The accomplishment of family business objectives in the context of the financial results achieved

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Abstract

The basic condition for the survival and development of each company is the achievement of adequate financial results. This also applies to family businesses, albeit the development and improvement in their market situation must be the most important – indeed, the only – endeavour. Therefore, the question arises as to what extent financial results and relevant development trends may affect the level of accomplishment of the entire range of family business objectives. The objective of the article is to examine the impact of changes in selected measures revealing the company's financial situation on the level of the accomplishment of family business objectives. The article is based on the results of a survey conducted on a group of 182 family business managers, who were asked to assess trends concerning selected measures of financial condition and the extent to which 22 family business objectives had been accomplished. These objectives were grouped into five main objectives during the statistical analysis phase. The impact of development trends concerning financial measures on the level of the accomplishment of objectives was examined using the Kruskal-Wallis test. The results obtained indicate that the level of accomplishment of family business objectives is only slightly correlated with the development trends of selected financial measures. In the case of family objectives, no statistically significant impact of changes in any of the measures was recorded, while the level of accomplishment of the business objectives and the family business objective is determined by changes in only some indicators. The approach suggested in this article, consisting in examining the relationships between the development trends of financial measures and the level of accomplishment of family business objectives, is an innovative approach which indicates new directions for research and helps to fill the research gap. It is in line with research on family businesses and financial measures, while confirming that family objectives can be achieved to a certain extent regardless of financial

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results. The results obtained may also be useful for family business managers in the process of establishing the company's operational strategy.

Keywords

financial indicators, financial results, family business, family business goals

Introduction

The basic condition for the survival and development of each company is the achievement of adequate financial results. Economic success does not have to be the primary or only objective of the operation of the economic entity; however, it is undoubtedly the basis for the pursuit of other endeavours. Therefore, the analysis of financial measures is one of the key elements allowing for an assessment of the company's situation and the efficiency of its operation. A dynamic analysis enabling the identification of emerging development trends is particularly important. Thus, it should not be surprising that the issue of the financial condition of enterprises, and their broadly understood performance and the factors affecting it, is quite often undertaken in scientific research (e.g. Ayu et al., 2020; Chang et al., 2016; Gamage and Tajeddini, 2022; García-Ramos and Díaz, 2021; Iwata and Okada, 2011; Linares-Mustarós et al., 2018; Ramli et al., 2019; Peng et al., 2021; Shpak et al., 2022; Yesil and Kaya, 2013; Zhang and Lucey, 2022).

Also in family businesses, despite their specificity and frequently different, significantly wider bundle of objectives (e.g. Aparicio et al., 2017; Basco, 2017; Williams Jr. et al., 2018; Kilic and Filizöz, 2020), economic success is the basis for stable development and is one of the elements necessary to enable such a business to last for generations. As indicated by the research, many family businesses assess their success only through the prism of financial results, often placing profit among the most essential objectives of operation (Stefański, 2014). Lower than expected economic results may discourage family members from engaging in joint economic ventures (Mahto et al., 2010), thus preventing the accomplishment of other objectives, including family ones. Experience indicates that many small businesses, particularly family ones, fail not due to a bad business idea or the inadequate quality of products/services, but due to a lack of financial control resulting from ignorance of the basics of financial management (Adamska, 2017).

However, it is worth wondering how changes in financial measures influence the level of accomplishment of individual family business objectives. Are there groups of objectives which are more exposed to unfavourable trends in selected measures? Is it even possible to discuss significant differences in the level of accomplishment of family business objectives depending on development trends observed in relation to financial measures? The response to this type of question is the objective of this article. The impact of changes in selected measures indicating the financial situation of enterprises on the level of the accomplishment of family business objectives will be examined therein. These objectives, according to the nature of family businesses, may be both business and family ones.

1. Literature review

1.1. The use of measures to assess the financial condition of enterprises

The efficient management of an enterprise requires the knowledge and constant analysis of its property and financial situation using various measures. These measures enable the

presentation of processes and phenomena in the enterprise in numerical form, which significantly facilitates the presentation and analysis thereof (e.g. Flamholtz, 1996; Holzhauser and Eggert, 2019). Their simplest division includes financial and non-financial measures. Financial measures (i.e. those expressed in monetary units or as a percentage), which allow for the assessment of the financial condition of a company, are particularly eagerly used by managers. The regular research and analysis of financial measures may constitute an effective tool for solving business problems and improving the performance of enterprises (Kotane and Kuzmina-Merlino, 2012). These measures have a range of advantages; however, they are not free of relevant disadvantages. Kaplan and Atkinson (1998) present two basic reasons for their application. The first is the fact that they can be directly related to the long-term objectives of enterprises, facilitating the assessment and updating of objectives, while the second reason is that it makes it possible to review the efficiency of the company's performance.

