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VALUES OF FAMILY BUSINESSES IN CZECH REPUBLIC IN THE CONTEXT OF SOCIOEMOTIONAL WEALTH

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ABSTRACT. In the awareness of both academicians and the public, family businesses are associated with such values as honor, trust and trustworthiness, ethics, innovativeness, integrity, continuity, love, wisdom, stability, etc. Family businesses make reference to these unique, emotionally-charged aspects as part of their presentation, corporate social responsibility activities, and marketing campaigns. These values may be referred to as Socioemotional Wealth (SEW). In recent times, this topic has become a dominant paradigm of the family business research. This study is focusing on the analysis of the structure of socioemotional wealth of family businesses in Czech Republic. From the perspective of social psychology, psychosocial factors (social, behavioral, cognitive, affective, and motivational) and their relative share in the overall SEW were examined on the sample of 112 small and medium-sized family businesses. The source of data were standardized questionnaires made up of a series of open-ended questions and distributed in 2018-2019. The results of the qualitative content analysis indicate that Czech family business owners, regardless of business size, give priority to social and affective factors. In the distribution of factors, a certain dynamic change can be seen year on year. These findings are discussed with a focus on their practical use for planning of marketing communications, corporate social responsibility activities, and brand management of family business.

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Introduction

Family as an institution defines its own values, culture, and ethics, while family businesses transfer these into their business activities. Families' and family businesses' moral behavior is subsequently reflected in their socioemotional wealth (Guth & Vasa, 2003; Zapatero & Jiménez, 2013). The growing tendency of customers to use the internet while looking for information on brands prior to making purchases has also brought changes into the contents of communications strategies (Iaia et al., 2017). Appeals to perceptions of high levels of trust, effective communication of the family business values have a positive impact on business continuity (Merwe et al., 2012).

Research in the area of socioemotional wealth (SEW) directly addresses the specifics of family enterprise. It was first introduced in 2007, when the authorse referenced to the “non-financial aspects of companies that fulfill the emotional needs of families” (Gómez-Mejía et al., 2007, p. 106) and also the values associated with family influence on business operations (Vasa, 2002; Berrone et al., 2010). Various areas of SEW research share a common idea that family goals and emotional subtext influence various aspects of the organizational structure of family companies. In this respect, socioemotional wealth exists within the members of a family and motivates the family towards unique decisions and specific behavior of the family business within both interior and exterior market environments. These factors capture the essence of what differentiates the family business phenomenon from other organizational forms of business (Cennamo et al., 2012; Gomez-Mejia et al., 2011; Mura, 2019; Todorovic et al., 2019, Nad'ová Krošláková, 2020).

The avid recent interest in the SEW research all over the world is not accidental at all. This area has a lot of positive consequences and spill-over effects on family businesses. For example, Mahto et al. (2018) considered the relationships with employees and emphasized on the emotional appeal when identifying internal and external strategies increasing the effectiveness of family businesses. In line with this research, another study on a sample of Spanish family firms demonstrates that considering socioemotional wealth substantially improves the capacity of entrepreneurial orientation to explain variations in the international performance of family firms (Hernández-Perlines et al., 2020).

From March 2007, when this term was first introduced, until February 2017, arguments concerning socioemotional wealth were cited in over 700 peer-reviewed academic articles. SEW is associated with specific values and/or activities. Many publications state that family businesses have a tendency to be more socially responsible because apart from enhancing positive family image, they support the growth of their native region, collaboration, social identity (Vazquez, 2018, Wisker et al., 2019) - which are, in principle, social factors.

The presented study builds on the previous research (Petrů et al., 2020) which has dealt with the marketing vitality of Czech family firms. As the results of this study show, the marketing vitality of Czech family firms measured by various indicators (such as creation and monitoring of the marketing plan, customer segmentation, relationships with customers, access to new technologies and others) has been stagnant for the examined period of time; compared to non-family companies, family business tends to lag behind in terms of using these marketing communication tools. The only significant exception in this respect is the indicator of "value provided to customers," which clearly predominates among all the

marketing tools used by family businesses. Therefore, it makes sense to focus mainly on this element of the marketing vitality portfolio of family businesses and to go deeper into this topic. However, Petruš et al. (2020) did not specify the "values" indicator in any way. This study complements this marketing macroperspective since it identifies and specifies values that are important for the owners of Czech family businesses themselves.

The basic purpose of this study is to examine the distribution of socioemotional wealth of small and medium family businesses in Czech Republic which has not been systematically addressed in Czech academic environment thus far. Identifying the individual components of socioemotional wealth (SEW) has importance for marketing, staffing, and commercial management of Czech family businesses (FBs). SEW research has now been taking place in the world for several years; this study applies the relatively new and original research into the psychosocial factors of family businesses' SEW the Czech environment.

The study is divided into four parts. In the first one, the basic concepts we are working with are defined, such as family business, socioemotional wealth (SEW), and the psychosocial factors behind SEW, etc. In the second chapter, the research strategies are presented, the research hypotheses are specified, data collection process is described, the study sample and the respondents are characterized, and the process for data analysis, including encoding, is explained. The third chapter presents the results of the analysis. The fourth chapter interprets our findings along with the implications for practical use of the outcomes, and also discusses the research limitations (including proposals for future research).

1. Literature review

The family business is a very important topic, very much widespread around the world. It is independently taught at various universities and is also the subject of many investigations. Spain, Austria, Italy, Germany, Switzerland, Norway and the United Kingdom are typical countries in Europe with a high level of family business. The national economics of Italy, Switzerland, Sweden or Finland is formed mostly by the family business (these represent more than 80% in the number of all registered companies). The family businesses produce 60% and more of GDP in France, Spain or Portugal (Petlina, Koráb, 2015).

Nevertheless paradoxically, researchers have not agreed on a widely accepted family business definition yet (Harms, 2014). Not before 2020 an official definition of family business has not existed. Only then the corresponding law was passed. On the basis of this law the register of the family businesses was launched. Nevertheless, it can be definitely stated that family businesses, more than others, show a "human face". Behind that human face is the true picture of the values of their founders and the people who transfer them from one generation to the next (Rouvinez Kenyon, Ward, 2005). In the actions of all members of the family there must be something (tradition, customs, responsibility, etc.) that evokes the feeling of trust in the heritage of previous generations (Hlavačka, Bek, 2018; Mura, 2017).

1.1. Family business context in the Czech Republic

We have been discussing the new-era history of family businesses in the Czech Republic since as far back as 1989. At that time, they began to emerge more or less from nothing. The driving force was the enthusiasm of their founders, their desire to achieve their dreams, ideas, and to employ themselves and their family members "on their own". One of the first publication activities was a dissertation by Hanzelková (2004) entitled *Re-Establishing Traditional Czech Family Businesses: A Multiple Case Study on the Present*

Challenges – the primary goal of the study has been to monitor the problems facing families in business. The author revealed a need for commercial education, education associated with the management of a company, and consultation.

