



Future work skills in in family enterprises 2017

Report from the study

KEY CONSTITUENTS OF SUCCESS

April 2017



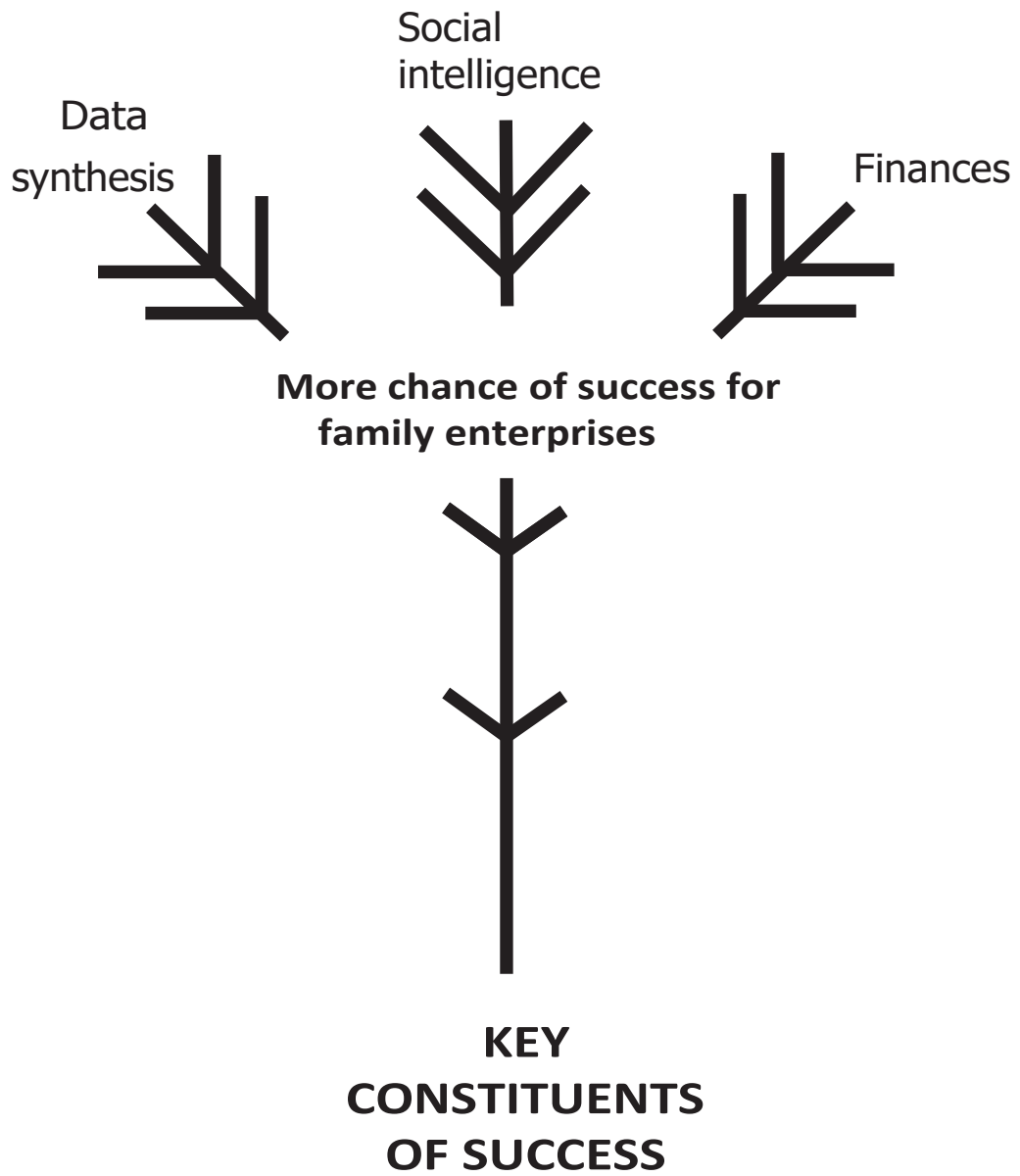


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Intro



Ladies and Gentlemen,

we are proud to present our report “Future work skills in family enterprises” by our Foundation, which is based on a study carried out within the group of family enterprises using the brand „Family Enterprise Tree”.

We hope that this knowledge serves to spread awareness among the growing hundreds – and perhaps even thousands – of family enterprises, which are thinking every day how to successfully lead their companies through generations. Future work skills help to build involved teams of persons who constantly learn and develop - because the world keeps going forward and we must not only follow, but try and shape the direction of this change. We hope that after reading this report each family enterprise will find important hints to answer the question “What competences are required today for my company to keep developing in the future?”.

This report would not be possible without the assistance of Bank Pekao S.A. and EY. In the name of all family enterprises, we would like to give our thanks for their support. Furthermore, we would like to thank all Patrons and Partners of our Foundation who are supporting us every day. Thanks to you we can change our reality.

We will be most happy if our report serves as an inspiration for you and that our formula of key constituents of success takes root in your future plans. We look forward to hearing from you.



With kind regards,

Katarzyna Gierczak Grupińska, Eleni Tzoka-Stecka, Konrad Bugiera

Future-oriented Competences Team

Family Enterprises Team

Key study conclusions

1 Leaders appreciate the potential of computational thinking, e.g. the *big data*

The main difference in viewing the world and how it changes between leading family enterprises and other companies is how they approach the *big data*. Among the leading companies, the influence of this phenomenon in the last three years was noticed by

nearly half of the surveyed (42,9%). For other companies, such an observation is only shared by every fourth entrepreneur (24,5%). This makes for more than 18 percentile points (p.p) of advantage by leading companies over other family enterprises.

Companies declaring that *big data* influences their situation to a large or very large degree:



These results are connected to survey answers regarding the degree of mastering specific future work skills. In this area, the major advantage held by leading companies is observed in the area of data synthesis, amounting to 12 p.p.

Companies declaring to have mastered the competence of data synthesis:



Executive Summary

1. Leading businesses appreciate the potential of computational thinking - the *big data*.

The approach towards *big data* is the most significant difference between the leading family-run businesses and the other surveyed enterprises. Within the last 3 years almost half of the leading businesses (42.9 %) have confirmed that *big data* was a relevant issue for their organisation, whereas only a quarter of the non-leading businesses' owners (24.5 %) admitted the same to be true for their enterprises.

The research results are linked with the responses regarding the acquisition of skills of the future. As far as those skills are concerned, computational thinking constitutes the greatest competitive edge of the leading family businesses, which is 12 percentage points.

When asked about the general level of competence in the area of finance management, the self-evaluation of leading family enterprises is much higher than in other companies. The advantage of leading companies in this regard is 18 p.p. The detailed study of individuals in this area reveals the biggest difference between

these two groups of companies in financial planning. 79,4% of leading companies declare high or very high level of proficiency in this work skill, whereas for other companies this percentage is 51,8%, i.e. 27,6 p.p. less.

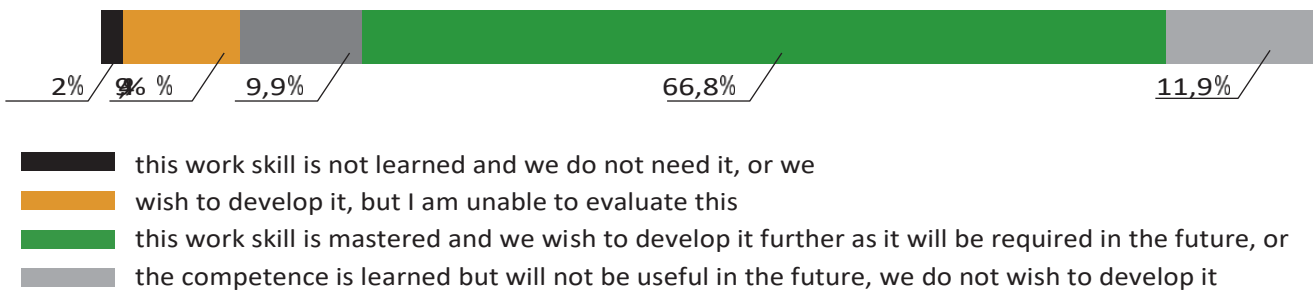
Companies declaring high or very high level of competence in financial planning:



The most important future work skill for the entire group of studied companies is social intelligence. Regardless the degree of current competence

76,2% of interviewed upper management in family enterprises declares willingness to develop this work skill further.

How many companies are willing to develop the social intelligence work skill?



2. Leading businesses feel competent in finance skills.

Leading family businesses rate their finance skills 18 percentage points above the level the other survey respondents do. This shows a significant gap between the approach of the two groups. Within a range of particular finance skills the two groups differ most in their financial planning abilities. While 79.4% of the leading businesses have acquired this skill, only 51.8% of the other businesses believe to have it in their organisation (27.6 percentage points less).

3. Social Intelligence - the fundament of businesses' future development.

Social Intelligence is a future “game-changing” competence for all of the surveyed businesses. Regardless if it is already acquired, 76.2% of the respondents would like to focus on developing this particular skill.

Methodology

This report is based on quantitative study carried out in form of computer-assisted interview (CATI) on a sample of 202 family enterprises. These companies were selected among the companies using the marking "Family Enterprise Tree" which is provided free of charge by the Foundation after verification of the applicant. Since the beginning of the study, the Foundation granted 500 such licenses. **Phone interviews were carried out in January 9-21, 2017.**

The sample was divided into two segments: leading family enterprises and remaining company enterprises. The aim of this study was to identify the differences between the two groups as regards its economic surroundings and operating conditions as well as the difference in the degree of mastery of future work skills as well as strategic management skills.

