

Review Article

Economizing Managerial Efficiency in Family Firms: Suggestions for Indicators

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Abstract: Family businesses are poorly resilient to changes in the economic environment. The last few years, the time of the pandemic or the war in Ukraine, have shown that family businesses are heavily dependent on the competence of the managers who manage them. The author focused on the optimal selection of financial indicators and an economical view of organizational and managerial competence.

Keywords: Family businesses, organizational agility, competency clam, managerial agility, economic indicators.

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1. INTRODUCTION

In the discussion, the author focused attention on family businesses, as a specific form of activity, which is an important part of any national economy but rarely finds interest among the decision-makers of the system, as well as researchers.

According to some authors, the family dimension appears as a factor of weakness, especially since family businesses tend to fail during the transition between generations [¹].

From a theoretical perspective, family ownership and management are treated as dimensions in a system where (rational) economic goals, such as profit maximization, are openly assumed [²]. Therefore, even taking into account the family factor, in any family business should take into account economic aspects, that is, the bottom line, market share, customer

satisfaction and constancy, extension of the transaction process by service, additional service.

The results of the study reveal significant differences in the profitability of family businesses depending on the generations involved in ownership and management [³]. Companies with higher levels of generational dispersion may show lower levels of profitability as a result of reduced risk appetite in an attempt to minimize the risk of failure. As a new generation takes an active role in the company, family members become more distant from the founding generation, which acts to weaken family ties and commitment to the founder's vision. Greater dispersion of generations can also generate rivalries among family members that divide the family group and consequently affect the company's performance [⁴]. As confirmation, the author will cite, the findings of a study conducted by F. W. Andersson and his team. Based on them, they identified and determined the characteristics that distinguish family businesses from other businesses.

In the financial area, they considered the following data: EBIT, EBITDA, employment, labor

¹ M. Gallo (1995), *Family Businesses in Spain: Tracks Followed and Outcomes Reached by Those Among the Largest Thousand*, Family Business Review, 8(4), p. 145–254.

² M. Jensen, W. Meckling (1976), *Theory of the Firm: Managerial Behaviour, Agency Costs y Ownership Structure*, Journal of Financial Economics, 3(4), p. 305–360.

³ F. Kellermanns, K. Eddleston, R. Sarathy, F. Murphy (2010), *Innovativeness in Family Firms: a Family Influence Perspective*, Small Business Economics, 38(1), p. 85–101.

⁴ Ibidem, p. 85–101.

productivity, physical capital intensity, sales and total assets [5]. The above financial indicators make it possible to determine the state of possession of economic resources, as well as the development potential of a family business.

The financial situation of the entire family often depends on the success of family businesses. The owners of these businesses are reluctant to share ownership and control with external stakeholders and are cautious about incurring financial obligations. The largest percentage of respondents in Poland (65%) indicated that financing from company profits is attractive to them. Similarly, 49% of family businesses from 27 European countries felt the same way. In addition, in Poland, it is almost equally attractive to finance operations and investments with own or family funds [6].

When analyzing the theoretical plane in the area of building an efficient organization based on efficient resource and process management, it is necessary to use not only information from qualitative research but also data based on quantitative research, especially financial indicators.

2. ORGANIZATIONAL EFFICIENCY

Organizational efficiency is a complex and multi-criteria concept. The researcher wants to make a comparison of two cognitive levels: the correlation of organizational efficiency with the financial performance of a family business.

Efficiency is commonly used in the technical sciences, where it denotes a characteristic of how things function. It is then defined as the ratio of the work done by a machine to the work that could be done using all the energy supplied to that machine [7].

This is because efficiency is a basic condition for effectiveness, which means the ability to choose the right goals. Efficient action consists of performing activities that enable the achievement of established goals [8]. The interpretation of efficiency and effectiveness does not take into account the cost of achieving the goal, which is an important issue of

⁵ F. W. Andersson, D. Johansson, J. Karlsson, M. Lodefalk, A. Poldahl (2018), *The characteristics of family firms: exploiting information on ownership, kinship, and governance using total population data*, *Small Bus Econ*, p. 539-556.