Since about 2005 this topic has been studied by the team of Professor Koráb. In a presentation entitled *Family Businesses in Rural Areas* it was stated that family businesses were gaining importance. It was estimated that the SME sector shares with 98,84% in the total volume of all enterprises in the Czech Republic; micro-enterprises up to 10 employees represent 70-80%, micro-enterprises from 11 to 50 employees represent 30-40%, medium-sized enterprises from 51 to 250 employees 20-30%, big enterprises more than 250 represent up to 11% (Petlín, Koráb, 2015). Koráb (2008) found out that even despite the growing crisis of the family, family businesses could contribute to stabilization of the family. They are and will be an integral part of the Czech economy. In relation to the need to grow business it is necessary to implement a system of education, consultation, and support in particular for family businesses. However, his recommendation was not implemented; it could be said that this study was “ahead of its time”. Odehnalová (2011) built on his work, referencing the differences in the development of family and non-family businesses in the Czech Republic in a monograph entitled *Advantages and Limitations of Family Business*. This development was monitored within the framework of the first three phases of the Greiner Growth Model of organizational growth. She, too, referenced the fact that grasping the essence of the behavior of family and non-family businesses is the first step toward supporting and helping family businesses create a stable, long-term sustainable entrepreneurial environment (Bilan et al., 2017; Oláh et al., 2020). In 2011, however, this was still not a topic throughout society.

Břečková (2016) analyzed a sample of 505 family businesses. Over two-thirds of them consider the character of family enterprise – that is, the connection of emotions in the family, rationality in business, with management of family ownership – to be an advantage. Flexibility is considered an important feature, as well as company stability, atmosphere in the company, and empathic approach to employees. Rydvalová et al. (2016) sought an answer to the question of whether family business can be considered a tool for municipal development. Murinová (2017) used the case study to analyze relationships in 108 wine making family businesses in the Czech Republic. Zapletalová (2018) focused on defining and specifying the characteristics of the internationalization process of entrepreneurial activities of Czech family businesses. Hnilica et al. (2019) evaluated whether and how the behavior of owners in private companies could influence the economic and non-economic results of their companies. According to Machek et al. (2019), family businesses are often associated with a notion of greater stability. The pandemic crisis brought many challenges to find corresponding solutions for all business units (family ones including). Mura (2020) assumes that family businesses will be one of the promising forms of business activities even after the crisis. The importance of social networks for competitiveness and long - term stability was discussed by Písař, Tomášková (2020).

As for the comprehensive comparative analyses of SMEs, the research is still limited. One of the exceptions is a study (Belas et al., 2020) that explores the factors affecting the management of service sector enterprise in the Czech Republic and Slovakia.

From the above summary of publishing activities of leading researchers who have addressed the issues of family business in the Czech Republic, it can be concluded that they referenced certain SEW factors yet did not conduct an analysis of their specific structures.

1.2. Socioemotional Wealth (SEW)

Socioemotional wealth (SEW) describes the advantage (apart from financial gain), that arises for a family from owning and operating its own business (Xu et al., 2020). Gu et al.

(2019) conceptualized SEW in a dual concept: narrower and broader. These approaches to SEW can help explain resistance or openness toward the idea of entry of family businesses into new industries. Family businesses typically have higher risk aversion (Dolz et al., 2019) and do not traditionally seek innovative opportunities to the same extent as companies of the non-family type, from a justifiable effort to retain their SEW. Hu (2019) disputes this observation, however, and claims that it depends on the dimension of the SEW (see e.g. Cleary et al., 2019) it is considered important to the owner of the company; fear of losing it on the other hand can in fact stimulate innovation activities. In this case the effort to retain SEW (as one of the financial goals of family business) has an activating role, nonetheless it can be a limiting factor of the performance of small and medium family businesses (Memili et al., 2020; Saidat et al., 2020). Llanos-Contreras, Jabri (2019) examined the specific priorities of socioemotional wealth in relation to managing organizational bankruptcy, subsequent continuance, and continuity in the context of a family hotel. The relationship between the individual dimensions of SEW and the performance of family businesses facilitated by managerial skills was also confirmed by a study by Ng et al (2019). SEW also has an influence on variables and quantities (such as company or stakeholder functioning and management) other than performance (Mensingh et al., 2014).

However, the example of the richest American families indicates a cultural connotation in approach to SEW; not everywhere (or all people) are sentimentally tied to the family business and the socioemotional wealth it brings; they do not live like tenants of inherited wealth derived from the work of their ancestors, they make cosmopolitan decisions and endeavor for financial gain and they are not afraid to take risks (Nason et al., 2019; Haque et al., 2019).

Research from recent times also points to other meaning (primarily positive) of SEW for the functioning of family businesses. For example, a qualitative study described the case of an Italian family business which undertook a mix of offensive and defensive strategies during an economic crisis (recession) with the goal of retaining SEW and as a result successfully weathered the crisis (Cesaroni et al., 2020). Marett et al. (2018) submitted empirical proofs in their study on means of internal communications oriented toward retaining SEW in times of crisis or economic difficulty. In its different aspects and dimensions, SEW is important for enterprise itself and for greater shareholder engagement (Saleem et al., 2019). SEW also partially correlates to a competitive advantage; for this reason SEW can be considered an important strategic quantity that has an influence on the performance and success of family businesses in a strong competitive environment (Bratnicka-Myśliwiec et al., 2019; Skačkauskienė et al., 2019). Smith (2020) demonstrates that the success of SME owners lies in enthusiasm and intrinsic motivation, in maintaining old-fashioned personal interactions. Uslu et al. (2020) discuss the importance of socio-cultural and economic factors for a positive perception of business, eg in the field of tourism.

From the above it can be seen that the SEW construct is to a significant extent ambivalent, i.e. it need not necessarily be a prosocial and positive stimulus. The same conclusion was reached by Zientara (2017) in his theoretical study of the relationship between SEW and the socially responsible practices of small family businesses. In their concern for retaining SEW, the decision-making of family businesses can be more instrumental and selective rather than a strategic (holistic) and normative.

1.3. Psychosocial factors of SEW

The research of social psychologists offers researchers studying SEW a range of stimulating ideas and inspiration (Oláh et al., 2019). One example is the conviction of a normative influence by strong groups (families), the focus on understanding the subjective

meaning and interpretation of SEW, or the emphasis on understanding complex and non-trivial psychological relationships. These undergo constant transformation in the context of various social situations. The work of groups of researchers to a significant extent grows on a similar blueprint; it links them and naturally leads to mutual enrichment. SEW research is applied in the form of findings of social psychologists in the field of company management. Social/psychological approach to SEW seeks better understanding of the fact of what benefit family members (where individually or in aggregate) have from pursuing certain non-financial goals. Jiang et al. (2018) cites five overlapping topics (including key words) that intersect in both approaches: social, motivational, behavioral, cognitive, and affective. The decrypting of data obtained from structured questionnaires takes place in accordance with this key (see chapter 2.4).

