities. As it can be observed by the two factors

above, one might pinpoint that these two have one common denominator regarding these issues and that could be the size of the firm. Even though firms falter in terms of performance especially due to sheer differences in company sizes, they still tend to have internal control co-aligned with the firm's mission, vision, company core values and also the value added by the employees currently working within the company.

Such characteristics are especially true for family-owned businesses. Habbershon and Williams (1999) identified that the biggest strength that such companies possess is the so-called convergence of the family system interconnected with the business system. To put it in perspective, the family and business system are considered to be a unique formulation where control, values, encouragement and even a sense of trust are transmitted from family system to business one and vice versa. Therefore, to stay relevant and competitive within their respected markets and segments, businesses tend to rely as much as they can upon what they can accomplish in accordance with their capabilities and resources (Klapper & Love, 2004).

There is a caveat to it; there may be a possibility that the firm cannot achieve its full potential due to various factors within the firm such as conflict of interests. The result of such internal "fluctuations" may eventually lead that firms appoint non-family managers which might not directly mean that there are potential internal environment and control shifts within the leadership (La Porta, Lopez-de-Silanes & Schielfer, 1999).

There is a possibility that there are certain rules, guidelines within firms that serve as objectives to both owners and their employees. On the contrary to the distinctions described between family and non-family-owned businesses, such rules are present across all companies.

These rules or rather internal control systems serve their purpose by directing and steering all the company's employees towards something greater than them such as common goals and values. By ensuring the presence and effectiveness of such indicators, companies tend to monitor such processes which consist of individual execution of tasks up to the firm main mission and core objectives.

Such controls are usually expressed in terms of key performance indicators (KPI's). As the name suggests, KPI's are various indicators throughout various sections of the company which evaluate and measure performance that help understand how specific departments perform (Jackson, n.d.). Even though such systems are reliable sources of identifying performance, they must be well-defined and quantifiable and be transparent throughout individual sections and to the entire company as a whole.

2.5 Compensations

Rewards such as financial incentives and various others are predesignated strategies that managers and owners use in order to stimulate their subordinates to maintain or rather increase their level of productivity and value added to the firm.

The purpose of such occurrences is to implement certain policies and strategies that target to distribute rewards on a fair and consistent scale to the firm's employees (Armstrong & Murlis, 2007). Various companies use different approaches when it comes to their reward distributions to their employees.

Amongst the most common ones, Mowday, Porter and Steers (1982) state that reward systems in most cases influence the following:

- Job effort and performance: by closely evaluating the employee's efforts and also subsequently rewarding them accordingly, it can be a common belief that these rewards are a result of that employee's good performance
- Retention and attendance: persuading or rather influencing the employee to maintain their current job status within the organization is also backtracked to reward system since the amount of rewards that the employee receives are considered that the company sees value in its employees and uses such rewards to still keep their desirable employees
- Employee commitment: this goes hand in hand with the point stated above meaning that this time employee identifies that various rewards that are provided by the employer clearly state that the employer or rather a company is determined to keep its employees stationed within their respected organizations

The upper mentioned methods above clearly indicate the most common, obvious choices firms implement to further motivate their employees. While these might seem to be common-based, others take the principle of rewarding to a much deeper level.

Davoren (2019) indicates that there are more specific aspects that are commonly used within companies to tackle these occurrences:

- Ownership and the ability to profit share: Owners and top-tier management are most commonly involved within the decision-making for any specific company. However, it can be motivational and beneficial for an individual given the fact the upper management offers him rewards based on profit sharing and company stock options. The employee sees that he is considered as a valuable asset to the company which leads to increased levels of efficiency
- Employee's needs: While financial-based rewards are greatly desired by every employee, there are also such needs that go beyond the financial ones. That is perfectly described by the Maslow hierarchy of needs (McLeod, 2007)

The hierarchy shows that an individual follows a hierarchical pattern of satisfying his individual needs. Only when an individual has "achieved" his basic needs such as physiological (food and water) and safety needs and later esteem (feeling of accomplishment), belongingness (friendships) and love can he move towards the highest part of the pyramid.

Self-actualization or rather achieving full potential and also included creative activities is directly connected to the initial problem of rewarding.

A firm must nurture the individual, obviously not directly following the upper pyramid, therefore guaranteeing and guiding him to remain a part of the firm by fulfilling his needs so that the certain individual can achieve his highest levels.

2.5.1 Effects of compensation in family-owned firms

Organizations consider the rewarding principle very seriously meaning that variations of reward systems vary from firm to firm, however there are many similarities in rewards based systems in comparison to non-family-owned firms stated above.

Table below shows us how these three categories which include individuals, groups and the entire organization differentiate among each other.

Figure 1: Effects of rewarding on individual, group and organizational level

| | Individuals | Groups | Organization | |
|----------------------------|--|---|--|---|
| Positive influences +++ | <ul style="list-style-type: none"> -Commitment -Motivation -Trust -Experiences of appreciation | <ul style="list-style-type: none"> -Prioritizing -Development of needed skills -Staying in the company -Good job performances | <ul style="list-style-type: none"> -Group work -Information sharing -"Citizenship of organization" -Motivating environment -Good job performances | <ul style="list-style-type: none"> -Development of performance -Desired personnel -High productivity -Good employer image -Peace to work |

Source: Lampinen (2014, p.20).

By carefully examining the table it is seen that some characteristics can be directly connected to the theoretical background mentioned in the previous sections of this chapter:

- Individuals: proper reward techniques lead to an increase in individuals personal needs and desires (in accordance with Maslow’s hierarchy) which ultimately translate to various positives outcome for both the individual and organization as a whole such as commitment, motivation and others
- Groups: reward systems enhance group in such a way that the present and future goals also enhance various characteristics such as developing a motivating environment, enhancing information sharing and performing in a more efficient way
- Organization as a whole: combining individuals and group systems ultimately leads to that one, common goal that firms strive to achieve. By successfully implementing reward strategies along with individuals and teams within the firm they achieve their desirable

missions and goals, leaving the company to be evaluated as highly productive, having a good employer image and also strive to achieve the highest developments of firm performance.

2.5.2 Summary of the pre selected practicies

There are several differences in family-owned and non-family-owned firms concerning the pre-selected categories stated at the beginning of the chapter.

Such theoretic practices will be connected to the empirical study which will serve as a foundation to the theoretical and empirical model presented in the continuous chapters.

Table 4 shows a summary of details and differences between family-owned and non-family-owned firms as stated above.

Table 4: Key differences based on specified processes

| | Family-owned firms | Non-family owned firms |
|---------------------------------|---|--|
| Recruitment and selection | Preferential treatment, possibility of nepotistic selection | Recruitment based on a series of test, interviews |
| Employee evaluation | Subjective based treatment | Efficiency and productivity evaluations based on performance |
| Employee development | Loyalty and appraisals, less prioritization on training and competitive advantage | Source of competitive advantage, lack of long term planning |
| Changes in internal environment | Succession planning turmoil, lack of converging family and business lifestyle | Managing internal environment with respect to control |
| Compensations | Group based reward systems | Key performance indicators via specific policies |

Source: Own work.

The summary shows us that there is a clear distinction when comparing family-owned and non-family-owned firms. Obvious differences such as objectivity within all sub-categories show us that there is a clear, distinct presence of professionalism in non-family firms while on the other hand an obvious, subjective and nepotistic pattern in family-owned firms.

2.6 Preexisting research of HRM processes in family firms

This part shall focus on analyzing the preexisting analyses that have been performed within the Slovene economy concerning the family business and their HRM processes within several preselected articles and publications. In-depth review and analysis shall be made for each one accordingly which will be evaluated and critiqued and the ending of each section.

Reviews of the preselected publications will determine if its results are efficient concerning the methodological and structural background and also if the data within allows additional usage in future researches.

The end of the chapter will also be used to write a critical review on what exactly have such publications achieved and also what categories, areas and focuses have been left out.

The first publication taken into review is the “Manual for family entrepreneurship”, a project that was financed by the European Social Fund and the Slovene ministry for education and sport, specifically for the Operative program of developing human resources between 2007 and 2013. The publication is split into 5 sections:

- Internal and external pressures
- Marital status and its effects on personal life
- Roles within a family
- Organizational structure
- Effects of role models

While the publication does show some insights on how a family business should handle its internal operations, it cannot be considered adequate for the implementation. For starters, it does not offer an in-depth analysis on the preselected phenomena that occur in such businesses but keeps it relatively simplistic and not academically adequate.

Another thing to consider is that the paper does not present the sources inside their studies made but instead shows broadly what was analyzed and what the results were. This is also scientifically incorrect since there are no sources attached to the preselected method of acquiring data, methods of analyzing the data and also the results like for example percentile of companies that qualified accordingly to their respected “bracket”. Since this was funded by the European social fund, the approach of analyzing and interpreting the result should be constructed on a far more specific, scientifically correct basis.

One of the more obvious setbacks besides the interpretation of results is the ways of acquiring data, more especially references. Even though this study was performed on a specified, targeted area the conclusion here is that the poor method of selecting the appropriate data, simplistically presenting the findings instead of presenting them on a much more scientific basis, lack of proper references to data and results shown make this case study irrelevant and not usable for future research for both Slovene and worldwide use due to its over simplicity and lack of official scientific accuracy and backtracking.

The second publication that was taken into the review was Deloitte's “Next-generation family business, leading a family business in a disruptive environment”. The publication was directed towards the disruption family businesses face within their respected market. The project called NextGen Survey performed in 2017 was composed of 268 next-generation leaders within family companies located somewhere within the European, Middle Eastern and African region.

Compared with the previously reviewed publication proper tools are used here in a more appropriate fashion since the publication immediately describes the methodological methods used for the conducted survey.

The research focuses on disruption with the emphasis on these characteristics:

- Independence of a family business and how can such business rapidly reacts to unforeseen contingencies
- Allocating methods that alleviate the weaknesses concerning firms resource and capping the firm's financial structure
- Emphasizing innovation and learning, keeping the company open to future ideas while being flexible and dynamic with respect to market changes
- Culture as a necessary backup factor to strategy and collaboration within the firm
- Recognizing the future shifts in the market concerning workforce skills of tomorrow

Comparing the Deloitte (2017) publication to the one in the previous section is quite inappropriate. The publication clearly states what methodological approaches were used backed up by the data offered by an extensive, yet very appropriate approach. Similar to the previous one, most of the sources and references are limited to “in-house” research but they still offer concrete, sufficient evidence and findings to back up the results.

The entire paper presents its results backed up by questions regarding each designated area of the chapter. However, there are a couple of minor setbacks that are present within the survey. Looking at it from the geographical perspective, there are 3 regions included which might shift a result to a relative bias, especially since the regions might differ among themselves in terms of culture, habits and even market structure.

Similarly to that, the research does not differentiate which companies were used in terms of size, meaning there is no distinction between small, medium and large companies/enterprises which can again shift the results and interpretations. The entire paper does not allow for the generalization of habits towards disruption due to the problem described above, i.e. size of the company. Therefore when making a comparison to the Slovene economy and the presence of firms in the country, a note of caution must be taken meaning that the results can be used to offer an approximate insight on the disruption the market faces but at the same time not take them for granted due to various constraints mentioned above.

The final publication to be reviewed was “Family business characteristics in Slovenia”, a study performed by EY Slovenia (Antončič, Antončič & Juričič, 2015) that was based on a survey among 432 family businesses in Slovenia. Amongst the 432 family firms, the sizes of the firms varied from micro to large enterprises. The study's main purpose is to highlight how family firms have an impact on the local economy.

Detailed analyses backed up by methodological data shows the following characteristics to be one of the most important ones:

- High quality of services and cost analysis
- Branding and long term business planning
- Enforcing continuity

Intensive review and analysis of the following case study show that there are some similarities regarding this study performed exclusively in Slovenia and the previously reviewed study performed by Deloitte (2017).

What needs to be taken into consideration is that that the previous review is more focused on dealing with disruption forces within several firms spanning across several geographical areas, this handbook by EY Slovenia (Antončič, Antončič & Juričič, 2015) clearly “limits” its participants of the survey exclusively within the Slovenian borders.

The study immediately reveals that Slovene firms are mostly small businesses ranging from 5 to 9 employees while being the most present within the retail and wholesale markets. An immediate note here present is the fact that when conducting this study most firms identified that their number one priority is to eventually increase their respected market shares, which they defined as increasing their range of products and services which (according to them) leads to an increase in market shares.

The mentioned statement goes hand-in-hand with the fact that such a strategy might not be considered for long-term planning, since the Slovene market does not offer the possibility to expand compared to other, larger and foreign markets. The authors performed this study within approximately 9500 Slovene family firms. The final results consist of a total of 462 firms that responded, which adds up to an approximate response rate of 4.5%. Even though the response rate is relatively low, the authors have concluded that the results shown are sufficient and can be used as a basis to categorize and evaluate the Slovenian market and the family firms present within it. Aside from that, this study performed indicates what the key characteristics are within the Slovene family business economy.

Breaking it down into several sub-categories, it clearly defines how the Slovene family firms are structured, what are their internal factors that might lead to competitive advantage, how do they evaluate and manage their internal and external factors and finally how to they adapt to changes inside their respected markets.

2.7 Analysis of preexisting researches and its HRM contributions

Researches in the previous chapters offer various approaches in evaluating the theoretical and empirical background of the data provided.

The common denominator to these researches is that while some of the aspects do their best to answer the hypothesis question stated in the thesis but there are also some key areas that are left out due to the complexity of the question.

The Global talent competitiveness index (Lanvin & Evans, 2018) ranks Slovenia within the high-income country bracket. Data shown for Slovenia can be used to set up as a sample size from the business in and also with respect to managing human resources.

However, these common business denominators and HR practices cannot serve as a concrete benchmark for future purposes.

The theoretical and also empirical part of this thesis is dedicated to removing revenues within family firms, taking into consideration only the sizes (in terms of employees) of family-owned firms.

The results can show that the predesignated model is sufficient for the Slovene business and HR practices but cannot be implemented in other specified target regions, markets, states or countries, especially due to the differences in market structure and cultural differences.

Comparison of the pre-existing studies as described above combined with the characteristics shown in table 4 has shown us that such studies might offer a brief insight into the family-owned firms' sphere but fail to do so on a much more complex, scientific approach.

The table does show key takeaways on what exactly the theoretical background applies however none of the upper reviewed cases fail to comprehend and include the theoretical implications.

3 METHODOLOGY

3.1 Research method: In-depth interviews

The entire thesis is based on qualitative research. More specifically, these thesis results are based on in-depth interviews (IDI). Such types of interviews are qualitative data collection methods that allow the interviewer direct, one-on-one, face-to-face engagement with individual participating (Communications for Research, n.d.). Similar to the statement above, Boyce and Neale (2006) also identify in-depth interviews as intensive individual techniques for a small number of respondents to explore their perspective on a certain or rather a particular idea, program or situation.

The interviews (see Appendix 1) shall be split into three sub-categories. The first part of the interview shall consist of questions such as the main characteristics of the manager's company. The main part will be dedicated to evaluating the companies' approach to their internal HR processes such as employment procedures, the reasoning for or against growth and even the presence of any special recruitment tactics (if any). The final part shall be focused on the

family and non-family employees, analyzing how the owning manager treats his employees. I conclude with future remarks and recommendations for practice.

In-depth interviews serve as the most beneficial selection for the thesis. All the interviews were conducted in a face-to-face conversation, offering myself as the interviewer to observe the interviewee and their facial body expressions determining to analyze a particular answer the interviewee has provided.

The answer given can be satisfactory but by paying close attention to the interviewee, the interviewer can use a series of follow-up questions that directly correlate with the main question, i.e. developing and prolonging the main question with additional sub-questions, building up additional data based on the answer provided.

Table 5 shows the key strengths that such in-depth interviews possess.

