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**NEW PERSONNEL TECHNOLOGIES USAGE IN THE FAMILY
BUSINESS MANAGEMENT**

**ZASTOSOWANIE NOWYCH TECHNOLOGII PERSONELU
W ZARZĄDZANIU BIZNESEM RODZINNYM**

Abstract: The relevance of the chosen theme is that in recent years, more attention is attracted to personnel management tools. Besides a significant role in the development of the national economy play a family enterprise. Therefore, it is advisable to conduct a study of methods to increase

the company's competitiveness, improve financial performance and the speed of response to the challenges of the business - environment by improving the quality of staff.

Keywords: Personnel-technology, corporate values, consistency, personal responsibility for innovation, team play

Streszczenie: W ostatnich latach coraz większą uwagę przyciągają narzędzia zarządzania personelem. Istotną rolę w rozwoju gospodarki narodowej odgrywają przedsiębiorstwa rodzinnego. Dlatego wskazane jest, aby przeprowadzić badanie metod, aby zwiększyć konkurencyjność firmy, poprawy wyników finansowych i szybkość reakcji na wyzwania biznesu – środowiska poprzez poprawę jakości personelu.

Słowa kluczowe: personel-technologie, wartości korporacyjne, spójność, osobista odpowiedzialność za innowacyjność, gra zespołowa

Introduction

Small business plays an essential role in maintaining sustainable economic development, improving the flexibility and adaptability of the national economy to the changing external and internal conditions. The development of the sphere of small business is the most important factor in the diversification of the economy, since such enterprises are oriented mainly in non-primary sectors of the economy, and are engaged in the development and implementation of innovative technologies.

Effective development of small business is not only a goal of the evolution of the market economy, but also a tool which allows you to achieve it. The presence of small businesses in the highly developed economies entails employment growth, increasing its business activity, which creates the basis for the formation of a large middle class. Moreover, small businesses are distinguished by the ability to carry out innovative design and pilot implementation of its results, the ability to curb the trends of monopolization of the economy, meeting the needs of the population are not covered by big business.

Owners of small and mid-level form the basis of the middle class. In any civilized country, the economic and social basis of civil society organizations are small and medium-sized owners and entrepreneurs, that is the middle class. In most countries, small and medium businesses are an essential part of the economy and at the same time solve many social problems, being powerful alternative to state social assistance. Despite the different perspectives on the role of small business by definition as a web economy of modern Ukraine¹ prior to its consideration as a dependent "appendage" of big business and the public sector ("the state and large companies in economically pave the way for small, since the latter are

¹ Bhaskaran, S., *Incremental Innovation and Business Performance: Small and Medium - Size Food Enterprises in a Concentrated Industry Environment*, "Journal of Small Business Management" 44(1), 2006, s.64 – 80.

not able to independently create a modern economic space”²), however, it is important to recognize that small business in today’s market economy takes its own» niche «, organically complementing and interacting with large corporate structures and the public sector. A necessary condition for the effective functioning of small business is to create a favorable institutional environment, which is a system of social and economic relations of small businesses in the interaction with the external environment, the present systems of legal support of small businesses, as well as mechanisms for implementing state support.

In order to create favorable institutional environment for the development of small and medium-sized businesses in Ukraine they have already taken a number of important measures, in particular, introduced a simplified tax system that reduces the tax burden and simplify tax administration, limited the number of inspections carried out by public authorities, the simplified procedure for registering new firms. In addition, steps should be taken to develop insurance, credit and other institutions that provide small businesses access to financial resources. Formation of system of state-owned banks, specially created for participation in the programs of support of small business; revitalization of «business incubators.» Improving the mechanisms of information support of small businesses using modern computer technology and communications, and so on.

1. Characteristics of family entrepreneurial businesses

Creating of small business development environment requires the authorities to implement concepts and programs of the small business central support, satisfying a number of requirements: tighter control over the activities of local authorities in relation to small businesses, especially in the part of fiscal powers of municipal authorities; the decline of indirect financial support, focus on government assistance forms which do not require reduction of budget revenues. One of the main external factors hindering the development of small business in Ukraine, it is the discrepancy between the policy by the authorities “on the ground”, with an overall national strategy legislatively fixed. The presence of a favorable external environment, of course, is a necessary but not sufficient condition for successful development of small businesses. The effective functioning of a small business requires the successful resolution of internal development problems. A small business is characterized by the coincidence of business and functions of the owner, therefore in this company we can’t find the separation of the powers of the owner and hired manager of the campaign which is not typical for large corporate sector and has both positive and negative side, depending on the specific operating conditions of enterprises.

