ENTREPRENEURSHIP IN FAMILY AND NON-FAMILY CONTEXTS: OVERVIEW AND PERSPECTIVES

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Abstract: The article examines key differences between family and non-family businesses, focusing on values, strategy, innovation, human capital, and work-life balance. Family businesses are characterized by long-term planning, deep-rooted values, and succession challenges. The family brings emotional aspects, while business requires rationality and results. Non-family businesses typically have formalized management, faster decision-making, and short-term performance goals, influencing flexibility and innovation. Questionnaires show family businesses prioritize stability and values, whereas non-family businesses emphasize innovation and competitiveness. The results suggest areas for future research and practical implications.

Keywords: family business, non-family business, differences, innovations, values, human resources.

1 Introduction

In the current era, where the economies of the world are becoming increasingly globalized and competition is intensifying, business is becoming the focus of attention both in academic circles and in practice. A specific and significant segment of business is family businesses, which differ from non-family businesses in several characteristics. This article focuses on comparing these two types of businesses to identify key differences and similarities that affect their functioning.

Family businesses, often considered the backbone of national economies, are characterized by the involvement of one or more families in the management and administration of the company. This unique structure brings specific challenges and opportunities, including strong personal ties, long-term focus, and often deep roots in social and community values. On the other hand, non-family businesses are typically managed on a merit-based system, and their strategic decisions are more influenced by market conditions and shareholder needs.

The aim of this article is to conduct a systematic review of the literature focusing on these two categories of businesses and provide a comparative analysis that could serve as a basis for future research directions. Through this introduction and subsequent detailed analysis, the article seeks to contribute to a deeper understanding of the functioning of family and non-family businesses, which should help academics, entrepreneurs, and policymakers better understand and support the diversity of business models in the modern economy.

Currently, the business environment is constantly evolving, leading to intense discussions about the specific challenges and opportunities facing family and non-family businesses. These discussions often highlight the different approaches to management, innovation, sustainability, and work-life balance that these two types of businesses apply. Family businesses, characterized by the involvement of multiple generations and strong ties to family values, exhibit a specific business culture that can be a source of significant competitive advantages as well as specific challenges. On the other hand, non-family businesses may have greater flexibility in decision-making processes and be more open to risky innovations and changes, but they may face challenges in building equally strong relationships and loyalty among employees. Although there are numerous studies examining these differences from various perspectives, many questions remain about how these differences affect not only the internal dynamics of companies but also their relationships with the external environment, innovation capabilities, and overall sustainability. The following chapters are dedicated to a comprehensive analysis that combines theoretical foundations and empirical evidence to provide a deeper understanding of the specifics of family and non-family businesses. The main differences that distinguish these two segments and are discussed in the literature are examined.

2 Business versus Family Business

At first thought about a business, it is clear that research in this area has countless possibilities. Family businesses are among the longest-running businesses in the world. However, their definitions have not been unified even after such a long time. In the conditions of the Czech Republic, a business is any entity engaged in economic activity regardless of its legal form. These entities include primarily self-employed persons and also family businesses performing crafts or other activities. At the same time, it also includes commercial companies or associations that regularly engage in economic activities [1]. Despite unclear definitions, the literature converges on some characteristic features of family businesses, and the definition of family entrepreneurship has also been included in non-legislative regulation for several years, specifically in government resolution no. 899 dated October 18, 2021. This definition was proposed by the Ministry of Industry and Trade to the Government of the Czech Republic [2]. A classic feature of a family business is that it is based on the personality of the founder, the intensity of family involvement in the business, and the commitment of family members. They tend to deliver quality performances with the aim of representing the family business name and preserving the tradition [3]. Other characteristic features include if the owner considers it a family business, intends to pass it on to a close relative, and besides the owner, other family members are also involved in the business. This is also confirmed by Machek [4].

These features were crucial for determining the sample from which two companies were selected for the case study. A very important aspect distinguishing family businesses from non-family businesses is the element of family or family culture (social) interconnectedness between the family and the business in economic, managerial, and sociological frameworks. The driving force is to build a family tradition in a given area of business and maintain a good name for decades [3]. A characteristic feature that distinguishes family businesses from non-family businesses is the active involvement of family members in the daily activities of the business. Employing family members is included in approximately one-third of the analysed European definitions of a family business. Family members often voluntarily work more and are willing to invest their own assets in the business to ensure its operation [5]. Families are a special type of group that connects kinship ties, norms, and altruism. These ties do not have a financial, transactional, or market character. They are relational and systemic. One relationship, whether positive or negative, can positively or negatively influence the entire structure of the business [6].