⁶ *Barometr firm rodzinnych. W stronę wielopokoleniowości* (2020), *European Family Business*, p. 11.

⁷ W. Doroszewski (red.) (1963), *Słownik języka polskiego*, PWN, Warszawa, p. 628.

⁸ H. Bieniok (red.) (2003), *Podstawy zarządzania przedsiębiorstwem*, Akademia Ekonomiczna w Katowicach, Katowice, p. 82.

economy, which is the second basic form of efficient action. The measure of economy is the ratio of useful results to costs. When this relation is greater than unity, the action is economic, when it is less - the action is uneconomic, while if the resulting value equals unity - the action is indifferent in terms of economicity. The more favorable the relationship, the more economical the action [9]. Translating the concept of efficiency to the management plane and specifically to the organization, these are the tasks performed by the organization, with a process approach to the organization's potential in resource terms, taking into account employee, financial and infrastructure resources.

$$\text{organizational efficiency}_n = KM_n + KP_n + KO_n + F_n + I_n / Q_n$$

Organizational capability should be viewed in resource terms, consisting of five elements: managerial competencies (KMn), competencies of people employed in the organization (KPn), organizational competencies (KOn), finances (Fn) and infrastructure (In), which includes in particular: buildings, equipment and facilities necessary for operations. The most important factor and, at the same time, the most unpredictable and least plannable is the human being, especially individual, professional competence tailored to the needs of the organization in which he is employed.

In a family business, the most important stakeholder that affects the proper functioning of the organization is the manager. Taking into account the various determinants that can be defined as threshold competencies for a managerial position in a family business. First and foremost are experience, industry (professional) knowledge and personality traits, reinforced by social and strategic competencies. Qualifications, which do not determine being an efficient manager of a family business, should be considered as the least important in these considerations.

The researcher presented the above description in the form of a three-level competence structure, basing it on Kotler's description of the product structure [10]. The author proposed a competence structure for building managerial proficiency, which he built in the form of a "clam shell of competencies" of the position of a family business manager. On the one hand, it is composed of several layers, and on the other - coherent and integrated.

The core of the clam is personality traits and experience. And only on this foundation, are

⁹ A. Mazurkiewicz (2011), *Sprawność działania – interpretacja teoretyczna pojęcia, Nierówności Społeczne a Wzrost Gospodarczy*, Zeszyt 20, p. 47-57.

¹⁰ Ph. Kotler (2015), *Marketing. Wprowadzenie*, Wolters Kluwer, Warszawa.

superstructured further qualities that affect the level of efficiency of the manager. In the first place, social and strategic competencies. They constitute an important area of knowledge, necessary for efficient and effective functioning in the role of a manager in a family business, which has a flattened nature, which forces the

person in the management role - a horizontal range of competencies held.

The outer layer of the "clam of competence" is the so-called "professional knowledge", which is the resultant of the knowledge acquired in the course of formal education and/or functioning in a specific business sector.

