

# Family businesses: Where roles, values and work–family relationships form a single picture

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## Abstract

This paper aims to contribute a Central–Eastern European perspective, more specifically, a Slovak one, to the qualitative psychological studies on family businesses (FBs). In this paper I present three case studies of small family firms in Eastern Slovakia focusing on three theory–driven psychological aspects of family businesses: roles, relationships, and values. Additionally, the paper analyses the strategies and actions undertaken by FBs during the Covid–19 lockdown. The respondents were six first generation FB founders and owners (who are also spouses). The author believes that the FB founders' stories will contribute to a deeper understanding of how FB owners' interactions and dynamics are mirrored in their roles, values, and relationships; in particular, multiple roles, the values of family and unity, and positive relationships. Moreover, the paper deepens our understanding of how FBs have been affected by the Covid–19 lockdowns, and how they responded to the initial phase of the unprecedented situation.

*Keywords:* family business, roles, values, relationships, Covid–19

## Introduction

Family businesses (FBs) are an important and the most numerous business category worldwide. However, they have still not received the attention they deserve (Memili, Chang, Kellermanns & Welsh, 2015) and are frequently overlooked by researchers. In Slovakia's case there has been little research on FBs (Moresová, Sedliačiková & Kaščáková, 2020) despite the fact they create significant value, for example, by creating jobs in areas typified by job scarcity and creating wealth in country regions by deterring people from leaving the area to seek work opportunities elsewhere. These factors apply to Eastern Slovakia as well.

Few psychological studies have investigated FBs in the Central–Eastern Europe region. Hence, the aim of the paper is to contribute to qualitative psychological studies on FBs

in Slovakia. The recent history of FBs in Slovakia is relatively short as their existence was permitted only after the Velvet Revolution in 1989 (Krošláková, 2014; Strážovská, Strážovská & Sirotková, 2019). Hence, the “oldest” FBs in Slovakia are now about 30 years old. It is important to note that FBs are not specifically defined in the Slovak legislation (Slovak Business Agency, SBA, 2020). This complicates efforts to determine the share of FBs as a percentage of all small and medium enterprises in Slovakia. A rough estimate ranges somewhere from 60 to 80 per cent (SBA, 2018).

This paper yields three case studies of three small family firms operating in Eastern Slovakia, interviewed in January 2020 before the Covid-19 pandemic. The case studies focus on three theory-driven psychological aspects of family businesses: roles, relationships, and values. The research and theory on FBs indicate that these three aspects take on a unique form within FBs as they extend across both the business and family environments (Amarapurkar & Danes, 2005). I therefore begin the next part of the paper with a discussion on the theory relating to these three aspects of FBs: roles, values, and relationships. The three FB case studies are then presented with the aim of obtaining a complex picture of each FB, its unique story and the roles of its actors, values, and relationships. The unprecedented consequences of the global pandemic were also monitored. More specifically, the families were re-approached in the middle of the first Covid-19 country lockdown in April 2020 in an effort to investigate the effects of the Covid-19 pandemic on the family firms and actions taken. Finally, the findings of the paper are discussed along with their limitations, strengths, and practical implications.

## Theoretical framework

### Roles in FBs

As stated earlier, the dual nature of family businesses (rooted in the interconnectedness of work and family) means there are multiple roles family members can play in a FB. Each role, such as that of wife or business partner, comes with different expectations and responsibilities. These may be grounded in the person’s educational/professional background, family values and relationships and shaped by the cultural context and traditions (Danes & Morgan, 2004; Kidwell, Kellermanns & Eddleston, 2012). Often family members occupy several specific roles that are not (always) compatible and that can cause role-oriented conflicts and work–family tensions (Danes & Morgan, 2004). Moreover, in FBs owned by couples, the family roles are interconnected with managerial

positions and leadership. Research by Philbrick and Fitzgerald (2007) shows that women in FBs successfully handle the challenges of multiple–role responsibilities. This is in line with Hakim’s Preference Theory that holds that women are more “adaptive” than men (Hakim, 2000) and prefer to combine work and family life. Moreover, if the woman’s involvement in the FB is boosted by spousal support and a satisfactory work–family balance, it facilitates family functioning (Philbrick & Fitzgerald, 2007).

The effective and successful management of the multiple roles’ hinges on the clarity of role expectations (Kahn, Wolfe, Quinn, Snoek & Rosenthal, 1964). Additionally, if the roles of family members in FBs are clearly set out, the level of role ambiguity reduces (Kidwell et al., 2012) and family integrity increases (Danes & Lee, 2004).

### **Values in family businesses**

Central to family roles is the shared meaning that includes a family’s norms, beliefs, and values (Haberman & Danes, 2007). Founders and owners of FBs have unique opportunities to shape the structure, attitudes, norms, and values that prevail in the organization (Schein, 1983). As Vallejo’s (2009) research showed, shared values within a FB reflect the values of the family owners and influence trust levels, goals, and other elements of organizational behaviour.

