

WORK TEAMS AND EFFECTIVE MANAGEMENT OF A FAMILY OWNED COMPANY

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***Abstract.** Human resources are the most important asset of an organization. It is difficult to imagine a company working effectively without a properly selected work team. The idea of work team organization in family owned companies is presented in this monograph. The issue of family owned companies as groups of people with special characteristics is introduced. The concept of internal marketing is characterized as a feature which enables companies to build properly engaged work teams. The determinants of team effectiveness are discussed as they condition the efficient management of work teams. The project management as a new method of work organization, which may increase the work effectiveness in family owned companies is characterized too.*

***Keywords:** work team, family owned company, project management, management.*

1. Introduction

Polish citizens are undoubtedly claimed to be an enterprising nation. Data on entrepreneurs contribution or people intending to do business confirm the above statement. Poland is in sixth place among other European Union economies when the number of enterprises is taken into consideration. About 1.8 million companies are run in Poland. The number has increased by 3.4% as compared to 2010. Small and medium sized enterprises comprise 99.8% of all companies. Newly established enterprises are mostly seen in Poland. In 2010 Poland occupied second place in this aspect, straight after France. As the Central Statistical Office data confirm, enterprises run in Poland generate almost three-quarters of Polish Gross Domestic Product. The dynamism of the gross value added created by enterprises in Poland has been continuously growing since 2005, among all company groups. The structure of enterprises share of GDP clearly

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shows that SMEs generate every second zloty (47.3%), including the smallest companies which generate every third zloty (29.4%) [3].

Family owned companies make up a significant group within SMEs sector. It is them that affect the whole national economy, becoming more and more important market players. One can barely provide an easy unambiguous definition of a family owned company. The main area of attention is its special characteristics contributing to its family nature. A family owned company exists when its founders and their offspring or relatives comprise human capital of a company holding managerial or the board of directors' positions at the same time. As a result, the company's ownership structure is shared by the family to the extent which allows them to control the company's activities. The interference in current activities and management is also possible when the family has their representatives in the board of directors. Furthermore, a family owned company is to take action to transfer the ownership and all company values to next generations [2].

People make up the foundation of each company. This resource is mostly appreciated in family owned companies. Not only is the concern about workers caused by economical and managing issues, but also by family based and personal relationships. Both, the staff and senior management while striving for their mutual satisfaction are equally concerned with the company and family. It is often observed that the number of processes as well as the dynamism of ongoing changes throughout a company requires coordinating human resource operations. It, therefore, needs the implementation of information systems as well as other process solutions. The purpose of this monograph is to show the role of workers in family owned companies which constitute a unique form of enterprise within SMEs sector. The role will be presented from the perspective of organizing job into work teams which may become an effective way of increasing work efficiency and workers' motivation.

2. Work Teams

No explicit and full definition of 'a work team' has been yet provided. Authors tend to mention different forms of transforming social groups into real work teams (e.g. Likert's idea of an effective work group). However, work teams are characterized by such phenomena as group norms, cohesiveness or group roles [6 p. 47]. Effective and efficient work

teams share some common features which, when properly used, might help in achieving a strong competitive advantage.

It is crucial to distinguish between work teams and work groups. Work groups are regarded to feature some cohesiveness standards, their members interact with one another, they have complementary competences and act in a coordinated way. The work group outcome consists of the results of individual people involved. They are, on the other hand, expected to have the synergistic effect. Although they have access to the same information and are affected by the same decisions, their work is not collective-natured. It is done rather in an individual way at certain stages. Furthermore, the scope of responsibility is also separate. Low coherence work groups are expected to have a less known effect – rather counterproductive to the synergistic effect – Ringelmann's social loafing effect. The level of cohesiveness tends to intensify as the size of the group decreases, as some external threats appear and in proportion to the amount of time mutually spent. It is therefore clear that in order to make the level of cohesiveness higher, a few things may be done such as stimulating competition with other groups, decreasing the size of the group or encouraging group members to make collaborative decisions and prepare operation [11 p. 298].

In large organizations many processes are performed via teamwork. Small companies, on the other hand, do not require them so often, but still their work teams [9 p. 86]:

- are not formally involved in the static organizational structure of a company,
- fulfill tasks going beyond an organizational chart,
- consist of specialists and managers,
- work periodically or constantly, depending on the situation,
- act within specific budget plan,
- bear responsibility within the set goals,
- complement the existing organizational structure but do not substitute for it,
- team members are all assigned to a proper position in a formal organizational unit,
- allow outside experts to get involved in enterprise activity.

