KATARZYNA SZCZEPAŃSKA-WOSZCZYNA*,
ZDZISŁAWA DACKO-PIKIEWICZ**

REPUTATION AND VALUES OF FAMILY BUSINESSES – IN SEARCH OF THE RELATIONSHIP

Introduction

Reputation capital is a valuable source of knowledge which allows for competitive advantage and development. This means that company reputation is perceived in both an economic and financial context [Adams et al., 2002], as well as the social dimension of its activity [Martin de Castro et al., 2004]. Thus, one could say that reputation is a determinant that influences company development. The permanent foundations of reputation are based on credibility, respect, trust, confidence in the company's future behaviour, reliability and recognition. Companies with a good reputation are characterised by visibility, transparency, individuality, consistency, and authenticity [Szczepańska-Woszczyna, 2018].

Family businesses are a specific group of business entities. They are characterised by the concentration of ownership, control and maintaining key positions in the management structure by family members, even after the company founders have withdrawn [Bertrand, Schoar, 2006; Bell, 2002]. They are heterogeneous, which is typical of companies from the SME sector [Fernández, Nieto, 2005]; but family businesses are also often large enterprises, which further increases the heterogeneity of this category of companies.

A family business, understood as a company-family-individual system, combines three value systems. Values, feelings and intellectual processes which define the family's

* **Katarzyna Szczepańska-Woszczyna, Ph.D., Associate Professor** – WSB University. ORCID 0000-0003-0731-8049.

** **Zdzisława Dacko-Pikiewicz, Ph.D., Associate Professor** –WSB University. ORCID 0000-0003-4542-5574.

internal world and processes taking place within the organisation are intertwined and interdependent. If their values coincide, and subsystem members act according to similar rules to pursue goals, a synergy effect is created. Business, family and individual values merge at many levels of the operation of the company. The specificity of family businesses is that the owner-family shapes a business in a way that family members cannot in businesses that are not family-owned [Lansberg, 1983].

Even though a steadily growing body of research is an evidence of growing interest among both researchers and practitioners in the issue of family businesses, family business reputation and its relationship with the values of owners and a company is relatively poorly recognised. Despite new research on family business reputation over the last decade, there is no one comprehensive picture of the topic. The main goal of the study was to identify key values in family businesses that are important to owners and family members, and to analyse their importance in the process of building and managing reputation in family businesses. In order to do so, the following research questions were formulated: which values are of significance in a family business? what is the significance of values in the process of reputation building? do they have influence on the management of businesses?

1. Theoretical and cognitive aspects of reputation

Reputation is identified as a resource that provides the company with a competitive advantage and constitutes a significant barrier to entry; creates the interaction between the organisation and stakeholders in the process of reputation-building. In strategic terms, reputation is a company's resource that creates market barriers and builds a competitive advantage, as well as is an important factor that facilitates the company's expansion into new sectors, especially those where reputation can be transferred; in terms of marketing, reputation is a feature that determines the stakeholders' associations with the corporate brand.

Reputation is defined as the aggregated assessment of the company's past, present and planned activities, based on the perception of various stakeholder groups (customers, employees, suppliers, local communities, financial institutions, investors, public administration, media and others) [Fombrun, van Riel, 1997; Post, Griffin, 1997; Baden-Fuller, Ravazzolo, Schweize, 2000]. Reputation is associated with trust and security linked to the past and forming the basis of credibility. Reputation is created over time based on what the organisation has done and how it has behaved in the past [Dowling, 2016]. Reputation is based on corporate identity, which reflects its real features. Its significance is particularly important for companies which operate in sectors where trust between contractors is the fundamental value. The impact of corporate reputation and brand on consumer purchasing decisions has been observed in mature markets for many years.

Barnett, Jermier and Lafferty [2006] attempted to organise and systemise the concept of reputation, deciding that it was shaped by awareness, assessment, and is an asset. In the first approach, observers or stakeholders are generally aware that a company exists, but they do not evaluate it; "perception" is important – reputation has been defined as the aggregation of tacit, networked, and global perception, as well as a reference to knowledge and emotions that relate to a company because they indicate its awareness. The second approach indicates that stakeholders are involved in the assessment of the company (they use terms such as judgment, estimation, evaluation). Finally, the third approach treats reputation as something which is valuable and important to a company, as an intangible, financial or economic resource, however, considered by some authors as a consequence of reputation.

People develop their beliefs about an organisation based on their relationship with it and knowledge of its nature, efficiency, products and services, and behaviour. This knowledge can be based on individual relationships with the organisation, its past behaviour and other information that people provide about the organisation. Fombrun, Gardberg and Sever [2000] believe that reputation is shaped by factors such as: emotional feelings, products and services – their quality, reliability and value are assessed, financial achievements, environment, the scope of action and the ability to lead – how clearly the company manifests a vision of action and leadership strength, and the issue of social responsibility – assessing whether the company behaves properly towards partners, employees and the environment. According to Alsop [2004], corporate reputation consists of, among others, financial results, working conditions, the quality of products and services, the method of exercising power and business management, the vision and strategy implemented by the company, as well as the emotional ties between stakeholders and the company.