The values shared by couples owning an FB shape the company culture and are disseminated among other family members and FB employees. Moreover, the founders not only set the values that guide their enterprise but have sufficient time on the job to ensure that their beliefs and preferences are incorporated into the culture and actions of their firms (Gagné, Sharma & De Massis, 2014).

Several studies have reported the effect of family values on the business and have shown that these are connected with business continuity (e.g., Miller & Le Breton–Miller, 2006; Tapies & Ward, 2008). According to Sundaramurthy (2008), trust is one of the fundamental values in FBs. In a similar vein, trust and loyalty are values that often distinguish FBs from other businesses (Eddleston, Chrisman, Steier & Chua, 2010; Eddleston & Morgan, 2014; Sundaramurthy, 2008).

### **Relationships in family businesses**

Relationships play a crucial role in FBs and differ from those in non–FBs. Family business relationships are more complex, largely because of the overlap between the

family and the business environment. Previous research has suggested that the larger the firm, the greater the complexity of the relationships positively affecting family firm resilience (Bryant & Zick, 2005). Small FBs tend to have fewer resources and limited access to credit, compared with medium or large enterprises (Dahlhamer & Tierney 1998). Relationships and networks are the cornerstone of familiness (family firm specific influences) as a process resource (Irava & Moores, 2010; Zellweger, Eddleston & Kellermanns, 2010). Habbershon and Williams (1999) identify familiness as the unique set of resources created through interaction between the family and the business.

There is a general awareness that the relationships in an FB are fragile but also powerful and so should be protected and maintained; otherwise, cooperation or even the whole business will inevitably collapse. Moreover, Cole (2000) argues that the relationships in a FB are dual owing to the spill over between the work and family context; hence the two people have to manage two relationships simultaneously. In anticipation of, or in reaction to, difficulties that surface within the FB, the owners may attempt to build a culture of trust, cohesive relationships, and involvement-oriented environments, all of which contribute to behaviours that benefit the family firm (Eddleston & Kellermanns 2007; Miller et al., 2008).

Therefore, the questions I seek to answer in this paper are: a) *What roles do owners identify in small FBs?* b) *What values do owners emphasise in small FBs?* and c) *What relationships do owners identify in small FBs?* Given the global Covid-19 pandemic, our aim is to explore the consequences of the pandemic and the actions FBs have undertaken in this unprecedented situation.

## Method

In this study a qualitative approach was employed to obtain a detailed investigation of work–family roles, values, and relationships. Data were gathered in two waves with family businesses in Eastern Slovakia. The data were treated as confidential; the transcriptions were anonymised and the recordings were deleted once they had been transcribed.

The selection criteria were small firm (of up to 20 employees), with variability across business sectors and spousal joint ownership. The FBs were contacted by email about their willingness to be interviewed. Personal contacts were used first and then the snowball method to disseminate our request for participation.

Thirty FBs were contacted by email and invited to take part in the research. In the first wave, 10 FBs agreed to participate and were interviewed in January 2020. These firms were re–approached in the second wave in April 2020 during the country–wide Covid–19 lockdown. This time, most probably owing to the overall pessimistic and exhausting situation regarding the lockdown, only three out of the original ten FBs agreed to participate. Consequently, the data from these three FBs alone were used for the purposes of this paper. Based on my overall knowledge and experience of interviewing the 10 FBs, I cannot see any significant differences between these three and the other FBs. However, I would emphasise that, in the three participating FBs both owners (husband and wife) were equally involved and engaged in the FB.

In the first wave of the study, I aimed to answer these questions: *What roles do owners identify in small FBs? What values do owners emphasise in small FBs? What relationships do owners identify in small FBs?* In the second wave, my aim was to discover what strategies the FBs had introduced during the Covid–19 lockdown.

### **Interview design, data collection and analyses**

Altogether six face–to–face interviews were held with the owners of each company (husband and wife). The typical length of interview was, on average, 40 minutes. The interviews were recorded and transcribed. The interviews were structured into four segments with the help of these questions: a) *“Could you please briefly describe the type of business you run and the story behind it?”* b) *“What roles do you each have within the family business and what are your family duties?”* c) *“What are the values that underpin your family business climate and are there any that are common to both the family and the business?”* and d) *“What sorts of relationship have you formed and do you maintain in your family business?”*

Furthermore, all three FBs were re–approached (online) during the Covid–19 lockdown and the owners were asked about their experiences and the consequences of the pandemic for them. They filled in an online questionnaire consisting of three open–ended questions: a) *“How is your family business coping with the Covid–19 situation?”* b) *“What consequences has the Covid–19 lockdown had on your family business?”* and c) *“What actions/strategies have you/your family business undertaken?”* Respondents were encouraged to talk about and write down all situations they thought relevant to their Covid–19 experience, not just recent ones. This questionnaire was completed by the FB as “the respondent”, rather than by the individual spouses as was the case with the interviews. However, sometimes it was possible to distinguish the respondent’s gender based on the

grammatical inflections used, and where this was the case, the gender was added to the respondent’s quote.