Table 5: Strengths of in-depth interviews

| | |
|---|---|
| Interviewer-interviewee relationship | <ul style="list-style-type: none"> – Increase of data credibility – Reducing response bias – Adding value with further questions evaluation |
| Flexibility | <ul style="list-style-type: none"> – Changing the question order – Allowing follow up questions to the original ones – Asking additional questions based on answers provided |
| Analytical component of the process | <ul style="list-style-type: none"> – Rich content data – Tailor-made questions in accordance with expected answers |

Source: Roller & Lavrakas (2015, p. 56).

Table 6 shows us how such interviews have several weaknesses attached to them.

Table 6: Weaknesses of in-depth interviews

| | |
|-------------------------------|--|
| Interviewer bias | <ul style="list-style-type: none"> – Interviewer enforcing personal opinion and bias – Constructing implications based on personal subjective opinion |
| Being too personal | <ul style="list-style-type: none"> – Procuring additional questions based on personal opinion – Possible avoidance of objectivity |
| Length of interview | <ul style="list-style-type: none"> – Interviews take much more time to perform – Lack of focus and willingness to provide equal, data rich questions as in the beginning |
| Absence of consistency | <ul style="list-style-type: none"> – Increased possibility of anomalous answers provided – Avoidance of generalization |

Adapted from Sisk (2018).

Drawbacks to IDI's vary due to the complexity of pre-constructed interviews. Similar to the reasons stated above, various negative aspects are expected since such interviews tend to prolong the sheer length of it and consequently the interviewee loses focus and consistency from the answers provided.

All the collected interviews were structured concerning the key aspects that I as the interviewer would target the corresponding interviewees without tackling the drawbacks that might hinder the resourcefulness of the information provided.

3.2 Research Sample & Process

The thesis is focused to pinpoint how small family-owned businesses handle their HR processes with the respect to the upper mentioned methods in previous chapters. After theoretical analysis of the thesis phenomena, we discovered that family business processes cannot be directly implied on the family-owned businesses in Slovenia, especially in terms of size and the profits generated.

All the interviewed owners of family firms were specifically selected. The criteria were that the pre-selected owners or managers were in a particular point in the time appointed to manage or lead the company, meaning that the interviewee has the function of the owner and even if he or she is a family member involved in the major company decision making. The protocol for the interviews was constructed strictly to use theoretical insights in the first part of the thesis which is backtracked and interpreted via the empirical part with concrete answers provided by the interviewees. Detailed interview structure is in the appendix, answers provided and the interpretation of the results is closely analyzed in the chapters below.

Sample sizes were determined based on several prerequisites mentioned in the introduction and stated research question. By continuously searching for the specified companies that meet the criteria for the thesis's empirical research, the final sample shows strong alignment throughout various answers provided by the interviewees, therefore, offering a base for current and future researches for the specified topics related to managing the business in family-owned firms.

Concluded interviews were used to analyze and evaluate how exactly managers and owners of family-owned firms manage their firms concerning the theoretical background and the in-depth phenomena highlighted within the thesis. Answers provided were analyzed in two specific ways. Based on the questions given in an interview, I specified concrete, direct answers that the interviewee provided. All instances, such as where the answers presented an anomaly or repetitiveness, were adequately stated, completely avoiding interviewer bias regardless of the answer provided. Provided answers were then summed and connected to a certain psychological or emotional phenomenon while at the same time providing detailed analysis and interpretation behind it.

A total of 60 Slovene family firms were pre-selected and evaluated based on their status as a family-owned business. These firms were then rearranged according to the firm size (number of employees), revenues of the business were not taken into additional filtering. The main focus was to pinpoint those specific firms that have a maximum of 50 employees (OECD, 2005).

Additional re-filtering showed that 16 businesses meet the criteria mentioned above. There were 5 conducted interviews within the 16 appropriate businesses conducted. The time of an interview ranged from 30 minutes to approximately 90 minutes. Interviews were pre-recorded and transcribed to a Word document form which is available in the appendix of the thesis.

Interviews were constructed exclusively for the original/founding family owners, family members (sons, daughters, husbands, wives) and also owners that are currently retired but still participate and serve as main decision-makers in the strategic long term planning. Response rate shows that within the 16 firms that are were following the criteria for the interviews, 5 firms accepted or rather agreed to conduct an interview, marking a 31% response rate from the 16 firms.

Several reasons affect the response rate, the major one being the declared pandemic due to the coronavirus outbreak in March 2020. Subsequently to the virus, firms tended to have internal “shifts of plans” meaning that responses to other secondary activities outside the firms had come to a stop. Similarly, there was a potential non-response factor that may or may not be the consequence of the virus. On the other hand, there were also factors such as the size of the firms which would represent outlying answers, therefore skewing the results of the analysis. Finally, some firms originally accepted the invitation to be interviewed but withdrew due to (undisclosed) personal or business reasons.

Table 7 shows the basic information and characteristics out of the five performed interviews.

Table 7: Information of the company and the interviewees

| Firm | Status of the interviewee | Years employed in firm | Current ownership status | Size of firm (employees) | Active employment | Number of years employed (years of service) |
|-------------|----------------------------------|-------------------------------|---------------------------------|---------------------------------|--------------------------|--|
| 1 | Founding owner | 10 years | Owner | 7 | Yes | 27 |
| 2 | Founding owner | 35 years | Minority owner | 26 | Situational, yes | 42 |
| 3 | Co-owner | 37 years | Retired, acts as advisor | 35 | Situational | 35 |
| 4 | Co-owner | 25 years | Co-owner | 45 | Yes | 33 |
| 5 | Founding Owner | 30 years | Majority owner | 40 | Yes | 37 |

Source: Own work.

3.3 Interpretation of results

There were several identical answers phrased with different pronunciations amongst the 5 interviewees and also some ones that jump out in comparison to another. The presence of interviews qualifies the information given as qualitative analysis since the information provided was received as a form of narrative which was transcribed in a form of a Word document.

Each question (based on the pre-designed interviews) is interpreted based on the answers given. Similar patterns of rather similar/identical answers are analyzed in a more generic way whilst specific (different) answers are additionally interpreted. Unique, one-of-a-kind answers were carefully interpreted according to interviewee responses. Categorization is based on table 8, therefore each predesignated number of a firm corresponds to the assigned number in the upper mentioned table.

Table 8 shows which particular market segments are the firms currently allocated.

Table 8: Designated markets of the firms

| Firm | Firm's area of expertise |
|-------------|--|
| 1 | Supply of office material |
| 2 | Production of custom circuit boards |
| 3 | Manufacturing and renting of entertainment and warehouse "tents" |
| 4 | Education within the car, logistics and construction industries |
| 5 | Supply and manufacturing of winery equipment |

Source: Own work.

All five companies share the exact same motive to start their own business; a thirst, desire to be independent.

Listed below are the reasons of selecting that specific market:

- Previous employments led to the development of strong, friendly relationships with the suppliers
- Random chain of events, experimenting with circuit boards which started the whole 35 year tradition
- Rising trend in the production of tent structures after 1991
- Analyzing the flaws of previous management and implementing proposed changes in own business
- Knowledge and skills acquired in similar projects

The interviewees consisted of founding owners or co-owners/co-founders.

Firm 1 has a single-family member acting as owner, also employed as a student is his older son.

Firms 2, 3 and 5 currently have employed sons/daughters on the highest managerial positions while firm 4 is managed by husband and wife with their offspring employed in various positions within the firm.

Interconnecting business lifestyle to private lifestyle provided very different based answers.

Firms 1, 2 and 4 accepted the combination of these lifestyles, stating that one does not affect the other, rather that these two types are indeed already interdependent of one another.

Firms 3 and 5 take a more conservative approach stating that while it has its benefits and drawback, there is still a noticeable gap between the two lifestyles while still maintaining the neutral field between the two.

The most common expectations for the family employees are stated below:

- being a role model to the other, non-family employees
- respecting the tradition and values of a family company
- being a part (as a family) of something much greater than an individual level
- cooperation and development of the firm in the long run

Different patterns also emerged when the interviewees answered and expressed their desires and wishes for the future of the company. Firms 2, 4 and 5 have very neutral-based answers, stating that predictions for such things are either relatively impossible or rather that such long-term planning hasn't been yet taken into consideration.

The owner of firm 1 states that he "won't concern himself" with the firm's future, stating that he will make a decision based on the offspring's ability to keep the firm operating. On the other hand, he states that if he predicts that his sons might not handle managing the company successfully, he will sell the company and let their sons create their business paths.

Firm 3 has a relatively different perception; the owners state that their expectations for future generations are optimistic but also they realize that a great burden will be transferred to their shoulders.

Table 9 shows personal opinions on employing family member within the firm.

Table 9: Reactions/perceptions on employing a family member

| Firm | Employing family member within firm |
|-------------|--|
| 1 | Neutral yet supportive |
| 2 | Foregone conclusion |
| 3 | Normal, expected |
| 4 | Family hierarchy vs non-optimal long term solution |
| 5 | Potential anecdotes, owner's bottom line |

Source: Own work.

Opinions that the owners employed their family members inside the firm, according to owners of firms 2 and 3, are more or less expected, meaning that it’s a foregone conclusion that such family firms engage in the employment of their closest family members.

Firm 1 has a neutral opinion since the family member is currently only employed as a student but at the same time, the non-family employees support the idea that the owner’s son learns “the ins and outs” of the company.

Firm 4 employees also have mixed feelings meaning that on one hand the employees respect the concept of the family hierarchical chain but on the other hand there might be an anecdote that evaluating this performance-wise might not be the optimal solution for the firm.

Finally, firm 5 takes another approach; the owner states that such decisions will erect any potential anecdotes. Bottom line, the owner states that he is not required to argue or comment on his personal decisions to his employees.

Key takeaways/findings: while most of the firm provide expected, normalized answers, the biggest outlier here is the answer provided by the owner of firm 5, which indicates that the firm potentially operates on a chain-of-command, militaristic approach of leadership which is interpreted as an effect of strict authority.

3.4 Results and interpretation

3.4.1 Recruitment & selection

Firms experienced no major problems when recruiting and selecting a new employee but still emphasized some of the characteristics in the process as stated in table 10 below.

Table 10: Key recruitment and selection indicators

| Firm | Recruitment and selection characteristics |
|-------------|---|
| 1 | Upcoming generation of workforce does not possess working habits compared to previous generations |
| 2 | Inside-out approach |
| 3 | Proactivity, adaptability, self-initiative and interest |
| 4 | Search of characteristics for the new job opening |
| 5 | Adapting to unforeseen contingencies, self-initiative and honesty |

Source: Own work.

Answers provided by firms 1, 3 and 5 are straightforward while there are noticeable outlying answers provided by firms 2 and 4.

Firm 2 stated that their recruitment usually takes place according to the “inside-out” approach meaning that the company primarily recruits within the vicinity of the firm (neighboring cities) and only if the candidate pool is empty the expand their search radius.

The biggest anomaly was the answer provided by firm 4, open-ended approach meaning that they search for characteristics for that specific job opening but also that a new job opening for a family member must be created in such a way that the candidate can immediately handle his position sufficiently. Another key anomaly is that the firm creates a job opening for a new family candidate which is tailor-made for them.

Key takeaways/findings: most of the firms search for specific characteristics when performing recruitment. Firm 1 also provides a relatively pessimistic future prediction which indicates a possible lack of faith in the future generations to come. Firm 4 has an obvious nepotistic pattern that can be shown within the recruitment process of a family member.

3.4.2 Internal promotion system

Table 11 shows us the different internal promotion systems.

Table 11: Promotion system within the firm

| Firm | Internal promotion systems |
|-------------|--|
| 1 | Interconnectivity between job positions |
| 2 | Encouraging self initiative |
| 3 | Promotion based on company value |
| 4 | Limited opportunities for family members |
| 5 | Authoritarian approach |

Source: Own work.

Firm 1 does not have an in-house policy when it comes to promotion especially since all its employees can switch between other positions.

Firm 2 has a very adaptive promotion system since it encourages workers to take on additional tasks and even if the worker does not fulfill his or her owner’s expectations he can always return to his old position.

Firm 3 shares the same approach as firm 2, the only difference here is that they evaluate the employee’s promotion based on their values following the company ones.

Firm 4 states the problems that non-family members have more opportunities in comparison with family members since family members are basically put in position/job opening according to the wishes of the owners but still experience that preferential “growing”.

Firm 5 does not have any specific issues but repeats the answer to the question as the one mentioned in the preceding paragraph.

Key takeaways/findings: the lack of internal promotion in firm 1 is connected to the size of the firm since various jobs within the firm are interchangeable. There is also a clear presence of self-initiative within-firm 2 and 3. Similar to the answer provided in table 9, firm 5 still takes an authoritarian approach. The biggest anomaly present is within firm 4 since they avoid nepotistic patterns in comparison to the ones described in the previous chapter.

3.4.3 Deciding factors for employment

Firms have several “it factors” when they decide on the selection of their new employee.

Table 12 shows the most common factors that firms focus on when it comes to employment.

Table 12: Factors contributing to employment

| Firm | Contributing employment factors |
|-------------|--|
| 1 | Trust-worthy characteristics of a potential employee |
| 2 and 3 | Dedication, work ethic and self-interest |
| 4 and 5 | Owners personal interest/intrigue |

Source: Own work.

Firm 1 encourages desire, interest, self-initiative, confidence and mutual trust within the employees. Firms 2 and 3 share the same values such as dedication, work ethic and self-interest.

Firms 4 and 5 take a more in-depth approach meaning that when the candidate has taken the interview with a pre-designated person, the owner himself takes an interest in the candidate based on interest, being prepared for the interview and also his personal (owners) intuition.

Key takeaways/findings: owners pay attention to certain personal characteristics of each individual and connect their value to the ones of the firm.

3.4.4 Employment of kin family members

Anecdotes for family the owner to be employing their kin is quite a known factor amongst all the interviewed firms.

Table 13: Employing kin members

| Firm | Owner employing family member |
|-------------|--|
| 1 | A common practice within firms in the private sector |
| 2 | Indifference and common sense |
| 3 | Anecdotal paradox |
| 4 | Loss of company culture |
| 5 | Sole concern of the owner |

Source: Own work.

Firms 1 confirm that such anecdotes are self-explanatory and also believe that sooner or later the owner will step down and the employees also expect that his next in kin will take the ownership mantle.

Firm 2 answers indifferently but still states that the hiring of a family member is still a completely obvious move. It describes this as a more family-friendly approach, stating that the owner only wants what’s best for his son and the employees also know, expect and support that.

Firm 3 answers this anecdote with an old Slovene traditional anecdote (roughly translated) “family, a thorn blanket” stating that their daughter is the only family employee in the company.

Firm 4 believes that is much safer that the company is passed on to their next in kin rather than to employ someone that is not emotionally committed. On the other hand firm, 4 also states that family members might not be the most “company-wise educated” but remain predictable and loyal since they try to protect the (future) ownership stake.

Firm 5 takes another, more stern approach stating that such responsibilities are a sole concern to him alone and not his employees.

Key takeaways/findings: answers provided by the firms are different, but carefully examining them there is a clear pattern of nepotism present such as indirectly stating that family members’ position within the firm is practically guaranteed and it serves as the most common, obvious choice for the owner.

3.4.5 Employee evaluation

Table 14 shows us how firms evaluate their employees.

Table 14: Evaluating employees

| Firm | Firms evaluating employees |
|-------------|---|
| 1 | Immediate taking initiative in solving problems |
| 2 | Friendly conversations |
| 3 | Friendly conversations in accordance to the companies standards |
| 4 | Individual or team friendly conversation |
| 5 | Immediate solving problems |

Source: Own work.

Answers here differ especially in terms of the size of the company.

Firm 1 evaluates its employees “on the go” and immediately takes action accordingly.

Firm 2 has a similar approach to firm 1 and also stating that a simple discreet conversation can be considered as an evaluation.