1.4. SEW, brand management, social corporate responsibility, and their presentation via marketing communications

Petrů et al. (2020) used a four-year study of marketing vitality of family businesses to discover that owners prioritize primarily Relationships with Customers and Values Provided to Customers. The research of Thrassou et al (2018) appeals to the concept of “*consumer value*”. Values and emotions within communications strategies appear to be a natural and real competitive advantage of a family business (Majerova et al., 2020).

As some sociological studies suggest, brands, including family brands, represent an important symbolic source of identity, the parameters of which are actively constructed and reconstructed in the emotional and social world of customers (Roubal, 2017; Majerova et al., 2020). Successful brand management of a family business whose customers connect it with socioemotional factors, is an important factor for the long-term performance and continuity of the family business (Mende, Bolton, 2013). One example is the global brand Walmart Inc. (the largest retailer in the world, which appeals to sustainability, corporate philanthropy, an ongoing obligation to create opportunities and bring value to customers and communities throughout the world); Volkswagen AG (one of the largest global automobile concerns, which appeals among other values to minimizing the impact of mobility on the environment). An appeal to SEW in communication of family businesses can be stated in connection with the Czech Republic. These include brands such as Blažek a synové, s.r.o. (the owner built the brand on the slogan A Reliable Partner in Ground Shipping), EMCO (a family business with a tradition since 1990, it endeavors for the customer to get as much as possible for their money in relation to culinary trends). According to Botero et al. (2018), for example, tradition and continuity can serve as valuable information if incorporated into an external marketing communication (e.g. “Bacardi - untameable since 1862”), with the authors highlighting the importance of positive association with the brand. A strong brand enables a family business to differentiate transparently from the competition (Intihar and Pollack, 2012), to increase their perceived trustworthiness among consumers, to reduce perceived risk (Písař, Kupec, 2019), and positively influence customer purchasing behavior (Beck, 2016; Dabija et al., 2017).

Hernández-Perlines Cisneros (2017) demonstrated that communication of social responsibility with an emphasis on social factors increases the performance of a family business. Cui et al. (2018) suggested that it is necessary to look at the question of CSR not merely from the perspective of social and environmental factors, but they also discussed seven dimensions of evaluating the performance and effectiveness of CSR communications (environment, community, product, diversity, employee relations, person, law and administration). And MacGregor et al. (2020) pioneering case study of the attitude of the low-level management of top luxury fashion businesses in Prague reveals that their marketing and innovation endeavors have very little in common with the CSR strategies and priorities set

officially for the business. Social responsibility is also linked to reputation and brand image in the case of such companies (Lu et al., 2019).

Once again it can be concluded that the above authors have referenced certain SEW factors in relation to brand management, social corporate responsibility activities, and the communication of it, but did not engage in an analysis of their specific structure.

2. Methodology

The main objective of this study is to review the distribution of socioemotional wealth (SEW) of small and medium-sized family businesses in the Czech Republic; to identify the individual components of socioemotional wealth (SEW) in the Czech environment. The individual goals of the study are as follows:

- to identify the psychosocial factors of SEW appearing in the responses of respondents;
- to analyze the dynamics of SEW development in two (different) time periods;
- to determine whether the frequency of the individual psychosocial factors differs for family businesses depending on their size;
- to determine the extent to which the reservoir of socioemotional wealth (SEW) distributed in five psychosocial factors in the Czech Republic corresponds to that of research of similar factors in the world.

On the basis of these goals, 6 hypotheses were formulated (see subchapter 2.2).

2.1. Research strategy and methodology

The purpose of the study is to explore the socioemotional wealth of family businesses in the Czech Republic. The Table 1 specifies the general statements (aims) on the intent and direction of the study. The aims describe the purpose of the research. The objectives are clear statements of intended outcomes, all of which can be measured in some way. The hypotheses are formulated and explained in the next text. Different statistical techniques were found appropriate to test the hypotheses. Chi-square test for goodness of fit (the hypotheses H_A , H_B , H_C) was used to compare the proportion of cases from a sample with hypothesized values from a comparison population; chi-square test for independence (H_E) was used to explore the relationship between two categorical variables. The chi-square test of independence and the test for goodness of fit were calculated using the following formula:

$$\chi^2 = \sum \frac{(f_o - f_e)^2}{f_e} \quad (1)$$

The Mann-Whitney U test was used to test for differences between two independent groups on a continuous measure (H_D , H_F). The Mann-Whitney U value for each sample is computed as follows. For sample A,

$$U_A = n_A n_B + \frac{n_A(n_A+1)}{2} - \sum R_A \quad (2)$$

And for sample B,

$$U_B = n_A n_B + \frac{n_B(n_B+1)}{2} - \sum R_B \quad (3)$$

The sum of the ranks of factors in sample A (respectively in sample B) $\sum R_A$ (resp. $\sum R_B$) has to be found before the calculation. The study design is conceived in four levels for the purposes of subsequent marketing management of a brand, marketing communication of social corporate responsibility, etc.

Table 1. Research strategy

Aims	Objectives	Hypotheses	Analytical test
The subjective weight of psychosocial factors (perspective of object).	To define the importance of the individual components of SEW	H_A, H_B, H_C	Test of goodness of fit
Characteristics (size) FB (perspective of subject)	To determine whether the importance of the individual components of SEW depend on the size of the FB	H_D	Mann-Whitney U-test
Dynamics of SEW development (time perspective)	Define the permanence of the composition of SEW in time	H_E	Chi-square test of independence
Compatibility of the level of academic interest in the individual factors of SEW and their distribution in our data (context perspective)	To determine the compatibility of the distribution of SEW in Czech small and medium-sized FBs with academic research interest of the issue of SEW in the world	H_F	Mann-Whitney U-test

Source: Own.

At first it was asked whether there is any point differentiating within overall SEW of Czech FBs, whether or not any component (psychosocial factor) at all appears with statistically significantly greater frequency than any other(s). If yes, it is possible to work further with this finding in a personnel, marketing, and commercial sense. In testing hypotheses H_A, H_B a H_C for three different selection groups depending on size, i.e. small FBs (H_A), medium-sized FBs (H_B) and a mix of small and medium-sized FBs (H_C), the substance of the study is verified: the significance (expressed as frequency) of the individual psychosocial factors.