The data were analysed in three steps. Firstly, a content analysis of the interview transcripts was performed, in which the characteristic features of the family business were highlighted based on the three theory–driven aspects (roles, relationships and values). The responses from the FB owner–couple were either identical/similar, that is, they saturated the same category, or differed, mainly due to the different roles assigned, that is, they expanded the category or indicated a new one. In this way, the “disagreements” in the interview content were representative of a “different viewpoint”, and as such were a valuable contribution to the overall picture of the family business. The findings were then organised into three case studies. Secondly, an attempt was made to visualise the FBs via the content of the interviews. The content of two interviews per FB was squeezed into a single word cloud (using atlas.ti) to show the most frequent words used in the interviews. Finally, the online data exploring the Covid–19 impact covering actions, strategies and consequences for FBs was processed and content analyses were performed.

## Participants

Three first–generation family businesses in three sectors (information and communication technology, ICT, manufacturing, and tourism) participated in the study. All three were founded after the 1989 Velvet Revolution in what was then Czechoslovakia and have been operating in the market for between 13 and 30 years. They are all small companies with up to 20 employees and based in Eastern Slovakia (see Table 1).

Table 1  
Overview of the three family businesses

Family Business	C1	C2	C3
<b>Established</b>	1990	2005	2007
<b>Sector</b>	ICT	Manufacturing	Tourism
<b>Ownership</b>	Husband & wife	Husband & wife	Husband & wife
<b>Setting</b>	Urban	Rural	Rural
<b>Number of employees</b>	6	3	5-15
<b>Children involved</b>	No	No	Yes
<b>Other sources of income</b>	No	No	Yes

The interviews were conducted with six participants separately (three males and three females, aged between 47 and 53 years). All six are the owners of the respective FB along with their spouses (three couples). The online Covid–19 lockdown questionnaire was completed as a “collective” response from the family business. All respondents participated in their free time and on a voluntary basis.

The interviews and questionnaires were conducted in Slovak, as were the analyses. Once the study had been completed, the results of the content analyses and selected quotes were translated into English by a professional translator. These data enabled a case study to be created for each of the three FBs. The findings are presented below to provide a deeper understanding of the FB processes and dynamics.

## Results

In line with the aims of this paper, I briefly introduce the FB case studies and present what the content analysis of the interview transcripts revealed about the FBs. To keep the FB stories compact, the content is organised into four sections: a) Description; b) Word cloud; c) Roles, values, and relationships; and d) Covid–19 consequences and actions. Quotes from men are marked (M) and quotes from women (F).

### Case study of family business C1

#### Description

This FB was founded in 1990 as a family firm by a couple, both having recently graduated from university. The husband was a programmer and thought the freedom to engage in entrepreneurship after the Velvet Revolution in November 1989 in Czechoslovakia offered opportunities. The decision to start a family business was spontaneous:

*“Everything happened so that it somehow pulled us or as it were led us somewhere without us planning or thinking about it, will it have advantages, disadvantages, do we want it, do we not want it? And so we somehow went into it throwing caution aside, head on. So basically, I wouldn't say it was a decision. This is how it turned out, it started itself.” (M)*

In addition, both owners stressed that they were lucky:

*“At that time, really, we were also lucky with people, in short, we met people of the kind of character that it just came into being, I would say it absolutely created the environment.” (M)*



Further, they noted they were learning on the job because they were never taught how to run a business at school or university:

*“Because our whole lives we had studied something different to what we started doing when we finished our studies. So basically, the technology, we knew a little bit about it, but there was no such thing as running a company, running a project, organising a business or anything like that at the time, no one knew anything, it didn’t exist.” (M)*

They began developing software solutions. The woman was an accountant and so did the finances and the administration, while the man was a programmer and so was responsible for product development.

*“...we founded the company together – with my husband – 30 years ago, and we purposely went into software development.” (F)*

At the time of the interview C1 had an additional six employees alongside the two owners. Their offices are in the family home (in a small town). Working from home is an everyday routine for this FB. There are three children in the family (aged 8, 14 and 19 years) but there is no prospect of them taking over the FB now. As parents, the FB owners noted:

*“They [the children] have their own interests that are incompatible with the FB activities so far.” (M)*

*“The children are going their own way and I have no idea who I will give the company to.” (M)*

*“...sometimes I do have the feeling that the fact they [the children] were exposed to all the situations and experiences of FB, that we [the parents and FB owners] have discouraged them from following us.” (F)*

## Word cloud

To gain deeper insight into C1, a word cloud of the most frequent words in the interview transcripts was created, shown in Figure 1. The C1 discourse created by the owner couple was specific in that *work* (both noun and verb) was the most frequently mentioned word, followed by *firm* and *family*. Several verbs describing action, communication (*tell/talk*; *think*) and discipline (*must*) were used during the interview, which fits with the overall impression that both the firm and household are highly active.