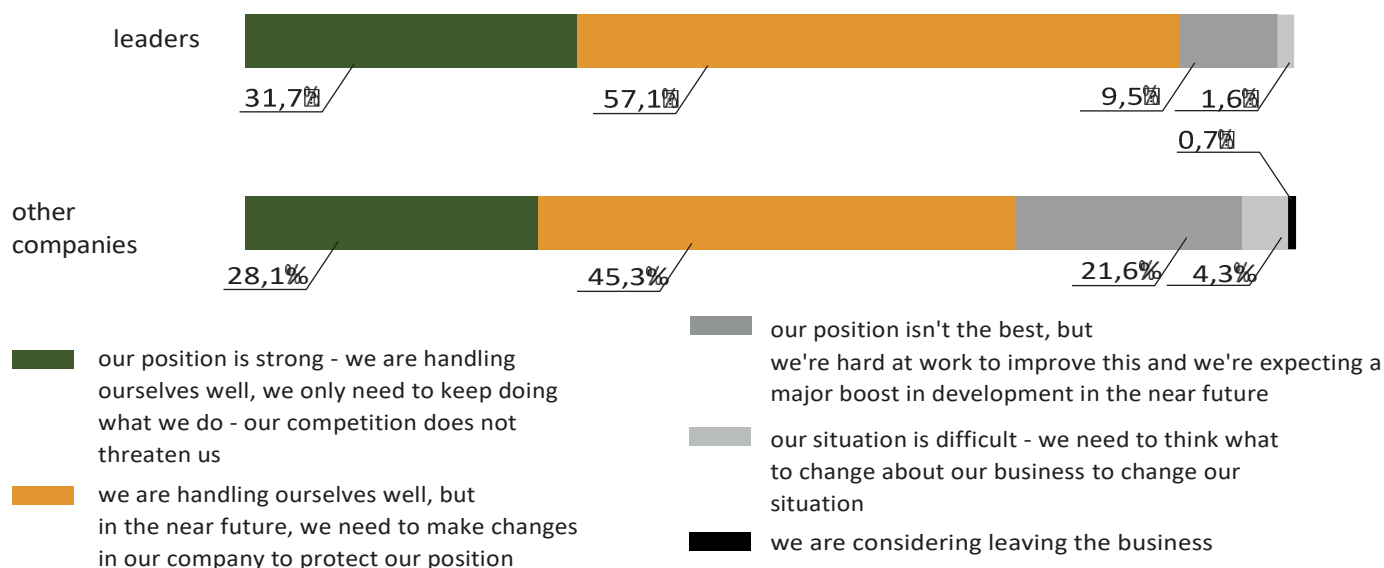
Studied companies

Two categories of companies were included among the leading family enterprises. The first one are the largest enterprises, with turnover exceeding the medium turnover value for other 500 company enterprises using the Tree – i.e. above 7 388,9 thousand PLN (the calculations are based on one to three most recent financial statements available in the Bisnode database, but not older than 5 years). The second category of enterprises includes companies with the most dynamic growth, exceeding the average for the entire group of companies (calculated

on the basis of two financial statements, at the minimum, available in the Bisnode database, but no older than 5 years) – i.e. more than 31,05% annual growth. This led to a group of 63 companies (55 largest companies and 8 with the highest growth dynamic). Their answers were compared against 139 companies from the database of 500 family enterprises using the Tree mark.

Financial statement data was expanded to include company self-evaluation as to their market position which is the following, in relation to the above described group:

Company self-evaluation as to their position in the industry



The pace and directions of change in the modern economic environment surprise even the most seasoned futurologists. Thus, learning and understanding the importance of future work skills serves to identify and evaluate these resources in a company, the development of certain competences and fill in what's missing. Such an approach is one of the fundamental factors in gaining a competitive advantage.



Anna Maria Nikodemka-Wołowik
Essential consultant for the report, Gdańsk University professor



Jan Krzysztof Bielecki
Chairman of the Board
of EY Partners

Time to switch to a higher gear

The world around us is changing at breathtaking speed and becomes more and more automated. Our business decisions are based on large sets of data. We use multimedia communications and boundaries between organizations become increasingly more fluid. In order to keep your bearings in this ever changing environment, family enterprises must develop an entirely new set of skills. The aim of the study "Future-oriented competences in family enterprises" was to discover to what degree these companies are aware of the driving forces that will change the world in the coming years and if they are prepared for new challenges.

We do not know yet what professions will be required by the future market. However, we know that skills are worth investing in today. Some trends can already be noticed in Poland, many others were read about in foreign studies.

By 2025, the number of Americans above 60 years old will increase by 70%. People will live longer and longevity will undoubtedly change the market. On the one hand, this is an opportunity to develop new products or services.

However, for family enterprises, the challenge lies in properly planned succession. Will the present generation be ready to take full control of the company, with the perspective of many years of retirement?

The changing world keeps moving the boundaries and redefining the ways we communicate. This causes family companies to become more open to different cultures and experiences. This also influences the change in financing. There are significant challenges ahead. The "Future work skills" analysis shows that multiculturalism, observation of growth dynamics of particular market segments in the worlds or merger and takeover plans are also key for the modern world, yet they are not a priority for the managers of studied companies.

After nearly 30 years of constant growth, perhaps some companies are affected by a "transformation fatigue" resulting from constant changes and need to keep up. However, the surroundings do not stand still. The pace is constantly accelerating. Once again we need to switch to a higher gear and take part in a race which has already begun in the world.



Adam Niewiński
Vice-president of
the Board, Bank
Pekao S.A.

Self-awareness helps in development

The choice of company development strategy should on every occasion be preceded by an analysis of market environment as well as the weak and strong points of the company, i.e. all the components and variables relevant to the current situation as well as the future period. More knowledge and self awareness allows companies to easily enter the path of dynamic growth which emphasizes maximum profits over an extended period and often asks for additional capital.

The path of sustainable development means companies focus on

maintaining their current market position, focusing on building company reliability and brand reputation - this path is often chosen by multi-generational family enterprises. Hence, if one is still at the beginning of this road, it is prudent to identify company goals and define its long-term functioning, and next choose the appropriate support tools to assist in company development, drawing upon the experiences of professionals and experts. Bank Pekao S.A. provides financial solutions to support businesses on every stage of their growth - from single-person enterprises to multinational corporations.



Future work skills in family enterprises

*Tomorrow is like
today - only it is
tomorrow.*

Sławomir Mrożek

What are future work skills?

Factors of change

When developing the study "Future work skills in family enterprises" we drew upon some of the available research, specifically, the report presented in 2011 by the American Institute for the Future in Palo Alto.

As a result of a joint research effort carried out together with the University of Phoenix, the authors of *Future Work Skills 2020* (Anna Davies, Devin Fidler, Marina Gorbis) defined six key changes which influence the modern work and business conditions. During the interview with the participants, they were defined as follows:

- 1 Development of intelligent machines and systems**
The employee is no longer involved in repeatable work. The "assembly line" work slowly goes away. Companies introduce machines or software which allows to reduce employment or shift the staff to carry out more creative work.
- New media**
2 New means of communication require digital skills which go outside the ordinary language. Electronic communication, social media and instant messengers call for immediate replies. It is necessary to filter information and use visual language and mental shortcuts
- 3 Computational thinking – *big data***
The vast amounts of data stored on electronic equipment together with the available computing power allows to create algorithms, profiles, segmentations to be used in the decision-making process.
- 4 Increase of global life expectancy**
Professional lifetime gets longer and new models of professional development appear. More persons aged 50 years or older work in companies.
- 5 Organization super-structures**
The development of social media affects the methods of work management, including manufacturing and distribution, e.g. products are designed in collaboration with teams from different countries, manufacturing takes place in a different country than the company office. and distribution is carried out globally.
- 6 Globally connected world**
The development of global connectivity requires to adapt the work methods to facilitate constant exchange of information and quick reaction to market signals.

10 work skill highlights

To survive in an environment conditioned by the factors of change described by Institute for the Future, companies should master 10 work skills which were also defined in the report *Future Work Skills 2020*. During interviews, these competences were presented in the following way:

1 Inference

The ability to find a deeper meaning and sense in things, to see meanings that are not immediately visible.

2 Social intelligence

Empathy, the ability to easily enter in-depth relations with other people, understand their needs as well as to stimulate desired reactions and behaviors. Reading emotions, building trust.

3 Out-of-the-box, adaptive thinking

Ability to find new answers to problems by means of non-standard solutions. The ability to quickly react to change.

4 Intercultural competences

The ability to function in different cultural environments - e.g. hiring employees from other socio-cultural areas (foreigners, different ethnicity, religion, background). Outsourcing to other countries.

5 Data synthesis

The ability to juxtapose large batches of data in order to obtain knowledge which allows to formulate an argument based on numbers. E.g. list of sales data from several company offices to predict orders.

6 Proficiency in the new media

The ability to critically evaluate information circulating on social media as well as to create content matching its specific requirements for own benefit.

7 Multi-disciplinarity

The ability to understand and match meanings of concepts from different disciplines.

8 Project-oriented thinking

The intuitive working method which creates innovation by joining engineering, business, design and social sciences. The ability to translate complex tasks into a series of simpler, connected actions which lead to a desired outcome.

