PROLOGUE

1.1 Introduction:

“Societies are social groups that differ according to subsistence strategies, the ways that humans use technology to provide needs for them. Although humans have established many types of societies throughout history, anthropologists tend to classify different societies according to the degree to which different groups within a society have unequal access to advantages such as resources, prestige, or power. Virtually all societies have developed some degree of inequality among their people through the process of social stratification, the division of members of a society into levels with unequal wealth, prestige, or power.”

1.2 Revolution of changes in societies:

The revolutions which have taken place from time to time and the changes in societies are:

1.2.1 Hunting and Gathering Societies:

Hunters & Gatherers came to existence roughly around 20000-12000 years ago.

These are the simplest types of societies in which people use to rely on readily available vegetation and hunted game for subsistence. “Only a few people can be supported in any given area in such subsistence societies. Hence they usually have no more than 40 members or so, and have little or no division of labor”

All societies began as hunting and gathering societies. Women would gather fruits, nuts, grains, herbs and small prey while nurturing the children. Men were hunters and toolmakers and sometimes would leave families for long period of time in order to get food.

The Domestication Revolution:

“The domestication revolution was the transformation of human society brought about by the domestication of plants and animals for food production, leading to horticultural and pastoral societies.

The domestication revolution was the first dramatic transformation in the nature of human societies. While this revolution took place over a very long period of time, it marked a dramatic change in the nature of societies. The domestication revolution marked the first successful effort by people to use social organization to gain greater control over the production of food and improve their lives. The availability for the first time in human history of a dependable food supply unleashed a whole chain of events that changed society forever.\textsuperscript{4}

\begin{figure}
\centering
\includegraphics[width=\textwidth]{domestication_revolution}
\caption{The Domestic Revolution}
\end{figure}

\textsuperscript{4} “Domestic Revolution”, available at \url{http://web.missouri.edu/~brente/domrev.htm} accessed on 23 Aug, 2013
Pastoral societies:-

Pastoralism is a slightly more efficient form of subsistence. Rather than searching for food on a daily basis, members of a pastoral society rely on domesticated herd animals to meet their food needs. “Pastoral societies tended to develop in arid regions where there was insufficient rainfall to raise crops on the land. Pastoral societies were usually nomadic; moving on to a new area after the animals had exhausted the food supply in each pasture.”

Horticultural Societies:-

Fruits and vegetables grown in garden plots that have been cleared from the jungle or forest provided the main source of food in a horticultural society. These societies have a level of technology and complexity similar to pastoral societies. “Horticultural societies are societies in which people plant crops in small gardens for subsistence rather than depending on available foods. This planting occurs without the use of plows or more advanced technology. Horticultural societies are preindustrial societies.

Horticultural societies must be located in areas with conditions suitable for growing crops reliably. Areas that are too cold or lack sufficient rainfall could not support such societies. Horticultural societies made it possible to establish permanent settlements.”

The Agricultural Revolution:-

“The agricultural revolution produced a transformation of human society brought about by the invention of the plow, making large-scale agricultural production possible and leading to agrarian societies.

The agricultural revolution had such a profound impact on society that many people call this era the "dawn of civilization." During this same period that the plow was invented, the wheel, writing, and numbers were also invented.

The agricultural revolution further accentuated the changes taking place due to the domestication revolution, extending those effects even farther in society.

**Figure 1.2: The Agricultural Revolution**

During this period, stratification became a major feature of social life. An elite gained control of surplus resources and defended their position with arms. This centralization of power and resources eventually led to the development of the state as the rich and powerful developed the institution of the state to further consolidate their gains.  

1.2.2 Agrarian Societies:

Daily quests eliminated from hunting and gathering to agriculture. Permanent settlements began to develop and more labor resulted in larger families in order to work on land and tend to animals. Agrarian societies are based on large-scale agricultural production made possible by plows pulled by animals. Agrarian societies, because they are based on large-scale agriculture, are far more efficient than earlier societies and typically have a huge food surplus. This supports a complex division of labor.

The Industrial Revolution:-

The Industrial Revolution was a dramatic change in the nature of production in which machines replaced tools, steam and other energy sources replaced human or animal power, and skilled workers were replaced with mostly unskilled workers.

1.2.3 Industrial Societies:-

After thousand years of agriculture, technology and crafts developed. Sales, merchants and artisans began to work. Children by age of 7 or 8 assisted in economic activities. Young adults would separate from family and work for other families to earn money. Roles became more defined as population grew and stabilized. Industrial societies rely heavily on machines powered by fuels for the production of goods. This produced further dramatic increases in efficiency.

The increased efficiency of production of the industrial revolution produced an even greater surplus than before. Now the surplus was not just agricultural goods, but also manufactured goods. Once again, the population boomed. Increased productivity made more goods available to everyone. However, inequality became even greater than before. The breakup of agricultural-based feudal societies caused many people to leave the land and seek employment in cities. Most people lost the role of producers and became consumers. Family members and children began to work in wage based labour force in the new factories as industrial nuclear families emerged. This created a great surplus of labor and gave capitalists plenty of laborers who could be hired for extremely low wages. Women were nurturers, worked at home and supported financially by the husbands as men were money makers.

The Information Revolution:-

The Information Revolution is a phrase we use to refer to the dramatic changes taking place during the last half of the 20th century in which service jobs (ranging from high technology, highly skilled professions to low-skill jobs like short-order cook) are more common than jobs in manufacturing or agriculture. The product of skilled professionals is the information or knowledge they provide. The information revolution began with the invention of the integrated circuit or computer chip. Those chips have revolutionized our lives, running our appliances, providing calculators, computers, and other electronic devices to control our world. It is still early enough that no one knows precisely what all of the implications of the information revolution
will be for social life. But clearly changes such as the information superhighway
permitting people to communicate using computers all around the globe, fax
machines, satellite dishes, and cellular phones are changing how families spend their
time, the kind of work we do, and many other aspects of our lives.

1.2.4 Postindustrial Societies:

“Postindustrial societies are societies dominated by information, services, and
high technology more than the production of goods.

Advanced industrial societies are now seeing a shift toward an increase in service
sectors over manufacturing and production. The U.S. is the first country to have over
half of its work force employed in service industries. Service industries include
government, research, education, health, sales, law, banking, and so on.”

It is still too early to identify and understand all the ramifications this new kind
of society will have for social life. In fact, even the phrase “postindustrial” belies the
fact that we don't yet quite know what will follow industrial societies or the forms
they will take.

1.3 Human occupations:

Human occupation is nothing but the work performed by human beings for their
survival and to provide themselves the basic needs such as food, shelter and clothing.
Human beings require different types of goods and services to satisfy their needs. To
earn these goods and services they engage in different activities. These activities bring
in their income. Their income determines their standard of living. The purpose of all
these activities is to earn income for meeting their needs. We can broadly classify all
activities carried out by man into two types:

1.3.1 Economic Activities:

Any human activity which is performed in exchange for money or money's worth
is called an economic activity. In other words; economic activities are those efforts
which are undertaken by man to earn an income. Economic activities result in the

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production of goods and/or services. Thus, an economic activity may be defined as any effort made by an individual, mental or physical, with the intention to earn something in return.

For an activity to be called an economic activity it has to satisfy two conditions -
(a) There must be an effort.
(b) The effort should be with a motive to earn something in return.

An economic activity results in the production of goods and services. These goods and services are used by people to meet their basic necessities of life and to satisfy their needs and desires. Each one of us needs food, clothing and shelter as the basic necessities of life. Along with the basic needs, we all would also like to consume many other products and services to lead a good quality of life.

All these are made available to us by the various economic activities carried out by all of us. It is the economic activities which human perform to meet their various requirements. When a person is regularly engaged in an economic activity, it is said to be his occupation. The choice of occupation depends upon the environment which differs from regions to regions and place to place so the human occupations differ place to place.

There are 3 types of occupation:

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    Occupation
      /|
     / |
Primary  Secondary  Tertiary
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*Figure 1.3: Types of Occupation*

“People engaged in various occupations are dependent on each other people engaged in primary occupations supply food and raw materials to those who are
engaged in secondary occupation. The people from secondary occupation use those materials and provide finished product to the tertiary occupation.”

**Primary occupation:**

Primary occupations are an occupation in which people are directly dependent on the natural environment for their living. Man just collects and uses the things which are available in nature. For e.g. lumbering, fishery, agriculture, mining, animal husbandry etc.

**Characteristics of Primary Occupation:**

- These occupations totally depend on nature.
- A lot of manpower is required.
- Depending on the availability of natural resources, different primary occupations are carried out in different areas.
- Compared to the labour inputs, the returns are quite low.

**Secondary Occupation:**

Through primary occupations we get different types of things. Occupations that involve manufacturing of finished products from raw material are called secondary occupations for e.g. obtaining cloth from cotton or sugar from sugarcane.

**Characteristics of Secondary Occupation:**

- The items manufactured in these occupations have better utility and greater value.
- From perishable materials, long lasting items can be obtained.
- Machinery is used on a large scale.
- Mass production of items becomes possible.

**Tertiary occupation:**

Some occupations are supportive to the primary and secondary occupations. All the services and also activities like sharpening weapons and many others support primary and secondary occupations. All such supportive occupations like transportation, communication, banking, storage, trade, etc. is called tertiary occupations.

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10. Radhika & Others, “*Human Occupations*”, Social science seminar project submitted to Pavan English Medium High school, Dharwad, pp. 2
Characteristics of Tertiary Occupation:-

- These occupations do not produce any item.
- These occupations provide services; one has to pay the cost.
- Apart from these, certain services need special skills. Such services are included in quaternary occupations e.g. doctors, lawyers, teachers etc.

1.3.2 Non-Economic Activities:-

Activities, which are performed not to earn money but to get some satisfaction, are called non-economic Activities. It is done out of interest which give them satisfaction. “People engage in these activities due to the following considerations like Love and affection, Personal satisfaction, Physical needs, Religious obligations, Social obligations & Recreation” There are some activities undertaken as part of moral duty or social obligation. All such activities are called non-economic activities.”