Firm 3 states that the firm possesses many certificates of the highest standards, therefore, is obliged to have yearly evaluations based on questionnaires but still at the same time keep the conversations on a friendly level.

Similar to firms 1 and 2, firm 4 also does not have any specified systems of evaluation and also states that each conversation, individual or group, can be considered as evaluation.

Firm 5 shares the same approach as firms 1 and 2.

Key takeaways/findings: answers provided show that the owners either avoid or try to eliminate any negative feedback based on evaluation since those effects can have a detrimental effect on the individual employee in the long run.

3.4.6 Indicating evaluation factors

All firms share similar key factors when evaluating employees such as self-initiative, readiness, adaptability. Additional, unique characteristics shown in table 15 include:

Table 15: Evaluation factors

| Firm | Key evaluation factors |
|-------------|--|
| 1 | Sloppiness and inconsistency |
| 2 | Applicability of candidates promotion |
| 3 | Connecting employee’s results and correlating them to company goal |
| 4 | Evaluations based on companies performance |
| 5 | Employees attitude towards the company and its employees |

Source: Own work.

Key takeaways/findings: while most of the companies perform evaluations based on the individual’s contribution and how that is seen when compared to the firms’ goal, firm 1 focuses more attention on negative evaluation factors while firm 2 uses the evaluation and other factors to determine whether the candidate possibility of promotion is possible.

3.4.7 Employee Feedback

Constructive feedback might be relatively misinterpreted but the owners still state that positive or negative critics serve as encouraging and motivational guidelines for the future as seen in the table below.

Table 16: Feedback techniques

| Firm | Feedback and critique |
|-------------|---|
| 1 | Constructive positive and negative critique |
| 2 | Avoidance of negative critics |
| 3 | Interpersonal “one on one” conversations |
| 4 | Regular conversations between co-workers |
| 5 | Everyday contact with employees |

Source: Own work.

Key takeaways/findings: Besides the specific characteristics of each individual, firms strive to solve any potential unforeseen contingencies on the spot, regardless of the severity of the situation. Based on the answers provided, firms take swift action in solving any potential criticisms.

3.4.8 Evaluation of family member

Evaluating a family member creates a much more complex in-depth view of how owners handle feedback with the employed family members. As it can be seen below, all the answers provided are the most differentiated and anomalistic compared to the other ones.

Table 17 shows differentiated answers.

Table 17: Giving feedback to family members

| Firm | Feedbacking to a family member |
|-------------|---|
| 1 | Strict feedback due to family and business expectations |
| 2 | Family and business conversation combined in one |
| 3 | Family employee must be someone who others look up to |
| 4 | Very strict evaluation but without consequences |
| 5 | Perfection is necessary, no excuses |

Source: Own work.

These answers provided here are the most anomalistic, unique and also different among each of the firms. The most authoritarian provided answers are the ones stated by firms 3 and 5, stating that there is a zero-tolerance policy that is passed on from the owners to their employed family members.

Key takeaways/findings: the clear presence of a stricter, authoritarian approach of owners in regards to giving feedback to the family employees, zero-tolerance policy, family members must serve as role models.

3.4.9 Employee development

Employee development is a much-differentiated issue since the firm's priorities are different with respect to company strategies and goals due to business and personal reasons.

Table 18: Employee development/training planning

| Firm | Employee development and training |
|-------------|--|
| 1 | Limited training due to budget constraints |
| 2 | Training based on market shifts |
| 3 | Situational training |
| 4 | Significant importance with respect to competitive advantage |
| 5 | Training with emphasis on specialization |

Source: Own work.

Budget constraints are the biggest issue since firm 1 focuses on self-initiative i.e. that the employees predict what might be the next opportunity in terms maintain and upgrading the business.

Firm 2 clearly states that if the market shifts and they do not shift with it, they will lose their entire advantage.

Firms 3 emphasizes that budget constraints are similarly present as in firm 1 but still maintain sufficient educational programs in all sectors of the firm.

Firms 4 shares the same belief as firm 2, stating that the core business of the company is the main reason that constant training must be applied.

Firm 5 offers the most anomalistic answer, the owner clearly states that additional training is important but still critiques the structure of the Slovene lack of proper HR practices and that the problem of an over-aged population will hinder the success rate of the younger generations due to lack of proper education.

Key takeaways/findings: budget constraints are one of the possible issues (especially in firm 1) due to the size of the firm. Most firms state that any additional training is one of the sources of competitive advantage.

3.4.10 Family member development

There are many direct correlations within family development with respect to non-family development, especially in the strictness and uniqueness of the answers provided. Table 19 provides the following answers.

Table 19: Family member development planning

| Firm | Family development planning |
|------|--|
| 1 | Zero tolerance policy |
| 2 | Encouragement and approval |
| 3 | Commonly present within the firm |
| 4 | Avoidance of forcing against an individuals will |
| 5 | Command and respect of owners decision |

Source: Own work.

Firm 1 owner has a zero-tolerance policy, every additional and predicted training/development must be performed immediately, and orders coming from the director are especially non-negotiable to family members.

Firm 2 does not enforce its proposed training to his family employees since all family employees very frequently consult the owner and he always backs them up and approves their decision on the company level.

Firm 3 offers a quite intriguing answer, stating that family members are much keener on accepting proposed training ideas in comparison with other, non-family employees.

Firm 4 also offers an intriguing concept, stating that even though the owners plan future training, they cannot strictly force anyone to do something against their will.

Repeatedly, firm 5 offers a more authoritarian approach stating that the purpose of the company is that it functions as a unit and not as individuals. He also emphasizes that due to the lack of proper education family members simply have no chance to alter the owner's thinking.

Key takeaways/findings: there is a clear presence of a gap between the authoritarian approach and on the other hand open-minded, supportive individual's personal decisions. The biggest anomaly is given by the owner of firm 3, stating that while he may use an authoritarian approach, he still succumbs to not forcing an individual on doing something against their will.

3.4.11 Changes within the internal environment

Firms 1, 2, 3 and 5 are building the culture around the trust and belief that people want to contribute and to help in building things or contributing to improving the system. The additional factor exposed within these firms is that they give their employees the feeling of belonging, being an important part of the company, somehow being a part of the family.

Firm 4 does not use the same approach as firms mentioned above, but rather a hierarchical one since the owner personally takes personal responsibility for rearranging his employees based on his intuition.

Key takeaways/findings: firms tend to put the trust in their employees, giving them the desired freedom within the firms while at the same time letting them know that their contribution is appreciated. Firm 4 uses a more authoritarian approach due to the owner’s involvement to optimally distribute his employees.

3.4.12 Delegation of tasks

Each firm has a unique delegation process as it can be seen in table 20.

Table 20: Delegation of assignments

| Firm | Delegation processes |
|-------------|--|
| 1 | Delegation based on knowledge and capabilities |
| 2 | Delegation to sector leaders |
| 3 | Delegation based on specificity of project |
| 4 | Delegation based on future performance |
| 5 | Delegation to sector leaders |

Source: Own work.

Firms 1, 2 and 5 normally delegate their assignments to their subordinates.

Firm 3 takes a more basic approach, delegating based on the characteristics of a project.

Firm 4 takes the most outside, anomalistic approach to task delegation meaning that certain tasks are distributed to those people that can “pull the hardest”, have the biggest skills for that specific task and redistributing those who don’t “pull as hard” to lesser tasks.

Key takeaways/findings: all firms delegate tasks to their respected subordinates, while firm 4 takes a more narrow view, indicating and delegating tasks based on the predicted outcome or rather goal that a firm sets out to accomplish.

3.4.13 Balancing personal and business life

Firms experience different approaches when connecting business and private life. Table 22 shows us the (possible) interconnectivity.

Table 21: Personal and business life interconnectivity

| Firm | Connecting business and private life |
|-------------|---|
| 1 | Interconnection of one and the other |

to be continued

Table 21: Personal and business life interconnectivity (cont.)

| Firm | Connecting business and private life |
|-------------|---|
| 2 | Zero problems, already intertwined |
| 3 | A foundation for future stability |
| 4 | Generational impact |
| 5 | Connection of employees |

Source: Own work.

Firm 1 states that both lifestyles must interconnect with each other and are managed with step-by-step improvements.

Firm 2 experiences no problems whatsoever, stating that family and business are already intertwined.

Firm 3 approves the co-existence of two lifestyles up by saying that such connection must be built up at the early stages.

Firm 4 states that such a problem also has a more generational impact on it, meaning that such “problem” must be solved slowly, regardless of the status of the employee.

Firm 5 also states that employees within the firm are connected, meaning that the successes of the company are dependent on each individual employee.

Key takeaways/findings: even though the answers are differently structured, a similar pattern within shows can be interpreted that all family member within the firm has already established an interconnection between the two lifestyles.

3.4.14 Expectations for future managers

Sooner or later, current owners/founders will step away from the company and distribute their share to the succeeding generation of managers.

Table 22 shows us the owner’s future expectations for the next generation of succeeding managers.

Table 22: Future expectations for succeeding managers

| Firm | Future expectations |
|-------------|---|
| 1 | Maintaining healthy business and personal relationships |
| 2 | Full support and trust to the next manager in line |
| 3 | Leading and expanding the company |
| 4 | Ownership unknown, full support to his employees |
| 5 | Continuous improvement |

Source: Own work.

Firm 1 states that the next manager will be expected to create his vision while maintaining a positive approach to all not only as employees, business partners but also as friends and colleagues outside the company.

Firm 2 states that such future predictions are currently not possible, broadly speaking the firm will pass one to his son, which might not be the most optimal solution, meaning that you can choose your successor from where ever possible, you cannot choose family. Regardless, he will have hit utmost support for his successor whoever that might be.

Firm 3 does not mention any specific successors but believes that the company will still be in business and that the next owner will maintain the current status of the company.

Firm 4 offers absolutely no indication of who the successor should but at the same time trusts his employees regardless of the ownership status.

Firm 5 clearly states that the company will pass on to his next in kin and those who are worthy, while keeping the owner proud via placing themselves as a part of the company.

Key takeaways/findings: there is a continuous presence of nepotism still present although there are various forms of it. There is also a common pattern present within all the answers provided; all current owners will have the full support of the succeeding generations, i.e. still providing positive outcomes for the future of the firm.

3.4.15 Reward systems

Firm 1 states that firms engage in rewards-based systems so that the employees gain additional motivation, especially the more innovative employees.

Firm 2 states that such gestures show that the owner acknowledges his employees.

Firm 3 also believes that financial stimulations lead to motivated employees.

Firm 4 points out systemization while firm 5 also sees this as additional motivation for the employees but also pinpoints those reward systems also have a backfire effect.

Key takeaways/findings: all rewards-based compensations can be interpreted as the owner's appreciation for his employees and maintaining or rather increasing the individual's motivation levels concerning his status within the company.

3.4.16 Transfer of ownership status to employees

Firms share different opinions on how would the company perform if the share would be transferred to another person. Table 23 shows how owners view the potential distribution of the ownership.

Table 23: Redistribution of company ownership

| Firm | Redistribution of ownership |
|-------------|---|
| 1 | Rejecting multi-ownership |
| 2 | Distributing share to employees |
| 3 | Possibility but not recommended |
| 4 | Future precautions due to transfer of ownership |
| 5 | Avoidance of ownership from the employees |

Source: Own work.

Firm 1 states that foregoing shares to others within the company would lead to a much more democratic approach to decision-making, opening the possibility of rifts between key decision-making managers.

Firm 2 supports this stating that a certain employee within the firm will receive a minority share within the company based on his long tenure within the firm.

Firm 3 supports its employees but is rather reluctant to such a thing, stating that this is a great responsibility that might not be wanted by each individual.

Firm 4 takes a bigger in-depth approach stating that he may not be concerned with his choice of next leading manager but rather with the choice of his leading manager's choice.

Firm 5 states a completely different approach compared to others, stating that the employees are not interested in the shares of the company.

Key takeaways/findings: the presence of trust or lack thereof is obviously present within the answers given. Firms 2, 3 and 4 support such statements which can continuously be interpreted as the owner's trust in their employees when it comes to decision making. Anomalistic answers provided by firm 1 and 5 present the possibility of potential "miss-trust" in terms of multi-ownership and also the employees desires not to have a personal ownership stake within the firm.

3.4.17 Structure of financial benefits

Most firms have similar additional rewards of rather financial benefits for their employees.

All firms employ the highest possible rates of holiday allowances, percentages of total revenues and end-of-year bonuses.

Firm 2 also expresses the principle of equality meaning that all get the same amount of bonuses.

Firm 3 employs jubilee reward and individual awards based on performance.

Firm 4 also expresses his gratitude towards his employees with yearly gatherings, team buildings and other social activities.

Key takeaways/findings: All firms share a unanimous attitude towards equal rewarding systems stating that regardless of the family status or not, there is no place for privileges for a family member within the firm.

4 DISCUSSION

4.1 Key findings & takeaways

The data obtained from scientific literature, research and prepared personal interviews show that the management of human resources in family businesses is a delicate matter to understand.

The theoretical part of the thesis was dedicated to establishing common ground on what exactly family businesses are and what are their main focuses in terms of business and personal lifestyle and how the two mentioned comparing to normal non-family businesses. The research for Slovenian and foreign territories shows that regardless of the future forecasts, the firms tend to focus on the now, i.e. to save the firm or to survive rather short-term periods. One such reason, although not fully correlated and definitive with the topic of the thesis, could be the Coronavirus pandemic, regardless of the pandemic, there are all kinds of crises that can burn out companies due to the lack of financial resources and mental energy capacity, leading such firms to liquidation or bankruptcy.

Founding owners must proceed quickly with the intertwining of business and personal lifestyles, which is only possible through a specific set of rules and guidelines within the corporate culture that can be applied to the personal culture as well. Such practices must allow for constant communication and alignment of the owner's interests with the employees of the business, especially family members, leading to healthy and successful business life.

This chapter of the thesis is devoted to reviewing how theoretical and empirical implications influence the human resource policies of family businesses, followed by limitations and recommendations for future research, and finally ending with concluding remarks.

4.2 Implications for small businesses HRM

Several key theoretical implications must be taken into further consideration.

Key definitions such as what a family-owned business is and how it operates serve as a foundation to this thesis. Theoretical definitions were specifically used throughout the thesis and with intensive research, we were able to select the most appropriate one and use it as a core model and even a base foundation for the thesis's structure.

By carefully examining all remaining theoretical aspects we used and adding the ones suitable to our needs we confirmed that HR practices specified in the thesis offer quite extensive connections to previously performed studies in the HR fields.

Theoretical concepts used in this thesis serve as a potential tool to use in future researches, especially where small and medium family-owned businesses similar to the ones saturated in countries, regions and areas that are similar to Slovenia.

There are outlying concepts that can also be implied to bigger firms although that is not a foundation that can be relied upon.

The main reason for such a thing is that the model of the thesis is rigidly specified for firms that are only measurable in the number of employees, in this case, up to 50 employees. Adding additional employees would first and foremost increase the probability of providing different theoretical backgrounds, the same implications can be made for adding additional categories such as the number of revenues which again might serve as an unreliable theoretical model in comparison to the one in the thesis.

Empirical implications were set up with the pre-designed interviews serving as a background and foundation on what can be expected from the interviewer in terms of connecting the answers provided to the theoretical implication and confirming or denying the existence and correlation of theoretical data compared to empirical data.

Answers provided have given us an in-depth experience on how managers react to the theoretical implication by describing how they approach the specified phenomena and also a similarity of a common repeating pattern in terms of the specific questions asked.

The combination of both theoretical and empirical implications has given us the possibility to use a set of previously conducted theoretical models and empirical studies to expand within the HR management within the family-owned business circles.

Evaluation of each concept detailed in chapter 2 will be used to further connect theoretical background with empirical results. Categories will split into 5 sections and will all be presented as the answer to the conceptual question at the beginning of the following chapter.