2. Values as the foundation of family business reputation

The specificity of family businesses lies in the fact that an owner family shapes a company in a way that family members are not able to do in non-family owned businesses [Lansberg, 1983]. The role of the owner and his or her family in the business management process creates its unique features, which on the one hand can constitute their competitive advantage, and on the other hand can turn out to be detrimental to their development. The paradox of family businesses is that their features at various stages of development are the strength and source of their success or weakness and cause of failure. In times of uncertainty, key (fundamental) family values can ensure the continuity of decision making. Nevertheless, stable values can inhibit and limit entrepreneurial behaviour and strategic change [Jeżak, Popczyk, Winnicka-Popczyk, 2004; Fletcher, Melin, Gimeno, 2012].

Family businesses are characterised by long-term orientation [Miller, Le Breton-Miller, 2006], the identification of the family with a company and strong social ties with customers, employees and the community [Arregle et al., 2007]. These features, which are noteworthy from the point of view of the conducted research, are special motivation to create a unique image and build a good reputation. According to the theory of corporate identity, the family is part of the corporate identity [Dyer, Whetten, 2006], which underlies the corporate image and reputation. Family businesses are described as the brand itself with its typical features. They are on the one hand customer-friendly, trustworthy, and socially responsible, but on the other hand, they are associated with stagnation and lower competitiveness [Cooper, Upton, Seaman, 2005; Krappe, Goutas, Schlippe, 2011]. Customer orientation is an important goal of family businesses. Family members identify more closely with a family business than non-family members with a family relationship. Increased identification motivates family members to build a positive corporate reputation to "feel good about who they are and what they do" [Haslam, Ellemers, 2005]. Research shows that when a family name is part of a company name, corporate reputation is higher because family members are particularly motivated to have the best possible reputation.

Stronger identification with company values in terms of the implemented mission is observed in family businesses, which results from the sense of community and belonging and the generational identity of its members. Ethical principles and values are a part and an element typical of family businesses, as they distinguish them and determine their competitive advantage. Values and organisational culture distinguish family businesses from non-family ones, while they do not differ by structural features such as size, the number of employees, revenue, investments and development plans [Martyniuk, Stańczak-Strumiłło, 2012]. Dyer [1986] reports that values pervade a family firm, and are 'broader transituational principles that serve as a guide for overall behaviour'. Values represented by the founder are crucial for the functioning and consistency of activities in a family business. He or she decides what the most important value brought to business is and integrates further actions. Owners significantly influence the company, being guided by personal goals and preferences in such a way that they are reflected in the company's goals [Szczepańska-Woszczyna, 2020; Tàpies, Fernández Moya, 2012]. Owners/founders often declare that there is no company without values. Values in family businesses are related to various areas of the company's functioning: they are the "background" for organisational culture, determine strategic planning, goal setting and the model of business management, decide on the way of decision making, implementing strategies and strategic alliances, are the inspiration for development and achieving the best results, and are part of the recruitment and retention of employees [Aronoff, Ward, 2016; Miller, Breton-Miller, Scholnick, 2008]. It is emphasised that values in family businesses are also important in order to overcome current crises, and in times of uncertainty they can ensure the continuity of decision making. Family business is social space in which the following are combined:

- family values (group values) – maintaining its stability, coherence and security – respect, loyalty, honesty and reputation, experience, responsibility, good atmosphere, reliability, good relationships between family members, stability, heritage and durability [Więcek-Janka, 2013; Tapies, Fernandez, 2012; Szczepańska-Woszczyna, 2018],
- business values (group and individual) – company development, maintaining (or/and increasing) profit, experience, responsibility, good atmosphere, reliability, good relationships between family members, stability, heritage and durability, long-term profit, common goals of the company and individual family members, trust, good quality of work and products offered, and stakeholder satisfaction [Więcek-Janka, 2013; Tapies, Fernandez, 2012; Abratt, Kleyn, 2012];
- individual values – the possibility of pursuing individual values and a free choice of one's life path [Więcek-Janka, 2013].

In the context of the above reflections and bearing in mind family business management, three levels of values can be distinguished: business, cultural and dignity values.