1.3.3 Types of Economic Activities:-

Economic activities or the types of occupation of people can be divided into three categories:-

i) Business
ii) Profession
iii) Employment

- **Business** refers to those economic activities in the production and purchase or sale of goods or services, with the aim of making profit. The income from business is profit. Thus, business may be defined as “those human activities which involves production or purchase of goods with the object of selling them at a profit margin”.

- **Profession** is an occupation requiring special knowledge and skill in doing the job. Such activities are generally subject to codes of conduct laid down by

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professional bodies. Those engaged in profession are known as professionals. Doctors, Lawyers and Chartered Accountants are professionals.  

- **Employment** refers to an occupation in which a person works regularly for another and gets wages/salary in return. Government servants, company executives, bank officials, factory workers are said to be in employment. In employment there are certain terms and conditions regarding work to be performed, hours of work, amount of wages/salary and other facilities, if any.  

1.3.4 Definitions of Business:-

**Business According to Prof. R. N. Owens**

“Business is an enterprise engaged in the production and distribution of goods for sale in a market or rendering of services for a price”.  

**Business According to Urwick and Hunt**

“Business is any enterprise which makes, distributes or provides any article or service which other members of the community need and are willing to pay for”.  

**Components of Business:-**

Business includes the total enterprise of the country. Business activity has two branches industry & commerce. They are as follows:-

- **Industry:-**

  In broad sense, industry is the branch of business activity which concerned with raising production, fabrication or possessing of goods and services. In other words, industry is an activity concerned with conversion of raw materials or semi-finished goods into finished goods. Industry provides two types of goods namely consumer goods and Industrial goods. Consumer goods are those goods manufactured by industry for ultimate use of a customer. Industrial/Capital goods are those goods produced and used for further production.

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 Commerce:-

Commerce has been defined as “the sum total of those processes which are engaged in the removal of the hindrance of persons (trade), Place (transport and insurance), and time (warehousing) in the exchange (banking) of commodities”.\textsuperscript{17} While industry is concerned with the production of goods, commerce is concerned with making the same available to those who need them. In other words, commerce is mainly concerned with distribution of goods. It embraces all those functions which are essential for maintaining a free and uninterrupted flow of goods.

 Trade:-

Trade means sale, transfer, or exchange of goods and services. It is used to denote buying and selling. Therefore, one who buys and sells is a trader. “A trader is a middleman between the producer and the consumer. Trade may be wholesale trade or retail trade. A wholesale trader purchases in large quantities from the producers, and sells in small quantities to the retail traders. A retail trader is one who purchases from the wholesale trader or sometimes directly from the producer, and sells in smaller quantities to the ultimate consumers”\textsuperscript{18}

1.4 Evolution of business in India:-

Evolution of business refers to origin & growth of business activities over a period of time. Business activities started when people started exchange of goods for goods, it started since the days of early civilization around 5000 B.C. exchange of goods for goods is known as barter system. During those days people produced more food than they required, this was the beginning of exchange. Barter system cannot be called business because there was no intention of making profits. People exchanged goods with each other’s only for satisfying needs of each other. Actually business started from the time of Indus Valley Civilization.

1.4.1 Indus Valley Civilization: -

The period of Indus valley civilization was 3300 BC to 1700 BC. The first know civilization from where the roots of business actually started. The Indus valley is based

\textsuperscript{17} Ibid
\textsuperscript{18} Nature and Scope of Business in "Industry& Commerce, Module 1, Business Studies", pp. 34
around river Indus in modern day Pakistan & northern & western India. Agriculture was the main occupation of the people. They used uniform weights & measures & traded with other cities. Besides, farmers, other classes of people such as barbers, carpenters, Ayurveda doctors, goldsmiths & weavers existed.

1.4.2 Maurya Empire: - During the Maurya Empire, which was from ca. 321 to 185 BCE it was for the first time that India was united under one ruler. This led to building more secure trade routes throughout India. It reduced the risk associated with transportation of goods. Coins were increasingly used as a currency for trade purpose. During this period the exports comprised of Muslin of Decca, Calicos of Bengal, Shawls of Kashmir, Steel & Iron Works, silk & other textiles & handicrafts, agricultural products like pepper, cinnamon, opium & indigo which were exported to Europe, Middle East & South East Asia in return for gold & silver, pearls & other valuables.

1.4.3 The Islamic Sultanates: - During this period (1206 to 1596) India was the only known country for diamond mines in the world. Muslim trading communities arrived in Kerela from the Arabian Peninsula through the trade links via Indian Ocean & they settled throughout the coastal South India. During this period organized banking system started in India. Hundis (traditional form of bills of exchange) were widely used in trade. Important centers of trade & industry such as Delhi, Lahore, Bombay, Ahmedabad, Jaunpur & Sonargaon were developed with large
population residing in these areas. Export was more than imports & India enjoyed a favorable balance of trade position. Items of exports consisted of silks, gold embroidered silk caps, finely designed clay pots & pans, guns, knives, scissors, sugar, indigo, oils, ivory, sandalwood, spices, diamonds & other precious gems & coconuts. Goods were mainly exported to Syria, Arabia, Persia from Bengal & Cambay. The main items of imports were horses from Kabul & Arabia, dry fruits & precious stones.

After this period there was **Mughal Era** from 1525 to 1725, during which in 1526, Babar a Turku- Persian came from the Khyber Pass & established the Mughal Empire in India which lasted for over 200 years. In 1617, Emperor Jehangir granted permission to the British East India Company to trade in India. Then afterwards the **Maratha Empire** came into existence (1750 to 1818), during 1750 to 1775 the Maratha Empire expanded to almost 34% of Indian landscape. The Marathas adopted the tax administration system.

1.4.4 Pre- British India:-

Before the advent of the Britishers Indian economy was seen like a “GOLDEN BIRD”. It was an independent economy with its trade relations extending as far as Arabic nations & Rome. The Indian economy was divided into various province & kingdoms. The village community & the subjects handled over every year to the ruler or to his nominee a share of the year’s produce. India was one of the most advanced countries of the world up to 18th century.

**Features of Pre- British Indian Economy:-**

1) **Village Self- sufficient community:-**

The village communities were self-sufficient small republics owing the land, paying taxes to the rulers & kings. All the artisans in the village were servants of the village community. Such village communities were independent of any foreign
relations & trade. The village communities continued as it was in the same form even though dynasty after dynasty & revolution after revolution the rulers changed from the Hindu, Pathan, Mughal, Maratha, Sikh. The union of the village communities was very strong one. It was functioning on the basis of self- government & work divided into community.

2) Agricultural based economy:-

Indian economy was pre-dominantly an agricultural economy. More than two-third of the male were dependent on land for their occupation & livelihood. Agriculture was either practiced as the main occupation or subsidiary occupation by every villager. Agricultural activities were carried on in a primitive & traditional way using simple agricultural implements such as wooden plough, iron sickle, axe, and leather bag to draw water from the well. Old traditions & practices governed agricultural practices in the village economy.

3) Industrial sector:-

Indian industrial sector was one of the best in the world. Indian industrial products were well known not only in India but as far as Italy & Rome. The important industrial products manufactured in India were cotton textiles, sugar, dye, silk, gems, carpets enamels & mosaics. Also agro-based industries manufacturing oils, tobacco, opium and alcoholic beverage flourished in India. Mining industry, iron & steel production & ship building industries were developed in a great way in India. Indian sub-continent exposed to Arabian Sea, Bay of Bengal & Indian Ocean had several shipyards lined around its coastal location. India was self-sufficient in iron ore reserves.

4) Handicraft Industries:-

Indian handicraft industries in the field of cotton & silk textiles, metal & precious stone works enjoyed a worldwide reputation & markets due to its high standards of craftsmanship & excellent quality of material used. India was an exporter of its handicraft products. India was well known for its artistic industries like marble work, stone carving,
jewellery, brass, copper & bell metal wares. Industrial development in India was at par or even much advanced than the industrial development in the European nations. Each handicraft was well organized into a guild. The guilds were governed by their own laws & the ruler was expected to recognize & respect them. Guilds were association of businessman having common objectives & interests which safeguarded the professional interests of its members such as working hours, wages, working conditions, etc.

5) Structure of Towns:-

Towns in India developed amidst villages. Some towns such as Tanjore, Poona, Lahore, Delhi & Lucknow were the headquarters of king & emperors. Towns like Puri, Allahabad, Banaras, Mathura & Nashik gained importance as pilgrimage & sacred religious centers. Also some towns developed near coastal areas as well as on the banks of navigable rivers.

6) Social & Cultural condition:-

The economic conditions of the people in villages were poor & culture influenced their life styles. In urban centers & towns people were relatively rich, mobile & progressive.

1.4.5 British Rule in India:-

“Britishers entered India as traders through the route of East India Company & they ruled over India. There exists a direct correlation between the length of British rule in India & the progressive growth of poverty in the nation. The land revenue system imposed by the Britishers looted not only from the living but also from the dead cultivators. India was transformed into colonies of the developed capitalist countries like England. The western powers aggressively captured over the entire nation & started looting them. Freedom & independence was snatched from the people. People were made slaves in their own country & they were forced to work for British
administration. India which was admired as a golden bird world over due to its economic development was looted illegally by the Britishers during their rule in India. Indian industries were destroyed. Raw material from India was exported to England & finished products from England was imported to India & sold in Indian markets. As a result of these policies Indian handicrafts faced a severe challenge from the foreign goods. India now became the exporter of raw materials to British industries and an importer of ready-made goods from Britain. This phenomenon of the ruination of Indian handicrafts industries is most well known as Deindustrialization. This destroyed the self-sufficient village economy as the destruction of the traditional industries led to overcrowding in the agrarian sector. De-industrialization had far reaching effects in different sectors of the economy.\(^{19}\)

If the history of British rules in India was to be condensed to a single fact, it is this- India was reduced to a status of feeder economy for Britain’s rapidly growing industrial sector. India was looted & converted from riches to rags- with poverty, illiteracy, unemployment, diseases, famines, war, riots & international conflicts, etc. before finally Britishers left India in 1947. In facts, if India wouldn’t have been under the colonial rule then today its status & position in the world map would have been totally different & India would have been the most advanced country of the world.\(^{20}\)

1.4.6 Stages in Evolution of Business from Local to Global:

Evolution of business means its origin, growth, and continuous development with expansion in various sectors that contribute and run economies. The evolution of business went through many progressive stages or so called developmental steps. In each stage of progress, it evolved itself and got more mature than its previous stage. It is evident that, at every step of evolution; it expanded its scale of operations and also widened its modes of communication. Business is continuously evolving since then.