4.3 Evaluation of alignment between theory and empirical observations

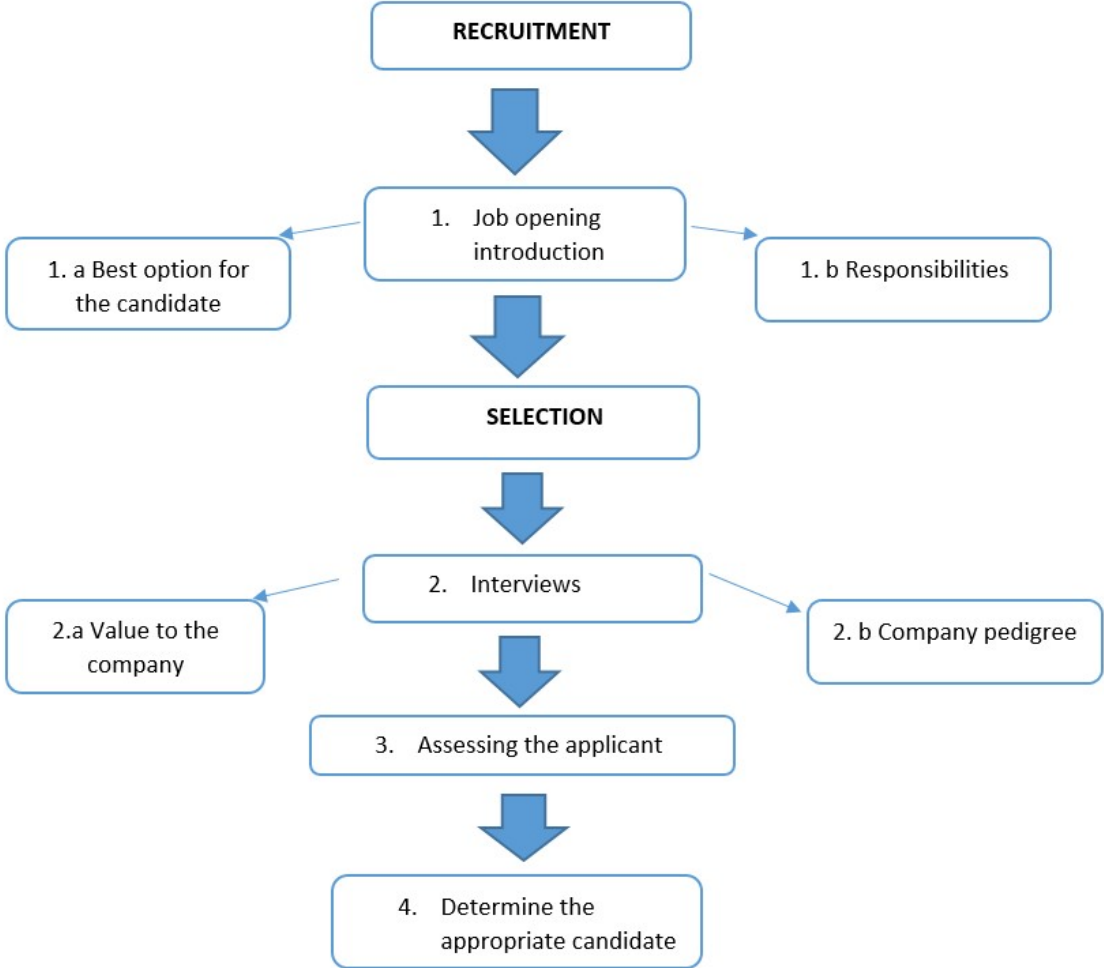
4.3.1 Recruitment and selection

Key theoretical insight: Family-owned businesses apply preferential treatment and use a complete subjective system when recruiting and selecting employees

Theoretical implications suggest that all employees are selected based on the internal and external recruitment factors while carefully examining a potential candidate within various stages of recruitment and selection (Johannisson & Huse, 2000).

The process is described by the chart below that is based on theoretical examples in chapter 2.1.

Figure 2: Theoretical model of recruitment and selection



Source: Own work.

Key empirical insight: The result in conducted interviews shows us that the upper chart cannot be implemented within the family business recruitment process since there is a clear presence of nepotism since all firms strongly confirm that employing family members within the company is a self-explanatory policy.

The key statement in this chapter is factually correct since family-owned businesses recruit family members exclusively due to nepotistic and subjective reason while bypassing the theoretically implied process presented in the chart above.

4.3.2 Employee evaluation

Key theoretical insight: Family-owned businesses evaluate their employees based on subjective treatment.

The evaluation of family members implies that the owner of the firm faces the biggest issues when evaluating his family member.

Theoretical implications have shown that the family is subjected to a status of entitlement especially due to family relationships and that the family member is also subjected to a stricter criterion (Ramos, Man, Mustafa & Ng, 2014, p. 302).

Key empirical insight: Results of the interviews show us various answers that differ among all interviewed firms. There were many given answers that co-align with the theoretical background such as:

- Additional strictness due to family relationships compared to ones in business
- Family employee serving as a role model
- Strict expectations
- Absolute perfection, zero-tolerance policy

Employee evaluation statement is considered as a plausible subjective treatment but not with the expected low level of strictness but rather the opposite, a tight grip on the family employee evaluation.

4.3.3 Employee development and training

Key theoretical insight: Family-owned businesses implement strict training and development practices for family members

Firms tend to prioritize development to gain a competitive advantage over other firms.

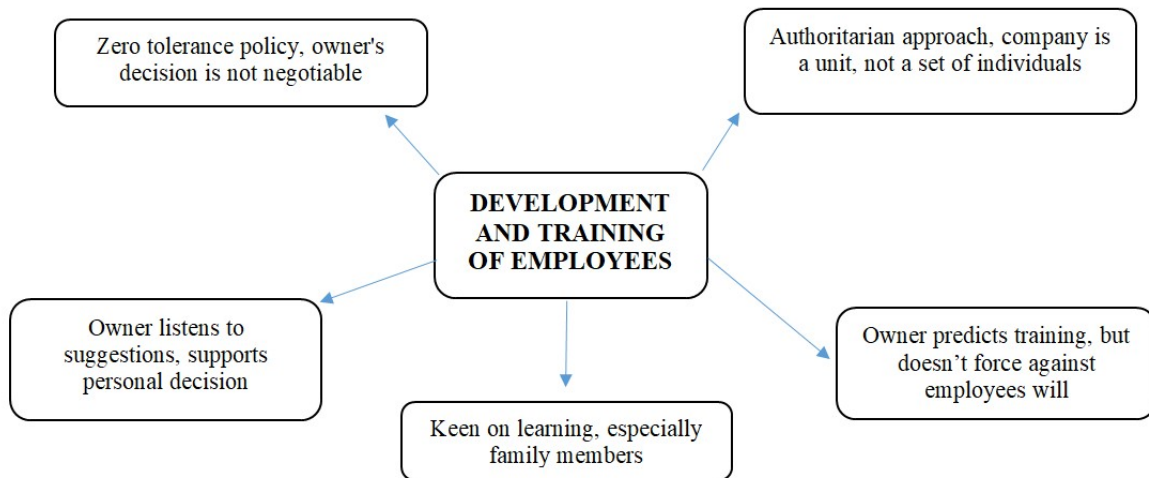
Such practices are often overlooked as firms focus their business plans exclusively on the short term and neglect medium and long-term strategic planning (Hendry, Arthur & Jones, 1995; Matlay, 1999).

Family-owned firms also neglect such practices for intra- and non-family employees as they tend to focus more on loyalty within the firm over job retention and employee satisfaction.

Key empirical insight: Results in the interviews shows us that family-owned firms take different approaches when it comes to the development of their employees as can be seen in the figure below.

Figure 3 shows us a summary of all the answers provided in the interviews.

Figure 3: Development and training approaches



Source: Own work.

The figure above depicts that the owners of family firms used different approaches regarding development and training; also there is a huge tolerance policy span from complete support via listening approach to employees needs and wishes and on the other hand strict, authoritarian zero-tolerance policy, therefore, we interpret the statement of this chapter as plausible but still correct.

4.3.4 Internal development

Key theoretical insight: Family-owned businesses face potential turbulence in succession planning concerning the convergence of family and business life.

Firms use internal and external mechanisms to shape the internal environment of the company to remain relevant and competitive within their given markets (Danco, 1980). The implementation of key internal factors, such as strong corporate governance, allows the business to dictate its decision-making processes.

Family firms have a unique factor, which is the convergence of family and business (Habbershon & Williams, 1999). The lack of resources could hinder the success of such businesses, but they rely heavily on the optimal use of the given resources combined with the intertwining of the two lifestyles to achieve the desired outcomes.

Key empirical insight: The interviews revealed that family and non-family employees see themselves as an extension of the firm, as evidenced by their sense of belonging and belief in a system. All firms experience delegation to their subordinates, allowing them to continue the owner's task based on their intuition, for which they receive full support. The firms also have different approaches and beliefs when it comes to combining business and personal life, but

regardless of the answers given, they all believe that the two lifestyles need to be combined for the firms to achieve the highest desired goal.

The conceptual statement for this sub-chapter is concluded to be false or untrue as the theory and data suggest that such turbulence is self-explanatory but the empirics show the complete opposite as seen in the interviews.

4.3.5 Compensation

Key theoretical insight: Family-owned firms show a nepotistic and unfair advantage for family members.

Firms use financial bonuses and incentives to show their employees that they value them and that their contribution to the company is tangibly felt and respected (Davoren, 2019). Such incentives make all employees feel part of the company, a sense of deep connexion to the roots, the foundation of the company.

Key empirical insight: the empirical results show us that all families have a zero-tolerance policy in terms of reward systems, stating that there is no place for individual rewards specifically for family members. Following the above, firms also apply the principle of equal distribution of profits among all employees.

The findings have shown that nepotism and unfair advantage to family employees is a completely false belief, hence we have concluded that the statement of this chapter is factually incorrect.

4.4 Limitations and recommendations for future research

Limitations were evident in both the theoretical and empirical parts of the thesis. The lack of theoretical articles published specifically for Slovenia was one of the main reasons that foreign articles from different geographical regions were used to provide the theoretical background, starting with the definition of what a family-owned business is, followed by some theoretical concepts that cannot be specifically linked and used for this thesis.

Limitations were evident in both the theoretical and empirical parts of the thesis. The lack of theoretical articles published specifically for Slovenia was one of the main reasons that foreign articles from different geographical regions were used to provide the theoretical background, starting with the definition of what a family-owned business, followed by some theoretical concepts that cannot be specifically linked and used for this thesis.

The biggest reason for the limitation of the data in this thesis is that during the epidemic of coronavirus, the firms closed their establishments as a precautionary measure to operate on a survival basis and completely forgo medium and long term business planning, which makes the

collection of primary data inadequate, especially because the firms refused to conduct interviews. The firm owners were also unable to say what will happen to their respected firms while considering worst-case scenarios. Conducting the same analysis in a future period could provide the paper with much more selective empirical opportunities, especially in terms of sample significance and credibility.

Researchers should conduct additional analyses focusing exclusively on the Slovenian market, as a sample size of one country within the European Union cannot be used for another country with completely different cultures and an understanding of the concept of the family business.

Researchers working in the field of human resource management also need to use the common characteristics and competencies of Slovenian businesses to provide a solid basis for all HR issues related to the employment of family members in businesses.

CONCLUSION

Family-owned businesses deal with human resource management practices and challenges in different ways. The obvious presence of nepotism dictates common practices such as the selection and training of employees.

Such businesses cannot be directly compared with other non-family-owned businesses since the differences highlighted in theoretical and empirical research show a clear distinction between the two models. Different characteristics such as the structure of the firm, the roles within the firm, the opportunities and also through differences in ownership it is clear that there are many key differences within the models that simply cannot be equated.

Human resource practices show that there are several key factors that are crucial and also empirically supported by a study. Based on the results presented, owners are abandoning the predicted theoretical HR practices and using an obvious nepotistic approach to keep the current state of the business within their own family.

Existing empirical studies show that there are some general guidelines that can be used for future research of the topic, but remain very broad, which means that future studies should be conducted within the practices mentioned.

The amount of literature currently available for future uses for Slovenian family business practices is very limited, practically non-existent. I believe that it would be crucial for future research to expand the exploration of this phenomenon, especially for small and medium-sized businesses which are the largest category of such firms in Slovenia. Hopefully, this thesis will serve as a new starting point that will generate further interest.

REFERENCE LIST

1. Adams, J. S., Taschian, A. & Shore, T. H. (1996). Ethics in family and non-family owned firms: an exploratory study. *Family Business Review*, 9(2), 157–170.
2. Agarwal, P. (2018, January 7). *The principal agent problem*. Retrieved March 5, 2019 from <https://www.intelligenteconomist.com/principal-agent-problem>
3. Andrejčič, R., Brekić, J., Florjančič, J., Jereb, J., Jesenko, J., Kavčič, B., Pavlin, N., Ekar, F., Kokalj, J., Ritonja, S., Štrajhar, M. & Voršnik, I. (1994). *Globalni in kadrovski management*. Kranj: Moderna organizacija.
4. Anthony, R. N. (1965). *Planning and control systems: a framework for analysis*. Cambridge: Graduate School of Business Administration.
5. Antončič, B., Antončič, J. A. & Juričič, D. (2015). *Family business characteristics in Slovenia*. Ljubljana: Ernst & Young.
6. Armstrong, M. & Murlis, H. (2007). *Reward management: a handbook of remuneration strategy and practice*. London: Kogan Page.
7. Armstrong, M. A. (1990). *Handbook of human resource management*. London: Kogan Page.
8. Astrachan, J. H. & Shanker, M. C. (2003). Family businesses' contribution to the U.S. economy: a closer look. *Family Business Review*, 16(3), 211–219.
9. Athwal, R. (2020, September 17). *The advantages and disadvantages of a family business* [published on blog]. Retrieved March 10, 2020 from <https://blog.vistage.co.uk/advantages-disadvantages-of-a-family-business>
10. Augustine, A. (n.d.). *How to pass the 6-second resume test*. Retrieved March 10, 2021 from <https://www.topresume.com/career-advice/how-to-pass-the-6-second-resume-test>
11. Ayres, G. R. (1990). Rough family justice: equity in family business succession planning. *Family Business Review*, 3(1), 3–22.
12. Bain, D. (2015). *The top 500 family businesses in the world*. Retrieved November 29, 2019 from <https://familybusiness.ey-vx.com/pdfs/182-187.pdf>
13. Baron, J. & Lachenauer, R. (2016, September 20). *The 5 models of family business ownership*. Retrieved March 5, 2020 from <https://hbr.org/2016/09/the-5-models-of-family-business-ownership>
14. Beamish, P., Morrison, A., Rosenzweig, P. & Inkpen, A. (2000). *International management* (4th ed.). New York: McGraw-Hill College.
15. Beardwell, I. & Holden, L. (1997). *Human resource management: a contemporary perspective* (2nd ed.). London: Pitman.
16. Beck-Gernsheim, E. & Camiller, P. (2002). *Reinventing the family: in search of new lifestyles*. Cambridge: Polity Press.
17. Bloom, M., Milkovich, G. T. & Mitra, A. (2000, January 11). *Toward a model of international compensation and rewards: learning from how managers respond to variations in local host contexts*. Retrieved April 8, 2020 from <https://ecommons.cornell.edu/handle/1813/77426>

