CHAPTER 2

LITERATURE REVIEW

2 INTRODUCTION

Entrepreneurship and family businesses are considered as the most relevant topics for managerial practice and academic inquiry over the past decade. The distinctiveness of family business is related to the involvement of the family in the business, specifically in its ownership and leadership/management of the business. Family business issues impact the ownership; leadership and management of the overall business. This chapter provides an overview of the literature available on family business management. Both the scholars and the practitioners are increasingly spending time and effort in family business management.

This chapter is organized into two parts. The first part of this chapter, extant research on family businesses will be reviewed, giving an overview of the field of family business in general and reviewing research on the overlap of family and business issues in the family business. In addition, theories and models describing the development of family businesses and research on family businesses will be discussed, as it illustrates in many dimensions the importance of the overlap of family and business.

The second part of this chapter is divided into: conceptual issues, theoretical literature, empirical literature and theoretical framework. Under the conceptual issues, the views of different authors in relation to entrepreneurship, family business, women in family business on the global and Indian context has been studied. The theoretical literature looks at the theories of family business, empirical literature looks at the results and reports of previous works on the issues faced by the women employed in family business and their performance, challenges, types of business ownership and environmental factors are reviewed while theoretical framework looked at theoretical underpinnings of the study.

The managerial interest in this phenomenon is growing for different reasons: (1) the rate at which the number of entrepreneurs is increasing; (2) the driving forces behind joining the business are gaining importance; and (3) the impact of women on family business’s competitive
positioning is becoming more significant. Family business is an interesting topic for academic investigation, as empirical studies and popular business press implying difficulties on the part of practitioners in managing the business.

Research has studied family business in several areas and independent research streams. Academicians in the stream of entrepreneurship theory are interested in family business as testing grounds for their theories. In another research stream, theories have been tested to explain the formulation and content of goals and strategies, strategy implementation, control, leadership, and succession in family firms. The management perspective to family business studies has made significant contributions to the literature. In addition, the phenomenon of family business has been studied in the area of global context looking at different issues. Women in family business, as an area, have received much attention in the global context and researchers have tried to understand the importance of women in the family business and the issues faced by these women entrepreneurs.

Reviewing research published to date on family businesses, it can be argued that family businesses may be distinct from the non-family businesses and the dynamics can also be assumed to be affected by the specific characteristics of family businesses, setting them apart from non-family businesses. Therefore, family business contexts and family level phenomena merit consideration and from the findings of existing research, it can be asserted that the family will have its main impact on the upper echelons of the family business and its overall impact will be moderated by business level and industry level variables, by influencing the family and business relationships.

Family businesses, as a group, have virtually been neglected in research on women in family business until today in Indian context. This stands in strong contrast to the relevance of family businesses to overall economic activity and the importance of women in family businesses. In this context, this dissertation will draw on a sample of Indian women in family businesses.

Thus far, family business has been analyzed in a large variety of contexts. Most samples focus on the issues and studies on empirically analyzed family businesses in its sample (Renfort, 1974), and only a small number of papers has analyzed the phenomenon in the family business context (e.g. Gallo et al, 2001) and a very little on the women in family businesses. In this study, we will
study a specific family business context: we will focus on family business and women in family businesses.

2.1 FAMILY BUSINESS RESEARCH

This section deals with the current state of the growing literature on family business research in the global and Indian context along with conceptual foundations. The role of women in family business, the reasons for joining the family business and the factors which help in running the family businesses – business-based and family-based factors are discussed separately.

2.1.1 Current State of the Family Business Research -Globally

Family business is a vibrant area of growing interest today among researchers, theorists, investors, policymakers, practitioners, and many others. Recent research has demonstrated that family firms are top performers. Whether measured by the bottom line, value creation for shareholders, or their capacity to create jobs, family companies outperform their non-family counterparts. Family businesses, to be sure, confront substantial challenges, but they also often possess unique advantages born out of a unique and dynamic family–business interaction (Poza, 2007). Many of the assets that differentiate a family–owned or family-controlled business from other forms of enterprise revolves around the relationship between the family and its business, especially the guidance that family members exert as managers and as shareholders. Family ownership and family leadership are hundreds of smaller, lower-profile, privately held family businesses with the same commitment to continuity from generations to generation. From the United States, Europe, Asia, Australia and the Middle East comes compelling evidence of the commitment of business families to building firms that last (Poza, 2007).

The majority of businesses in many countries are family businesses, constituting between 65 and 80 percent of all business enterprises worldwide (Gersick, Davis, Hampton & Lansberg, 1997). Statistics reveals the following facts:

- In the United States of America (USA), an estimated 80 percent of its 15 million businesses are family businesses, contributing more than 50 percent of the Gross National Product (Davis & Harveston, 2000);
• In Singapore, family businesses constitute 78.5 percent of all manufacturing enterprises, and employ 44.8 percent of the country’s manufacturing workforce (Lee & Tan, 2001);

• The Finnish Family Business Network estimate that 70 percent of Finnish firms are family-owned (Littunen & Hyrsky, 2000);

• In Australia, family businesses account for 67 percent of all businesses and employ approximately 50 percent of the entire private sector workforce, making a significant contribution to the national economy, with an estimated wealth of $AUS 3.6 trillion (Smyrnios et al., 1997; Smyrnios & Walker, 2003). Although many Australian family businesses have successfully become large enterprises2, over 90 percent are SMEs (Smyrnios & Walker, 2003).

Over two decades ago, Davis and Stern (1980) highlighted that the complexities associated with managing a family business are not entirely addressed by classical management theory. Because of the contribution of family businesses to the global economy and a lack of management theory to fully explain their associated complexities, one would expect a high degree of research activity in the family business domain. Yet, as highlighted by Morris, Williams, Allen and Avila (1997), family businesses remain an under researched area. Relatively little attention has been devoted to researching the nature and functioning of family-owned businesses, or the strategic challenges confronting these firms. Research on these firms is certainly disproportionate to their numbers and contributions to the economies of virtually every nation. (Poza, 2007, p. 386)

Although research on family businesses is still in its infancy, with most of the research having been conducted since 1987 (Shanker & Astrachan, 1996), it nevertheless is an emerging field. The journal Family Business Review that was launched in 1988 by The Family Firm Institute (FFI) is dedicated to publishing research on issues pertaining to family businesses. Other well-established journals such as Entrepreneurship Theory and Practice, Journal of Business Venturing and International Journal of Entrepreneurial Behaviour and Research are publishing family business research at an increasing rate. Several notable books have also been published in the family business field. Examples include Ward’s (1987) Keeping the family business healthy: How to plan for continued growth, profitability, and family leadership, Gersick, Davis, Hampton and Lansberg’s (1997) Generation to generation: Life cycles of the family business, and Carlock

2.1.2 The Current State of the Family Business Research – Indian Context

Family Business contributes 60-70 percent of GDP of most developed & developing countries. India is no exception. The importance of family run businesses in the Indian economy, sixty-six of businesses in the India’s super 100 companies are family-run. According to Business Today, family run business account for 25% of India’s Inc.’s sales, 32% of Profits After Tax (PAT), almost 18% of assets and over 37% of reserves. In India it is estimated that 95% of the registered firms are family businesses (Satya Raju, 2008). Because of the significance of family businesses to the Indian economy, research into issues that affect their performance is of critical importance. However, as discussed in the following section, to date, there has been a paucity of family business research both in India and internationally.