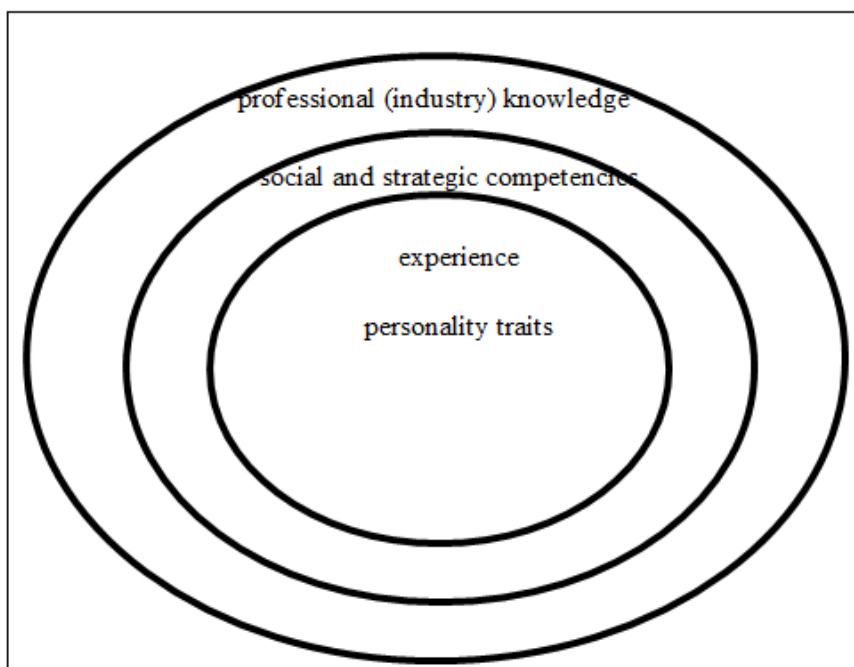


Figure 1: "Competency clam" of a manager's position in an organizational company

Source: own elaboration based on Ph. Kotler (2015), *Marketing. Wprowadzenie*, Wolters Kluwer, Warszawa.

[Formula:]

manager proficiency =
 Personality traits (e.g., assertiveness, self-confidence), designation PT,
 + experience, designation D,
 + professional (industry) knowledge, designation PK,
 +social competence (including communication, teamwork, creating relationships, "professionalism"), designation SC,
 +strategic competence, designation SCM.

Based on the above notation of factors shaping the degree of managerial efficiency, the author built a structure of factors by which the current level of managers' efficiency will be calculated, using a survey method to obtain primary data. The author assumed that the qualities from the so-called competence core are 0.25. The weight of competencies from the second level is 0.2. And from the last, the third level, is 0.1.

In order to obtain the score of a proficient manager based on the mathematical formula, shown below. The author of the paper had to build a measurement tool, a survey questionnaire, which is divided into 3 parts, according to the level of importance of a certain group of competencies.

The researcher notes the problem of obtaining a meaningful measurement result in the area of "professional knowledge", in this case, the survey will be limited to obtaining indirect answers, related to the seniority of the person in the industry, the length of time of the family business in the area he currently operates, whether the family member or members have already operated in the industry and in what role (the so-called heredity of knowledge). The author, applying the principle that personal questions, should not be direct in nature. In other parts, the questions are indirect and direct. The latter occurred when diagnosing the area of "qualification" of the person under study.

Mathematical notation:

$$\sum SM_n = ((PT_n/Q_n)*0.25 + (D_n/Q_n)*0.25 + (SC_n/Q_n)*0.2 + (SCM_n/Q_n)*0.2 + (PK_n/Q_n)*0.1) / 5$$

Where,
 W - the weight of a specific competency factor for the position of manager

3. Financial indicators dedicated to family businesses

With the help of financial indicators, the current financial condition is determined, problems are

identified and placed in the management structure, and it facilitates the evaluation of the impact of decision-making on the financial condition [11].

Performance analysis includes a standard set of indicators to assess various aspects of the company's operations. In practice, the company's management will select such a set of indicators that is tailored to the specifics of the industry and best illustrates the activities of the company being evaluated. This analysis should be regarded as a synthetic measure of all the effects and efforts of the enterprise, as well as the detailed, operational problems that management faces on a daily basis. The evaluation of liquidity, financial solvency and profitability therefore relates to this analysis. This is because in order to be solvent in the short and long term and to benefit from the business, it is necessary to properly manage the enterprise as a whole and its individual components [12].

Performance analysis reports on the efficiency of the company's management as to how effectively it uses its resources. The set of performance indicators is divided into three coherent groups of management efficiency, viz:

- Asset and liability turnover,
- Cost intensity,
- Labor efficiency [13].

The results of the indicators can be analyzed in retrospect and compared with the results of indicators operating in the industry, preferably the industry leader.

The first group of financial indicators are indicators of the state of resources of the family enterprise.

Formula 1:

$$\frac{\text{net sales revenue}}{\text{property, plant and equipment}}$$

Tangible Assets Turnover [AT - Assets Turnover] indicator - supplements the assessment of efficiency, from the point of view of the company's asset management. It informs about the ability of the company's assets to generate sales revenue. It also indicates the number of cycles realized during the fiscal year, during which the total assets of the enterprise are

transformed into sales revenue [14]. The higher the value of this indicator, the better the efficiency of asset utilization.

