

WOMEN IN FAMILY BUSINESS

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ABSTRACT

This paper examines the influence and presence of women in the family business in India. Further, it evaluates factors influencing the establishment, operational and succession of women in family business. The researcher has collected 200 research papers on women in family business using Scopus index. These articles were subjected to the qualitative analysis using thematic mapping techniques on free mind software. The model was prepared for theoretical application and to understand research questions and gaps. The research paper has identified Organization factor that influences women in family business. The role of women in family business in India is flourishing. However, education, learning, gender bias and succession planning factors are hindrance for the growth. The research is limited to the research papers of Scopus Index

Keywords: Family Business, Thematic Mapping Techniques, Theoretical Application.

Introduction

The concept of family business not unlike a related concept, "entrepreneurship", there appears to be no stand & single definition of family business. It is seen that the definition of family business differ with culture. Even the term family lacks a common meaning in all societies (Basu, 2008). Family business is a complex, dual system consisting of the family & the business. Each system has distinct, incompatible characteristic & its own rules, roles & responsibilities. When these systems overlap, conflict occurs & intense conflict threatens the survival of the family business. In the broadest sense, a family business is an enterprise where family members have influence over strategy and major policies; maintain the intention of keeping the business in the family, own significant portions of stock, and sit on the boards (Shankar & Astrachan 1996). A Family Owned Business (FOB) that is owned or run by members of a single family. It is any business in which two or more generations are involved and majority of ownership or control lies within the family. In family businesses policy and decision are influenced by members of a family as well as multiple generations, related by blood, marriage etc. Family business is the oldest and most common form of economic organization. Majority of businesses throughout the world from mom-and-pop shop to multinational companies are family business. Some of the world's largest family-run business is Wal-Mart of US; Samsung of Korea and Tata Group of India, many businesses that are now public companies were once family business. However family members involved themselves as managers or owners or some other activity may can strengthen the business as he/she are loyal and dedicated to the family business. Whatever may be the definition & thinking on family businesses, Family businesses have been considered as instrumental in initiating & sustaining social economic development. Evidence suggest that countries with more number of family businesses have developed faster as compared to countries with fewer entrepreneurs or family business in the society (ILO, 2002).

Women in Family Business

Women play a pivotal role within the family firm. Although almost invisible to researchers and sometimes the family firm, women as founders, supportive spouse & caring daughters engage & integrate their communities of family, business, stakeholders & the larger community. The gender dynamic is one that has a particular potential for creating tension, particularly for business owning couples as they negotiate across system roles that are often tradition bound. It is seen that women are

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active and play visible roles in family businesses; there is little empirical research in the family business literature into the degree of involvement of women in family businesses. Also little known impact on the business by women (Frishkoff & Brown, 1996; Hollander & Bukowitz, 1996; Upton & Heck, 1997). Family business literature often portrays women as problematic aspects of family functioning, & the family is considered to be the part of the dynamic that must be managed (Budge & Janoff, 1991; Hollander & Elman, 1998; Whiteside & Brown, 1991). It is important to understand the dynamic of women's involvement in the family business and tensions that may or may not be associated with that involvement. Women who work in family businesses who are not designated as owners often work without any pay or job description. This nebulous role structure creates tensions when dissatisfaction exists over involvement in the tasks or decisions of the business or when values and beliefs about the operation of the business clash (Danes & Amarpurkar, 2001; Frishkoff & Brown, 1996; Hollander & Bukowitz, 1996). When women's involvement within the business is not clear or when the vision, mission & core values of the business are not shared, tensions remain unresolved, become addictive and eventually escalate. According to Davis & Tagiuri (1991) identify three categories of stakeholder (those with vested interest in the viability of the business) in family businesses: owner, employee & family member. In the past, women have primarily been depicted as family member only; role labels such as mother, spouse, caretaker, bookkeeper etc were used to describe their involvement in the business (Frishkoff & Brown, 1996). Those roles are often unrecognized & unpaid, creating ambiguity in the business structure, connectedness & shared meaning. Women in family business consists only 15%(Avg) of the board in Indian family business much lower than the global average 21%. It is only 4% of family business in India & 16% globally that more than half the board comprises women. 25% of family businesses and 36 % globally there are no female representation on board (PwC India Family Business Survey 2019).