On the second level, attention has been turned in the direction toward the character of the subjects. Is there any difference visible in our data depending on the size of the FB? Is the frequency of expression of certain preferences for psychosocial factors stronger if we review family businesses in terms of their size? These findings help understand whether the distribution of SEW and its individual factors across FBs is a function of their size. If yes, to specify and individualize (customize) the marketing strategy (avoid categorical use of marketing tools with a view to use of the internal resources of the FB). The perspective of FB size is tested by hypothesis H_D .

Marketing focus is nonetheless complicated with the variability and dynamics of the distribution of SEW. If testing (hypothesis H_E) indicates that meaning or weighting changes over time (measured by frequency) of the individual psychosocial factors, it will not be possible to focus on any component of SEW, but only to work with them systematically *en bloc*. The time perspective (or dynamics of development of SEW) is analyzed at the third level of this study.

The fourth level (hypothesis H_F) takes into consideration the context of SEW research in the world. Is the interest of researchers in the individual psychosocial factors comprising SEW reflected in the perception of Czech entrepreneurs in terms of importance and significance of the individual psychosocial factors? In this respect, what is the compatibility of theory and practice?

This study is based on a comprehensive empirical analysis of the study phenomenon (primarily issues associated with SEW). Frequencies of nominal data divided into these five categories were then analyzed using nonparametric statistical tests, or the chi-square test for goodness of fit, which uses data from a certain sample for testing the shape (or proportion) of distribution of a given base set. The test determines how the frequency of the individual

variables retained from the selection group, fits with the division of the overall population; this is established by the hypothesis. At the same time Cramer's V , which defines the size of the effect, is calculated. For evaluation purposes the recommendation of Cohen is used (Cohen, 1988): for $df^*=1$ it is a small effect, if $V=0.01$, a moderate effect, if $V=0.30$ and a large effect, if $V=0.50$.

Studies using two separate selection groups are called independent measures/between subjects studies. The Mann-Whitney U-test was used to measure the difference in frequency of psychosocial factors between small and medium-sized companies. For this reason, the psychosocial factors were organized by frequency (with the highest receiving an order of 1 and the smallest an order of 5) for both selection groups (i.e. small and medium-sized family businesses).

The Mann-Whitney U-test was also used for testing the 4th and 6th hypotheses H_D and H_F . The findings published by Jiang et al. (2018) in their summary study were used to compare academic research into the individual psychosocial factors in research thus far. They reviewed how they adopted, used, and indirectly encountered SEW as part of their theoretical argumentation. In one level they examined the extent to which this concept is based in theoretical argumentation of monitored publishing outputs; they also asked whether authors approach SEW as a concept, theory, or both. In 421 identified articles, the authors devoted varying levels of their attention to the individual factors. The greatest attention of researchers was oriented toward research of motivational factors of SEW (50.83%) with the rest in the following order: social (48.93%), cognitive (42.52%), behavioral (34.20%), and affective (29.93%). However, because the authors focused on multiple factors at once in a single article, for the purposes of comparison of academic interest in individual psychosocial factors and their frequency in the responses of Czech owners of small and medium-sized businesses, it was necessary to express the weighting of research interest in individual factors against total frequency of all factors in all 421 articles. In converted expression the individual psychosocial factors appeared in the following order and representation: motivational (24.63%), social (23.71%), cognitive (20.60%), behavioral (16.57%) and affective (14.50%).

2.2. Hypotheses

On the basis of these goals, six research hypotheses were established (their order of 1-6 is designated with index letters A-F).

H_{A-C} (for small FBs, medium FBs, mix of small and medium FBs): The individual categories of socioemotional wealth are divided equally within the population of small (or medium-sized, or a mix of small and medium-sized) family businesses or between the individual psychosocial factors there is no statistically significant difference in frequency, i.e. all psychosocial factors contribute to the same extent to socioemotional wealth of small (or medium-sized, or a mix of small and medium-sized) family businesses in the Czech Republic.

As we have five psychosocial factors ($n=5$), if the null hypothesis is to be correct and confirmed by our data, each psychosocial factor must be represented in the SEW of small and medium-sized family businesses at one-fifth, or twenty percent (see Table 2).

Table 2. Null hypothesis for proportionately same representation of psychosocial factors of small FBs

SOC	BEH	MOT	AF	COG
20%	20%	20%	20%	20%

Source: author analysis.

H_A: In the basic set of all small family businesses, one or more categories of socioemotional wealth (SEW) appear(s) more than others. Analogous alternative hypotheses are also defined for medium-sized family businesses (H_B) and a mix of small and medium-sized family businesses (H_C). The fourth hypothesis H_D tests whether the frequency of individual psychosocial factors depends on the size of the family business.

H_D: The order of frequency of individual psychosocial factors differs for small and medium-sized family businesses.

Whereas the previous hypotheses examine the distribution of psychosocial factors within the collected data and testifies to a certain interest in or the importance of the individual attributes subjectively perceived by owners or representatives of the family businesses analyzed and the statements in their responses (designated in the theory of family business as socioemotional wealth), the fourth hypothesis compares the distribution of these factors found in our data with interest in the individual psychosocial factors on the part of the global scientific community. It is possible to ask whether the weighting of the individual factors is perceived the same by researchers and owners of Czech family businesses (i.e. the subjects of the study).

The fifth hypothesis H_E tests the time congruity (or incongruity) of the frequency of individual SEW psychosocial factors of small and medium-sized FBs in the Czech Republic in two time periods: 2019 and 2018.

H_E: In the general population of small and medium-sized family businesses in the Czech Republic, the distribution of individual psychosocial factors is different in the years 2018 and 2019.

The sixth hypothesis, H_F, is formulated as follows: H_F: There exists a significant difference in the identified SEW distributed into five psychosocial factors within small and medium-sized family businesses and the research interest devoted to research of the individual factors in academically renowned journals.

2.3. Data collection and study sample

The data was collected as part of the Equa bank public competition Family Business of the Year, which is organized each year by the Association of Small and Medium-sized Enterprises and Sole Proprietors of the Czech Republic (*Asociace malých a středních podniků a živnostníků ČR*, or AMSP ČR). The purpose of the competition is to seek inspiring stories of family businesses founded on their good name, honorable conduct, and company tradition. The goal is to highlight the success of Czech family businesses, to support and motivate companies in family business.

They compete in two categories: “Small Enterprises” and “Medium-Sized Enterprises”. The basic criteria for classification in the category of “Small Enterprises” or “Medium-sized Enterprises” are as follows: revenue of up to EUR 10 mil. for small enterprises and up to EUR 50 mil. for medium-sized enterprises, balance of assets of up to EUR 10 mil. (small enterprises) and up to EUR 50 mil. (medium-sized enterprises), age of business at least 5 years, number of employees not exceeding 50 for small enterprises and 250 for medium-sized enterprises, must consist of a family business in terms of ownership structure and involvement of two or more family members in the business.