18. Bork, D. (2012, January 12). *Nepotism in family business*. Retrieved April 8, 2020 from <https://www.familybusinessmatters.consulting/nepotism-in-family-business/>
19. Boyce, C. & Neale, P. (2006). *Conducting in-depth interviews: a guide for designing and conducting in-depth interviews for evaluation input*. Retrieved October 22, 2020 from https://donate.pathfinder.org/site/DocServer/m_e_tool_series_indepth_interviews.pdf
20. Bozer, G., Levin, L. & Santora, J. C. (2017). Succession in family business: multi-source perspectives. *Journal of Small Business and Enterprise Development*, 24(4), 753–774.
21. Browell, S. (2000). Staff development and professional education: a cooperative model. *Journal of Workplace Learning*, 12(2), 57–65.
22. Carlson, D. S., Upton, N. & Seaman, S. (2006). The impact of human resource practices and compensation design on performance: an analysis of SMEs. *Journal of Small Business Management*, 44(4), 531–543.
23. Cherry, K. (2021, April 26). *What is altruism?* Retrieved November 15, 2020 from <https://www.verywellmind.com/what-is-altruism-2794828>
24. Colot, O., Dupont, C. & Volral, M. (2009). Effects of human resource practices on family firms social performance. *Corporate Ownership and Control*, 6(3), 69–78.
25. Communications for Research, Inc. (n.d.). *In-depth interviews: data collection advantages and disadvantages*. Retrieved April 30, 2020 from <https://www.cfrinc.net/cfrblog/in-depth-interviewing>
26. Conway Center for Family Business. (n.d.). *Family business facts*. Retrieved March 5, 2021 from <https://www.familybusinesscenter.com/resources/family-business-facts/>
27. Corbetta, G. & Salvato, C. A. (2004). The board of directors in family firms: one size fits all? *Family Business Review*, 17(2), 119–134.
28. Daily, C. M. & Dollinger, M. J. (1992). An empirical examination of ownership structure in family and professionally managed firms. *Family Business Review*, 5(2), 117–136.
29. Danco, L. A. (1980). *Inside the family business*. Cleveland: The University Press.
30. Davis, P. & Englis, P. (2001). The phenomenon of substantive conflict in the family firm: a cross-generational study. *Journal of Small Business Management*, 39(1), 14–30.
31. Davoren, J. (2019, March 7). *What types of rewards would motivate workers in an organization?* Retrieved September 7, 2020 from <https://smallbusiness.chron.com/types-rewards-would-motivate-workers-organization-18650.html>
32. Deloitte. (2017). *Next generation family businesses: leading a family business in a disruptive environment*. Retrieved November 30, 2020 from https://www2.deloitte.com/content/dam/Deloitte/gr/Documents/strategy/gr_nextgen_survey_2017_noexp.pdf
33. DeVaro, J. (2006). Internal promotion competitions in firms. *The Rand Journal of Economics*, 37(3), 521–542.
34. Dhillon, G. (2001). Violation of safeguards by trusted personnel and understanding related information security concerns. *Computers & Security*, 20(2), 165–172.
35. Doyle, A. (2020, July 28). *What is job poaching?* Retrieved March 5, 2020 from <https://www.thebalancecareers.com/what-is-employee-poaching-2061980>

36. Dragomir, V. D. (2017). Conflicts of interest in business: a review of the concept. *Journal of Accounting and Management Information Systems*, 16(4), 472–489.
37. Fellman, S. (2013). Managing professionalization in family business-transforming strategies for managerial succession and recruitment in family firms in the 20th century. In P. Fernández Pérez & A. Colli (Eds.), *The endurance of family businesses: a global overview* (pp. 248–267). Cambridge: Cambridge University Press.
38. Flament, F. (2006). *La stratégie et la gestion des ressources humaines en PME familiale: recension des écrits*. Retrieved October 7, 2020 from <https://depot.erudit.org/bitstream/002366dd/1/NRC06-05.pdf>
39. Fredy-Planchot, A. (2002). La gestion des ressources humaines dans les PME à caractère familial. In J. Caby & G. Hirigoyen (Eds.), *La gestion des entreprises familiales* (pp. 193–204). Paris: Economica.
40. Friedman, S. D. (1991). Sibling relationships and intergenerational succession in family firms. *Family Business Review*, 4(1), 3–20.
41. Ghoshal, S. & Bartlett, C. A. (1994). Linking organizational context and managerial action: The dimensions of quality of management. *Strategic Management Journal*, 15(S2), 91–112.
42. Gjinovci, A. (2016). The impact of nepotism and corruption in the economy. *Knowledge Horizons - Economics*, 8(2), 133–139.
43. Glassdoor. (2018, July 21). *Small vs. large companies: ten differences between working for the two*. Retrieved February 5, 2020 from <https://www.glassdoor.com/blog/small-large-companies-ten-differences-working/>
44. Habbershon, T. G. & Williams, M. L. (1999). A resource-based framework for assessing the strategic advantages of family firms. *Family Business Review*, 12(1), 1–25.
45. Hamel, G. (2019, March 11). *The difference between big businesses & small business*. Retrieved November 10, 2019 from <https://smallbusiness.chron.com/difference-between-big-businesses-small-business-35285.html>
46. Harris, R., Reid, R. & McAdam, R. (2004). Employee involvement in family and non familyowned businesses in Great Britain. *International Journal of Entrepreneurial Behaviour and Research*, 10(1-2), 49–58.
47. Hawkins, D. G., Lake, D. A., Nielson, D. L. & Tierney, M. J. (2006). Delegation under anarchy: states, international organizations, and principal-agent theory. In D. G. Hawkins, D. A. Lake, D. L. Nielson & M. J. Tierney (Eds.), *Delegation and agency in international organizations* (pp. 3–21). Cambridge: Cambridge University Press.
48. Haykir, Ö. & Çelik, M. S. (2018). The effect of age on firm's performance: evidence from companies. *Ömer Halisdemir Üniversitesi İktisadi ve İdari Bilimler Fakültesi Dergisi*, 11(2), 129–137.
49. Hayton, J. C. (2006). Explaining competitive advantage in family firms: the effectuation paradox. In *US Association of Small Business and Entrepreneurship (USASBE) Annual conference* (pp. 1–8). Tucson: USASBE.

50. Heidgen, J. (2018, September 17). *What internal forces threaten our businesses?* Retrieved June 9, 2020 from <https://www.newtimes.co.rw/business/what-internal-forces-threaten-our-businesses>
51. Hendry, C., Arthur, M. B. & Jones, A. M. (1995). *Strategy through people: adaptation and learning in the small-medium enterprise*. London: Routledge.
52. Huhman, H. (2018, July 28). *Big corporation vs. small business: what's best for you?* Retrieved October 7, 2019 from <https://www.glassdoor.com/blog/big-corporation-small-business-whats/>
53. Jackson, T. (n.d.). *18 KPIs to measure performance (& how to choose & track them)*. Retrieved October 7, 2020 from <https://www.clearpointstrategy.com/18-key-performance-indicators/>
54. Johannisson, B. & Huse, M. (2000). Recruiting outside board members in the small family business: an ideological challenge. *Entrepreneurship & Regional Development*, 12(4), 353–378.
55. Johnson, S. (2002). Lifelong learning and SMEs: issues for research and policy. *Journal of Small Business and Enterprise Development*, 9(3), 285–295.
56. Kappel, M. (2017, December 20). *Things to consider when hiring family members*. Retrieved May 15, 2020 from <https://www.forbes.com/sites/mikekappel/2017/12/20/things-to-consider-when-hiring-family-members/#369615626309>
57. Katkus, A. (1997). *State economic control*. Vilnius: Mintis.
58. Kennedy, M. M. (1999). The case against performance appraisals. *Across the Board*, 36(1), 51–52.
59. King, A. M. (2011). *Internal control of fixed assets: a controller and auditor's guide*. Hoboken: John Wiley and Sons.
60. Klapper, L. F. & Love, I. (2004). Corporate governance, investor protection and performance in emerging markets. *Journal of Corporate Finance*, 10(5), 703–728.
61. Kleiman, R. & Peacock, E. (1996). Family businesses as an economic phenomenon. *Michigan Family Review*, 2(2), 93–101.
62. Kleiman, R. & Peacock, E. (1996). Family businesses as an economic phenomenon. *Science and World*, 2(2), 93–101. Retrieved October 17, 2020 from <https://quod.lib.umich.edu/m/mfr/4919087.0002.208/--family-businesses-as-economic-phenomenon?rgn=main;view=fulltext>
63. Krajnc, M. (n.d.). *Priročnik za družinsko podjetništvo*. Retrieved March 10, 2019 from http://www.mizs.gov.si/fileadmin/mizs.gov.si/pageuploads/podrocje/odrasli/Gradiva_ESS/CVZU/LU_Murska_Sobota/CVZU_17LUMS_Prirocnik.pdf
64. La Porta, R., Lopez-de-Silanes, F. & Schielfer, A. (1999). Corporate ownership around the world. *The Journal of Finance*, 54(2), 471–517.
65. Lampinen, I. (2014). *Performance management and rewarding in a family business* (thesis). Lappeenranta: Faculty of Business Administration.
66. Lanvin, B. & Evans, P. (2018). *The global talent competitiveness index 2018: diversity for competitiveness*. Retrieved November 10, 2020 from <https://gtcistudy.com/wp-content/uploads/2018/01/GTCI-2018-web.r1-1.pdf>

67. Leach, P. (1993). *The stoy hayward guide to the family business*. London: Kogan.
68. Leybag, J. (2008, July 9). *Benefits of a family-owned business*. Retrieved April 10, 2020 from <https://www.mybusiness.com.au/management/4474-benefits-of-a--business>
69. Lipman, V. (2013, January 29). *Why employee development is important, neglected and can cost you talent*. Retrieved October 18, 2020 from <https://www.forbes.com/sites/victorlipman/2013/01/29/why-development-planning-is-important-neglected-and-can-cost-you-young-talent/#1fd8d58b6f63>
70. Litz, R. A. & Kleysen, R. F. (2001). Your old men shall dream dreams, your young men shall see visions: toward a theory of family firm innovation with help from the Brubeck family. *Family Business Review*, 14(4), 335–351.
71. Longenecker, C. (1997). Why managerial performance appraisals are ineffective: causes and lessons. *Career Development International*, 2(5), 212–218.
72. Martinho, R., Domingos, D. & Varajão, J. (2015). CF4BPMN: a BPMN extension for controlled flexibility in business processes. *Procedia Computer Science*, 64, 1232–1239.
73. Matlay, H. (1999). Vocational education and training in Britain: a small business perspective. *Education + Training*, 41(1), 6–13.
74. May, P. (2016, June 9). *Creating value with values - what makes Germany's family business special*. Retrieved August 9, 2020 from https://www.petermay-fbc.com/images/contentbilder/publikationen/Downloads/Creating_Values.pdf
75. McLeod, S. (2007). Maslow's hierarchy of needs. *Simply Psychology*, 1, 1–8.
76. Merrill, H. P. (2017, April 23). *Filling the gap between war and peace: creating a stability command*. Retrieved October 28, 2020 from <https://smallwarsjournal.com/jrnl/art/filling-the-gap-between-war-and-peace-creating-a-stability-command>
77. Mowday, R. T., Porter, L. W. & Steers, R. M. (1982). *Employee—organization linkages: The psychology of commitment, absenteeism, and turnover*. New York: Academic press.
78. Mueller, H. M. & Philippon, T. (2011). Family firms and labor relations. *American Economic Journal: Macroeconomics*, 3(2), 218–245.
79. Nelton, S. (1997). Family business: major shifts in leadership lie ahead. *Nation's Business*, 85(6), 56–57.
80. Nickols, F. W. (1995). Feedback about feedback. *Human Resource Development Quarterly*, 6(3), 289–296.
81. OECD. (2005). *OECD SME and entrepreneurship outlook: 2005*. Paris: OECD.
82. Peters, P. (2000). 7 tips for delivering performance feedback. *Supervision*, 61(5), 12–14.
83. Petrič, U. (2010). Spreminjajoča se vloga HR-managerjev – izsledki iz raziskave. *HRM*, 8(38), 50–55.
84. PricewaterhouseCoopers. (2007). *Making a difference: the pricewaterhousecoopers family business survey 2007/08*. Retrieved April 7, 2020 from <https://www.pwc.com/gr/en/surveys/assets/family-business-2007-2008.pdf>
85. Ramos, H. M., Man, T. W. Y., Mustafa, M. & Ng, Z. Z. (2014). Psychological ownership in small family firms: family and non-family employees' work attitudes and behaviours. *Journal of Family Business Strategy*, 5(3), 300–311.

86. Reid, R., Morrow, T., Kelly, B. & McCartan, P. (2002). People management in SMEs: an analysis of human resource strategies in family and non-family businesses. *Journal of Small Business and Enterprise Development*, 9(3), 245–259.
87. Riggio, R. E. (2012, October 31). *Is nepotism a good thing, or bad?* Retrieved October 10, 2020 from <https://www.psychologytoday.com/us/blog/cutting-edge-leadership/201210/is-nepotism-good-thing-or-bad>
88. Rivers, W. (2014, December 17). *What is “the family business triangle” and why does it work so well?* Retrieved April 27, 2020 from <https://www.familybusinessinstitute.com/family-business-triangle-work-well/>
89. Roderick, C. (1993). Becoming a learning organization. *Training & Development*, 11(3), 13–14.
90. Roller, M. R. & Lavrakas, P. J. (2015). *Applied qualitative research design: a total quality framework approach*. New York: The Guilford Press.
91. Rosenblatt, P. C., de Mik, L., Anderson, R. M. & Johnson, P. (1985). *The family in business*. San Francisco: Jossey-Bass.
92. Roy, J. (2018, February 12). *Employment in small companies vs large companies: what’s the difference?* Retrieved May 17, 2020 from <https://www.michaelpage.com.au/advice/career-advice/career-progression/employment-small-companies-vs-large-companies-what-s>
93. Rynes, S. L., Bretz, R. D. & Gerhart, B. (1991). The importance of recruitment in job choice: a different way of looking. *Personnel Psychology*, 44(3), 487–521
94. Semuels, A. (2016, November 4). *Does the economy really need to keep growing quite so much?* Retrieved March 17, 2021 from <https://www.theatlantic.com/business/archive/2016/11/economic-growth/506423/>
95. Serrasqueiro, Z., Nunes, P. M. & da Silva, J. V. (2016). The influence of age and size on firms’ financing decisions: empirical evidence using panel data. *Long Range Planning*, 49(6), 723–745.
96. Shah, M. (2017). *How internal and external factors influence recruitment*. Retrieved March 17, 2021 from <https://brightowl.pro/blogs/2017/11/how-internal-and-external-factors-influence-recruitment/>
97. Sherman, P. (2018, June 29). *The definition of principal vs. agent*. Retrieved March 17, 2021 from <https://work.chron.com/definition-principal-vs-agent-14381.html>
98. Sisk, A. (2018, August 29). *What are the advantages & disadvantages of interviews?* Retrieved November 1, 2020 from <https://bizfluent.com/about-7536454-advantages-disadvantages-interviews.html>
99. Smooke, D. (2014, March 25). *How do you define ‘recruiting’?* Retrieved October 1, 2020 from <https://www.smartrecruiters.com/blog/how-do-you-define-recruiting/>
100. Spoth, R. & Redmond, C. (1994). Effective recruitment of parents into family-focused prevention research: a comparison of two strategies. *Psychology & Health*, 9(5), 353–370.
101. Steier, L. (2001). Family firms, plural forms of governance, and the evolving role of trust. *Family Business Review*, 14(4), 353–368.