Formula 2:

$$\frac{\text{total liabilities}}{\text{total assets}} * 100\%$$

Total debt [DR - Debit Ratio]- is an indicator that determines the level of debt and financial capacity of the company in the context of current operations and investment opportunities [15]. According to the standards, the acceptable level of this indicator should oscillate at most around 50-70%, which means that in an average enterprise the company should engage at least 35% of equity. Exceeding the value of 80%, may indicate serious difficulties with the current activities of the company.

Formula 3:

$$\frac{\text{cost of goods sold} * \text{number of days in the period}}{\text{liabilities (average balance)}}$$

The turnover rate of trade payables in days [PT, or Payables Turnover]. It shows after how many days, on average, payables are paid, resulting from goods or services purchased.

The second group is made up of indicators, which the author defined as indicators that assess the current state of the family business, the financial capabilities arising from the current operations of the company.

Formula 4:

$$\frac{\text{inventories} * \text{number of days in the period}}{\text{net sales revenue}}$$

Inventory Turnover Ratio in days [IT - Inventory Turnover] - tells you for approximately how many days cash is frozen in inventory. In other words, the indicator tells how many days the company renews its inventory. The values of the inventory turnover rate in days depend on the production technology used (which determines the length of the production cycle) and the company's inventory management policy. An increase in inventory turnover in days can be a manifestation of inventory accumulation, which is a

¹¹ J. Tuczko (2002), *Zrozumieć finanse firmy*, Wyd. Difin, Warszawa, p. 40.

¹² D. Wędzki (2009), *Analiza wskaźnikowa sprawozdania finansowego*, Oficyna a Wolters Kluwer business, p. 235, 263.

¹³ *Czym jest analiza sprawności działania i jakie są wskaźniki obrotowości?*, Faktoria Grupa Nest Bank, dostęp dnia 20.06.2023r.

¹⁴ Z. Dobrowolski (2021), *Audyt: Funkcje. Formułowanie ustaleń*. Rzyka, Wyd. Wolters Kluwer, Warszawa, p. 338.

¹⁵ M. Jabłońska, J. Mrowicka, Ł. Małecki-Tepicht (2017), *Zarządzanie podmiotem leczniczym akredytowanym*, Wyd. Wolters Kluwer, Warszawa, p. 73.

negative phenomenon when demand weakens (for example, in the absence of sales growth) [16].

Companies with weak liquidity should first take care of their security (liquidity), and then take care of possible profits, according to the principle: from lack of profit no one has yet "died", but from lack of cash – yes [17].

Formula 5:

$$\frac{\text{net income}}{\text{total income}}$$

Net profitability [ROS, or Return on Sales]. This is an indicator of the profitability of a company's core business. It determines how achieved operating income translates into net profit [18]. Interpretation of the net profitability ratio is simple, the higher the value of the ratio, the more profitable the business. Interpretation problems arise when the value of the indicator is higher than 1 (desirable values above 1.5). Then an in-depth analysis of the indicator should be carried out to examine whether operating income is negligible compared to, for example, financial income. A negative view is taken when the value of the indicator falls below 0.

Often managers of many companies think that increasing the value of sales will increase profitability. Such an assumption is not always true. The purpose of the business is to bring in additional income, not to increase the value of sales. Sales are only a way to realize income [19]. An upward trend or positive deviation of this indicator when comparing two periods may indicate not only the expansion of business activity by increasing sales and its corresponding assortment structure, but also the achievement of more favorable selling prices and lowering of unit own (manufacturing) costs.

Formula 6:

$$\frac{\text{short-term receivables} * \text{number of days in the period}}{\text{net sales revenue}}$$

Short-term receivables turnover ratio in days [RT - Receivables Turnover] - informs how many days cash is frozen in receivables (for how many days the so-

¹⁶ R. Kowalak (2022), *Analiza finansowa. Przewidywanie bankructwa i analiza trudności finansowych. Teoria, przykłady i zadania*, Wydawnictwo Uniwersytetu Ekonomicznego we Wrocławiu, Wrocław, p. 31.