India has seen some very influential families in business. These families have made a lot of difference in the business and industrial culture of the country. These families have existed for over hundred years and have influenced the economic and political situation of the country. Until the government of India took a very socialist stand on investment the family-owned businesses in India were very successful and Tata Airlines was among the top 10 Airlines in the World. The economy of the country was gauged for several years on the basis of the growth and development of the family business. In the 1970’s Private owned firms, 93% of which were family-owned at that time, were put through very regressive policies to control growth of private wealth. This huge period between 1970 to 1990 created a lot of problems for the private sector (most family-owned) and rendered it quite unfit for global standards. With the opening of the economy and the influx of multinationals the family-owned businesses and the private sector was at a great loss and on a back foot. It was felt that the family-owned business and family-owned business houses would lose their place in the industrial map of the country. Time has proved this to be wrong because the family-owned businesses have proved to be very strong in their determination to carry the business on. But there are several road blocks that have ensured that Indian family-owned firms are not global leaders in their field (Ritu, 2007).
Most of the Business families face unique management challenges because of the differences in the attitude & aspirations of family members. As new generations join the family business, it is an enormous challenge to keep the family & business together. Some sacrifice the business to keep the families together, while others sacrifice the family to keep the business. It has been observed that just 13 percent of the Family business survive till 3rd generation & only 4 percent go beyond third generation and one third of business families disintegrate because of generational conflict. However, the close-knit structure of families, which fosters teamwork combined with respect to family values and family elders, has been the key to success of many family businesses. Indian Family Businesses forms the ‘backbone’ of the Indian economy and hence there is a need to extend the life span of the family businesses so that the economy can continue to derive benefit from their contribution (CII, 2009)

On the eve of India’s independence, hardly any industrial firm of consequence was there in the India. Practically all Indian business during the 1950s, were in the hands of just 18 Indian families and two British houses. Within a decade of India’s freedom, three major developments disturbed the tranquil situation that earlier prevailed on the business horizon. There developments were:

1. The nation’s resolve to accelerate the pace of economic development held out an attractive initiative to the private sector to partake of new opportunities for business gain, notwithstanding the myriad restrictions imposed on the freedom of enterprise.

2. Both the union and various state governments set up a number of financial institutions to provided industrial finance to private sector companies.

3. The joint family systems, once the bedrock of the Indian social structure, began to increasingly experience serve strains, thanks to growing urbanization and westernization.

These developments caused many changes in the family businesses. Due to the magnanimous size of the country’s infrastructural projects, families were no longer able to mobilize the required resources which gradually passed the financial institutions. Also the families started showing cracks. The Dalmias were the first prominent business house to break up after freedom. The pace, however accelerated beginning with 1970 and the following 25 years witnessed splits in at least as many business families. And these included such illustrious names as the Birla’s,
Modis, Sarabhai’s, Bangurs, Singhnias, Mafatlals, Shrirams, Thapars, Walchands and Goenkas. In spite of the loosening financial control over their companies and growing splits, the control of business families over the management of their concern remains almost unimpaired. According to a recent tally the management of 461 of the 500 most valuable companies is under family control (Satya Raju, 2008). This evidences the need for conceptualizing the family business system.

2.2 THE CONCEPT OF FAMILY BUSINESS

2.2.1 Three-Circle Family Business System by Tagiuri and Davis

A range of conceptual models has been developed over time to illustrate and accommodate the complexities that occur within family businesses. One of the early models developed in the 1980s conceived of family businesses as consisting of two interacting subsystems - the family and the business - shown as two overlapping circles (Tagiuri & Davis, 1992). Each of the subsystems has its own characteristics, such as norms, membership rules, and organizational structures. In this model, the unique features of family businesses are described by the same individuals (family members) having responsibilities in both circles. On one hand the business has to operate according to business practices and principles, while on the other hand family needs (e.g. for employment, income and identity) have to be fulfilled. Finding strategies that satisfy both subsystems has been considered a major challenge in family business research to date (Aronoff & Ward, 1995; Sharma, Christman, & Chua, 1997)

In the 1990s, Tagiuri and Davis (1992) expanded their earlier model by adding the ownership component as a third circle. This framework is shown in Figure 2.1. Several combinations can be derived from the Three Circle Model. A person who is connected to the business in only one of the components could be found in one of the outside sectors of the circles (Sectors 1, 2 and 3). The centre sector (Sector 7) includes all family members who own a share in the business and also work in the business. An owner who is a family member, but not an employee, would be situated in Sector 4. An owner who is not a family member, but works in the business, would be found in Sector 5. A part-owner who is neither a family member nor an employee would be in Sector 2 (Gersick et al., 1997). Whilst this model includes all the combination of family
membership, enterprise ownership and business employment, it is essentially a snapshot of the structure at one particular time. In most actual family businesses, however, people may move in, out and between each of these three components, and it is these dynamics which give rise to many of the particular complexities, strengths and weaknesses of family businesses.

![Three-Circle Family Business System](image)

**Figure 2.1 Three-Circle Family Business System**

1 = family member, no ownership, not employed, 2= non-family member, ownership, not employed
3= non-family member, no ownership, employee, 4= family member, ownership, not employed
5= non-family member, ownership, employee, 6= family member, no ownership, employee
7= family member, ownership and employee

Source: Tagiuri and Davis, 1992

The unique aspect of family business is the involvement of family members in more than one domain with different purposes. It is this overlap that distinguishes family businesses from other business structures. It is the family involvement which brings both the potential benefits of working together and the particular problems of owning and operating a business with one's relatives. Families themselves are a very dynamic social institution and these dynamics have major effects on the operation and characteristics of family businesses (Getz et al., 2003; Getz & Petersen, 2004).

### 2.3 WOMEN AND FAMILY BUSINESS

#### 2.3.1 The Role of Women in Family Business

Poza and Messer (2001) described six different types of roles adopted by spouses of successful family firms: jealous spouse; chief trust officer; partner or copreneur; vice-president; senior
advisor; and free agent. Curimbaba (2002) reported that Brazilian women occupied either a professional, invisible or anchor role in their firms. Due to the small convenience samples these studies mainly provide an indication of the varying types of women’s roles. However, it is mostly expected that women occupy the second rank or head up one of the business functions, traditionally finance and accounting or sales. Danes and Olson (2003) found 42% of wives as major decision-makers even in family firms owned and managed by men. Fourth, spouses and other female family members are often just paid employees in family firms: Danes and Olson (2003) found 57% of working spouses even in family firms owned by their husbands, with 47% being paid, which may suggest a certain level of discrimination at this point.

Along with the advantages of women working in the family business come the disadvantages. Family business writers use the word role in discussing these problems, such as role conflict (Salganicoff, 1990,) and role confusion (Rowe and Hong, 2000). These terms refer to the two incompatible roles (business and family) contained in family business relationships (Danes and Olson, 2003). It is believed that women struggle with the expected family role versus the business role and women's roles within networks are influenced by traditional expectations of women's family and work responsibilities (Danes and Olson, 2003 and Danes, Haberman and McTavish, 2005). Women who choose to work in the family firm experience double messages from their families. Hollander and Burkowitz (1990), label this as a double bind.

In the study by Danes and Olson, (2003) women who are in family businesses have been given the following role labels, such as mom, spouse, caretaker, sounding board, negotiator, or bookkeeper to describe their involvement in the business. In a similar manner, Salganicoff (1990), states that even though many women work in family businesses, the media still presents them as cute or rare examples.

The no-win choice for a female is between accepting a more traditional role and attention to bring vitality and respect to her business role. If the traditional role is chosen to maintain harmonious relations with family members, she sacrifices her career objectives. If she chooses self-promotion, she risks negative sanctions from her family. Dumas (1989, 1990) study on daughters support the latter, especially when daughters fear bringing up the subject of succession that will upset their father's pride and sense of immortality.
As a result according to these authors, women in family business, remain entrapped in rigid, "family" roles unless they separate and individuate from their families. In addition, Salganicoff (1990) cited in Cole (1997), believes that because of their unique gender characteristics, women in family business exhibit such behaviours as loyalty to the business, concern for family members, and sensitivity to the needs of others. These attributes make women proficient at peacekeeping or solving problems and conflicts among family members. In justification of this, Nelton (1998) recommends that future research is needed on the rise of women in family firms and should include factors such as their family life, their business life and also their individual values. In addition they also mention the importance of acceptance of daughter successor relationships.

2.3.2 The Reasons for Women joining the Family Business

Research conducted over the past 15 years has increased our knowledge of family-owned firms. Unfortunately relatively little empirical research has been conducted on women and their participation in family owned businesses (Dumas, 1998). In collaboration with the above, Lyman, Salganicoff and Hollander, (1985), cited in (Rowe and Hong 2000), state that the strength of traditional family roles, both within society and within individual families, kept women's business contributions from being acknowledged.

There are many reasons for women eventually joining family businesses. An interesting study by Hollander and Burkowiitz (1990), reveal the following reasons: wanting to help the family, filling a position that no other family member wanted, and being dissatisfied with another job. Dumas (1989) similarly concluded that, in general, women do not plan a career in their family business, do not aspire to ownership, and see their work as a job rather than a career.