Proper team-building process is an important factor influencing its future functioning. Team-building mostly concerns intentionally formed groups, towards the needs of a specific situation – secondary groups. The process needs to be premeditated and developed on the basis of training methodology. As the classic author, B.W. Tuckman claims, further group

development is stimulated through stages like storming, norming and performing [12 pp. 384-399]. In family owned companies we can observe the so-called integration, conceived without any influence from company authorities. Both, team-building and integration are to be for uniting the group and as a result eliciting the previously mentioned synergistic effect [4 pp. 89-98]. Being aware of a need for consistency as well as a mature attitude towards goals, which the group is created for, should lead to setting cooperation standards. This constitutes a condition for reaching the effective team work phase. Team-building is easier in family owned companies as its main purpose is to create and evoke such feelings, emotions and atmosphere that the group functions as unity and in an integrated way.

In order for the team success to feed the organizational success, a crucial role is assigned to its leader, whose main areas of working concern:

- properly locating the team into a company structure;
- selecting right workers – team members’ expertise, among others;
- subdividing powers and responsibilities among team members;
- using proper motivational system;
- getting workers involved in a decision making process;
- constant staff training;
- showing workers interest and support;
- creating positive atmosphere;
- enriching intra-organizational culture;
- promoting and appreciating ethical behaviors among workers.

The literature mentions quite a lot of factors determining the growth of team effectiveness. According to R. Kreitner, the so called determinants of team’s effectiveness have been grouped into [7 p. 452]:

- people-related factors:
 - personal work satisfaction
 - mutual trust and team spirit,
 - good communication
 - the lack of conflict.
- organization- related factors:
 - organizational firmness and job security,
 - management interest, proper reward system and ability recognition,
 - stable targets and priorities.

- task-related factors:
 - clear aims
 - proper directions and leadership
 - autonomy and challenging work
 - experienced and qualified team staff
 - team engagement and project ‘visibility’.

Larson and LaFasto’s division, by contrast, proves the existence of some success determinants of high performance teams. The factors are: clear objectives (the vision), competent team members, unified motivation, collaborative climate, standards of excellence, a results-driven structure, principled leadership, external support and relevant atmosphere [1 pp. 78-86].

The above mentioned factors may be of a different intensity, depending on situation and team type. Nevertheless, they constitute entirety and only their combination conditions success achievement in teamwork.

3. Work team effectiveness in family owned companies

As previously mentioned, family owned companies are mainly small companies or micro-entities. Even so, their work team effectiveness is a complex issue. It requires a thorough analysis of a number of variables which, depending on the team and the organization development stage, more or less influence the way of team performance. An organizational structure must be made a starting point as it conditions an internal work organization, relations between workers, managing styles and staff development opportunities. A work team itself does also stay significant, as well as its positions interrelation, age structure, employment and the needs of motivational nature.

Team efficiency and effectiveness are also determined by a set goal and a task type. Since tasks are generally imposed in accordance with the work allocation and functioning of an organization. Team members are instead obliged to carry them out. No matter the task type – whether it requires physical or mental effort, or the intensity of its compulsion is higher or lower – from a psychological perspective it is significant what

inner arrangements the team has, what standards it follows, if the tasks are realistic or unrealistic or if it really feels desire for success [6 p. 48]. Family owned companies deal with the phenomenon of compulsion less often. Workers tend to associate themselves with the company, they participate in creating its identity (private family meetings are a part of this concept) and thereby identify with it stronger.

The recruitment process in family businesses is quite peculiar, too. Firstly, job positions are sometimes created for particular persons. Secondly, workers do not always possess sufficient competences and, finally, staff turnover is rather poor and their dismissing rather difficult. Teams positively influence less efficient team members and individual members' motivation. An awareness that participating in a team contributes to knowledge, experience and skills growth, is said to be important. This, in turn, causes human and organization capital increase. Moreover, introducing a new employee to a company is considered to be easier and cheaper.

Implementing any organizational changes in small businesses results in temporary work confusion. Whereas teamwork eliminates the need for frequent structure modifications and its nature does not also require any organizational structure changes, for it fits in with existing solutions. Work groups, however, positively affect the process of implementation different changes in a company.

The atmosphere prevailed in family owned companies seems to be friendly and of a family nature. Nevertheless, private family disputes are often transferred to a professional area. Teamwork and collaborative goal achievement reduce unhealthy rivalry and improve work atmosphere. Cooperation causes team integration enhancement. What is more, small companies often build one team which eliminates harmful rivalry between more teams. The atmosphere, interaction between members, freedom of speech and personal views (even those adversarial towards others) all have an impact on team effectiveness, creative problem solving process and finding innovative ideas, when family owned companies are being concerned.

It is much easier to communicate, express and share opinions among family team members as they appear to have their own specific communication codes, the ones developed during official and unofficial meetings.

