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ENHANCEMENT OF EMOTIONAL INTELLIGENCE-RELATED COMPETENCIES OF SUCCESSORS IN FAMILY BUSINESSES

Introduction

The concept of management in family businesses requires a different approach to functions executed by contemporary managers and their successors. Moreover, it requires to elaborate new models of education, “tailored” to the needs of family businesses, which, in the larger extent, will take into consideration the following aspects: development of leadership skills, development and improvement of employees’ competencies, practical motivation skills. In the family businesses, one can combine business and their family by shaping entrepreneurial values during the upbringing of the generation of successors, the latter regarded as future managers [Więcek – Janka 2014 ps. 139-155].

Owners of family businesses require from their successors to have numerous multi-discipline skills, the acquisition of which is a highly time- and work-consuming process. The acquisition and use of the skills are to ensure that the family-run enterprise will continue to develop in compliance with a determined strategy.

Competencies of successors are subject to studies by numerous members of the scientific community. Elaborating a set of competencies for successors, necessary to run a family business, is a complex and ambiguous process. Family enterprises which, under the long-term strategy, anticipate succession processes, should take into account the successors’ competence profiles. The studies on the specific character of diagnoses and assessments of the use of successors’ competencies confirm that the competencies related to emotional intelligence are essential for succession processes.

The following study particularly focusses on emotional intelligence that constitutes a great part of the successor’s competencies. It is difficult to find, among various papers, the ones which involve studies on emotional intelligence competencies of successors. The owners of family businesses more and more frequently seek help from psychologists or employment counselors on “how to raise a successor”. Certainly, there is no ready-to-use recipe on how to mould a potential successor for him/her to take over the family business in the future. However, taking into consideration the significance of emotional intelligence in the professional life, looking for methods of shaping and developing the competencies in question seems to be rightly justified.

1. The importance of successors’ competencies related to emotional intelligence

There is not even a single area in life in which emotional intelligence would not play an important role. The emotional intelligence acts as a drive for people to develop their own potential, it allows them to take hold of bad habits, helps to set interpersonal borders and facilitates the development of satisfactory relationships, in both private and professional life.

Emotional intelligence is people’s personal competencies, understood as their ability to recognize their own and other people’s emotional states, as well as the ability to make use of their own emotions and tackle other people’s emotional states. [Mikołajewska 2013, p. 3; Miśkiewicz 2017, p. 74] It involves one’s ability to control and regulate one’s mood, which, in turn, is helpful in coping with various situations. The ability to understand emotions and make right use of them plays a key role in the human life.

The studies on emotional intelligence were initiated by H. Gardner. He distinguished [Gardner, 1989]:

- Intrapersonal intelligence involving the capacities of understanding and controlling of one’s own emotions (relationship with the self),
- Interpersonal intelligence involving the capacities of understanding and coping with interpersonal relations (relations with the others).

Interpersonal intelligence, also known as social intelligence, means one’s capacity to get on well with people and be willing to co-operate with them. It also means the empathy, the capacity to enter into deep relationship with the others, understand their needs, and promote desired attitudes and reactions. Moreover, the social intelligence consists on empathising with other people’s emotions and building of trust.

The importance of social intelligence in family enterprises has been confirmed by the findings of the report entitled „Competencies of the future in the family businesses 2017” [Report 2017, p. 15]. The analysis of responses by all companies proves that social intelligence is the most desired competence of the future. Over $\frac{3}{4}$ of surveyed businesspeople declare both the willingness and need to develop the said competence.

A list of successors' competencies, needed in the succession process, elaborated on the grounds of a study carried out by E. Więcek-Janka i A. Hadryś-Nowak [Więcek-Janka, Hadryś-Nowak, Łódź – Warszawa 2016, ps. 61 - 72] in 2014, enumerates 20 competencies, out of which eleven refer to emotional intelligence. One can find here: diligence, communication skills, organisational skills, accuracy, resourcefulness, commitment, resistance to stress, firmness, ambition, motivation, courage. It was emphasised that the most frequently chosen competencies are, among others, diligence and commitment, whereas the competence of diligence was granted the highest average mark. Furthermore, Polish successors of family businesses stated that the abilities to introduce changes and adapt to the closest and more remote environment of the enterprise are the most useful skills in the succession process. Adaptive skills, i.e. the ability to change and the ability to act and make decisions are also regarded as competencies related to emotional intelligence.