3 Areas of Differences

The differences between family and non-family businesses can manifest in many aspects, from management and ownership structure to corporate culture and strategy. Here are the main areas where these two types of businesses typically differ:

1. **Ownership and Management**

- Family Businesses: Ownership and often management of the business are in the hands of one or more families. Family members hold key positions in the business.
- Non-Family Businesses: Ownership is dispersed among a broad group of shareholders, and the management of the

business is entrusted to managers who are not members of the owning family.

2. **Approach to Financing**

- Family Businesses: They may be more reliant on internal financing or bank loans, as they may be more cautious about issuing shares.
- Non-Family Businesses: They often have easier access to capital markets and can use a more diverse range of financial instruments.

3. **Corporate Culture and Values**

- Family Businesses: Strongly influenced by family values, which can foster greater loyalty and commitment among employees. However, nepotism can also occur.
- Non-Family Businesses: The culture is shaped more by professional managers and may be more performance oriented.

4. **Strategic Planning and Long-Term Vision**

- Family Businesses: Often focus on long-term sustainability and passing the business on to the next generation, which can lead to a more cautious approach to risk.
- Non-Family Businesses: May be more oriented towards short-term goals and performance to meet shareholder demands.

5. **Flexibility and Innovation**

- Family Businesses: Can be more flexible in decision-making but may sometimes be less willing to adopt innovations due to a desire to preserve traditional ways.
- Non-Family Businesses: Usually have greater resources for investment in innovation and development, but decision-making processes can be more complicated due to a larger organizational structure.

Research has shown that these five areas are the most critical in which family and non-family businesses differ [7] [8] [9]. The author further delves into these selected areas:

3.1 Innovation

In today's dynamic business environment, innovation plays a crucial role in maintaining competitiveness and long-term sustainability of enterprises. This subchapter focuses on examining the differences in approaches to innovation between family and non-family businesses. Utilizing relevant literature and empirical data, it seeks to identify specific factors that distinguish these two types of businesses in the context of innovation behavior and collaboration.

Family and non-family businesses represent two distinct business models that differ not only in their structure and ownership but also in their strategies and approaches to innovation. While family businesses may be perceived as more cautious and tradition-oriented, non-family businesses are often viewed as more agile and open to riskier innovative projects.

For family businesses, it is essential that their innovation strategy is linked to their tradition. The literature highlights that the impact of product and process innovation in a family business is crucial to consumer perception. Studies show that consumers appreciate local products if they embody tradition, culture, or reflect the identity of a specific place [10]. Innovations, especially in family-owned wineries, are perceived as enhancements. They represent a comprehensive process from idea through development to implementation. Implementation is a critical factor in innovation; without it, it remains just an idea. Innovations lead to improvements in processes, products, or services provided [11].

Studies point to several key differences in innovation behavior between family and non-family businesses. One major finding is that family businesses tend to collaborate with a smaller number of carefully selected external partners, particularly suppliers and customers, reflecting their effort to build long-term relationships and trust. In contrast, non-family businesses are generally more open to broader collaboration and actively seek new opportunities for innovation through technological alliances.

Additionally, the studies suggest that family businesses may be less inclined to adopt radical innovations due to a stronger focus on preserving family legacy and values. This can lead to a preference for incremental innovations that pose less threat to the existing business model and culture. The prioritization of internal harmony and socio-emotional wealth in family businesses sometimes results in a cautious approach to external collaboration, potentially limiting their exposure to new knowledge and innovation opportunities [12] [13]. Conversely, non-family businesses often exhibit a higher degree of openness to experimentation and risky innovative projects, which can facilitate quicker adoption of new technologies and practices [9].

Understanding the differences in innovation behavior between family and non-family businesses is crucial for developing effective management strategies and supporting innovation. For family businesses, it is important to find a balance between preserving family values and leveraging innovation opportunities, while non-family businesses may have greater freedom in experimenting and forming risky technological alliances. Future research should further explore how these differences impact the long-term performance and competitiveness of both types of businesses [14].

In conclusion, while family businesses benefit from their unique family and social capital in fostering innovation, their conservative approach and focus on socio-emotional wealth can sometimes hinder their willingness to engage in high-risk innovative projects. On the other hand, non-family businesses may be more inclined towards radical innovations due to their less restrictive management structures and greater openness to taking risks. Further research is recommended to investigate the heterogeneity within family firms to better understand the conditions under which they can enhance their innovation capabilities [15].