1. First, the local business evolved from its three basic sub-stages, namely; starting with barter economy, and then followed by village and town economy.
2. Secondly, the regional business grew as a result of cooperation between different states.
3. Thirdly, the national business was an outcome of a business presence felt in the entire country.
4. Then, international business emerged as an answer to fulfill the scarcity of resources felt within each country.
5. Finally, an idea to see the entire world as one huge market was realized. This paved the way to form a new concept called global business.

Now let's discuss in brief each of the above-mentioned main stages that contributed towards evolution of business.

1. **Local business:-**

   Business had its origin since early ages of human civilization. It began with a mere sharing of food commodities. People use to collect and store whatever surplus they had and use to seek out something they didn't have. This situation was present in various areas around the world which later gave birth to a form of business in local areas.
What is a local area?
“Local area comprises of surrounding neighborhood, adjacent areas where community of native people mostly dwells, resides, and remains active regularly.” In general, “local business can be stated as various exchange (trade) activities happening regularly among people of a local-area.”

![Diagram of Local Business Stages]

**Figure 1.5: Sub-Stages of Evolution of Local Business**

The three sub-stages of evolution of local business are as follows:

1. **Barter economy stage:**
   In barter economy stage, money is not used as a medium of exchange. Here, goods are exchanged for goods. Monetary transactions are absent in barter exchange. Here, the rate of exchange depends upon needs of both parties involved in a barter transaction. It is the barter system of trade that laid the very foundation of a business.

2. **Village economy stage:**
   “The village is a small group of dwellings in a rural area, usually ranking in size between a hamlet and a town.” It is a self-sufficient communal unit. Here, people usually live in harmony with each other and their environment by forming

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different cooperative social groups. The village economy is mainly supported and fueled by various agricultural activities. Here, people satisfy each other’s requirements by trading among themselves their basic goods and services. However, in some special cases, even gold, silver, and copper were used for trading.

When villagers started doing their businesses at a village level, it helped to form the world’s first markets. In these small markets, the villagers exchanged or sold their surplus goods. This overall helps to transcend the economy from a barter stage to become a village economy.

3. Town economy stage:

“A thick populated area, usually smaller than a city and larger than a village, having fixed boundaries and certain local powers of government.”

Town is a meeting ground for the majority of villages. It is a place where people from different villages come together, interact and mingle. This heterogeneous interaction brings the influx of new cultures and traditions, ideas, and creates better opportunities. This attracts many new people, and development also starts taking place to sustain the demands of incoming masses. This process gradually results in formation of a town's economy.

2. Regional business:

In general, “Region is a large, usually continuous segment of a surface or space; area.” It is a huge landmass or area that comprises of numerous town economies.

When a business alliance of town economy from any specific region feels the need to extend the scope of their business, it results in business expansion at a regional level.

Regional-business is a business between different areas within a country. It mainly includes trade between various states, which are political divisions that make up a country. Here, credit sales get more importance. Better and economic infrastructure facilities, especially, transport and communication are required to develop regional business.

3. National business:-

In general, “Nation means a community or race of people with shared culture, traditions, history, and (usually) language, whether scattered or confined to one country.”

“It is an organized political union of its member states.”

“National business is present in the entire country.” In a practical sense, it is spread in the most parts of a country. The business at a national level first started in England during the era of Industrial Revolution. The joint-stock companies became very popular during this stage. The size of a national business is always large when compared with the business done at a regional level. National business helps to make the availability of goods and services in the most parts of a country.

4. International business:-

No nation is 100% self-sufficient with its all available resources. A nation may have abundance of some resources but may also experience scarcity of other resources. To overcome this scarcity, nations often trade among themselves. They satisfy each other's needs by supplying their surpluses and/or expertise, and in return bring home, the scanty resources. The term international business implies, “The exchange of goods and services among individuals and businesses in multiple countries.” It is a specific entity, such as a multinational corporation or international business company that engages in business among multiple countries.

Today, international business has increased many folds. It is so, mostly due to availability of faster modes of communication and transport, regional cooperation between countries, and adaptation of free trade policies.

5. Global business:-

Global market is one big world level market. Here, the entire globe or world is considered as one huge market of opportunities. This market has the enormous levels of customer base than any other type of market. It has no borders and is almost restrictions free. All companies can sell their goods and services in this kind of one open global market. However, here, the competition is very severe. Large funds, skilled human resource, an ample amount of creativity and innovation, best quality of produce and services, along with world-class logistics and marketing are required to

sustain the tremendous pressures of its severity. Generally, this market is fully controlled by the rich cartels of multinational companies (MNCs).

“Global business consists of transactions that are devised and carried out across national borders to satisfy the objectives of individuals, companies, and organizations.” Global Business is a business in one giant world-level market. It is a new concept and is also referred as Globalization. India entered the world market and started its global business in the early 1990s. Since then its importance is increasing rapidly in India. The global business is the most current and latest mature stage the modern business has evolved into. This is how the evolution of business took place starting from its basic local level and arriving at a global stage.

1.4.7 Forms of Business Organizations in India:-

A. Sole Proprietorship Firm:

This is the oldest and most common form of business. It is a one-man organization where a single individual owns, manages and controls the whole business. The liability of the owner is unlimited. A Sole Proprietorship business is suitable where the market is limited, localized and where customers give importance to personal attention. This form of organization is suitable where the nature of business is simple and requires quick decisions. This type of organization is suitable where the capital required is limited and the risk-involvement is not great. It is also considered suitable for the production of goods which involve manual skill e.g. handicrafts, filigree works, jewellery-making, tailoring, haircutting, etc.

B. Partnership Firm:

A partnership is defined as a relation between two or more persons who have agreed to share the profits of a business carried on by them or any of them acting for all. The owners of a partnership business are individually known as partners and collectively as a firm. In a partnership firm, persons from different walks of life, with ability, managerial talent and skill, combine to form a business. This increases the administrative strength of the organization, the financial resources, the skill and expertise, while reducing risk. Such firms are most suitable for comparatively small businesses such as retail and wholesale trade, professional services, medium-sized mercantile houses and small manufacturing units. Generally, it is seen that many

organizations are initially started as partnership firms and, later, when it is economically viable and financially attractive for the investors, it is converted into a company.

C. Private Limited Company:

A private company is a company which has the following ingredients:

• The Shareholders’ right to transfer shares is restricted.
• The number of shareholders is limited to fifty.
• An invitation to the public to subscribe to any shares or debentures is prohibited.

D. Public Limited Company:

A Public Limited Company is a company limited by shares in which there is no restriction on the maximum number of shareholders, transfer of shares and acceptance of public deposits. The liability of each shareholder is limited to the extent of the unpaid amount of the face value of the shares and the premium thereon, in respect of the shares held by him. However, the liability of a Director / Manager of such a company can, at times, be unlimited. The minimum number of shareholders is 7.

E. Limited Liability Partnership:

The government has passed the LLP Act, 2008 in January, 2009. This Act proposes LLP as a new corporate form of business to provide an alternative to the traditional partnership business, with unlimited personal liability on the one hand, and the statute-based governance structure of the limited liability company, on the other, so that businesses can organize themselves and operate in a flexible, innovative and efficient manner. 28

1.4.8 Joint Hindu Family Business:-

This type of business prevails only in India. It is according to the prevailing Hindu Law. When Joint Hindu Family carries on a particular business from one generation to another generation called as Joint Hindu Family Business. When all

the members of a Hindu Undivided Family run a business under the control &
guidance of karta (the senior- most member of the family), such an association is
“Joint Hindu Family Business”

Membership:-
The membership of Joint Hindu Family Business is restricted only to members of the
family. Members of the family are called 'co-parceners'. The business is controlled by
head of the family called as 'Karta'. Karta and co-parceners are usually male members.

Management:-
The management of Joint Hindu Family Business is in the hands of the head of the
family who is known as "Manager of Karta". The Karta has to carry on the business
with care, he has to protect the interest of the members, and he cannot make secret
profits. Karta has full authority and control over financial aspects of business. He is
fully responsible for business risk, his liability is unlimited. The liability of the co-
parceners is limited. The co-parceners have to help Karta in doing the business.

Features of HUF:-
1) Karta
2) Co-parceners
3) Liability
4) Management
5) Inheritance
6) Legal aspects
7) Women’s rights

Importance of Karta (HUF):-
The importance of the Head of the family is much valued in Indian culture than
other western culture. The customary part of family business comes from the
ancestors of the family who owns the roots of the business. These people i.e.
ancestors have laid down some line of action and the limits to which the business
should go, are valued by ages. Here comes the importance of Kartas in Family
managed business as far as Indian business is concerned and for that matter even
some of the western family businesses are of equal in their style and functioning. The
strategic decision making are in the hand of Karta. He/ She makes decisions, based
upon own vision and experience. Many a times it appears that these decisions are found to be correct too in the light of changing environment.

1.5 Prominent Business Communities in India:-

1.5.1 The Sindhi entrepreneur community:-

The people of a race or a community distinguish themselves in comparison with other races or communities because of the characteristics they possess, the characteristics which are exclusive property of that community or race.

The stories about Sindhis being successful in their life and profession are many. Wherever Sindhis have gone they have shown others how to achieve their goal and prove to be successful in whatever profession they have entered. Though Sindhis were labeled as non-martial race by Britishers, they always fought courageously with numerous invaders and came out successful from all adverse situations. Earlier Sindhis were recognized as successful businessmen only, but Sindhis of today have excelled in all walks of life – industry, medicine, cinema, learning and letters, technology, computers, journalism, finance and banking – in short in every conceivable vocation.