9 Dealing with information overload

The ability to filter and find meaningful information in the information noise

10 Collaboration of virtual teams

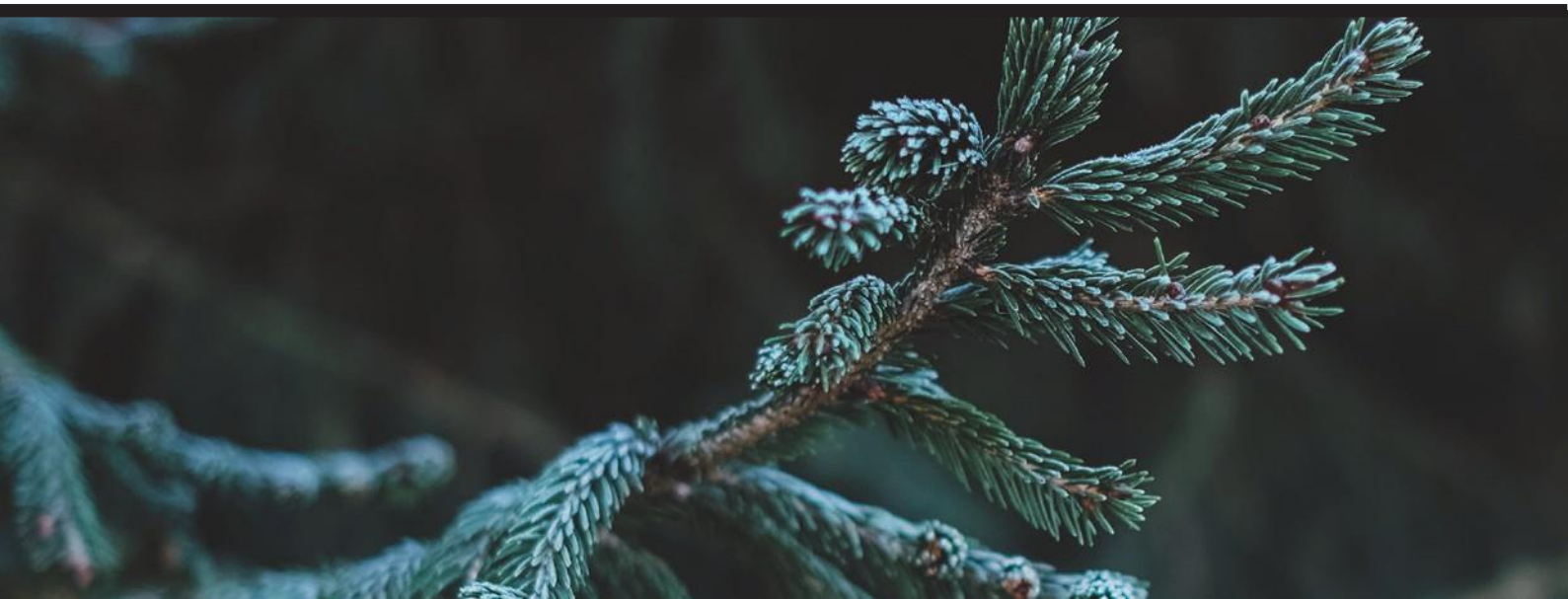
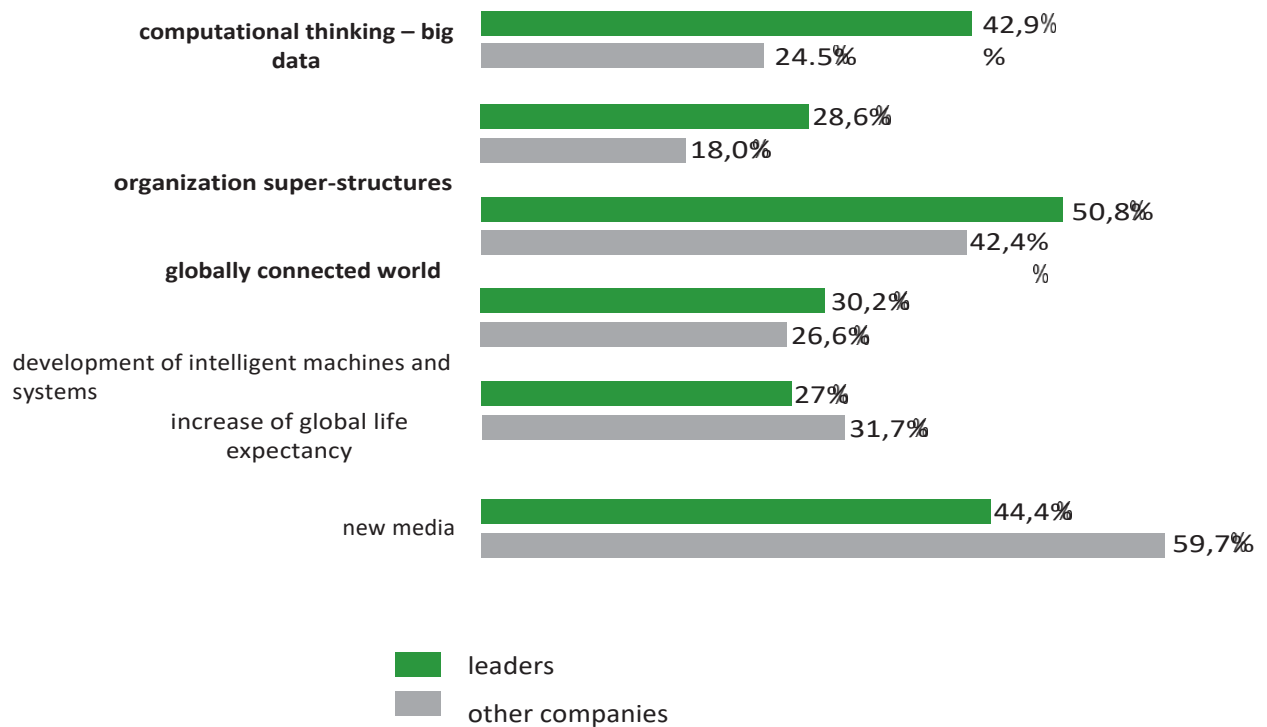
Ability to carry out work efficiently and with involvement, without the need of team members to be physically present. Work via instant messengers, virtual platforms, virtual drives, etc.

Perception of changing world- what can the leaders see?

Difference in perception of changes by two studied groups of family companies applies in particular to the phenomenon of *big data*, but also to the growth of larger and more complex organizational structures functioning in a globally connected world.

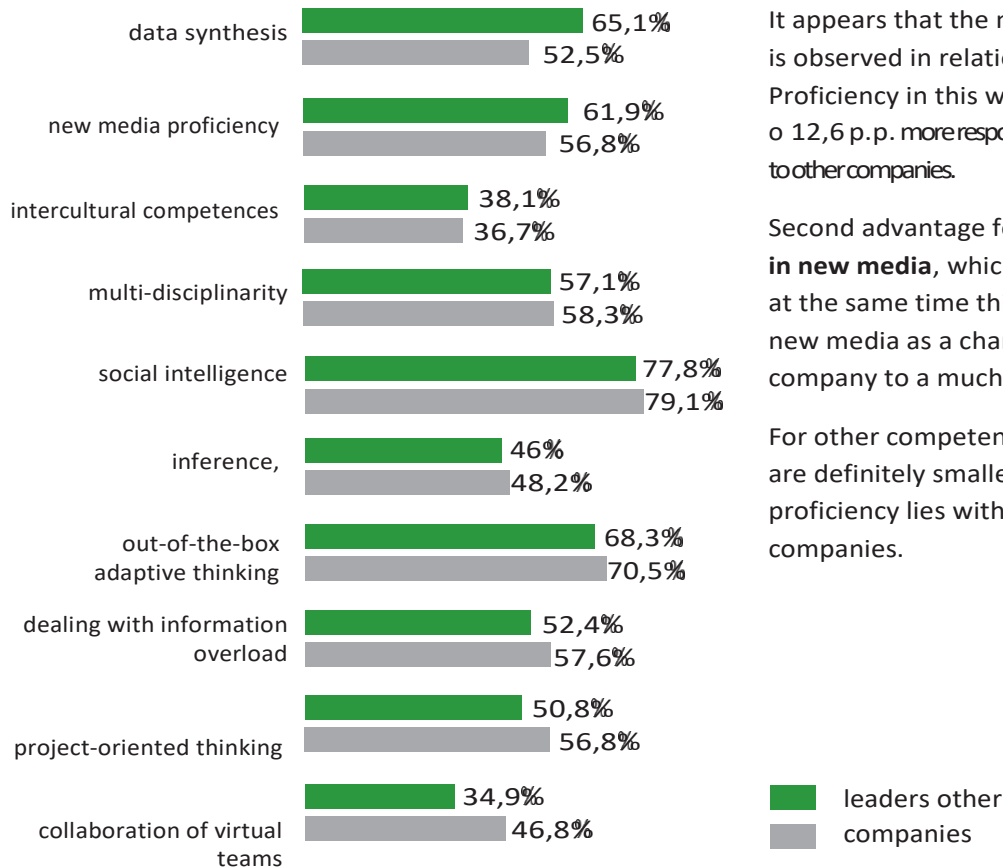
Leaders of family enterprises are aware that these three phenomena apply to their companies, whereas other companies does not seem to see it yet.

Companies declaring that the phenomena described below apply to their situation to a large or very large degree:



Data synthesis - leaders' advantage

Companies declaring high or very high degree of proficiency in specific future work skills:



Main reasons between the operation of leaders and other family companies become significant after analyzing the already mastered future work skills.

It appears that the major advantage in favor of leaders is observed in relation to **data synthesis**. Proficiency in this work skill is declared by 12,6 p.p. more respondents in this group compared to other companies.

Second advantage for the leaders is **proficiency in new media**, which is interesting because at the same time this group declares that new media as a change factor affects their company to a much smaller degree.

For other competences, the differences are definitely smaller, or the advantage in proficiency lies with the other group of companies.

Future work skills necessary utilize own and external knowledge

Proficiency in the above work skills such as inference or proper communication with other people is, in my opinion, indispensable for efficient use of own or external knowledge. However, if there are no "technical competences" to complement it – such an organization doesn't have a basis for operation.

In this regard, not a lot has changed in years, dependable level of knowledge, of technology in particular, is still worth its salt. Hence, an engineering company such as Pekabex emphasizes the development of interpersonal skills as well as gathering a team of experienced, brilliant engineers who are able to face even the most complex technical challenges, and at the same time impart this knowledge to their younger colleagues.



Robert Jędrzejowski
President of the Board, Pekabex S.A.

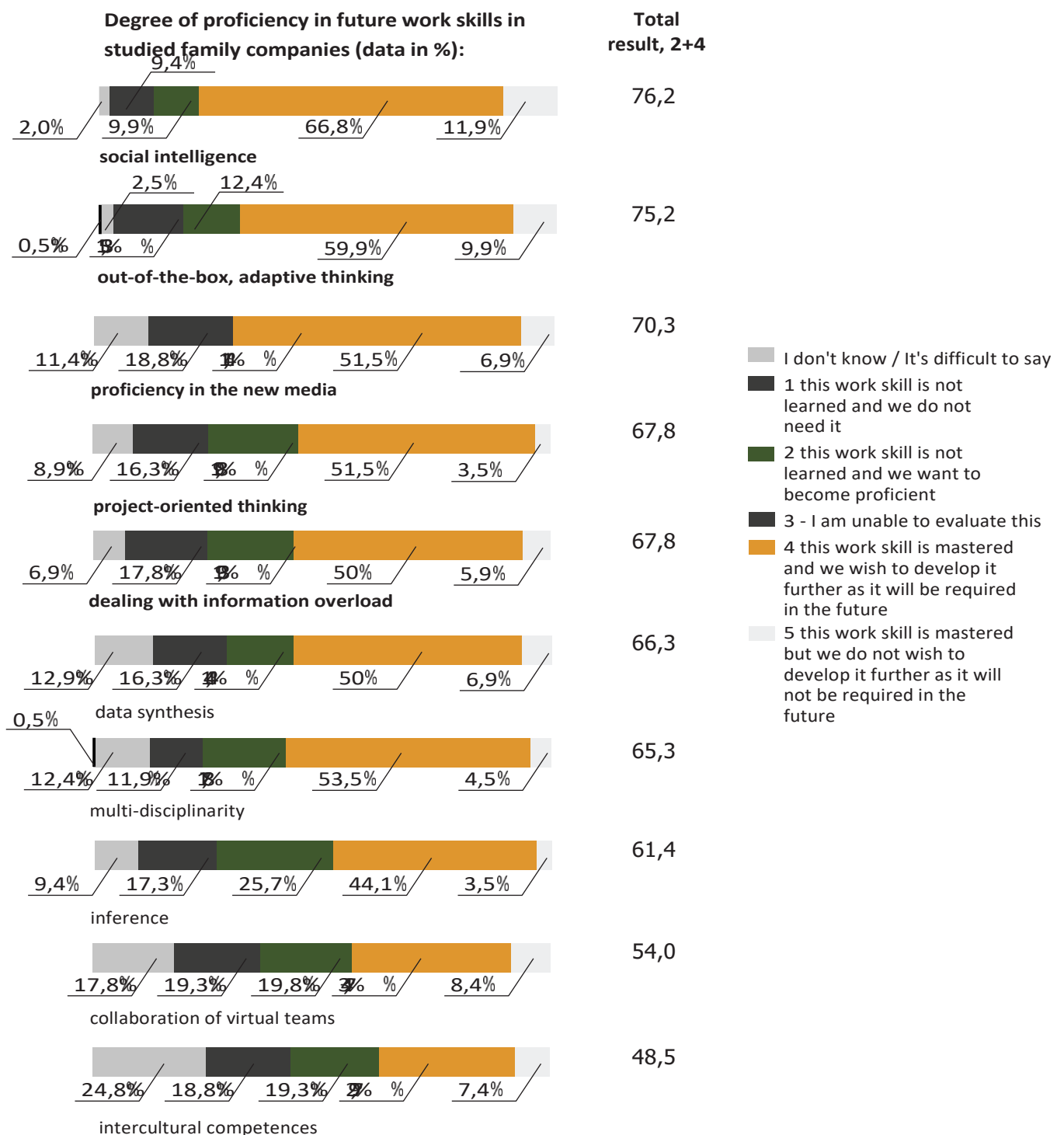
Family companies want to develop social intelligence