Business values include ensuring the stable, long-term functioning of the company on the market, creating jobs for the company founders' children, long-term profit (owners do not want quick profits at any price and not at the price of the company's existence) [Arregle et al., 2007]. Cultural values include attachment to one's cultural image and reluctance to sudden change in brand image, and the lack of acceptance of brand depreciation. Values in family businesses also include good quality, trust, cooperation, honesty, persistence in work, integration, and stakeholder satisfaction. Tapies and Fernandez [2012] also list values supporting the transmission of core values such as social responsibility and management transparency. In a study undertaken by Koiranen [2002] concerning old Finnish family firms, the most important values were honesty, credibility, obeying the law, quality, industriousness (a hardworking nature) and good ethical conduct. Aranoff [2004] states that a very strong set of family values related to hard work, customer and employee relations, ethical business practices and philanthropy influence the family and the business, creating a culture that gives the business a genuine competitive advantage. Payne et al. [2011] found that compared with non-family businesses, family firms made significantly more references to the virtues of 'empathy', 'warmth' and 'zeal'. According to Payne et al. warmth and empathy demonstrate the importance of 'concern', 'reassurance', 'supportiveness', 'sympathy'.

3. Materials and Method

The research was conducted in January and February 2020. The research was quantitative and exploratory in nature. It used computer-aided telephone interview (CATI), which consisted of 14 substantive questions. Research sample consisted of 300 entities – family businesses operating in Poland[1]. Respondents represented family businesses (owners, co-owners, successors or representatives of the management / management board), possessing knowledge of reputation management in the company and deciding – individually or with others – on company policy.

In order to obtain a representative scale of family businesses which was closest to the actual population as a whole, entities were selected for the sample taking into account the specific features of the population surveyed, in proportion to the shares of these features in the population surveyed. The numbers were determined on the basis of data analysis included in the available studies containing information on the probable approximate structure of Polish family businesses. The following division due to the number of their employees was introduced: up to 10 people (micro companies) – about 15%; from 10 to 49 people (small companies) – about 50%; and from 50 to 249 people and 250 and more people (medium-sized and large companies) – around 35%. Companies surveyed are mostly family businesses (92.0%), where the entire or almost entire capital (from 91 to 100%) belongs to the owner or his or her family members. The sample included service companies (42.0%), manufacturing (31.3%) and commercial (26.7%) companies that mostly (58.0%) operated on the B2B market. The respondents were owners (42.7%) or successors (34.7%), or other people who are responsible for reputation management in the company (22.7%).

A standardised interview questionnaire was used, consisting of three substantive parts forming a total of 14 questions and particulars. We used ordinal, seven-point and unipolar scales. IBM SPSS Statistics 24 software was used to analyse obtained information. The chi-square test of independence, Somer's D correlation measure, and Spearman's rank correlation coefficient were also used.

To assess the homogeneity of the measurement of values in family businesses, exploratory factor analysis was utilised to separate homogeneous subgroups within the partial indices measuring the hidden construct. The starting list of variables included 21 items, corresponding to individual values for which each of the respondents assessed

[1] The database was created by the researcher on the basis of publicly available data from the following sources: the databases of companies affiliated in the organisations of family businesses, press publications, rankings of family businesses, studies, reports and analyses on family businesses and data from commercial databases of Polish business entities. Due to the specificity of the research, difficult recruitment and the relatively long duration of the interview, conducting 300 interviews required contact with approximately 3,000 entities.

their importance on a scale of 1 to 7, where 1 meant "definitely insignificant value", and 7 – "definitely significant value". The overall correlation assessment for the entire set of variables is provided by the KMO measure and Bartlett's test of sphericity: KMO = 0.825 (i.e. above the threshold of 0.5) and the test of sphericity is significant ($p < 0.001^{**}$). It confirms that the set of variables is suitable for factor analysis. The separation of common variability was conducted by means of an analysis of the main components, i.e. the classical adaptation of the main components proposed by Hotelling [extraction method – principal component analysis]. Communalities (the last column of Table 3) indicate that the significance of individual variables differs – the highest communalities occur for loyalty (0.716). The number of factors was determined using two criteria: (1) The Kaiser criterion (eigenvalue greater than 1) and (2) the Catell criterion, i.e. the scree plot (Fig. 1). Both criteria point to six factors which explain a total of 56.6% variance in the latent variable (Table 1).

4. Results

There is a common belief among researchers and practitioners that values in family businesses are related to the various areas of the company's operation: they are the "background" for organisational culture, determine strategic planning, goal setting and the model of business management, determine the way of making decisions, implementing strategies and strategic alliances, are an inspiration for development and the achievement of the best results, and are part of the recruitment and retention of employees.

On the basis of factor loadings, rotated using the Quartimax method (Rotation Method: Quartimax with Kaiser Normalization), six groups of values were separated, each explaining at least 5% of the latent variable variance (Table 1).