Sindhis have ventured far and wide. Establishing successfully in far off lands is proof enough of their enterprising spirit. The perseverance always enables them achieve their goal. Because of their enterprising nature they are present in every nook and corner of the world as successful businessmen. The younger generation has acquired control over other occupations as well. Besides trade they have excelled in technology, industry, journalism, finance, etc. With their knowledge and intelligence they have established themselves in their new professions successfully. They have even entered the armed forces of the country and have proved that they are warriors as well.29

1.5.2 The Marwari entrepreneur community:-

Marwari’s comprise of a community of entrepreneurs who originally belonged to the state of Rajasthan in India. In the last 100 years, Marwari’s migrated from Rajasthan to various parts of Indian sub-continent. Known for their business acumen, they founded several businesses, trading houses and manufacturing units in various parts of Indian subcontinent including Myanmar, Nepal and Bangladesh. Examples of

a few billion dollar business houses started by Marwari’s include the Birla Group (Aditya Birla Group, Zuari Agro, Hindalco, etc.), Mittals (Arecleo Mittal, Bharti-Airtel), Bajajs (Bajaj Auto, Bajaj Allianz), Singhanias (JK Group, Raymond), Ruias (Essar, Hutch Telecom, SK Group), Piramals (Crossroad Mall, Nicholas Piramal) etc.

GD Birla, the legendary industrialist and the patriarch of the Birla Empire, is a well-known Marwari. He was a close associate of Mahatma Gandhi and was a major campaign contributor to Indian National Congress during the pre and post-independence days. Marwari’s have created a large number mid to small size businesses all over India, with high concentrations in Kolkata, Siliguri, Chennai, and Hyderabad. Marwari businesses have been run by families with newer generation succeeding and taking over the reins at an early stage and expanding it further. A large majority of first and second generation Marwari’s have limited the education for themselves to high school or less and got involved with the family business early-on.

The Marwari business style has been Hands-on, Know-the-Business-Basics style, which can also be compared to the value investing style of Patels, as treatise in Mohnish Pabrai’s The Dhandho Investor. Marwari’s have always been considered conservatives, however, with rapid urbanization of India, the Gen X and Gen Y Marwari’s from the traditional entrepreneur families have been venturing into politics, policy management (e.g. BimalJalan, former RBI Governor of India), operations, etc. A large number of Gen X and Gen Y Marwari’s are also breaking away from traditional businesses and taking up positions in local and international corporations in India and abroad. Only time will tell whether the new generation of Marwaris will go back to their ancestral entrepreneur roots or chart a new territory. 30

1.5.3 The Gujarathi entrepreneur community:

"A Gujarati is smart with their money, they try and stay out of litigations, their policy is to include others in their growth story. And basically they are very practical with the decisions that they take, which helps them in turning everything that they touch into Gold."

Apart from the fact that companies like the Reliance Industries, the Tata Group, WIPRO, and Sun Pharma as well as wind energy major Suzlon are all successful names with high market capitalization, the other common thing is that they were all founded by Gujaratis. One may wonder what really is it that makes a Gujarati

successful or what makes money to multiply in the hands of a Gujaratis? The fact that the stock markets in India became popular is only after Dirubhai Ambani made his reliable presence felt on the bourses.

"The Mafatlals, the Lalbhai Group, the Morarjee Group, the Ammems of Gujarat, the Denabank Founder as well as the Bank of Baroda – there are many groups like these that can be termed more as "creators" of wealth," While the top Gujarati promoters include the Ambanis, Premji, Tanti, Sanghavi, Kotak and others, the Parsi Gujarati promoters include the Tatas, Godrejs as well as the Qadias to mention a few. As each of these companies grows larger on the world radar, one thing that others in the same community could do is to shed their conservatism and learn from their peers who have grown big. So, to be a successful businessman or woman, it’s worth to get some tips from the Gujarati's as they are enterprising and full of business acumen.  

1.5.4 The Banias entrepreneur community:-

Bania community is the community of occupational bankers, moneylenders and dealers of grain, butter, groceries and spices. The name of Bania community has been derived from Sanskrit term ‘vanij’, meaning a merchant. Bania community is mainly residing in the Western Province of India, and here they are called as Vania or Vani. The Bania community has a well-defined traditional occupation, which is followed by most members of every sub-caste. It seems that formerly few of the sub-castes like the Kasaundhans and Kasarwanis, sellers of metal vessels, had somewhat different professions, although resembling the conventional one. However, presently they now engage largely in the traditional Bania’s profession and deal in grain and money. Around sixty per cent of the Banias are engaged in this trade.

Banias are a large and influential community in India, United States, United Kingdom and Canada. Traditionally, Banias have been a trading community in northern India, though in modern times they follow other professions as well. People from the bania community are very successful entrepreneurs and said to control a large portion of India's private sector and have heavy influence on Indian economy. Being a trader community traditionally, the bania community has produced many of the most successful entrepreneurs in India.

1.5.5 The Agrawals entrepreneur community:-

The Agrawals who belong to the large Vaishya community, are found in almost every part of the country. They are also known as Banias because of their occupation. The term ‘Vaishya’ is very comprehensive and covers several business communities such as the Agrawal, Maheshwari, Khandelwal, Oswal, Jaiswal, Poswal, Dasse and Mahajan. Of these, the Agrawal is by far the largest community. By and large being businessmen and traders, the Agrawals enjoy a fair share of representation in several other professions as well. If the community has produced numerous renowned businessmen and industrialists like the Dalmias, Modis, Singhanias, Srirams and Bajajs, it has also produced a number of distinguished jurists, educationists, scientists, engineers, politicians, doctors, philosophers, poets and scholars. 33

1.5.6 The Maheshwari entrepreneur community:-

The Maheshwaris number about three million and have played a notable role in the economic and industrial progress of the country. They are predominantly a business and mercantile community. The Maheshwaris are a very enterprising community. The Birlas and Shivkissen Bhattar were the first Maheshwaris who, in 1918, ventured to start a jute mill. They faced great difficulties created by the British but through sheer perseverance they succeeded. Up to 1939 their mills were not allowed to be represented on the Indian Jute Mills Association’s Committee. Similarly after independence, the Maheshwaris have started industries in different sectors of the economy. 34

1.6 Jalgaon District as a Business:-

Jalgaon District is located in the north-west region of the state of Maharashtra. It is bounded by Satpuda mountain ranges in the north, Ajanta mountain ranges in the south. Jalgaon is rich in volcanic soil which is well suited for cotton production. It is a major business center for tea, gold, pulses, cotton and bananas.

Jalgaon Market is mainly known for Gold, Pulses, Wholesale Tea, Agriculture, and Grains Trading. Banana and cotton are Jalgaon's main crops. Jalgaon district is known for its advances in horticulture. Its production of bananas and cotton, especially by resorting to drip irrigation, has created a role model for cultivators in other parts of India. Bananas grown in the district are exported outside the State and

33. Ibid
34. Ibid
to other countries. Jalgaon is largest banana growing district in India. Jalgaon is also growing up as a premier educational place with many colleges in the field of engineering and computer science. Modern Jalgaon is now boasts of vast industrial area, educational institutes and good hospitals. The city is well developed with good roads, shopping centers, residential areas, with good infrastructure in communication and transport.  

1.6.1 Prominent Business Centers in Jalgaon District:-

Jalgaon being an inland district its traders do not engage themselves especially in directly importing or exporting goods and naturally its trade is patterned to suit the needs of its population. The commodities of trade are either locally produced or imported to satisfy the needs of the district.

The chief articles of import are cloth, iron and steel goods, building materials, grocery, stationery goods, drugs and medicines, implements and appliances, hardware, rice, wheat and many other miscellaneous useful articles such as toilets, footwear, crockery, etc.

These commodities are mainly imported from Bombay, Calcutta, Nagpur, etc. The export trade is mostly in cotton, groundnut, groundnut oil and cake, cotton-seed, bananas, mug, udid, chavali and ghee for which the district is famous. Almost half of the cotton grown in the district is exported to Bombay and the rest to Ahmedabad, Kanpur, Madras, Nagpur, Burhanpur, Sholapur and Aurangabad.

Important centers of wholesale trade of cotton in the district are Jalgaon, Amalner, Chopda, Bhusawal, Bodvad, Chalisgaon, Pachora and Raver. Groundnut oil is chiefly exported to Bombay and Dalmianagar. Faizpur, Raver, Yawal, Bhusawal, Jalgaon and Pachora are the chief centers of groundnut trade.

Another article which deserves to be mentioned as an important item of export trade is banana. They are mainly exported to Delhi, Bombay, Kanpur, Bhopal, Ratlam and Udaipur. The main centers of banana export trade are Nimbhora, Savda, Vaghoda, Raver, Bhusawal, Pachora. Chalisgaon and Jamner.

The main wholesale trade centres in the district are Jalgaon, Amalner, Chalisgaon, Pachora, Bhusawal, Savda, Bodvad, Nimbhora, Shendurni, Varangaon


PhD Thesis, NMU, Jalgaon
and Mehunbare where the following regulated commodities are handled: groundnut, cotton, banana, mug, udid, corriander and chillies.  

1.7 Research Methodology

Research is a process of collecting, analyzing and interpreting information. The study of research methods provides the knowledge and skills to solve the problems and meet the challenges of today’s modern pace of development.

1.7.1 Problem of Study:–

The problem under study is stated as “Family Business Management Practices of Sindhi Community – An Analytical Study of the Underlying Business Model.” The problem mainly focuses on family business management practices of Sindhi Community & efforts are involved to invent the Business Model of Sindhi Community which can be used by the other business community as well for their family businesses.

1.7.2 Importance of Study:–

Family businesses are an important pillar in today’s economies, particularly in Asia. The family controlled firm or family ownership is the most common form of business organization in the world. Family businesses are an important source of economic development and growth. Worldwide, these firms are the predominant form of business realizing 40-60% of gross national products and 35 to 70% of job generation.

The past decades, family firms have received a lot of attention in the literature. Yet there are still some gaps that need to be explored. One of these gaps is that there is limited research investigating business models in family-owned businesses.

The present study highlights the role of family businesses in development of Jalgaon District, covering family businesses of Sindhi & other community. Studies are done on this topic at various levels & literature is also available at national and international levels on this subject; but the cities in Jalgaon District which are having the potential of doing family business reflecting developing nature of Indian society are still to be explored.