The source of information from which one can gain broad knowledge of the values of financial measures is the financial statements. Financial analysis based on data included in the financial statements is currently one of the basic elements of the information system allowing enterprises to make correct and rational decisions (Elliott and Elliott, 2009). One of the most important elements of the financial statements is company profit, which is the excess of sales value over general expenditure. According to the classical definition, *profit is the remuneration of capital and requires an income proportional to the mass of capitals invested in production* (Vercellone, 2013). Profit (in its numerous forms, e.g. net profit, earnings per share) was the basic objective and therefore also the basic measure of the efficiency of a company's performance for many years (Manzaneque-Lizano et al., 2019; Rajnoha et al., 2019). Its significance slightly decreased due only to a change in the approach to the primary objective of a company from maximising profit to maximising value for the owners instead (Alipour and Pejman, 2015; Taouab and Issor, 2019; Li et al., 2019).

Despite the change in the approach to profit as a business objective, it is still the subject of numerous studies, while being one of the determinants of the efficiency of operation of economic entities. In the subject literature are numerous studies concerning the impact of profit on the operation of enterprises as well as the impact of numerous factors on profit (Hulshof and Mulder, 2020; Ouyang et al., 2015; Yin et al., 2020; Zheng et al., 2020).

The analysis of the amount of profit and other items of the financial statements is not, however, sufficient for the correct assessment of the company's financial condition. For this purpose, other measures should be used, among which the most important are financial indicators calculated on the basis of the data contained in the financial statements. Indicators constitute a particular type of relationship between two quantities and are commonly used in many fields, including finance (Curto and Serrasqueiro, 2022). Financial indicators are relative measures allowing for the assessment of the financial situation and operational results which have a significant relationship to the overall performance of the company. When correctly used, they may objectively and comprehensively present the company's financial capabilities (Xi and An, 2018). These indicators can be divided into four main groups: liquidity, debt, profitability, and activity (e.g. Delen et al., 2013; Kotane and Kuzmina-Merlino, 2012).

One of the most important indicators of a company's financial condition is its financial liquidity – simply put, the ability to pay off short-term liabilities in a timely manner (Jihadi et al., 2021). It relates to cash flows, i.e. the company's expenditure and revenue. The analysis of this indicator makes it possible to establish whether the company will

be able to pay off its liabilities, thus avoiding contractual penalties and interest, and therefore whether its existence is under threat (Adamska, 2017). Adequate liquidity is essential for the solvency and further operation of the company. In the literature, one may come across many different liquidity ratios; however, the most significant are the current liquidity ratio, quick ratio and cash ratio (Batchimeg, 2017). Research concerning the broadly understood financial liquidity of enterprises (including its less traditional approaches) and its impact on other aspects of the functioning of the company has been conducted by Agarwal et al. (2022), Ahmed et al. (2020), Cardella et al., (2021), Garcia-Appendini and Montoriol-Garriga (2013), Kim et al., (2022), Lins et al., (2010), Morellec (2001), Pham et al., (2018), Subrahmanyam et al., (2017), and Ysmailov (2021), among others.

The second important group of indicators is debt ratios, which present not so much the numerical amount of debt as the structure and amount of debt as well as the sources of capital used in the enterprise (Arkan, 2016). They indicate how risky an investment in the enterprise can be for the creditor (Delen et al., 2013). Debt includes some of the liabilities that do not belong to equity, and the presence of debt does not have to be a disadvantageous situation for the company (e.g. Gebauer et al., 2018; Legesse and Guo, 2020). To determine the company's level of debt, a number of indicators are used, among which the most popular are the debt ratio, the debt-to-equity ratio, and the long-term debt ratio (Quesada, 2019). The significant importance of debt measures (including the aforementioned ones) does not go unnoticed in the subject literature, where one may come across a number of publications on issues related to debt and the structure of capital and their interrelations with other aspects of the functioning of enterprises (e.g. Attaoui and Poncet, 2015; Comino-Jurado et al., 2021; D'Mello and Gruskin, 2021; de la Fuente and Velasco, 2020; DeAngelo et al., 2011; Devos et al., 2017; Jadiyappa et al., 2020; Kim et al., 2015; Pinnuck and Shekhar, 2013; Sikveland et al., 2022).