In addition, some became interested because they saw the potential when the business began to grow, in the same study; it was found that some of the women came into the business to help the family in a time of crisis. Contrary to these limitations, it is cited in Cole (1997), that some women perceive their family business as a reservoir of great careers. When they work outside the family domain, they may face the "glass ceiling" no matter how talented they are. In concurrence with this, it has also been reported that better positions, higher incomes and more flexibility in work schedules are available for females who work with family, as well as more latitude for
personal concerns, which is particularly important for woman who must juggle home and work (Rowe and Hong, 2000).

Rowe and Hong (2000), in their study on wives in family business, also focused on the likelihood factors of a wife's participation in a family business. Their main conclusion was that wives are more likely to be involved when the business was bought, invested or started by the couple, than when the business was inherited or given. To complement this Maas and Diederichs (2007) have provided useful insight into husband wife teams as the foundation and base of family businesses.

2.3.3 The Research on Women in Family Business - Globally

The family business literature is sparse on this topic and in the past very few contributions were based on empirical research (Rowe and Hong, 2000; Bowman-Upton and Heck, 1996). Women family members are one category of stakeholders with a vested interest in the viability of the business, next to owners and employees (Davis and Tagiuri, 1991) and they can have an important impact on the business. While women tend to enhance their presence as female entrepreneurs, research on women in family businesses has suggested that the majority of women continued to remain in the background, staying invisible’ (Cole, 1997; Fitzgerald and Muske, 2002), contradicting the level of feminism. However, for some authors (Dumas, 1998; Lyman et al., 1985) occupying a subdued role has provided them with a unique vantage point allowing a rich understanding of the prevailing issues and relationship dynamics where they might make a highly valuable input to the efficient conduct of the business and the management of relationships among family members. Sharma (2004) even says that, if used astutely, wives observations, intuition and emotional capital can make a difference between the success and failure of a family firm.

Barach and Granitski (1995) illustrate factors that are critical for the family business. They find that 12 factors can be grouped in four categories of factors. These are the incumbent level, the successor level, the other family member level and the firm level. Barach and Gnitski illustrate this model with a case study. At the CEO/incumbent level, the strategic commitment to family leadership as well as the specific offspring, the way joy and pain are shared with the family, the
relationship to the offspring, the reasonableness of expectations and personal characteristics are all of importance. Variables that are critical at the successor level include actual and perceived responsibility, the competence and decision-making capacity of offspring, the relationship of offspring with family and business executives, and the strategic commitment of offspring to the family business. At the level of other participants, their goals, career paths and power, as well as the power distribution among shareholders are all crucial elements. Finally, at the environmental level, corporate culture and organizational structure as well as the matching of offspring’s capabilities are critical to the succession event.

There are many issues in the family business which has to be studied and very little work has done on it. Work – family issues at the intersection of the business and family systems within family business are particularly fertile area for conflict (Harvey and Evans, 1994). More recently, Dugan et al. (2008) briefly reflected on the challenges of leadership issues for women. They argued that women communicate and lead differently than men do; that is women leaders are not only less authoritarian but more participative and concerned about relationship building.

Rowe and Hong (2000), in their study on wives in family business, also focused on the likelihood factors of a wife's participation in a family business. Their main conclusion was that wives are more likely to be involved when the business was bought, invested or started by the couple, than when the business was inherited or given. To complement this Maas and Diederichs (2007) have provided useful insight into husband wife teams as the foundation and base of family businesses.

Gender roles in family firms are changing but, when a female chooses a non-traditional role, tensions often surface (Freudenberger et al., 1989; Hollander and Bukowitz, 1996; Lyman et al., 1996). As entrepreneurship has emerged as a career choice for both men and women, that choice has disrupted traditions about how they manage their work lives and negotiates the overlap of their entrepreneurship endeavours and family obligations (Greenhaus and Callanan, 1994). Wicker and Burley (1991) found that wives influence on the business increases when they work in the family business. That relative influence can be a source of conflicting goals and can create tensions for the family business (Levinson, 1991; Marschak, 1998; Rodriguez et al., 1999). Work-family issues at the intersection of the business and family systems within family businesses are a particularly fertile area for conflict (Harvey and Evans, 1994), with the content
of conflict arising from five categories: justice, role, work-family, identity, and succession conflict (Danes et al., 2000; McClendon and Kadis, 1991). The existence of more than one decision-maker in a family business will, over time, create some level of disagreement and tension (Kaye, 1996). This certainly depends on the situation as to whether: (1) Spouses are partners so they should have a say in family business decisions; or (2) husbands are in control of the family business and the views of their wives may not be taken seriously (Rosenblatt et al., 1985). According to Danes et al. (2000), men and women use different conflict styles and conflict begins to most easily and subside when women try to avoid tensions.

Traditional gender roles are often present in family businesses. Alcorn (1982) suggested the prevalence of the dominant father figure and a subordinate mother figure throughout family businesses. Lyman et al. (1985) stated that the work environment in family businesses displayed cultural traditions that placed women and men in different social positions and different work and family responsibilities. According to Ponthieu and Caudill (1993), these characteristics apply to wives, mothers and daughters. The evaluation of the true contribution to the family’s economic well-being therefore encounters a different mix of paid employment and unpaid family work between men and wives (Voydanoff, 1990). A number of wives simultaneously: (1) are also employed somewhere else; (2) manage the household; and (3) work in the family business, thereby juggling three layers of obligation (Rowe and Hong, 2000).

In addition, Salganicoff (1990) cited in Cole (1997), believes that because of their unique gender characteristics, women in family business exhibit such behaviours as loyalty to the business, concern for family members, and sensitivity to the needs of others. These attributes make women proficient at peacekeeping or solving problems and conflicts among family members.

In justification of this, Nelton (1998) recommends that future research is needed on the rise of women in family firms and should include factors such as their family life, their business life and also their individual values. In addition they also mention the importance of acceptance of daughter successor relationships. Involvement in a family business means being part of the family business’ core makeup: the role of family members in the business, how bonded the members are and how the business defines itself in relation to the outside world (Doherty et al., 1991). Not being adequately recognized and involved in running the business and making business decisions creates tensions out of the dissatisfaction and clashes of values and beliefs.
about the operation of the business and the involvement, tasks and rewards for family members (Danes and Amarapurkar, 2001; Frishkoff and Brown, 1993).

Some authors analyzed the advantages and disadvantages for women in family firms (Frishkoff and Brown, 1993), including flexible work hours, access to positions in traditionally male-dominated industries, job security, professional challenges, and opportunities for personal growth (Barnett and Barnett, 1988). However, family firms can also involve gender stereotyping and discrimination found in society at large (Jaffee, 1990; Salganicoff, 1990), like the popular view that the male partner is the entrepreneur while the female partner does the bookkeeping in the back room (Dumas, 1998). This attitude leads to the fact that even an important contribution of women to family businesses may not be properly recognized in terms of job titles or salaries (Gillis-Donovan and Moynihan-Brandt, 1990; Lyman et al., 1985). Marshack (1994) found that 80% of male co-owners in husband-wife businesses advocated a stereotypical masculine sex-role orientation and 76% of female business co-owners supported a stereotypical feminine gender-role orientation.

2.3.4 The Research on Women Family Business - Indian

The Indian economy has been witnessing a drastic change since mid-1991, with new policies of economic liberalization, globalization and privatization initiated by the Indian government. India has great entrepreneurial potential. It is observed that women involvement in economic activities is marked by a low work participation rate, excessive concentration in the unorganized sector and employment in less skilled jobs. This dynamic world requires women entrepreneurs as an important part of the global quest for sustained economic development and social progress. In India, though women have played a key role in the society, their entrepreneurial ability has not been properly tapped due to the lower status of women in the society perpetuated culturally across generations. It is only the recent past that a shift has taken place in recognizing their ability because of the shifts in policy. From the Fifth Five Year Plan (1974-78) onwards that their role has been explicitly recognized with a marked shift in the approach from women welfare to women development and empowerment. The development of women entrepreneurship has become an important aspect of our plan priorities. Several policies and
programmes are being implemented for the development of women entrepreneurship in India (Sanjukta, 2009).