The classification of successor competencies used in the succession process implies their various origins. Providing the family enterprise with multi-generation resources and development, and ensuring that the enterprise is highly efficient are, to a large extent, dependent on relevant competence potential of successors. Those family enterprises that anticipate succession process should focus on competence profiles of their successors, while taking into consideration the role played by the competencies related to emotional intelligence.

The significance of competencies in the area of emotional intelligence was also underlined by L. Weroniczak, who defined the following qualities, i.e. [Weroniczak, 2012, p. 81] :

- communication skills,
- empathic perception,
- ability to solve conflicts through co-operation,
- understanding of change processes,
- seeing diversity as a resource,
- regarding the company and the family as intertwined systems,
- as psychological and social skills, necessary to create space that promotes intergenerational dialogue, existing in the succession process.

The managing of the family enterprise is undoubtedly a test of successors' competencies. It is of great importance for managers to have competencies related to emotional intelligence as the managers shape the culture of the entire organisations, set development trends and motivate the staff to work more effectively. Creating the empathy-based atmosphere being, more often than not, a factor that builds team stability, is one of the key competencies of contemporary businesspeople. Those managers who can act wisely and keep their teams together are able to carry on and expand their family businesses.

2. Emotional education of successors

The source literature explicitly defines emotional education as a process of developing essential, emotional and social competencies of children [CASEL 2002; Denham, Weissberg, 2003].

The most effective acquisition of emotional and social competencies takes place in supportive, meaningful and challenging person-person relationships (e.g. a mother – a child, a teacher – a student) or person-group relationships (e.g. a tutor – a class team) [Brzezińska, 2000, ps. 224—257; Shapiro 1999].

The development of emotional intelligence should focus on its personal and social aspects. One should bear in mind that emotional intelligence is shaped already in the childhood, for example by observing parents or other people playing important roles in one's life. That is how people learn to manage their emotions and relationships. Notwithstanding any experiences taken from the childhood, the improvement of emotional management skills may be effected by other methods of emotional intelligence development.

W. Machalica – a psychologist and expert for Instytut Biznesu Rodzinnego, has created a series of programmes and training sessions, including workshops on emotional intelligence as a connector among generations. To that end, she has advocated to use numerous tools [Machalica 2017]:

- relationship-building tools,
- tools to tackle difficult situations in family-related and work-related groups,
- communication without violence tools,
- tools to tackle one's own and other peoples' emotions,
- constructive criticism and appraisal tools, tools to deal with criticism,
- tools to support employees' development,
- tools to chair meetings effectively,
- motivational tools and tools to delegate tasks in a motivating way,
- tools to set aims and plans,
- tools to access one's own resources.

The author believes that the enhancement of competencies related to emotional intelligence, with the application of the above-mentioned methods, allows to achieve the following benefits. [Machalica 2017]

- elaboration of an effective system to manage emotions – one's own emotions and other people's emotions – in such a way as to turn them into one's advantages,
- development of one's own initiative and self-driven personality,
- effective building-up and controlling of relationships, to win over and inspire other people,
- professional and effective team management and co-operation,
- benefits derived from the skills of coping with a difficult situation and stress in an effective way,

– elaboration of one’s own strategies on how to tackle stress; deliberate use of one’s own resources in the stress management process; enhancement of skills of how to react in a planned and effective way,

– significant influence on one’s own emotional states, in order to reduce stress and strengthen motivations,

– gathering adequate opinions on oneself and on the others in order to generate a strong internal motivation and motivate other people in a proper way.

It is worth using specialised “survival schools for young, future managers”. In Poland, there is still a lack of such institution, which may bring about the situation that Polish family firms would be in worse situations than their counterparts in the countries where succession processes and succession-related social awareness are considerably more developed. There is also a necessity to establish new scientific organisations such as the Young President Organisation, tailored to educate leaders and future presidents of the boards. Put into practice, a child or a teenager may be provided with competition workshops, exercises involving riddles, team-building tasks like Outward Bound, divided into segments and designed to teach and enforce such values as: sociability, analytical skills, foresight, dexterity, astuteness, as well as courage and distance to a given task [Sułkowski, Mariański, 2009, p. 40].

W. Machalica [Machalica 2012, p. 110] put a special emphasis on the role of self-development, i.e. a systematic work on developing one’s personal competencies, which is an indelible element of strategies to support family businesses, since it ensures a qualitative

change as to attitudes. The author underlined the fact that the deliberate self-development is a constant work at all three levels of existence of an individual, i.e.:

– self-awareness level – the development of the self, which entails the necessity to recognize one’s own advantages, motivations, needs, and also limitations;

– interpersonal level – psychological and social level, which entails the necessity to work on relationships between an individual and the external world, people who surround the individual, and interactions between the individual and other people at different stages of the former’s life (for owners and managers of family businesses the enhancement of interpersonal competencies, which affects the establishment of satisfactory relationships, is an indelible element of their self-development);

– the level of knowledge and competencies related to the enhancement of abilities and acquisition of knowledge on management, strategic planning, marketing and other areas strictly connected with successful running of a family firm (within the said area, it is extremely important to deliberately implement the acquired knowledge and competencies in the everyday life and conditions under which the family business operates).