Internal relations within the framework of a particular company are substantially dependent on its size, the number of working employees. The study of intra-labor relationships within the small business allows you to select a number of characteristics as common for small businesses around the world, and it is inherent in the Ukrainian economy – a low

² *Modern Management of Small Businesses* (v. 1.0), Access to download: <http://2012books.lardbucket.org/pdfs/modern-management-of-small-businesses.pdf>

level of prestige of wage labor in small business, failure to comply with requirements on the legal form used hired labor, most democratic labor relations between performers and managers, failure to comply with the Labor Code. One of the tools for solving these problems, as well as increasing the number of working-age population employed in small businesses, providing employment and a certain entrepreneurial independence of women, adolescents and people with disabilities can serve the development of this form of small business as a family business, its legislative consolidation as a independent of the legal form. Family business is one of the most viable and flexible growth factors capable of dynamic growth in all market conditions. Currently, a family enterprise, as a rule, is created at the expense of families in the management and production of all of its members are involved, even though the director is often the head of the family. Women tend to maintain accounting and financial control and accounting. To the family could start their own businesses, it is required to fulfill a number of conditions: the availability of sufficient start-up capital; a certain level of qualification; availability of infrastructure; access to information, etc.

The most common sources of finance used by Ukrainians are personal savings (42.5%), family and friends' savings (35%), bank loans (20%), and Small Business Investment Companies (15%).

In many instances, the personal savings of Ukrainian entrepreneurs are not sufficient to start their businesses. Most of them need to supplement their savings with bank loans or other forms of finance. Ukrainian lending institutions have been criticized for the long time it takes for a loan application to be approved (up to several months). Obtaining the necessary financing can be the most difficult aspect of starting the business.

Despite these facts the majority of Ukrainian small enterprises have started their own businesses; they did not inherit their businesses. Entrepreneurs are more likely to buy existing businesses, are less likely to start a business themselves or with someone else, and have not had the benefit of inheriting a business as their non-USSR counterparts.

We can call as family company any company or business in which most of the ownership or management belongs to the same family³, regardless of whether it is directly incorporated into other family members or not, and whether they find themselves members of a family company or not. If we talk about the legal definition of the family business, then such a thing as a «family business» in the Ukrainian legislation states that the peasant (farmer) economy is an association of citizens bound by kinship and (or) property, with a total property wealth, and carry out production and other economic activities, based on their personal participation⁴. Family businesses are the most sustainable and viable, since they are characteristic: the ability of family members to work overtime for less cost and with greater impact; active mutual relative to each other; the willingness to experience the stages of the crisis together, harder working, even at low remuneration in order to maintain the business. That is, as a rule, are in equal con-

³ Blumentritt T., and Danis W.M., *Business Strategy Types and Innovative Practices*, "Journal of Managerial" 2006, Issues, 18, pp. 274 – 291.

⁴ Sharma, P., J. Chrisman, and J. Chua, *Strategic Management of the Family Business: Past Research and Future Challenges*, "Family Business Review" 10(1), 1997, pp. 1-35.

ditions, family members are making more profits than employees. In addition to the typical for any business purpose of maintaining his life and stability inherent in the development of family business and their specific goals and objectives: preservation of family business ownership; conservation of the property of the family; the strengthening of family ties. However, the interweaving of interests and goals of the family and the business can be a serious problem, because the ways of interaction, the necessary contacts, standards, assessments, and similar factors must be different in family and business relations, the lack of separation in the approach may negatively affect both the fate of the business and, with increasingly, families.

2. Method of personnel motivation

Therefore, the task of staff motivation can be considered one of the main prerequisites for successful business development.

Everyone has its own interests and opportunities. The main manager's task is to manipulate worker's features (his professional knowledge and skills). The last two components are often called professional experience. We will not share professional knowledge and experience of personal and physiological characteristics (such as communication skills, reaction speed, etc.), which are closely interlinked and mutually dependent on each other, and we just call them professional, keeping in mind that all they are essential for the practice of a profession. Thus, the possibilities of the employee determine its ability to perform certain functions, which naturally applies in recruitment for work, allocation of duties assigned to production problems, and so forth.

Interests representing a manifestation of values, determine preference (tendency) of the subjects with respect, in particular, to the production activities. One of the extreme points of view on the relationship between the interests of the subject and the work lies in the fact that the subject does only what he wants, that is what fits his interests. Systems of incentives for staff work with this aspect of the behavior of workers as subjects.

Employees of the organization are combined in various groups (structural units, project groups for a specific purpose, etc.). For the overall result of collective action necessary to implement the interaction between employees, consisting in the communication between them and the further integration of the functions results into a single overall result. Successful communication and integration of the result depends essentially on the behavior of members of the group, which can be constructive, facilitating communication and integration of results, or destructive, destroying normal communication and hindering the integration result.

To a large extent it depends on the behavior of his personal characteristics, collectively called character. Character determines employee predisposition to perform certain activities, which should also be taken into account in the allocation of duties.

The nature and the interests of the subject determines his attitude to some events and thus determine its response (response behavior) to them. Thus, causing certain events can trigger the necessary response, that is to form the behavior of the person in the group.