1.7.3 Objectives of the Study:-

In economies large and small, family-owned businesses create a significant amount of wealth and value. Whether its entrepreneurs were pushing their small companies forward or dynasties controlling diverse multi-billion dollar interests, these business families are found in every corner of the world, innovating, creating and producing. Today, the scope of family-owned businesses has expanded to include some of the world’s largest companies and their economic weight remains massive. In all markets, family-owned businesses form the bulk of the economy and in terms of numbers of individual enterprises they account for a significant proportion of GDP in their markets.\(^\text{39}\)

With the increased globalization of markets, competition among market players has become more severe. For any business to grow, it is essential to put your customers first. Understanding who they are, what they want and why they buy from you, rather than your competitors, is the key to long-term growth. In this competitive market, one of the most important factors is the achievement of customer satisfaction and excellence in service.

To study the best possible practices of Family Business, business objectives of Sindhi Community, background to the development of family based enterprises in India, to identify characteristics, strengths and weaknesses of family based business are some of the objectives required to be studied during the research.

Thus, the present study will be conducted with the following objectives –

- To study the business objectives the Sindhi Community.
- To study the background to the development of family based enterprises in India.
- To identify characteristics, strengths and weaknesses of family based business.
- To develop a venture plan that can be used as a business model for success of any business.

1.7.4 Hypothesis of the Study:-

1. In Sindhi community, the Business skills are different from other business community.
2. In Sindhi Community, the businessmen are self-reliant to finance their business.
3. Sindhi businessmen are extremely enterprising and of adjusting nature.
4. Sindhi Community plays an important role in the development of business in Jalgaon District.

This research has been undertaken to evaluate the current scenario of family businesses & its role in the development of Jalgaon District especially focusing Sindhi Community.

1.7.5 Scope, Limitations & Utility of Study:-

Scope of Study:-

- As the population of Sindhis is very large, the researcher has conducted intensive research in emerging and major cities of the Jalgaon District only.
- The study will focus on role of Sindhi Families in Business Development.
- Thus, the present study on Family Business Management Practices with reference to Sindhi Community is one such attempt in this direction & will provide insight about the business styles & capabilities of Sindhi businessmen.

Limitations of Study:-

- The present research work is related to the owners of family business belonging to various communities from Jalgaon District.
- The various statistical tools and techniques used in the present study are not free from limitations.
- The study is based on a sample of 500 respondents of Jalgaon District who are having family businesses.
- The inferences are based on the assumption that the data provided by respondent is true and correct.

Utility of Study:-

Family businesses are considered as one of the engines of the post-industrial growth processes as they are credited for nurturing across generations entrepreneurial talent, a sense of loyalty to business success and long-term strategic commitment.
Some noted examples of family businesses are Walmart, the Priztker group and Marriotts (Family Firms Magazine, 2002)\textsuperscript{40}.

The present study will be useful to the owners of family business belonging to any community as they will understand the different models of family business and they will also understand the business styles, working, qualities, and traits of Sindhi Businessmen.

Also the research work will be useful for the family business owners as a family business model of Sindhi Community will be invented through this research.

1.7.6 Data Collection:-

Both primary and secondary methods of data collection were used in the present research for collection of information and data.

The questionnaire method was used to collect the primary data from the owners of family business while interview technique was used to review the opinion of the members of family business.

1. **Type of Research**: Descriptive and explanatory

2. **Data collection sources**:

   A. **Primary Data Collection sources**:
      (i) Owners of Family Business
      (ii) Members

   B. **Secondary Data Collection sources**:
      Websites, magazines, Books, Reports, Surveys, Journals, Research Papers, Newspapers, Research work on PhD, etc.

3. **Research Instruments**:
   (a) Questionnaires.
   (b) Interview Method.

4. **Samples & Sampling Techniques**:

   For this study the area of research is Jalgaon District. Simple Random Quota Method is used as sampling technique. The population is the family business owners who are having their business from generations to generations. The researcher has

selected two categories as study sample to carry out the questionnaire related to her topic, these categories has been classified into:

- **Family Business Owners of:-**
  a) Sindhi Community
  b) Other Community

5. **Area of Study:-**

The area of research study considered is Jalgaon District covering cities having family businesses of various communities.

The questionnaire has been randomly distributed to targeted study sample size (500) including family business owners from Sindhi Community & Other Community having family businesses in different product lines. The interviews of the owners & managers, experts & seniors from the academics like Professors helped to understand some basic concepts and advancement in the global as well as Indian business sector.

Interviews and observation technique was used to collect the data with the intention to understand Family Business Management Practices in detail. The sampling method adopted for this research is Random Sample Method & sample size is 500.

After selecting the sample size, the owners of various family businesses have been approached. In all 500 questionnaires were distributed to them. Out of these duly filled 320 questionnaires were received.

1.7.7 **Chapter Scheme:-**

<table>
<thead>
<tr>
<th>Chapter No:</th>
<th>Name of the Chapter</th>
</tr>
</thead>
<tbody>
<tr>
<td>1)</td>
<td>Prologue</td>
</tr>
<tr>
<td>2)</td>
<td>Family Business: Management Practices in India</td>
</tr>
<tr>
<td>3)</td>
<td>Sind and Sindhi as Traders in India.</td>
</tr>
<tr>
<td>4)</td>
<td>Family Business Models</td>
</tr>
<tr>
<td>5)</td>
<td>Analytical Study on Family Business</td>
</tr>
<tr>
<td>6)</td>
<td>Summary &amp;Conclusion</td>
</tr>
<tr>
<td></td>
<td>References</td>
</tr>
<tr>
<td></td>
<td>Annexure</td>
</tr>
</tbody>
</table>
1.8 Literature Review:-

Knowledge is a familiarity with someone or something, which can include information, facts, descriptions, and/or skills acquired through experience or education.\(^\text{41}\)

Research in common context refers to a search for knowledge; it can also be defined as a scientific and systematic search for gaining information and knowledge on a specific topic or phenomena.

The business of business is business. This has been the premise upon which the business world has been operating in the struggle toward market domination and profitability. Contemporary societies and the business world are inseparable. But so are all human beings and the planet.

From a systems perspective, all human institutions, individuals and the environments in which they live and operate are inextricably interconnected in a complex and elegant web of mutually influential relationships. And yet, this understanding is hardly reflected in the functioning of the business world.

Family owned business play a crucial role in the economy of most countries. Much of the retail trade, the small scale industry, and the service sector are run by family business. Worldwide, family managed businesses employ half the world’s workforce & generate well over half the world’s GDP.\(^\text{42}\)

Numbers of authors have contributed on the subject of “Family Business, succession, models of family business, decision- making, and trends in the industry”. Some related literature is reviewed in the forth-coming paragraphs.

Churchill & Hatten (1987) also explained family business as “a founder-operated business where there is anticipation that the business will be passed to the next generation”.\(^\text{43}\)

Berenbeim (1990) has examined the findings of qualitative study of twenty large family businesses (above $100 million) from the United States, Europe and Latin America. The study focuses on the family businesses that have successfully completed the transition from founder to professional management, and it identifies

many of the emotional and managerial dilemmas that arise as companies move from one generation to next. The author outlines the specific steps these companies have taken in order to constructively manage successions and continuity.44

**Barney (1991)** states organizational performance is one of the most important constructs in management research. He has reviewed the context that frames organizational performance as a dependent variable with specific emphasis on how it is operation and measured. The research contexts of the past studies are firmly anchored around a multidimensional conceptualization of organizational performance related predominantly to stakeholders, heterogeneous market circumstances, and time. The review of the operationalization and measurement of performance highlights the limited effectiveness of commonly accepted measurement practices in tapping this multidimensionality. By synthesizing the literature, the foundations are laid for the improved measurement of performance in management research.45

**Dean (1992)** states the findings from an investigation of business owned and managed by African and American families in the los angels’ area. Its dual purposes are to identify salient characteristics and to explore commonly held assumptions about African American family businesses and their owner managers. Several widely held beliefs about African American family businesses were not supported.46

**Amit and Schoemaker (1993)** have explored the relationship between dynamic capabilities and firm performance. In particular the study addresses the questions of whether dynamic capabilities impact directly or indirectly on performance. Using data from manufacturing firms, the paper articulates and measures dynamic capabilities as a multi-dimensional construct with three underlying factors: coordination, learning and strategic competitive response. Then, structural equation modeling is employed to explore the relationships among dynamic capabilities, functional competences and firm’s performance. Empirical findings suggest that dynamic capabilities are antecedents to functional competences which in turn have a significant effect on performance. Direct effects on performance are found to be insignificant. Furthermore, similar effects seem to hold for both higher and

lower levels of environmental dynamics. Theoretical and practical implications are discussed. 47

Hoy et al., (1994) noted that family business is an emerging concept. They argued that the concept is just recently receiving attention in the academic field. 48

Hoy & Verser (1994) examined family business in relation to emerging business, emerging field: entrepreneurship and the family firm. They examine the definition of family business and then presented a broader definition and views of family business. 49

Handler (1994) has examined the research of successions in the field of family business management. Five streams are highlighted: (1) succession of a process, (2) the role of the founder, (3) the perspective of the next generation, (4) multiple levels of analyses and (5) characteristics of effective successions. Gaps in the literature and future research directions are also presented. 50

As per Business Today (1994), family businesses dominated the private corporate sector, as 80 percent of the 500 biggest companies, were family businesses, though they experienced split over the years. 51

Galiano and vinturella (1995) have examined the prevalence of biases towards females and some underlying perception in regard to gender within the context of the family business. The implications of gender bias for the well-being of family business are analyzed, with particular reference to the issue of succession planning. Women’s changing professional and family roles are also examined. 52

Harvey and Evans (1995) state that the succession processes in family business are well chronicled in the business literature. Most of the research focuses on

the process of transferring power within the business-family. What has not been as closely examined is the after-succession environment that exists when the management and leadership of the family business are passed on to the next generation. This article addresses that organizational climate and the potential problems in the business-family if post-succession issues are not identified and addressed and suggests some steps that will be helpful in producing complete succession success.  

**Balakrishna (1996)** states that the subjective performance measures have been widely used in research on market orientation and its presumed link to company performance. However, only a small number of studies have examined the link between subjective performance measures an objective ones. This study replicates earlier search and extends previous findings using a broader sample of firms than in most previous studies, and uses slightly different measurement scales. It founds that their correlation between objective and subjective performance measures. However, this correlation is far from perfect and the article concludes that research should attempt to validate their results by using both types of measures.  