In the last two decades Indian women have entered work force in large numbers and many of them hold senior positions now. Gone are the days when we hardly saw women in leadership positions in organizations. Some of India’s top companies are now giving specific mandates to head-hunting firms to fill middle and senior management roles with women candidates.

Women are also increasingly starting businesses of their own. Surprisingly entrepreneurial women exist in smaller towns as well. According to an estimate by the website, www.naukrihub.com women entrepreneurs account for about 10 percent of the total number of entrepreneurs in India, with the percentage growing every year. If this trend continues, it is likely that in another five years, 20 percent of the entrepreneurial force will consist of women. When women comprise of almost 50 percent of the total population it is but natural that they will be increasingly contributing their bit to the economy. However heartwarming all this sounds, the truth is that the glass ceiling still has not been broken in our country.

According to a recent study, only 26.1 percent of the listed companies (392 of 1,500 firms) have a woman on their boards. Out of the 278 directors on the BSE Sensex companies, there are only 10 women directors. Apart from this, women executives in India earn 40 percent less than what men earn over their entire career. Even when compared to global counterparts, corporate India stands below average. Over 77 percent of the 200 largest companies in the world, as ranked by Fortune, had at least one women director on their board as of 2006. Only 36 percent of Indian companies have women holding senior management positions as compared to 91 percent of companies in China (Source: www.naukrihub.com).

Traditional Indian society has always been hierarchical. The several hierarchies within the family (of age, sex, ordinal position) and within the community (of caste, lineage, wealth, learning, occupation) have been maintained by a complex combination of custom, functionality and religious belief (Rajadhyaksha and Bhatnagar, 2000). Chitnis (1988) cited in Rajadhyaksha and Bhatnagar, (2000), comments that an Indian society has been popularly described as a society where individuals live by their 'ascribed' rather than 'achieved' status.
There has been some interesting work on the role of women entrepreneurs in India. Attention to the needs and contributions of female entrepreneurs in the Indian economy varies widely from state to state. Their access to opportunities in the formal sector of the economy also varies widely in different parts of India. Women in India generally have less access to formal education; consequently they have low participation in the formal sector, for that reason many women take up self-employment. In addition, women have limited access to their critical resources such as land, technology and credit facilities. Hence even within the informal sector, they are largely confirmed to micro-enterprises. These include trading and small – scale manufacturing enterprises (Sita, 2007). As education levels have grown and compulsions of employment experienced by women also increased the existing economy could not absorb the ever-increasing number of educated men and women, the wage employment options narrowed down. This made some women with business background to enter small businesses (Sethi, 1994).

Recent research into motives for women's entry into business is less predisposed to use a rigid classification system that would disqualify women as likely contenders for survival and success in business. As Kalleberg and Leicht (1991) suggest, women's motivation is likely to be multi-layered and include greater concerns for their relationship to family than is true for men. Using a multidimensional approach, Mitra (2002) constructs a typology of women entrepreneurs using educational achievement, family business/professional background, age profile, type of industry, and interest in business as classifiers.

According to Mitra (2002), the diversity in motivations and life-cycle stage (as a measure of responsibility for child rearing), which formed the four types of Indian women entrepreneurs that emerged, indicate that a variety of strategies are required for overcoming Indian women's disadvantages in business operations. No matter the profession or occupation of Indian women, their position in Indian society and family is highly anchored in patriarchy (Azad, 1996). Patriarchy is an ideology and system of social relations which keeps women subordinate to men (Bhasin, 1994).

In fact, in India, women who are in business with their husbands are assumed to be largely under the influence of their husband or other male family members and not "real entrepreneurs. Mitra (2002) finds that 13 of the 61 (21%) women entrepreneurs in her initial sample of businesses that were in existence for 10 years or more were cross-gender partnerships or the women in these
businesses were found to be "silent partners." As a result of this classification, these 13 cases were eliminated from the final sample. The rationale for dropping these women from the study was that the success of women entrepreneurs could largely be attributed to their husband's skills and prowess in business. While Mitra's (2002) judgments may be true in some cases, there was no empirical test of whether these women could be considered merely as token entrepreneurs.

There may be a bias in Indian culture against women who engage in entrepreneurial activities outside the home. Even educated, middle-class women who start a business for themselves have been seen as not having what it takes to run a business. According to Iyer (1991), "women may have no experience or skills that would do them well in business and--shyness, lack of articulation, inability to communicate and attitude toward money matters inhibit and limit their growth as entrepreneurs." Moreover, the caste hierarchy has operated to impose greater gender constraints on women from higher castes. They are expected to have their family's status and the household functioning as their uppermost consideration. It was considered newsworthy to report in Business line, a journal based in Chennai, India, the findings of a study showing Indian women to be less interested in preparing a meal than helping to fulfill the aspirations of their children. Work was seen as possible but "not at the cost of home or her role as homemaker (Chatterjee, 2001). As noted above (Mitra, 2002), women in business with male family members are not seen to be running the business. However, these women had training and were more directly involved.

Social-economic studies (Vinze, 1987), psychological characteristics (Azad, 1989), motivational studies (Pillai, 1989), background of women entrepreneurs (Anna, 1990); distinctive features of women entrepreneurs (Shah, 1990); strategies to promote women entrepreneurs (Rao, 1991); problems and perspectives (Srivastava and Chowdhary, 1991) were also conducted in different parts of India. While a fairly large number went out for jobs in wage employment a noticeable phenomenon of their experience in wage employment drove them to look for self-employment. The result is the emergence of women entrepreneurs in small businesses but as experience and the supporting environment changed, women were encouraged to even enter the manufacturing sector, which is supposed to be ultimate in the entrepreneurship movement. This has shown that women are capable of and can successfully establish and manage enterprises on a large scale.
The society on the other hand, continues to suffer from a variety of misconceptions, apprehensions and suspicion about their capability with the lack of support from lending agencies and policy makers. Added to this, the lack of documentation on successful business women, their success stories/ experiences also affect to the existing disadvantage. Women in family business thus, both in theory and practice was handicapped by literature and also ‘role models’ for women to push forward with their ideas of making big at the enterprise level. Despite this, some studies as evidenced by a large number of women researchers devoted attention to the struggles, obstacles, and barriers, frustrations, and experiences of women in business and documented it for scholarly purpose. It is only of late that associations have been formed to voice and discuss the problems and prospects of women in family business both at the national and the international level.

The roles of women in the Indian society have important implications for women in family businesses and in turn are shaped but the institutional environment which includes various historical, political, economic and cultural factors. The understanding of these factors will lead to a better understanding of the presence and the nature of women in family business in India. In addition to the profiling, motivation, locational and other dimensions, factors that motivated women in sustaining business were also undertaken (Tulasi, 1995). Family support, independent decision making, skills, and knowledge, self-confidence, credibility were cited as some of the reasons for managing business successfully.

2.4 STORIES ON THE DIMENSIONS OF AND REQUIREMENTS FOR EFFECTIVE RUNNING OF FAMILY BUSINESS

A number of studies focused on different attributes of women for effective running of family businesses. These includes succession planning, professionally managed, governance, strategic planning, role conflict, trust and value, family business, commitment, and communication, etc. Studies in each of these dimensions are highlighted in the following lines.

2.4.1 Succession Planning
Succession is perhaps the topic in family business literature that has received most of the attention from researchers (Upton and Heck, 1997; Dyer and Sanchez, 1998; Dyck et al, 2002). One of the reasons for this is the fact that the succession appears to be, by far, the largest change process that business families will face during their career as owners or managers in family businesses (Lane, 1989; Ayers, 1990; Sharma et al, 1997). Another possible explanation to the large interest for successions is the often present underlying assumption within family business literature that family businesses should stay within families for generations; not doing so signifies failure (Emling, 2000; Winter et al, 2004). Although the reasons behind these succession-related failures may differ substantially, Morris et al (1997) structure the potential sources of these problems in their conceptual model on the determinants and outcomes of family business transitions.