Figure 1  
C1 word cloud



### Roles, values, and relationships

In C1 the division of owners’ roles is quite structured (see Table 2) and seven role categories were identified. The *founder* role was described with nostalgia and emotion after over 30 years of running the FB. The male founder’s role here was also complementary with the role determined by his *education* as “a programmer” which led him to establish an FB in the information technology sphere. Some of the value categories identified and displayed in the word cloud confirm that values were mentioned within the FB owners’ discourse. Hence, I could assume that the C1 owners are in fact living life according to the values of *family*, *openness in communication* and *cohesion* both as a family and a firm. The relationships mentioned by the C1 owners fall into five distinct categories. They all concern positive forms of relationships, emphasising *partnership*, *mutual support* and *enrichment*, and referring to both domains: work (FB) and family.

Table 2  
Results of content analysis of roles, values, and relationships in C1

Company C1	Category	Quotes
Roles	Multiple roles	<i>I am the director of the company, the main owner of the company, the main head of development and I am basically mostly responsible for the running of the company (M)</i>
	Roles by education	<i>I'm basically a programmer (M) I have a degree in finance and management. So, the paperwork stuff was closer to me, I haven't studied computers or programming at all (F)</i>
	Combined work–family role	<i>We spouses are the main owners (M)</i>
	Managerial role	<i>I do more of the technical, management side (M) She does the administration, management, running the company in terms of the administration, public offices (M)</i>
	Complementary roles	<i>...and we complement each other (M)</i>

	<b>Founder(s)</b>	<i>He had his vision, and he actually realised that vision...(F) ...since its [C1] creation, I've been a part of it, I came up with the name of the company, and the softer things in general (F) ...because we are part of the company, so for sure it's like you are nurturing, or praising your child, so I think so, yeah for sure...(F)</i>
	<b>Gender roles</b>	<i>I, as a woman, am already in that role, at that time actually the paperwork was my role...(F)</i>
<b>Values</b>	<b>Fair cooperation (responsibility)</b>	<i>The company is built on responsibility for itself, how can I put it, in our company there are basically flexible working hours, days off, it is built more on long-term fair cooperation or coexistence (M) the huge freedom to actually decide for ourselves, that we are responsible for ourselves (F)</i>
	<b>Trust</b>	<i>...even trust, it is also based on trust (M) ...trust is important, it is absolutely key so that a person can feel secure, or I would say, so that they can feel relaxed, or what do you call it, or ... I just think it's impossible without trust (F)</i>
	<b>Unity (we)</b>	<i>to recognise that everyone matters and on the other hand I know that everyone has their abilities so then (M) And to ensure that unity, we are in the same boat (F)</i>
	<b>Cohesion</b>	<i>cohesion is needed, it is clearly needed, it is impossible to work without it (M)</i>
	<b>Family values</b>	<i>I think it's just the respect and trust that we have among us as an organisational culture.... it all works just like in our family (F)</i>
	<b>Openness in communication</b>	<i>Communicate, communicate, communicate, all the time, because sometimes we can come up with something better, if it comes unstuck in communication, and misunderstood, then we're not pulling on one rope and then it doesn't function, it doesn't work (F)</i>
<b>Relationships</b>	<b>Partnership</b>	<i>And whatever decision XX [the husband] wants to make, he always comes to me and we consult on it together. And the two views are then compared (F)</i>
	<b>Support (beyond the limits of work)</b>	<i>we are basically in the same boat (F) even the social feeling in the company, when something happened to someone, we supported them and understood them not only in terms of work (M) our colleague who has been battling a disease for five years, in fact, is not able to work to the same extent as he did before, he's had a partial disability pension for three years, but the company unanimously agreed that there would be no pay cut, because it could have happened to any of us (F)</i>
	<b>Keeping relationships natural</b>	<i>... what comes naturally to us, we try to do that in the company as well, in terms of communication, cooperation, relations with people, whether employees or business partners (M)</i>
	<b>Richer through relationships</b>	<i>well... I think we become richer (F) I know him through the work side as well, so it probably influences that satisfaction (F)</i>
	<b>Bonds</b>	<i>but actually what we already have together has created very strong bonds. Even outside our married life (F)</i>

## Covid-19 consequences and actions

Interestingly, in the three-week national lockdown the C1 owners reported no significant changes at work:

*"We still do normal work at home, so from the work point of view, there is no difference."*

But there the everyday family routine did change because during the lockdown all the schools were closed and pupils studied online from home:

*"The difference is in the family. My little daughter is at home and I study with her at home, so there is less time to work." (M)*

The fact that there was apparently less time for work turned out not to be an issue because the change in the work pace was perceived positively by the FB owners:

*"...from many points of view, more rest."*

Time spent completing the questionnaire was also useful, providing an opportunity for the FBs to reflect and gain insights:

*"Finally, someone made us sit down and look at the business from a different psychological perspective." (M)*

Both FB owners said they were worried about the future, noting that there was no back-up plan for the worst-case scenario (FB termination):

*"...because we are both in the same company, that means that if they fail, they both fail, when we're doing well, we're both doing well...but when the business fails... That's the disadvantage of both being in the same boat."*

## Case study of family business C2

### Description

C2 is a FB that has been manufacturing furniture since 2005. The husband is a professional carpenter who started his own business in 2000. With the growing amount of work, his wife joined the business in 2005, taking on the administration and invoicing roles (she studied at a business college).