Currently the world economy is making such environment for Industries, Business and Organizations making every country to stay competitive throughout the globe. These changes are happening through economic growth this makes growth in social, political, cultural and other developments. So the opportunity is to make people to take up productive economic activity. In earlier days employment generation in the economy was by expanding and investing in public sector which could not pay off the expected results. The role assigned to entrepreneurship for economic prosperity and development mainly in the developed economies like USA, Canada UK Japan and others made most developing economies to adjust to their development concept and plan. Entrepreneurship is seen as engine of economic growth and its importance in the areas of job creation, revenue generation, poverty alleviation and wealth creation. Entrepreneurship is therefore seen as a process that involves a willingness to rejuvenate market offerings, innovate, risk taking, trying out of new and uncertain products, services, and markets and being more proactive than competitors towards exploring new business opportunities (Covin and Slevin, 1991 and Wiklund and Shepherd, 2005). Entrepreneurship is fed by the oxygen of family business also family provides financial resources, education, values that are most important for business. Majority of the business in the world are family-controlled, which suggests that this structure for commerce meaningfully affects societies and economies around the globe (International Family Enterprise Research Academy, 2003). Family businesses are present over centuries, & today also holds large share of economic activity all over the world. They are present in almost every industry. In family business the most important thing is to understand the impact of the family on the business & vice-versa. They provide many economic opportunities like creating jobs to the public, increase in the revenue of government in the form of tax. It is seen that entrepreneurship cannot born and grow without the family support. Business and family are interlocking & overlapping elements. Thus it is seen that family as a major source of fuel for the combustion of business. At each level of business, the family connection is a key fuel. A family business contains of two parts:

- **Family:** The main intention is to care, develop the members, providing equal opportunity, rewarded
- **Business:** The main intention of business is to produce, distribute goods, services, survive and profit etc.

Hence, from the above statements it is clear that family business is unique because of synchronized coexistence of family & business. Therefore, family business are two over overlapping, codependent system. The area of family business is pretty young academic area of investigation, combing various groups of people like family business owners, consultants, researchers etc. The area of study emerged in 1980's. According to Kaye (1996) indicates that family business conflict needs to be distinguished from other types of business because family business members are often fighting about underlying issues rather than the real core ones. Management problems may be particularly difficult to

resolve in family businesses because of leftover emotions from family relationships can interfere with business decisions (Levinson, 1991). Family business report that conflict may be considered one of the fastest growing areas of concern in family business (Cosier & Harvey, 1998; Ward & Aronoff, 1994).

Women in Leadership Positions in Family Businesses

Ernst & Young did a global survey and found that there are more number women are in leadership positions in family owned businesses. In the past also women played major role in family businesses. Women are likely to bring certain attributes that typically interconnect the fabric of how a family business runs. Women are faithful to their clients & staff. They are open & caring.

Untapped Potential of Women Personnel

Women in the past were expected to look after the family. They were believed to be not strong in the labor force. The condition slowly shifting but there is still remaining obsolete world view in our society. It is seen that women are underfunded when it comes to supporting starting a business & only few of those business do well because of limited access to fund. If we want to change this situation women should have same opportunity as men.

Women should have Specific Skill to Help out Themselves

Women should understand the needs and wants of the business & accordingly polish your skills, aptitudes etc. that are needed to succeed. Women should speak up for your needs and wants. This can be difficult in family business where women are seen as caretaker.

Women are Born Entrepreneurs & Leaders

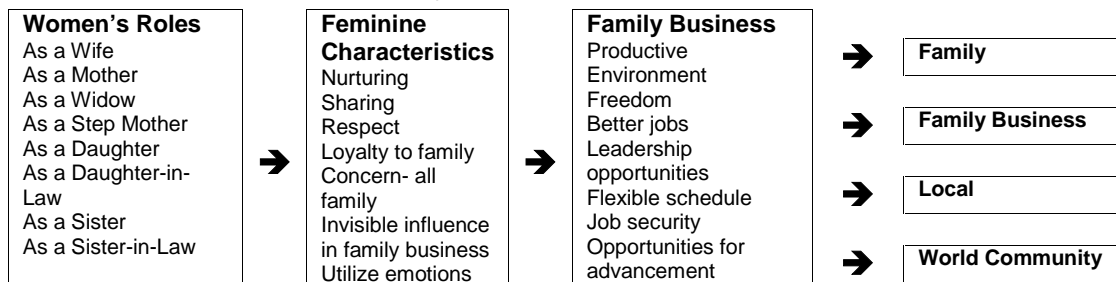
A successful entrepreneur is usually someone with great dream & capacity to market products & services. However, these are not essentially the same characteristic that allows a person to be a great internal leader. Sometimes, great entrepreneurs start out as founders & CEOs but then grow into other roles as business grows. Being a leader takes times, development & passion. You have to care deeply for the, members of your team. You have to be able to look inward at who you are & at time, acknowledge your own weakness.