The first group, explaining 26.3% of the latent variable variance (and therefore the most important in terms of explaining its volatility, which should not be understood as the most important for the respondents themselves) includes the following values: family reputation, coherent image, transparency and well-being of an employee who is not a member of the owner's family. This factor can be defined as family values. All factor loadings are moderately high, exceeding 0.5. The most important thing in this group is corporate reputation. The second factor comprises five values – entrepreneurship, integrity towards stakeholders, reliability, profit and experience, with less than 0.5 for the latter, which determined its exclusion from this set (experience will therefore be omitted at the stage of measuring the value of family businesses). A set of four values applies to business values. The third group ultimately consists of four values – stability, heritage and sustainability, good atmosphere and family honour.

Table 1. Exploratory factor analysis results – the measurement of the organisational values

Items	Component						Communalities
	1	2	3	4	5	6	
Family reputation	**0.668**	0.338	0.063	–0.049	0.077	–0.225	0.623
Coherent image	**0.623**	0.022	0.287	0.231	–0.146	0.188	0.582
Transparency of action	**0.609**	–0.121	0.204	0.090	0.235	0.369	0.626
Well-being of an employee who is not a member of the owner's family	**0.599**	0.206	–0.079	0.487	0.159	–0.150	0.692
Entrepreneurship	0.061	**0.664**	0.100	0.219	0.239	–0.041	0.562
Honesty to stakeholders	0.390	**0.607**	–0.077	–0.106	–0.174	0.174	0.598
Reliability	0.061	**0.606**	0.352	0.090	–0.102	0.325	0.620
Profit	0.109	**0.571**	0.234	0.127	0.239	–0.138	0.485
Experience	0.009	**0.472**	0.221	0.299	0.149	0.110	0.395
Stability	0.022	0.284	**0.697**	–0.081	0.216	0.033	0.621
Heritage and durability	0.146	0.014	**0.658**	0.271	–0.073	–0.113	0.546
Good atmosphere	0.161	0.308	**0.586**	–0.029	0.259	0.077	0.539
Company honour	0.443	0.232	**0.497**	0.031	0.038	–0.017	0.499
Intuition	–0.051	0.133	–0.043	**0.802**	0.037	–0.026	0.667
Education, knowledge	0.438	0.130	0.156	**0.570**	0.284	–0.020	0.639
Common goals	0.277	0.114	0.162	**0.517**	0.178	0.187	0.450
Responsibility	0.185	0.290	0.189	**0.391**	–0.289	0.218	0.438
Respect	–0.046	0.107	0.224	0.152	**0.752**	0.093	0.661
Trust	0.398	0.324	0.006	–0.070	**0.509**	–0.052	0.530
Good relationship between family members	0.232	0.150	0.066	0.198	**0.508**	0.166	0.405
Loyalty	0.052	0.184	–0.036	0.081	0.168	**0.802**	0.716
% of variance explained	26.302	7.446	6.417	5.926	5.379	5.165	x
Cumulative % of variance explained	26.302	33.748	40.165	46.091	51.470	56.635	x
Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO)	0.825						
Bartlett's Test of Sphericity	$X^2(210) = 1605.96$; $p < 0.0001$**						
Reliability							
Cronbach's alpha	0.658	0.653[a]	0.664	0.618[b]	0.543	x	x
Spearman-Brown coefficient	0.674	0.689[a]	0.623	0.611[b]	0.545	x	x
Guttman Split-Half Coefficient	0.674	0.684[a]	0.623	0.557[b]	0.471	x	x

Without variables: [a] "experience", [b] "responsibility". Extraction Method: Principal Component Analysis; Rotation Method: Quartimax with Kaiser Normalization.

Source: own study.

Another group includes values identified with individual characteristics of the owner and successors – intuition, education, knowledge, common goals and responsibility, although the last value has a low factor loading (0.391) and was eventually excluded from the sub-indicator. This factor can be defined as individual values. Another group are the values of trust, respect and good relationships within the family. The last factor is univariate – namely loyalty. Due to the high factor loading for this variable (0.802, i.e. maximum ex aequo with intuition), I decided to leave this variable as a separate sub-indicator of the value of family businesses, especially as it explains more than 5% of the latent variable variance.

Is reputation related to the values of family businesses? Evaluation in this respect will be made by means of synthetic value assessment indicators; while in regard to reputation, an indicator measuring the contribution of reputation to company value and the overall perception of individual indicators of corporate reputation will be taken into account.

Referring to the indicator measuring the estimated proportion of reputation in the value (valuation) of a family business, it can be noted that it is significantly, albeit not very closely, related to the values of the first group (indicator no. 1; Pearson's linear correlation coefficient $r = 0.153$, $p = 0.008$**) and the fifth group ($r = 0.128$, $p = 0.027$*), while there is no significant relationship for the other groups (Table 2). Referring to the individual values of the organisation (which were no longer presented in Table 6), a significant correlation for the assessment of the reputation of a family business can be noted for the assessment of trust (Spearman's correlation ratio $rho = 0.258$, $p < 0.001$**), the honour of the company ($rho = 0.159$, $p = 0.006$**), the well-being of an employee who is not a member of the owner's family ($rho = 0.126$, $p = 0.026$*), and profit ($rho = 0.153$, $p = 0.008$**), and transparency in action ($rho = 0.105$, $p = 0.068$).