3.2 Human Resources

People are a crucial aspect in businesses, serving as the driving force behind both family and non-family firms. However, even in this area, and perhaps especially in this area, several differences can be observed.

Compared to non-family businesses, family businesses may differ in several key aspects of Human Resources (HR) management that affect their approach to recruitment, training, evaluation, and overall employee management [21].

Roles and Responsibilities of HR: In family businesses, the role of HR may be more intertwined with family values and culture, influencing their approaches to recruitment, compensation, performance evaluation, and employee relations. Conversely, in non-family businesses, the HR role is often more standardized and focused on generally accepted human resource management practices.

Strategic Approach: Family businesses may place particular emphasis on creating and maintaining a strong corporate culture that reflects family values and traditions [18]. This can include strategies to increase employee engagement closely linked to the family's business goals. In non-family businesses, HR strategic planning may be more focused on achieving business objectives and efficiency.
Innovation and Change: Family businesses may face challenges in adapting to changes and innovations due to strong traditions and resistance to change that may be ingrained in the family culture. HR in family businesses plays a key role in supporting

adaptability and acceptance of change, while in non-family businesses, the change management process may be more agile and less influenced by family dynamics [19] [20] [3].

It is important to realize that specifics may vary depending on the particular business and its culture. Understanding and knowledge of the specifics of family businesses, strategic management approaches including human resource management, optimally defined organizational structure, and the ability to manage conflicts can impact their competitiveness and success in a globalized economy [23].

The task of human resources management is mainly to create conditions for increasing the intellectual capital of the business. A positive workplace climate reflects in the economic performance of the business. Many studies also examine the connection between socio-emotional wealth (SEW) and human resource management [3].

In family businesses, family, ownership, and management are inseparably linked. However, several studies show that introducing non-family members into the business management can have a positive impact on the entrepreneurial process. Having an external board can positively influence family dynamics.

External leaders are capable of offering impartial judgments on matters affecting current operations or the future direction of the business. They are not afraid to challenge the current ways of doing things, as they are not bound by family ties. They provide a cold and objective assessment of the business's current and future performance. They can offer alternatives that might not occur to the family or that the family might be afraid to suggest for fear of family conflicts. Although an alternative might be very beneficial for the business, it could be rejected for emotional reasons—an external leader should prevent this. Their opinions are accepted with fewer emotions. However, they should also act in a way that maintains the family's cohesion and compatibility. The proposal must be politically appropriate to preserve the function of both the family and the business. After all, family members as owners have the final say [17].

It is also advisable for family members to compete for job positions in the business under the same conditions as other (external) candidates. It is often customary for family members to be hired based on blood ties rather than managerial or other skills—so-called nepotism [5]. In connection with nepotism, another examined concept and area is talent management, as it seeks to combat nepotism. The specific approach to talent management in a family business is defined by family values and emotional ties and is often embedded in the family business culture [3].

Although the involvement of only family members is understandable in certain respects, "external" employees can bring a new, unbiased perspective to the business and can help in areas where the family's abilities no longer suffice [10]. Whether in terms of knowledge or capacity, they can contribute to expansion [17].

Regarding compensation, research has found that CEOs of family businesses earn less than CEOs of non-family businesses. Generally, family businesses pay less at all levels. Employees of family businesses tend to be more loyal, and there is low employee turnover [5].

Many non-family businesses also strive to maintain a "family atmosphere" within their company, but the crucial factor of intertwining family and business is excluded.

3.3 Business values

The philosophy of each family business is unique and stems from the family itself, from values, traditions, and beliefs that permeate the entire business and ultimately form the company's strategy [25]. The key to successful involvement of family members in the family business lies in familiarizing each member with the family values that guide the business [16]. Effective family involvement is the foundation of quality management control over the processes of the family business and, ultimately, the long-term performance of the company [18].

Of course, the value of a business can be approached from an economic perspective using traditional valuation methods. However, in a family business, besides this quantifiable value, emphasis is placed on so-called "soft values." These are intangible values that cannot be quantified but often hold much greater importance for the family. In addition to financial goals such as wealth maximization, socio-emotional goals, namely the preservation of socio-emotional wealth (SEW), are essential for the family. Family values and emotional attachment to family assets can interfere with the business process if measures to separate the family from the business by establishing appropriate organizational structures are not implemented. However, the involvement of the family in business is what makes the family business different and at the same time exceptional [17].