Sharing knowledge is another important issue. Knowledge resources are considered as the most essential from the standpoint of operation of enterprises because, if properly managed, knowledge provides the basis for development of competitive and innovative business processes and business solutions. Knowledge represents a specific resource that differs significantly from factors of production. Managing these resources require a specific approach to the strategy, structure and organizational culture, and choosing appropriate knowledge management tool or acquisition of new employee competencies. Each employee, using their knowledge, experience and skills, generate value through creative thinking, analysis, synthesis and formulation of views. Further, using the tools, structures, systems and procedures that support knowledge development and knowledge flow, the employee makes decisions and takes activities to make the knowledge available for achievement of the enterprise's goals [8 pp. 168-174]. The problem does not usually concern family companies as their employees have safe established positions both, on business and family basis. They do not therefore face a prominent level of competition and, as a consequence, they share their knowledge with ease. However, teams still support sharing mainly specific knowledge, rather hidden and procedural, difficult to be expressed verbally. Besides, workers may use their knowledge and skills more effectively which, in turn, may result in enhancing activities like innovation implementation. Thus, work teams in family owned companies can be a substitute for R&D department.

Vast majority of family businesses are managed by their founders. This type of management is primarily based on the conviction that the owner's equity should be the only source of investment and development is best achieved with a step by step approach. Such a strategy results from tough market situation, where many small families owned companies struggle for their survival. Family businesses' staffs are certainly more trustworthy but, on the other hand, market needs should be prioritized over and above strong family relations [10 p. 253]. Work teams, therefore, prove to perform successfully. Managers do not have to put negative emphasis on employees, likewise, to apply unyielding standards and regulations.

Managing work teams is certainly not an easy task. As far as family owned companies are concerned easier managing is determined by such factors as a high degree of trust, similar habits, as well as the lack of job

insecurity [5 pp. 116-117]. No matter the team type, whether it is problem solving, self-directed, functional or virtual, the process of managing appears to be fairly easier.

Another issue concerns creative problem solving and team creativity. Although there is no research proving that a team surpasses an individual person in generating original ideas, it is clear that the individual person is simply unable to have a multi-level approach towards problems, self-criticism and broad competencies and experience. Besides, a team is believed to be more objective. Team creativity is, therefore, encouraged through cooperating and discussing. The synergy effect, which appears simultaneously, helps with efficient reactions and decision making.

Work groups, on the other hand, are employed increasingly in unpredictable circumstances. They have become an essential coordination, target-oriented integration and managing tool, all in highly variable surroundings, both internal and external.

Teamwork effectiveness determinants are as follows:

- setting a proper area of group operation (targets, timelines, criteria, personnel and organization of the group);
- creating suitable working conditions (a relation between the group and a stable organizational unit – how work is shared between them, place of work, budget, decision making competencies, tangible assets, equipment, administrative support, additional payment for group members);
- group-building process (determining group autonomy – a level of self-directing, responsibility for achieving goals, proper group personnel);
- providing current support (monitoring group needs, staying in touch with the management staff, responding to all obstacles, even those beyond the group influence, replenishment of resources).

To sum up, teamwork benefits mostly mentioned are: [6 pp. 13-14]

- working with other people triggers more energy and creativity; different views are easier to result in creative solutions;
- working with other people may be quite satisfactory, the team structure enables all its members to develop, so that each person could show their uniqueness;
- teamwork may be effective, the more skilled and experienced team members are, the better usage of energy and time.

4. Conclusion

Current changes in the field of economy, society, culture, as well as the issue of globalization and modern technologies all force enterprises to be ready to make changes. Those companies which are able to alter their manufactured goods, target market or type of business activity have a real chance for success. Reaching status quo seems to be insufficient. A company has to adapt to changing market conditions, like a chameleon.

The process of change comprises an integral part of each company's functioning. Changes are known to activate an organization. Not only does the managing staff have to participate in the changes but also each employee. However, it is becoming more and more common that employees show willingness to be a part of a company and its actions. Their attitude towards work, high qualifications and previously mentioned factors are in favor of teamwork development.

Family owned companies' owners are required to operate in accordance with contemporary management demands and organizational improvement standards. That, in other words, simply means modern way of thinking. Family businesses ought to be considered significant market participants, contributing to economic growth acceleration rate. Their positive qualities should be therefore appreciated and prove that the organization creates positive working conditions and invests in human resources which, in turn, makes it more competitive at the market.

Work teams are becoming more and more important element of a company performance. They compose a mosaic-like image of their members' qualifications. What is being emphasized is their significance in a company, likewise, their influence on the effectiveness and quality of doing business. So important is their role, that many companies strive for implementing proper organizational and work processes changes, enabling teamwork functioning. Then, organizational processes and structures get the chance to be stimulated and revitalized. Hence, work teams just go beyond modern trends, they response to the need for improving work organization processes.

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