102. Suárez, C. A. (2017). Internal control systems leading to family business performance in Mexico: a framework analysis. *Journal of International Business Research*, 16(1), 1–16.
103. Syms, M. (1992). *Mind your own business and keep it in the family*. New York: Mastermedia.
104. Taylor, S., Beechler, S. & Napier, N. (1996). Toward an integrative model of strategic international human resource management. *Academy of Management Review*, 21(4), 959–985.
105. Thomann, E., Trein, P. & Maggetti, M. (2019). What's the problem? Multilevel governance and problem-solving. *European Policy Analysis*, 5(1), 37–57.
106. Tucker-McLaughlin, M. (n.d.). *What broad functions do the management of an organization perform*. Retrieved June 7, 2020 from <https://smallbusiness.chron.com/broad-functions-management-organization-perform-19077.html>
107. UKEssays. (2018). *Management of theories of success, leadership and communication*. Retrieved October 7, 2020 from <https://www.ukessays.com/essays/management/management-of-theories-of-success-leadership-and-communication-management-essay.php>
108. Van Willigen, M. (2000). Differential benefits of volunteering across the life course. *Journal of Gerontology*, 55(5), S308–S318.
109. Vinton, K. L. (1998). Nepotism: an interdisciplinary model. *Family Business Review*, 11(4), 297–303.
110. Walmart. (2015). *Walmart 2015 annual report*. Retrieved March 2, 2020 from http://www.annualreports.com/HostedData/AnnualReportArchive/w/NYSE_WMT_2015.pdf
111. Walsh, J. P. & Seward, J. K. (1990). On the efficiency of internal and external corporate control mechanism. *The Academy of Management Review*, 15(3), 421–458.
112. Ward, J. (1988). The special role of strategic planning for family businesses. *Family Business Review*, 1(2), 105–117.
113. Ward, J. L. (2002, January 1). *How strategy is different for family businesses*. Retrieved June 7, 2020 from <http://www.campdenfb.com/article/how-strategy-different-family-businesses>
114. Westhead, P. & Storey, D. (1997). Management training in small firms – a case of market failure? *Human Resource Management Journal*, 7(2), 61–71.
115. Wong, L. C. & Kleiner, B. H. (1994). Nepotism. *Work Study*, 43(5), 10–12.
116. Zivkovic, M. (2018, August 10). *10 methods for screening candidates – which is the most efficient?* Retrieved May 17, 2020 from <https://hundred5.com/blog/screening-candidate>
117. Žaler, J. (2008, April 17). *Družinsko podjetje - prednost ali ovira?* Retrieved April 10, 2020 from <http://www.poslovni-bazar.si/?mod=articles&article=24>

APPENDICES

Appendix 1: Povzetek

Družinska podjetja se na različne načine spopadajo z upravljanjem človeških virov. Največja pristotnost se pokaže v obliki nepotizma, saj tudi slednji oblikuje in usmerja prakse kot sta selekcija in pa izobraževanje zaposlenih.

Mala družinska podjetja ne služijo kot direktna primerjava ostalim ne družinskim podjetjem, saj so več kot opazne razlike v tako teoretičnem kot tudi praktičnem vidiku. Različne karakteristike kot struktura podjetja, vloge v podjetju, priložnosti in tudi razlike v lastniški strukturi so jasen pokazatelj, da model družinskega podjetja ne moramo primerjati z modelom ne družinskega podjetja.

Splošne prakse v upravljanju človeških virov nam pokažejo, da je pristonih več značilnosti, ki se opredelijo kot ključne in istočasno tudi empirično korektne, kar je pokazala tudi opravljena empirična raziskava. Na podlagi prejetih rezultatov empirične raziskave se izbrani lastniki izognejo splošno znanim teroretičnim modelom in istočasno uprabljajo jasen in očiten nepotistični pristop v smislu, da obdržijo podjetje v trenutnem ožjem družinskem krogu.

Obstoječe in pretekle raziskave na tem področju pokažejo, da je trenutno prisotnih nekaj podobnih empiričnih raziskav na to temo, vendar so vsebine in rezultati le-teh zelo splošno opredeljeni, kar pomeni, da morajo bodoče raziskave dodatno raziskati ta problem.

Vsa literatura, ki je trenutno uporabna za nadaljne raziskave za družinska podjetja v Sloveniji, je zelo redka ali celo ne-obstoječa, predvsem za takšen model, ki je opredeljen v magistrski naloge. Menim, da je ključnega pomena, da se dodatno opravijo vse bodoče študije na enako temo, predvsem za mala in srednja družinska podjetja, saj so le ta najbolj pogosta v Sloveniji. Upamo, da bomo s delom v tej magistrski nalogi pripomogli k večjemu interesu.

Appendix 2: Interview protocol (slovene)

1. Na kratko opišite vaše podjetje; kdaj je podjetje bilo ustanovljeno, s čim se ukvarjate, koliko imate zaposlenih
 - a. V primeru »prejšnje« zaposlitve, kaj je bil motiv za ustanovitev svojega podjetja
 - b. Kaj je bil razlog, utemeljitev za izbiro tovrstnega tržišča?
2. Vi ste edini ali eden od številčnih družinskih lastnikov vašega podjetja. Koliko zaposlenih znotraj podjetja je tudi del vaše družine
 - a. Kaj je po vašem glavni razlog, da ste tudi zunaj družinskega kroga vpleteni tudi v »business« del življenja?
 - b. Kaj pričakujete od svojih družinskih članov, ki so zaposleni pod vašim okriljem?
 - c. Kako gledate na vaše družinske člane; kakšna so vaša pričakovanja za njih v prihodnosti, ko boste se npr. upokojili, prodali svoj delež podjetja ali posredovali podjetje naslednjim generacijam?
 - d. Kako gledajo ostali, ne-družinski zaposleni na to, da ste vi kot lastnik »zaposlili« družinskega člana
3. Kje vidite oz ste videli največjo težavo pri izboru primerne kandidata za vaše »razpisano« delovno mesto
 - a. Opišite kaj je tisti »it faktor« ki ga mora vaš bodoči sodelavec imeti in kaj pripomore k temu, da ga posledično zaposlite?
4. Pri zaposlitvi kandidata, ki ima družinsko vez, se pogosto poraja vprašanje in anekdota, da imajo družinski člani pri zaposlitvi prednost pred »zunanji kandidati«
 - a. Kako se vi soočate s tem dejstvom, da izberete kandidata glede na »poseben odnos« in kaj si mislite, da je posledično odziv vaših ostalih, ne družinskih zaposlenih?
5. Podjetja se stalno srečujejo z izzivi, ki jih globalizacija prinese v razponu nekega določenega časovnega obdobja. Podjetja se s tem soočajo na podlagi letnih oz. ostalih ocen svojih zaposlenih. Kakšen sistem imate vi pri presoji vaših zaposlenih?
 - a. Na koliko časa ga izvajate
 - b. Kateri faktorji so tisti na katere ste najbolj pozorni?
 - c. Kako predstavite svojim zaposlenim kaj je vaše poslanstvo in vizija?
6. Kako podajate »feedback« svojim zaposlenim
 - a. Po vašem mnenju, kako zaposleni odreagirajo na odziv pozitivne/negativne kritike?
7. Pri oceni družinskih članov se pogosto poraja anekdota, da so tretirani pod »posebnimi pogoji« glede na odnos lastnika do zaposlenega. Kako vi presodite družinskega člana?
 - a. Ocena družinskega člana znotraj podjetja se lahko tudi prenese v privatno okolje. Kako vi poskrbite, da ocena znotraj podjetja ne vpliva na občutke znotraj (ožjega) družinskega kroga?
8. Načelo vseh podjetij, malih in velikih, je konstanta rast glede na povečanje dobička, širjenje firme ali kaj podobnega. To dosežejo z »izobraževanjem« svojih zaposlenih. Nekatera manjša podjetja si tega (zaradi različnih razlogov) ne morajo privoščiti. Kako se vi spopadate z problemi »izobraževanja« zaposlenih?
 - a. Kakšen je vaš terminski plan glede izobraževanje vaših zaposlenih

9. Pri izobraževanju družinskih članov se lahko pojavi negativna tendenca (nekaj v smislu »zakaj to jaz sploh rabim«), ko kot lastnik predlagate izobraževanje. Kako se na ta predlog oz pobudo odzovejo družinski člani?
 - a. Kakšen vpliv imajo izobraževanja na družinske člane?
 - b. Kje vidite razloge, da predlog izobraževanja vaši družinski člani sprejmejo/zavrnejo
10. Za podjetje je pomembno, da ima vzpostavljeno neko notranjo kulturo, ki se odraža na podlagi vašega poslanstva in vizije. Kako vi vpeljete nadzor nad vašimi zaposlenimi in doslednost, da sledijo vrednotam podjetja?
 - a. Kako gledate na delegacijo nalog, zadolžitve na vaše zaposlene (empowerment in decision making)
 - b. Kako enakovredno prerazporedite določene zadolžitve vašim zaposlenim?
11. Eventualno pride do tega, da se prvotni lastnik družinskega podjetja slej ko prej umakne ali upokoji od svojega delovnega mesta. Posledično nastane problem obstoja podjetja, bolj točno dilema nasledstva. Kako lahko družinski krog povežete s »business« krogom, torej kako naj se vrednote znotraj družine in podjetja prepletejo med sabo, da postanejo optimalna »formula za uspeh«?
 - a. Kakšna je vaša vizija za vašega naslednika, kaj se po vašem pričakuje od njega?
12. Znotraj podjetja se pogosto poraja vprašanje zaposlenih, kaj točno morajo storiti za dodatne finančne stimulacije. Kaj je po vašem mnenju razlog, da se firme odločajo za določene sisteme nagrajevanja?
 - a. Kako gledate na to, da bi delež podjetja podarili svojim delavcem, kakšne rezultate pričakujete?
 - b. Kateri so vsi prisotni sistemi nagrajevanja znotraj vašega podjetja
 - c. Kako tretirate vaše družinske člane zaposlene pri vas na podlagi ne družinskih zaposlenih?

Appendix 3: interview protocol (English)

1. Briefly describe your business; when was the company founded, what is your core business, how many employees do you have?
 - a. In the case of a "previous" job, what was the motive for setting up your own business?
 - b. What was the reason for choosing such a market?
2. You are the only or one of the several family owners of your company. How many employees within the company are also part of your family?
 - a. What do you think is the main reason that you are also involved in the "business" part of life outside the family circle?
 - b. What do you expect from your family members who are employed under your auspices
 - c. How do you look at your family members; what are your expectations for them in the future when you retire, sell your share of the company or pass the company on to the next generation?
 - d. How do other, non-family employees, look at that you as owner "employed" a family member
3. Where do you see or have seen the biggest problem with selecting a suitable candidate for your job post?
 - a. Describe what is the "it factor" that your future co-worker must have and what helps you to recruit him?
4. When employing a candidate who has a family connection, there is often a question and anecdote that family members take precedence over "external candidates" when being recruited
 - a. How do you deal with this fact of choosing a candidate based on a "special relationship" and what do you think the resulting response is from your other, non-family employees?
5. Companies are constantly faced with the challenges that globalization brings within the range of a particular period. Companies face this on the basis of annual or other assessments of their employees. What system do you use for judging your employees?
 - a. How often do you execute it?
 - b. What are the factors you pay the most attention to?
 - c. How do you present to your employees what your mission and vision are?
6. How do you give "feedback" to your employees?
 - a. In your opinion, how do employees react to the response of positive/negative criticism?
7. When assessing family members, the anecdote is often given that they are treated under "special conditions" according to the owner's attitude towards the employee. How do you judge a family member?
 - a. The assessment of a family member within the firm may also be transferred to a private environment. How do you make sure that the intra-company assessment doesn't affect feelings within the (inner) family circle?
8. The principle of all companies, small and large, is constant growth relative to increasing profits, expanding the business or something else. They achieve this by "educating" their

- employees. Some smaller companies cannot afford this (for various reasons). How do you deal with the problems of "educating" employees?
- a. What is your schedule regarding the training of your employees?
9. When educating family members, there may be a negative tendency (something in the sense of "why do I need to do this") when you propose education as owner. How do family members respond to this proposal or initiative?
- a. What impact does education have on family members?
 - b. Where do you see the reasons for your family members' proposal to accept/reject additional education?
10. It is important for the company to have a certain internal culture that is reflected on the basis of your mission and vision. How do you bring control over your employees and consistency to keep up with the company's values?
- a. How do you view a delegation of tasks, empowerment in decision making?
 - b. How do you allocate specific assignments to your employees equally?
11. It may be that the original owner of the family business may eventually withdraw or retire from his post. As a result, the problem of the existence of the company arises, the more precisely the dilemma of succession. How can you connect a family circle to a "business" circle, that is, how should values within family and business be intertwined to become the optimal "formula for success"?
- a. What is your vision for your successor, what do you think is expected of him?
12. Within the firm, employees are often asked what exactly they need to do for additional financial stimulation. In your opinion, what is the reason for companies to opt for certain reward systems?
- a. How do you think of passing a share of the company to your workers, what results do you expect?
 - b. What are all the compensation systems present within your company?
 - c. How do you treat your family members with respect to your other employees?

Appendix 4: Original transcript of interview in firm 1

1. Ustanovitev 2010 sredi krize. Dejavnost uvoz in distribucija pisarniškega materiala in opreme zaposlenih 7.
 - a. Bil sem direktor v prejšnjem podjetju s polno odgovornostjo, ko pa so se sprejemale odločitve je lastnica vedno hotela nekaj po svoje in marsikdaj povsem izven logike. In potem je še uporabljala moč lastnika za uveljavljanje da »ima prav« - argument moči namesto moči argumenta. Pač ni šlo zato sva se razšla.
 - b. V dveh prejšnjih zaposlitvah sem delal v tej branži in so me nazaj v branžo v resnici potegnili dobavitelji iz tujine, s katerimi sem v letih sodelovanja v resnici razvil ne samo poslovni ampak tudi prijateljski odnos in smo ostali v stikih.
2. Ni drugih družinskih lastnikov, sem edini lastnik
 - a. Vedno si v biznis vpleten tudi zunaj družinskega kroga
 - b. V bistvu dela pri meni samo sin študent, ki ima povsem določene naloge in odgovornosti, predvsem s področja prodaje in marketinga/IT.
 - c. Če se bo izkazal ta ali mlajši sin, da bom ocenil da lahko pelje podjetje dalje uspešno kot jaz ali bolje, potem ne bo problema da se umaknem in kot lastnik ali solastnik dobivam »dividendo« za pokojnini. Če pa bom ocenil da ne bo šlo, bom podjetje raje prodal in naj si sinova najdeta običajni službi.
 - d. V bistvu ga še nisem ampak ga gledajo kot bodočega možnega šefa, ki pa mu pomagajo pri osvajanju znanj in seveda mu »rišejo svoj pogled na podjetje«. Po drugi strani pa se jim zdi prav, da dela povsem običajne osnovne funkcije v podjetju in s tem doprinaša k uspešnosti podjetja.
3. Novejše generacije enostavno nimajo delovnih navad. Znanje se da pridobiti. Če pa ni interesa in volje do dela pa enostavno ne gre.
 - a. Želja, interes in delavnost so pogoj, zaželeno pa je še kaj izkušenj, samoiniciativnost, samozavest in poštenost do sebe in drugih
4. Ni anekdota, sem prepričan da je res v vseh privat podjetjih.
 - a. Pri nas se zavedajo, da bo nekdo moral peljati firmo tudi ko je jaz ne bom več in se jim zdi prav, da je sin vpleten čim prej, da se bo čim prej tudi čim več naučil.
5. Ker smo manjše podjetje ne rabimo nekega sistematičnega ocenjevanja in presojanja. Vse prednosti in pomanjkljivosti se pokažejo pri sprotnem delu in se jih sproti tudi komentira in izvaja korektivne ukrepe.
 - a. Sproti, ves čas.
 - b. Pozitivni: samoiniciativnost, zanesljivost, delavnost, poštenost – je treba pohvalit
Negativni: površnost, delanje napak, malomarnost, nedoslednost – te je treba vedno takoj popravljati
 - c. Na skupnem letnem razgovoru z zaposlenimi (pohvale) in na individualnih razgovorih – graje in korekcije. Včasih korektivne ukrepe dogovarjamo in določamo tudi skupinsko da se dobi večja pripadnost in zaveza h korektivnim ukrepom.
6. /