However, family businesses seldom plan for succession (Ward, 1987). Surveys indicate that succession planning occurs in only between 20 to 40% of all family businesses (Mandelbaum, 1994; MassMutual, 1995). Resistance to succession planning appears to be relatively strong, and there may be several reasons for it (Lansberg, 1988). Quite often the main reason for the unwillingness behind the succession planning is the entrepreneur himself (Sharma et al, 1997). This is easy to understand due to the strong linkage between the entrepreneur and the business, but the resistance to succession planning can also have its origin in the behavior of other stakeholders in the family business (Lansberg, 1988). The spouses can discourage succession planning, because they fear that a substantive discussion about the future of the family business will disrupt family harmony. The family business may also be an important part of the spouse's own identity, and a succession may imply that she has to relinquish many roles that she has played during her business career. Other family members may resist succession planning, since they have difficulty in talking about inheritance and the financial future of the family. Younger family members may also feel uncomfortable with succession planning, since it brings forward the fears of parental death or separation and abandonment.

The potential successor may have the needed competencies and skills for running the business, but is seldom able to entirely replace the entrepreneur in the eyes of the employees or more experienced managers. Other owners in the family business may also try to avoid initiatives for succession planning, since changes in the ownership structure and the management positions may cause uncertainties about the future return on investment. Customers, suppliers and other
partners may also want to preserve the status quo. Their relationships to the family business have been established by communicating with the founders, but the introduction of a successor into these relationships may cause resistance among these actors (Steier, 2001). Handler and Kram (1988) summarizes all this resistance in their model about resistance towards succession planning, and they argue that although there are several different sources to resistance towards succession planning, many of them have some relationship to the founder of the family business. The initiative for succession must come from that individual, and as a result of that statement, family business researchers have shown great interest in the founder's role in the succession process (Sharma et al, 1997).

2.4.2 Professionally Managed

Family businesses are professionalized either through the introduction of structures and mechanisms similar to those applied in professionally managed firms or through changing management teams through the introduction of professional managers. Researchers in this area try to understand how and when family businesses introduce structures and systems to coordinate their activities, moving away from a coordination system which is based on direct supervision by the founder or family members (Liebtag, 1984; Berenbeim, 1990; Francis, 1991).

Liebtag (1984) finds that the founder is the key factor in hindering the introduction of systems and structures in the family business. His timely withdrawal from active management of the business and handing it over to professionals is the most critical factor in transforming a family firm into a professional company. Once the founder has departed, systems and structures can be introduced.

Berenbeim (1990) studies 20 firms which have completed the transition from founder management to professional management. He identifies critical steps and issues in the transition of family businesses from direct supervision to “professional” management. He also identifies issues that are critical to professionalization. Several of the issues he identifies are related to the manner and the timing of the founder’s departure. He finds that the withdrawal of the founder is a critical event and needs to be managed as such. He finds that it is important that structures and processes are in place to assure the continuity of the business without this specific person as coordinator of the different interest groups. Finally, the preparation of the succession process is
critical in assuring that the departure from day-to-day business is timely and unequivocal (Berenbeim, 1990).

The selection and preparation of a successor is also critical. In the first place, he finds that it is necessary to have heirs to assure continuance. However, too many heirs can complicate decision making. The heir needs to undergo rigorous training to assume his responsibility (Berenbeim, 1990). In addition, clarification of the role of the family in the family business is important to the process of professionalization.

According to Berenbeim (1990), it is critical to avoid confusion of family and company roles. Also, the uncoupling of proprietary concerns from managerial concerns and distinguishing between these two interests is important in the context of role clarity. Finally, mechanisms for the resolution of family-level matters are crucial for clarification (Berenbeim, 1990).

The introduction of governance mechanisms and establishing management accountability is the last critical moment in the process of professionalization. Berenbeim (1990) finds that a clear statement of principles on key issues concerning management accountability is important. Management decisions and fundamental values regarding matters of corporate governance, investment/divestment, management of financial resources, employee relations and selection of top managers must be defined. It is important that the board of directors have an active role in managing the business (Berenbeim, 1990).

In his work on the development of family businesses in the U.K., Francis (1991) researches the development of family businesses from beginnings as family businesses into financially controlled institutions. He finds that family businesses develop as professional management and/or financial capital is introduced into the business. He goes on to reveal that only a very small number of families can avoid loosing control to outside managers and financial institutions as owners of the business. Francis provides evidence that there is a tendency for family businesses to professionalize during their development (1991).

From this research we learn about mechanisms that family businesses introduce during their transition from a founder/owner managed business to an organization based on systems, structures and roles. Research findings coincide in the importance of the removal of the founder and the eventual professionalization of the business (Francis, 1991).
The number of issues that have been identified as critical to moving from a leadership driven organizational model to a professional management-driven organizational model can make a transition complex. The factors that have been identified provide an understanding of what is necessary in terms of mechanisms and structures. However, extant research does not illustrate how these systems and structures need to be adapted to family businesses. It has also not been made clear which of these issues is of relative importance and has the strongest impact in the professionalization of the family business. Finally, this view addresses the phenomenon of introducing structures and systems into family business from a very general perspective. In this sense, this research is just scratching the surface of the more significant issues involved in introducing specific structures and processes. In this context, research on the application of management and control systems in family businesses can further shed light on the matter under investigation.

2.4.3 Governance

One of the widely accepted and legally prescribed practices for many corporations is the appointment of a board of directors to assure the proper governance of businesses. In the context of non-family businesses, a board is often assigned to control management and assure that the interest of the shareholder is protected. In the context of the family business, the situation is potentially different, as it is characterized by a significant overlap of managers, owners and family. This reduces the agency problem involved in the separation of ownership and management and implies a lesser need to make management accountable to the owners of the business. On the other hand, a family business could face governance challenges that are different from those in non-family businesses. This would imply that the boards of family businesses have different tasks and/or work differently from non-family business boards. This might also imply that the governance mechanism would be used in a different manner in family businesses compared to non-family businesses.

Initially there has been much doubt about the functioning of many boards of family businesses (Barach, 1984). Research has set out to understand the effectiveness of boards in the first place and then to improve the functioning of family boards (Ward 1988b). The majority of researchers have concerned themselves with the composition of the board, i.e. whether to choose inside or outside members. Jain (1980) finds that outside directors can be helpful to small companies in
the development of public relations, mediation on a wide range of internal issues, and providing expertise in different areas. Along the same lines, Whisler (1988) finds in his study that outside directors are helpful. Ford (1988) provides evidence that outside directors are perceived as more effective than inside board members. In agreement with the above, Schwarz and Barnes (1991) find strong support for the inclusion of outsiders as members of family-firm boards. Outsiders provide unbiased views and help in establishing networks. Ward and Handy (1988) find that 48% of family firms have outside directors on their boards. Firms find that having outsiders on their board is useful for advice and counsel.

Ward and Handy (1988) provide evidence for significant limitations of family business boards, as only 2% of their respondents reported the usefulness of the board in succession planning (Ward & Handy, 1988). In their survey on Italian business board practices, Corbetta and Tomaselli (1996) find evidence that the board is mainly concerned with matters of business decision-making, failing to cover matters related to family concerns. To quote them: “For example, the problem of succession is given only a very limited amount of time (1%), and the overall amount of time devoted to family related issues is hardly higher than 12%. With so little time devoted to the issue, it seems difficult to imagine that the board can act as a bridge between the family and the business …” (Corbetta & Tomaselli, 1996). This is not related to the composition of the board. Also, outsiders were found not to be helpful in day-to-day operations and the resolution of family conflict (Schartz & Barnes, 1991).

Overall, these studies provide evidence that the adaptation of board practices has spread widely among family businesses and that, within the context of family businesses, boards offer an important mechanism to assure the accountability of managers to the shareholders. These studies illustrate that, although the board mechanism is useful to the management of family businesses, there are still significant limitations to the ability of the board to govern family business. A board does not address all specific family business “content” issues like succession and “process” issues like conflict among family members.

2.4.4 Role Conflict

The level of conflict among family members stemming from efforts to simultaneously balance
work and family demands, is increasing (Tompson & Tompson 2000:8). The increase in the number of employed women and therefore dual-career and has been referred to as a fundamental cause of the increase in work-family conflict (Kambaya & Reilly 1992). Women have more difficulty managing work and family roles owing to the permeability of the boundaries between their work and family domains, and because they experience work and home stressors at the same time (Tompson & Tompson 2000).