*"I took care of his invoices. It was just getting so much that it couldn't be managed anymore, so I decided, he convinced me to leave the job that I had and I started working with him. And we have been together since then." (F)*

*"I am a trained carpenter and I still enjoy the job. I had to involve my wife, because I was no longer able to handle all the tasks myself. And women have a different view of certain things to men." (M)*

At the beginning, it did not go smoothly. They worked hard but had modest expectations:

*"Those were years of hard work. We did the first 10–15 years working until the evening, we worked weekends at a stretch... You could say we had the weekend off. We just made a commitment that we wouldn't work on the weekends." (F)*

To succeed means to follow the latest trends and keep learning:

*“But I go to the training with my husband – regularly. We need to know the latest trends, new things. We meet new people.” (F)*

*“I am most pleased with the customer satisfaction. We use the latest trends, we try to apply them as much as possible in practice.” (M)*

C2 has three more employees besides the two owners. Their office and workroom are situated in the small town the family lives in. They have two children (aged 16 and 18 years), with no prospect of the FB being handed down to them. The main reason being the carpentry and that neither the son nor the daughter have inherited this skill from the father. But the FB owners remain optimistic, humorously stating:

*“For the next carpenter in the family we’ll have to wait for the grandchildren.” (F)*

### Word cloud

To provide deeper insight into C2 I present in Figure 2 the words that occurred most frequently in the interview transcript. In the interview with the couple owning C2 the word *family* dominated, followed by *work* and *enterprising*.

Figure 2  
C2 word cloud



### Roles, Values and Relationships

Out of the three FB interviews, this transcript was the shortest one. The interview with the manufacturing sector couple mirrored their everyday habit of working hard and not speaking much. Despite *family* being at the centre of C2’s general discourse, the role categories identified were all work–related. This could stem from the C2 strategy of separating work and family life. However, in the value categories the family was presented as the most important value (see Table 3). The C2 owners were also parents

who wanted to disseminate the essential values of work to the family and vice versa. In the process of ascertaining the nature of the relationships, five positive relationship categories were identified in C2, which were both family and business oriented. The value of (product) *quality* was interconnected with maintaining positive long-term relationships with customers. Besides the relationships associated with the family and work, the spousal ties were described as strengthening and entailing a growing mutual *admiration*.

Table 3  
Results of content analysis of roles, values, and relationships in company C2

Company C2	Category	Quotes
<b>Roles</b>	<b>Multiple roles</b>	<i>I am in charge of the orders, customers, orders from suppliers, all the business relations, accounting...basically all the things that have to be dealt with before it [the furniture] is made.</i>
	<b>Work based description</b>	<i>I'm a kind of workaholic too (F)</i>
	<b>Roles by education</b>	<i>I am here because of the production, the quality of the products... I am a trained furniture maker (M)</i>
	<b>Complementary of roles</b>	<i>I had to involve my wife because I was no longer able to handle all the tasks myself (M)</i>
	<b>Gender roles</b>	<i>[I had to involve my wife]...And women have a different view of certain things to men (M)</i>
<b>Values</b>	<b>Quality</b>	<i>do everything 100 percent... make things and decisions so that we needn't be ashamed of our name (M)</i>
	<b>Trust</b>	<i>We rely on each other doing their job as they should. So basically trust is still important. In everything (F)</i>
	<b>Team cohesion</b>	<i>We help each other (M)</i>
	<b>Family</b>	<i>For us, the family is most important, it comes first (F)</i>
	<b>Blended values (business and family)</b>	<i>we try to teach the children a sense of responsibility, but we've always been like that... That's how it all blends in - the family with the company, so the way we are at home, we're the same in the company (F)</i>
	<b>Honesty</b>	<i>Don't lie (M)</i>
<b>Relationships</b>	<b>Family-like relationships</b>	<i>the family is also in the company. That's why we never wanted a big company. Never. Because then the family would be lost (F)</i>
	<b>Long-term business relations</b>	<i>customer relations. We have an awful lot. Long-term customers, we made something for grandma, made something for the children and now we're making something for the grandchildren. That's such a good feeling (F)</i> <i>...When you have good relations with suppliers. It's always better. For example, a while ago there was a customer we assembled a wardrobe for, my husband didn't have the right change, so he left it at that and then he brought back the rest of the money (F)</i>
	<b>Positive relationships</b>	<i>It's always better when you know you don't have to hide from those people. When you know those people are happy to see you, then it's fine (F)</i>
	<b>Partnerships</b>	<i>We are more together we are forced to decide things together. We respect each other's opinions more, we don't argue about the little things (M)</i>
	<b>Admiration</b>	<i>I value my wife more and more (M)</i>