Analyzing the responses from all of the companies, without differentiation to leaders and other companies, shows that the most sought after future work skill is social intelligence. The need and willingness to develop this competence is declared by over 3/4 of the surveyed.

Furthermore, social intelligence remains the competence with highest degree of proficiency among all the studied

companies. The top five works skills important for future company development also includes **out-of-the-box adaptive thinking, proficiency in new media, dealing with information overload and design-oriented thinking.**

For every such competence, over 2/3 entrepreneurs admitted that they are interested to develop such skills for their companies.



To keep a competitive edge, we have to factor in an increasing number of data from our customers, business partners and colleagues. Of course, just having this information is not beneficial. Interpretation and inference are key processes. They contribute to developing a concrete strategy. Fortunately, most entrepreneurs are aware of this. Companies continue to invest in an efficient and flexible IT infrastructure. We also care about our employees' awareness regarding information management, assigning priorities as well as training on creating valuable content. All this serves to keep the deluge of information at bay.



Andrzej Kosieradzki owner of GoWork.pl (on the photo with his family)

Companies in trouble, what are they missing?

During the interviews, we asked the entrepreneurs to self-evaluate their position in the industry - is it good or not at all. This allowed to make an interesting comparison. The differences between companies facing trouble and leading companies do not boil down to the differences between leading and non-leading companies being taken to the extreme. The order of work skills with the biggest differences changes for the list including only leading companies which consider

This data calls for an assumption that lack of proficiency in data synthesis, new media proficiency and intercultural competence is related to the difficult situation of these companies. On the other hand, in order to achieve at least an average position in the industry, adaptive thinking and the ability to

their market position to be good, and companies facing trouble – the ones who answered the question regarding their market position with: it's far from the best or it's difficult.

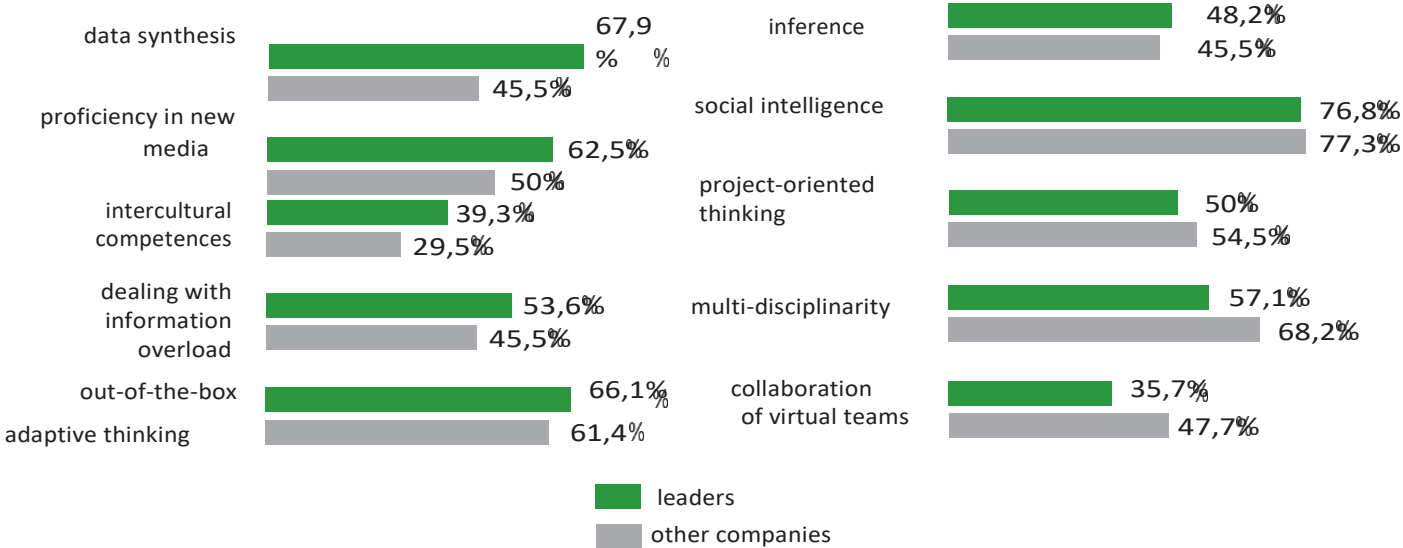
What draws our attention is fourth and fifth place on the list, i.e. out-of-the-box adaptive thinking and the ability to handle information overload.

On the other hand, the first three work skills are identical to the list providing differences between leading companies and the remaining companies.

deal with information overload is required. Hence, three out of five factors which account for the largest difference are related to data processing competence.

This leads us to believe that companies that fail to keep up with their market environment have a more general problem with handling data and using them to their benefit.

The difference in future work skill proficiency between the leaders and companies with difficulties (percentage of companies in which the specific work skills are currently mastered):



Katarzyna Tomaszewska
 Managing Director, Project Development Department
 Bank Pekao S.A.

Data is knowledge and knowledge is power

Being able to utilize gathered customer information is a key factor in effective business operations, regardless of the size and industry. There is truth in the saying that knowledge is power, and for companies this power stands for competitive edge, that is the largest possible share of the market pie. Gathering information about customers (personal data, contact information, preferred method of communication, transactions, complaints, debt collection) is one thing, whereas analyzing most likely customer behaviors or assisting in preparing a suitable offer from the standpoint of identified needs and requirements is the basis for what we call Customer Relationship Management (CRM). Such an approach allows to prepare customer communication strategy and build long-term partnership taking into account the specific requirements for each stage of the relationship as well as its lifetime.

An advantage of CRM is the reduction of marketing expenses due to being able to more effectively reach specific customer groups and use potential for up and cross-selling. Moreover, this allows to ensure personalized and individualized approach to the customer which boosts customer loyalty to the company and improves brand perception, this leads to positive feedback and winning new customers, i.e. a growing market share. In banking, this area is very important and at the same time sensitive, both for individual and corporate customers, the actions are directed at specific, identified groups of customers; for Bank Pekao S.A. this is one of the factors of brand success and strength.



**Family enterprise work skills in
strategic areas of management**

*The best way to predict the future
is to create it.*

Peter Drucker

What are the work skills in strategic areas of management?

Running a business requires a set of skills from several different areas of knowledge. On the other hand, even entrepreneurs find it difficult to present a full selection of issues and their related competences. The shared experiences of EY and Bank Pekao S.A. from partnership with companies of different sizes and operating in a broad spectrum of industries allowed to identify areas and competences which may be referred to as strategic. These are the foundation without which even the highest degree of competence in future work skills cannot guarantee future company development.

1 Human resources

- Employee recruitment
- Employee retention
- Employee motivation
- Teamwork, including team building, distribution of responsibilities, efficiency of tasks carried out by individual teams.
- Training/developing employee competences

2 Company management

- Defining strategic goals
- Planning company development
- Transferring strategic goals of the company into goals for specific groups of employees
- Creating task hierarchy, arrangement of tasks in order from most to least important
- Collaboration between departments/cells in the company – manufacturing, sales and marketing, administration, HR, etc.

3 Customer relations

- Understanding customer requirements/needs
- Building long-term customer relationships
- Brand development
- Use of varied contact channels with customers (including online channels)
- Development of new product / geographic markets, including expansion into foreign markets, product diversification, adapting pricing strategy, etc.

In the study of family companies presented in this report, we asked the respondents about the degree of mastery in the five strategic areas of management. Each of those is described with five detailed competences.

During the interview with the participants, the strategic areas and detailed competences were defined as follows:

4 Finance

- Measuring effectiveness of company operations (e.g. price margin calculation for individual products/services, information quality for accounting and management)
- Financial planning
- Managing current company finances, including: acquisition of funds, managing financial liquidity and working capital
- Risk management (financial and non-financial risk, e.g. IT security)
- Evaluation of projects related to expansion of company operations (including investments and acquisitions)

5 Approach to new technologies (using technologies for: increasing effectiveness of business operations, supporting development operations, shaping an innovative product offer)

- Focusing on sustainable development of classic technologies
- More frequent use of new technologies in designing new products / services, improving customer service processes (e.g. by online communication) and in manufacturing
- Large scale automation, replacing people
- Basing the company operation primarily on new technologies (networks, robots, artificial intelligence, collective intelligence)

Importance hierarchy and the most important challenges

Questions related to the company's importance hierarchy and most important challenges complement the study of competences from strategic areas of management.