Upon the analysis of source literature and the author’s own research, the Figure 1 was created to show various methods on how to enhance competencies related to emotional intelligence, which competencies are to be implemented as methods to reduce emotional competence gaps of successors.

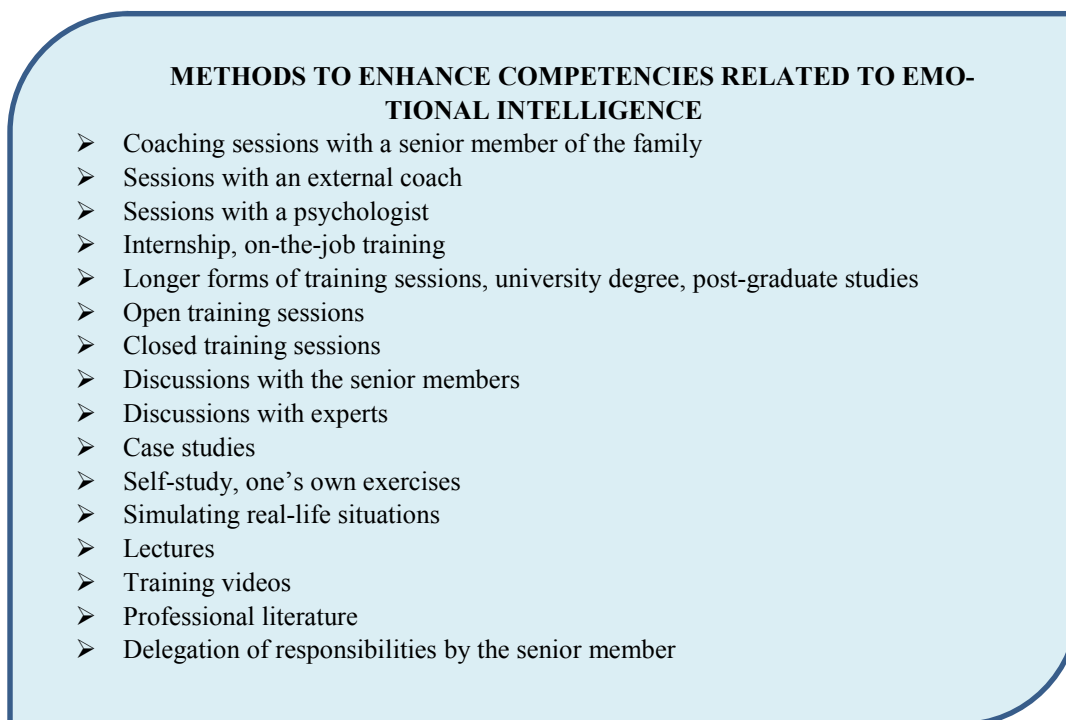


Fig. 1. Methods to enhance competencies related to emotional intelligence

Source: Own work.

The survey carried out by the author showed that the discussions with experts and self-study were used as a way to compensate all gaps related to emotional intelligence, discovered during the study. Thus, a statement can be drawn that these methods may be regarded as optimal methods to enhance competencies related to emotional intelligence.

As far as self-study/own work is concerned, numerous researchers confirmed the application of the method, advocating the necessity to self-develop by means of self-awareness and self-knowledge enhancement programmes [Stone, Dillehunt, 1978; Miśkiewicz 2017, p. 95]. It is worth becoming familiar with various situations and outcomes of suggested solutions, accompanied by an analysis of one's own emotions and way to control them.

The development of the knowledge of one's own emotions is certainly of great importance; however, it is still slightly defective as there is no such element as an expert willing to correct mistakes in expressing, using or understanding given competencies related to emotional intelligence. Thus, it is justified that the method of competencies enhancement – discussions with experts, was regarded by the experts as effective as the self-study.

It should be underlined that the effectiveness of the education depends on a many-year, integrated effort to develop children's emotional and social competencies. It is important for the educational offer to be adjusted to the individual's development stage. Moreover, due to its specific character, the educational offer should focus on skill development in order to become a long-term action

with a gradual acquisition of skills. Thus, the development of the emotional aspects should begin already in the very early years of the childhood and be continued until an individual enters a higher education school [Jasielska, 2009, p. 73].