Table 2. Assessment of the correlation between the values of the organisation and its reputation

Specification	Indicator no. 1	Indicator no. 2	Indicator no. 3	Indicator no. 4	Indicator no. 5	Indicator no. 6	Indicator total
1. Quality of management	0.107	0.026	0.032	–0.037	0.092	–0.100	0.044
2. Innovativeness	0.111	0.057	0.104	0.026	0.060	–0.062	0.093
3. Corporate social responsibility	0.132*	0.068	0.046	–0.026	0.186**	0.011	0.125*
4. Quality of products and services	0.282**	0.309**	0.293**	0.202**	0.197**	0.161**	0.325**
5. Financial and economic stability	0.157**	0.274**	0.082	0.105	0.146*	0.109	0.219**
6. Orientation toward employees, an image of a valuable employer	0.170**	0.178**	0.255**	0.133*	0.083	0.007	0.209**
7. Pace of growth	0.260**	0.171**	0.120*	0.200**	0.133*	0.163**	0.282**
8. Internationalisation	0.161**	0.124*	0.205**	0.106	0.149**	**–0.155****	0.137*

Specification	Indicator no. 1	Indicator no. 2	Indicator no. 3	Indicator no. 4	Indicator no. 5	Indicator no. 6	Indicator total
9. Quality of customer service	0.322**	0.207**	0.204**	0.167**	0.129*	–0.053	0.184**
10. Employee trust and loyalty	0.285**	0.355**	0.312**	0.255**	0.204**	0.125*	0.357**
11. Employees' knowledge, skills and abilities	0.372**	0.277**	0.219**	0.328**	0.203**	0.125*	0.373**
12. Long-term vision of the board	0.208**	0.144*	0.234**	0.202**	0.206**	0.043	0.226**
13. Transparency and respect for business partners	–0.043	0.017	–0.058	0.043	–0.043	–0.019	–0.016
14. Customer trust and loyalty	0.237**	0.089	0.111	0.145*	0.205**	–0.021	0.172**
15. Fair prices of products/services	0.094	0.051	0.032	0.064	0.099	0.079	0.093
16. Authority of the company owner	0.165**	0.200**	0.270**	0.120*	0.290**	0.135*	0.284**
17. Vision of the company	0.361**	0.219**	0.303**	0.251**	0.260**	0.077	0.344**
18. Attractiveness of the workplace	0.223**	0.116*	0.282**	0.127*	0.351**	0.042	0.275**
19. Relationships with competition	–0.107	**–0.162****	0.001	–0.039	0.134*	**–0.178****	–0.109
20. Ethics of the activity and behaviour of board members and employees	0.234**	0.177**	0.303**	0.113	0.215**	–0.003	0.246**
21. Articles about the company in the media	0.257**	0.034	0.137*	0.073	0.218**	0.063	0.181**
22. Relationships between owners	0.140*	0.058	0.186**	0.013	0.254**	–0.050	0.159**
23. Relationships between owners and employees	0.161**	0.079	0.063	0.070	0.307**	0.072	0.175**
Estimated % of corporate reputation (*r*)	0.153**	0.076	0.058	0.041	0.128*	–0.078	0.075

Correlation is significant at the level:** 0.01, * 0.05 unless otherwise indicated, Spearman rank correlation coefficient (rho) was calculated.

Source: own study.

As regards the perception of the individual aspects of reputation, a significant positive correlation can be observed in relation to most groups of values of family businesses (interaction of variables, without a specific indication of which variable affects which). Taking into account the overall assessment of value, no significant relationship was identified for several reputation determinants – management quality, innovativeness, transparency and respect for business partners, fair product prices and competition. These aspects are not related to any of the subdimensions of the value. The strongest overall assessment of organisational values is related to the perception of employees' knowledge, abilities and skills, their trust and loyalty, as well as a vision of the company and the quality of products and services (as the determinants of corporate reputation).