Respondents could choose from the values listed below:

- Competitive pressure
- Obtaining new employees
- Employee retention
- Company management / planning further development
- Finances/access to capital/expenses
- Instability of regulations, legal and tax system

On the other hand, the selection of major challenges included the following items:

- Professionalism
- Efficiency
- Positive interpersonal relations
- Family (in the context of business - family enterprise)
- Corporate social responsibility
- Safety

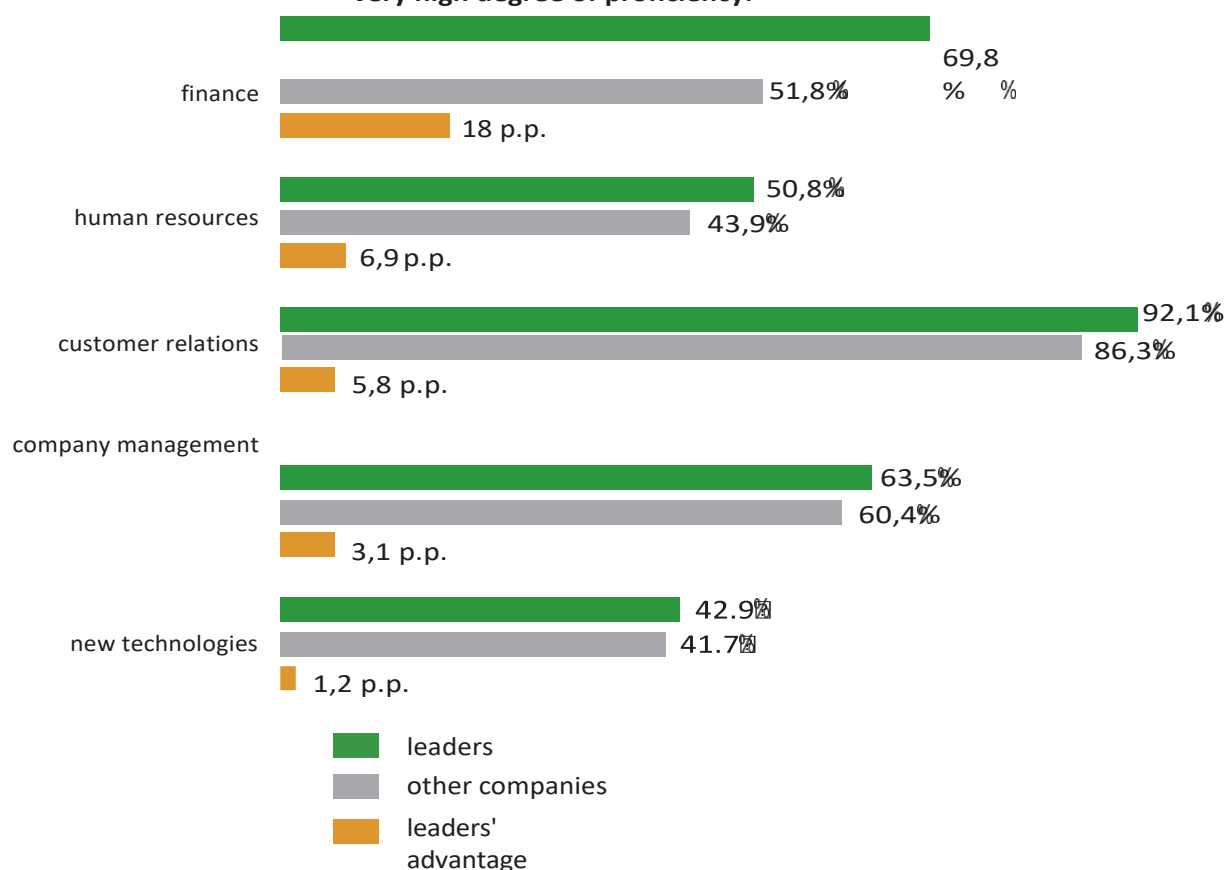
Finances - the armament of leaders?

For the strategic management area, the key difference between leading family enterprises and other family enterprises are competences related to financing.

Among the leading companies, the percentage of companies self-evaluating their level of competence in regards to finances as high or very high

is higher by 18 p.p. Second place in this list is human resources management – where leading companies' advantage is 6,9 p.p. Considering that relative to the whole area of study this was evaluated as one of the weakest, we should consider that proper approach to HR operations may be another crucial factor differentiating companies with above-average results.

Differences between leading family enterprises and other companies regarding strategic areas of management - percentage of companies declaring high or very high degree of proficiency:



Customer relations - strong point of family enterprises

Family enterprises self-evaluate as being the best in handling customer relations – 88,1% of surveyed enterprises declare high or very high proficiency.

On the other hand, low self-evaluation of human relations an new technology is observed by much fewer family companies – below 50% . %

What part of family enterprises self-evaluate their work skill competence as high or very high in individual areas of management:



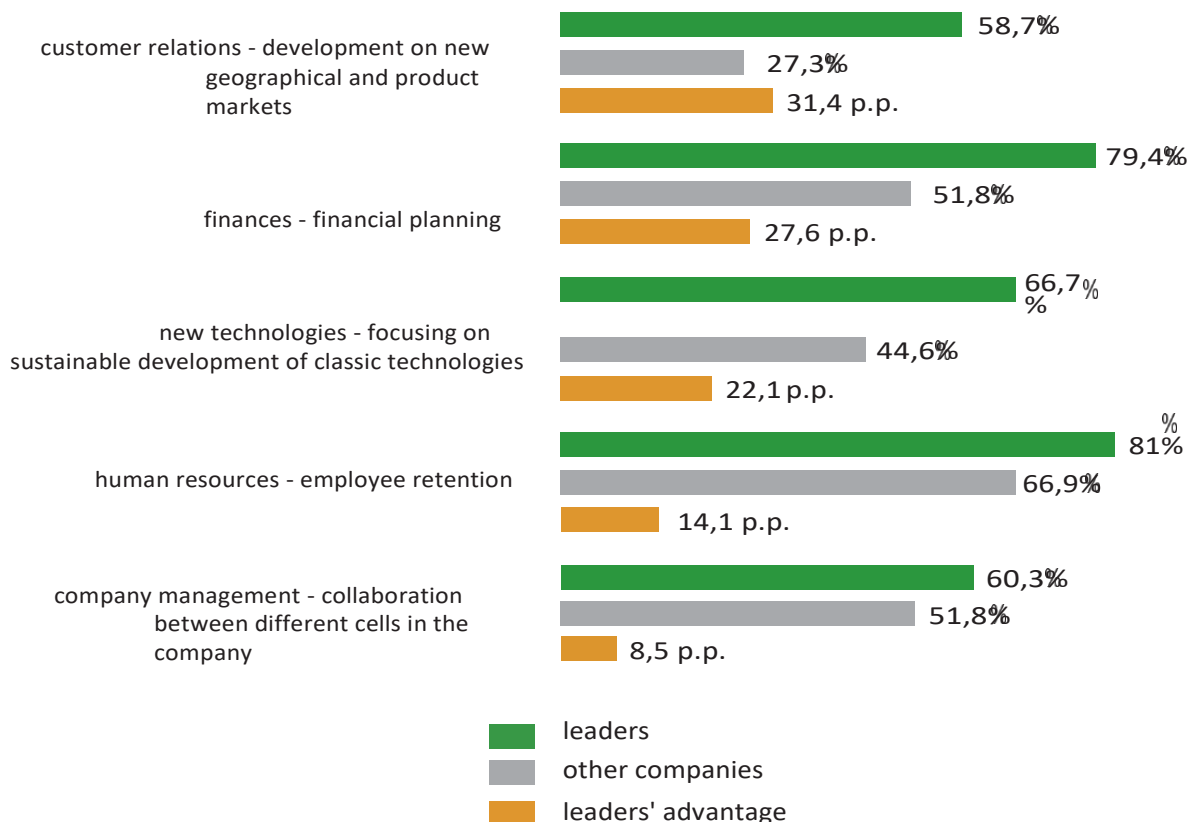
Leaders do not forget about development on new markets

Considering all the individual competences in detail, the biggest discrepancy between leaders and other companies can be found in the degree of mastery in development on new markets.

Regarding the competences related to development on new markets, the difference between leaders and other companies is even

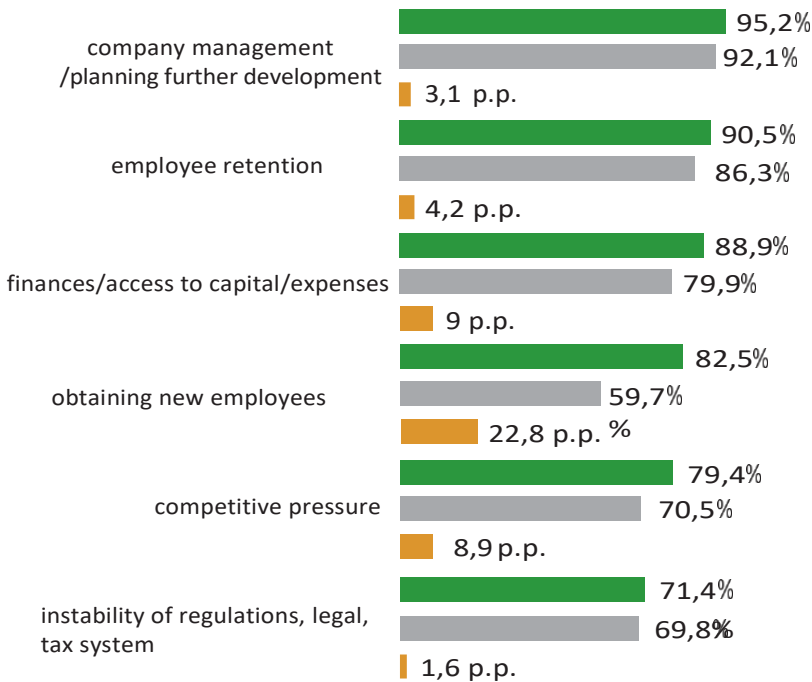
greater than in the case of financial planning as discussed earlier. It's worth pointing out that this list includes competences from all areas of management, not just the ones that were most developed by leading enterprises. This means that business development calls for a well-rounded set of competence.