Another group of indicators which are essential to the assessment of the financial condition of an enterprise is profitability indices, which facilitate the measurement and analysis of the efficiency of usage of resources involved in the company's operation (Lesakova, 2007). They have no limit values – they are compared with other enterprises or over time. The higher the value of indicators achieved by the company, the better its situation and the better it operates. The classic approach lists three main indicators of profitability: return on sales, return on assets, and return on equity (Myšková and Hájek, 2017). Profitability and its connections with other aspects of the operation of enterprises has been examined, among others, by Abughniem et al. (2019), Bedford et al., (2021), Berggrun et al., (2020), Đặng et al., (2020), Kafouros et al., (2022), Kumaraswamy and George (2019), Oláh et al., (2019), and Vu et al., (2018).

The last group is operation indicators, which allow for an analysis of the efficiency of usage of assets owned by enterprises and the efficiency of economic processes implemented in the company (Arkan, 2016). It is a very wide group of indicators that includes the asset productivity index, receivable turnover ratio, inventory turnover ratio, liabilities turnover ratio, and the cash conversion cycle, among others (Farfan et al., 2017). These indicators will not be analysed further in this article.

1.2. Financial issues in family businesses

Family businesses are a specific type of enterprise, since they combine three different subsystems: the family, the business and ownership (Rautiainen et al., 2012), which are based on various standards and have different objectives and endeavours (Cesaroni and Sentuti, 2016). A traditional bundle of business objectives is enriched by numerous family objectives (Aparicio et al., 2017), which, in some companies, can be characterised by an even higher level of significance (Zellweger

et al., 2013). This has an impact on the overall operation of family businesses and the management thereof (Basco, 2017). It is also relevant for the financial results obtained, the approach to the structure of financing and other issues related to the broadly understood financial management of the company. Research conducted by Allouche et al., (2008) indicates that family businesses in Japan achieve better results than non-family businesses, both in terms of profitability and financial structures. In addition, it confirmed that the level of control of the owner's family strongly affects the results in terms of profitability. Also, the results of research conducted by Gill and Kaur (2015) prove that family businesses are characterised by higher levels of efficiency than non-family businesses, which is due to family involvement. Mazzi (2011) indicates that family businesses listed on the stock exchange achieve better results than their non-family equivalents if a CEO is a family member of the owner (the founder or their successor). González et al., (2012) indicated that family businesses have better financial results than non-family ones when the founder is still involved in the company; however, this effect diminishes as the size of the company increases. In the generation of successors, this effect was not observed.

However, in the subject literature, there is no consensus on the positive impact of family involvement on the financial results of family businesses, since some of the research indicates that this involvement has a negative impact or is of no relevance. Kawko (2019) points to many discrepancies in research results concerning the capital structure of family businesses and their debt in relation to both foreign and Polish entities. Some studies suggest a higher level of debt of family businesses in relation to their non-family equivalents. On the other hand, some studies suggest something completely different.

Gallucci et al., (2020) conducted research which indicates that the concentration of ownership in the hands of the family and having a CEO belonging to the family seems to have a positive impact on profitability and a negative impact on leverage. On the other hand, the number of family members who are co-owners and board members and the presence of many generations of the family in the board have a negative impact on profitability and result in higher levels of leverage. Other studies indicate that family involvement in the day-to-day management of the family business may contribute to a deterioration in the profitability of the entity, which the owners are able to accept if it results from satisfying other objectives, mainly family ones. On the other hand, risk aversion results in a greater use of own financing and thus incomplete use of the financial leverage effect (Stefański, 2014).