As part of the application for the competition, owners of family businesses must complete an authentic (self-assessment) questionnaire with standardized (open) questions. These relate to factual information, such as financial indicators of the company (revenue, profit), involvement of family members in the business, or the product focus of the company. Another set of questions steers toward the content of this study. Respondents are asked about the beginnings of their business, important milestones in the growth of their family business,

business plans for future years. The contestants are also requested to cite examples of their socially responsible conduct in practice. Examples of this type of question are: “What mistakes would you now know to avoid, and what would you absolutely never change about your business, and would recommend to everyone?” or “What successes do you value the most?”

It is not possible to determine the total number of the family businesses in the Czech Republic; the whole population is unknown. Nevertheless, a certain indicator of this parameter can be the register of family businesses launched in 2020 (the first of March). Of course, not all family businesses are registered here at the moment although the motivation for all small and medium enterprises (including family businesses as well) might be a preferential treatment in getting bank loans and guarantees. This study analyses data from two years of the competition: from 2018 and 2019. In 2018 the seventh year of the competition took place and 19 medium-sized and 37 small family businesses applied. A year later, 11 medium-sized and 45 small family businesses participated. The completed questionnaires of these 112 family businesses became the primary source of data for analyzing socioemotional wealth of family businesses in the Czech Republic. Sets of text data were analyzed by year and by company size.

It was very difficult to have a fully representative (probability) sample because nobody exactly knows what is the population of the family firms in the Czech Republic. Therefore, the researches in the cooperation with the Association of Small and Medium-sized Enterprises and Sole Proprietors of the Czech Republic took a unique opportunity to survey the registered participants for the competition Family Business of the Year in which any firm that meets the given criteria can participate.

2.4. Coding the data

Five factors were identified as part of the socioemotional wealth (SEW) of family businesses: social (SOC), motivational (MOT), cognitive (COG), affective (AF), and behavioral (BEH) (Jiang et al., 2018). Table 3 summarizes factors of socioemotional wealth of family businesses (SEW) including their brief characteristics and the key words that serve to identify these factors in our data.

Table 3. Factors of socioemotional wealth of family businesses (SEW)

Factor	Characteristics	Key words
Social (SOC)	Social principles relate to arguments that relate to the social world or social being, to individual, interpersonal, group, or intergroup phenomena.	Relationships, social support, collaboration, assessment of strangers, social identity, shared group identity, reputation, social legitimacy, social expectations, social ties, fellowship, obligations, and relationships with involved parties.
Motivational (MOT)	Motivational principles apply to arguments related to how various aspects of resources ending relationships (e.g. goals and needs) provide preference, direction, and intensity for beginning, suspending, or retaining certain activities or responses.	Goals, needs, motivations, motives, goal conflicts, goal following, core, desire to sustain, the end in itself, managing motives, divergent motives, socioemotional reward, to manage and motivate.
Cognitive (COG)	Cognitive principles apply to arguments relating to the content and processes of understanding, which includes how people visit, perceive,	Cognitive, decision-making processes, strategic decision-making, strategic selection, meaning, attention, decision reference point, decision-making

	remember, and draw conclusions.	framework, defining problems, orientation, perception, choice between attitude, vision, bias, and loss of aversion.
Affective (feeling) (AF)	Affective principles relate to arguments involving complex psychological models and physiological arousal, feelings, reactions, or loyalty in relation to something that is perceived as personally significant.	Affection, feelings, emotions, emotional fidelity, positive valence, negative valence, emotionally devastating, affective ties, emotional support, love, hatred, anger, joy, happiness, sadness, pride, and emotional value.
Behavioral (BEH)	Behavioral principles related to arguments of action and reaction, through which individuals and groups adapt to their environment.	Behavior, action, reaction, functioning, taking steps, benevolent behavior, principal behavior of the family, behavior as custodial, behavior as authority, norms of behavior, socially responsible behavior, and altruistic behavior.

Source: compiled according to Jiang et al., 2018, supplemented by authors with key words.

2.5. Procedure

The division of our data into five categories of psychosocial factors of SEW was carried out on the basis of existing codes (Jing et al., 2018). The text data was encoded and subsequently analyzed using Microsoft Word and Excel. Key words were sought in the aggregated data, or meaning corresponding to the individual factors of SEW and their characteristics (see Tab. 1). The data file was first transferred into Word. Codes or key words such as “soci*”, “custom*”, support, goal, etc. were searched in Word and labeled with the relevant code. For example, the code SOC (social) was used to designate all instances associated with relationships with customers. This encoding was used to mark responses such as “We support music schools and competitions of young musicians” or “effort to create the right relationships, both inside and outside the company”; an example of encoding the data as the behavioral social aspect could include “obtaining a long-term customer as a business partner”. In certain cases, responses contained desired key words encoded on the basis of meaning and context. After the initial text analysis using encoded key words, the entire document was carefully read again and all additional relevant passages and parts of the text that had escaped notice in the first phase of the encoding were encoded in a fitting manner. The document was then edited in the form of a table using the Word extension DocTools. The frequency of the individual SEW factors was quantified in Excel.

The encoding approach was performed using two encoders. Given the scope and complexity of the analyzed text document, however, an indicator of fit between both encoders was not calculated (inter rater reliability typically measured using Cohen’s kappa). Instead, the researchers posed the question to what extent both encoders identified a similar representation of individual SEW factors in the analyzed text file. For the purposes of comparison, the frequency of the individual SEW factors were expressed as a percentage of the total socioemotional wealth (SEW) identified by both encoders. Using the Mann-Whitney test, the hypothesis was tested that the representation of the individual factors of SEW for both encoders does not differ, or in other words that the order of the representation of the individual psychosocial factors of overall SEW is not systematically different (lower or higher) for both encoders.

The original score (the frequency of the individual psychosocial factors in relation to the total number of SEW expressed in percentages) was ordered for both encoders from the highest to the lowest (i.e. from factors with the highest frequency). The Mann-Whitney test was used to compare the order of $n=5$ psychosocial factors for 1 encoder and the same number of psychosocial factors for the 2nd encoder. The results, $U=7$, $p>0.05$, with sum of orders equal to 22 for the 1st encoder and with a sum of orders of 33 for the 2nd encoder, indicated that both encoders identified the representation of psychosocial factors in the text file similarly (in other words, the hypotheses could not be accepted, in which it is claimed that there does not exist any statistically significant difference in the recognition of individual psychosocial factors of SEW between both encoders). This result can be interpreted in the manner that the codes of the factors (key words) are defined clearly and understandably.

3. Empirical results and discussion

Table 4 lists the frequency of the individual psychosocial factors of SEW of Czech small and medium-sized family businesses in 2018 and 2019 identified in our data.