An analysis by **Business Standard (1996)** shows that 714 companies out of 1000 are single companies of groups in the listing. Similarly, the Business India Super 100 of 1993 shows that 51 of the 74 family businesses in the first 100 private sector companies in India belonged to family groups with more than one company on the list.  

**Gersick et al. (1997)** cited that as much as 65-80% of the business enterprises in the world are family-owned or family-managed.  

**Amber and Kokkinaik (1997)** has examined 46 empirical studies which has assessed performance measurement in marketing. The paper reports on two highly relevant topics in regard to performance measurement: (1) subjective and objective measurement; and (2) financial and non-financial performance measures.

55. Business Standard, 100 Companies in India (1996)  
Furthermore, the paper provides a tabulated summary of a comprehensive literature review of the types of performance measures utilized in recent literature. Firstly it was found that their seems to be agreement about the use of a subjective measurement perspective as an acceptable means of measuring performance, and that this is the preferred means of measuring performance of researchers. Secondly, the literature review identified that businesses are not defining performance only in terms of the traditional financial measures- they are adopting the new frameworks and methodologies. However, this change is not as prominent as might be thought, as financial measures still predominate in research results. Furthermore this review of performance measures also identified that current measurement selection by researchers is somewhat arbitrary rather than scientific, which is not assisting in the development of a —general performance measures. \[57\]

Stavros (1998) states that the involvement of and the reason for the involvement of offspring in their parents firms can significantly affect the firms further. In this paper, a conceptual model is presented that explains the decision process through which the most suitable level of involvement for the next generation in the firm maybe assessed. The decision process involves four factors: family, business, personal, and market. These factors set the context for managing intergenerational transition in family firms. \[58\]

Davis and Harveston (1998) suggested that family businesses are the most dominant form of business in the United States and they represent nearly 90% of the total businesses in U.S. \[59\]

Piramal (1998) conducted a survey of 25 leading business houses in India have revealed that every business house has expanded its range of activities and has raised resources for their diversification into new areas. \[60\]

Matthew, Moore & Fialko (1999) examined family business in relation to leadership. The study developed a common leadership succession model process with

the parent leader and child successor inclusive. They argued that the cognitive categorization adopted in their study influence the process of succession as the parent leader prepares the child leader for succession. However, this model did not address the issue of continuity.

**Chua, Chrisman, & Sharma, (1999)** we define a family business as “a business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families”. This definition is relevant given our purpose, since it allows us to take a longitudinal perspective and to include as family businesses both those businesses managed by a family member as well as those managed by nonfamily member.

**Adler and kwon (1999)** define the concept of family capital and propose that family capital has potential impact on business performance. This study investigates whether the use of collaboration as a problem solving technique with in family business as a moderating effect on the relationship between family capital and family business performance. Additionally, this study investigates whether the existence of the conflict i.e. both tasks and relation within family business as a moderating effect on the relationship between family capital and family business performance. Specifically, it is theorized that (1) family capital will positively affect family business performance, (2) conflict and collaboration will moderate this relationship. The hypotheses are tested using data from the survey of family business collected by the center for entrepreneurship family business as Texas Tech University.

**Agarwal and Jaffe (2000)** states the empirical research findings on the success of post-acquisition performance have generated inconsistent results. This has been attributed to the choice of performance measurement indicators. This paper analysis and evaluates existing performance indicators that have been implied in the literature. It is argued that to overcome the limitations found in financial indicators of

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performance a need to pursue multiple measures of performance in post-acquisition research is needed. It also argues that the motives for the transaction should also be included as performance indicators. These hybrid approaches will researches and practitioners to measure the overall success of acquisition.64

**Santiago (2000)** states that the western research suggests that family business owners must prepare for leadership succession in a systematic manner to ensure continuity. A review of succession experiences of eight family businesses in the Southeast Asian country to the Philippines seems to indicate that the key to smooth succession for group oriented families is not entirely dependent on succession planning. Rather, a family business’s smooth successions dependent on the process being consistent with family values. In fact, valuing the preservation of the family unit helps to avoid the ill effects that normally accompany the absence of succession planning.65

**Manikutty (2000)** use the resource based view of firms to understand the strategic responses of nine family groups to the more liberalized environment in India’s emerging economy. Using the concepts and empirical finding in the resource-based view (RBV) stream of literature, this manuscript offers six hypotheses related to the restructuring of business portfolios, structural changes within organization, and the induction of professional family and non-family members. The article also identifies five emerging trends in the responses and uses them to test the hypothesis. Data from published sources indicate a high degree of support for the hypotheses. The study show that resources based view of the firm provides an excellent theoretical framework for understanding and interpreting these responses and suggests directions for further research.66

**Steier (2001)** states that relationship and connectivity plays an enhanced role in most of the models of new economy. For many firms, strategic advantage resides in the social capital (or relational wealth) they are able to nourish and maintain. This important asset is accumulated overtime and easily traded and transferred. For family

firms with long term continuity goals, the transfer and management of his largely intangible asset are a most significant activity. This research is based on interviews of next-generation entrepreneurs in 18 different firms. It contributes to the family business and more general management literature by identifying different way in which relational wealth is transferred, created, and managed. Four different mode of transferring social capital emerged from the data: unplanned, sudden successions; rushed successions; natural immersion; and planned successions and deliberate transfer of social capital. Additionally, seven means of managing social capital emerged: deciphering existing network relationships, determining criticalities, attaining legitimacy, clarifying optimal role, managing ties through delegation and division of labor, and striving for optimal network configuration and reconstructing network structure and content. This paper concludes with a series of propositions for further research.67

Rouviensz (2001) states that the sale of family business often gives rise to emotions that can still haunt family’s year after the sale. However, some families – combine generations of experiences and succeed in turning it into appositive experience by re-creating a new family business venture. The objectives of this research are to demonstrate that serial business families that constitute global phenomena and to identify patterns in how and why they re-create business. The compilation and analysis of in-depth interviews with nine serial business family from around the world show that they follow a three-stage process and that the original business, in terms of family, ownership business and governance has a strong influence on what is re-created and how it is recreated. The fresh motivation and the strong commitment of serial business of serial business families, combined with renewed entrepreneurial spirit, could serve as an inspiration for all families in business to reconsider their strategic agendas in the content of new economy.68

Rutten (2001) has examined major debates on entrepreneurship in south and Southeast Asia indicates an emphasis on collective forms of business organization. While earlier views argued that collectivism in business activity was one of the main causes of Asia’s backwardness, mare recant nation’s emphasis that family enterprises

and business networks account for Asia’s economic rise. This article compares the form of business organization of rural entrepreneurs in India, Malaysia and Indonesia. It is based on empirical research among Hindu small-scale industrialist in central Gujarat, Chinese and Malay owners of combine harvesters in the Muda region, and Muslim owners of iron foundries in Central Java. The findings are in line with studies on European entrepreneurs. There is therefore reason to reconsider the notion of significant differences in business organization between Asian and European entrepreneurs.

Astrachan et.al (2002) have examined the alternative method for assessing the extent of family influence on any enterprise, enabling the measurement of the impact of family on outcomes such as success, failure strategy, and operations. This proposed method, utilizing a standardized and valid instrument -the F-PEC- enables the assessment of family influence on continues scale rather than restrict its use as a categorical (e.g., yes/no)variable. The F-PEC comprises three scales: power, experiences, and culture. This article discusses these scales in detail.

Curimbaba (2002) has examined the professional experiences of female heirs in a verity of family business located in three states of the Brazilian southeast. The aim is to analyze both how the family and business structures affect the daughters’ visibility in managerial positions and the resulting gender relations. Twelve open-ended, in-depth interviews were conducted. The responses were analyzed, and pathways were classified according to Gersick, Davis, and Lansberg (1997) three-dimensional development model of family business. Three groups formed to describe the daughters’ experiences: invisible, professional, and anchor.

Cragg and Hussin (2002) have conducted an industry-level study that seeks to identity empirical regularities between firm strategy, management style, organizational structure and performance in Spanish fresh fruit and vegetable (fresh produce) industry using strategic group analysis. Groups were formed from key dimensions reflecting firms strategic orientations. Performance levels did not differ


PhD Thesis, NMU, Jalgaon
systemically between strategic groups, but performance was found to be influenced by the alignment between entrepreneurial culture and organizational structure. A move towards greater flexibility and/or adopting an entrepreneurial style is both likely to contribute to an improvement in the overall performance of the firm.\textsuperscript{72}

\textit{Mazzola and Marchisio (2002)} have suggested that going public affects the capacity of companies to pursue growth and profitability in the long run. Their study combines the result of transversal and longitudinal analyses of two databases of fast-growing Italian companies and IPOs and compares the result with nonfamily owned business that went public during the same period. Studies of companies’ growth show two main reasons for growth: external causes due to evolution in progress in the competitive environment and internal causes brought about by management ambitions. In either case, growth provides companies with three main advantages: the ability to increase value, higher market shares, and increased productivity. Italian empirical research shows the great difficulties that both small and large companies have growing. It is estimated that most companies, especially small ones, are family owned. The literature shows that family-owned companies face particular obstacle and that the IPO appears to provide them with some advantages.\textsuperscript{73}

\textit{Bird, Welsch, Astrachan, and Pistrui (2002)} posited that family business has been the strength and the power since the ancient economies. The family business plays vital role in the economic development of the nation and is an effective engine for every economy in terms of job creation and tax collections. Moreover, family business has the same characters with the small firm characteristics where the family businesses are flexible and agile that enable them to be controlled or maneuvered by owner-managers who are mainly family members. The family business has been in existence a long time ago, and has been known to water the economy most especially during the dry days.\textsuperscript{74}

\textit{Cadieux et al (2002)} state that the succession is one of the most studied aspects of family business. However, although it is estimated that women own more


than 33% of such organizations, to our knowledge, few studies focus on succession in them. The objective is to explore and understand the process of succession in family owned business run by women. This paper presents the result of a case study of four women who own and run family business in the manufacturing sector and who have shared the management of their organizations with their successors for at least three years.\textsuperscript{75}

\textit{Chua et.al (2003)} has conducted a survey of the issue facing top executives in 272 Canadian family firms. Results show that succession is their No. 1 concern, thus supporting the predominant focus of family business researchers on successions issue. Results also show that concern about relationships with nonfamily managers is a close second in importance. They have used agency theory to explain why relationships with non-family managers are so important. Empirical results show that both the extent and the criticality of firms’ dependence on nonfamily managers are statistically significant determines of the importance. This study implies that relationships with nonfamily managers is neglect research topic and points to a new direction for research in family business management.\textsuperscript{76}

\textit{Miller et al., (2003)} examined the lost in time: intergenerational succession, change, and failure in family business. The study argued that factors such as strategy, organization, government and culture affect three major succession patterns, which they classified as conservative, wavering and rebellious successions. Hence, the study offered an intergenerational succession. Although, this study tends address two major issues, first, succession and second failure in family business, however, the study failed to provide us with how intergenerational succession could bring about family business succession and continuity.\textsuperscript{77}

\textit{Sharma et.al (2003)} have examined the theory of planned behavior to hypothesize the influence of the incumbent’s desire to keep the business in the family, the family’s commitment to the business, and the propensity of trusted successor to take over on the extent to which family firms engage in succession planning activities.