The foundation of a functioning business is a functioning family and its cohesion. Therefore, the family's focus is on controlling business activities to ensure that trading does not endanger family traditions, culture, values, and assets [17]. A focus on perceiving a high level of trust (and deepening it) and effectively communicating the values of the family business has a positive impact on business continuity [31].

Another factor that differentiates family businesses from non-family businesses and sets a slightly different direction is the fact that family businesses feel associated with values such as honesty, trust, reliability, ethics, innovation, integrity, continuity, stability, etc. These values are additional components of the aforementioned socio-emotional wealth. The results of qualitative content analysis [31] show that Czech family business owners, regardless of the size of the business, prioritize social and affective factors over purely financial ones. This is also confirmed by Machek [4] and others. Family businesses are value-oriented and pursue different financial goals. They can rely on networks based on long-term relationships and trust. They achieve market success by identifying the family with the brand identity. These characteristics shape the strategy of the family business and differentiate it from non-family businesses [4].

Provided that family members are aligned in values and interests, have a high degree of cohesion, and have no disparate (external) owners, they can determine the rate of return on equity. At the same time, they can determine the cost of equity and, given prevailing costs and the level of indebtedness, the cost of capital for the business. Decision-making about financing and investing in the family business, and thus the cost of equity, is linked to family culture, family cohesion, and, last but not least, the size of the family and the business [5].

Non-family businesses are more focused on short-term financial goals, growth, and profit maximization for shareholders. This focus can lead to faster decision-making processes and greater flexibility in responding to market changes, which can support innovation and expansion [32]. In non-family businesses, professional management and governance structures with an emphasis on performance and competitiveness in global markets may also be more developed [33].

When looking at values from the perspective of capital structure and business performance, it has been found that family firms in the Czech Republic are less indebted than non-family businesses and have shown to be more profitable in terms of return on equity (ROE) and return on assets (ROA). Research has also identified significant differences in financial characteristics not only between different business sectors but also between the sample of family firms and all/non-family firms in a single business sector [34].

These findings suggest that while family businesses may be more focused on long-term sustainability and have a specific approach to management and governance, non-family businesses may be more focused on short-term performance and flexibility in financing and governance. These differences may be influenced by the structural factors of family businesses and various management and decision-making approaches.

3.4 Work-life balance

The first step towards a balanced relationship between work and personal life is mental health, both at the individual level and at the level of the family and family business. Founders of family businesses face a crucial dilemma regarding time: what comes first, family or business? [30] [24]. Mental health is characterized by the World Health Organization (WHO) as a state of well-being in which an individual realizes their own abilities, can cope with the normal stresses of life, can work productively, and contributes to their community. It is not merely the absence of mental disorders. Additionally, it is necessary to distinguish between the family as a group and the business (composed of family and non-family employees) as a group in approaching this issue at the group level. For example, the recently introduced concept of "family resilience" (i.e., the family's belief in their ability to find solutions to problems) differs from business resilience. Family and business resilience can have meaningful interactions, but it is important to assess each separately to find the interaction that can be supported through various means. Individual mental imbalance can affect family relationships, and the resulting imbalance within the family can cause problems in the family business. At the same time, psychological capital is trainable [26].

Exploring the balance between work and personal life in family and non-family businesses reveals differences that affect organizational performance and personal well-being. Research suggests that achieving a harmonious Work-Life Balance (WLB) can be crucial for a company's innovation, influencing leaders and employees differently depending on the gender dynamics within the organization. A study by Shouman et al. [27] examines how male and female leaders apply WLB strategies to align work and non-work activities and suggests that while employee satisfaction with WLB does not directly correlate with increased organizational performance, supervisor support plays a crucial role in enhancing employee WLB. Additionally, positive individual attitudes and coping strategies significantly contribute to overall well-being [27].

Attention has also been drawn to mental health issues in family businesses and their impact on entrepreneurial families, highlighting the unique challenges and pressures these entities face. Arijs and Michiels [26] provide a comprehensive overview of mental health in this context, emphasizing the interconnectedness of family and business systems, which can both support and challenge the mental and emotional well-being of the individuals involved. The review highlights the need for a deeper understanding of mental health issues in family businesses to create supportive frameworks for effectively addressing these challenges [26].

Entrepreneurship in transitional economies, such as those in Central and Eastern Europe and specifically in Russia, presents additional layers of complexity where the influence of the family can significantly shape entrepreneurial orientation, risk-taking, and innovation strategies. This dynamic can have profound implications for business sustainability, especially in transitional economies where business support systems and financing options are evolving. Female entrepreneurs in these contexts face unique challenges as they lack specific programs or initiatives to support their businesses, although financial resources are available without gender discrimination [28].