In family businesses, a variety of conflicts are expected to infiltrate the business over time (Harvey & Evans 1994). If the boundaries between the family and the business are blurred, conflict will be unavoidable (Danes, Reuter, Kwon & Doherty 2002:34). Marshack (1994) acknowledges that in family business, it is common for the boundaries between work and home to become blurred. Similarly, Charles (2006) asserts that a family business may be harmful to a couple's home life if there are no restrictions concerning the transfer of business conflicts into the personal relationship. For this reason, Rothart (1982) advises that they must keep their work-related troubles isolated from their personal lives. Allowing personal matters to affect the business will contaminate it with tension and impair its effectiveness (Charles 2006). Therefore, Marshack (1994) suggests that strengthening the boundaries between work and home will bring them closer to achieving synchrony.

In small family businesses, it is anticipated that the owner-managers will accomplish the goals of both the family and the business at the same time. As such, when the needs of the family and business conflict, management-control problems will arise (Riordan & Riordan 1993). This unavoidable contradiction between business and family needs has long been considered a barrier to the long-term wellbeing of family businesses (Ward 1987). Similarly, Rosenblatt (1991) asserts that destructive levels of tension between family and business goals can lead to business failure. In the early stages of the business venture, the owner must use his/her time to locate the business in the market, and as the business matures, the owners must revert their energies toward managing the business. Under certain economic conditions, destructive conflict between family and business goals may affect family business viability (Danes & Rettig 1993; Rosenblatt 1991). Therefore, Owen and Winter (1991) propose that the amount of time dedicated to the business and the amount of control over the business agenda are two important variables
to consider when solving family business problems.

According to Van Auken and Werbel (2006:51), spouses develop expectations concerning their family goals and the level of their spouse's involvement in family and work activities. A spouse who is uncommitted may insist that his/her spouse is more supportive in family relationships, as well as being more inclined to pass judgment on business activities and unprepared to invest some of the family's financial resources into the business. Consequently, the entrepreneurial spouse may be forced to choose between the demands of the spouse and the business. A situation such as this is an example of work-family conflict, as the stress generated will almost certainly have an adverse effect on the entrepreneurs' abilities to make decisions and dedicate personal resources to the continued existence of the business (Van Auken & Werbel 2006).

Role overload is a specific component of work-family conflict (Foley & Powell 1997). According to Greenhaus and Beutell (1985), role overload occurs when the overall time and energy demands associated with given work and family roles become too large for these roles to be executed effectively. Similarly, Cooke and Rousseau (1984) assert that the expectations associated with work and family roles can cause physical and psychological strain, through overload and inference. Role overload will give rise to work-family conflict if partners' opinions concerning the level of role overload differ. In other words, regardless of the manner in which the work and family roles have been assigned to each partner, the workload associated with the work and/or family domain is too large for the partnership to cope with. Consequently, outside assistance may be needed to help in either or both the work and family domains (Foley & Powell 1997). In addition, individuals can attempt to manage role overload by assigning more time to work-related activities when work conflict is high and more time to family-related activities when family conflict is high. However, implementing this strategy will not be easy when both work and family demands are high at the same time (Higgins, Duxbury & Irving 1992).

2.4.5 Strategic Planning

The ultimate impact a family can have on a business is on the overall strategic positioning in their markets. One of the key tasks of the board of directors (and/or other representatives of the businesses shareholders) and top management of any business, whether a family business or a
non-family business, is making of strategic decisions. Therefore, the strategic positioning of a family business might be different due to its specific characteristics. This might imply a specific conduct in their product or factor markets. The area of strategic management in family business has been virtually overlooked (Harris, Martinez & Ward, 1994; Sharma, Christman & Chua, 1997; Wortman, 1994; Ward, 1988).

Only a small amount of research has been undertaken and it attempts to understand strategic management and strategic positioning in family businesses. However, extant research can highlight the differentiating characteristics of family businesses. Looking at differences in the strategic positioning of family businesses, it is possible to understand general differences between family businesses and non-family businesses. The choice and implementation of specific strategies in the context of family business can help to understand potential differences between family businesses.

Despite gaps in research, theorists have repeatedly asserted that strategic planning processes and the resulting strategies of family firms differ significantly from the processes and strategies of non-family firms (Ward, 1988; Harris, Martinez & Ward, 1994). These differences are argued to have a significant impact on the strategic decision-making and the outcomes of strategic decisions for these organizations.

Researchers have begun to examine issues related to family firm strategy. In their review of strategic literature to family business, Harris, Martinez and Ward (1994) provide a list of those family business characteristics that may be advantageous for family businesses.

These include the following:

(a) Slower growth and less participation in global markets (Gallo, 1995)

(b) Long-term commitment (Danco, 1975)

(c) Less capital intensive (Friedman & Freidman, 1994)

(d) Importance of family harmony (Trostel & Nichols, 1982)

(e) Lower cost (Walker & Henderson, 1993)
(f) Generations of Leadership (Ward, 1988)

(g) Board Influence on implementation (Ward & Handy, 1988)

Although this list of observations has been provided, the impact of these factors has not been specified, and an analysis of how common these factors are among family businesses has not been undertaken.

Recently, research has been extended to understand and assess the competitive advantage of family firms, applying the resources-based view (Barney, 1986; 1991; Conner, 1991; Cool & Schendel, 1988; Habbershon & Williams, 1999; Nelson, 1991; Nelson & Winter, 1982; Teece, Pisano & Shuen, 1990; Wenerfeld, 1984). The resource-based view of the firm provides a theoretical framework for understanding the potential relationship between family firm-specific processes, sustained competitive advantage and performance for the family firm. According to the resource-based view provided in strategic management, assets need to have specific characteristics to enable a business to generate sustainable above-average rents. It, therefore, provides the logic of how family business-specific characteristics could actually impact strategic positioning, competitive advantage, and performance differentials in their respective industries.

Donckels and Froehlich (1991) have studied the values, attitudes, goals and strategies of small and medium-sized businesses in different European countries. The results identified differences in strategic behaviors based on ownership structure. Results suggested that family businesses are more risk averse, especially in the area of innovation. They find that family businesses value and pursue the goal of financial independence. Donckels and Froehlich also provide evidence that family businesses are less growth-oriented, rely less on socioeconomic networks, and are generally more conservative in choosing strategic alternatives. However, in terms of functional strategies, family businesses do not differ to a large degree from non-family businesses.

Daily and Thompson (1994) examine the relationship between ownership structure, firm strategy and growth of family businesses. They do not find significant differences in the strategic posture between family and non-family businesses. They base their conclusion on different ownership/management structures, differentiating between 2nd generation family firms, founder managed firms, owner managed firms and professionally managed firms. In addition, they do not find an effect of ownership structure or strategic posture on firm growth. These results are
inconsistent with prior studies. However, the results of the study are of limited validity and cannot be generalized due to the sample size of 122 firms, of which less than 13 firms were professionally managed businesses. Gudmudson, Hartman and Tower (1999) do not find support for the hypothesis that family and non-family firms differ in their strategic orientations. However, they do find some differences across industries, e.g. family businesses emphasis industry leadership less when selling consumer goods than when selling industrial goods.

As the discussion illustrates, family business literature describes the influences of the family on the strategy of the business implemented. However, it does not show how family characteristics influence the strategic positions adapted. Results of initial empirical evidence do not provide conclusive results on whether or not family businesses are different in their strategic positioning. These results neither refute nor confirm this hypothesis. Instead, they suggest that the relationship between ownership and strategic positioning may be more complex than initially assumed. Research in this area has not moved beyond anecdotal evidence and initial cross-section studies. Some studies confirm the anecdotal evidence and assertions commonly accepted within the field of family business. However, evidence is inconsistent due to the different operation of variables and the limited accounting for mediating variables such as industry context.

According to Burns (2001), trust is the basis of a good team. Trust is considered vital to the competitiveness of social organisations, especially owing to the increased levels of uncertainty and complexity in the present business environment (Sundaramurthy 2008). According to Rousseau, Sitkin, Burt and Camerer (1998), trust refers to an individual's belief that those people involved in exchanges will make earnest efforts to uphold their commitments and not take advantage of a given opportunity i.e. it is one's readiness to rely on others.