Table 3. Spearman's rank correlation coefficients: family and business values in family businesses and the features of family businesses that strengthen its reputation

Values \ Features of FB which strengthen reputation	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Respect	0.048	.143**	.111*	.213**	0.071	0.086	.199**	.162**	.109*	.150**
Loyalty	–0.082	0.091	.108*	0.019	0.099	0.095	.143**	.107*	0.053	0.021
Entrepreneurship	.156**	.185**	.164**	.129*	.152**	.124*	.169**	0.094	.252**	.129*
Experience	.145**	.107*	.133*	.299**	.152**	0.011	0.075	.132**	.110*	.111*
Responsibility	0.094	.119*	.131*	.115*	0.035	.136**	.168**	.140**	.119*	0.053
Good atmosphere	.146**	0.061	0.014	.165**	.220**	0.059	.247**	.165**	.198**	.217**
Reliability	0.081	.130*	.206**	.157**	.106*	0.059	.169**	.104*	.106*	0.048
Good relationships between family members	0.022	0.083	.109*	.106*	.198**	0.08	0.093	.112*	.131*	.137**
Stability	0.022	0.072	–0.048	.110*	0.081	0.032	0.075	–0.061	.140**	0.099
Heritage and durability	.108*	.174**	.161**	.176**	.254**	.164**	.175**	.124*	.257**	.197**
Profit	.112*	.240**	.232**	.314**	.201**	0.085	.131*	.129*	.222**	.257**
Common goals	.157**	0.054	.124*	.171**	0.033	0.095	.118*	0.068	0.093	0.069
Trust	0.094	.212**	.199**	.288**	.151**	0.091	.103*	.101*	.196**	.205**
Family reputation	0.099	.197**	.269**	.195**	.172**	.120*	.219**	.134**	.189**	.215**
Company honour	.141**	.116*	.141**	.172**	.181**	0.095	.169**	.169**	.167**	.197**
Honesty to stakeholders	0.033	–0.013	0.089	0.101	0.101	.104*	0.04	0.044	.130*	0.059
Transparency of action	0.099	.116*	.205**	.169**	.127*	.161**	.191**	.165**	0.07	.107*
Consistent image	0.035	.131*	.141**	.128*	0.045	0.094	.128*	0.082	0.059	.116*
Education, knowledge	0.061	.160**	.153**	.180**	.123*	.113*	.224**	.140**	.260**	.169**
Well-being of an employee who is not a member of the owner's family	0.092	.179**	.131*	.245**	0.062	.153**	.170**	0.077	.176**	.197**
Intuition	0.02	–0.022	0.029	.106*	0.005	–0.02	0.055	0.001	0.092	0.07

(1) Relationships between owners, positive relationships or conflicts; (2) Relationships between employees and the owners which influence the work atmosphere; (3) Quality of products or services offered; (4) Quality of customer service, including the appropriate response to emerging errors; (5) Uniqueness of the products and services offered, the difficulty of copying them by competitors; (6) Trust and loyalty of customers; (7) Trust and loyalty of employees; (8) Transparency and consistency of action; (9) Business strategy which is understandable to stakeholders; (10) Values specific to a family business.

* significant correlation at the level of 0.05.

** significant correlation at the level of 0.05.

Source: own study.

It was also assumed that there is a relationship between values appreciated in the company and company features that can strengthen its reputation (Table 3).

The strongest relationship was observed for the following features: the quality of customer service, including an appropriate response to emerging errors and values such as profit. There is also a relationship between this feature and values such as experience, trust, care for the well-being of an employee who is not a member of the owner's family, and family reputation. There is a link between relationships between employees and owners that affect the atmosphere at work and values such as profit, trust, and family reputation. The uniqueness of the products and services offered and the difficulty of copying them by competitors is correlated with heritage and durability, a good atmosphere and profit. There is also a correlation between profit and the following factors affecting reputation: relationships between employees and owners affecting the work atmosphere, business strategy which is understandable to stakeholders, and values specific to a family business. In addition, the correlation was identified between heritage and durability, and factors such as the uniqueness of the products and services offered, the difficulty of copying them by competitors, and business strategy which is understandable to stakeholders. The results show that there is usually a positive relationship between the assumed areas. Detailed results are presented in Table 2. The results show that the vast majority of relationships is positive.

Conclusion

In this paper, we investigated crucial values in family businesses and their importance to reputation management. Family businesses combine activity in the economic sphere with the family sphere. Contemporary economic conditions pose many problems for family business managers regarding strategic and operational aspects of management as well as specific challenges arising from the conditions and rules of family business. Problems pertaining to building corporate strategy, shaping the organisational culture or corporate social responsibility, among others, are related to the issues of succession, values and management through values and social family capital. The specificity of family businesses lies in the fact that the owner-family shapes the business in a way that is impossible for family members in non-family owned enterprises.

Family businesses take into account both business and family values in building their management model. These are the following values: experience, responsibility, good atmosphere, reliability, good relationships between family members, stability, heritage and sustainability, profit, common goals for the company and individual members of the owners' family and the whole family, trust, family reputation, family honour, honesty towards stakeholders, education, the good of employees from outside the family, and intuition. These results coincide in part with the results of research conducted by Tàpies, Fernández.