¹⁷ <https://analizy-prognozy.pl>, dostęp dnia 21.06.2023r.

¹⁸ R. Machała (2014), *Zarządzanie finansami i wycena firmy*, UNIMEX Oficyna Wydawnicza, Wrocław, p. 451.

¹⁹ J. Tuczko (2002), *Zrozumieć finanse firmy*, Wyd. Difin, Warszawa, p. 17.

called receivables collection cycle takes place). The level of the indicator is affected by the policy of crediting customers applied by the company, as well as the solutions adopted in the industry [20]. When interpreting this indicator, there is also a rule: the shorter, the better. If the PT is greater than the RT, in which case the company "earns" additionally on the turnover of funds.

Formula 7:

$$\frac{\text{average receivables} * 365}{\text{net sales revenue}}$$

Receivables turnover ratio in days [21] [DSO, or Days of sales outstanding].

It is a measure that evaluates the efficiency of an entity in the area of managing its receivables. Deviation of the actual value of the DSO index from its optimal level usually signals unfavorable phenomena in this area [22].

Formula 8:

$$MB - (KS + KB) * 100\%$$

Operating Expense Ratio [EBIT, or Earnings Before Interest and Taxes] - reports the share of operating expenses in sales revenue, and therefore indicates how much of sales revenue is used to cover operating expenses.

EBIT is the result of a company's operations, not taking into account how it is financed; it represents, as it were, the pure profit earned by the company from its operating activities. EBIT is therefore an indicator for assessing how efficiently a company uses its assets [23].

Formula 9:

²⁰ M. Jabłońska, J. Mrowicka, Ł. Małecki-Tepicht (2017), *Zarządzanie podmiotem leczniczym akredytowanym*, Wyd. Wolters Kluwer, Warszawa, p. 73.

²¹ K. Bauer, S. Hońko, T. Orzeszko (2020), *Informacje finansowe i niefinansowe w ocenie działalności banku*, Wyd. Uniwersytetu Ekonomicznego w Krakowie, Kraków.

²² *Cykl rotacji należności (DSO), czyli ... czy klienci płacą odpowiednio szybko za faktury sprzedaży*, www.finansecontrolling.pl/finanse/, dostęp dnia 20.06.2023r.

²³ Ł. Siemieniuk (2013), *Wskaźniki EBIT i EBITDA a funkcjonowanie przedsiębiorstwa*, [w:] *Finansowe i informatyczne aspekty funkcjonowania organizacji gospodarczych*, N. Siemieniuk, G. Michalczyk, J. Sikorski (red.), Wydawnictwo Uniwersytetu w Białymstoku, p. 256-264.

financing costs
net sales revenue

The ratio of the level of financial costs [RFC]-reports the share of financial costs in sales revenue, and therefore indicates what proportion of sales revenue is used to cover financial costs (mainly interest) [24].

Formula 10:

gross salaries
number of employees

The labor cost per employee [KPI] indicator includes all one-time and occasional wage payments that will contribute to the distortion of the results obtained from this indicator. In addition, a portion of non-productive wages will keep the amount of this indicator at a certain level and will inflate its amount in off-season periods (with the form of time and bonus wages). Therefore, before interpreting the value of this indicator, it is necessary to answer the question of expectations in order to properly adjust the input data. For a deeper interpretation of the above indicator, all employees can be grouped into production and non-production employees [25].

Formula 11:

receivables + cash
current liabilities

The cash liquidity ratio (immediate liquidity) [QR - Quick Ratio] determines the ability to settle current liabilities from the company's cash holdings, i.e. the most liquid current assets. In other words - it assesses the extent to which the company is able to cover short-term liabilities immediately [26]. A cash deficit in the account is not synonymous with a loss of liquidity. If the company manages the collection of receivables from contractors well, it is able to ensure a continuous cash flow. Excessive liquidity is also not good for the company. It has a negative impact on its profitability and is the cause of opportunity costs that could be a new source of revenue.