2.4.6 Trust and Values

According to Burns (2001), trust is the basis of a good team. Trust is considered vital to the competitiveness of social organizations, especially owing to the increased levels of uncertainty and complexity in the present business environment (Sundara Murthy 2008). According to Rousseau, Sitkin, Burt and Camerer (1998), trust refers to an individual's belief that those people involved in exchanges will make earnest efforts to uphold their commitments and not take
advantage of a given opportunity i.e. it is one's readiness to rely on others.

Trust is considered important for several reasons, such as: it enables collaboration, encourages network relationships, lessens harmful conflict, decreases transaction costs, and aids the efficient functioning of groups and efficient responses to crises (Rousseau et al. 1998). In addition, Charles (2006) asserts that trust is the foundation of business and that it is established by commitment, dependability and experience.

Sundaramurthy (2008) refers to three types of trust that are relevant to the present study, namely identification-based trust, interpersonal trust, and competence trust. Identification-based trust arises when individuals understand each other's wishes and needs and their goals are aligned. This type of trust generally exists when individuals think and feel alike because of their shared norms and values, which may stem from a common kinship, familiarity, background or interest (Sundaramurthy 2008). Interpersonal trust is very similar to identification-based trust as it is based on kinship, familiarity, similar personalities, history and shared experience. According to Gersick et al. (1997), family businesses are unique as they already have a profound level of interpersonal trust when commencing business, because the family is the common identifying factor. Family members have had the opportunity and time to cultivate interpersonal trust in the course of their shared history, experience, identity, customs and realities. This instant access to profound levels of interpersonal trust can result in family members being willing to contribute capital and other resources to the business, as well as being committed to the business, even to the point of self-sacrifice (Gersick et al. 1997). Competence trust refers to a belief that an individual entrusted with a particular job is not only willing but also competent to perform that job efficiently (Mishra 1996).

According to Charles (2006), respect forms the foundation for building all relationships, as it is the glue that holds partnerships, teams and organizations together. Having respect for a person leads to the acceptance of that person for what he/she is, which is representative of the individual's core values. Accepting a person for what he/she is in turn builds trust, which can then often lead to new opportunities, strategies, ideas and products (Charles 2006). Communication, trust and respect for each other's ability and position are vital to managing
relationships between family members working in family firms (Foley & Powell 1997; Handler 1991). Similarly, Santiago (2000) reported that family members are more likely to cooperate with each other and support each other's decisions if they have respect for each other and make an effort to understand each other. In addition, Filbeck and Smith (1997) have found that interpersonal conflicts tend to be aggravated in family businesses where the members' personality differences are either misunderstood or not respected.

2.4.7 Family Harmony

A family business consists of two overlapping, interrelated and continually changing entities, namely the family and the business. The integration of family dynamics into a business makes the management of a family business a multifaceted task (Hess 2006). For this reason, Hess (2006) suggests that family business leaders must not only lead and manage their business toward success, but also lead and manage the family's relationship to the business in support of family harmony. In order to increase the chances of continued family business success and family harmony, it is essential that family business leaders assume the correct attitude about the additional intricacy of their family business, as well as handling family business issues directly (Hess 2006). Similarly, Gersick et al. (1997) state that in order to guarantee family harmony and the success of the family business, it is important to have a general understanding of the nature of the relationship between the family and the business. Zwick and Jurinski (1999) refer to family harmony as a common goal of family business owners as they aspire to create an environment that will encourage family harmony. Family business owners perceive their business as being an instrument that will offer their family financial security, as well as binding the family together. However, working in a family business can have the opposite effect as arguments over business-related issues may cause the destruction of family relationships. Therefore, Zwick and Jurinski (1999) advise that family business owners consider planning strategies, all the while being careful to avoid outcomes that may cause family conflicts.

According to Baxter (2009), establishing a business necessitates ample time and capital. These time and financial demands can result in other areas of an individual's life becoming neglected. With regard to, the couple's involvement in the business usually has a substantial effect on their family, particularly if children are involved. Raising a family requires time and resources; therefore the presence of children may impinge upon the amount of time that need to dedicate to
their business. For these reasons, they should endeavour to maintain a balance between their work and family domains in order to ensure that there is family harmony (Baxter 2009).

Some individuals may be confused by the combination of family and business values, and this confusion may bring about family disharmony (Baxter 2009). Therefore, Charles (2006) advises that can prevent hidden agendas, misunderstandings, and disappointments by clarifying and harmonising their reasons for working together. Spouses should preferably have a complete understanding of their own, as well as their partners reasons for teaming up and these reasons should be in harmony. Realistically, however, spouses should find their common ground, as well as finding innovative ways to live up to each other's expectations (Charles 2006). In addition, relationships between family members should be characterised by intimacy, caring and support, appreciation of each other and concern for each other's wellbeing in order for the family business to reach optimal family harmony (Marshack 1998).

2.4.8 Commitment

According to Shaffer, Harrison, Gilley and Luk (2001), commitment is commonly defined as a readiness to use personal, temporal and psychological resources in support of a specific area. Commitment has been identified as being an important attribute in family businesses (Cole & Johnson 2007). In commitment to the business has been viewed as central to the nature of the spousal relationship, influencing whether it is supportive or conflicting. Commitment is also of particular importance in the early stages of a business, when the financial obstacles and possibilities of failure are the greatest (Van Auken & Werbel 2006). In addition, the eagerness and family bonds in a family business can develop additional commitment and loyalty (Leach 1994).

Fitzgerald and Muske (2002) found that in comparison to other family businesses, tend to adopt a stance that embraces their business as a way of life, thereby allowing them to foster greater intimacy in their relationship. According to Jaffe (1990), the decision to enter into business together symbolises a special decision for couples. Akin to the decision to become an entrepreneur, it symbolises a readiness to embark on a new journey, as well as an enormous risk, owing to the substantial commitment of time, energy and finances that the formation of a family business requires. Many copreneurs have compared the formation of a business to having a baby,
as it is a special celebration of their togetherness, conveying immense stress, little sleep and uncertainty (Jaffe 1990). In their study on successful couples post divorce, Cole and Johnson (2007) reported that all of the women spoke of their business with strong commitment and passion. In addition, the women had an almost parental approach toward their business, using words such as "our baby" when referring to the business (Jaffe 1990; Tompson & Tompson 2000). This parental outlook occurs as a result of the couple forming the business together. Women therefore value, defend and care for their business more than business partners who do not have the same attachment between them (Tompson & Tompson 2000). As a result of this parental approach, Cole and Johnson (2007) define commitment as being an emotional attachment to the business.

According to Van Auken and Werbel (2006), research has shown that the presence of children increases an individual's life commitments and presents considerable time demands on family dynamics. Consequently, the presence of children is more likely to impose time demands that could result in increased role conflicts. The stage of the family life cycle (newlywed, young children, blended family or empty nesters) will not necessarily influence spousal commitment, but may influence personal-role conflict and the time available to dedicate to the business (Van Auken & Werbel 2006).

Committed spouses are also more likely to offer emotional support to their partner than uncommitted spouses (Van Auken & Werbel 2006). According to Poza and Messer (2001), spouses play a significant part in reinforcing family harmony and business goals. The dynamic of committed spouses positively influences family commitment, culture, communication and business management. Committed spouses share their dreams with each other and the psychological contribution to the business opportunity will make the sharing of common goals possible. Spouses will feel more comfortable sharing their business decisions with someone who shares their dream and a committed spouse is generally more enthusiastic to contribute energies to guarantee effective decision-making. As a result, committed spouses are expected to be caring and sympathetic in response to their partner's business problems (Van Auken & Werbel 2006).

Consequently, there is greater commitment in women in family business than in other business types, because the business is in the hearts of the couple. Women in business together, and will
therefore succeed or fail together. Both spouses are attempting to build a successful business and are prepared to do whatever it takes to achieve this (Charles 2006).

2.4.9 Open Family Communication

A strong family business requires open communication concerning goals, and an aspiration to resolve misunderstandings about issues influencing the accomplishment of those goals (Danes et al. 1999; Isaacs 1991). Studies have shown that when open communication exists in a family business, disagreements are less intense (Berry & Williams 1987; Danes, Fitzgerald & Doll 2001).