3. Roles of senior members of family businesses in the development of successors' competencies related to emotional intelligence

In the studies by E. Więcek–Janka and A. Hadryś–Nowak [Więcek–Janka, Hadryś–Nowak, 2016, ps. 68 - 69] on successors' competencies, the authors named two problems faced by the successors who were asked to perform self-assessments as to their self-development in the context of succession process. The surveyed assessed the following two aspects on the dichotomous scale:

- 1) the necessity to develop successors competencies in the form of individual coaching sessions;
- 2) the consideration granted by the senior members to their children's ideas.

Up to 58% of the surveyed claimed that their solutions had not gained acceptance of the senior members of the family company (Figure 2). The lack of the opportunity to put their competencies into practice resulted in the lowered self-esteem and ensuing necessity to rectify the said situation by means of coaching sessions. As many as 93% of the successors made such a declaration. The development of the successors' competencies related to adaptive skills is strictly connected with the awareness of usefulness of propositions put forward by successors.

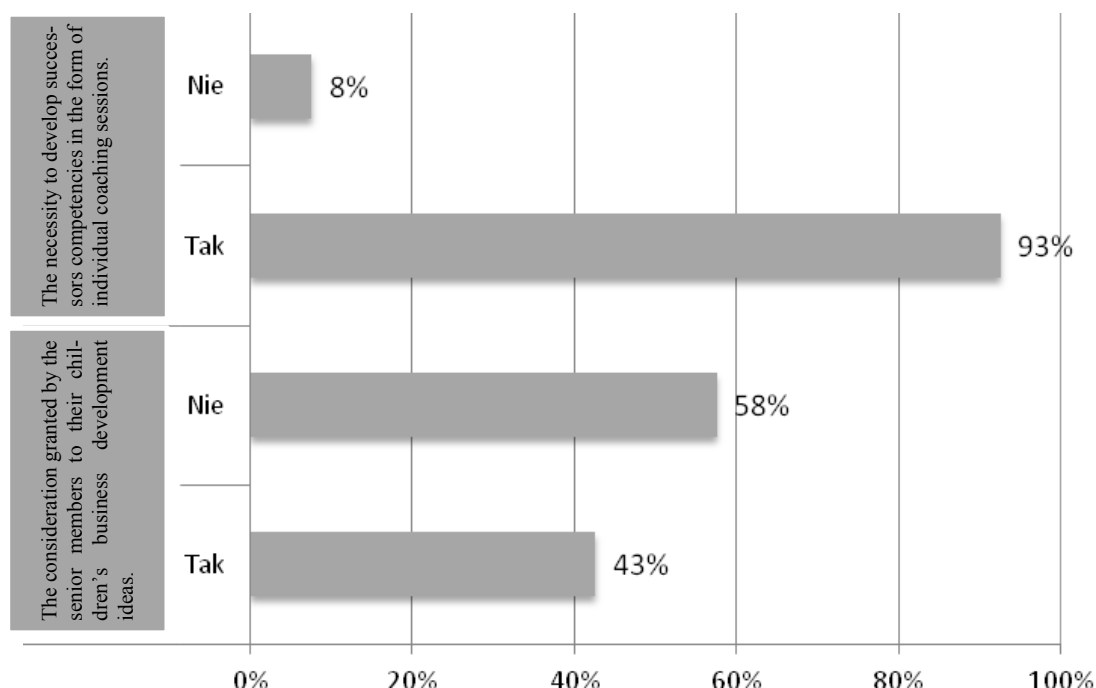


Fig. 2. Results related to selected competencies and features

Source: [Więcek–Janka, Hadryś–Nowak, 2016, p. 69].

The lesser the trust of senior members and families, the greater emphasis is placed on adaptive competencies, and the more frequent is the felt necessity to develop by means of coaching.

An important role in the enhancement of predisposal of younger generation to take over their families' businesses is the involvement of a child in the company matters from the child's earliest years, by developing their interest in the family business and fuelling the willingness to manage it in the future.

Within the upbringing process, the senior members of the families can share with the children their knowledge of business activities, tricks of trade or management gimmicks. A family firm may also be an educative environment. A successor candidate employed in the company, starting from the simplest tasks and going further as to taking managerial positions, may learn, from co-workers and senior members of the family company, practical skills, including co-operation skills and managerial practices remaining in compliance with values of the family who established the company. By means of a partner-to-partner dialogue, a senior member and a successor can jointly create new development trends, reconciling experience and knowledge of company founders with innovativeness and energy of successors [Bocheński, 2016, p. 14].