The optimal level of this ratio should be 1.0, i.e. current liabilities should be fully covered by current assets with a high degree of liquidity. In the case of companies characterized by rapid turnover of assets

(such as trading), this standard is reduced to 0.7 [27]. The indicator should take a value in the range of 1.3 - 2. Banks often take the indicator at a level equal to 2 as the optimal size [28].

The third group is made up of indicators by which the development potential of family businesses was determined, based on the plane of owned resources, the state of short-term liabilities, capital expenditures. The analysis of this group of indicators made it possible to obtain information on whether the family business optimally manages its resources, and to what extent it consumes its income, and to what extent it allocates it for development.

Formula 12:

inventory cycle in days + receivables cycle in days

Operational cycle in days [OC] - allows you to determine the approximate number of days that pass from the purchase of inventories (raw materials, materials, goods) necessary for operating activities, to the receipt of funds for receivables related to sales made using these inventories. Its length is influenced by the type of operating activity, inventory management policy (organization of inventory supply, storage of finished goods and goods; production technology used and trade credit policy. The length of the operating cycle is evaluated against the industry and its changes over time are analyzed through the prism of changes in the length of sub-cycles (inventory cycle and receivables cycle) [29]. The shorter the cycle, the better for the company, since funds are frozen in a shorter period of time and are available to the company for further business activities.

Formula 13:

Inventory cycle in days + receivables cycle in days - payables settlement period

The cash conversion cycle in days [CKG]-allows you to determine the approximate number of days that elapse between the outflow of cash from the enterprise to pay liabilities and the inflow of funds from accounts receivable. It informs about the number of days during which additional capital (fixed capital, i.e. other than the company's current liabilities) is needed to finance the company's operating cycle. In interpreting the cash conversion cycle, it is necessary to rely on the

²⁴ D. Wędzki (2021), *Analiza wskaźnikowa sprawozdania finansowego według polskiego prawa bilansowego*, Wydawnictwo Nieoczywiste, Warszawa.

²⁵ Ibidem.

²⁶ B. Nita, A. Kaczmarczyk, P. Oleksyk (2020), *Zagrożenia utraty bezpieczeństwa finansowego przedsiębiorstw*, Wyd. Uniwersytet Ekonomiczny we Wrocławiu, Wrocław, p. 88.

²⁷ A. Prędko (red.) (2017), *Narzędzia analityczne w naukach ekonomicznych – wybrane zastosowania*, Fundacja Uniwersytetu Ekonomicznego w Krakowie, Kraków, p. 173.

²⁸ Wskaźniki płynności - BiznesRadar.pl, www.biznesradar.pl/sloownik-wskazniki/plynnosci, dostęp dnia 24.06.2023.

²⁹ H. Sikacz (2011), *Ocena sytuacji finansowej operacyjnych grup kapitałowych*, Wyd. Wolters Kluwer, Warszawa, p. 125.

results of the analysis of sub-cycles to determine for what reason the cycle has lengthened or shortened, and whether this is negatively evaluated under the circumstances [³⁰].

It is assumed that the "model" cash conversion cycle should be a maximum of 1 month (+/- 30 days) [³¹]. If the cycle is longer than the operating cycle, the cash conversion is negative, which means that the company finances itself on its suppliers.

Formula 14:

$$\frac{\text{inventories} + \text{receivables} + \text{cash}}{\text{current liabilities}}$$

Current liquidity [CR - Current Ratio] - indicates the extent to which current liabilities are covered by current assets. The current ratio informs about the company's ability to pay current liabilities on time based on current assets [³²]. The most common definition defines the liquidity of the company as its ability to timely pay current liabilities, that is, those whose payment will be made within 12 months of the balance sheet.

Logically, the value of this indicator should be higher than 1 (between 1.5 and 2.5), that is, to put it in professional language - current assets should be higher than current liabilities [³³].

Formula 15:

$$\frac{\text{net income} * 100}{\text{total assets}}$$

The asset commitment ratio [ROA - Return On Assets] is one of the most widely used measures of a company's profitability. It reflects, the ratio of net profit earned by the entity to the value of total assets - the balance sheet total. This ratio shows how efficiently, in a company, assets are used to generate net profit [³⁴].