According to Maas and Diederichs (2007), communication problems can occur in family businesses. Examples of this include the following:

- A lack of clear and formal communication channels or opportunities will result in vague, superficial communication between individuals.
- It is common to have difficulty discussing the soft, personal issues, choosing to focus their communications on neutral and non-personal issues instead.
- Stress, pressures and crises have a negative impact on communication, resulting in people reacting angrily to stressful situations instead of handling them objectively.
- A failure to discuss sensitive issues, especially those issues avoided by family, will not aid open and focused communication. Choosing to ignore sensitive family issues can cause resentment to build and obstruct essential business decisions.
- Poor communication techniques can result in the misinterpretation of messages and may occur when an individual cannot communicate clearly, or uses the incorrect method of communicating.
- An ongoing family feud or mistrust can result in open and clear communication being more difficult to achieve. A failure to resolve such conflicts may eventually because the business to fail and the family to separate.

Maas and Diederichs (2007) conclude that in order for a family and a business to function effectively and in harmony, it is imperative that the business has communication processes which allow for free and transparent discussions concerning all issues, in an environment that is non-threatening. Similarly, Owen and Winter (1991) have established that open family talks,
regarding problems that arise in the early stages of business development, are important. Women in family business have been described on numerous occasions as having an advantage over unmarried business partners because of their superior communication skills. These communication skills will differ depending on the quality of the marriage, but women almost certainly have more opportunities to perfect their communication with each other than traditional partners do (Tompson & Tompson, 2000). However, Stewart-Gross and Gross (2007) point to a lack of communication as a key reason for failure.

A failure to communicate successfully may result in a failure to improve relationships, successfully resolve conflicts, and enhance leadership power (Stewart-Gross & Gross, 2007). Therefore, the unique circumstances created by the interconnected lives of women call for effective communication (Stewart-Gross & Gross, 2007). Women must ensure effective communication in their business discussions, negotiations, and interactions with their spouse, family, and colleagues, to achieve success. Quality business discussions between spouses can help to ameliorate their planning and aid decision-making, while also making extra quality time for their business and their marriage (Stewart-Gross & Gross, 2007). In addition, women must communicate to ensure the growth and development of their business and family, their personal professional growth, and the development of their relationship as a couple (Stewart-Gross & Gross, 2007).

Women should establish an effective communication system to resolve conflicts between them (Charles, 2006). Stewart-Gross and Gross (2007) refer to the importance of negotiations in a family business, as spouses will be able to handle conflicts in a civilised and efficient manner, and reduce suppressed work- and home- related stress, if they negotiate effectively. They should also honestly and openly assess their business compatibility. Spouses may have a successful working relationship if they are able to resolve their differences without personal attacks, consider each other's opinions, and recover from disagreements easily (Stern, 2008).

Similarly, Foley and Powell (1997) anticipate that if spouses are able to successfully address and resolve their differences concerning important issues, they should both experience an enhanced satisfaction with their lives, a better marriage, and a more successful business. However, it is still possible for spousal communication to deteriorate into negative personal attacks if the business lands in financial difficulties (Van Auken & Werbel, 2006). Communicating with
accuracy and consideration can help to abate role confusion for copreneurs and their employees. Identifying, defining and communicating work responsibilities at home and at work can help to prevent power struggles from occurring in both domains (Stewart-Gross & Gross, 2007).

In addition, Stewart-Gross and Gross (2007) advise that women can improve their chances of family business success by perfecting the most basic and important communication skill - listening. Although listening may seem common-sense to most people, effective listening is undoubtedly not common practice, therefore individuals must practice listening on a regular basis. Listening is the basis of effective communication, and must listen in order to clearly understand messages, be more productive, build better relationships, be more respectful, and acknowledge others involved in discussions (Stewart-Gross & Gross, 2007).

Thus, researchers have studied a number of dimensions in family business management, but all these studies were done in isolation to each other, thus, lacking in integrating the issue in a broader format.

5.5 RESEARCH GAP AND THE NEED FOR THE STUDY

The focus of the study is on women in family business in the Indian context not only reflects the smaller number of studies but also evidence studies in different contexts. Contextually, there may be some difference in view of the socio cultural profile of women but certainly the problems, performance, reason for joining business, motivation were found to be similar. There are many issues in the family business which has to be studied and very little work has done on it. As Baker (1997) points out, the position of the women entrepreneur has been neglected by both the mass media and the academic community. Despite the impressive contribution women owned businesses is comparatively understudied in the entrepreneurial domain (Brush and Hisrich, 1998). As against this background, Baker (1997) in a comprehensive review of both practitioners and scholarly journals found that the number of articles about women in business declined from 44% in 1980 to 14% in 1995. Furthermore, the bulk of these studies only included women in their research samples. In particular, studies that systematically analyzed the business
age, size, strategy, policy, managerial capabilities, and business opportunities and analyze their perceptions and opinions on business are nearly absent from the existing literature. The gaps thus, evidence a holistic way of women entrepreneurship in general and much more so in terms of the role of women in family managed businesses.

Contextually, studies reveals variations especially in a developing context like India are strikingly inadequate (Singh, 1993). Though women in India were large entrants into business, it is all the more saddening to find that this area was not found worth exploring by scholars other than a few and that too women wither in academics or practitioners, leaves the field limited in documentation. The knowledge about the characteristics of women business owners and the existence of women in family business in other countries due to political, economic, cultural, and institutional differences is lacking. Thus, the investigation of women in family businesses as self-employment in other countries is seen as a promising direction for new research (McManus, 2001). The available literature on women in family business in the countries from centrally planned to market economy apart from being scare suffers from some important limitations, mainly lack of methodological rigor and lack of contingent and explanatory investigations in the issues of women in family business. This provides for a considerable research gap and need for studies in this direction. Most of questions relating to the profiles, motivation, enterprises data along with the opinions and perceptions of women in family business management are left unanswered.

More particularly the following issues can be figured out. They are-

- The demographic and psychographic profile of women in family business- age, education, work experience, career goal, income, family background etc.
- The enterprise data in family business terms of year of establishment , location, nature of unit, nature of product, employees, values and decision making in business
- The factors influencing the women in the family business

Thus, the above issues evidence significant research gaps which need to be addressed to generate data and literature in the area and also to further research. Moreover, India as the geographical area, in terms of business climate and the promising role and interest being showed by women
makes the study worth exploring. Family businesses have existed in India for quite long but very few women participated professionally in managing the businesses which makes both the research and the literature scanty, thus needing studies in the direction.

5.6 SUMMARY

One of the most significant requirements for a successful woman work – at home or the workplace. Therefore, collaboration and cooperation is vital to the success of a family. Irrespective of their unique nature, they are essentially identical to any other family member. This is true of a family business too. An attempt has been made to discuss the various studies in family business management. A discussion of the various factors influencing the success of family business has formed the foundation for this chapter.

To begin with, the nature and value of the family business environment was discussed. This discussion also included a brief description of the family business global and Indian perspective. It was established that an enterprise comprises a group of individuals who are involved in the establishment and management of new ventures, and are therefore vital to the growth of new ventures. Consequently, it is essential for businesses to establish effective structures that will permit active and energetic problem-solving, as well as generating creative strength and new ideas from its members. Whether in business or in personal life, being a member of a successful team is a satisfying and beneficial experience. Similarly, the concept of family business management along with its various dimensions as discussed by scholars was also included.

After careful consideration of the existing literature on effective running family business, the different models proposed and the factors identified, and it was clear that successful teams have confirmed their ability with regard to two types of factors: firstly, family-based factors focusing on the person-to-person and inter-group dynamics or processes between the family members, and secondly, business-based factors relating to the ability to achieve what it has been designed to do, by having a supportive context and a suitable composition and structure. The specific literature on family business, several Family and Business-based factors influencing the success of family business teams has been identified. The Family-based factors include: Trust and values, Family harmony, Open communication, and Commitment to the business. The Business-
based factors include: Succession planning, Professionally managed, Governance, Role Conflict and Strategic Planning.

Chapter 4 will endeavour to merge the various family-based and business-based factors into a comprehensive conceptual model, which portrays the conditions required for the effective functioning of a family business.