- a. Načeloma ok, ker odnosi niso napeti in so tudi kritike dobronamerne oziroma namenjene izogibanju zapletov s poslovnimi partnerji česar si vsi želimo. In vedno pridejo s pojasnilom, da ni samo »maltretiranje« v prazno.
- 7. Pravijo da preveč zahtevno. So pač pričakovanja visoka in to naj tudi ve, če hoče biti nekoč vodilni, enostavno ne more biti samo eden od mnogih.
 - a. Čisto se ne da izključiti, se pa doma izogibamo službenim temam (kar pa tudi ne gre vedno)
- 8. Res v manjših podjetjih težje vodimo sistematična izobraževanja, tako da je tudi tukaj izredno pomembna samoiniciativnost, da vsak skrbi za izobraževanje na svojem področju in po potrebi deli znanje ostalim. Zelo pomembno tudi samoizobraževanje.
 - a. Običajno je lastna izbira, razen ko je nujno potrebno osvojiti novo znanje gre lahko tudi za napotek nadrejenih v smislu »preštudiraj tole zadevo prosim ker bomo nujno rabili ali pa si najdi izobraževanje«
- 9. Tu ne gre za izbiro, beseda direktorja obvelja.
 - a. Če spada potreba za izobraževanje v njegovo področje se mora pač izobraziti, brez privilegijev.
 - b. Čisto glede na potrebo – če ta je potem ni pardona, če pa želi on izobraževanje pa ni problema če je vsaj približno skladno s trenutnimi ali ocenjeno bodočimi potrebami podjetja.
- 10. Gre za zelo jasno komuniciranje – pomembno je, da delamo čim hitreje, da ni napak, da ne prikrivamo spodrseljavev ampak jih popravljamo, poštenost drug do drugega in strank
 - a. Zelo pomembno saj le tako zaposleni čutijo pripadnost do dela – da je to »njihovo« in da se tudi sami odločajo kjer je to potrebno in za to niso kaznovani če se izkaže da ni bilo ravno idealno. Bolj se spoštuje samoiniciativnost in samokorekcija če je to potrebno kot pa se opozarja na napake.
 - b. V resnici pustim da se sami organizirajo pri večjih nalogah, saj sami najbolje poznajo svoje obremenitve, kapacitete in kaj kdo najlažje in najhitreje naredi. Je pa zopet vprašanje poštenosti do sebe in drugih. In če to je potem je takšno organiziranje optimalno.
- 11. Ne bi trdil, da to res vem, grem pa po principu kot vedno – korak za korakom in sprotno delanje popravkov tako v smeri kot tudi v odnosu. Se mi pa zdi da je najtežje vzpostaviti zavedanje da je lastništvo najprej odgovornost in šele potem privilegij.
 - a. Predvsem da bo izdelal svojo vizijo, svojo pot, da bo vedel kaj hoče in zakaj bi šel po tej poti, da bo znal izbirati sredstva in imel normalen odnos do vseh deležnikov tako znotraj kot izven podjetja.
- 12. Vsi hočejo stimulirati boljše delo, bolj pridne in inovativne delavce, prodajalce ki čim več prodajo z boljšo maržo. Redki sistemi zares delujejo in redko so pošteni do vseh.
 - a. Ne bi, ker preveč demokracije v odločanju vodi v neodločanje in če je preveč lastnikov se vsi počutijo preveč pomembne da bi delali kar jim nekdo drugi naroči. Bolje jim je dati pravice kot da bi bili lastniki (napr. Delež na dobičku) ne pa tudi odločevalskih funkcij. Naj se odločajo v okviru svojega delavnega mesta kjer je to zaželeno, na nivoju podjetja pa naj to dela tisti ki je zato tam. Seveda se je prav posvetovati z ostalimi ampak

končna odločitev in odgovornost ki sledi iz te odločitve mora biti povsem jasno čigava je.

- b. poln regres, polna božičnica, delež na dobičku, da zaposleni skrbijo tako za čim večjo maržo kot tudi čim manjše stroške
- c. Ker je edini družinski član študent je tako tudi tretiran – deklica za vse. Od odnašanja smeti in čiščenja do visoko zahtevnih predstavitev za kupce. Plačilo po postavki študentke ure za redno delo, drugačna postavka za čiščenje in nagrada v primeru uspešne prodaje po predstavitev.

Appendix 5: Original transcript of interview in firm 2

1. Podjetje sva ustanovila s prijateljem leta 1985, imela sva 10 letno vizijo, po tem sva šla vsak svojo pot zaradi navzkrižja interesov. Od takrat naprej skupaj z sinom vodiva podjetje. Ukvarjamo se z proizvodnjo tiskanih vezij. Trenutno imamo 26 zaposlenih.
 - a. Kot mladci smo vedno imeli vizije kaj vse bi lahko počeli, po zaslugi ali prepričevanju naših znancev in prijateljev smo naše ideje tudi uspešno realizirali.Naključni splet okoliščin, življenje je z razlogom takšno kot je. V tistem času se nam je to zdelo nekaj »za probati«, izbiro smo imeli neskončno, od kartonske embalaže do plastičnih vrečk, na koncu smo se našli v proizvodnji tiskanih vezij.
2. Trenutno smo trije, sin, žena in jaz
 - a. Glede na to, da smo skupaj praktično cel dan nas to sploh ne ovira, naučili smo se živeti kot družina in istočasno kot sodelavci.
 - b. Čisto nič drugačnega, ne glede na to, da smo družina ali ne smo še vedno le del nečesa večjega kar pa velja za vsakega zaposlenega pri nas.
 - c. Trenutni odgovor na to vprašanje je z moje strani skoraj nemogoč, gre za neko prihodnjo časovno obdobje tako da težko rečem kaj točno se bo čez toliko in toliko let zgodilo.
 - d. Popolnoma pričakovana poteza, vsi sodelavci se tega tudi zavedajo in posledično s tem tudi sprijaznijo.
3. Prav posebnih težav z novimi kandidati nismo imeli. Če že moram izpostaviti, se najprej fokusiramo na izbor lokalnega kandidata (čim bližje firmi), da ima vsaj neko poklicno ali srednjo šolo in ko pride, da se vklopi v kolektiv. Ne iščemo na zavodu, ko hočemo novega zaposliti, najprej strnemo vrste med znanci, šele nato se pomaknemo iz »ožjega kroga«.
 - a. Tu nekaj posebnih kriterijev za izbiro kandidata ni. Najbolj pomembna je delovna vnema in pripadnost podjetju kot celoti.
4. Mogoče res, sam v tem ne vidim problema saj se mi to zdi kot relativno samoumevna izbira. Edina izjema bi bila, če bi sin rad začel poslovno kariero na svoje
 - a. Svojemu sinu želim nuditi le najboljše. S strani ostalih zaposlenih povsem pričakovana poteza.
5. Glede na velikost kolektiva takšnega kompleksnejšega ocenjevanja ne izvajamo.
 - a. Na redni osnovi tovrstnega rednega sistema sicer nimamo, vsaka »ocena« je lahko tudi vsak preprost pogovor.
 - b. Podobno kot sem prej omenil, delavcem predlagamo napredovanja na novo delovno mesto z večjo odgovornostjo na podlagi »ocene«
 - c. Vsi zaposleni vemo zakaj smo tu. Vsakega novega kandidata »pripravim« na to kaj vse ga čaka pri nas.
6. Ne glede na situacijo se probamo normalno pogovoriti, osebno sem mnenja, da negativna kritika slabo vpliva na dolgi rok zato se tega tudi v največji meri izogibam.
 - a. Vsaka pozitivna misel da delavcu in kolektivu nek zagon za naprej. Negativnih kritik se pa res probam izogibati; ne verjamem, da je tisti delavec, ki naj bi nekaj »naredil narobe«,

res za nalašč naredil nekaj zelo škodljivega. Vsako situacijo se da rešiti z preprostim, sproščenim pogovorom.

7. Vsake toliko časa pride do kakšnega navzkrižja. Ne glede na to, da smo družina, se še vedno dobimo in pogovorimo pa naj bo to kot člani družji ali sodelavci.
 - a. Nekateri pravijo, da je to nemogoče zadržati, nam to ne predstavlja problema. Vse zadržke znotraj podjetja uredimo na tak način, da pristopimo k težavi na licu mesta in jo posledično tudi zatremo, tako da se le ta ne more prenesti v »zunanje« okolje.
8. Vezani smo na razvoj tehnologije in tržišča. Ker moramo biti konkurenčni glede na stanje tržišča, se posledično tudi prilagajmo.
 - a. Kot sem že omenil, prilagajamo se trgu. Po drugi strani pa lahko tudi posamezni delavec pristopi do mene in da pobudo za izobraževanje. Ne glede na to, ali da to izobraževanje neko dodatno vrednost podjetju kot celoti ali izključno posamezniku, podpiram takšna dejanja.
9. Kot oče/partner imam to srečo, da sin/žena vedno pristopita do mene, če rabita nasvet pa naj bo to poslovne ali osebne narave. Pri izobraževanju je enako, zaupata moji presoji.
 - a. Vsako dodatno izobraževanje prinese neko vrednost. Tu se vsi držimo slovenskega pregovora bolje vrabec v roki kot golob na strehi.
 - b. Sprejmejo ga na podlagi moje presoje in me pri tej izbiri tudi podpirajo.
10. Vsi vemo zakaj smo tu, nekega dodatnega nadzora ne izvajamo, saj popolnoma podpiram vse zaposlene in njihovo pripadnost podjetju.
 - a. Strateške odločitve sprejemava skupaj s sinom, ostale zadolžitve preneseva vodjem določenih postaj.
 - b. Določiva vodje, ki imajo nadzor na točno določeno postajo, nato pa oni po najboljših možnostih predajo naloge ostalim.
11. V našem primeru sta družina in poslovni krog že prepletena v eno, preprosto smo se navadili živeti v sožitju enega z drugim. Tu je seveda predaja vajeti mojemu sinu kar pa ni nujno najbolj optimalno. Kako naj rečem, mogoče bi kdo bilo bolje, da na nek način zunanji kandidat to prevzame. Če potegnemo črto se lahko zunanjega naslednika izbere kjerkoli, kadarkoli, sina si ne moreš.
 - a. Podobno kot pri prejšnjem vprašanju, težko rečem kaj se bo zgodilo v prihodnosti ampak vseeno mojemu nasledniku, kdorkoli to bo, popolnoma zaupam.
12. S tem dajo svojim zaposlenim vedeti, da cenijo njihov doprinos dela k skupnem cilju
 - a. Se strinjam in to mislimo v bližnji prihodnosti tudi že izvesti. V naših vrstah je trenutno zaposleni delavec, ki je praktično zrasel skupaj s tem podjetjem. Že v srednješolskih letih je pomagal pri določenih opravilih, kasneje tudi ob študiju in seveda tudi od takrat naprej, ko se je zaposlil pri nas. Zelo cenimo njegov doprinos in po tehtnem premisleku sva skupaj z sinom dorekla, da sva pripravljena »podariti« tudi do 20% lastništva podjetja.
 - b. Absolutno sta regres in božičnica samoumevna. Poleg tega imamo pa tudi nagrajevanja glede na prodajo v tistem mesecu, predvsem na nivoju podjetja kot celota. Držimo se načela enakovrednosti, vsi dobimo del pogače.
 - c. Kot sem že omenil pri nas ni prostora za preferenčno tretiranje. Družinski člani in ne-družinski člani so enakovredno opredeljeni.

Appendix 6: Original transcript of interview in firm 3

1. Podjetje izhaja iz obrtniške delavnice ključavničarstvo Petre, ki je bila ustanovljena pred 38 leti. Današnje podjetje je bilo ustanovljeno 20.12.1990. Naše podjetje se ukvarja z najemom ter prodajo prireditvenih in skladiščnih šotorov. V naši ponudbi zasledite tudi industrijske poslovne objekte in dodatno opremo. Zaposlenih je cca. 35 ljudi, sodelujemo tudi s podizvajalci.
 - a. Motiv za ustanovitev podjetja je bila želja Jožeta Petreta, da postane obrtnik.
 - b. Po osamosvojitvi Slovenije je na področju, dejavnosti – ključavničarstva nastala recesija, zato smo se preusmerili v gostinstvo in ugotovili, da nam vedno primanjkuje prostora od tod tuji ideja o šotorov. Ideja najema šotorov pa spoznali v Nemčiji, v času prebivanja in dela v Münchnu.
2. V funkciji opravljanja podjetja so še mož, ki je prokurist, ter hči, ki nosi funkcijo izvršne direktorice, ter bodoči zet, ki je vodja nabave.
 - a. Poskušamo usklajevati privatno in poslovno življenje, kar se da najbolje, nimamo težav s prilagajanjem.
 - b. Pričakujem predvsem, da so vzor vsem zaposlenim na vseh področjih.
 - c. Pričakovanja so optimistična, zavedamo pa se, da smo jim predali veliko odgovornosti in skrbi.
 - d. Glede na to na generacije družinskih članov in sodelavcev ni bilo nobenih komentarjem. Podjetje Petre je družinsko podjetje, pričakovano je, da se bo preneslo na naslednje generacije.
3. Glavne karakteristika na katere smo pozorni so pripravljenost, prilagodljivost, samoiniciativa in interes.
 - a. Enako kot že navedeno; pripravljenost, prilagodljivost, samoiniciativa in interes.
4. V našem podjetju to ne drži. Z možem se nekako drživa pregovora "Žlahta raztrgana plahta". Poleg hčerke in zeta v podjetju ni nobenega drugega družinskega člana.
 - a. / (odgovorjeno s prejšnjim vprašanjem)
5. Glede na to, da je firma certificirana po standardu ISO 9001 in 14001 BV, se presoja tudi kader; vsako leto imamo vprašalnike, ki jih zaposleni oddajo, na podlagi njih lahko presodimo. Sicer pa so moja vrata odprta za reševanje problemov, dogovarjanje. Naš kader je zelo statičen in dolgoročen. Smo praktično ena velika družina.
 - a. Vsako leto oz. po potrebi.
 - b. Držimo se certifikacije zgoraj omenjenih standardov, sicer pa pripravljenost, prilagodljivost, samoiniciativa in interes.
 - c. V začetku poslovanja smo večkrat predstavili in dopovedovali, da je naša branža, branža ki jo zelo vsestranska. To so naši zaposleni hitro dojel.
6. Na komercialnih sestankih in osebno
 - a. Odvisno od vsakega posameznika. Na pozitivne vsekakor dobro, na slabe pa po navadi negativno, vendar jim da nov zagon.
7. V naši firmi hči in zet nikakor nista tretirana pod posebnimi pogoji. Pričakujem, da sta vzgled vsem ostalih z trdim in vestnim delom (kar tudi sta).

- a. Že omenjeno, preprosto ne vpliva
- 8. Problem izobraževanj so predvsem zelo visoki stroški. Vsekakor izobražujemo na vseh področjih. Predavatelje povabimo v firmo, udeležujemo pa se tudi zunanjih izobraževanj ter webinarjev.
 - a. Prilagajamo se lastni izbiri (časovno in vsebinsko) in napotku zaposlenih.
- 9. V veliko primerih boljše kot ostali.
 - a. Zavedajo se pomena prenosa znanja na zaposlene in odgovornosti.
 - b. / (odgovor s predhodnim vprašanjem)
- 10. Delegiranje nalog določenim osebam, ki so zadolženi za izpeljan proces.
 - a. Z vidika realizacije z zagotovljenimi cilji, ki vključujejo vse vrednote, katere v podjetju preferiramo.
 - b. Dajanje dodatnih posebnih nalog oz. zadolžitev po projektih in spremljanje poteka.
- 11. Odnose, način sodelovanja in delovanje tako družine kot podjetja je potrebno vzpostaviti že zelo zgodaj. Predaja, prehod na naslednjo generacijo traja sigurno najmanj 5-10 let.
 - a. Da vodi podjetje uspešno in poskuša napredovati in širiti dejavnost.
- 12. Motivacija in uspešnost zaposlenih.
 - a. Naši kadri so zvesti in vestni, vendar je to velika odgovornost, ki si je najbrž ne želi vsak.
 - b. Regres, jubilejne nagrade, nagrade na podlagi poslovne uspešnosti in pripravljenosti.
 - c. Ni razlik.