Financial interdependence within startups, especially family businesses, is associated with entrepreneurial stress, impacting the balance between work and family. Research by Choi and Kessler [29] in South Korea indicates that the intertwining of family and business finances can increase stress levels, affecting the quality of life for business-owning families. This stress, exacerbated by the need to use family resources to finance the business, underscores the delicate balance necessary for sustainable management of entrepreneurial ambitions and family well-being [29].

These studies collectively shed light on the complex balance between work and life in both family and non-family businesses, highlighting the importance of supportive policies and strategies to promote a healthy integration of work and personal life, which can lead to innovative and sustainable business practices.

3.5 Business strategy

In recent decades, research has highlighted that strategies characterizing successful family businesses often differ from those of non-family businesses. Family businesses intertwine various goals that need to be aligned, including corporate, family, and personal goals. Aligning these goals can be significantly more complex than in other types of businesses. The formulation and implementation of strategy are greatly influenced by family dynamics. Family dynamics refer to factors such as family cohesion and unity, which impact the structures, processes, and operational activities of family foundations. They also influence goal setting. Family businesses are value-oriented, pursuing different financial objectives. They can rely on networks based on long-term relationships and trust. They achieve market success by identifying the family with the brand identity. These characteristics shape the strategy of the family business and differentiate it from non-family businesses.

Another factor that distinguishes family businesses from non-family businesses and sets a slightly different direction is the fact that family businesses feel associated with values such as honesty, trust, reliability, ethics, innovation, integrity, continuity, stability, etc. These values can be described by the term Socio-Emotional Wealth (SEW). The results of qualitative content analysis [31] show that Czech family business owners, regardless of the size of the business, prioritize social and affective factors over purely financial ones.

In the view of the family, controlling business activities ensures that trading does not endanger family traditions, culture, values, and assets. Family dynamics cannot be ignored in the business process. What threatens a family business can also elevate it the most. From a strategic management perspective, families are both a resource and a constraint [17].

All the aforementioned areas (innovation, HR, corporate value) and not just these influence the strategy of the business. However, this is such an extensive topic that this article only addresses the strategy briefly, and the differences in strategy between family and non-family businesses will be the subject of separate research.

4 Ranking

For a comprehensive overview and as a point of interest, the author presents a ranking of the largest family and non-family businesses in this chapter. According to Forbes magazine's 2023 [36] ranking, the largest family businesses in the Czech Republic, regardless of industry, are:

- Czechoslovak Group (CSG): A holding company with activities in the automotive, defense, aerospace, and watchmaking industries.
- Stavebniny DEK: A network of building material stores.
- Mattoni 1873: A manufacturer of mineral waters and non-alcoholic beverages.
- HP Tronic: A distributor of electronics.
- Synot Holding: An operator of lotteries and casinos.
- Juta: A manufacturer of textile products.
- Promet Group: A development and investment company.
- Kofola: A producer of non-alcoholic beverages.
- Agrostroj: A manufacturer of agricultural machinery.

- Brano Group: A manufacturer of building materials.

Other significant family businesses:

- Petrof: A manufacturer of pianos.
- TON: A producer of bentwood furniture.
- Linet Group: A manufacturer of hospital beds.
- KARA: An agricultural company.
- Jablotron Group: A manufacturer of security systems.
- Wikov Industry: An engineering company.
- PREFA: A producer of concrete prefabricates.
- AVE CZ: A company engaged in waste management.
- MOTOR JIKOV GROUP: An engineering company.
- Robert Bosch: A manufacturer of automotive components.

According to Forbes and the Czech TOP 100 ranking [38], the largest companies in the Czech Republic in 2023 are:

1. ČEZ a.s.: An energy company, the largest in the Czech Republic and in Central and Eastern Europe. It focuses on the production, distribution, and sale of electricity and heat.
2. Agrofert a.s.: An agrochemical and food holding, one of the largest in Europe. It focuses on the production and sale of fertilizers, pesticides, seeds, and food.
3. Škoda Auto a.s.: An automobile manufacturer, the largest in the Czech Republic and among the largest in Europe. It manufactures and sells Škoda brand passenger cars.
4. PPF Group N.V.: An investment group active in finance, telecommunications, real estate, and other sectors. It is one of the largest investment groups in the Czech Republic and Central and Eastern Europe.
5. Unipetrol a.s.: A petrochemical and refining company, the largest in the Czech Republic. It focuses on the production and sale of fuels, petrochemical products, and asphalts.
6. ČSOB a.s.: A bank, the second-largest in the Czech Republic. It offers a wide range of banking products and services for retail and corporate clients.
7. Komerční banka a.s.: A bank, the third-largest in the Czech Republic. It provides a wide range of banking products and services for retail and corporate clients.
8. Moneta Money Bank a.s.: A bank, the fourth-largest in the Czech Republic. It offers a wide range of banking products and services for retail and corporate clients.
9. Generali Česká pojišťovna a.s.: An insurance company, the largest in the Czech Republic. It offers a wide range of insurance products and services.
10. Kooperativa pojišťovna a.s.: An insurance company, the second-largest in the Czech Republic. It offers a wide range of insurance products and services.