Table 4. Frequency of SEW psychosocial factors of Czech small and medium-sized FBs in the years 2018 and 2019

Psychosocial factors	2019					
	Small FBs		Medium-sized FBs		Small + Medium-sized FBs	
	Frequency (number)	Frequency (%)	Frequency (number)	Frequency (%)	Frequency (number)	Frequency (%)
Social (SOC)	193	32.55%	49	32.03%	242	32.44%
Behavioral (BEH)	155	26.14%	48	31.37%	203	27.21%
Motivational (MOT)	110	18.55%	24	15.69%	134	17.96%
Affective (AF)	78	13.15%	16	10.46%	94	12.60%
Cognitive (COG)	57	9.61%	16	10.46%	73	9.79%
	$\Sigma=593$	100.00%	$\Sigma=153$	100.00%	$\Sigma=746$	100.00%
Psychosocial factors	2018					
	Small FBs		Medium-sized FBs		Small + Medium-sized FBs	
	Frequency (number)	Frequency (%)	Frequency (number)	Frequency (%)	Frequency (number)	Frequency (%)
Social (SOC)	35	8.93%	17	12.88%	52	9.92%
Behavioral (BEH)	45	11.48%	8	6.06%	53	10.11%
Motivational (MOT)	59	15.05%	14	10.61%	73	13.93%
Affective (AF)	151	38.52%	49	37.12%	200	38.17%
Cognitive (COG)	102	26.02%	44	33.33%	146	27.86%
	$\Sigma=392$	100.00%	$\Sigma=132$	100.00%	$\Sigma=524$	100.00%
Psychosocial factors	2019+2018					
	Small FBs		Medium-sized FBs		Small + Medium-sized FBs	
	Frequency (number)	Frequency (%)	Frequency (number)	Frequency (%)	Frequency (number)	Frequency (%)
Social (SOC)	228	23.15%	66	23.16%	294	23.15%
Behavioral (BEH)	200	20.30%	56	19.65%	256	20.16%
Motivational (MOT)	169	17.16%	38	13.33%	207	16.30%
Affective (AF)	229	23.25%	65	22.81%	294	23.15%
Cognitive (COG)	159	16.14%	60	21.05%	219	17.24%
	$\Sigma=985$	100.00%	$\Sigma=285$	100.00%	$\Sigma=1270$	100.00%

Source: author analysis via descriptive statistics.

From the table it is clear that in the monitored period a change occurred in the representation of factors against total socioemotional wealth (of small and medium-sized) family businesses. In 2018 the individual factors occurred (from largest to smallest frequency) for small businesses in the following order: affective, cognitive, motivational, behavioral, and social. In 2019 the order changed as follows: social (most represented), behavioral, motivational, affective, cognitive. This order in 2019 more or less applies to medium-sized businesses as well, in 2018 however the order looked different: affective, cognitive, social, motivational, behavioral.

3.1. Testing the hypotheses

After having selected a sample, each individual factor of SEW identified on the ground of pre-established codes was categorized. The frequencies (measured as the counted units of SEW) of the sample distribution (called observed frequencies and labelled by the symbol f_0) were expressed as a portion (in %) of the total appearance of SEW identified in the qualitatively analyzed text for each factor category of SEW (see Table 4). Therefore, the sum of all numbers in a row (Table 4) has to equal to 100% (there might be some deviations due to rounding). From the Tab. 4 it is clear that the composition of SEW changes not only in terms of time (years reviewed), but also with regard to the size of the family businesses. The question remains as to whether these changes are statistically significant. The testing of the hypotheses seeks to answer this question. All tests are performed at a significance level of $\alpha=0.01$.

Table 5. Testing hypotheses H_A , H_B a H_C

TYPE of FB		SOC	BEH	MOT	AF	COG
2019	SMALL Observed frequency	32.55	26.14	18.55	13.15	9.61
	MEDIUM-SIZED Observed frequency	32.03	31.37	15.69	10.46	10.46
	SMALL + MEDIUM-SIZED Observed frequency	32.44	27.21	17.96	12.60	9.79
2018	SMALL Observed frequency	8.93	11.48	15.05	38.52	26.02
	MEDIUM-SIZED Observed frequency	12.88	6.06	10.61	37.12	33.33
	SMALL + MEDIUM-SIZED Observed frequency	9.92	10.11	13.93	38.17	27.86
Equal expected frequency		20	20	20	20	20

Source: author calculation

For our data it was shown that **there is a significant difference among the individual psychosocial factors**, for small FBs $\chi^2(4, n = 593) = 17.6, p < 0.01$, for medium-sized FBs $\chi^2(4, n = 153) = 23.73, p < 0.01$, for the combination of small and medium-sized FBs $\chi^2(4, n = 746) = 18.2, p < 0.01$. **The research hypotheses of H_{A-C} are supported.** In other words, one (or multiple categories) of socioemotional wealth (SEW) appears in the responses of owners of small and medium-sized businesses more often than others, as indicated by the test of goodness of fit.

The Mann-Whitney U-test was used to test hypothesis H_D . For the two selection groups (small and medium-sized FBs), the scores in five psychosocial factors are compared ($n=5$), i.e. both sets show $n=5$ scores. Given the various sizes of the study samples (small and medium-sized FBs), and therefore the varying size of the frequencies of SEW in all its components, a percentage representation of the individual psychosocial factors on total SEW was used (in Table 6, first number); the second number in the table (after the slash) represents the order of frequency values of the individual psychosocial factors (from smallest to largest).

Table 6. Initial data for testing H_D using Mann-Whitney U-test

YEAR	TYPE of FB	PSYCHOSOCIAL FACTORS OF SEW				
		Social	Behavioral	Motivational	Affective	Cognitive
2019	Small	32.55/10	26.14/7	18.55/6	13.15/4	9.61/1
	Medium-sized	32.03/9	31.37/8	15.69/5	10.46/2-3	10.46/2-3
2018	Small	8.93/2	11.48/4	15.05/6	38.52/10	26.02/7
	Medium-sized	12.88/5	6.06/1	10.61/3	37.12/9	33.33/8

Source: author calculation

Within each year, the order of frequency of individual psychosocial factors is rated separately within the individual selection groups for small and medium-sized FBs. Each individual psychosocial factor in selection group A (small FBs) is assigned a point, if this order is lower than the frequency of the individual factors (or their order) in selection group B (medium-sized FBs).

$$U_{MRF(2019)} = 0 + 2 + 2 + 3 + 5 = 12; U_{SRF(2019)} = 1 + 1 + 3 + 4 + 4 = 13$$

$$U_{MRF(2018)} = 4 + 3 + 2 + 0 + 2 = 11; U_{SRF(2018)} = 3 + 5 + 4 + 1 + 1 = 14.$$

As Mann-Whitney U is a smaller number, it means that $U_{(2019)} = 12$ and $U_{(2018)} = 11$. The critical value U for $\alpha = 0.05$ (one-tailed test, or two-tailed test) is 4, or 2. The critical value U for $\alpha = 0.01$ (one-tailed test, or two-tailed test) is 1, or 0. Because the values obtained by the Mann-Whitney U for both years are not less than or equal to the stated values for the critical area, the hypothesis of H_D could not be accepted. In other words, **the data does not confirm a significant difference between the frequency of psychosocial factors of SEW depending on the size of the FB.** There is no significant difference between the selection groups for both years, $U_{(2019)} = 12$, $p > 0.01$ with the total sum of orders equal to 28 for small FBs and 27 for medium-sized FBs, or $U_{(2018)} = 11$, $p > 0.01$ with the total sum of orders equal to 29 for small FBs and 26 for medium-sized FBs.