## **Covid-19 consequences and actions**

In C2 the country lockdown stopped business completely:

*"We have not placed a single order since the state of emergency was declared."*

Despite the difficult situation the owners tried to avoid dismissals by claiming government support:

*"...we don't want to resolve the situation by laying off employees."*

The main reason was that they value their employees' work and it was important for the business to keep them on. On the positive side they reported innovations with all family members participating:

*"It moved us forward, we want to expand the range of services for our customers. We have offered customers the possibility of electronic communication and we are working to improve the business in the future."*

However, in general they did not perceive the Covid-19 lockdown as having a positive effect on C2:

*"There is not much you can say about the benefits. Rather, it's a test of unity."*

*"[there is] no income for the company and therefore none for the family. On the contrary, spending has increased."*

They reported many issues and disadvantages:

*"The biggest disadvantage is that the whole family is dependent on the income from the business. So the whole family suffers from the lack of income."*

Summing up the situation in C2, they were worried about the future and the lockdown consequences:

*"Closing businesses can have a much worse and longer-term impact on families than the virus itself."*

## **Case study of family business C3**

### **Description**

The final business C3 entered the hospitality/tourism sector in 2007. Their focus is on catering and accommodation, and, in the last few years, organic farming. The owners

(a husband and wife, both with secondary vocational education) have been working for the company from the beginning.

*“The family business also has its charm. My wife and I travelled a lot and we experienced some of the business sectors abroad, and then we decided that yes, we would go for it, because we saw that we were both the type to be able to manage it.” (M)*

*“... we had a very big house and we created a guest house. That’s how it started. And somehow it gradually developed.” (F)*

The husband (besides owning the FB) also works for a big regional production factory as an employee and so most of the day-to-day running of the FB is overseen by the wife.

*“She [the wife] is the “responsible one”. And of course, the fact is that she is here in the business and she cares about it, because she already feels like it’s hers, because she’s the owner, she decides.” (M)*

*“The family business was a dream that came true...I would say so, a dream come true. Definitely a dream come true. I used to dream it.” (M)*

The only son (18) helps out with the business. He enjoys it and the father (parents) sees him as the future of the company:

*“He learned quickly, he behaves well, he is intelligent, he also got a good education at school... So, he’s fine for a few years and in my opinion, he will be a full member of the business, he can take over as the manager. I’m not telling him yet so that the fame doesn’t go to his head, but I think, with the fact that even in the family it was always set up and talked about, it motivated him so much that he is also learning and getting educated here in the business.” (M)*

*“And he actually suggested that he could help us with this or that. And he chose that school himself, which also directs him to the family business. We never forced him to continue. He can decide his direction at any time, but I see that he is enjoying it at the moment.” (F)*

The additional value of their family business is creating a job opportunity for the son:

*“...so, our son hasn’t gone abroad, so he’s at home and enjoys it, as it’s a benefit that we saved at least one who didn’t go abroad.” (F)*

The FB has up to 15 employees (depending on the season) besides the two owners. The premises that the family live in are part of the FB guest house and restaurant complex



which is in a small village in the countryside. The owners' only son (aged 18 years) helps with all the work and seems likely to be the FB successor.

### Word cloud

To obtain deeper insight into C3 I present the words that occurred most frequently in the interview transcript in Figure 3. In the discourse on the owners, similarly to those of C2, put *family* above everything, followed by *enterprising*. This reflects the fact that, as they stated in the interviews, the FB owner couple see family (-like) relationships as an essential part of the company culture.

Figure 3  
C3 word cloud



### Roles, Values and Relationships

The division of owners' roles in C3 was sorted into three categories. There are fewer role categories because many of the roles the owners took on came under the category *multiple roles* and the universal category of *role awareness* (see Table 4). Some of the value categories identified are displayed in the word cloud, such as *family*, *trust*, and *well-being*. The only value identified in C3 relating to the company's rural environment (agrotourism) was *tradition* and preserving customs for future generations. The relationships mentioned by the C3 owners came under four categories. They all concerned *positive relationships* and emphasised the family and *family bonds*.

Table 4  
Results of content analysis of roles, values, and relationships in company C3