Detailed list of competences in which leading companies have an advantage over other companies:



Social responsibility is where leading companies stand out

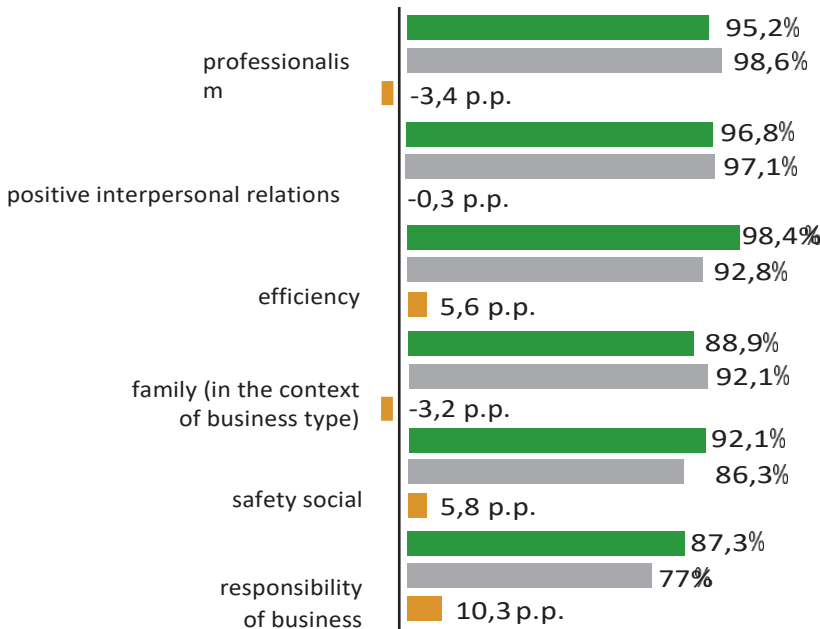
Key challenges for family enterprises (percentage of companies for which specific challenges are important or very important):



Company management together with planning future development is the biggest challenge, as declared by all the interviewed enterprises. However, if we consider the differences in evaluation of challenges between leading enterprises and other companies, we notice that the former put significantly more emphasis on employee recruitment and financing of business operations. This on the other hand may confirm an earlier conclusion that finances and HR are key for success when it comes to areas of management.

- leaders other
- companies
- leaders' advantage

Hierarchy of values of family companies. The percentage of companies which consider specific values as important or very important for company management:



Professionalism is the highest ranking value for both groups of studied enterprises. Once again, our attention is drawn to the differences between these two groups.

In this context, the largest difference in self-evaluation by both groups is social business responsibility, this value is 10,3 p.p. more often selected by leading enterprises than others.

On the other hand, a difference of nearly 6 p.p. is observed for safety and efficiency.



Sylwia Mokrysz
Member of
the Board,
MOKATE S.A.

Social involvement - necessary for leaders

Success without social support or at least approval is very difficult. There comes a stage in development of every company where the value of good employees is not to be underestimated. Employees who do not feel the approval of local society for his company will not be satisfied nor creative.

Hence, it is important to support the persons who co-create the company, not only directly - by creating a good working atmosphere. But also indirectly - by supporting the society from which the employees come from and where they live in.

Mokate has known the importance of such relations for a long time, we are involved in the life of local communities, supporting important cultural and sport events.

How to win the battle for talent?

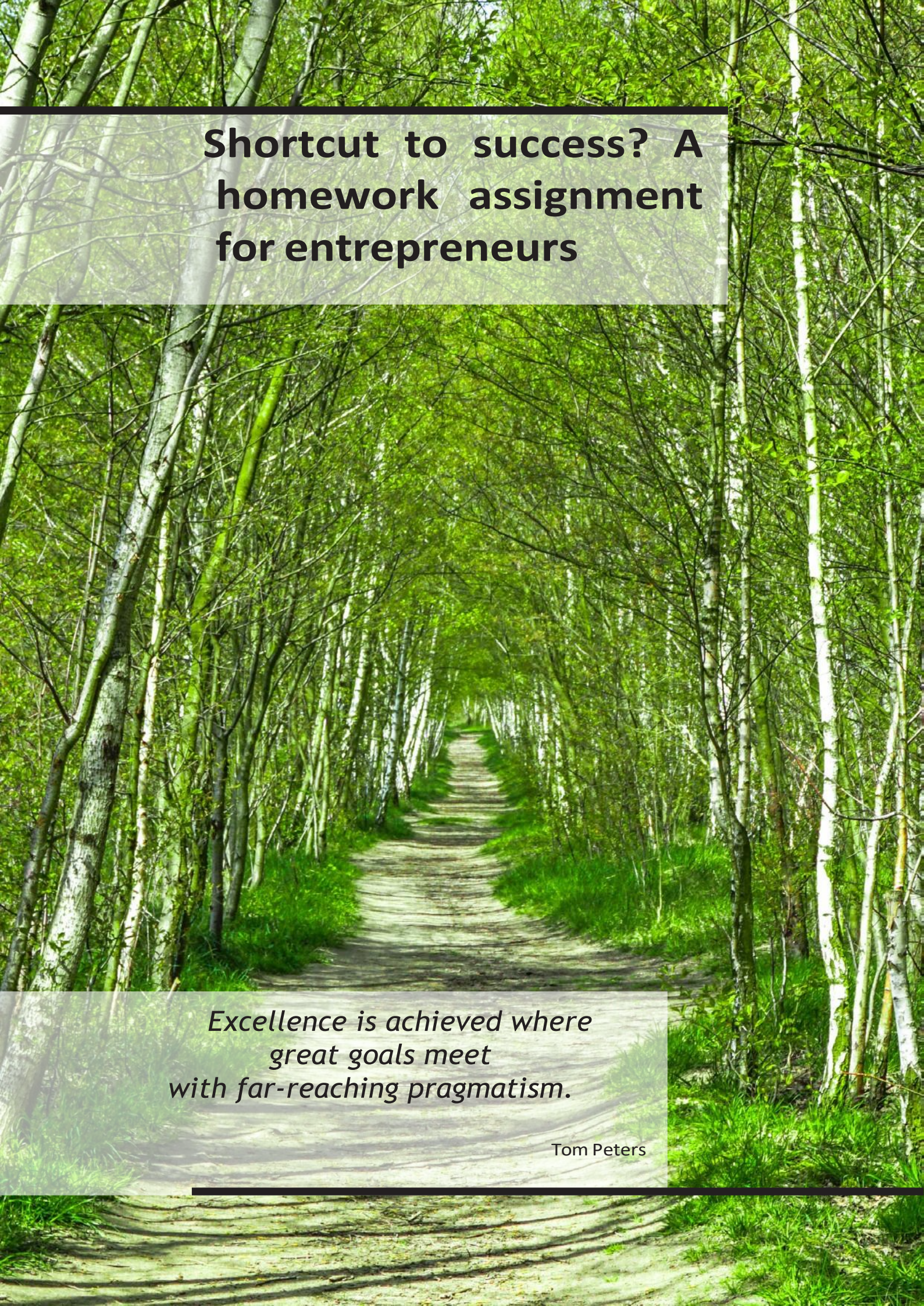
Before we enter the age of robotics, which might come sooner than it appears, people will be the most important part of a company for quite a while.

The day to day business of family enterprises is characterized by a type of symbiosis – employees support the funders and the families support the employees. Very often we have the pleasure of speaking with persons who appreciate the warmth and close, family-like relations in such companies. This unique atmosphere and care from the owners make it an attractive proposition for employees.

However, despite the numerous positive associations surrounding family enterprises, the owners self-evaluate their human resources management competence as lower than other areas. In other words, this more humane face of management is an important consideration for further personal development. A paradox?

Not necessarily. Family enterprises nowadays are well aware that good intentions and family atmosphere at work is not enough to win the war for talent. Today's the time to design modern methods of employee recruitment, motivation and appreciation. Modern methods of stimulating innovation in companies may prove useful, e.g. drawing upon the collective intelligence of employees for solving day-to-day business problems, the so-called crowdsourcing. This may be an actual opportunity for winning a competitive advantage.

We are great admirers of outstanding examples of family employee culture and experienced HR specialists who often worked together with the owners to create the company from scratch. For many years EY has been working together with family companies, we provide support in HR management. In our work, we complement the competence of these extraordinary organizations with knowledge from all over the world, experience from many successful projects and modern management solutions. Consequently, future works skills are joined together with traditional values: let's see how others beat such a winning combination on the market!



**Shortcut to success? A
homework assignment
for entrepreneurs**

*Excellence is achieved where
great goals meet
with far-reaching pragmatism.*

Tom Peters

Adapting strategic goals as employee goals - a homework assignment

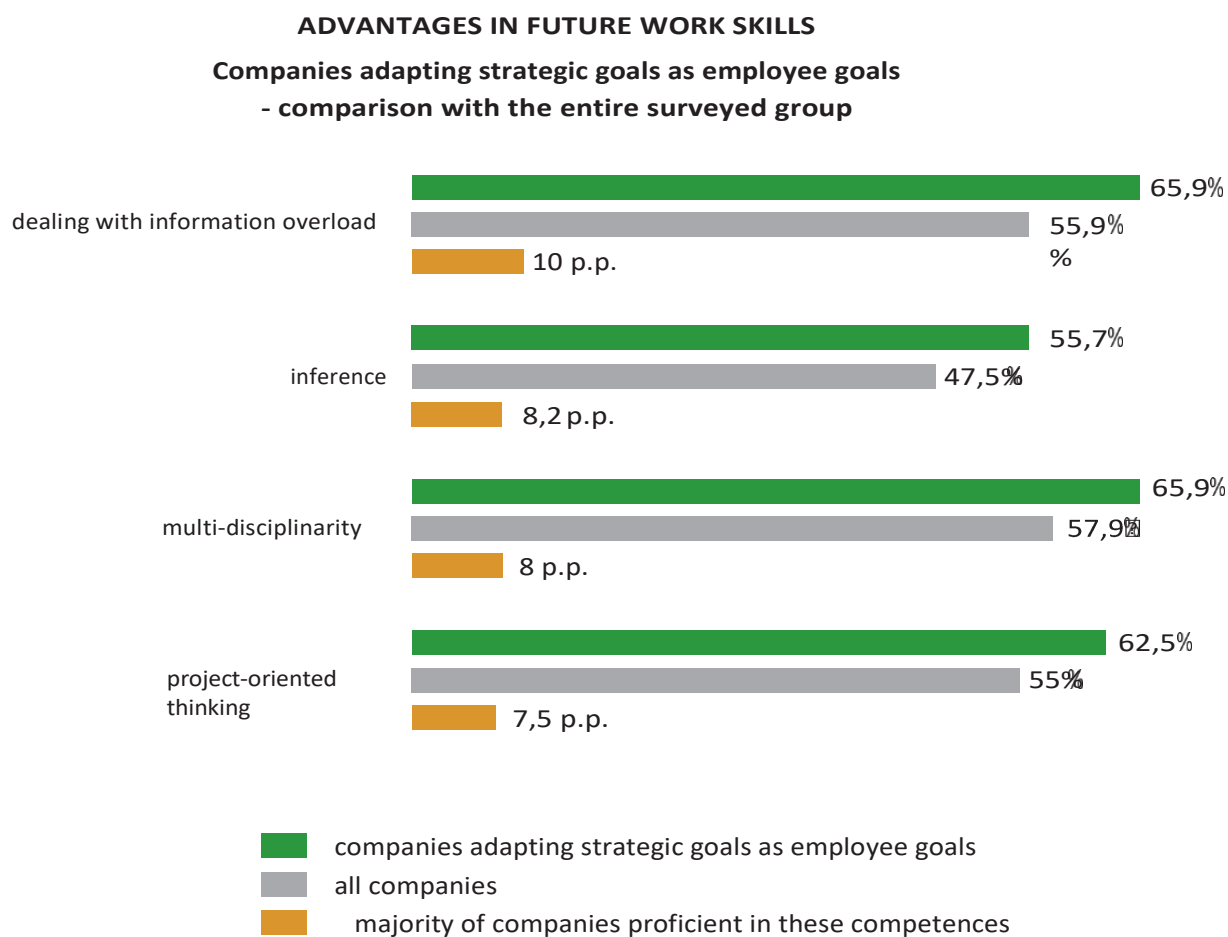
Only three competences were identified in the study in which the leading companies did not have an advantage over other companies.