Table 7 summarizes input data for the chi-square test of independence, which is used to determine the consistency of the distribution of socioemotional wealth (SEW) in time (hypothesis H_E). In all its components the selection groups of mix of small and medium-sized businesses are compared for 2018 and 2019. In the table the first number expresses the observed frequency of the individual psychosocial factors and the number after the slash the expected frequency.

Table 7. Observed and expected frequency of SEW factors for small and medium-sized FBs in the years 2018 and 2019

		PSYCHOSOCIAL FACTORS					
		SOC	BEH	MOT	AF	COG	
YEAR	2019	242/172.7	203/150.37	134/121.59	94/172.7	73/128.64	746
	2018	52/121.3	53/105.63	73/85.41	200/121.30	146/90.36	524
		294	256	207	294	219	n=1270

Source: author calculation

We wish to review the distribution of psychosocial factors within overall socioemotional wealth (SEW) of small and medium-sized FBs in the Czech Republic ($n = 1270$). We predict that the distribution of this wealth is not dependent on the time at which the data is collected, i.e. that the frequency of the individual SEW psychosocial factors has the same appearance in 2019 as it does in 2018 for the significance level $\alpha = 0.01$. The critical value χ^2 for $df = 4$ at the selected significance level α is 13.28. If our calculated value χ^2 is greater than this critical value, the research hypothesis is not confirmed. Our data indicated that the distribution of SEW in the individual psychosocial factors may differ from year to year (in our case, the distribution of frequency of psychosocial factors differed in the years 2018 and 2019 quite strongly), $\chi^2(4, n = 1270) = 260.36$, $p < 0.01$, $V = 0.45$. Based on our data **the research hypothesis H_E was accepted.**

Table 8 presents the initial data for the testing of hypothesis H_F . It is being reviewed to what extent the perception of the distribution of psychosocial factors of SEW follows or deviates from research interest in these factors. The comparison is performed for two selection sets: the overall socioemotional wealth SEW identified in the data of Czech owners of small and medium-sized FBs in the years 2018 and 2019; the second set represents research interest in individual factors of SEW in theoretical/conceptual work published in prestigious academic journals by researchers from the non-Czech environment. In order that both sets (to a large extent incomparable) could be compared, the quantified operator is the percent representation of psychosocial factors ($n = 5$) in overall SEW identified first in the responses of Czech owners of FBs, then numbered (viz Jiang et al., 2018) in the articles of academic journals. The number in the table after the slash expresses the order of the frequency of the individual social factors as part of both selections (from smallest to largest).

Table 8. Comparison of frequency of individual SEW factors in theory and practice

PSYCHOSOCIAL FACTORS OF SEW					
TYPE of selection	Social	Behavioral	Motivational	Affective	Cognitive
Small and medium-sized FBs in CZ (2018-2019)	23.15/7-8	20.16/5	16.30/2	23.15/7-8	17.24/4
Research interest	23.71/9	16.57/3	24.63/10	14.50/1	20.60/6

Source: author calculation

The original score was ordered from the smallest to the largest and the Mann-Whitney U-test was used to compare the order for $n = 5$ psychosocial factors in two selections: data in responses of owners of FBs in the Czech Republic and articles in high-ranked scientific business journals. The results indicated that the distribution of psychosocial factors as part of SEW for Czech entrepreneurs does not deviate substantially from the research which is devoted to these questions in the academic sphere, $U = 11$, $p > 0.01$ with a sum of orders

equal to 27 for the first set and 29 for the second set. **Sufficient evidence was not found to support the hypothesis H_F .**

4.2. Discussion

Our analysis enabled the identification of the character of non-financial factors of family business in the Czech Republic. It characterized the composition of socioemotional wealth of Czech small and medium-sized family businesses in quantified form. International studies declare that the competitive advantage of family businesses consist of social/psychological, emotional values (e.g. humility, integrity, respect, responsibility, relationships, open communication, enterprising spirit, brand, tradition, long-term perspective (Ceja et al., 2010, Anderson and Reeb, 2003, Denison et al. 2004, Vorhies et al., 2015, Cleary et al., 2019, etc.) The research of Petru et al., (2020) demonstrated that owners of Czech companies in relation to the tool Relationships with Customers and Values Provided to Customers communicate values such as stability, reliability, trust, flexibility, uniqueness, speed of decision-making, tradition, good name, precision, fair dealing, common sense, quality, story, openness, integration with the locality, reinvestment, activities performed with love, care. Our current study has explicitly confirmed that owners in the Czech environment state values such as relationships, social support, collaboration, positive rating, social identity, shared group identity, reputation, social legitimacy, social expectations, social ties, fellowship, obligations, which rank among social factors. The values stated do not differ significantly from foreign studies.

The designation of family business evokes a feeling of traditional quality, thorough craftsmanship – in other words, positive emotions. The term “family business” in its contemporary rendering represents a purposeful managerial/marketing construct that can support the economic functioning of the company and be a marketing competitive advantage in and of itself. Academic research has confirmed what the owners of family businesses typically communicate intuitively in relation to their employees, suppliers, customers, and broader surroundings. Part of building the brand is the presentation of its social responsibility of the owners of family businesses. According to a study by AMSP ČR (2017) involving 249 owners of family businesses, 4/5 companies support socially beneficial activities in their surroundings. Most often this consists of sport, charity, support of non-profit organizations caring for sick children or handicapped citizens, cultural events, etc. An appeal is made to affection, feeling, emotion, love, joy, derivations of the feeling of happiness, pride, and emotional value. These factors are classified under the affective category in our study. The impacts of proper communication content on the effect of sponsorship (which also falls into the category of social responsibility) on websites is examined by a study by Santos et al. (2016). It is also important to distinguish to whom the messages are intended – messages intended for family members contain significantly different content connected to dimensions of the scale of importance of socioemotional wealth, in particular as regards enhancing family dominance, retaining family continuity (Marett et al., 2018).