Romano and associates, while characterising issues related to the finance of family businesses, indicate that they are largely influenced by the age and size of the company. Smaller enterprises concentrate on the use of profit as a source of financing (since foreign capital is expensive to them), have lower liquidity, and use the mechanism of financial leverage less frequently. On the other hand, Sirmon and Hatt indicate that the long-term perspective of operation, which is one of the characteristics of family businesses, may affect the financial management of these entities by relying on so-called patient capital, i.e. that which is to serve the development of the enterprise and generate profits in the future (Kawko, 2019). Cucculelli and Micucci (2008) indicate that the intra-family succession of the CEO position has a negative impact on the performance of family businesses. On the other hand, Özer (2012) conducted research which indicated that family businesses in which the CEO is the owner or a family member achieve higher ROA and lower total debt/total assets ratio than companies with a non-family CEO. In the case of ROS, no major differences were noted. Research by Hamid et al. (2015) indicates that the debt ratio is negatively and significantly related to profitability. Profitable enterprises are more dependent on equity as the

main source of financing, and an increase in the leverage effect is associated with a decline in profitability.

O'Boyle Jr. et al., (2012) stated that family involvement does not influence the financial results of family businesses, whereas Hansen and Block (2020), while extending this research, indicated an economically small but statistically significant impact of family involvement on the financial results of family businesses. The results of research carried out by López-Gracia and Sánchez-Andújar (2007) suggest that the debt ratio is only slightly lower in family businesses than in non-family ones, while profitability is also relatively lower. On the other hand, in terms of borrowing needs and business maturity, there are no differences between these two types of enterprises. Research conducted by Stefański (2014) indicates that the sales profitability of family and non-family businesses is at a similar level, although there may be slightly larger differences depending on the sector. On the other hand, return on equity is lower in family businesses than in non-family ones. There is also no rule regarding the issue of the dependence of profitability on the age of the family business.

However, Núñez-Cacho Utrilla and Grande Torraleja (2012) pinpoint that, in order to examine the efficiency of family businesses, one cannot limit oneself only to financial indicators and economic measures, but must also consider socio-emotional factors. They point out that some family businesses may neglect financial success to accomplish other objectives. Therefore, while assessing the efficiency of operation of family businesses, one should consider a much wider range of possible objectives and endeavours. Chua et al., (2003) and Mahto et al., (2010), among others, express a similar opinion.

Both the topic of using financial measures to assess the financial condition of enterprises, including family ones, and the impact of various factors on the efficiency of management of family businesses have already been discussed in detail. In particular, there are numerous publications in which these aspects are compared with non-family businesses, with some studies pointing to a higher level of efficiency among family businesses, some to a lower level, and still others showing no relationship (Machec et al., 2013). Also, the subject matter of objectives established by family businesses is increasingly recognised, although it seems that there is still a great deal to be explored in this regard. However, there is no research in the contemporary literature which would indicate the relationship between financial measures and the associated trends and the level of accomplishment of various objectives of family businesses. The goal of this article is therefore to introduce such an approach, indicating the possibility of the link between the issues discussed and, at the same time, filling the research gap in some way.

2. Methodology

The research was conducted in 2018 on a sample of 182 respondents, who were family business managers. The family business may be defined as *an entity which is in the hands of the second or next generation of the family or one in which one family has more than 50% of ownership, and at least two owner family members are involved in its operations (formally or informally), or one whose owners wish to hand over the business to their children or other family members.*

The survey was carried out using a questionnaire which was delivered to the respondents in person or electronically using a Google Forms form. In the survey, the respondents were asked to indicate what trend (upward, variable, or downward) the following measures were *characterised* by in the previous three years: profit, debt, financial liquidity, return on sales and return on assets. They also had an opportunity to refuse to reply, which some of the respondents took advantage of in relation to the issues selected. In the section of the study concerning objectives, the respondents were

asked to determine the level of accomplishment of 22 sub-objectives, which were distinguished after a detailed analysis of the literature on family business objectives. In the process of factor analysis, these objectives, in which the normalised Varimax rotation method was used, among others, were subsequently aggregated to five main objectives – two of which were family ones, another two of which were business ones, and one of which was a family-business one. The composition of individual objectives is presented in Table 1. In both this and subsequent statistical analyses, the level of significance of $p<0.05$ was adopted.