When comparing companies, several criteria can be used—revenues, number of employees, company value/brand value, and EBITDA. For comparable comparison purposes, revenues were used as the key factor.

These data illustrate the diversity and scope of the Czech business environment, where large corporations coexist with significant family businesses that play a key role in the country's economy. When comparing the largest Czech companies and family businesses in 2023 in terms of turnover:

The Largest Czech Companies:

- Turnover: The top 100 companies in the Czech Republic by turnover in 2023 were dominated by energy and industrial giants like ČEZ a.s., Energetický a průmyslový holding a.s. (EPH), Unipetrol a.s., Agrofert a.s., and Škoda Auto a.s. Their turnovers range in the hundreds of billions of CZK (see Tab. 1).
- Size: These companies employ thousands to tens of thousands of people and have extensive assets. They are key players in the Czech economy and their activities impact the lives of millions of people.

Tab. 1: The Most Significant Companies in the Czech Republic in 2023

Rank	Name	Revenues in 2022 (in billion CZK)
1	Energetický a průmyslový holding a.s.	911.9
2	Škoda Auto a.s.	444.2
3	ČEZ a.s.	288.5
4	Agrofert a.s.	245.1
5	ORLEN Unipetrol a.s.	209.5

Source: [39].

The Largest Czech Family Businesses:

- Turnover: Compared to the largest companies in the Czech Republic, the turnover of family businesses is usually lower. In 2023, the most significant family businesses included Petrof a.s. (piano manufacturing), TON a.s. (bentwood furniture manufacturing), Linet Group s.r.o. (hospital beds), KARA a.s. (agriculture), and Jablotron Group a.s. (security systems). Their turnovers range in the billions of CZK (see Tab. 2).
- Size: Family businesses typically employ hundreds to thousands of people. Compared to the largest companies in the Czech Republic, they are generally smaller and locally anchored. They often focus on specific market segments and excel in tradition and craftsmanship.

Tab. 2: The Largest Family Businesses in 2023

Rank	Name	Revenues in 2022 (in billion CZK)
1	Czechoslovak Group	28.1
2	DEK	29.8
3	Mattoni 1873	16.5
4	Promet	15.6
5	HP Tronic	23.4

Source: [37].

Main Differences:

- Turnover: The largest companies in the Czech Republic achieve turnovers in the hundreds of billions of CZK, while the turnover of family businesses is usually in the billions of CZK.
- Size: The largest companies in the Czech Republic employ thousands to tens of thousands of people, while family businesses typically employ hundreds to thousands of people.
- Ownership: The largest companies in the Czech Republic are usually joint-stock companies with a broad ownership structure. Family businesses are owned and managed by a single family with the intention of passing the business on to the next generation.
- Focus: The largest companies in the Czech Republic focus on a wide range of sectors, while family businesses usually focus on specific market segments.
- Tradition: Family businesses often pride themselves on a long tradition and craftsmanship.

From this survey, it is evident that the largest companies and family businesses in the Czech Republic play a crucial role in the country's economy. The largest companies generate a significant portion of GDP and employ hundreds of thousands of people. Family businesses contribute to the diversity of the economy and maintain traditions and craftsmanship.

5 Research

The main goal of this article is to highlight the differences between family and non-family businesses that arise from a literature review that preceded the research itself. The output of the literature review is empirically verified on one case study – one family and one non-family business. The goal is also to set themes for future research. Research should always begin with at least one research question, which is preceded by a knowledge of the literature [19]. Based on the literature review, the following research questions were established:

- What are the main differences between family and non-family businesses?
- Do the strategies (vision, mission) of family and non-family businesses differ?
- What future do family and non-family businesses have from the perspective of the owner?