Psychosocial factors cocreate the socioemotional internal resources of family businesses. This finding has importance for understanding the specific contours of this type of enterprise in the Czech Republic and beyond. SEW has an undisputed influence on decision-making of family members engaged in enterprise, internationalization of companies, or long-term performance. SEW creates a competitive advantage, differentiates one company from another, and allows the uniqueness of specific family know-how to be communicated.

The data indicated that psychosocial factors contribute to overall SEW to a different extent. In comparison with family business in the world (and the relevant research), our findings do not deviate from expectation. The composition of SEW indicates strong social

feeling of owners of family businesses in the Czech Republic. This defines the basic character of family businesses in the Czech Republic: interest in public well-being and socially responsible conduct. Family businesses can thus be considered one of the pillars of the social policy of a state.

4.3. Study limitations and suggestions for further research

The authors of the study are aware of the drawbacks and certain limiting circumstances that could distort their conclusions. Despite the fact that the data collected was encoded by two encoders and that no statistically significant difference was found between them in the composition of identified psychosocial factors of SEW, it is not out of the question that socioemotional wealth in its entirety was not defined correctly. It is justifiable to presume that the codes to the individual psychosocial factors are understandable and clear, yet the results could be more precise while engaging either a larger number of encoders in the encoding of a relatively extensive text document or performing the encoding using sophisticated digital applications. This could allow for human factor errors (such as fatigue, inattentiveness, boredom, failure to grasp instructions, etc.) to be partially eliminated.

The specific conditions of data collection cannot be overlooked either. The respondents (owners of companies, family members) provided responses to standardized questions as part of their applications to a prestigious competition. While this represents a very unique source of information, it cannot be ruled out that the data could have been influenced by this fact (e.g. respondents could wish to appear better in the eyes of the judges, could respond tendentially, promote themselves). A classical (non-written) interview conducted in person and with the option of posing follow-up questions, though more time-intensive and more difficult to realize on a practical basis, would refine the responsive capacity of the data of the accurate condition of socioemotional wealth of Czech family businesses.

It can also be justifiably objected that the dynamics of SEW development cannot be captured to the full extent on the basis of two years alone. To refine the results, it would be necessary to analyze a longer time series of data. Moreover, it can be justifiably assumed that sector matters, i.e., that the distribution of the SEW factors might be varying in dependence of the sector of the economy. The question of sector in connection with SEW was not considered in this study although, no doubts, it deserves to be explored in the future. To a certain extent, the testing of hypothesis H_F could appear problematic given the differing character of the compared bases of the source data. This represents rather an approximate comparison in a global context of a relatively new topic hitherto unestablished in the Czech environment. An international comparison of the distribution of psychosocial factors of SEW of family businesses would have greater practical meaning, provided that the collection of data took place in an identical manner in two or multiple countries of the world. In this respect, opportunities have been created for further study of the questions raised in this article.

4.4. Recommendations for practice

Owners of businesses intuitively assign different weighting to specific psychosocial factors. This points to the fact that individual psychosocial factors differ in their importance and significance for owners of family businesses. This is given also by the fact that family businesses operate in different industries, in different customer segments, and in different markets (the B2B market requires a different appeal than the B2C or B2G markets, for example). Cultural differences as part of internationalization and the entry of the company onto the international market requires different content of communication messages, and for

this reason individual geographical regions or religions acknowledge different values (Kaase, 2019).

For practice, it is also necessary to communicate generational representation appropriately. E.g. behavioral factors are used in strategic management of the company by Mr. Roberto Brazzale, whose food company was founded in the 16th century. The secret of the longevity of this family business consists in its nature, or “clan-enterprise”. The clan value is typical for small and medium-sized Italian rural companies (agricultural, processing). It consists of the fact that clan members are connected primarily by natural bonds that are based in an inherited grouping instinct (people, property). Power is always concentrated on the patriarch – a member of the family who is a strong, leader personality. Quick decision-making activity is characteristic of a clan. Everything is resolved during collective debates and discussions before convening general meetings or boards. The highest decision-making right is the one with the highest authority.

Motivational factors (goals, needs, motivations, motives, goal conflicts, goal pursuit, desire to sustain, the end in itself, socioemotional reward, drive and motivate, etc.) are important primarily in the time of succession strategy. This must be positively presented not only in reference to the departing founder and incoming successor, but also to employees, customers, suppliers. The importance of cultural capital, satisfaction of family members with past performance, and ambitions in relation to future performance is discussed in the study by Mahto et al. (2013).

The above findings are important for reasons of self-presentation, analysis of the commercial environment, position analysis of competitiveness, and others. Family businesses recognize themselves thanks to analysis of their socioemotional wealth. Apart from their financial goals, they will become aware of the value anchoring of their commercial activities, with which they are internally identified and influenced in their decision-making and what is important to them. From this finding they can operate not intuitively but entirely strategically and professionally in preparing promotional, media, and advertising campaigns, e.g. by accenting their traditionalist foundations and prosocial orientation.

5. Conclusion

Socioemotional wealth (SEW) differentiates family business from other organized forms of business. It creates specific conditions for decision-making by company owners and influences their behavior in all areas of their business. It determines the value *modus operandi* of company management. For this reason and for better understanding of this important sector of the economy, it is necessary to devote greater attention to analysis of SEW.

In the Czech Republic this question has been somewhat neglected. This study represents the first more serious attempt to supplement this deficient condition of study. The individual aspects, dimensions, and components of SEW were reviewed in the perspective of social psychology. Five psychosocial factors (social, behavioral, cognitive, affective, motivational) comprising the overall SEW of small and medium-sized family businesses in the Czech Republic were identified through qualitative content analysis of the collected data in a sample of 112 family businesses applying for two years of the competition “Equa bank Family Business of the Year”. At the same time, the share (i.e. the significance level or weighting) of the total SEW indicator of these companies. Even though a certain dynamic change appears in the representation of the individual psychosocial factors on total SEW, in the summary of two years the greatest meaning and importance for the owners of small and medium-sized family businesses lies in the social and affective contours of their enterprise. From here on it can be indirectly concluded that family businesses are the stabilizing social pillar of Czech society, as they display strong social feeling and connection to society. In this

respect, however, the situation in the Czech Republic is no different than that of the world. The prosocial orientation of family business is also fully reflected by academic interest and the importance researchers place on the study of these very psychosocial factors.

This study also showed that in terms of a certain psychosocial (value) anchoring, family businesses do not differ fundamentally or significantly from one another depending on their size (comparing small and medium-sized enterprises). This represents a certain traditionalistic permanence and strength of family business: with potential expansion of entrepreneurial activities, the value core of family businesses (SEW) remains constant and without significant deviation in any one direction. For this reason, it is not necessary to take into account the size of a family business when preparing a certain (e.g. media) value appeal. Nonetheless, in the short-term timeframe it is necessary to very actively work with the momentary distribution of socioemotional wealth which develops dynamically and changes over time (year on year), as our data indicate.

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