Role of Women in Family Business

- **As a Wife:** A flourishing marriage in the family business functions as a right partnership in which husband & wife manage everything that effect their relationship & family. When a wife understand that her family quality of life defined by the success or the failure of the family business, her role can be a gigantic advantage to her husband's accomplishment. She takes care of her husband's health as well as her children. She also acts as a bridge between her husband & children like balancing, communicating etc. She stands as a strong pillar in her husband work.
- **As a Mother:** As the heart of the family, a mother has an influential impact on the family business. To the extent that she raises her children to take responsibility for their actions, she can make an astonishing contribution to the business. Likewise, any family dysfunction in which she plays a role will also express itself in the business. She makes sure that her children perform well and excel in their path. She teaches value to her children which help them to do well in their life. She maintains family harmony. Her conversation with children helps in creating a workable structure for doing business well. She trains & instructs the next age group in how to lead.
- **As a Widow:** Given that average lifespan of women is 79, and the average age at which she become a widow is 55, today's widow can expect to live many years after her husband's death. The following questions delineate several key factors which can enhance the quality of those years, both financially & emotionally.
- **As a Stepmother:** A wise women becomes a stepmother with her eyes wide open. The more aware she is of the challenges she face, the more able she will be to take care of herself emotionally & financially.
- **As a Daughter:** In family business daughters faces both opportunities & challenges. Women also face cultural prejudice towards the position they held in the place of work, Women in the work place learn to communicate efficiently with other members of the family & distinguish herself from her father to become an independent person. She has the ability of suppleness so that she balances the life & the roles she plays to make her own career.

- **As a Daughter-in-Law:** It is difficult to understand family business for a daughter- in- law unless she is grown up in her own family business. Understanding the complexity of family business she needs to identify the role she should play in larger perspective. They may be a valuable asset because of limited human resources in the family business. For daughter –in-law training can be given by the family member so that she understands the business culture and family relationships in the business. Adding daughter –in-law in the family business can be seen as excellent way to build a professional career.
- **As a Sister:** Family business tends to have traditional role for brother as successor unless he is ineffective. As a sister it can be challenging for her because of traditional gender issues in the family. No doubt that her role is important in the family business, for her sense of identity as well as for her children's identity. If she is interested in joining the family business she should be given a role so that she is been identified for the same, given an opportunity irrespective of gender anyone can excel.
- **As a Sister-in-Law:** Though sister-in-law is outsiders, she is expected to participate in family events and discussions. By not involving in the family business may put out her out of favor with in-laws. If there is a formal structure through family members can discuss their thoughts and feelings in an organized way then it is said that you too can have a voice. As a result it helps to forming mutually supportive alliance which intern can be helpful

Conceptual Model of Women in Family Firms



Source: Small Business Institute Research Review, Volume 35, 2008

Review of Literature

According to Frishkoff & Brown (1996), says that gender roles in family businesses are changing, but when a female chooses nontraditional roles, tensions often surface.

According to Wicker & Burley (1991) find that wives influence in the business increases when they work in the family business. That relative influence can be a source of conflicting goals & can create tensions for family business.

According to (Metz, Rosser & Strapko, 1994; Synder, 1979) Conflict has three fundamental elements:

- Content of the conflict
- Nature of conflict goals
- Interactional process.

According (Danes, Leichentritt, Metz & Huddleston-Casas's 2000) Men & Women in family businesses use different conflict styles. When men display aggressive behaviors, conflict escalates; however, conflict decreases when men assertively discuss the issues underlying the tensions. When women either use aggressive behaviors or withdraw from the conflict, the conflict becomes worse. When women avoid the tensions, however, the conflict begins to subside.