Table 1. The main objectives of family businesses and their constituents

Main objective	Sub-objectives
Family objective 1	– maintaining family control over the company – providing jobs to the owner's family members – handing over the company to the next generation – ensuring the identification of the owning family members with the company – incorporating family values in the company – maintaining family cohesion by uniting its members around a joint venture – being perceived as a family business by customers
Family objective 2	– providing a high standard of living to the owning family members – ensuring the financial security of the family
Business objective 1	– good relationships with contractors based on mutual respect and trust – maintaining high ethical and moral standards in the enterprise – good knowledge of customer needs and expectations – providing high-quality products and services – improving financial indicators (profit, revenues, productivity etc.), increasing sales, reducing debts
Business objective 2	– increasing the range of products/services – increasing market share – increasing the scale of operations
Family-business objective	– building the good reputation of the owning family in society – charity activities for the benefit of the local community – developing employee loyalty – international expansion – introducing innovation

Source: own elaboration

To verify the correctness of selecting the main objectives, the linear correlation method R was used, the discriminatory power of individual items was determined, and the significance test was also performed for the linear regression coefficient. Moreover, using the Cronbach's alpha reliability coefficient, the reliability analysis was conducted, which showed a good selection of the main objectives at least.

After establishing the main objectives, it was possible to examine the relationship between selected financial measures (and more precisely, development trends of these measures) and the level of accomplishment of these objectives. The Kruskal-Wallis variance analysis test (ANOVA) was used to do so. This test is an alternative to a single-factor variance analysis in the group system and can be used to test the hypothesis of equality of the mean values of the population k. In the Kruskal-Wallis test, in contrast to the variance analysis, instead of the observation values themselves, their ranks are used (Chan and Walmsley, 1997; Guo et al., 2013; Hong and Lee, 2014). In the case of sta-

tistically significant relationships, further post-hoc rank tests were conducted to determine which values are dependent on each other.

3. Research results and Discussion

In the first place, the relationships between the changes in profit-related coefficients and the level of accomplishment of five objectives created on the basis of the specific objectives were examined. The results (Table 2) indicate no relationship between these variables. The trends in terms of profit do not statistically significantly influence the level of accomplishment of the main individual objectives of family businesses.

Table 2. The structure of responses concerning profit and the scores of individual objectives of family businesses

Family objective 1				
	Trend			Refusal to reply
	upward	variable	downward	
Mean	24.82	25.54	27.25	27.00
Median	25.0	26.0	26.5	29.0
Standard deviation	5.647	5.888	4.646	7.362
SEM (standard error of measurement)	0.717	0.709	2.323	2.220
N	62	69	4	11
Kruskal-Wallis ANOVA test	p = 0.4243			
Family objective 2				
	Trend			Refusal to reply
	upward	variable	downward	
Mean	8.20	7.82	7.75	8.42
Median	8.0	8.0	7.5	8.0
Standard deviation	1.273	1.361	1.708	0.996
SEM	0.147	0.145	0.854	0.288
N	75	88	4	12
Kruskal-Wallis ANOVA test	p = 0.0952			
Business objective 1				
	Trend			Refusal to reply
	upward	variable	down-ward	
Mean	21.36	20.24	21.25	22.08
Median	21.0	20.0	21.0	22.5
Standard deviation	2.675	3.386	2.217	2.644
SEM	0.305	0.363	1.109	0.763
N	77	87	4	12
Kruskal-Wallis ANOVA test	p = 0.0652			

Business objective 2				
	Trend			Refusal to reply
	upward	variable	downward	
Mean	10.57	10.38	11.50	10.00
Median	11.0	10.5	11.0	10.5
Standard deviation	2.731	2.276	1.732	3.045
SEM	0.322	0.248	0.866	0.879
N	72	84	4	12
Kruskal-Wallis ANOVA test	p = 0.6568			
Family-business objective				
	Trend			Refusal to reply
	upward	variable	downward	
Mean	15.64	15.64	19.00	17.10
Median	15.0	16.0	19.0	16.5
Standard deviation	3.928	4.177	7.071	3.348
SEM	0.516	0.510	5.000	1.059
N	58	67	2	10
Kruskal-Wallis ANOVA test	p = 0.7340			

Source: own elaboration

Another aspect analysed was the level of debt of family businesses and its impact on the level of accomplishment of the objectives. The data included in Table 3 indicate that a statistically significant relationship occurs only in the case of the family-business objective. In family businesses, in which debt is characterised by an upward trend, the accomplishment of this objective is assessed statistically significantly higher than in enterprises with a variable or downward trend. In the case of the other objectives, statistically significant relationships were not observed.

Table 3. The structure of responses concerning debt and the scores of individual objectives of family businesses

Family objective 1				
	Trend			Refusal to reply
	upward	variable	downward	
Mean	26.67	23.85	25.72	26.29
Median	25.0	26.0	26.0	27.0
Standard deviation	4.131	7.242	5.334	5.161
SEM	25.000	21.000	24.000	25.000
N	6	39	67	34
The Kruskal-Wallis ANOVA test	p = 0.6347			

Family objective 2				
	Trend			Refusal to reply
	upward	variable	downward	
Mean	8.56	7.80	7.82	8.52
Median	8.0	8.0	8.0	9.0
Standard deviation	0.726	1.392	1.287	1.254
SEM	8.000	7.000	7.000	8.000
N	9	46	82	42
The Kruskal-Wallis ANOVA test	p = 0.1855			
Business objective 1				
	Trend			Refusal to reply
	upward	variable	downward	
Mean	20.11	20.57	21.05	20.98
Median	20.1	21.0	20.5	21.0
Standard deviation	4.137	3.920	2.693	2.586
SEM	16.000	19.000	19.000	19.000
N	9	44	84	43
The Kruskal-Wallis ANOVA test	p = 0.8049			
Business objective 2				
	Trend			Refusal to reply
	upward	variable	downward	
Mean	10.22	10.26	10.77	10.15
Median	9.0	10.0	11.0	10.0
Standard deviation	2.108	2.568	2.345	2.842
SEM	9.000	9.000	9.000	8.000
N	9	46	77	40
The Kruskal-Wallis ANOVA test	p = 0.3042			
Family-business objective				
	Trend			Refusal to reply
	upward	variable	downward	
Mean	20.67	15.54	15.77	15.23
Median	22.0	16.0	16.0	15.0
Standard deviation	3.559	4.254	3.626	4.193
SEM	18.000	13.000	13.000	12.000
N	6	39	61	31
The Kruskal-Wallis ANOVA test	p = 0.0279*			

*** upward vs variable p<0.05 (post-hoc rank test)**
*** upward vs downward p<0.05 (post-hoc rank test)**

Source: own elaboration

The indicator subsequently analysed was financial liquidity. In this case, statistically significant relationships were recorded in the case of two objectives: business objective 2 and the family-business objective (Table 4). The accomplishment of business objective 2 is rated statistically significantly higher in enterprises with an upward trend in terms of financial liquidity compared to family businesses in which liquidity is declining. On the other hand, the accomplishment of the family-business objective is rated statistically significantly higher in enterprises with increasing liquidity compared to enterprises characterised by a variable trend.

Table 4. The structure of responses concerning financial liquidity and the scores of individual objectives of family businesses

Family objective 1				
	Trend			Refusal to reply
	upward	variable	downward	
Mean	25.73	24.88	19.67	27.18
Median	26.0	25.5	25.0	28.0
Standard deviation	5.822	5.916	11.015	4.172
SEM	0.752	0.728	6.360	1.012
N	60	66	3	17
Kruskal-Wallis ANOVA test	p = 0.3082			
Family objective 2				
	Trend			Refusal to reply
	upward	variable	downward	
Mean	8.18	7.70	7.75	8.84
Median	8.0	8.0	8.0	9.0
Standard deviation	1.284	1.276	1.258	1.259
SEM	0.150	0.140	0.629	0.289
N	73	83	4	19
Kruskal-Wallis ANOVA test	p = 0.0663			
Business objective 1				
	Trend			Refusal to reply
	upward	variable	downward	
Mean	21.32	20.29	22.50	21.26
Median	22.0	20.0	22.5	22.0
Standard deviation	2.929	3.244	0.577	2.845
SEM	0.340	0.356	0.289	0.653
N	74	83	4	19
Kruskal-Wallis ANOVA test	p = 0.0651			

Business objective 2				
	Trend			Refusal to reply
	upward	variable	downward	
Mean	11.11	10.14	9.33	9.53
Median	12.0	10.0	9.0	10.0
Standard deviation	2.578	2.246	0.577	2.988
SEM	0.306	0.253	0.333	0.686
N	71	79	3	19
Kruskal-Wallis ANOVA test	p = 0.0065*			
*** upward vs downward p<0.05 (post-hoc rank test)**				

Family-business objective				
	Trend			Refusal to reply
	upward	variable	downward	
Mean	17.44	14.45	17.00	15.38
Median	17.0	15.0	17.0	14.0
Standard deviation	4.008	3.455	0.000	4.717
SEM	0.540	0.432	0.000	1.179
N	55	64	2	16
Kruskal-Wallis ANOVA test	p = 0.0001*			
*** upward vs variable p<0.05 (post-hoc rank test)**				

Source: own elaboration

Subsequently, the relationship between return on sales and the level of accomplishment of family business objectives was analysed (Table 5). The statistically significant impact of this financial indicator on the accomplishment of any of the main objectives of family businesses was not indicated.

Table 5. The structure of responses concerning return on sales and the scores of individual objectives of family businesses

Family objective 1				
	Trend			Refusal to reply
	upward	variable	downward	
Mean	25.67	25.47	25.29	24.73
Median	26.0	26.0	24.0	25.5
Standard deviation	5.697	6.051	3.498	6.334
SEM	0.849	0.734	1.322	1.242
N	45	68	7	26
Kruskal-Wallis ANOVA test	p = 0.7371			

Family objective 2				
	Trend			Refusal to reply
	upward	variable	downward	
Mean	8.15	7.84	7.67	8.26
Median	8.0	8.0	7.0	8.0
Standard deviation	1.233	1.386	1.658	1.189
SEM	0.159	0.159	0.553	0.204
N	60	76	9	34
Kruskal-Wallis ANOVA test	p = 0.2292			
Business objective 1				
	Trend			Refusal to reply
	upward	variable	downward	
Mean	21.29	20.44	18.89	21.56
Median	21.0	20.0	19.0	22.0
Standard deviation	2.813	3.206	4.649	2.464
SEM	0.357	0.370	1.550	0.423
N	62	75	9	37
Kruskal-Wallis ANOVA test	p = 0.1468			
Business objective 2				
	Trend			Refusal to reply
	upward	variable	downward	
Mean	10.81	10.74	8.89	9.53
Median	11.0	11.0	9.0	10.0
Standard deviation	2.726	2.227	2.522	2.446
SEM	0.355	0.259	0.841	0.447
N	59	74	9	30
Kruskal-Wallis ANOVA test	p = 0.1183			
Family-business objective				
	Trend			Refusal to reply
	upward	variable	downward	
Mean	16.40	16.12	13.00	13.89
Median	16.0	16.0	12.0	14.0
Standard deviation	4.251	3.805	1.732	4.122
SEM	0.620	0.468	0.775	0.946
N	47	66	5	19
Kruskal-Wallis ANOVA test	p = 0.1175			

Source: own elaboration

The final element examined potentially affecting the level of accomplishment of the main objectives of family businesses is return on assets (Table 6). The presence of a statistically significant relationship was indicated in relation to both business objectives. The level of accomplishment of business objective 1 is rated statistically significantly higher in enterprises with an upward trend in terms of return on assets compared to enterprises where a downward trend was observed. On the other hand, the level of accomplishment of business objective 2 in enterprises in which return on assets decreases is rated lower than in enterprises where return on assets is characterised by an upward or variable trend.

Table 6. The structure of responses concerning return on assets and the scores of individual objectives of family businesses

Family objective 1				
	Trend			**Refusal to reply**
	upward	**variable**	**downward**	
Mean	25.71	25.92	24.13	24.16
Median	26.0	26.0	24.5	25.0
Standard deviation	6.155	5.758	3.643	6.233
SEM	1.105	0.665	1.288	1.102
N	31	75	8	32
Kruskal-Wallis ANOVA test	p = 0.3031			
Family objective 2				
	Trend			**Refusal to reply**
	upward	**variable**	**downward**	
Mean	8.08	8.05	7.44	8.02
Median	8.0	8.0	8.0	8.0
Standard deviation	1.285	1.320	1.333	1.355
SEM	0.206	0.142	0.444	0.204
N	39	87	9	44
Kruskal-Wallis ANOVA test	p = 0.3691			
Business objective 1				
	Trend			**Refusal to reply**
	upward	**variable**	**downward**	
Mean	21,55	20,42	18,33	21,59
Median	21,5	20,0	19,0	22,0
Standard deviation	2,828	3,264	4,031	2,305
SEM	0,447	0,354	1,344	0,340
N	40	85	9	46
Kruskal-Wallis ANOVA test	p = 0,0230*			
*** upward vs downward p<0.05 (post-hoc rank test)**				

Business objective 2				
	Trend			Refusal to reply
	upward	variable	downward	
Mean	11,55	10,67	8,89	9,33
Median	11,5	11,0	9,0	10,0
Standard deviation	2,402	2,280	1,900	2,664
SEM	0,390	0,247	0,633	0,421
N	38	85	9	40
Kruskal-Wallis ANOVA test	p = 0,0046*			
*** upward vs downward p<0.05 (post-hoc rank test) * variable vs downward p<0.05 (post-hoc rank test)**				

Family-business objective				
	Trend			Refusal to reply
	upward	variable	downward	
Mean	16.41	16.36	13.00	13.92
Median	16.0	16.0	12.0	14.0
Standard deviation	4.528	3.791	1.673	3.855
SEM	0.801	0.438	0.683	0.787
N	32	75	6	24
Kruskal-Wallis ANOVA test	p = 0.0613			

Source: own elaboration

The analyses conducted did not show the presence of many statistically significant relationships between the trends concerning the selected financial measures and the level of accomplishment of family business objectives. In the case of profit and return on sales, the impact of changes in these measures on the level of accomplishment of family business objectives was not indicated. The other categories examined influence only some of the objectives. It is worth noting that for neither of the two family objectives was a statistically significant relationship with any of the measures found. This means that the level of their accomplishment is not affected by the trends related to the financial measures analysed. However, the family-business objective is influenced by changes in debt and liquidity. The respondents indicating an upward trend in debt rate the accomplishment of this objective higher than respondents pointing to a variable and downward trend. Considering that this objective is largely associated with development and expansion (Table 1), such a phenomenon can be considered natural, since development projects are often linked to the need for greater debt. This may also mean better use of leverage contributing to development. On the other hand, increasing financial liquidity affects the higher assessment of accomplishment of the family-business objective compared to a variable trend. It is worth emphasising that a variable trend does not really allow one to capture the changes which take place in an enterprise (regardless of whether it is heading in the right or wrong direction).

The business objectives are partially affected by two aspects. Liquidity has an impact on the second one in such a way that the respondents indicating an upward trend rated the accomplishment of this objective statistically significantly higher than the respondents pointing to a downward trend. This objective is oriented to business development (increas-

ing the assortment, market share); thus, increasing liquidity may provide the enterprise with a sense of stability, and therefore it is able to plan and implement development activities. On the other hand, return on assets affects both business objectives. The level of accomplishment of business objective 1 is rated significantly higher by the respondents indicating an upward trend compared to a downward one. Business objective 2 is rated higher in two cases: in enterprises with an upward trend compared to a downward trend, and a variable trend compared to a downward trend. This means that decreasing return on assets significantly reduces the level of accomplishment of business objectives.

In view of the above, it can be concluded that, in family businesses, the development trends concerning the selected financial measures only slightly affect the level of accomplishment of the established objectives. Their significance is marginal, particularly in relation to family objectives, for which no statistically significant differences were observed. It seems that these objectives are accomplished largely regardless of trends concerning the company's financial results. This is in some way inscribed in the approach by Gomez-Mejia et al. (2007), who believe that family businesses may last for a period of time sufficient to accomplish family objectives, even if they do not achieve financial ones.

Conclusions

The financial condition of family businesses is undoubtedly significant for their stability and their ability to last for generations. Economic and financial measures are often used to determine the performance of family businesses and to examine the efficiency of management of these economic entities. However, the analyses conducted in this article allow one to take a closer look at the financial condition (measured using the selected factors) from a different perspective and verify its relationships with the accomplishment of family businesses. This is an approach which has not occurred in the subject literature thus far. The analyses conducted indicated only a slight impact of changes in the levels of the analysed measures of the company's financial situation on the level of accomplishment of family business objectives; however, they can be developed further in search of further aspects related to the impact of these measures on family business objectives.

This research is certainly not free of limitations. The first of these is the size of the research sample, which makes it impossible to extend the conclusions to the entire population of family businesses. Also, a different definition of family businesses could result in differences in the results, but it is still symptomatic of all studies on family businesses. A certain constraint is also the focus on only the presentation of trends developing in relation to individual measures. Specifying at least their baselines could significantly expand the analyses conducted and enable a more thorough examination of the financial situation of family businesses. This subject matter may constitute a field worthy of further exploration. A certain limitation of the obtained results may also be the percentage of refusals to reply, particularly concerning profitability; however, this is often due to the reluctance to share such information on the one hand and, on the other, perhaps due to the lack of knowledge of the respondents. In some small family businesses managed by owners without much knowledge of finance, these indicators are not used; therefore, they were not able to identify the emerging trends.

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