Company C3	Category	Quotes
Roles	<b>Multiple roles</b>	<i>The main thing (my role) is pricing and company strategy (M) ... he takes care of the kitchen, the purchasing of the ingredients, pricing (F) Well, I take care of the guests. And the interior design of our premises. (F)</i>
	<b>Roles by education</b>	<i>I'm a trained grocer in a specific field, yeah, ...(M)</i>
	<b>Roles awareness</b>	<i>Everyone just needs to be aware of their role in company.(M)</i>
Values	<b>Fair cooperation</b>	<i>So the trust in being helpful to one another (F)</i>
	<b>Tradition</b>	<i>that it is a family company, based on tradition. What we can offer here in the countryside, because we are in the countryside, far from the capital, so we can only offer tradition (M)</i>
	<b>Trust</b>	<i>...without trust no one can work these days. No one can even exist without trust (M) In fact, the family business – plus or minus – works everywhere on the same basis of trust (M)</i>
	<b>Quality</b>	<i>That the quality, the precision, when it is maintained and it is constantly improving, it is profitable in the long run (M) honest work (M)</i>
	<b>Well-being</b>	<i>It is important that everyone feels happy there. As is the case with us as it comes first, that the staff are fine (F)</i>
	<b>Family</b>	<i>the person (me) has already grown up with the values that you must have your family around you, is the biggest value for me now. That I'm together with my family (M) That family stability. Everything with that has to do with the family, so. Those family values remain (F)</i>
Relationships	<b>Friendship</b>	<i>with us it is friendlier, deeper relationships (F)</i>
	<b>Positive relationships</b>	<i>It is very important for us to have such a harmonious atmosphere around us (M) Because that's the only way we can provide our guests with those services as well, the valuable services of how to deliver with love, as love comes first (F)</i>
	<b>Family like relationships</b>	<i>But I have, so far I would say, to a greater extent, employees, that for what they are here in this team for, I can rely on them (M)</i>
	<b>Bonds</b>	<i>that the family is so much more united since we do business on a larger scale. As long as we were small, there is only the close family, but now it is bigger (F)</i>

## Covid-19 consequences and actions

In their responses the owners of C3 reported that the FB had done no business during the lockdown period:

*“a complete shutdown here.”*

They enjoyed their family time together:

*“Rest, shared conversations...also on the topic of the family business...”*

and making plans together:

*“such as later this year, what new things we can offer, time to re-evaluate our services, respond to demand.”*

They also revealed some financial issues and uncertainties:

*“no income from the business, the expenses remain, we have to pay...”*

*“We cannot estimate when the tourism sector will start. Will people still travel in 2020?”*

The C3 owners, for now, are staying optimistic and express hope for the future:

*“perhaps domestic tourism /holidays in Slovakia/ will be will be more popular with Slovak citizens than travelling abroad in the second half of 2020, but also in the coming years.”*

## Summary of results

Before proceeding to the discussion, I would like to end this part of the paper with a short summary of the similarities across the three case studies. All three FBs are under spousal ownership and are run based on vital spousal cooperation, drawing on their individual strengths and complementarity of skills, knowledge, and experience. Several other similarities were identified in the three case studies. The first concerns their roles: two role categories that were identified in all three FBs were *multiple roles* and *roles (determined) by education*. There was also some spill over between the multiple roles that could be seen in the everyday routines, in contrast to the negative (conflictual) form of work–family spill overs. All three FBs are small enterprises with a significant family impact, which means that, beside the overall focus on business activities, the values of *family* and *unity* remain crucial. Furthermore, *positive relationships* both inside and outside the family were reported as a (pre)condition of a successful FB.

Another similarity relates to *succession planning*. This was (is) a neglected aspect in family businesses in Slovakia in general (SBA, 2019), and it stems from the lack of strategic planning by FBs, even though succession failure could have a severe impact on many FBs.

Regarding the findings from the online questionnaire about the Covid–19 consequences, *dual ownership* and *being reliant on a single–family enterprise* as the family’s only source of income stood out as being a risky combination in unexpected situations.

## Discussion

The study aimed to contribute to the psychological studies on FBs by creating and presenting three case studies of small family enterprises. Another contribution of the

study is that it explored three important psychological aspects of FBs at the same time: role, values, and relationships. Hence the case studies give a more complex picture of family business dynamics.

The study and analyses of the interviews and questionnaire content revealed information on roles, values, and relationships. More specifically, the broadest role category identified in the FBs was *multiple roles*. This is not surprising given that the multiple roles category refers to the number of roles held by FB owners, who are also parents, spouses, managers and so on. Where there were multiple roles the businesses reported *no conflict*, in contrast with some previous research findings (Dyer, 1994). It could be assumed that this was due to the natural spill over between work and family in the family businesses. The emphasis in these FBs was on marital unity and spousal support within the business–owning couples. The FB discourse clearly showed how the business–owning couples were able to benefit from acknowledging the strengths and experience of the spouses. Moreover, there are research findings indicating that spousal support facilitates family functioning (Philbrick & Fitzgerald, 2007).

Content analyses provided further insight into FB values. *Family* and *Trust* were two values that all three FBs mentioned. This is in line with FB research confirming that FBs have a unique organizational culture based on the importance of ties and reliance on family members. The idea that perceptions of the family are a crucial value is confirmed in research by Habbershon (2006) showing that family influence is more extensive in smaller firms. There is also a consensus that familial trust, as well as familial and social relationships, are important facilitators of business (Pearson & Carr, 2011). Moreover, when trust is valued in FBs, it can reduce the need for the controls and formalisation that tend to occur in non–family businesses (Mellewigt, Madhok & Weibel, 2007; Weibel, 2007). Other values identified in two out of the three FBs were fair cooperation, team cohesion, quality (of work and products) and openness in communication, confirming the importance of trust–building group values.