According to (Danes, 2000; McClendon & Kadis, 1991) Most of the literature on family business focuses on the content of the conflict. The content of conflict within family businesses falls into five categories

- Justice conflict
- Role conflict
- Work-Family conflict
- Identity conflict
- Succession conflict

According to Shanker & Astrachan (1996) seen that the criteria used to define a family business can include- percentage of ownership, voting control, power over strategic decisions, involvement of multiple generations & active management of family members. Women are openly accepted in their family companies (Curimbaba, 2000), they have succeeded & play a key role in the business; in others they are prevented from reaching positions despite their competence. Such differing results of women's experience in family business points to a need to investigate this topic further to explain variations in roles & visibility over time.

Research conducted over 15 years has increased our knowledge of family-owned businesses. Unfortunately relatively little empirical research has been conducted on women & their participation in family owned businesses (Dumas, 1998). It is believed that women struggle with the expected family role Vs Business role & women's roles within networks are influenced by traditional expectations of women's family & world responsibilities (Danes & Olson, 2003 & Danes, Hberman & McTavish, 2005).

Women are becoming increasingly important in the socio-economic development of both developed & developing economies as they account for significant percent of the operators of SMEs (Josiane, 1998; Kjeldsen & Nielson, 2000) Women entrepreneurs make a substantial contribution on national economies through their participation in start-ups & their growth in small & medium businesses (United Nations, 2006)

Despite all the research that has already been done in the field of family businesses, thus far few researchers have investigated the link between family business & women in family business. One can thus say the information available on women in family businesses is rather limited. Given the current knowledge-based society & its emphasis on business, combined with the economic importance of both family firms & women entrepreneurs, it is kind of surprising that there has not yet been more research done to find out more about women in family businesses. The shift in policy evidence a trend towards encouraging women to explore their hidden entrepreneurial potential. In India attempts to raise the status of women have included the women's decade (1975-1985) & the year of the empowerment of women in 2002. (Sita, 2007).

In spite of their involvement in the commercial & service sectors, women continue to perform vital productive roles which have helped in the economic development of the nation. A number of studies suggest a positive relationship between women's participation in economic development (Hisrich & Brush, 1985; Simpson, 1993; Butter & Moore, 1997; Hurley, 1999; Kutanis & Bayraktaroglu, 2003)

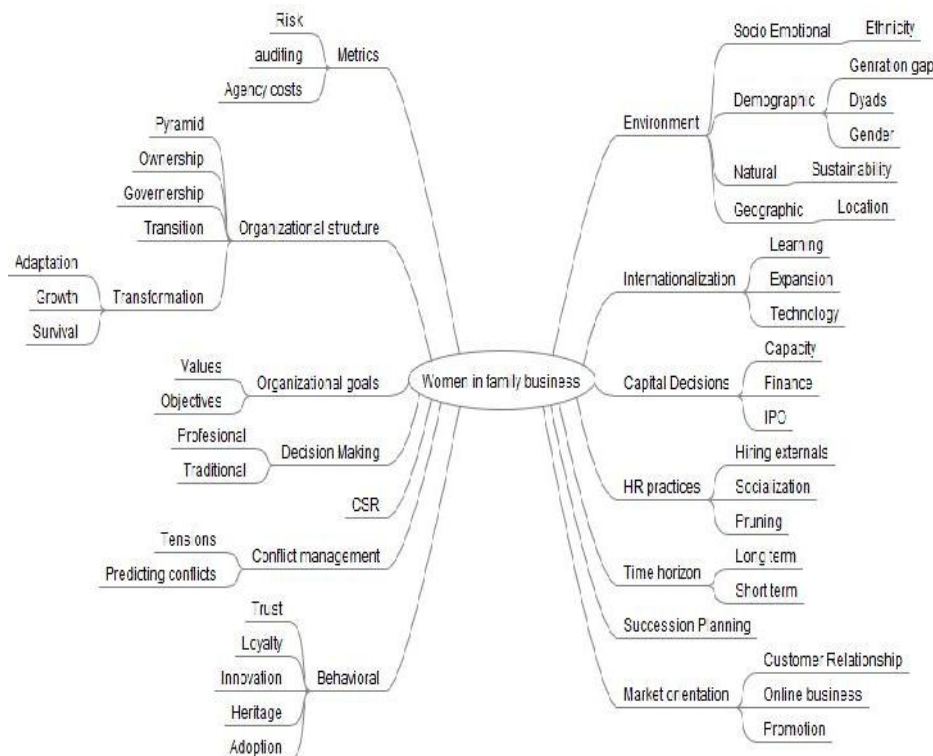
Organizational Factors and Women in Family Business