However, family values are not the only factors that affect the reputation of a family business. In addition to the value, factors such as the quality of the products or services offered, the quality of customer service, the transparent business strategy which is understood by the stakeholders as well as the trust and loyalty of employees are mentioned [Dacko, 2019]. It is therefore important to undertake more holistic research showing relationships of reputation not only with values but also with other factors.

An extremely important element in the process of family business reputation management are values professed by members of the organisation. As research results show, family business management should be based on values such as loyalty, stability, and honour. Nurturing these values can contribute to building a positive corporate reputation, which, as research shows, is a source of competitive advantage of a family business.

Limitations

While our findings offer valuable implications for researchers and practitioners, this study has several limitations that should be mentioned. Despite numerous advantages, the interview has disadvantages that largely determine the quality of the results obtained. First of all, the information collected is based on respondents' declarations rather than on observing their actual behaviour. In addition, the quality of the responses obtained might have been affected by the interviewer and the variable of social approval.

The companies surveyed were at various stages of development and their reputation could be potential. Additionally, managers have diverse experience, which changes the perception of the importance of reputation among the importance of problems in family business management.

References

[1] Abratt R., Kleyn N. [2012], Corporate identity, corporate branding and corporate reputations: Reconciliation and integration, *European Journal of Marketing* 46 (7/8): 1048–1063.

[2] Adams A.F., True S.L., Windsor R.D. [2002], Corporate America's search for the right direction: Outlook and opportunities for family firms, *Family Business Review* 15(4): 269–276.

[3] Alsop R.J. [2004], Corporate reputation: Anything but superficial – the deep but fragile nature of corporate reputation, *Journal of Business Strategy*, 25(6): 21-29.

[4] Aronoff C. [2004], Self-perpetuation family organization built on values: Necessary condition for long-term family business survival, *Family Business Review* 17(1): 55–59.

[5] Aronoff C., Ward J. [2016], *Family business values: How to assure a legacy of continuity and success*, Springer, New York.

[6] Baden-Fuller CH., Ravazzolo F., Schweize T. [2000], Making and measuring reputations. The research ranking of European Business School, *Long Range Planning* 33: 621–650.

[7] Barnett M., Jermier J., Lafferty B. [2006], Corporate reputation: The definitional landscape, *Corporate Reputation Review* 9(1): 26–38.

[8] Bell D. [2002], The break-up of family capitalism, in: Aronoff C.E., Astrachan J.H., Ward J.L. (eds.), *Family business sourcebook*, Family Enterprise Publishers, Georgia.

[9] Bertrand M., Schoar A. [2006], The role of family in family firms, *The Journal of Economic Perspectives* 20: 73–96.

[10] Cooper M.J., Upton N., Seaman S. [2005], Customer relationship management: A comparative analysis of family and nonfamily business practices, *Journal of Small Business Management* 43(3): 242–256.

[11] Dacko-Pikiewicz Z. [2019], *Zarządzanie reputacją firm rodzinnych / Reputation management in family business*, Wydawnictwo Naukowe PWN, Warszawa.

[12] Deephouse D.L., Jaskiewicz P. [2013], Do family firms have better reputations than non-family firms? An integration of socioemotional wealth and social identity theories, *Journal of Management Studies* 50(3): 337–360.

[13] Dowlind G.R. [2016], Defining and measuring corporate reputations, *European Management Review* 13(3): 207–223.

[14] Dyer W.G. Jr. [1986], *Cultural change in family firms: Anticipating and managing business and family transitions*, Jossey-Bass, San Francisco.

[15] Dyer W.G., Whetten D.A. [2006], Family firms and social responsibility: Preliminary evidence from the S&P 500, *Entrepreneurship: Theory and Practice* 30(6): 785–802.

[16] Fernández Z., Nieto M.J. [2005], Internationalization strategy of small and medium-sized family businesses: Some influential factors, *Family Business Review* 18: 77–89.

[17] Fletcher D., Melin L., Gimeno A. [2012], Culture and values in family business – a review and suggestions for future research, *Journal of Family Business Strategy* 3: 127–131.

[18] Fombrun C., van Riel C. [1997], The reputational landscape, *Corporate Reputation Review* 1: 5–13.

[19] Fombrun C.J., Gardberg N., Sever J. [2000], The reputation Quotient^{SM}: A multistakeholder measure of corporate reputation, *Journal of Brand Management* 7(4): 241–255.

[20] Haslam S.A., Ellemers N. [2005], Social identity in industrial and organizational psychology: Concepts, controversies, and contributions, in: Hodgkinson G.P. (ed.), *International Review of Industrial and Organizational Psychology* 20: 39–118.