To test these hypotheses using data collected from presidents in 118 family firms. The results show that the propensity of a trusted successor to take over significantly affects the incidence of all succession planning related activities. Succession planning may, then, be the result of push by the successor more than of pull by the incumbent. Such a view has negative implications for the successions process that the family firms in our sample follow.78

*Auch and Lee (2003)* have examined the proponents and critics of Asian economic organization that have been preoccupied with the ideal-typical management model of family business and have rarely identified the change and continuity in these management structures through an analysis of family-controlled business groups in Singapore and South Korea before and after the Asian currency crisis. In their view, these business groups professionalized their management, but retained family control and corporate rule before crisis. The crisis, however, increased the pressure on such groups to relinquish family control and corporate rule. Singaporean Chinese business groups tended to loosen their tight grip on corporate rule by absorbing more professional managers into their upper echelons. The surviving Korean chaebol, however, intensified family control. Only a few chaebol, which were on the brink of bankruptcy, relinquished corporate rule to professional managers. We argue that the market, cultural and institutional factors as suggested in the existing literature, state capacities and strategies do matter in shaping the changing management structures of business groups. Drawing on their analysis, researchers will be able to conduct comparative studies of family businesses across East Asian societies, of organizational imitation, and of the role of the state in influencing management models.79

*Zahra and Sharma (2004)* state that family businesses continue to grow. Six key trends have become evident. These trends include a continuing pursuit of research topics such as succession, a strong for preference for practice orient research methods, a tendency to borrow heavily from other disciplines without giving back to these fields, and a strong preference to talk to other researchers conducting researches on family firms-failing to communicate with scholars from other disciplines. They have

suggested strategies to expedite the growth of family business research towards better understanding the paradoxes faced by family business manager, deepen insights into the problem they encounter, improve rigor in reported research, find ways to promote a dialog with scholars in sister disciplines, and give back to the disciplines from which we borrow heavily.\(^8^0\)

*Kurakto et al., (2004)* presented one of the interesting models of the family business. In the model, environmental factor which the study grouped into family members and nonfamily employees and on the other hand, internal and external factors was seen to be the only key factor that affects succession in family business.\(^8^1\)

*Sharma (2004)* has examined the review of 217 referred articles on the family business studies; the literature is organized according to its focus on individual, interpersonal or group, organizational and social levels of analyses. An assessment of the status of our current understanding at each level is provided and directions for future research are suggested. A discussion of definitional issue, bases of distinctiveness, and family firm performance is used to help understand the domain or scope of the field. Methodological issue and strategies aimed to enhance the pace at which the field achieves a distinctive legitimate place in organizational studies represented.\(^8^2\)

*Craig and moores (2005)* suggest that the research is the measurement and management tool known as the balanced scorecard (BSC) can be applied in the family business context. In this article they add families to the four BSC perspectives (financial, innovation and learning, customer internal process) and illustrate how this can assist business development, management and succession planning in family owned businesses. They use an action research project to highlight that how family business can professionalize their management by the adoption of a BEC strategy map that includes a family business focus and links the core essence of the family business with the values and the vision of the founder of the strategic initiatives of the family business. The FPEC scale constructs of power, experience and culture are used to


introduce a PEC statement that identifies and articulates the core essence of the family business.\textsuperscript{83}

\textit{Dyer (2006)} has examined the performance of family- owned firms. He suggests that the most of the research fails to clearly describe the —family effect on organizational performance. The family effect based on agency theory and the resource-based view of the firm, is described and propositions and generated that examine the relationship between families and organizational performance. Implication for theory and research are also discussed.\textsuperscript{84}

\textit{Westhead and Howorth (2006)} state that the agency and stewardship theories are used to explore associations between ownership and management profiles and the performance and objectives of family firms. Using data from privately held family firms in the United Kingdom, a range of performance measures and objectives were examined. Multivariate regression analysis detect that closely held family firms did not report superior firms performance. The result show that the management rather than the ownership structure of a family firm was generally associated with selected firm-performance indicators and no financial Company objectives. Although family CEOs were associated with lower propensity to export, presented evidence generally fails to suggest that private family firms should avoid employing family members in management roles.\textsuperscript{85}

\textit{Lee (2006)} has examined the influence of family relationships on attitudes of the second generation working in their parents’ family business. The specific family variables organizational commitment, job satisfaction, and propensity to leave were used. Relationships among outcome variables are also examined. A survey questionnaire is used as the research instrument.\textsuperscript{86}

\textit{Blumentritt (2006)} had examined the relationships between the existence of boards of directors and advisory boards and the use of planning in family business. It is argued that both of the primary roles of boards, the governance of a firm’s

\textsuperscript{83} Craig Justin and Moores (2005), “Balanced Scorecards to Drive the Strategic Planning of Family Firms”, Family Business Review, Vol.18, No.2, 22, PP.105-122.


management team for the firm’s stake-holder and the provision of valuable business resource of the firm’s management team, are significantly related of the use of planning activities in family business. The empirical evidence, dawn for the survey of more than 130 family businesses, largely supports the hypotheses. Conclusions and suggestions for future research close the article.87

Auken and verbal (2006) state that the survival of a family business as partially dependent on spousal commitment. The discussion of launch a business should depend not only on analysis of the opportunity, but also on the degree to which one’s spouse shares a common vision about the goals, risks, and rewards of the business. Models and testable hypotheses are devolved to guide empirical research on the antecedents and consequences of spousal commitment to family business. The model can benefit individual considering the launch of a business, couples that currently own a business, business consultants, and university instructors teaching entrepreneurship courses.88

Venter et.al (2006) state that the successor-related factors that can influence the succession process in small and medium-sized family business are empirically investigated. This study was undertaken in South Africa among 2,458 owner-managers and successors in 1,038 family businesses. These respondents were identified via a snowball-sampling technique. A total of 332 usable questionnaires were returned. The dependent variable in this study, namely. The perceived success of the succession process, is measured by two underlying dimensions: satisfaction with the process and continued profitability of the business the empirical results indicate that the successor-related factors that influence satisfaction with the process are, on the one hand, the willingness of the successor to take over and the relationship between the owner-manager and successor, on the other hand. The continued profitability of the business is influenced by the willingness of the successor to take over the business, the preparation level of the successor, and the relationship between successor and owner-manager. The relationship between owner-manager and successor is in turn influenced by the extent to which interpersonal relationships in the

family can be described as harmonious. Based on these findings recommendation for successful succession are offered.  

Motwani et al. (2006) has examined the results for a survey of 368 family-owned small to medium size enterprises (SMEs) with regard to importance, nature, and extent of succession planning. By categorizing SMEs according to their annual revenues, total number of employees, and number of family members employed within the firm, significant differences were found between larger and smaller firms. Consistent with extent literature, the findings reveal that most family members join the firm for altruistic reasons. Issues related to family relationships were related as significantly more important in firms in which in more family members were employed within the firm. Moreover, for firms with less than US $1m in revenues, a high priority is placed on selecting a successor who possesses strong sales and marketing skills. The findings show that regardless of their size, it is important for family-owned business to developed a formal plan for succession, communicate the identity of the successor, and provide training/mentoring to the incumbent CEO.

Denoble (2007) states that the importance of succession planning in family owned business in focused on identifying the key dimensions that could comprise a family business the self-efficacy scale. He employed an exploratory qualitative research methodology by querying a group of family business presidents to describe the skills critical for success. Used a resource-based perspective and relevant family business succession literature, they organized this feedback into a framework depicting the key challenges associated with leadership succession. The precedents comments highlight a set of general and family business skills requirements that fall into the domains of social and human capital.