- **Organization Structure:** Influence women in family business. Further, organization with pyramid structure encourages women to be in the family business (H. Almeida, 2006)
- **Governance:** In family businesses the tenures typically exceed 15 years, their ownership and status give many family CEOs the power to stay at their jobs for very long periods. These executives may also have incentives to hold office until the next generation is ready to take over. The anticipation of lengthy tenures drives some leaders to take a farsighted, Care for future generations, family & CEO control ownership and CEO knowledge helps in "Good Governance".
- **Ownership:** Holding company ownership model is found to be effective to hold together all shares of different branches of the family. Most family business lasted for multiple generations adopted this model. This gives the family a lot of freedom to look for appropriate ownership & management structure in any of the group companies. Strategies of holding company will be developed by family representatives
- **Transition:** Researchers in the field of family business agree that succession is the most important issue that most family faces. Succession is so central to the firm's existence that Ward (1987) chooses to define family firms in terms of the potential for succession: "We define a family business as one that will be passed on for the family's next generation to manage control". Despite the importance of planning, research has found that succession planning is often not done by family firms. Intergenerational successions are very much plagued by problems of passage- by an inappropriate relationship between past & future (Gersick, 1997; Hugron, 1993; Kets & Miller, 1984, 1987; Kets, 1996; Lansberg, 1991)
- **Growth:** Most of guess that growth for family business is good, but that's not essentially true. When they choose to grow, family businesses need to follow healthy growth, which means growth that is sustainable and profitable. Growth though can have its dark side. Some family

business owners follow growth for the wrong reasons. They set on a course of expansion & because they have not planned carefully enough, soon find the business is out of control. Healthy growth requires finding a balance between growths (to keep up with the competition) & sustaining a high level of quality, service & profitability. Family businesses often learn that while they can grow quickly in the short term, they may not be able to maintain growth over a longer period. They get ahead of themselves discovering that while they are able to double the number of customers, they are unable to maintain customer service standards. (The Myth about Family Business Growth by Jennifer M. Pendergast)

- **Survival:** Sustainability of family businesses results from a confluence of family success, business success and appropriate responses to disruptions (Stafoord, Duncan, Danes & Winter, 1999). Family Business is better understood viewed as existing on a continuum. At one end are the family businesses that behave as if family & business are two separate spheres. At other are family businesses where family & business are completely enmeshed. In short, the family & business in business-owning families are intermingled to some degree. (Stafford, K., Duncan, K A., Dane, S & Winter, M 1999, A Research Model of sustainable Family Businesses, Family Business Review).

Figure 1: Theoretical Model



Women in Family Business in India

Lakshmi Venu daughter of Mallika Srinivasan (Mother), is the chairperson & chief executive of tractor company *Tractors and Farm Equipment Ltd.* and Venu Srinivasan (Father) auto-component company *Sundaram-Clayton & two wheeler firm TVS*. Graduated from Yale University, PhD in Engineering Management from University of Warwick In 2003, Lakshmi joined as a management trainee in her father's company. It wasn't easy for her to work in male dominated society. Lakshmi, 31 attracted towards the business managed by her father. Lakshmi was appointed as director-strategy and whole-time director in 2010. Was made vice-president in charge of global business strategy in 2011. She was associated nearly a decade of her association with the family business. With good academic record, she earned position through various roles for this hard work there was no objection when she appointed in the board. Presently she is handling the entire component business. But her brother Sudarshan Venu, 24 had an easier entrance into board in 2011. He is seen as a leader in her own right.