Handing over the direct control over the family firm to the successors is, more often than not, a difficult move for the firm owners. Thus, the parents fail to provide their children with relevant knowledge and rights to take decisions. Consequently, the successors are not properly prepared to run the family business, and thus the bleak scenario of the company's collapse, triggered by the intergenerational change at the helm of the company, becomes highly probable.

Competencies provide a sound basis for people's activities in the professional area. They are acquired and shaped not only at the very early stage of human development, but also during the job seeking process and while carrying out job-related tasks [Więcek–Janka, Hadryś–Nowak, 2016, p. 62].

With reference to the foregoing, the parents who wish their family companies to be taken over by their children need to take care of their proper education, combined with the development, from the early age, of pro-business attitudes, encouragement to take actions and carry out activities, face challenges and gain experiences.

Conclusion

Family firms have been the oldest way of running the business and one of pillars of the world-wide economy. Their creation, operation and collapse highly influence the development of both national and global economies. A long-term perspective of companies run by future generations, along with the combination of family-related and managerial functions, provide such

identities with distinct characteristics [Sułkowski, Marjański, 2009, p. 9].

Effective addressing of challenges of contemporary companies requires significantly more than just proficient management of tasks. It requires greater interpersonal skills, committed people and a transparent system of values. In such conditions, one may experience a growing need to find more appropriate predictors of professional successes and life achievements than mere traditional skills.

More and more family businesses have been facing a decision to launch a succession process, which is mainly connected with the acceptance of responsibility and management. And to this end the future managers of the said companies are required to possess determined competencies. One should bear in mind that the specific character of the family business management entails a necessity to take into consideration not only economic aspects, but also interpersonal relations in their broad sense.

Thus, the process of preparing successors requires an intergenerational co-operation, with a special emphasis on the role of family seniors in the upbringing of children from their early childhood, through gradual introduction of successors into the family businesses, combined with sharing of knowledge, good practice, behavioural patterns, applying of competence enhancement methods and encouraging to take actions. The parents who want their businesses to be taken over by next generations should consistently implement the educational project (including emotional intelligence) for their successors.

Nonetheless, one should bear in mind that the successors in family firms are not inborn managers, they may become them through comprehensive upbringing by senior family members [Gutkova 2014, ps. 4-5]. Talent and aptitudes recognition and their subsequent channelling into skill development are the key role for parents.

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Джвігол-Барош М. Підвищення компетенцій, пов'язаних з емоційним інтелектом спадкоємців сімейного бізнесу

У даній статті представлено питання, пов'язані з посиленням емоційних розумових здібностей сімейних бізнес-наступників. Особливий акцент був зроблений на емоційному інтелекті, який являє собою істотний елемент компетенції наступників. Автор статті навів приклади дій та методів для підвищення компетентності, пов'язаної з емоційним інтелектом, на основі аналізу попередніх досліджень, а також її власних досліджень. Увагу в статті було звернуто на вплив батьків (старших членів сім'ї) на дії і підвищення емоційної компетентності наступників.

Ключові слова: компетенції, емоційний інтелект, наступник, сімейний бізнес.

Джвігол-Барош М. Повышение компетенций, связанных с эмоционального интеллектом приемников семейного бизнеса

В данной статье представлены вопросы, связанные с усилением эмоциональных умственных способностей семейных бизнес-преемников. Особый акцент был сделан на эмоциональном интеллекте, который представляет собой существенный элемент компетенции преемников. Автор статьи привел примеры действий и методов для повышения компетентности, связанной с эмоциональным интеллектом, на основе анализа предыдущих исследований, а также ее собственных исследований. Внимание в статье было обращено на влияние родителей (старших членов семьи) на действия и повышение эмоциональной компетентности преемников.

Ключевые слова: компетенции, эмоциональный интеллект, преемник, семейный бизнес.

Dźwigoł – Barosz M. Enhancement of emotional intelligence-related competencies of successors in family businesses

The following article presents issues related to the enhancement of emotional intelligence-related competencies of family business successors. A particular emphasis was put on emotional intelligence which constitutes an essential element of the successors' competencies. The author of the article provided examples of actions and methods to enhance the emotional intelligence-related competencies, on the grounds of studies by other researches as well as her own research. Readers' attention was drawn to the impact of parents (senior members of the family) on actions and enhancement of emotional competencies of successors.

Keywords: competencies, emotional intelligence, successor, family businesses.

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