Appendix 7: Original transcript of interview in firm 4

1. Ustanovitev 1990, začetek šola vožnje, nadaljevanje poklicno, srednje, višje in visoko izobraževanje izrednih študentov ter strokovna usposabljanja in druge storitve s področja prometa, logistike in gradbeništva. Zaposlenih trenutno okrog 45.
 - a. »Žigosanje kartice od 6 do 14«, Računalniški programer štiri leta. Prevladovala je potreba po svobodi, želja po samostojnosti.
 - b. Kot študent sem opravljal delo učitelja vožnje in sem pri organiziranju dela opazoval napačne korake vodstva. Ker se nisem strinjal z načinom dela, sem začel na svoje.
2. Poleg žene, ki je tudi solastnica, so znotraj podjetja še trije člani družine.
 - a. Po tridesetih letih se preprosto ne prepriamo več. Mlajši spoštujejo moje izkušnje.
 - b. Spoštovanje tradicije in vrednot družinskega podjetništva.
 - c. Trenutno izgleda, da se bo podjetje obdržalo »v družinskih rokah«, po drugi strani je pa še relativno nesmiselno napovedovati kaj točno se no zgodilo čez nekaj let.
 - d. Tu prevlada mešani občutek; po eni strani se strinjajo saj spoštujejo »družinsko hierarhijo« ter pripadnost družine znotraj privatnega in poslovnega življenja ampak istočasno se pa tudi poraja anekdota, da mogoče to z vidika sposobnosti ni najbolj optimalno.
3. Večjih težav pri zaposlitvi kandidata nekako nismo imeli. Vsak novi kandidat je seveda moral imeti tiste določene lastnosti, znanja in veščine za novo, razpisano delovno mesto. Pri zaposlitvi družinskega člana je to potekalo nekoliko drugače; postaviti ga je treba na mesto, ki ga je sposoben samostojno obvladovati. Delovno mesto za »domače« smo ustvarili na novo.
 - a. Pri razgovoru presodim mnenje pristojnega sodelavca in nato se še sam poglobim v kandidata. Tu gre za intuicijo, izražanje, mimiko, pripravo na razgovor. Vsakogar se da izučiti, če je voljan. Odklanjam pa osebe z visokim egom in pretiranimi obetanjji. Osebno najbolj cenim iskalce zaposlitve, ki so skromni pa vendar odločni in odkriti.
4. Se popolnoma strinjam in podpiram to anekdoto, tako jaz kot posameznik in tudi jaz kot ustanovitelj podjetja. Enako velja za načrte prihodnosti; je za podjetje mar bolje, da lastništvo podedujejo tisti, ki o podjetju in sodelavcih nimajo pojma? Potem dela sodelavcev ne bi znali ceniti in podjetje začne ugašati, izgubi tisti družinski pridih.
 - a. Skupaj z ženo sva mnenja, da izbor kandidata na podlagi posebnega odnosa kompletno izključiva. Na priporočila in posebne odnose za zaposlovanje otrok staršev, s katerimi smo lahko tudi prijatelji, ne reagiram. Imel sem primer prošnje hčere dobrega prijatelja, ki sem obljubil, da bom posredoval. Pa nisem. Ampak punca je bila v naboru kandidatov za zaposlitev po oceni kadrovskega šefa in bodočih sodelavcev najboljša. Danes je izjemno vestna sodelavka (več kot 10 let) in se pogosto smejemo na ta račun.
5. V naprej določenega sistema sicer nimamo, se pa sproti prilagodimo situaciji in skladno z njo ukrepamo.
 - a. Težko lociram točno določeno obdobje ocenjevanja, sam sem mnenja, da je lahko vsak pogovor, pa naj bo to posamezni ali skupinski, ocena.
 - b. Delo v interesu podjetja, odnos do strank in do sodelavcev, strokovno napredovanje.

- c. To vedo, ker jih odraščajoč kolektiv pelje v tej smeri. Veliko vlogo igrajo zanesljivost, odgovornost, spoštovanje.
6. Vse težave se lahko reši z preprostim, strpnim pogovorom.
- a. Menim, da izraz »kritika« zlorabljam. Npr. gledališka kritika je lahko navdušujoča, ovacije, promocija, pohvale... Zakaj bi morala biti naša kritika negativna? Sodelavce je potrebno spodbujati s pohvalo (priznam, da premalokrat). Ko gre za napako, se moramo zavedati, da jih delamo tudi sami. Pri medsebojnih odnosih ni prostora za očitke in prenašanje odgovornosti na druge. Odgovoren je vodja. Razlogov je lahko več, sodelavec stori napako, lahko bi jo storil tudi sam, nisem ga ustrezno poučil, nisem mogel ravnati drugače in podobno. Izjema je takrat, ko gre za težjo in ponavljajočo se kršitev. Takrat sodelavcu z argumenti pojasnim, da za take odklone ni prostora v našem kolektivu. Pravijo, da sem premehak, ampak kolektiv dirigira smernice in praviloma sam izloči »nebodigatreba«. Podjetje mora s pozitivno selekcijo doseči večinsko pozitivno naravnost in sam odločati o sodelavcih. Le s homogenostjo zaposlenih je podjetje lahko uspešno.
7. Strožje. Se mi potožijo, da imajo »zunanji« privilegije in da sem bolj popustljiv do njih.
- a. V družinskem krogu je govora o službi le, kar je najnujnejšega. Ni lahko, toda službena nesoglasja skušamo v družinskem krogu izločiti. Manj prijetne situacije rešujemo izključno na službenem naslovu. Malo za šalo, trideset let v službi z ženo te izuči.
8. K sreči smo taka dejavnost, da si izobraževanje zaposlenih lahko (in moramo) privoščiti. Ne glede na možnost napredovanja v službi ali izven in ne glede na »domače« in zunanje, jim to omogočamo materialno in časovno, kolikor se le da. Ne vem več, kdo je dejal, da sta se pogovarjala dva poslovodnika: »Glej usposobili smo jih pa so šli.« Pravi drugi: »Kaj bi bilo, če jih ne bi, pa bi ostali?«
- a. Za potrebe podjetja po napotitvi, za osebno rast po željah zaposlenih
9. Sami vedo, da je to na dolgi rok dobra odločitev, tako na individualnem nivoju kot tudi nivoju podjetja.
- a. / (odgovor iz prejšnjega vprašanja)
- b. Sprejmejo, ker želijo slediti. Če bi kdo zavrnil, bi ga pustili, kjer je. Ne siliti ljudi, če nočejo, umesti jih tja, kamor spadajo.
10. Določene osebe prevzamejo odgovornost, ki jim jo sam dodelim. Zaupam jim, da svojo zadolžitev opravijo korektno.
- a. Iskreno, nisem najbolj spreten v delegiranju. Sam sem začel tako, da sem vse opravljal sam. Sčasoma so mi sodelavci predlagali, se »sami ponudili« pri prevzemu nalog. Posledično: veliko sodelavcev obvlada veliko nalog.
- b. Ni enakovrednosti. Delegiranje je vedno nepravilno, gre za princip »Naloži tistega konja, ki bolje vleče«.
11. Težava, ki se rešuje počasi. Še vedno je »tastar« zadolžen za mreženje. Spontano povezovanje, ne le »družinskih« temveč vseh članov kolektiva z dobrimi strankami lahko to rešuje. Ampak, tudi na drugi strani se generacije, posledično tudi njihova mnenja, menjajo.

- a. Lastniki (družinski člani) so že vpeljani v menedžment in vrednote podjetja. Moji strokovni nasledniki pa so »zunanji« sodelavci, ki prav tako spoštujejo vrednote podjetja. Svojega naslednika v celoti si težko predstavljam, ker nima 30 let zorenja za sabo, kolektiv skupaj pa to že zdaj zmore bolje od mene.
12. Sistemizacija, kot odklon od odgovornosti vodje.
- a. Nimam težav s tem, razen ob vprašanju, kdo bo nasledil njihov delež.
 - b. Zaposlenim probam izkazati hvaležnost na vsak možen način. Regres največji, kar se da. Dvigi plač. Druženja, pikniki, team buildingi, pohvale in izkaz spoštovanja pa odtehta finančne nagrade.
 - c. Pri določenih zadevah je družina na prvem mestu ampak tu je popolnoma drugačno, vsi smo na istem, noben član podjetja ni zoperstavljen.

Appendix 8: Original transcript of interview in firm 5

1. Podjetje Enoop d.o.o. je prisotno na trgu 30 let. Gre za družinsko podjetje, ustanovljeno leta 1990, kot proizvajalec opreme za vino. Naša dejavnost danes obsega projektiranje, proizvodnjo in montažo opreme za hrano in pijače, kemično, farmacevtsko industrijo in ekologijo. Oprema, ki jo izdelujemo, je prilagojena po željah in potrebah vsakega večjega kupca. Našim strankam pomagamo pri reševanju tehnoloških težav in jim predlagamo nove ter napredne rešitve. Skupaj z našim partnerskim podjetjem zagotavljamo popolno avtomatizacijo in računalniško kontrolo proizvodnih procesov. Prizadevamo si za odličnost in inovacije. Imamo znanje, izkušnje in usposobljene ljudi, da sledimo temu vprašanju. V podjetju imamo trenutno 40 zaposlenih. Med zaposlenimi v našem podjetju so v večini moški (90%), žensk pa je precej manj (10 %). Seveda je to razmerje razumljivo in ga pripisujemo sami naravi dela podjetja.
 - a. Možnost registracije privat podjetja.
 - b. Predznanje in delo na podobnih projektih.
2. V začetku se mi je v podjetju pridružila žena. Kasneje, po končanem študiju se je v podjetju zaposlil sin. Trenutno sta v podjetju zaposleni še hči ter snaha.
 - a. Včasih je ta odnos v plus, včasih v minus. Trudimo se ločiti poslovno življenje in privatno življenje.
 - b. Da sodelujejo in razvijajo podjetje naprej.
 - c. Ni še odločeno, najverjetneje bomo izvedli prenos v neki obliki.
 - d. Seveda je pričakovati v takih situacijah kakšen komentar s strani zaposlenih ampak čas prinese svoje in tako lahko tudi ostali zaposleni vidijo ali je bil komentar upravičen ali ne. Ne čutim se dolžan zaposlenim utemeljevati moje odločitve.
3. /
 - a. Predvsem je pomembno znanje in izkušnje kandidata. Prav tako so pomembne osebne lastnosti kandidata (pripravljenost na izzive, samoiniciativnost, poštenost...). Razgovori pri nas so kar dolgi. Za vsakega kandidata si vzamem kar nekaj časa. Navadno imam kar »nos« za te reči in izberemo primerne kandidata. Tisti, ki se pri nas »ne dobi« (lahko so to različni razlogi) se sami odločijo za menjavo službe.
4. Drugi zaposleni niso lastniki in niso odgovorni za nič, razen za svoje delo
 - a. V firmi zaposleni družinski člani so "kvazi" gospodarji in če je družina osnovna celica, so neke vrste solastniki in soodgovorni.
5. /
 - a. Zaposlene in njihovo delo ocenjujemo 1 krat letno. Sem spada tudi ocena zaposlenih družinskih članov
 - b. Odnos do dela, kvaliteta opravljenega dela, poštenost, samoiniciativnost zaposlenega, odnos do podjetja in zaposlenih, odnos do osnovnih sredstev zaposlenih.
 - c. Svoji zaposleni so nekateri solastniki in med nami vlada konsenz. Vizijo in poslovne odločitve določamo s sinom in ostalimi vodilnimi (komercijala, projektiva).
6. Vsakodnevno sem v kontaktu z zaposlenimi. Sproti rešujemo zadeve najsi bodo pozitivne ali negativne.

- a. Seveda je pohvala dobro sprejeta medtem, ko je kritika po navadi negativno sprejeta. Želim si, da bi negativno kritiko zaposleni sprejeli kot nekaj dobro namernega, saj lahko zaposleni raste na ta način, da se uči iz napak, jih ne ponavlja in tako napreduje pri svojem delu.
- 7. Nič ga ne presojam, delo mora opraviti in to po možnosti brez napak.
 - a. Delo se brez drugega prepleta s privat življenjem, ampak nam je to delo in hobi. Potrebno pa je paziti, da je v privat času čim manj "debat" iz dela.
- 8. Zavedamo se pomembnosti izobraževanja kadra. Vendar se tu srečujemo tudi s kadrovskim problemom saj imamo v državi pomanjkanje primerne kadra oz. potrebnega kadra za opravljanje poklica kot je npr. varilec. Povprečna starost zaposlenih v podjetju je 43. Da podatek nam pove, da je med starejšimi zaposlenimi kar 70% moških, ki v večini opravljajo pri nas mojstrske poklice. To nakazuje na to, da bomo v prihodnosti morali tem zaposlenim posvečati veliko pozornosti in spodbujati prenos znanja na mlajše zaposlene, ki jih bodo v naslednjih letih nadomestili.
 - a. Trudimo se vsako leto izpeljati kakšno izobraževanje. Odvisno je tudi od finančnega stanja podjetja v tistem obdobju. Večinoma so to izobraževanja za večanje oz. izboljšanje kompetenc zaposlenega. Po navadi je to napotek nadrejenega, lahko je pa tudi izbira zaposlenega. Odvisno.
- 9. /
 - a. Družinski člani so razen mene in sina, ki delava svoj poklic, vsi priučeni. Kljub temu, da so univerzitetno izobraženi, ne opravljajo poklica za katerega so se šolali. Tu se vidi nesmiselnost državnega izobraževanja kadrov brez evidence potreb.
 - b. Če hočemo delovati kot "korpus"- celota, moramo obvladovati ključne točke v upravljanju podjetja. Tako se samo po sebi odpira vprašanje izpopolnitve in izobraževanja.
- 10. Vsak mora nositi svoj del odgovornosti. Je pa to en težjih delov pri odnosih z zaposlenimi.
 - a. Po sposobnosti delavca razdelimo zahtevnost izdelka. Manj odgovornosti, manj plače.
 - b. / (predhoden odgovor)
- 11. Težko, ampak vsi so na istem čolnu in veslajo proti toku. V primeru, da se zaustavijo jih odnese nazaj. Tega se morajo vsi zavedati, da skupaj so močni, vsak posameznik pa je kar je.
 - a. Da bodo še napredovali in bo podjetje njim in meni v ponos kot sedaj.
- 12. Za sistem nagrajevanja se odločajo večje firme z namenom motivacije zaposlenih za delo in večjo učinkovitost. S postavljanjem sistema se podjetja odločajo z namenom, da imajo vsi zaposleni enako možnost napredovanja, da so obravnavani pravično in pošteno ter zaradi nadziranja stroškov. Kar je dobro. Ne zavedajo pa se, da sistem nagrajevanja lahko prinaša tudi obratno reakcijo, zmanjšanje motivacije za zaposlenega.
 - a. Večinoma delavci niso zainteresirani za deleže, tisti ki so pa delajo dobro tudi brez deležev.
 - b. Letno se dogovorimo, glede na oceno, kdo je upravičen do dviga plače. Potem je tu seveda še regres. Ostale »nagrade« so odvisne od finančnega stanja podjetja. V kolikor

smo dobro delali in je rezultat dober, so tudi zaposleni nagrajeni. Za enkrat se še vedno določujemo za finančno nagrajevanje zaposlenih.

- c. To se ne da opisat, družinski člani imajo tudi dosti drugih bonitet in stroškov in je to težko tako natančno ocenit kot se to oceni pri drugih delavcih. Npr. dopust se pri družinskih članih ne evidentira in je minimalen. Tu se ne zagovarjamo na pravice, ampak na dolžnosti.