[21] Jeżak J., Popczyk W., Winnicka-Popczyk A. [2004], *Przedsiębiorstwo rodzinne. Funkcjonowanie i rozwój*, Difin, Warsaw.

[22] Koiranen M. [2002], Over 100 years of age but still entrepreneurially active in business: Exploring the values and family characteristics of old finish family firms, *Family Business Review* 15(3): 175–188.

[23] Krappe A., Goutas L., Schlippe A. [2011], The 'family Business Brand': An enquiry into the construction of the image of family business, *Journal of Family Business Management* 1(1): 37–46.

[24] Lansberg I. [1983], Managing human resources in family firms: The problem of institutional overlap, *Organizational Dynamics* 12: 39–49.

[25] Martín de Castro G., Saez P.L., Lopez J.E.M. [2004], The role of corporate reputation in developing relational capital, *Journal of Intellectual Capital* 5(4): 575–585.

[26] Martyniuk O., Stańczak-Strumiłło K. [2012], Determinanty wartości przedsiębiorstwa rodzinnego, *Zeszyty Naukowe US* 737(56): 137–154.

[27] Miller D., Le Breton-Miller I. [2006], Family governance and firm performance: Agency, stewardship, and capabilities, *Family Business Review* 19(1): 73–87.

[28] Miller D., Le Breton-Miller I., Scholnick B. [2008], Stewardship vs. stagnation: An empirical comparison of small family and non-family businesses, *Journal of Management Studies* 45(1): 51–78.

[29] Payne G.T., Griffis S.E., Moore C., Autry C. [2011], Multilevel challenges and opportunities in social, *Journal of Management* 37: 491.

[30] Post J., Griffin J. [1997], Part VII: Managing reputation: Pursuing everyday excellence: Corporate reputation and external affairs management, *Corporate Reputation Review* 1: 165–171, doi:10.1057/palgrave.crr.1540038.

[31] Stern M.H. [1986], *Inside the family-held business: A practical guide for entrepreneurs and their advisors*, Harcourt Brace Jovanovich, New York.

[32] Szczepańska-Woszczyna K. [2018], (Nie)zmienność wartości w zarządzaniu przedsiębiorstwami rodzinnymi w procesie sukcesji i cyklu ich życia / (Un) changeability of values in the management of family businesses in the process of succession and their life cycle, *Przegląd Organizacji* 10: 10–17.

[33] Szczepańska-Woszczyna K. [2020], *Management theory, innovation, and organisation: A model of managerial competencies*, Routledge.

[34] Tàpies J., Fernández Moya M. [2012], Values and longevity in family business: Evidence from a cross-cultural analysis, *Journal of Family Business Management* 2: 130–146.

[35] Więcek-Janka E. [2013], *Wiodące wartości w zarządzaniu przedsiębiorstwami rodzinnymi*, Wydawnictwo Politechniki Poznańskiej, Poznań.

REPUTATION AND VALUES OF FAMILY BUSINESSES – IN SEARCH OF THE RELATIONSHIP

Abstract

A family business, understood as a business-family-individual system, combines three value systems: business, family and individual values. Values expressed by the owners and successors of the family business determine a management model, as well as a reputation management model which should ensure its continuity and long-term operation. The study investigates the most important values in the process of reputation management in family businesses. We conducted quantitative research among the owners of family businesses and their potential successors (300 respondents). The results indicate that values such as a consistent image, education and knowledge, family reputation, trust, heritage and durability, company honour, profit are of particular importance for reputation-building.

Keywords: family business, values, reputation management

JEL classification codes: L14, L22, L25

REPUTACJA A WARTOŚCI FIRM RODZINNYCH – W POSZUKIWANIU ZALEŻNOŚCI

Streszczenie

Firma rodzinna rozumiana jako system firma-rodzina-jednostka łączy trzy systemy wartości: wartości biznesowe, rodzinne i indywidualne. Wartości wyznawane przez właścicieli i sukcesorów firmy rodzinnej determinują model zarządzania, który powinien zapewnić jej ciągłość i długoterminowe działanie. W pracy identyfikowano wartości, jakie są najważniejsze w procesie budowania i zarządzania reputacją w firmach rodzinnych. Przeprowadzono badania ilościowe techniką wywiadu bezpośredniego (*Paper and Pencil Interview* – PAPI)) wśród właścicieli przedsiębiorstw rodzinnych (300 osób) oraz ich potencjalnych sukcesorów (300 osób). Wyniki badań wskazują, że szczególne znaczenie dla budowania reputacji mają takie wartości jak spójny wizerunek, wykształcenie i wiedza, reputacja rodziny, zaufanie, dziedzictwo i trwałość, honor firmy, spójny wizerunek oraz zysk.

Słowa kluczowe: firmy rodzinne, wartości, zarządzanie reputacją

Kody klasyfikacji JEL: L14, L22, L25