Regarding the focus on the relationships, several categories of *harmonic* and *functioning* relationships were revealed, such as bonds, partnerships, and family–like relationships with non–family employees. Family business–owning couples generally described the relationships as evolving over time, being deeper and stable, and the result of all the business experience and time spent together. The presence of positive, caring family relationships should have positive outcomes for FBs. As previous studies have shown, positive relationships enhance firm performance (Eddleston & Kellermanns, 2007) and

strong bonds encourage family members to act in the best interests of the firm (Kidwell et al., 2012).

### Running a FB in times of crisis

The responses from the three FBs on *Covid-19 consequences and actions* revealed some considerations that were put into practice. There were several similarities between these and “Ten considerations for effectively managing the Covid-19 transition” (Habersaat et al., 2020). In all three FBs, the owners reported taking action to establish a “new normal” approach. They were caring as much as possible for their family members but not forgetting about their non-family employees and their stories. They also aimed at staying positive, sticking together, and supporting each other. Moreover, some sectoral differences were identified in the FB owners’ reports of the Covid-19 consequences. The FB operating in the ICT sector reported that the Covid-19 lockdown had had some effect, but the opposite was true for FBs in the manufacturing and tourism sectors. The unexpected nature of the pandemic revealed the most vulnerable aspect of FBs: the whole family depends on the income and prosperity of the FB. This finding is in line with a report by the SBA (2018). Some of the responses of the FB-owning couples indicated worries and insecurity. This shows the fragility of FBs in relation to the economic consequences and whole-family dependency on FB prosperity. Finding other incomes sources is becoming a less and less realistic proposition, given the recent increase in unemployment rates around the world. The Slovak unemployment rate jumped from 6.7 per cent (April 2020) to 7.4 per cent (June 2020), and was highest in Eastern Slovakia at 11.2 per cent (upsvr, June 2020).

Further, the case studies show that these particular FBs are in a complex situation at a time when their founders (the first generation of FBs) are reaching the point where the next generation should be entering the businesses.

### Limitations and strengths

The findings of this paper are based on analyses of three FBs in one region of a country; hence they are not more widely generalisable. Another source of potential bias is the emotive state of the participants when describing their FB, which could have led to positivity and optimism prevailing over negative recalls. In future, the data collection method could be improved by adopting a broader range of FB actors and combining the views of the FB owner with those of the family and non-family employees and/or customers.

The strengths of the study are also worth a mention. One strength is the attention paid to the FBs from a psychological point of view. As mentioned earlier in the results, the FB owners thought participating in the interviews had helped them gain insights into their FB from a different perspective. Another strength of the paper is that it gives a voice to FBs in Slovakia, who need to be heard and accepted by policy makers and the authorities as well as academics.

## Practical implications

There are several practical implications of our research that may prove useful to FB owners and/or FB managers and organizational practitioners:

- The present FB research has shown that *roles*, *values*, and *relationships* are important psychological aspects of small enterprises. From the perspective of work and organizational psychology practitioners and FB owners, it would be worth re-communicating these aspects after a certain period of time to ensure responsibilities, tasks and behaviours are clear and brought up to date within the firm/organization (e.g., one FB owner claimed the “roles were assigned”, but it is not clear whether the employees and other family members recognised this role assignment; the same applies to values and relationships);
- Businesses/families have no back-up plans for unexpected situations and, as the first Covid-19 lockdown in Slovakia revealed, all three FBs were mainly dependent on a single income source. The challenging and changing circumstances highlighted the fact that FBs need to be both alert and flexible in order to safeguard their incomes and business;
- As mentioned previously in the summary of the results, the issue of succession had not been addressed much by the FBs interviewed. The majority of FBs in Slovakia are now reaching the phase of (first) generational change – 30 years after the political changes that created opportunities for all forms of commercial enterprise. The insights gleaned about the FBs show that succession planning is neglected, and that lack of succession may have a severe impact on the sustainability of many FBs. These findings should help to focus attention on this issue.

## Conclusions

Family businesses in Slovakia find themselves in difficult circumstances. In general, on the national level there is insufficient support from the state authorities, and on the business level a key problem is the lack of successors. Moreover, this is all taking place amidst a global pandemic. The current paper focuses on three psychological aspects (roles, values, and relationships) that are important for the stability and continuity of FBs. It also highlights the FBs' immediate reactions in the initial phase of the unprecedented global pandemic.

On a personal level, I would like to pay tribute to all the families that have established FBs and who are following their dreams and working with passion and dedication for both the family and the region. I also hope that the stories of these family firms bring together the research (theory) and practice and form useful case studies of small FBs. I would be delighted if the case studies prove useful to practitioners, FB owners and managers, as they paint a relatively complex picture of FB dynamics, actions and behaviours and represent a source of information from which there is much to learn.

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