5.1 Research Methods Used

For the purposes of this article, a qualitative research method in the form of a case study of one family and one non-family business was used. After conducting a literature review and establishing research questions, a questionnaire was prepared, which was then evaluated, and conclusions were drawn.

- Selection Criteria for the Research Sample: The business must meet the criteria of a small business, i.e., a business that has up to 50 employees and whose annual turnover or annual balance sheet total does not exceed 10 million EUR (European Commission. Directorate General for Internal Market, Industry, Entrepreneurship and SMEs, 2015). The subject of business is in the field of construction, specifically building construction. The headquarters/operation is in the Hradec Králové region.
- Family Business: One family business was selected, with parents as directors and three employees. The headquarters and operation are both in the Hradec Králové region.
- Non-Family Business: The second company is a non-family business with two directors, 15 full-time employees, and 20 part-time employees. The headquarters is in the South Moravian region, but the operation is in the Hradec Králové region.

Questionnaire Questions for Both Businesses:

- What motivated you to start the business?
- What values do you emphasize in the business?
- What is the mission and vision of your business?
- Do you have a defined strategy in the business, and if so, what is it?
- How do you see the future of your company? (e.g., sale, transfer to the next generation)
- How do you deal with work-life balance?
- How do you view innovation in your business?
- What requirements do you have for employees, and what do you emphasize when selecting them?

6 Discussions

Family businesses are characterized by the involvement of one or more families in the management and administration of the company. These businesses often have strong personal ties, a long-term focus, and deep roots in social and community values. The key areas where family and non-family businesses differ include ownership and leadership, approach to financing, corporate culture and values, strategic planning, flexibility and innovation, human resources, and work-life balance. Non-family businesses are usually managed on a merit-based system, and their strategic decisions are more influenced by market conditions and shareholder needs. These companies often have greater flexibility in decision-making processes and are more open to risky innovations and changes, but they may face challenges in building strong relationships and loyalty among employees.

6.1 Analysis of the Questionnaires

The responses in the questionnaires were analysed with the following conclusions:

6.1.1 Questionnaire – Non-Family Business

- Starting the Business: The business was motivated by professional experience and market opportunities. It was founded with a partner to utilize accumulated experience and fulfil personal dreams.
- Values: Emphasis is placed on quality over quantity, innovation, and following new trends and technologies. The goal is to always be a step ahead of the competition.
- Mission and Vision: Providing quality, timeless services with the goal of becoming a market leader in ventilated facades.
- Strategy: Monitoring technologies, competition, and market analysis. The goal is financial stability and attractiveness for potential acquisition.
- Future of the Company: The plan is to successfully sell the company to a prosperous foreign company.
- Work-Life Balance: Achieving balance between work and personal life is challenging. The necessity of occasional disconnection from technology is emphasized.
- Innovation: Innovation is welcomed as a path to success and fulfilling the strategy.
- Employee Requirements: Emphasis on the desire to learn, develop, be independent, and responsible. New employees are hired based on their willingness to learn and their construction education.

6.1.2 Questionnaire – Family Business

- Starting the Business: The impulse to start the business was motivated by 15 years of experience in construction, belief in one's abilities, and ego. After involving the children, the business became a family business with the goal of passing on a stable business to the next generation.
- Values: Seriousness, good business relationships, honesty, and team unity. New contracts are consulted with the family, emphasizing quality and the good name of the business.
- Mission and Vision: Providing quality services in the construction field with the goal of expanding specialization in ventilated facades and offering comprehensive solutions.
- Strategy: Keeping the business on the market for the next generation, ensuring the long-term financial stability of the family, and seeking mutually beneficial technologies.
- Future of the Company: Passing on a successful and well-established company to the next generations.
- Work-Life Balance: Emphasis on personal and family life after realizing that constant work can lead to health problems.
- Innovation: Emphasis on tool optimization and expanding the portfolio in related technologies to offer more comprehensive solutions to customers.
- Employee Requirements: Politeness, loyalty, friendliness, and emphasis on long-term positive relationships. New employees are hired based on recommendations.