Cadieux (2007) has examined the succession process- the joint management and the withdrawal phase- differ from preceding phase in that they mark the successor’s official entry into the family business as future head and the gradual retirement of the predecessors. Alone at the helm until that point, processors are faced

with an important period of transition in their life where there role as leader is replaced by other rules that have not yet been clearly defined in the existing literature. Using a case study research strategy this article presents a typology of predecessors roles during and after instatement of the successor from five small and medium sized family business that have successfully completed their first generation transfer.92

Chittoor and das (2007) state that the impact on succession performance on succession to a non-family professional manager as compared to family member, commonly referred to as professionalization of management. An important distinction is drawn between family owned and family managed business and family owned and professionally managed businesses. Then, drawing from case studies on succession process in three Indian family business groups. The article puts fourth five propositions pertaining to the impact of professionalization of management on succession performance. Several directions for further research are indicated.93

Sciascia and mazzola (2008) states that performance of family firms is growing, but the results are mixed, especially for the non-listed companies. Thus on the bases of co presence of benefits and disadvantages of family involvement in ownership and management, they explored the presence of nonlinear effects of these two variables on performance. We run regression analysis on data drawn from 6666 privately held family firms in Italy: a negative quadratic relationship between family involvement ion management and performance was found, but we find association between family involvements in ownership and performance. Their results suggest that in privately held firms the positive effects that previous literature associates with the presence of family managers do not appear strong enough to compensate for the disadvantages deriving from a nonmonetary orientation, nor do they compensate for the costs deriving for the need to solve conflicts between family managers and the impossibility of enlarging the companies social and intellectual capital through the employment of non-family managers. Moreover, the quadratic nature of the

relationship cause for greater attention to be paid to these effects by family business owners, especially in those cases where family involvement in management.\textsuperscript{94}

\textbf{Ramona et al., (2008)} investigated family business in relation to family system and entrepreneurial behavior. The study noted that majority of the businesses today are all family businesses. They asserted that family business is an emerging aspect of entrepreneurship which has evolved over the decades and still in its developing stage.\textsuperscript{95}

\textbf{Massis et al. (2008)} states that research on management’s succession is a dominant in the family business literature. Little systematic attention has been given to the factors that prevent intra-family Succession from occurring. Based on a review and analyses of the literature, this article presents a preliminary model on the factors that prevent intra-family succession.\textsuperscript{96}

\textbf{Allouche et al. (2008)} state that the family businesses have undergone rapid development in the past two decades. Broadly speaking, such companies perform better than non-family businesses, as recent investigations in Japan support. To obtain a more precise result, this result has applied to the Japanese context a research methodology that has proven its worth in western cases. On the bases of data covering the years 1998 and 2003, we find better performance among family business in Japan.\textsuperscript{97}

\textbf{Mazzola et al. (2008)} has examined the issue of training next-generation family members once they have joined the management team in their family firm. The qualitative analysis of strategic planning process of 18 Italian family firms show that involving next generation family members in the planning process benefits their development process. The findings indicate that this involvement provides the next generation with crucial tacit business knowledge and skills, facilitating interpersonal work relationship between incumbents and next generation leaders and building

credibility and legitimacy for the next generation. The comparative analyses of the cases allowed us to identify the five variables that seem to combine in explaining much of the observed differences in the amount and compositions of benefits experienced in the 18 firms. Their findings extend current understanding topics in family business: the post entry phase training of the next generation and strategic management in family firms.98

Royer et.al (2008) states that succession is a challenge for family business for a number of reasons, including the need to address the issue of intergenerational handover. This article focuses on one aspect of succession in family business by investigating when family members are preferred as successor. Results from 860 family businesses indicate that specific (tacit) knowledge characteristics combined with a favorable transaction atmosphere, in certain context, make a family member the most suitable successor. A conceptual model is presented that outlines when inside family succession preferred.99

Sundaramurthy (2008) has presented a model of sustaining trust based on an integration of trust literature with the family business literature. The basic premise of the model is that trust in dynamic and multiple dimensions of trust need to be developed through structures and processes to sustain interpersonal trust inherent in the early stages. Implications of the model and future research directions are outlined.100

Dyer and dyer (2009) state that the recent research on family business has focused on how the family affects business performance. Their commentary suggests that researches should also consider how certain variables affect both the business and the family. Suggestions for how to do such research are presented.101

Basco and Rodriguez (2009) state that the research contributes to the family business literature by empirically demonstrating that family enterprises that give more

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emphases to family and business as a whole have better family results and similar business results when compared to these enterprises that limit governance to only the businesses. The article includes a review of the literature, and it identifies a set of four basic dimensions that focus on different aspect of family enterprise. The study then combines measures of these dimensions to describe both the governance and the nature of the family and the business. A representative sample of 732 Spanish family enterprises enabled the research to reveal empirical support for the theory positing that balanced attention to governing the subsystems is an effective route to family enterprise management.  

Sorenson et.al (2009) have examined the new concept, the family point of view, and provides theoretical arguments resulting in the following hypotheses (a) the family point of views emerges from collaborative dialogue, which helps development agreement to ethical norms; (b) the presence of ethical norms further helps cultivate social family capital; and (c) as a source in a family business, family social capital is positively related to the family firm performance. Using structural equation modeling, an exploratory test of 405 small family firms found support for all three hypotheses. The findings indicate a fully mediate relationship among collaborative dialogue, ethical norms, family social capital, and firm performance. The study not only highlights the importance of moral infrastructure in family firm but also helps clarify components of family capital. 

Debicki et.al (2009) state that the analysis of 291 family business articles published in 30 management journals between 2001 and 2007 reports the contributions of individual scholars and academic institution to family business research. To better understand the interrelationship among scholars who have contributed to family business research, a network analysis of coauthor relationship was conducted. The authors were providing a content analysis of the articles and offer suggestion for future research. By analyzing who, where, and what of family business research, the reasons why the developmental trends have occurred and how the fields

momentum, can be maintained and directed towards productive ends become clearer.104

*Cater and Justrin (2009)* have conducted an exploratory to better understand the development of successors in the small family business, including their approach to the leadership of the firm. It examined variables (and their relationships) that help to explain family business successor leadership. A case study was followed, used grounded theory analysis of qualitative interviews of the top managers of six family businesses. It provided six propositions for future research—namely, concerning positive parent-child relationships, acquiring knowledge, long-term orientation, cooperation, successor roles, and risk orientation.105

*Castillo (2009)* offered a model or framework outlines for an effective succession plan for a family owned business. The model provided factors such as; manage relationships, create a team to lead, look for leadership and prepare successor.106

*Distelberg and Sorenson (2009)* has extended and explained current system views of family business and provides a frame work for interpreting family business holistically. The framework extends the definition of family-fist that represented balanced system emphases. in addition this article discusses the goals, resource transfer, strengths, and limitations of each type of system and describes how firm adaptability and resource flows influence and change these family business systems; it argues that to understand family businesses health, one must understand the values and goals that guide the family business, business, and ownership systems, as well as the overfill family business system; and it presence an inclusive definition of family and business based on systems membership.107

*Kowalewski et.al (2010)* has investigated the influence of family involvement on firm performance in an emerging market economy. Using a panel of 217 polish companies from 1997 to 2005, the authors find an inverted U- shaped relationship

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between the share of family ownership and firm performance. The data also reveal that firms with family CEOs are likely to outperform their counterparts that have no family CEOs. The results take into account the endogenous of family ownership and are robust to a number of specification checks.\footnote{Kowalewski Oskar, Talavera and Stets yak (2010), “Inflame of Family Involvement in Management and Ownership on Firm Performance, Evidence From Poland”, Family Business Review, Vol.23, No.1,pp.45-59.}

\textit{Casillas et.al (2010)} has examined the present research to improve scholars understanding of the relationship between entrepreneurial orientations (EO) and the growth of family firms in two areas. The authors propose that the EO-growth relationship is contingent on different contextual variables- environmental dynamism and environmental hostility-and an internal variable-generational involvement. Also, they consider EO to be a composite construct integrated from and related to different independent dimensions. Using information from 317 Spanish family firms, results show that (a) EO positively influences growth only in second- generation family businesses; (b) the moderating influence of the generational involvement is related to the risk- taking.\footnote{Casillas Jose C (2010), “A Configurational Approach of the Relationship Between Entrepreneurial Orientation and Growth of Family Firms”, Family Business Review, Vol.23, No.1,pp.27-44.}

\textit{Reay and Whetten (2011)} argued on the core issues on what actually constitute a theoretical contribution in family business research. The study focused on some of the important aspects of family business research that could offer more understanding in this area. The study contended that many studies in this area lack solid and significant theoretical contributions. They further argued that researchers in family business domain should always give serious consideration to the contribution their paper research and then link their research question to the theoretical gap. Despite the fact that this study presented important areas of family business, however, the area of succession and how it affects family business continuity is somewhat left untouched.\footnote{Reay, T and Whetten, D. A. (2011), “What Constitutes a Theoretical Contribution in Family Business?” Family Business Review, 24(2), 105–110.}

\textit{Lorna (2011)} has asserted that family business continuity is important areas in succession that must not be neglected since it provide substantial proportion of

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\footnotesize{\textit{PhD Thesis, NMU, Jalgaon}}
employment in so many nations. Lack of true succession in family business has become the bane of family business continuity.\textsuperscript{111}

\textbf{Lorna Collins, Nicholas O'Regan, (2011)} Family business has evolved significantly over the past decade and today it is a well-accepted and respected field of enquiry. In gaining academic acceptance, it has retained its practitioner roots. The paper argues that it is time for a re-think because the focus of previous family business research has become somewhat convoluted with small- and medium-scale enterprises research (at least in the UK) and with particular parts of the family business rather than the entire family business system. To continue its impressive upward trajectory, family business management and research needs to embrace new theoretical perspectives and approaches, particularly those that come from disciplines such as psychology that at the moment have tenuous links to family business studies. It also needs to embrace learning that can be gained from practitioners and develop useful discourse between stakeholder groups in the family business community.\textsuperscript{112}

\textbf{Alexandra Dawson (2012)} states that main focuses on the construct of human capital in family businesses. It makes three key contributions. First, it furthers our understanding of human capital in family businesses by identifying the underlying dimensions of human capital, involving not only knowledge, skills and abilities but also individual attitudes and motivation. Second, the article puts forward the conditions under which family businesses can achieve and sustain over time an alignment of interests between individual human capital and organizational goals. These conditions will vary depending on whether the external environment is static or dynamic. Third, the article heeds the call, shared by strategic management scholars, to focus on the individual level as well as on the (predominant) group- and organizational-level constructs.\textsuperscript{113}

From the literature referred some important points revealed are highlighted as

- Family business is an emerging aspect of entrepreneurship
Family businesses are the engines that drive socio-economic development and wealth creation around the world.

Family businesses have throughout been highly pervasive from small to very large, and in every era have contributed towards significant wealth creation and nation building.

Some of the large family controlled enterprises include: Ford (now in fourth generation) which controls 40% of the Ford Motor Co and the second and third generation Walton family controls 39% of Wal-Mart.

In Holland, small family businesses represent 75% of all companies; in the US, they generate 60% of all employment; while fifteen family businesses account for more than 55% of market value on Santiago stock exchange.

Examples of family owned enterprises in India include, Tatas, Birlas, Ambanis, Singhanias, Chidambrams, Bangurs, Chbarias, Goenkas and Kirloskars.

With an objective to study, the present research is a step towards understanding the family business management practices and models involved in family business.