Bhairavi Jani returned from US in 2000, after working for a year as a supply-chain consultant. She encountered with challenges in the male-dominated Indian logistic business industry i.e., gender and age. She had experience of some people who dint want to work with her and even MNC's, refused to give business as she was young woman. Her father Tushar Jani (Blue Dart Express) asked her to create her own way by facing all odds in the business. Her father's was of the opinion that "people from family-owned businesses tend to take things for granted". She set up i3pl, to provide end-to-end logistic services to corporate clients. In 2005 she assumed the role of group director for the SCA Group. In 2007 she set up the warehousing vertical, via a company called Transmart India. But for her Gender and Age still come up in conversations

Gurusimran Mann, Daughter of Gurmit Mann. Belongs to the 4th generation of Simbhaoli Sugars founded in 1933. But journey for women from family, though present as promoter-directors, shareholders, were noticeably absent in the frontline. In 2005, after finishing her college at the age of 2, she joined her family business in which women were less than 1%. Joined as trainee, worked in various departments, reporting to different people. She did her MBA from London Business School and became an executive director in 2012 and managing director in 2013. She becomes first women in the family in 72 years to work in its sugar business. Her achievements are partnering global sugar trading company, setting up sugar refinery in Gujarat etc. She has taken the challenge to professionalize the business. For her it's all day work. She says "there is a need for overall social and cultural change, leading to a change in mindset among business families regarding acceptance of daughter to take charge".

Arthi Krishna, first women in her family to join the business in 1989, at the age of 20. Presently joint managing director of auto-component major Sundram Fasteners. Her younger sister Arundathi is in charge of overseas operation & business development. She worked in the US related to her business. Returned to India In 2006 and became MD in 2011. She made average workforce younger, work culture more performance-based & technology oriented. In her earlier years, at industry meets, she felt it is man's world. She believed in equality at workplace & promoting more women to join the manufacturing ranks in the company.

Roshini Nadar Malhotra, the CEO & Executive Director of HCL. After completion of higher studies in US & working in media companies. She decided to join her father's Business. She was responsible for HCL's healthcare business & launched HCL Talent care. She seeks to grow the business, her real passion lies in the foundations of Shiv Nadar which seeks the future leaders of India & Vidyagyan which support education for the deserving underprivileged kids.

Sulajja Firodia Motwani after completing her MBA from Carnegie Mellon University & working for the investment analytics company. She believes that her work experience has given her insight of a company from the employee point of view. She knew that she would be joining her family business. Being a joint director of kinetic motor company. She is in charge of business development. She managed to increase the company's product range from just mopeds to scooters & motorcycles; Kinetic has invested in two international collaboration which enables them to launch seven new models in the two wheeler segment.

Vinita Gupta the CEO of Lupin Pharma, India 3rd largest & world's 7th largest pharmaceutical company. It was founded by her father, Desh Bandhu Gupta. She did her MBA from J.L. Kellogg Graduate School of Management and joined her family business in 1993 at the age of 25. Her achievement is widening the horizons of Lupin by acquiring company in Japan, Germany, Australia, US.

Ashni Biyani Daughter of Kishore Biyanifounder and CEO of Big Bazaar. She began training in the business at the age of 8 when she went to store with her father for store launches and observe the way he worked. She is keener on the consumer insight side of the business and even worked as a consultant to a retail brand in UAE. She came up with the concept of family centers in Big Bazaar which made Big Bazaar an all under one roof destination. The family centers were planned to include snacks counters for the hungry shoppers and electronic & furnishing segments were newly added.

Meher Pudumjee by profession is a chemical engineer; she is the non-executive chairperson of Thermax Group- One of the India's leading energy & environmental engineering companies. Company was established by her grandfather. She joined as a trainee soon after completing her graduation. She provides strategic direction to the company and believes in allowing professional management team under Managing Director. Thermax went global, it acquired a number of European manufacturers. She is also associated with Akanksha Foundation an NGO in the field of educating underprivileged children.

Nisaba Godrej Executive Chairperson of the 120 year old consumer products company, The Godrej. Having graduated from University of Pennsylvania, did her MBA from Harvard Business School.

She played roles like strategy, human resource, paying special attention to talent & innovations. She is known for her active involvement in things & sharp insight. She played key role in the growth of Godrej in Africa, Asia & Latin America. She also entered the salon segment with Blunt.

Conclusion

From the above literature & cases of women in family businesses. Women can achieve what they want despite of many challenges like social stigma, gender discrimination, cultural stigma etc. It is evident that their role in the family business can't be neglected if the family business wants to grow. They might be physically weak but emotionally strong, with burning desire to succeed. They work for the whole family.

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