³⁰ R. Kowalak (2022), *Analiza finansowa. Przewidywanie bankructwa i analiza trudności finansowych. Teoria, przykłady i zadania*, Wydawnictwo Uniwersytetu Ekonomicznego we Wrocławiu, Wrocław, p. 32.

³¹ Ł. Pysiński (2012), *Relacje pomiędzy cyklem konwersji gotówki a stabilnością płynności finansowej w wybranych branżach*, *Przedsiębiorczość i Zarządzanie*, Tom XIII, Zeszyt 18, Łódź, p. 209-214.

³² B. Nita, A. Kaczmarczyk, P. Oleksyk (2020), *Zagrożenia utraty bezpieczeństwa finansowego przedsiębiorstw*, Wyd. Uniwersytetu Ekonomicznego we Wrocławiu, Wrocław, p. 91.

³³ J. Tuczko (2002), *Zrozumieć finanse firmy*, Wyd. Difin, Warszawa, p. 50.

³⁴ M. Jerzemowska (red.) (2013), *Analiza ekonomiczna w przedsiębiorstwie*, PWE, Warszawa.

Very often, ratio analysis is used to compare the financial condition of different enterprises.

This indicator shows the need for inventory in the enterprise, which should be seen as a "general cleaning" and getting rid of everything that does not serve to generate profit [³⁵]. The desirable value of this indicator is above 2, while the critical value is below 1.2.

Formula 16:

$$\frac{\text{depreciation of fixed assets}}{\text{investments in fixed assets}}$$

Coverage of capital expenditures from depreciation [WPI], is the indicator by which we determine the source of financing for investments in the company. This indicator shows whether subsequent investments are made with funds from depreciation of fixed assets. In this way, the researcher can determine whether one of three options is occurring. The first, asset decapitalization, that is, the amounts allocated for new investments are less than the amount of depreciation. The second, asset obsolescence, the company invests less than it would based on the degree of asset obsolescence. The third, equilibrium, that is, the amounts from depreciation cover new investments in fixed assets.

Formula 17:

$$\frac{\text{net income} * 100}{\text{equity}}$$

ROE, or return on equity. It indicates to the owner how much he can potentially earn in relation to the capital he has invested [³⁶]. The higher the value of the ratio, the greater the company's ability to generate profit. Note that by equity for the purpose of calculating ROE is meant the capital actually contributed by the owner, not the amount shown on the company's balance sheet.

4. SUMMARY

The most important characteristic of family businesses that helps explain why family businesses operate in certain ways is the so-called SEW perspective. It involves making strategic decisions to preserve family capital and what the family has invested in the venture. For this reason, a family business is capable of abandoning income-generating activities by

³⁵ J. Tuczko (2002), *Zrozumieć finanse firmy*, Wyd. Difin, Warszawa, p. 46.

³⁶ A. Sajnog (2016), *Zysk całkowity a rentowność kapitału własnego przedsiębiorstwa*, *Studia Ekonomiczne. Zeszyty Naukowe*, Nr 25, Uniwersytet Ekonomiczny w Katowicach, Katowice, p. 166-178.

accepting lower performance thresholds [³⁷]. Family capital is such a specific type of social capital that it is not about introducing capital in the form of money or shares, but about introducing positive relationships between family members, between family and client, and between family and community. Family capital is a very important element in building the competitive advantage of family businesses [³⁸].

Some researchers argue that family businesses are an inefficient way of organizing business because they put social goals, such as control and nepotism, before economic goals, such as profit and growth. The debate over the effectiveness of family ownership is long-standing and remains unresolved [³⁹, ⁴⁰, ⁴¹].

In order for ratio analysis to provide maximum information, it should be done on three main levels:

1. Analysis of the company,
2. Analysis of the company against the data of the same company for previous periods,
3. Analysis of the company against the data of competitors [⁴²].

In the article, the author presented selected financial indicators and the author's proposals for indicators aimed at studying the efficiency of managers. Such a comprehensive approach to indicators allows for an in-depth analysis of organizational efficiency on a case-by-case basis, referring to a selected enterprise.

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