6.1.3 Comparison

- Motivation for Starting the Business: Both family and non-family businesses were motivated by prior experience and the desire to achieve something. Over time, the family business owner realized a more noble reason for starting/running the business after involving other family members.
- Values: The family business emphasizes relationships and cohesion, while the non-family business focuses more on outputs.
- Mission and Vision: Both businesses emphasize providing quality services to customers. In the long term, their visions diverge.
- Strategy: The family business cares about the financial stability of the family, while the non-family business cares about the financial stability of the company. Both businesses aim for a prosperous company, but the non-family business plans to sell it, while the family business plans to pass it on.
- Work-Life Balance: In the family business, there is a dilemma of "if I take a break from work, the business won't

run, I'll endanger its success, I have to support the family." On the other hand, "if I don't take a break, neither I nor the business will be here, and I won't be here for the family." In the non-family business, there is also a dilemma but in the form of responsibility to the people dependent on the owner.
- Innovation: Both businesses view innovation positively. The family business expands the range of products/services similar to existing ones, while the non-family business is not afraid to expand and take risks.
- Employee Requirements: The family business emphasizes family-like atmosphere and long-term relationships, while the non-family business emphasizes performance.

Family and non-family businesses significantly differ in their values, strategies, and approaches to innovation and employees. Family businesses place greater emphasis on long-term stability, family values, and relationships, while non-family businesses focus on innovation, competitiveness, and short-term goals. These differences are reflected in their management, corporate culture, and strategic decisions, significantly impacting their functioning and future success.

7 Conclusion

The research for the purposes of this article highlighted the characteristic features of family businesses and the areas in which they differ from non-family businesses. Some areas were discussed in more detail, but each of these areas is so extensive that it deserves separate research. Based on the surveys for this article, several questions have emerged as a prompt for further research.

The article focused on comparing family and non-family businesses with the aim of identifying key differences and similarities that affect their functioning. Family businesses, often considered the backbone of national economies, are characterized by the involvement of one or more families in the management and ownership of the company. These businesses bring specific challenges and opportunities, including strong personal ties, a long-term focus, and deep roots in social and community values. In contrast, non-family businesses are typically managed on a merit-based system, with their strategic decisions more influenced by market conditions and shareholder needs.

The aim of the study was to provide a systematic review of the literature and a comparative analysis that would contribute to a better understanding of the functioning of family and non-family businesses. The research included an analysis of responses from questionnaires completed by a family and a non-family business, focusing on various aspects such as corporate values, mission and vision, strategy, future outlook, work-life balance, innovation, and employee requirements.

The goal of the research was to answer the following research questions:

- What are the main differences between family and non-family businesses?
- Do the strategies (mission and vision) of family and non-family businesses differ?
- What future do family and non-family businesses have from the owner's perspective?

Main identified differences are:

- Ownership and Leadership:
  Family businesses: Owned and managed by family members, with an emphasis on continuity and legacy.
  Non-family businesses: Owned by a broader group of shareholders and managed by professional managers, with an emphasis on performance and profitability.
- Values:
  Family businesses: Emphasize honesty, unity, and reputation, often consulting decisions with the family.
  Non-family businesses: Emphasize quality, innovation, and striving to stay ahead of the competition.
- Mission and Vision:
  Family businesses: Aim to provide quality services, maintain market leadership, and ensure long-term sustainability for future generations.
  Non-family businesses: Aim to provide quality services and achieve market leadership, with a long-term goal of selling the company.
- Strategy:
  Family businesses: Focus on financial stability for the family and long-term sustainability, with a cautious approach to innovation.
  Non-family businesses: Focus on market analysis, financial stability, and aggressive innovation to achieve short-term goals.
- Work-Life Balance:
  Family business owners: Emphasize balancing work and personal life, considering health and family time.
  Non-family business owners: Find work-life balance challenging due to constant work demands.
- Innovation:
  Family businesses: Prefer incremental innovations related to existing products and services.
  Non-family businesses: Are more open to radical innovations and risks.
- Employee Requirements:
  Family businesses: Emphasize loyalty, long-term positive relationships, and personal connections.
  Non-family businesses: Prioritize willingness to learn, responsibility, and performance.

The research successfully answered the posed questions by identifying significant differences in the values, strategies, and future outlooks of family and non-family businesses. The study highlighted the unique strengths and challenges faced by both types of businesses, providing valuable insights for further research and practical applications for entrepreneurs and policymakers.

Based on the extensive findings within the research for the article, the author suggests several areas for further research:

- In-depth exploration of specific differences: Each identified difference (e.g., approaches to innovation, employee management) deserves a separate, detailed study.
- Long-term research: Conduct longitudinal studies to observe how family and non-family businesses evolve over time, especially during generational transitions in family businesses.
- Comparative studies across industries: Investigate whether and how the identified differences manifest in various industries and sectors.

In conclusion, the study underscores the importance of recognizing the characteristic features and strategic approaches of family and non-family businesses, contributing to a deeper understanding of their roles in modern economies.

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Primary Paper Section: A

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