All three competences are listed under company management, these are: defining strategic goals, task hierarchy and adapting strategic goals as employee goals.

The last competence is also one of the lowest-scoring

among entrepreneurs in the entire study.

Being aware that this competence is rare, we examined how successful are companies in which the competence of strategic goal adaptation as employee goals is evaluated as highly or very highly developed.



It appears that companies declaring the ability to adapt strategic company goals as goals for individual groups of employees seem to hold an advantage in every competence listed in the survey, with only one exception - collaboration of virtual teams. In this regard, they score lower than the rest of the group by 1,1 p.p. Which is a fairly minor difference.

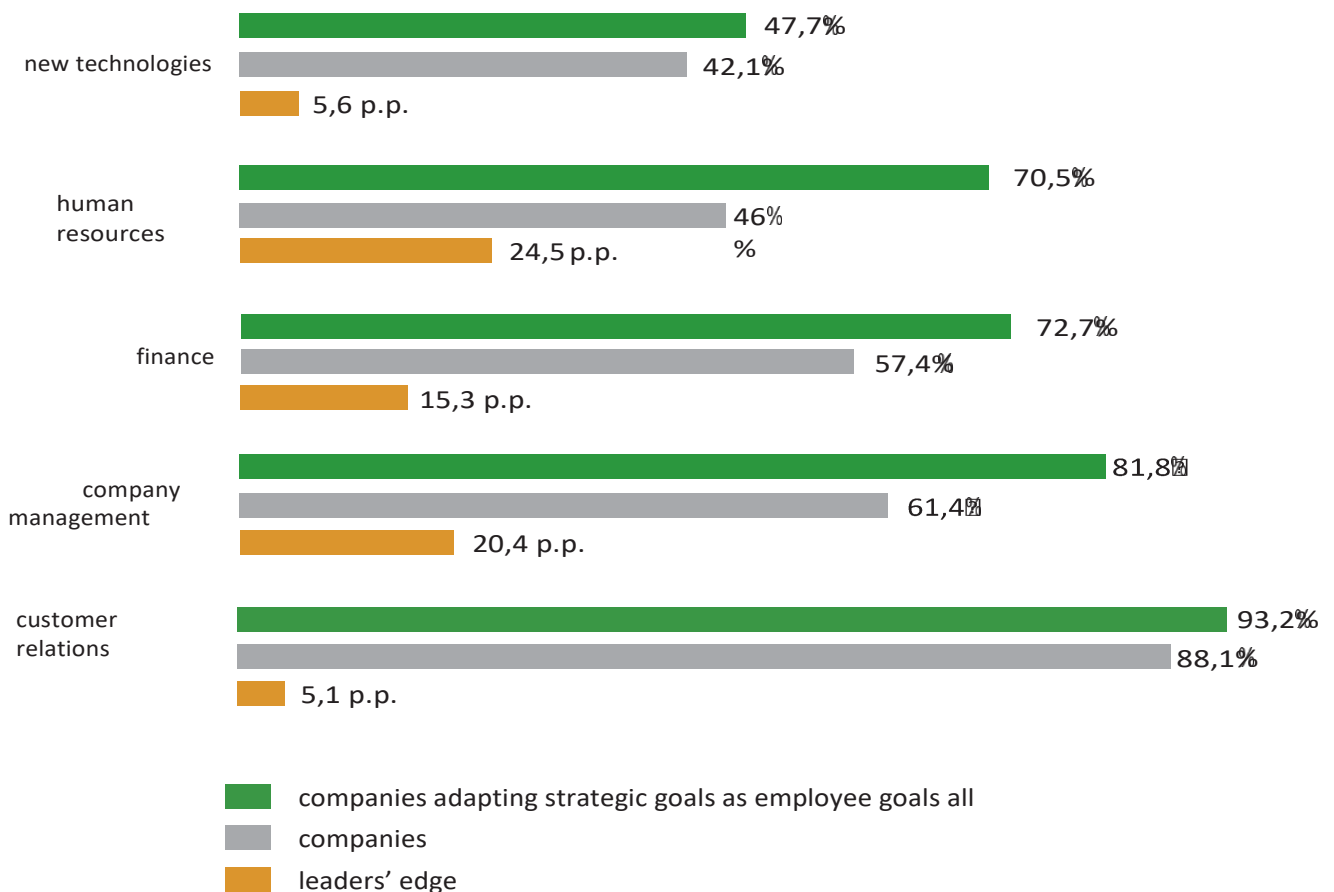
On the other hand, the most profound difference can be found in handling data and business versatility. Companies adapting strategic goals as employee goals are able to better deal with information

overload. A slightly smaller difference is observed for inference, interdisciplinary and project-oriented thinking. Leaders hold an advantage in dealing with information overload equal to 10 p.p. A slightly smaller advantage (approx. 8 p.p.) is observed in all other listed competences.

A much larger difference is observed for strategic areas of management. Companies adapting strategic goals as employee goals show higher competence in every area, with largest differences being as high as 20 p.p.

ADVANTAGES IN STRATEGIC AREAS OF MANAGEMENT

Companies adapting strategic goals as employee goals
- comparison with the entire surveyed group

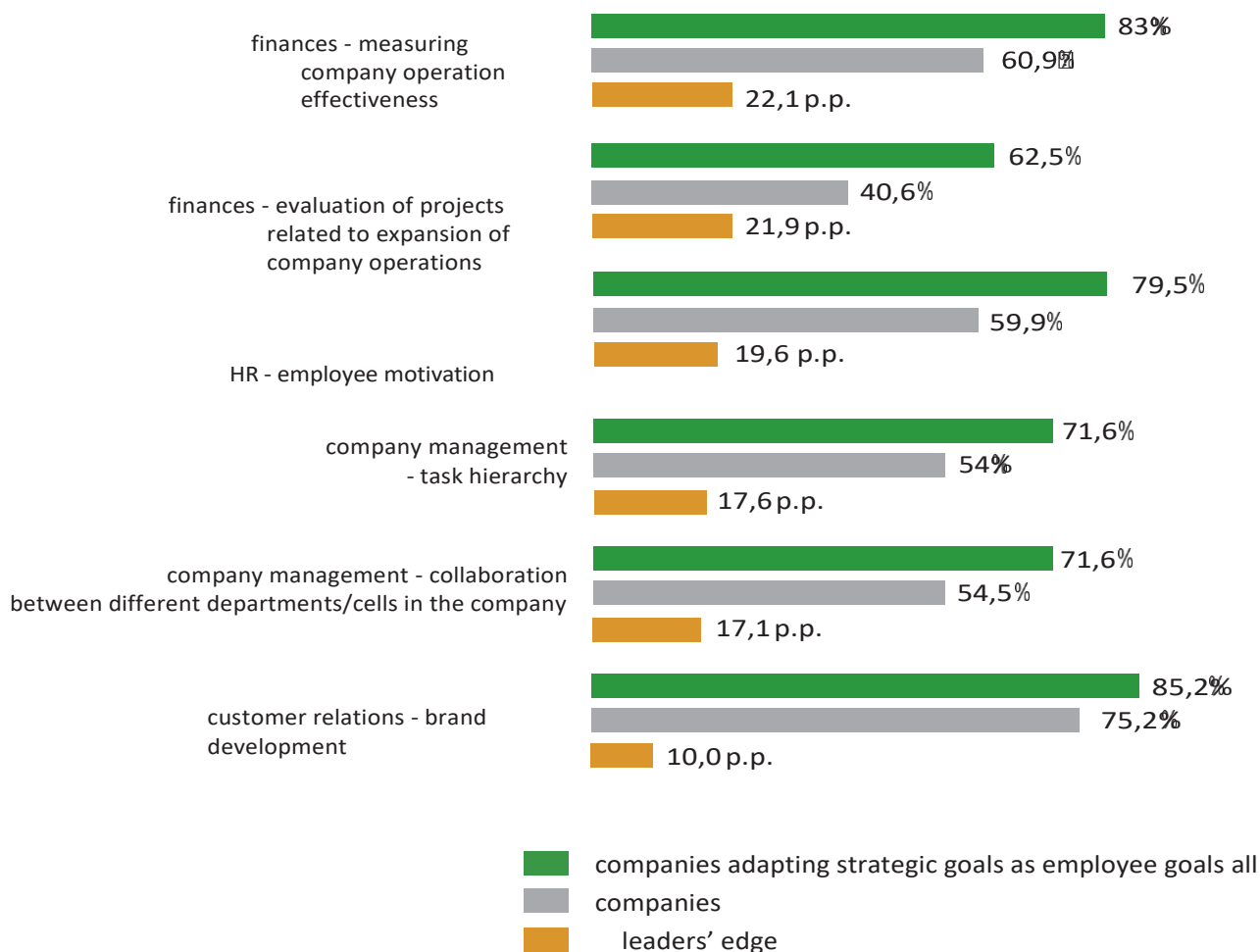


It also appears that skillful adaptation of company goals to employee goals goes hand in hand with competences related to measuring company efficiency – both historically,

and when making forecasts. Such adaptation of goals also serves to motivate employees and improve teamwork. What is interesting – companies with such competence also declare higher brand development ability.