This is precisely the incentives. As part of the two components that determine a person's behavior – in nature and interests – diverse system of incentives should take account of this diversity, to adapt to it. This determines the formulation of the problem – based on the analysis and the nature of the interests of members of the workforce, to build a system of incentives that would cause extremely constructive behavior, providing effective communication and achieving the total result of activity of the group.

Everyone, from the standpoint of his motivation is a combination of certain proportions of the five «pure» motivational types, on the basis of which there is a variety of stimulation forms (table 1).

In general owner has to provide some technique stages: testing and analysis of the results; calculation of individual motivational profile of the interviewee; the calculation of the structure of the prevailing types of motivation: choose the profiles corresponding to the group you are interested in (for example, sales representatives); calculate the mean value for each type of motivation for the group, rank the resulting list, note the two dominant types; choose the appropriate form of stimulation, where you have the following characteristics

- basic – the greatest focus of this form of incentive to the person with this type of motivation;
- applicable – this form of stimulation can be used;
- neutral – the use of this form of incentive will have no impact on people and it will continue to operate as before;
- restricted – the use of this form of stimulation will lead to direct opposite effect and possibly to destructive behavior.

Table 1. The selection of appropriate forms of stimulation

Motivation forms	Motivational type				
	Instrumental	Professional	Patriotic	Master	Underclass (lack of motivation)
Negative	neutral	restricted	applicable	restricted	basic
Cash	basic	applicable	neutral	applicable	neutral
Natural	applicable	neutral	applicable	neutral	basic
Moral	restricted	applicable	basic	neutral	neutral
Paternalism	restricted	restricted	applicable	restricted	basic
Organizational	neutral	basic	neutral	applicable	restricted
Participation in management	neutral	applicable	applicable	basic	restricted

Source: R.L. Sorenson, A. Yu, K.H. Brigham, G.T. Lumpkin, "The Landscape of Family Business" 2013.

3. Family business management as an important part of productivity increasing

Management of the family business is one of the most complicated areas of human activity, which manifested interpersonal relationships of individuals, united by the production process on the background of existing roles and intra-family relations. The term „governance” refers to a set of coordinated activities aimed at achieving the set goals. There is such a definition: „management - it is the people and the leadership of such a use of funds, which allows you to perform tasks in a humane, economic and rational way”⁵.

The distribution of roles in the family business is a very complex problem because it is difficult to stick close relatives of clear boundaries and framework for industrial relations. Conflicts between parents and children and between spouses arise due to the fact that they tend to stick to traditional family roles and define their role in the business in a way that creates problems about the «who does what». Nevertheless, a clear and precise division of labor is a valuable means of preventing interpersonal conflicts, avoiding many of the problems with which employees, customers and suppliers are facing due to the displacement signals from the enterprise when it is unclear who is responsible for what.

Among the family business management systems can be divided into two extreme positions:

1. Complete removal of relatives from the leadership, since it is assumed that all members of the family are interested in running a successful business, and, in addition, pressure on relatives can lead to a crisis in family relations.

2. Management of the family firm⁶ makes it more severe requirements to relatives because they are expected to more than the other employees, and their work is unimportant or slip partially perceived as a threat to the welfare of the whole family. A particular problem is the relationship of family members and employees of foreign firms, since it is generally believed that the relatives of the owner of the company are in a privileged position to get a higher salary, undeserved credibility with bosses undeserved appointment to high office. Attempts to neutralize such situations from the head usually lead to either too rigid relative to the staff - family members or runs into serious opposition from other relatives. The severity to family members is an attempt to prove to the rest of the staff working in the family firm, that no preferences are given to relatives.

The issue of sensitivity to the leadership, at least in some families goes beyond the relations directly between superior and subordinate. As in those cases where the husband leads his wife, and when the father manages the adult children are extremely helpful to clearly define the responsibilities of each and provide subordinate certain freedom and independence. In this case, business management does not require such intense personal contact, continuous monitoring, and other things that can serve as a source of conflict between relatives.

⁵ A.M. Zapalska, D. Brozik, *The Socioeconomic Conditions for Growth and Development of Maori Family Businesses*, “Problems and Perspectives in Management” 2006, Volume 4, Issue 2, 31-45.

⁶ Blumentritt T., and Danis W.M., *Business Strategy Types and Innovative Practices*, “Journal of Managerial” 2006, Issues, 18, pp. 274 – 291.

Conclusions

Thus, the family-run business – is the ability to self-determination, which allows a free life, one in which hard work and individual initiative is rewarded income, success, financial security, respect of others. The success of small, and including family businesses, is determined not only by external institutional conditions of operation, in which the development of the Ukrainian economy there is a clear positive trend, but the level and quality control system directly within the enterprise. This is for the enterprises in the sphere of family business principle it is important to build a personnel management system that would enable to achieve an appropriate work discipline, but would not destroy family relationships.

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