ADVANTAGES IN COMPETENCE FROM STRATEGIC AREAS OF MANAGEMENT

Companies adapting strategic goals as employee goals - comparison with the entire surveyed group



Konrad Bugiera
Study coordinator,
business communication
advisor, Council Member
of the Family Enterprises
Foundation

It is necessary to adapt company strategy as employee goals

When goals of an organization become the goals of its employees, it becomes easier to join personal development with developing skills required by the company. This is confirmed by the data on the level of competence by companies declaring proficiency in adapting company goals as goals for individual employee groups.

Employee development, their involvement and participation in the decision-making process should be deeply considered by company owners who seek the means to better their results.

I hope that the study results provided in this report will be enlightening to aspiring business owners, showing them that there are no shortcuts in achieving true success. On the other hand, there's plenty of ground work to be done.

Companies must invest in ICT skills of their employees

(ICT – Information and Communication Technologies)

Considering that the study used as a basis for the report "Future work skills in family enterprises" was conducted on entrepreneurs, we have to emphasize the data sample is relatively big (202 companies interviewed). This means the results are potentially interesting and worthwhile.

Personally, I was interested in matters related to human resources. Employee retention, recruitment, general HR management - all these factors seem to be dominant in the answers given by the studied family enterprises and seems to support the positive image of family enterprises as companies with a human face. However, focusing on this area alone may in the end become a weakness of the companies.

In this context, the results presented in the report seem to confirm the data on digital transformation in European Union countries which, unfortunately, are not the best for Poland. It appears that while family enterprises in Poland focus on matters related to management, finances and HR, but do not devote sufficient time to competitiveness in the context of digital competences.

Hence, it is time for family enterprises to take specific actions. If they wish to achieve further, long-term development, they should adjust the priorities regarding development of work skills and focus on ICT competence. Without this, opening to new markets may not have the desired effect.



Magdalena Kleim
European Agency
for Small and
Medium Enterprises
(EASME)

Future work skills from classical philosophy

Data obtained from these studies will be striking for a philosopher fascinated by the antiquity. The same things which family companies would like to improve upon were the subjects of education in the great schools of philosophy 2500 years ago and later. Which was to ensure efficient action and ability to achieve personal happiness.

Social intelligence - the ability to empathically enter into relations with other people, the understanding that no man is an island, but we are a community, it was the basis of the virtue ethics, building a virtuous but just character, the first great object of study and action in philosophy.

Inference, but also out-of-the-box adaptive thinking and handling information overload are typical subjects of philosophical training, called "mastering the inner voice" in antiquity. This training was part of activities gathered under the common name of "logic", they were very important because they provided freedom of thought but also freedom from destructive emotion.

Competences such as collaboration of virtual teams, proficiency in new media or multicultural competences is the largest major area of philosophical self-improvement - physics. This entails taking into consideration multiple viewpoints and acting in accord with the situation itself, not your own false image of it.

The three fields of classical training - ethics, logic and physics - serve to strengthen one another. Looking at the study data from the Foundation of Family Enterprises, I can see a similar interconnection. Someone who is able to think out-of-the-box will be able to, for example, collaborate more efficiently as part of the team.



Marcin Fabjański
Philosopher, founder of
the Selfoff project,
Council Member of the
Family Enterprises
Foundation



About the Family Enterprises

The Family Enterprises Foundation (FEF) was established in 2011. We are an organization supporting family companies free-of-charge, creating a space for exchange of experiences and integration of the family enterprises society. Tradition, honesty and responsibility for generations are our primary values. What does FEF do?

We organize **MENTORING MEETINGS** in company headquarters. We create a space for family enterprise owners to share their knowledge and experiences. This is an excellent formula focusing on the companies. This allows to share advice and warn about mistakes. Many mistakes can be avoided by carefully listening to tips by other family enterprise managers.

In collaboration with PARP, we are part of the **EARLY WARNING** international project for the UE. Its goal is to support companies that are having difficulties. We create a network of mentors - entrepreneurs, who - by sharing their experiences - help other business owners to overcome or prevent crises. A mentor will assist the business owner in carrying out a change to improve the functioning of the company.

We grant the brand logo **FAMILY ENTERPRISE TREE** to companies that are proud of their history and heritage. The tree brand is already recognizable on labels, store shelves, websites and in catalogs. It is used by family enterprises which would like to share the image achieved together with other family companies. To join other companies using the Tree logo, apply directly on our website: www.ffr.pl

We are currently running a project **HEALTHY FAMILY COMPANY**. This is a selection of activities which allow to create a health-oriented environment in a company. We know that it is unfortunately not possible to have a healthy lifestyle after 17:00. Work is an integral part of our life, therefore we would like to make sure that out time at work takes into consideration the requirements and limitations of our bodies.

We create the **reports "POLISH PEOPLE AND FAMILY ENTERPRISES"**. Every year we ask 1000 persons about their opinion on family enterprises. The results are often surprising which inspires us to take further action.

We publish a **newsletter "By Family Enterprises for Family Enterprises"** which reaches over seventeen thousand business owners. It provides a lot of information on our projects in which we collaborate with family enterprises all over Poland.



We would like to invite you to join us in collaboration to influence and shape the responsible generations of the future as well as their living conditions.

For full information on the current Foundation activities see ffr.pl.

Report partners



EY is the global leader in professional services, including auditing, tax advisory, business advisory and transaction advisory services. EY employs over 231 000 people worldwide, who share the same values

and strive to provide their customers with high quality services. EY's mission is to constantly improve the reality, as expressed in their motto: "Building a Better Working World". The company assists its employees, customers and communities in which it is operating to fully utilize their potential.

EY has offices in over 150 countries, allowing to support customers all over the world. In Poland, the company employs close to 2800 experts in 7 offices in: Warsaw, Gdańsk, Katowice, Kraków, Łódź, Poznań and Wrocław as well as in the Shared Services Center. On the local market EY has often been recognized with the titles of the best and most efficient tax consulting firm, e.g. in the ranking of Dziennik Gazeta Prawna. The company has also won first place in the Ranking of Polish Auditors.

EY is involved in projects to promote entrepreneurship. Since 14 years, the company invites candidates to run in the Polish edition of the Entrepreneur of the Year award, the prizewinners continue to represent our country in the international final of World Entrepreneur of the Year organized annually in Monte Carlo. For many years, YE supports initiatives related to fine arts. In London, EY is a partner of Tate Britain and Tate Modern. The company also collaborates with the British Museum and the National Gallery. It also has numerous projects in Australia. EY Poland runs the EY Art Club which promotes the new generation of Polish artists.

EY organizes meetings with artists, lectures and visits to exhibitions. Since 2007, EY is the Patron of the Modern Art Museum in Warsaw.

EY is also one of the best employers in Poland. Every year the company receives the Perfect Employer award by Uniwersum, as well as the Most Sought-after Employer award in the "Pracodawca Roku®" ranking ran by the international students' association AIESEC.

For more information, see www.ey.com/pl



Bank Pekao S.A. has been in business for more than 85 years. It is one of the largest financial institutions in East-Central Europe. Considering its capital strength measured as the solvency ratio, Bank Pekao S.A. has a leading position among the major banking establishments in Poland, and one of the strongest financial institutions in Europe, from the standpoint of capital (Core Tier 1 index value at the end of 2016 was 17,6 %). The 1st place of Banku Pekao S.A. in Poland, among the largest European banks was confirmed by results of stress tests and asset quality review (AQR) tests. Bank Pekao S.A. was recognized with numerous prestigious awards and distinctions, both in Poland and worldwide. In years 2016 and 2015, the Bank received the Golden Banker award for Innovation, for the implementation of PeoPay HCE mobile payment system and multi-currency card. According to EMEA Finance, the Bank received the title of "Most innovative Bank in CEE & CIS). The KULkarta in Lublin - students' ID with payment function- the result of partnership of the Bank with Catholic University in Lublin received the award Contactless & Mobile Awards 2016 in London. Regarding corporate banking, in 2016 Bank Pekao kept the title of Innovator of the Year in transaction banking in the international ranking by Global Finance. Independent experts recognized Umowa Generalna, i.e. the broadest portfolio of banking products and services, integrated into one business package. Umowa Generalna was also awarded with a Golden Emblem Quality International 2016. Private Banking services of Bank Pekao S.A. was recognized as the best in Poland by international finance monthlies: The Banker and Professional Wealth Management as well as Global Finance.



Report Publisher, organizer of the Future Work Skills Festival

Family Enterprises Foundation

Ul. Kutrzeby 12b/5
61-719 Poznań, Poland
www.ffr.pl

The report is also available in electronic form at: ffr.pl/KPwFR

Study management

Konrad Bugiera, study coordinator

Works together with the Family Enterprises Foundation, to a varying degree, since 2011, acting as, among others, the spokesman for the foundation. He participated in works on all the editions of the reports "Polish people and the family enterprises", which is implemented in accordance to his original concept, which was a result of the workshop "Ailings of family enterprises" in 2014. Presently, he's a member of the Foundation Council. In 2008-2010 he was responsible for the promotion of three consecutive editions of Global Retail Theft Barometer - a unique business report on losses incurred by retailers due to theft. An economist by education. He owns an independent advisory office. He specializes in business communication. He is an author of publications on PR and trade associations.

Anna Maria Nikodemska-Wołowik, essential consultant

Gdańsk University professor, postdoctoral graduate. Works in the Institute of Foreign Trade on the Economic Department of this University, acting as a researcher and manager. Joins scientific and research work with practical business operations. Graduate of the Gdańsk University, possesses numerous certificates from foreign universities: IESE Business School, Harvard Business School, University of Strathclyde Business School. Her areas of interest include: methodology of quality oriented marketing studies, consumer behavior, intellectual property protection, the importance of family enterprises in modern economy, building corporate identity, CSR and business ethics. Actively participates in international academic programs. Expert consultant for numerous research projects, including projects co-financed by the EU. Member of the International Family Enterprise Research Academy, Polish Economic Society, IESE Business School Alumni Association, the project „Znane Ekspertki”. Recognized with numerous scientific awards and national distinctions for her achievements. Author/co-author of over 100 peer-reviewed papers, published in Poland and abroad, including the world's first international publication on the identity of Polish family enterprises (Family Enterprises – a Chance to Create a Strong Polish Business Identity, „The Marketing Review”. Vol. 6 (4). Winter 2006). Reviewed several dozen foreign and domestic publications.

Patrons and Partners of the Foundation

FOUNDATION PARTNER:



Family Enterprises Foundation acts for all family companies in Poland. Our patrons are also family enterprises that fully understand and support our mission. We also collaborate with Partners who share our ideals.

FOUNDATION PATRONS:



