CHAPTER 5

EMPIRICAL RESULTS

5 INTRODUCTION

The study was aimed at examining the factors and issues which influence of women in family business. An attempt was made to capture the socio economic profile of the entrepreneur, the family background, and the factors in the family business which influences the women in family business. Similarly, the enterprise, its profile is also collected along with the business related information. This chapter presents the data analysis based on the responses received from women in family business. The analysis has been carried out under different sections. *Section 1* highlights the socio economic profile of women, *Section 2* analyses the profile of the family business, and *Section 3* includes the opinions and perceptions of women in family business. While the profile of the entrepreneur and enterprise has been analyzed in a descriptive way, the opinion and perception of women on family issues, decision making, challenges faced, ownership/ governance, business values vs. family values, succession planning, image, communication, professionally managed, and other issues have been analyzed using the factor analysis to determine the factors that influence their opinions on these issues.

Data was analyzed using descriptive statistics such as frequencies and percentages for analyzing the factual information regarding the women and the enterprise and presented using graphs wherever found necessary. To understand the opinion of women on *issues* in family business a 4 point scale was used with a rating on a scale of 1-4 with 1 representing *strongly agree*, 2 representing *agree*, 3 representing *strongly disagree* and 4 representing *disagree*. In addition, a factor analysis was done to resolve a large set of variables into factors. The data collected from the respondents was subjected to principal component, factor analysis by Varimax Rotation with Kaizer Normalization method by using the criterion that factors with Eigen value > 1.00 were retained. Loadings exceeding 0.5 were considered for determining factors. To avoid the crowding of factors, this measure was taken although the literature allows a loading of 0.33 to be

the absolute minimum value to be interpreted. This criterion is being used more or less by way of convention (Vasanthi and Rayappan, 2006).

The frequencies and percentage was calculated to highlight the pattern that emerged. While there are no patterns in literature – both global and India, the criterion given in the literature is taken as the criteria to determine the real or perceptual problems as perceived by the women in family business after comparison with the results of the study. Thus, content analysis, interpretation of the various statistical tests is done to arrive at inferences and satisfy the objectives of the study.

For the purpose of this study, Exploratory Factor Analyses was conducted to determine the discriminant validity of the measuring instrument utilized to measure the constructs in the conceptual model. According to Hair et al. (1998), an exploratory factor analysis depicts data in fewer concepts than the original individual variables. It condenses the data by replacing the scores of each underlying dimension for the original variable. The software SPSS 17 was utilized to conduct the Exploratory Factor Analyses in this study.

Structural Equation Modeling was used to measure the indicator for each construct and assesses its validity. Even though SEM is similar to exploratory factor analysis, it varies because the numbers of factors and items loading onto each factor have to be known and specified before the analysis can be performed (Hair et al. 2006). SEM is therefore a form of confirmatory factor analysis. An exploratory factor analysis using SPSS 15 for Windows was therefore carried out before the implementation of SEM, in order to allow for the specification of the measures of the constructs in the measurement model.

Nine independent variables were identified in Chapter 4 as influencing the *Perceived success* of women in family business. To facilitate discussion, these variables were grouped into two main categories, namely *Family-based factors* and *Business-based factors*. Four variables were assigned to the *Family-based* category and the remaining five variables were assigned to the *Business-based* category. The dependent variables were categorized as *Outcomes*. By dividing the numerous variables amongst these three different categories, the model could be split into three submodels, on which the factor analysis could be performed. Therefore, three submodels materialized, and were named *Outcomes*, *Family-based factors* and *Business-based factors*.

According to Farrington (2009), the method of factor extraction depends on whether one expects the underlying constructs to be correlated or not. Principal Component Analysis with a Varimax Rotation is specified as the extraction and rotation method for the submodels where it is expected that the constructs will not be correlated, whereas Principal Axis Factoring with an Oblimin (Oblimin with Kaiser Normalization) Rotation is specified as the extraction and rotation method for those submodels where it is expected that the constructs are correlated. In order to assess the factor-analyzability of the data, Bartlett's Test of Sphericity was used. Eigenvalues, the Percentage of Variance explained and factor loadings were also measured to determine the number of factors (constructs) to extract for each submodel.

For the purpose of this study, Bartlett's Test of Sphericity and the Kaiser-Meyer- Olkin measure of sampling adequacy (KMO) to gauge the factor-analyzability of the data. According to Rennie (2002), the closer a KMO is to 1, the more factor- analyzable the data is more reliable. For the purpose of this study, data with KMO's of >0.7 ($p<0.05$) is considered factor-analyzable. In addition, Eigenvalues of greater than 1 are considered significant and are used to explain the variance captured by a factor. Eigenvalues of less than 1 are considered insignificant and therefore excluded (Hair et al. 1998).

The extraction and rotation method, as well as Bartlett's Test of Sphericity, will be reported for each submodel in Section 5.4. In addition, the Eigenvalues, Percentage of Variance explained and the individual factor loadings for each construct in the various submodels, will be elaborated on. Thus, the analyses of demographic data, the enterprise data, and the opinions and the perception of the women in family business are explained in the following lines.

SECTION 1

5.1 DEMOGRAPHIC PROFILE OF WOMEN

Section 1 of the questionnaire comprised several questions concerning the demographic information of the respondents and the summary of all of the demographic information gathered from the 323 usable questionnaires is presented below (5.1).

Table 5.1: Demographic information pertaining to the respondents

Age of the Respondent	**Frequency**	**Percentage**
20-30	42	13.0
31-40	61	18.9
41-50	150	46.4
51 & Above	70	21.7
Total	323	100
Education of the Respondent	**Frequency**	**Percentage**
SSC	24	7.4
Intermediate	22	6.8
Graduation	114	35.3
Post Graduation	104	32.2
Others	59	18.3
Total	323	100
Marital Status	**Frequency**	**Percentage**
Single	66	20.4
Married	208	64.5
Divorced	38	11.8
Widow	11	3.4
Total	323	100
Work Experience	**Frequency**	**Percentage**
0-1 years	134	41.5

2-3 years	117	36.2
4-5 years	53	16.4
6 and Above	19	5.9
Total	**323**	**100**

It can be seen from the Table 5.1 above, that majority of the respondents were either between the age of *41 – 50 years* (46.3%) or between the ages of 31- 40 years (19.1%). A few of them were quite young - 20 -30 years (13%). Interestingly 21.6 % of the respondents indicated that they were 51 years or older, thereby demonstrating their desire to remain involved and contribute to their business even at this age. A possible explanation for so many respondents being older in age is provided by Stewart-Gross and Gross (2007), who suggest that more and more individuals are now delaying retirement until much later in life, as they have become focused on "What's next?" or "the next stage in life." Self-employment in the form of entrepreneurship driven, providing them with the opportunity to transition to the so-called "second-half" of their lives.

Formal education is reflected in one's career- entrepreneurs or any other profession. Education shapes and builds on one's career in the acquition of the required skills/competencies and the knowledge in sustaining any business. It all the more adds and improves the social status of a person including a woman. Table 5.1 highlights the educational profile of the sampled respondents. The study indicates that a majority of the respondents were either Graduates (35.5%) or Post Graduates (32.1%). A good number of the respondents completed technical/professional courses (18.2%). Very few were of SSC (7.4%) or Intermediate or + 12 (6.8%). The same trend of positive correlation between education and the business success remains but joining the family business as a professional choice for women with more technical professional qualification is yet to emerge. The changes economic scenario with plenty of employment opportunities for women in the sunrise sectors may possibly one of the reasons for getting into wage employment rather than exploring their entrepreneurial potential. In countries like India where women, of late, are being encouraged to take up professional courses by way of special reservation, should also be tapped towards their potential of job creators rather than job seekers. Good education is an enabler for entrepreneurial career; all the same it is not a deterrent

as knowledge as well as skills could be acquired through training in one's career. Out of the 323 respondents, it was observed that majority (64.5%) were married, while (20.4%) are still single, (11.7%) of them are divorced and widowed (3.4%).

Work experience provides exposure to an office/industry setting and also an idea about the nuances concerned with it. Table 5.1 – highlights the work experience of the sampled respondents. As can be seen from the figure, a majority of the respondents surveyed had prior experience in different fields of work. Out of the 323 respondents, 41.7% had 0-1 years of previous working experience before taking up the enterprise. This shows that more number of women who venture into challenging and demanding activities could prefer previous work experience before joining family business. The data also shows that a good number (36.1%) of the respondents had 2-3 years and the rest (16.4%) had 4-5 years of working experience. This category of women proved the fact that business acumen is innate and supplemented by their exposure to a work setting before joining the family business.

Thus, the demographic profile of women in family business suggests that women are involved in family business much later in life treating more so as a transition to contribute effectively towards the opportunity. In terms of education they were either graduates/post graduates but joining the family business as a professional choice for women with more technically qualified women are yet to emerge. In tune with the cultural norms, a majority of them married. A majority of women in family business preferred an exposure to an office/industry which they thought it supplemented their innate desire to contribute to their business managed by their family.

SECTION 2

5.2 PROFILE OF THE ENTERPRISE

Section 2 of the questionnaire comprised several questions concerning the family business profile. An attempt was made to collect information on the year of starting the family business, location of business, activity of the business, generations in the family business, number of family members involved in the family business, number of women involved in the family business, role of respondent in the family business, number of employees, and the reasons to join

the family business. The data that they have shared is taken to be the data pertaining to the family business and analyzed. Thus these occupational parameters were taken to be the criteria for evaluating the profile of the family business. Studies also pointed out that women are relatively concerned about personal and occupational aspects of success rather than financial rewards (Sturges, 1999). The analyses of the data in respect of these parameters have been highlighted (Table 5.2).

Table 5.2: Profile of the Enterprise

Year of Starting the Business	**Frequency**	**Percentage**
Below – 1970 years	11	3.4
1971-1980 years	24	7.4
1981-1990 years	84	26.0
1991-2000 years	138	42.7
2001& Above years	66	20.4
Total	323	100
Activity of the Family Business	**Frequency**	**Percentage**
Manufacturing Sector	149	46.1
Trade Sector	86	26.7
Service Sector	88	27.2
Total	323	100
Generations in the Family Business	**Frequency**	**Percentage**
First Generation	27	8.3
Second Generation	161	49.7
Third Generation	113	34.9
Fourth Generation	21	6.5
Fifth & Above Generation	1	0.3

Total	323	100
Number of Family Members involved in the Business	**Frequency**	**Percentage**
2-5 Members	196	60.6
6-10 Members	106	32.8
11-15 Members	4	1.2
16 & Above	17	5.3
Total	323	100
Number of Women Members involved in the Business	**Frequency**	**Percentage**
1-2 Members	192	59.4
3-4 Members	98	30.3
5-6 Members	15	4.6
7-8 Members	13	4.0
8 & Above Members	5	1.5
Total	323	100
Role of Respondent in the Family Business	**Frequency**	**Percentage**
Business Head	65	20.1
Financial Director	61	18.9
Accounts Manager	97	30.0
Human Resource	72	22.3
General Manager	28	8.7
Total		
Number of Employee	**Frequency**	**Percentage**
1-10	196	60.7
11-20	19	5.9
21-30	88	27.2

31 & Above	20	6.2
Total	323	100
Reasons to Join the Family Business	**Frequency**	**Percentage**
Loyalty	23	7.1
Obligation	34	10.5
Grow the business	97	30.0
Responsibility	112	34.7
Co-preneurship	57	17.7
Total	323	100

The year of starting the family business has been collected from the enterprises to see their survival and growth after initial problems in the business. As is evident from the Table 6.2, a majority of the enterprises were started between 1991 – 2000(42.6%) indicating that they were established leveraging the opportunities in the globalized era. There are also some family businesses which started between 1981-1990 (25.9%) or 2001 and above(20.4%) ,which shows that family business nurtured their businesses and sustained in the business environment for quite long, while the a few of them were between 1971-1980 (7.7%) or below 1970 (3.4%). This data leads us to the inference that family business successfully faced the initial teething problems and streamlined them and survived in different economic scenario in India. The economic liberalization and rapid expansion in the industrial base in recent years have not only created growth opportunities for many but also have tested their resources capabilities to respond to them (Ramchandran,2005).

Family business could be into manufacturing, trading or servicing activity of the business. The respondents were asked the activity of their business. Data reveals that a majority of the respondents started their unit in manufacturing (46.6%). Some of them were into service sector (29.3%) and while the remaining were into trade (24.1%). This could be explained in terms of the opportunities for manufacturing in place of trading goods/products. Even though women moved to manufacturing, they also sustained their trading activity alongside. Women are

believed to prefer the servicing activity. The data reveals that there was an increase in the servicing activity from the start to the current situation. This could be explained by the booming service sector and the opportunities for women in that sector. Overall, it could be said that while the trading and servicing activity of women entrepreneurs remained the same and moved around, it is indicative of the sustenance of women in business. The mobility towards manufacturing proves the challenge and risk that women are prepared to take in the business.

To survive as a family business, business families must produce heirs with appropriate values, skills and motivations and who view active participation in the business as a meaningful life's work (Ward, 2002). The data reveals that majority of the family business were second generation (49.7%) or third generation (35.2%) in running the family business. Only (8.3%) of the family business were first generation and fourth generation (6.5%) respectively. This could be explained with the dilemmas confronting the younger generation working and considering working in the family business. The decision to enter the business is a crucial one-both from the perspective of the younger generation's considerations and for the parents' who want to attract their children's real commitment to the business. Once the decision to join the business has been made, a strategy for gaining legitimacy and credibility still must be developed (Ward, 2002).

Family members play an important role in the family business. Most simply stated, a family firm is one that includes two or more members of a family that has control of the company (Ward, Aronoff, 2002). The study reveals that majority of the family members involved in the business were 2-5 members (60.5%) or 6-10 members (32.7%). While, the remaining respondents involvement in the business were 16 and more (5.2%) and 11-15 members (1.5%) respectively. It shows that the involvement of the family members in running the business successful depends on the sustenance, managing the responsibility that combine family and business is the key to family business survival and success. The involvement towards running the business proves the challenges and risk that these members are prepared to take in running the business successfully. This data evidences that more and more women are coming out to exploit the available opportunity to successfully run family businesses.

The study reveals the involvement of women in family business, as the majority of the respondents were between 1-2 members (59.3%) or 3-4 members (30.6%). The remaining

respondents indicated that 5-6 members (4.6%), 7-8 members (4%), and above 8 (1.5%) respectively. This indicates that family businesses have potentially significant contribution of women in managing the business.

As far as the role of the respondent was concerned, historically, family business commonly had “no women” and “no wives” rules (whether formal or informal). In today’s world of family ambition and increasing gender neutraling, women roles encompass higher achievement in organization hierarchies. Perhaps more importantly, women are more active in a wider range of roles. With this background, the research indicates that the respondents were account manager (29.9%), human resources (22.2%), business head (28.1%), financial director (18.8%) and general manager (9%) respectively. The data evidences that more and more women are coming out to exploit the available opportunity in the family and more so have a clear role to actively participate in the family business.

The study also showed that (60.8%) of the businesses had between one to ten employees in their business 27.2% had 21-30 employees, while some had 31 and more employees (6.2%) and 11-20 (5.9%) respectively.

There are many reasons for women eventually joining family businesses. An interesting study by Hollander and Burkowitz (1990), reveal the following reasons: wanting to help the family, filling a position that no other family member wanted, and being dissatisfied with another job. Dumas (1989) similarly concluded that, in general, women do not plan a career in their family business, do no aspire to ownership and see their work as a job rather than a career. In addition, some became interested because they saw the potential when the business began to grow, in the same study; it was found that some of the women came into the business to help the family in a time of crisis.

Interestingly, the research indicated that responsibility (34.6%) or business growth (30.2%) was the reason to join the family business. While copreneurship (17.6%), obligation (10.5%) and loyalty (7.1%) were the some other reasons to join the family business. This shows that the societal change acknowledge the contribution of women as equal partners in the developmental process and nurturing in a business environment which provides impetus to the women to

explore and nurture their entrepreneurial potential with a responsibility and the growth of the business which leads to the success of the family business.

In summary the enterprise related information indicates that families started their businesses taking mileage from globalization. In terms of activity they were either in manufacturing, trading or services and belong to the second or the third generation in running the family business. In general 2-5 members of the family were involved in business while 1-2 women actively participated in the family business. Majority of the businesses had 1-10 employees and the reasons for joining the business where more in the nature of responsibility and enterprise growth.

SECTION 3

FACTOR MEASUREMENTS

This section presents the results of the exploratory factor analyses. Exploratory factor analyses have been used to evaluate the discriminant validity of the constructs in the conceptual model. The Cronbach-alpha coefficients will then be presented, to verify the reliability of the constructs. A revision of the conceptual model proposed in Chapter 4 will then follow, depicting those constructs that demonstrated sufficient evidence of discriminate validity and reliability. Path diagrams will be used to display the relationships between the various constructs. The path diagrams will be converted into a measurement and structural model in order to estimate the path coefficients of the relations. The goodness-of-fit of the conceptual model to the empirical data will be analyzed, and the relationships between the various constructs will be considered.

5.3 FACTORS INFLUENCING THE PERCEIVED SUCCESS OF A FAMILY BUSINESS

The measures of factor-analyzability, discriminant validity and reliability for each of the three submodels identified in 5.3 are presented. Subsequently, factors will be identified, and the factor structure for each submodel highlighted.

SUBMODEL 1

5.3.1 SUBMODEL OUTCOMES

Submodel 1 is relates to *outcomes*

The relational nature of the outcome factors (*Firm performance* and *Perceived success*) suggests that the factors in the submodel *Outcomes* are correlated with each other. As a result, Principal Axis factoring with an Oblimin (Oblimin with Kaiser Normalization) Rotation was specified as the extraction and rotation method. Bartlett's Test of Sphericity reported a KMO of 0.846 ($p<0.001$), which confirmed that the data was factor analyzable.

The *Outcomes* submodel is made up of two outcome-related constructs. One of these is the intervening variable, namely *Firm performance*, and the other the dependent variable, *Perceived success*. Exploratory factor analyses were conducted in order to assess the discriminant validity of the outcome-related constructs. The factor structure for this submodel is reported in Table 5.3. The initial measuring instrument included six items measuring *Firm performance*. These items loaded onto factors which were renamed *Firm performance*. It is not unusual for growth and profitability to be considered independent measures of business performance in the literature (Cubbin & Leech 1986). The items measuring *Perceived success* loaded as expected.

Table 5.3: Factor structure - Outcomes

	Factor 1	**Factor 2**
PS18.2	**0.781**	-0.449
PS18.7	**0.764**	-0.371
PS18.5	**0.756**	-0.417
FP19.1	0.502	**0.800**
FP19.7	0.523	**0.758**
FP19.4	0.416	**0.734**

5.3.1.1 Perceived Success

All three items (PS18.2, PS18.7, PS18.5) expected to measure the factor *Perceived success* loaded together on this factor. An Eigenvalue of 7.895 and factor loading of greater than 0.756

for all of the items are reported in Table 5.4. The factor Perceived success explains 17.943% of variance in the data. Therefore, sufficient evidence of discriminant validity is provided for this construct. The Cronbach-alpha coefficient for *Perceived success* is 0.610, suggesting that the measuring instrument used to measure this construct can be regarded as reliable.

Table 5.4: Factor 1 – Perceived success (PSUCCESS)

Eigen value : 7.895 **% of Variance : 17.943**		**Cronbach- alpha : 0.610**		
Item	**Question**	**Factor Loading**	**Item-total Correlated**	**Cronbach – alpha after deletion**
PS2	**I experience my involvement in this business together with my family members as rewarding.**	**0.781**	**0.152**	**0.870**
PS7	**I enjoy working with my family members in our family business.**	**0.764**	**0.852**	**0.774**
PS5	**My involvement in our family business is beneficial.**	**0.756**	**0.848**	**0.777**

For the purpose of this study, Perceived success is defined as the women experiencing their ongoing involvement in the family business as satisfying and rewarding, as well as beneficial to their family, marriage and personal development.

5.3.1.2 Firm Performance

Seven items were used to measure the construct Firm performance, but only three items (FP1,FP7 and FP4) loaded onto the construct as expected. The remaining three items (FP2, FP3, FP5 and FIN6) did not get loaded and were thus excluded from the study. Despite only three of the items originally expected to measure *Firm performance* loading onto this construct, the name for this factor remains unchanged. *Firm performance* reported an Eigenvalue of 2.62 and factor

loadings of greater than 0.734 (See Table 5.5). *Financial performance* explains 17.8% of the variance in the data. Satisfactory evidence of discriminant validity has thus been provided for this construct. The Cronbach-alpha coefficient for *Firm performance* is 0.872, suggesting that the measuring instrument used to measure this construct is reliable.

Table 5.5: Factor 2 – Firm performance (FIRMPERF)

Eigen value : 2.62 **% of Variance : 17.8%**		**Cronbach- alpha : 0.872**		
Item	**Question**	**Factor Loading**	**Item-total Correlated**	**Cronbach – alpha after deletion**
FP1	**Our family business is profitable**	**0.800**	**0.179**	**0.857**
FP7	**Our family business is financially secure**	**0.758**	**0.172**	**0.865**
FP4	**The family business performance is outstanding**	**0.734**	**0.830**	**0.780**

SUBMODEL 2

5.3.2 BUSINESS- BASED FACTORS

The business – based factors re included in submodel 2

For the submodel Business –based factors, Table 5.6, it was not expected that the factors within this model would be correlated. As a result, Principal Axis factoring with an Oblimin Rotation was specified as the extraction and rotation methods. Barlett's Test of Sphericy reported a KOM of 0.758 ($p<0.001$), confirming that the data is factor-analyzable.

The items expected to measure the business-based constructs were assessed for discriminant validity by means of an exploratory factor analysis. Six business-based factors were extracted from this submodel, namely *Succession Planning, Professionally Managed, Governance, Role Conflict,* and *Strategic Planning.* One new factor Equal status have been emerged from the study. They are discussed below.

Table 5.6 Factor structure – Business-based factors

	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6
SP7	**0.960**					
PM2	**0.939**					
SP4	**0.936**					
SP6	**0.935**					
SP9	**0.928**					
PM1	**0.927**					
SP2	**0.902**					
RC1	**0.880**					
ST1	**0.880**					
GO1	**0.877**					
GO5	**0.862**					
GO8	**0.708**					
PM3		**0.883**				
RC2		**0.872**				
SP1		**0.869**				
PM6		**0.869**				
RC3		**0.842**				
PM11		**0.772**				

RC7		**0.751**				
PM10		**0.730**				
ST2			**0.800**			
GO6			**0.781**			
PM5			**0.751**			
PM9			**0.718**			
ST7				**0.636**		
GO2				**0.615**		
GO7				**0.600**		
ST4				**0.550**		
RC4					**0.838**	
RC8					**0.818**	
RC6					**0.795**	
ST5						**0.655**
ST6						**0.627**
ST3						**0.616**

5.3.2.1 Factor 1: Succession Planning

Of the nine items intended to measure Succession planning, only five items (SP2, SP4, SP6, SP7, and SP9) loaded together on this factor. The item SP1 loaded together onto another factor, whilst (SP3, SP5, and SP8) did not load as expected and was therefore not used in subsequent analyses. An Eigenvalue of 5.095 and factor loading of greater than 0.708 are reported in Table 5.7. The factor Succession planning explains 42.455 of the variance in the data. Sufficient evidence of discriminant validity is thus provided for this construct. Succession planning reports a Cronbach-Alpha coefficient of 0.798, suggesting that the measuring instrument used to measure the construct is reliable.

Table 5.7 Factor 1 Succession planning (SUCPLAN)

Eigen value : 5.095 **% of Variance : 42.455**		**Cronbach- alpha : 0.798**		
Item	Question	**Factor Loading**	**Item-total Correlated**	**Cronbach – alpha after deletion**
SP7	The identity of the successor to the current owner has been communicated to all concerned	**0.960**	**0.718**	**0.758**
PM2	I combine family, ownership and management for the betterment of the company	**0.939**	**0.825**	**0.749**
SP4	I have a plan or process in place to develop the next generation	**0.936**	**0.705**	**0.758**
SP6	Replacing the current owner with a successor will be done in good time	**0.935**	**0.498**	**0.778**
SP9	Family member has been identified as the next business leader	**0.928**	**0.747**	**0.753**
PM1	I consider a major influence on both the strategic orientation of the company and its operative business activities	**0.927**	**0.671**	**0.761**
SP2	The person who will take over this business when the current owner retires has already been identified	**0.902**	**0.742**	**0.757**

RC1	I wont spend time with my family as often as I would like to	**0.880**	**0.517**	**0.776**
ST1	The long term strategies of this business are planned long in advance	**0.880**	**0.122**	**0.812**
GO1	I trust my board of directors	**0.877**	**0.049**	**0.820**
GO5	Keep the board of directors informed about family views about the company and maintain a dialogue with the board about key business policies and plans	**0.862**	**-0.016**	**0.825**
GO8	I look for independent directors who are supportive in nature	**0.708**	**0.032**	**0.826**

For the purpose of this study, Succession planning refers to the proper planning, identification of the next leader, spending more time in the business, future direction that the business should take, and having an environment that enables their vision to prosper.

5.3.2.2 Factor 2- Professionally Managed

Only four items (PM3, PM6, PM10 and PM11) originally intended to measure the construct *Professionally managed* loaded together. The remaining (PM1, PM2, PM5 and PM9) loaded together onto another factor, whilst PM4, PM7 and PM8 did not load as expected and was therefore not used in subsequent analyses. In addition, four items (RC2, RC3 and RC4) originally intended to measure the construct Role conflict also loaded onto the construct Professionally managed together with the item SP1. An Eigenvalue of 4.903 and factor loading of greater than 0.730 are reported in Table 5.8. The factor Professionally managed explains 61.284% of the variance in the data. Sufficient evidence of discriminant validity is thus provided for this construct. Professionally managed reports a Cronbach-Alpha coefficient of 0.855, suggesting that the measuring instrument used to measure the construct is reliable.

Table 5.8: Factor 2 – Professionally managed (PROMAN)

Eigen value : 4.903 **% of Variance : 61.284**		**Cronbach- alpha : 0.855**		
Item	Question	**Factor Loading**	**Item-total Correlated**	**Cronbach – alpha after deletion**
PM3	It is more difficult to decide on how to expand, particularly in the field of globalization/ internationalization	**0.883**	**0.878**	**0.804**
RC2	Role conflict can be easily managed	**0.872**	**0.874**	**0.803**
SP1	I am willing to transfer control of the business to my children	**0.869**	**0.879**	**0.801**
PM6	My company has a written strategic plan	**0.869**	**0.880**	**0.801**
RC3	I receive incompatible request from my family members	**0.842**	**-0.047**	**0.903**
PM11	I regularly conduct market and customer analysis	**0.772**	**0.734**	**0.822**
RC7	The family spends lots of time with each other away from the business	**0.751**	**0.045**	**0.898**
PM10	I improve my business and management skills through regular training	**0.730**	**0.709**	**0.825**

For the study, Professionally managed family fears, managing role conflict, spending time with each other regarding the business, managing business through regular training.

5.3.2.3 Factor 3: Equal Status

As already mentioned, four of the items (ST2, GO6, PM5 and PM9) originally intended to measure the construct Strategic planning, Governance and Professionally managed loaded to form a new factor. Based on the nature of these items, this new factor was named Equal status. An Eigenvalue of 3.385 and factor loading of greater than 0.718 are reported in Table 5.9. The factor Equal status explains 84.62% of the variance in the data. Sufficient evidence of discriminant validity is thus provided for this construct. Equal status reports a Cronbach-Alpha coefficient of 0.939, suggesting that the measuring instrument used to measure the construct is reliable.

Table 5.9: Factor 3 – Equal status (EQUASTA)

Eigen value : 3.385 **% of Variance : 84.62%**		**Cronbach- alpha : 0.939**		
Item	Question	**Factor Loading**	**Item-total Correlated**	**Cronbach – alpha after deletion**
ST2	This business has a clear long term vision	**0.800**	**0.888**	**0.909**
GO6	Employees respect to my status like other family members	**0.781**	**0.816**	**0.933**
PM5	I am aware of the necessity and practical information on how to design and implements it	**0.751**	**0.894**	**0.907**
PM9	I have the same status as other members do (does) in the family business	**0.718**	**0.824**	**0.930**

For the study, Equal status, take lead role and very knowledgeable, equal status as the other family members and respecting the role and the vision of the family business.

5.3.2.4 Factor 4: Governance

From the eight items originally intended to measure the construct Governance, only two items (GO2 and GO7) loaded together on this factor. Three items (GO1,GO5,GO8) loaded together onto the construct Succession planning and one item (GO6) loaded onto the construct Equal status and two items (GO3 and GO4) did not load at all and was excluded from further studies In addition, the items (STP4 and STP7) also loaded onto the construct Governance. An Eigenvalue of 2.445 and factor loading of greater than 0.550 are reported in Table 5.10. The factor Governance explains 61.13% of the variance in the data. Sufficient evidence of discriminant validity is thus provided for this construct. Governance reports a Cronbach-Alpha coefficient of 0.787, suggesting that the measuring instrument used to measure the construct is reliable.

Table 5.10: Factor 4 – Governance (GOVERN)

Eigen value : 2.445 **% of Variance : 61.137**		**Cronbach- alpha : 0.787**		
Item	Question	**Factor Loading**	**Item-total Correlated**	**Cronbach – alpha after deletion**
ST7	This business has proper planning processes and procedures in place	**0.636**	**0.601**	**0.733**
GO2	Business partners and clients appreciate my family character and aspects such as high commitment and loyalty	**0.615**	**0.647**	**0.707**
GO7	I look for independent directors who are supportive in nature	**0.600**	**0.617**	**0.723**

ST7	This business has proper planning processes and procedures in place	**0.550**	**0.520**	**0.771**

For the study, Governance refers to formal strategic planning process, independent directors who are supportive in nature , and implementing proper planning processes ahead to come.

5.3.2.5 Factor 5: Role Conflict

From the eight items originally intended to measure the construct Role conflict, three items (RC4, RC6 and RC8) loaded onto this factor. One of the items (RC1) loaded onto the construct Succession planning and three items (RC2, RC3 and RC7) loaded together onto the construct Professionally managed, whilst RC5 did not load as expected and was therefore not used in subsequent analyses. An Eigenvalue of 2.669 and factor loading of greater than 0.795 are reported in Table 5.11. The factor Role conflict explains 88.953 % of the variance in the data. Sufficient evidence of discriminant validity is thus provided for this construct. Role conflict reports a Cronbach-Alpha coefficient of 0.938, suggesting that the measuring instrument used to measure the construct is reliable.

Table 5.11: Factor 5 – Role conflict (ROLECON)

Eigen value : 2.669 **% of Variance : 88.953**		**Cronbach- alpha : 0.938**		
Item	Question	**Factor Loading**	**Item-total Correlated**	**Cronbach– alpha after deletion**
RC4	I do not have any family fears which I cannot understand	**0.838**	**0.886**	**0.897**
RC8	Managing conflict regarding ownership is easy	**0.818**	**0.871**	**0.909**
RC6	Dissent is accepted among family	**0.795**	**0.856**	**0.922**

	members so that people may express different views to management			

For the study, Role conflict refers to due to family fears, managing the conflict in the business and accepting different views in the family business .

5.3.2.6 Factor 6: Strategic Planning

Eight items were expected to measure the construct Strategic planning in this study. Only three of these items (ST3, ST5 and ST6) loaded together onto the factor. One of the items (ST2) and (ST1) loaded onto the construct Equal status and Succession planning and two items (ST4 and ST7) loaded together onto the construct Governance, whilst ST8 did not load as expected and was therefore not used in the analyses. An Eigen value 2.427 and factor loading of greater than 0.616 are reported in Table 5.12. In addition Strategic planning explains 80.88 % of the variance in the data, providing sufficient evidence of discriminant validity for this construct. A Cronbach-alpha coefficient of 0.882 is reported, and as a result the measuring instrument used can be considered reliable.

Table 5.12: Factor 6 – Strategic planning (STRAPLAN)

Eigen value : 2.427 **% of Variance : 80.88**		**Cronbach- alpha : 0.882**		
Item	Question	**Factor Loading**	**Item-total Correlated**	**Cronbach– alpha after deletion**
ST5	This firm plans years ahead	**0.655**	**0.780**	**0.824**
ST6	This business has a formal business plan	**0.627**	**0.766**	**0.837**
ST3	This firm has a formal strategic planning process in place	**0.616**	**0.766**	**0.836**

For this study, Strategic planning to identify the plans years ahead, with a formal business plan and formal strategic planning process and operative business activities.

	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6

SUBMODEL 3

5.3.3 FAMILY-BASED FACTORS

From the table 6.13 the submodel *Family-based factors*, was subjected to Principal Axis factoring with an Oblimin Rotation was specified as the extraction and rotation method. Bartlett's Test of Sphericity reported a KMO of 0.889 ($p<0.001$), confirming that the data is factor-analyzable.

The items expected to measure the family-based constructs were assessed for discriminant validity by means of an exploratory factor analysis. Four family-based factors were extracted from this submodel, namely *Trust and Values, Family Harmony, Commitment, and Open family communication.* **Two new factors *Loyalty* and *Self Identity*** were extracted from the study. The factor structure reported for this model is tabled below and discussed in the paragraphs to follow.

Table 5.13: Factor structure - Business-based factors

OP4	**0.888**					
FH2	**0.882**					
FH12	**0.872**					
OP2	**0.871**					
OP6	**0.871**					
TV6	**0.869**					
FH6	**0.856**					
FH1	**0.484**					
FH1		**0.821**				
TV9		**0.783**				
TV7		**0.778**				
TV4		**0.777**				
TV1		**0.771**				
TV11		**0.751**				
CO4			**0.834**			
CO10			**0.805**			
CO7			**0.789**			
CO2			**0.760**			
CO5			**0.553**			
OP3			**0.507**			
OP1				**0.550**		
TV10				**0.548**		
CO6				**0.506**		
CO9					**0.781**	
CO11					**0.739**	

CO6						**0.593**
CO3						**0.540**

5.3.3.1 Factor 1: Trust and Values

Only one of the items (TV6) originally intended to measure the construct Trust and Values. The remaining (TV1,TV2,TV3,TV4,TV5,TV7,TV8,TV9,TV10,TV11) did not load as expected and were thus excluded from further analysis. Three of the items (FH2,FH12,FH6) originally intended to measure the construct Family Harmony also loaded onto the construct Trust and Values, together with the items OC4,OC2,OC6. An Eigen Value of 7.58 and factor loadings of 0.484 are reported for this construct in Table 5.14 below. Trust and Values explains 18.5 % of the variance in the data, implying that the construct displays evidence of discriminant validity. A Cronbach-alpha co-efficient of 0.941 is reported, which indicates that the measuring instrument used to measure this construct is reliable.

Table 5.14: Factor 1 – Trust and Value (TRUVAL)

Eigen value : 7.581 **% of Variance : 18.04**		**Cronbach- alpha : 0.941**		
Item	Question	**Factor Loading**	**Item-total Correlated**	**Cronbach – alpha after deletion**
OPCO4	The family members are well informed of what happens in this business	**0.888**	**0.951**	**0.919**
FH2	I plan according to the requirement of my family's interest	**0.882**	**0.943**	**0.919**
FH12	I work hard for the reputation and image of the company	**0.872**	**0.923**	**0.921**

OPCO2	There is free and open communication between me, family members and Managers	**0.871**	**0.939**	**0.920**
OPCO6	The family attempt to be of one voice in communications to managers in the business	**0.871**	**0.928**	**0.921**
TV6	My decision are based heavily on family values	**0.869**	**0.055**	**0.985**
FH6	In this business we solve potential problems among family members before they occur	**0.856**	**0.919**	**0.922**

As a result of the factor analysis and for the purpose of this study, Trust and Values refers to a harmonious relationship among the women in family business characterized by open and two way communication, planning, working hard, understanding each other's needs and decision making process.

5.3.3.2 Factor 2: Family Harmony

Only one item (FH1) intended to measure Family Harmony as expected onto the construct Family Harmony. An Eigen value of 5.01 and with a factor loadings of greater than 0.75 are reported in Table 5.15. Family Harmony involvement explains 11.94 % of variance in the data, providing sufficient evidence of discriminant validity for this construct. A Cronbach-alpha coefficient of 0.874 is reported, and as a result the measuring instrument used can be considered reliable.

Table 5.15: Factor 2 – Family harmony (FAMHAR)

Eigen value : 5.013	

% of Variance : 11.94		Cronbach- alpha : 0.874		
Item	Question	**Factor Loading**	**Item-total Correlated**	**Cronbach– alpha after deletion**
FH1	The family members in this business respect each other	**0.821**	**0.890**	**0.816**
TV9	Wealth preservation a key objective of owners	**0.783**	**0.866**	**0.820**
TV7	I am very much respectful of tradition	**0.778**	**0.839**	**0.824**
FH4	The family members have confidence in each other's decision making abilities	**0.777**	**0.846**	**0.823**
TV1	The family members in this business trust each other	**0.771**	**0.043**	**0.962**
FH11	My family is balanced with business values	**0.751**	**0.823**	**0.826**

For this purpose of this study, Family Harmony refers to the interacting, wealth preservation, following tradition, confidence and balancing life.

5.3.3.3 Factor 3: Commitment

Eleven items were expected to measure the construct commitment in this study. Only five of these items (CO4, CO10, CO7, CO2, and CO5) loaded as expected. An Eigen value 3.88 and factor loading of greater than 0.507 are reported in Table 5.16. Commitment explains 6.442 % of the variance in the data, providing sufficient evidence of discriminant validity for this construct. A Cronbach-alpha coefficient of 0.671 is reported, and as a result the measuring instrument used can be considered reliable.

Table 5.16: Factor 3 – Commitment (COMMT)

Eigen value : 3.884 **% of Variance : 6.442**		**Cronbach- alpha : 0.671**		
Item	Question	**Factor Loading**	**Item-total Correlated**	**Cronbach– alpha after deletion**
CO4	Even if I get the opportunity to leave, I would continue working for this business	**0.834**	**0.641**	**0.548**
CO10	I find that my values are compatible with the business's values	**0.805**	**-0.55**	**0.814**
CO7	I am willing to put in a great deal of effort beyond that normally expected in order to help the family business be successful	**0.789**	**0.624**	**0.553**
CO2	I am committed to this business	**0.760**	**0.578**	**0.585**
CO5	I want to continue working for this business for some time still	**0.553**	**0.512**	**0.598**
OP3	Communication is much more complicated	**0.507**	**0.381**	**0.636**

For the purpose of the study, Commitment refers to continue working for the business, compatible, committed to the business, family values are compatible with the business's values.

5.3.3.4 Factor 4 Open COMMUNICATION

Eight items were expected to measure the construct Open Communication in this study. Only one of these items (OC 1) loaded as expected and the remaining TV10 and CO 6. An Eigen value 2.113 and factor loading of greater than 0.506 are reported in Table 5.17. Open Communication explains 5.03 % of the variance in the data, providing sufficient evidence of discriminant validity for this construct. A Cronbach-alpha coefficient of 0.684 is reported, and as a result the measuring instrument used can be considered reliable.

Table 5.17: Factor 4 – Open communication (OPCOM)

Eigen value : 2.113 **% of Variance : 5.03**		**Cronbach- alpha : 0.684**		
Item	Question	**Factor Loading**	**Item-total Correlated**	**Cronbach– alpha after deletion**
OP1	There is adequate Communication in this business	**0.550**	**0.778**	**0.940**
TV10	Entrepreneurship more the focus for our company	**0.548**	**0.764**	**0.958**
TV6	I will not be looking for an alternative business soon	**0.506**	**0.094**	**0.934**

For this study, Open Communication refers to adequate interactions, entrepreneurial characters, skills.

5.3.3.5 Factor 5 Loyalty

A new factor with two items were expected the construct and was therefore named Loyalty. An Eigen value 1.996 and factor loading of greater than 0.739 are reported in Table 5.18. In addition Loyalty explains 4.75 % of the variance in the data, providing sufficient evidence of discriminant validity for this construct. A Cronbach-alpha coefficient of 0.973 is reported, and as a result the measuring instrument used can be considered reliable.

Table 5.18: Factor 5 – Loyalty (Loyal)

Eigen value : 1.996 **% of Variance : 4.753**		**Cronbach- alpha : 0.973**		
Item	**Question**	**Factor Loading**	**Item-total Correlated**	**Cronbach– alpha after deletion**
CO9	I feel loyalty to the company	**0.781**	**0.948**	**-**
CO11	I am proud to tell others that I am part of the family business	**0.739**	**0.948**	**-**

For the study, Loyalty is refers being loyal in the family and to be a part of the family.

5.3.3.6 Factor 6 Self Identity

A new factor with two items were extracted from the construct and was therefore named Self Identity. An Eigen value 1.596 and factor loading of greater than 0.548 are reported in Table 5.19. In addition Self Identity explains 3.80 % of the variance in the data, providing sufficient evidence of discriminant validity for this construct. A Cronbach-alpha coefficient of 0.694 is reported, and as a result the measuring instrument used can be considered reliable.

Table 5.19: Factor 6 – Self Identity (Selfidn)

Eigen value : 1.596 **% of Variance : 3.80**		**Cronbach- alpha : 0.694**		
Item	Question	**Factor Loading**	**Item-total Correlated**	**Cronbach – alpha after deletion**
CO1	I strongly identify with this business	**0.550**	**0.536**	**-**
CO3	I strongly associated with what this	**0.548**	**0.536**	**-**

	business stands for			

For this study, Self Identity refers to an identification in the family, and to associate with the business activities.

5.4 REVISED CONCEPTUAL MODEL

The results of the exploratory factor analyses were unable to verify all the factors as originally intended in the conceptual model. Several changes emerged with regard to the family-based and business-based factors.

With regard to the business-based factor, the items originally intended to measure *Governance* loaded onto the factor *Succession planning*. One of the items originally intended to measure the factor Role conflict and Strategic planning, as well as three and two originally intended to measure the factors *Governance* and *Professionally managed* also loaded together onto the factor Succession planning. With regard to the factor Professionally managed, 8 items intended to measure this factor loaded together and only four items measured. Only two of the items originally intended to measure the factor *Governance* loaded together as expected, but despite this, the factor's name remains unchanged. The remaining items from the construct strategic planning, governance, and professionally managed loaded together to form a new factor which were then named *Equal status*. The factor *Role conflict and Strategic planning* was unchanged and of four of the items that loaded together onto this factors.

With regard to the family-based factors, seven of the items originally intended to measure the factor *Trust and values* loaded together onto this construct. In addition, three of the items intended to measure *Family harmony* and *Open communication* of the items intended to measure loaded onto the factor *Trust and values*. The factor *Trust and value* remains unchanged. The factor *Family harmony*, *Commitment* and *Open communication* was renamed *unchanged* because of the nature of the four items that loaded together onto this factor. Two items originally intended to measure the factor *Commitment* loaded together to form a new factor which was named Loyalty. Two of the items originally intended to measure *Commitment* loaded together

onto a new factor was named Self identity.

With regard to the outcomes-based factors, the original intervening variable *Firm performance* is not changed and remained the same. In addition, all three items originally intended to measure the factor *Perceived success* loaded together onto this factor.

As a result of the factor analyses, the original conceptual model illustrated in Figure 6.1 and the hypotheses defined in Chapter 3, were revised. The revised conceptual model, portrayed in Figure 6.1 and subsequent hypotheses (See Table 6.20) are subjected to further testing in the remainder of the study.

Figure 5.1: Revised conceptual model: Factors influencing the Perceived Success of the family business

Revised Conceptual Model

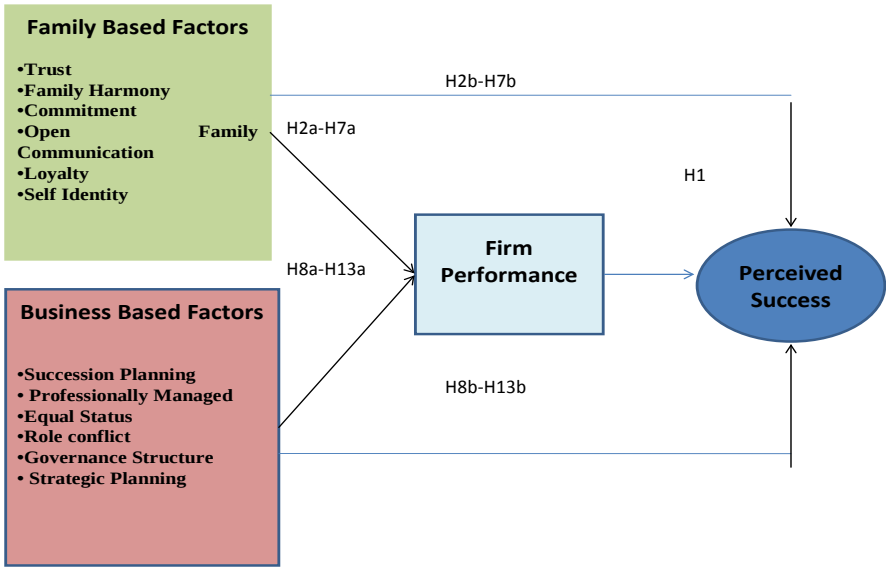

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Table 5.20: Summary of revised hypotheses to be tested in the structural model

Hypothesis
H1: There is a relationship between the *Firm performance* and the *Perceived success* of the family business.
H^{2a}: There is a relationship between the *Succession planning* of the Family business and the *Firm performance* of the family business.

H^{2b}: There is a relationship between the *Succession planning* of the Family business and the *Perceived success* of the family business.
H^{3a}: There is a relationship between the *Professionally managed* family businesses and the *Firm performance* of the family business.
H^{3b}: There is a relationship between the *Professionally managed* family businesses and the *Perceived success* of the family business.
H^{4a}: There is a relationship between the *Equal status* family businesses and the *Perceived success* of the family business.
H^{4b}: There is a relationship between the *Equal status* family businesses and the *Perceived success* of the family business.
H^{5a}: There is a relationship between the *Governance* of the family business and the *Firm performance* of the family business.
H^{5b}: There is a relationship between the *Governance* of the family business and the *Perceived success* of the family business.
H^{6a}: There is a relationship between the *Role conflict* of the Family business and the *Firm performance* of the family business.
H^{6b}: There is a relationship between the *Role conflict* of the Family business and the *Perceived success* of the family business.
H^{7a}: There is a relationship between the *Strategic planning* of the Family business and the *Firm performance* of the family business.
H^{7b}: There is a relationship between the *Strategic planning* of the Family business and the

Perceived success of the family business.
H8a: There is a relationship between the *Trust and values* of the Family business and the *Firm performance* of the family business.
H8b: There is a relationship between the *Trust and values* of the Family business and the *Perceived success* of the family business.
H9a: There is a relationship between the *Family harmony* of the Family business and the *Firm performance* of the family business.
H9b: There is a relationship between the *Family harmony* of the Family business and the *Perceived success* of the family business.
H10a: There is a relationship between the *Commitment* of the Family business and the *Firm performance* of the family business.
H10b: There is a relationship between the *Commitment* of the Family business and the *Perceived success* of the family business.
H11a: There is a relationship between the *Open family communication* of the Family business and the *Firm performance* of the family business.
H11b: There is a relationship between the *Open family communication* of the Family business and the *Perceived success* of the family business.
H12a: There is a relationship between the *Loyalty* of the Family business and the *Perceived success* of the family business.
H12b: There is a relationship between the *Loyalty* of the Family business and the *Perceived success* of the family business.
H13a: There is a relationship between the *Self identity* of the Family business and the *Perceived*

success of the family business.
H^{13b}: There is a relationship between the *Self identity* of the Family business and the *Perceived success* of the family business.

The hypothesized relationships tabled above were tested by means of Structural Equation Model (SEM), the results of which are to be discussed in the sections to follow.

5.5 EMPIRICAL RESULTS OF STRUCTURAL EQUATION MODELLING ANALYSES

Structural Equation Modelling (SEM) is a general multivariate statistical analysis technique that includes specialised versions of other analysis techniques such as confirmatory factor analysis, path analysis, and Multiple Regression. SEM is used to simultaneously approximate a series of interrelated dependence relationships, and is therefore used to build and test statistical models (Hair et al. 1998; Structural Equation Modelling).

As already mentioned in Chapter 5, the sample size of the present study (323) is too small to allow for the testing of the model as a whole. However, simpler models can be tested with smaller samples (Hair et al. 2006). The original model of factors influencing the *Perceived success* of family business is divided into five submodels, and these submodels are then each subjected to SEM.

As mentioned in Chapter 3, the various factors identified as influencing the success of family business were divided into two groups, namely *family-based* and business-*based* factors. These two groups of factors are each individually combined with each one of the three outcome variables (namely *Firm performance* and *Perceived success*), resulting in six submodels that need to be tested by means of SEM. In addition, one intervening variables emerged from the factors analysis, namely *Firm performance e*, as well as one dependent variable, namely *Perceived success*. This submodel is to be tested using SEM, and is comprised of the two

outcome variables. Therefore, in total, five submodels were each subjected to SEM.

The software programme LISREL 8.8 (Jöreskog & Sörbom, 2006) has been utilized for the empirical assessment of the seven submodels identified. The steps of SEM as discussed in Chapter 5 are applied to each submodel. The first two steps of SEM are carried out by revising and redefining the theoretical submodels and the hypothesized relationships are exhibited in the path diagrams. Each hypothesis was reformulated (Table 6.20) after the exploratory factor analysis and is representative of a theoretically proposed relationship.

The third step of SEM involves indicating the structural and measurement models for each of the submodels. A covariance matrix has been utilized as the input matrix for each submodel in the present study. Estimates of the free parameters are obtained from the observed data, for both the measurement and structural model. The measurement model presents support of construct validity, and is used to consider the measurement properties of the scale.

In the final step, the relationships between the constructs in the structural model of each submodel are identified. The degree to which the proposed models are representative of an acceptable approximation of the data is also established. For the purpose of this study, the measurement model estimations have been portrayed together with the structural model. Hair et al. (2006) support this by stating that the estimation of the SEM model necessitates that the measurement specifications be included in the estimation of the structural model. The models portrayed therefore summarize the specifications for both the measurement and structural model.

5.5.1 Confirmatory Factor Analysis (CFA)

Confirmatory Factor Analysis which is part of the structural equation modeling techniques can be used to estimate measurement model that specifies the relationship between observed indicators and their underlying latent constructs. The measurement model specifies how latent constructs are measured by the observed variables and it assesses the construct validity and reliability of the observed variables (Joreskog and Sorbom,1989). Estimation of the measurement model is used to asses the fit of the data to a hypothesized model. CFA is often

used when the number of factors is known before hand and each variable is allowed to associate with only one factor.

CFA was done on the final data to confirm the conceptual model developed in the study. The general paradigm suggested by Anderson and Gerbin(1988) was followed in the current research in order to test a model of Perceived success, Firm performance, and family based and business based factors. The measurement models of each of the selected submodel were first assessed and then a structural model linking Perceived success , Firm performance and family and business based factors outcomes were tested. Software package LISREL 8.8 was used to do the Confirmatory Factor Analysis. The following are the commonly used fit indices which help to assess the fit between a model and a data set which in turn proves its validity.

5.5.1.1 The Goodness-of-Fit Index (GFI)

This is one of the most commonly reported measures of model fit. The GFI is non-statistical measures that ranges in values from 0 (poor fit) to 1 (perfect fit). The higher the GFI, the better the model fit is considered to be. There is no definite value that indicates “good” model fit (Chin and Todd,1995). Although values above 0.90 are usually considered to be favorable to conclude that there is a good fit between the proposed model and observed data.

5.5.1.2 Adjusted Goodness-of-Fit Index (AGFI)

The AGFI is similar to the GFI, but is adjusted by the ratio of the degrees of freedom for the proposed model to the degrees of freedom for the null. Again, there is no set standard for an acceptable AGFI. In some instance , values of 0.80 or greater are often considered an indication of good fit model (Taylor and Todd,1995),although values as low as 0.70 have been acceptable.

5.5.1.3 The Comparative Fit Index (CFI)

This is another measure of overall goodness of fit that uses a Chi-square distribution. The CFI produces a value between 0 and 1, with 1 indicating a perfect fit. As a rule of thumb for this statistic, values of 0.90 or above are considered to indicate a good fit. This is one of the most used measures of unidimensionality of the scale.

5.5.1.4 Bentler- Bonett Fit Index (NFI or TLI)

NFI or TLI is a good indicator of the convergent validity of the questionnaire. The scale with TLI values of 0.90 or above is an indication of strong convergent validity. (Bentler- Bonett, 1990).

5.5.1.5 Root Mean Square Error of Approximation (RMSEA)

This is a popular measure of fit which is also called discrepancy per degree of freedom. By convention, there is good model fit if RMSEA is less than or equal to 0.05. There is adequate fit if RMSEA is less than or equal to 0.08. More recently, Hu and Bentler (1999) have suggested RMSEA <= 0.05 as cutoff for a good model fit.

The goodness-of-fit indices for each of the sub models were examined to determine whether the measurement and structural models indicated an acceptable approximation of the data. The following hypotheses are therefore formulated for this purpose:

H^{01}: The data fits the model perfectly.

H^{a1}: The data does not fit the model perfectly.

In the present study, the goodness-of-fit indices of the measurement and structural models are identical for all of the submodels subjected to SEM. Hair et al. (2006:847) attribute the occurrence of similar goodness-of-fit indices to the existence of a single direct relationship between the constructs. In order to avoid unnecessary repetition, only the goodness-of-fit indices for the structural models have been reported and interpreted in the present study.

Steps 5 and 7 of SEM (as described in Chapter 4) were not undertaken, as the focus of the present study is on testing relationships and possibly confirming theory, rather than on scale development. The outcomes of the steps summarised above, as pertaining to each submodel, will be offered in the sections to follow.

SUBMODEL 1

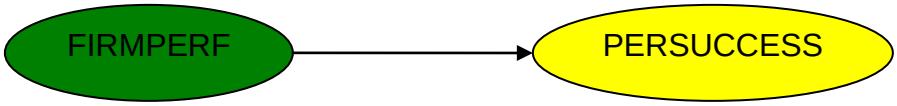
5.6 SUBMODEL 1: OUTCOMES

The various steps of SEM, as applied to the *Outcomes* submodel, are summarized in the following sections.

5.6.1 Revised conceptual model and path diagrams

Figure 5.2 depicts the revised conceptual model and path diagrams for the *Outcomes* model. It is hypothesized that both of the independent variable *Firm performance*, have a positive influence on the dependent variable *Perceived success*.

Figure 5.2: Path diagram of structural relationships: Revised model



5.6.2 Structural and measurement models

The structural and measurement models for the *Outcomes* model are defined in Table 5.21. The endogenous and exogenous variables, as well as the latent and manifest variables, are also presented in Table 5.21.

Table 5.21: Definition of structural and measurement model

Structural Model	
Endogenous variables	**Exogenous variables**
Perceived success	Firm performance
Measurement model	
Exogenous	**Manifest variables**

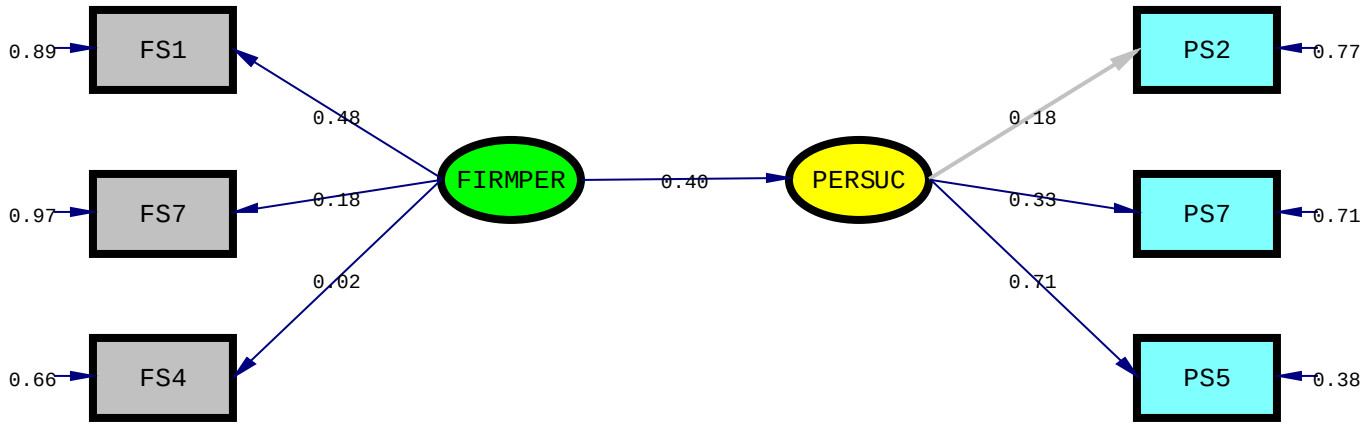
Perceived success	PS2,PS7,PS5
Firm performance	FP1,FP7,FP4

5.6.3 Measurement and structural model estimation

The p-values for the indicator loadings exceeded the minimum critical value of 1.96 ($p<0.05$), providing evidence of their significance. The structural equation model was thus subjected to empirical testing.

The structural model depicted in Figure 5.3 to follow, illustrates that the independent variable *Firm performance* ($p<0.01$), exerts a significant influence on the dependent variable, *Perceived success*. The path coefficient (0.16) for this relationship proved significant as its p-value exceeded the critical value of 2.58 ($p<0.01$). Against this background, hypothesis H^1 is accepted.

Figure 5.3: Structural model estimation


0.89
FS1
0.97
FS7
0.66
FS4
0.48
0.18
0.02
FIRMPER
0.40
PERSUC
0.18
0.33
0.71
PS2
PS7
PS5
0.77
0.71
0.38

5.6.4 Evaluating the goodness-of-fit indices for the structural model

The goodness-of-fit indices for the structural model portrayed in Figure 5.3 are reported in Table 5.22.

Table 5.22: Goodness-of-fit indices for the structural model

Goodness –of-fit criteria	
Sample size	323
Degrees of freedom	8
GFI	0.98
AGFI	0.95
CFI	0.98
TLI	0.97
RMSEA	0.067

The goodness-of-fit indices for the structural model illustrated in Figure 5.3 are detailed in Table 5.22. The values got from the Confirmatory Factor Analysis done on Firm performance and perceived success from the table 5.22 reveals that the model is acceptable as the values fall within the acceptable ranges.

5.7 SUBMODEL 2: FAMILY-BASED FACTORS AND FIRM PERFORMANCE

The steps of SEM have been applied to the submodel *Family -based factors and Firm performance*, the results of which will be discussed in the sections to follow.

5.7.1 Revised conceptual model and path diagrams

Figure 5.4: Path diagram of structural relationships: Revised model

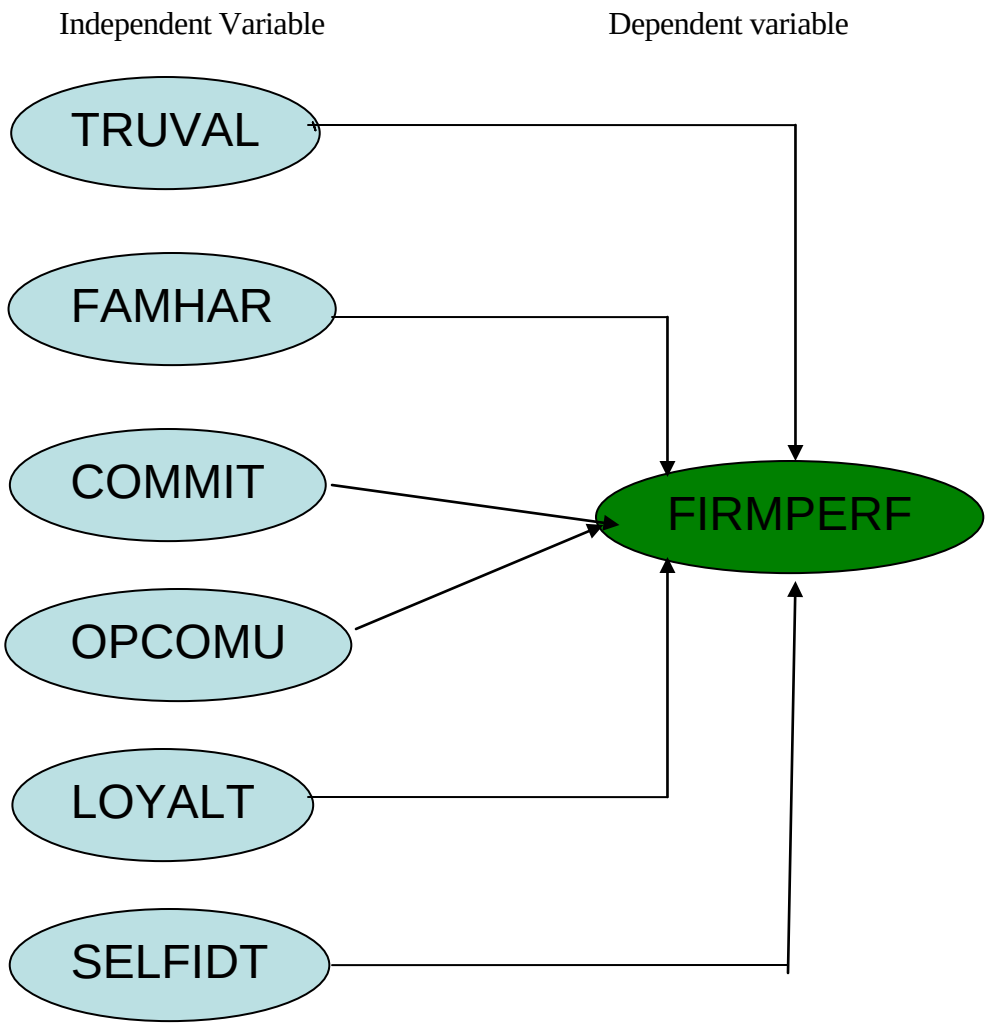


Figure 5.4 depicts the revised conceptual model and path diagrams for the submodel *Family-based factors and Firm performance.* It is hypothesized that the independent relational-based variables, namely *Trust and values, Family harmony, Commitment, Open family communication, Loyalty, and Self identity* all have a positive influence on the dependent variable, *Firm performance*.

5.7.2 Structural and measurement models

The structural and measurement models for the submodel family based factors and Firm performance are described in Table 5.23.

Table 5.23: Definition of structural and measurement model

Structural Model	
Endogenous variables	**Exogenous variables**
Firm performance	Trust and values, Family harmony, Commitment, Open family communication, Loyalty, Self identity
Measurement model	
Exogenous	**Manifest variables**
Firm performance	FP1,FP7,FP4
Trust and values	OP4, FH2,FH12,OP2,OP6,TV6,FH6
Family harmony	FH1,TV9,TV4,TV1,TV11
Commitment	CO4,CO10,CO7,CO2,CO5,OP3
Open family communication	OP1,TV10
Loyalty	CO9,CO11
Self identity	CO6,CO3,CO1

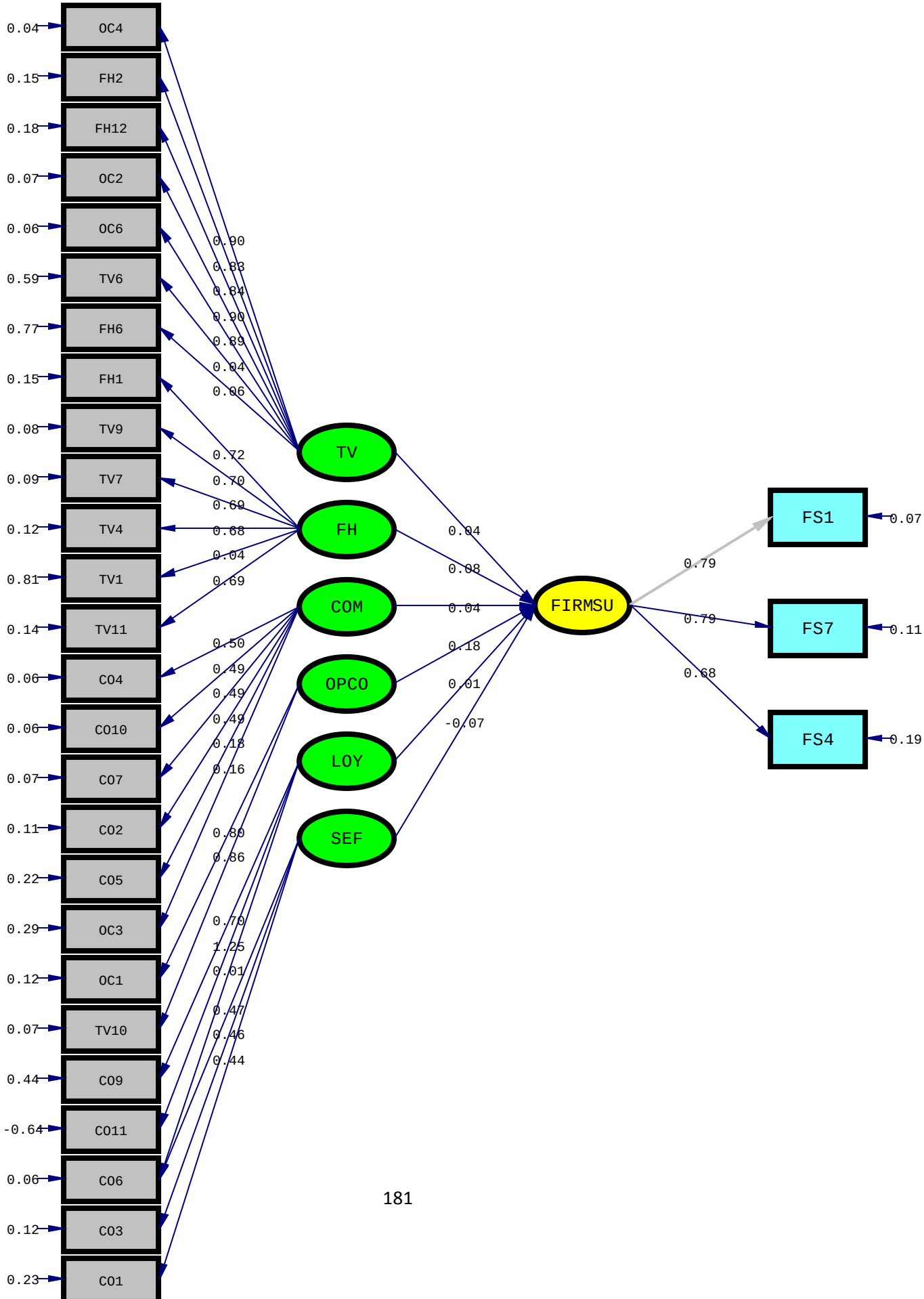
5.7.3 Measurement and structural model estimation

The p-values of the indicator loadings in the measurement model exceeded the minimum critical value of 1.96 ($p<0.05$). The measurement model was also proved to have a reasonable fit owing to the goodness-of-fit indices reported. The structural equation model was therefore subjected to empirical testing.

The structural model depicted in Figure 5.5 illustrates that two independent variables significantly influence the dependent variable, *Firm performance*. The path coefficients of the relationships between the independent variables, *Open family communication* (0.18) and *Family harmony* (0.08) and the dependent variable, Firm performance, proved significant , as the p-value for these coefficients exceeded the critical values of 1.96 ($p<0.05$). In contrast, the independent variable *Self Identity* (-0.07) has a negative influence on the Firm performance of family business. As a result, hypotheses H^{9a} and H^{11a} are accepted, whereas hypotheses H^{8a} ,

H^{10a}, H^{12a} and H^{13a} are rejected.

Figure 5.5 Structural model estimation


0.04
OC4
0.15
FH2
0.18
FH12
0.07
OC2
0.06
OC6
0.59
TV6
0.77
FH6
0.15
FH1
0.08
TV9
0.09
TV7
0.12
TV4
0.81
TV1
0.14
TV11
0.06
CO4
0.06
CO10
0.07
CO7
0.11
CO2
0.22
CO5
0.29
OC3
0.12
OC1
0.07
TV10
0.44
CO9
-0.64
CO11
0.06
CO6
0.12
CO3
0.23
CO1
0.90
0.88
0.84
0.90
0.89
0.04
0.06
0.72
0.70
0.69
0.68
0.04
0.69
0.50
0.49
0.49
0.49
0.18
0.16
0.80
0.86
0.70
1.25
0.01
0.47
0.46
0.44
TV
FH
COM
OPCO
LOY
SEF
0.04
0.08
0.04
0.18
0.01
-0.07
FIRMSU
0.79
0.79
0.68
FS1
FS7
FS4
0.07
0.11
0.19

5.7.4 Evaluating the goodness-of-fit indices

The goodness-of-fit indices for the structural model illustrated in Figure 5.5 are detailed in Table 5.24. The values got from the Confirmatory Factor Analysis done on *family- based factors and firm performance* from the table 5.24 reveals that the model is acceptable as the values fall within the acceptable ranges.

Table 5.24 : Goodness-of-fit indices for the structural model

Goodness –of-fit criteria	
Sample size	323
Degrees of freedom	8
GFI	0.631
AGFI	0.610
CFI	0.674
TLI	0.676
RMSEA	0.057

5.8 SUBMODEL 3 : FAMILY-BASED FACTORS AND PERCEIVED SUCCESS

The submodel *Family-based factors and Perceived success* has been subjected to the different steps of SEM, the results of which are summarized in the paragraphs to follow.

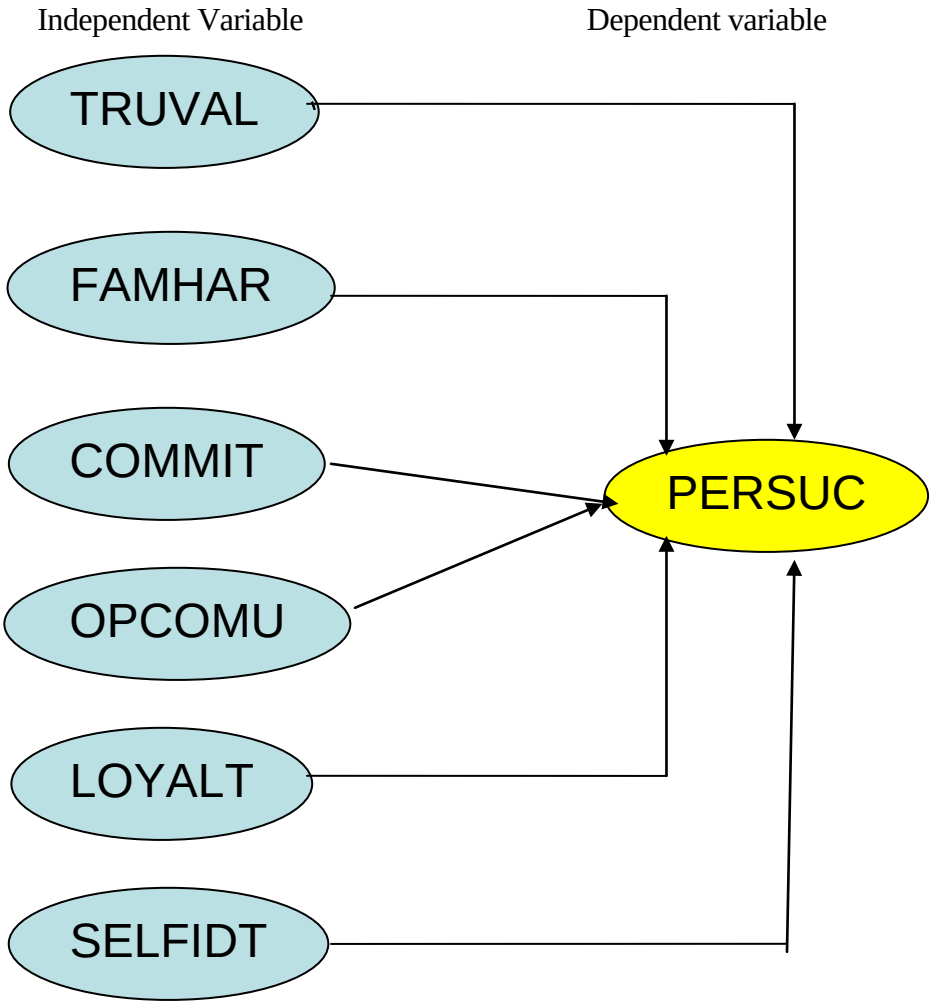
5.8.1 Revised conceptual model and path diagrams

The revised conceptual model and path diagrams for the submodel *Family-based factors* and *Perceived success* are depicted in Figure 5.6. It is hypothesized that the independent family-based variables, namely *Trust and values, Family harmony, Commitment, Open family communication, Loyalty, and Self identity* all have a positive influence on the dependent variable, *Perceived success*.

Figure 5.6 illustrates the revised conceptual model and the path diagrams for the submodel *Family-based factors and Perceived success*.

It is hypothesized that the independent family-based factors, namely *Trust and values, Family harmony, Commitment, Open family communication, Loyalty, and Self identity* all have a positive influence on the dependent variable, *Perceived success*.

Figure 5.6: Path diagram of structural relationships – Revised model



5.8.2 Structural and measurement models

The structural and measurement models for the submodel *Family-based factors and Perceived*

success are defined in Table 5.25 to follow.

Table 5.25: Definition of structural and measurement model

Structural Model	
Endogenous variables	**Exogenous variables**
Perceived success	Trust and values, Family harmony, Commitment, Open family communication, Loyalty, Self identity
Measurement model	
Exogenous	**Manifest variables**
Perceived success	PS2, PS7,PS5
Trust and values	OP4, FH2,FH12,OP2,OP6,TV6,FH6
Family harmony	FH1,TV9,TV4,TV1,TV11
Commitment	CO4,CO10,CO7,CO2,CO5,OP3
Open family communication	OP1,TV10
Loyalty	CO9,CO11
Self identity	CO6,CO3,CO1

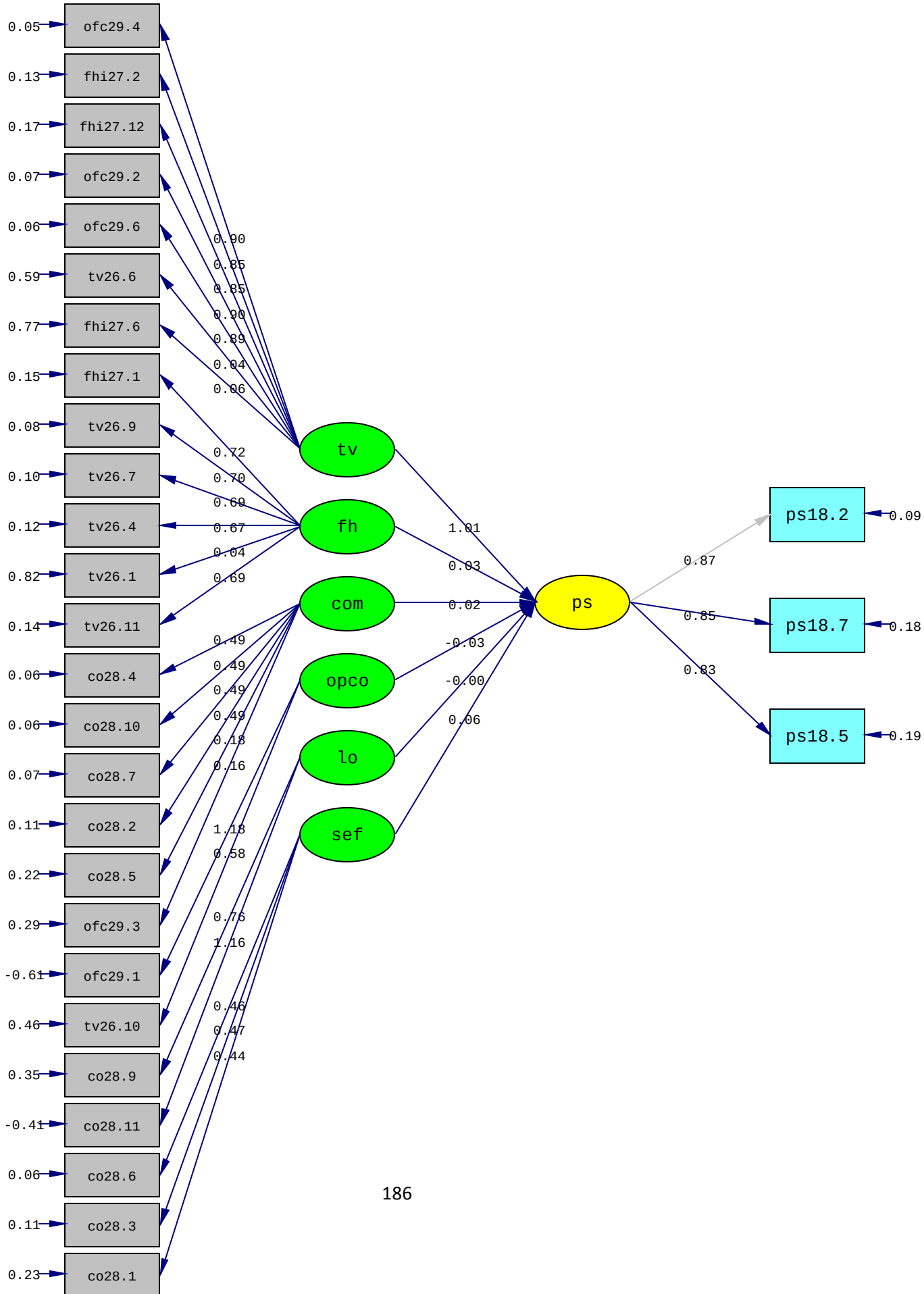
5.8.2 Measurement and structural model estimation

The p-values for the indicator loadings exceeded the minimum critical value of 1.96 ($p<0.05$), providing evidence of their significance. The goodness-of-fit indices of the measurement model also prove that the measurement model has a good or very close fit. As a result, the structural equation model was subjected to empirical testing.

In the structural model illustrated in Figure 5.7, it can be seen that two independent variables significantly influence the dependent variable. These relationships proved significant as the p-values for their path coefficients exceeded the critical values of 1.96 ($p<0.05$). The independent

variables *Family harmony* (0.08), *and Open communication* (0.18) positively influence the *Perceived success* of a family. The hypotheses H^{9b} and H^{10b} are therefore accepted, whereas H^{8b}, H^{10b}, H^{12b} and H^{13b} are rejected.

Figure 5.7: Structural model estimation


0.05
ofc29.4
0.13
fhi27.2
0.17
fhi27.12
0.07
ofc29.2
0.06
ofc29.6
0.59
tv26.6
0.77
fhi27.6
0.15
fhi27.1
0.08
tv26.9
0.10
tv26.7
0.12
tv26.4
0.82
tv26.1
0.14
tv26.11
0.06
co28.4
0.06
co28.10
0.07
co28.7
0.11
co28.2
0.22
co28.5
0.29
ofc29.3
-0.61
ofc29.1
0.46
tv26.10
0.35
co28.9
-0.41
co28.11
0.06
co28.6
0.11
co28.3
0.23
co28.1
0.90
0.85
0.85
0.90
0.89
0.04
0.06
0.72
0.70
0.69
0.67
0.04
0.69
0.49
0.49
0.49
0.49
0.18
0.16
1.18
0.58
0.76
1.16
0.46
0.47
0.44
tv
fh
com
opco
lo
sef
1.01
0.03
0.02
-0.03
-0.00
0.06
ps
0.87
0.85
0.83
ps18.2
ps18.7
ps18.5
0.09
0.18
0.19

5.8.3 Evaluating the goodness-of-fit indices

The goodness-of-fit indices for the structural model illustrated in Figure 6.9 are reported in Table 5.26 below.

Table 5.26: Goodness-of-fit indices for the structural model

Goodness –of-fit criteria	
Sample size	323
Degrees of freedom	8
GFI	0.739
AGFI	0.711
CFI	0.834
TLI	0.806
RMSEA	0.067

The goodness-of-fit indices for the structural model illustrated in Figure 5.7 are detailed in Table 5.26. The values got from the Confirmatory Factor Analysis done on *family- based factors and perceived success* from the table 5.26 reveals that the model is acceptable as the values fall within the acceptable ranges.

5.9 SUBMODEL 4: BUSINESS-BASED FACTORS AND FIRM PERFORMANCE

The steps of SEM as they were applied to the submodel *Busineess- based factors and Perceived success* are discussed in the paragraphs below. The results of the empirical assessment of the adapted model are reported in the sections to follow.

5.9.1 Revised conceptual model and path diagrams

Figure 5.8: Path diagram of structural relationships: revised model

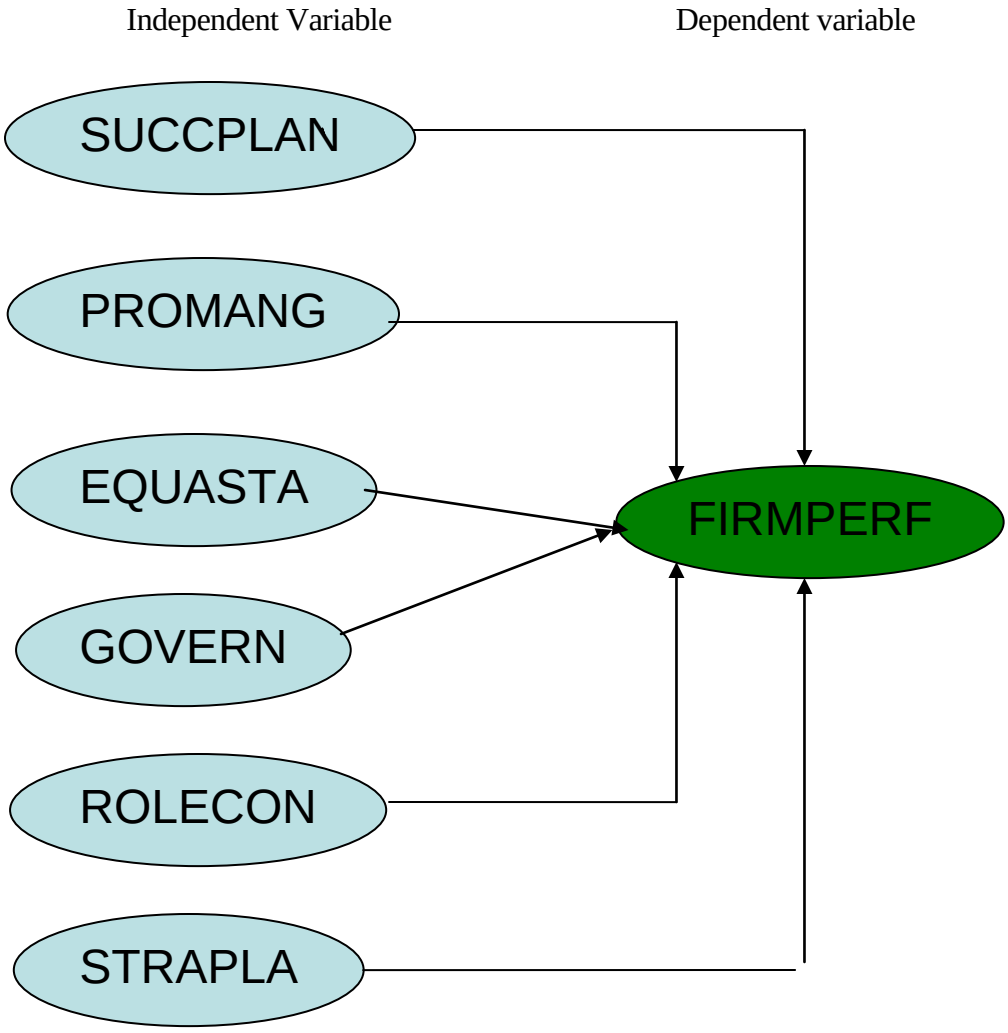


Figure 5.8 depicts the revised conceptual model and the path diagrams for the *Business -based factors and Firm performance* submodel. It is hypothesized that the independent *Business*-based variables *Succession planning, Professionally managed, Equal Status, Governance, Role conflict* and *Strategic planning* all have a positive influence on the dependent variable, *Firm performance*.

5.9.2 Structural and measurement models

Table 5.27 defines the structural and measurement models for the submodel business-*based*

factors and Firm performance.

Table 5.27: Definition of structural and measurement model

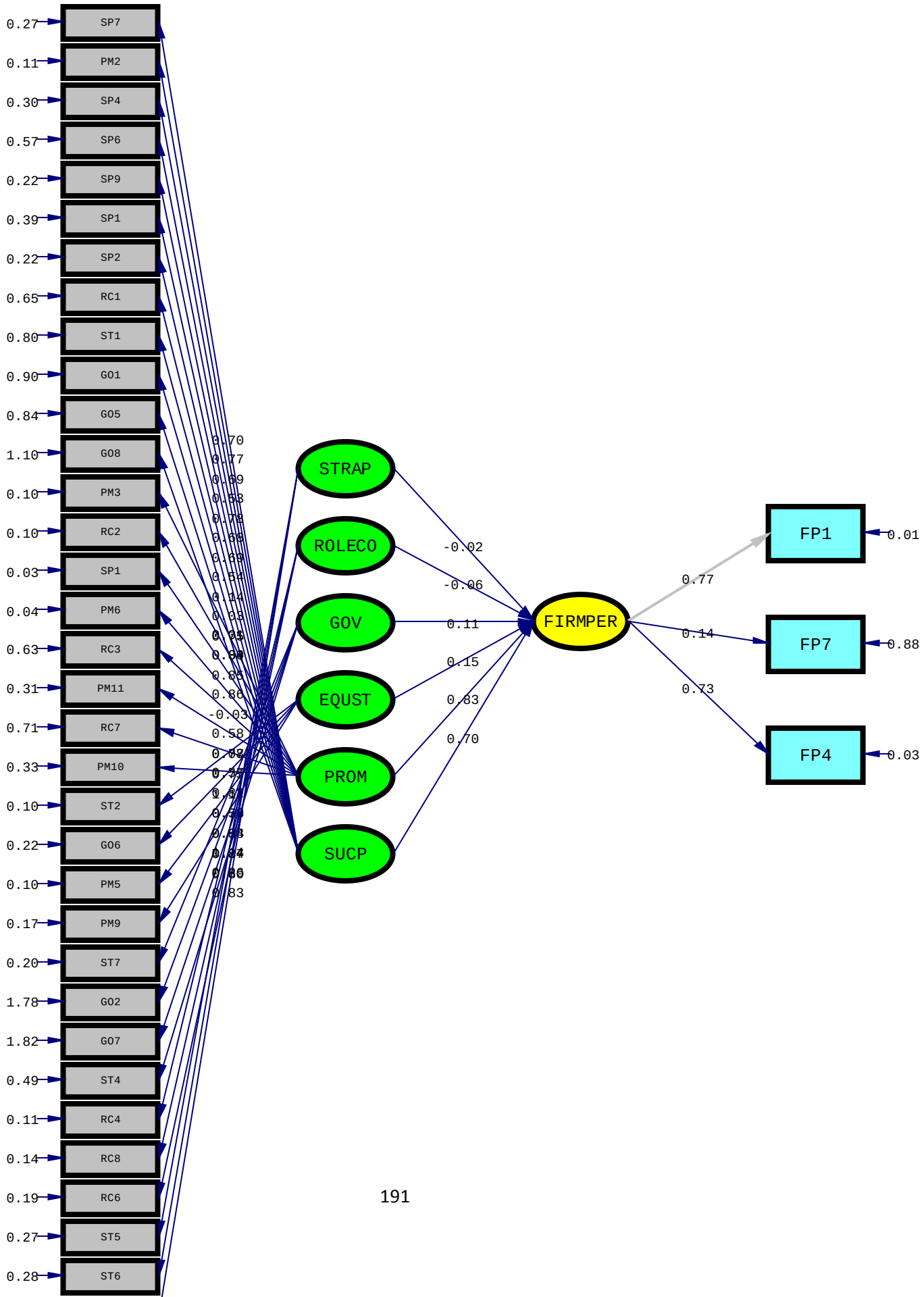
Structural Model	
Endogenous variables	**Exogenous variables**
Firm performance	Succession planning, Professionally managed, Equal Status, Governance, Role conflict and Strategic planning
Measurement model	
Exogenous	**Manifest variables**
Firm performance	FP1,FP7,FP4
Succession planning	SP7,PM2,SP4,SP6,SP9,PM1,SP2,RC1,ST1,GO1,GO5,GO8
Professionally managed	PM3,RC2,SP1,PM6,RC3,PM11,RC7,PM10
Equal Status	ST2,GO6,PM5,PM9
Governance	ST7,GO2,GO7,ST4
Role conflict	RC4,RC8,RC6
Strategic planning	ST5,ST6,ST3

5.9.3 Measurement and structural model estimation

The p-values of the indicator loadings in the measurement model exceeded the minimum critical value 1.96 ($p<0.05$), and the goodness-of-fit indices provided evidence of a very good or close-fitting model. The structural model was therefore subjected to further analysis.

The structural model illustrated in Figure 5.9 shows that the independent variables *Succession planning (0.70), Professionally managed* (0.83), *Equal status* (0.15) and *Governance* (0.11) significantly influence the dependent variable *Firm performance*, as their p-values exceed the critical values of 2.58 ($p<0.01$) and 1.96 ($p<0.05$) respectively. As a result, the hypotheses H^{2a} , H^{3a} , H^{4a} and H^{5a} are accepted, whereas H^{6a} and H^{7a} are rejected.

Figure 5.9: Structural model estimation


SP7
PM2
SP4
SP6
SP9
SP1
SP2
RC1
ST1
GO1
GO5
GO8
PM3
RC2
SP1
PM6
RC3
PM11
RC7
PM10
ST2
GO6
PM5
PM9
ST7
GO2
GO7
ST4
RC4
RC8
RC6
ST5
ST6
STRAP
ROLECO
GOV
EQUST
PROM
SUCP
FIRMPER
FP1
FP7
FP4
0.01
0.88
0.03
0.77
0.14
0.73
-0.02
-0.06
0.11
0.15
0.83
0.70

5.9.4 Evaluating the goodness-of-fit indices

The goodness-of-fit indices for the structural model portrayed in Figure 5.9, are reported in Table 5.28 below.

Table 5.28: Goodness-of-fit indices for the structural model

Goodness –of-fit criteria	
Sample size	323
GFI	0.68
AGFI	0.63
CFI	0.78
TLI	0.75
RMSEA	0.11

The goodness-of-fit indices for the structural model illustrated in Figure 5.9 are detailed in Table 5.28. The values got from the Confirmatory Factor Analysis done on *business- based factors and firm performance* from the table 5.28 reveals that the model is acceptable as the values fall within the acceptable ranges.

5.10 SUBMODEL 5: BUSINESS -BASED FACTORS AND PERCEIVED SUCCESS

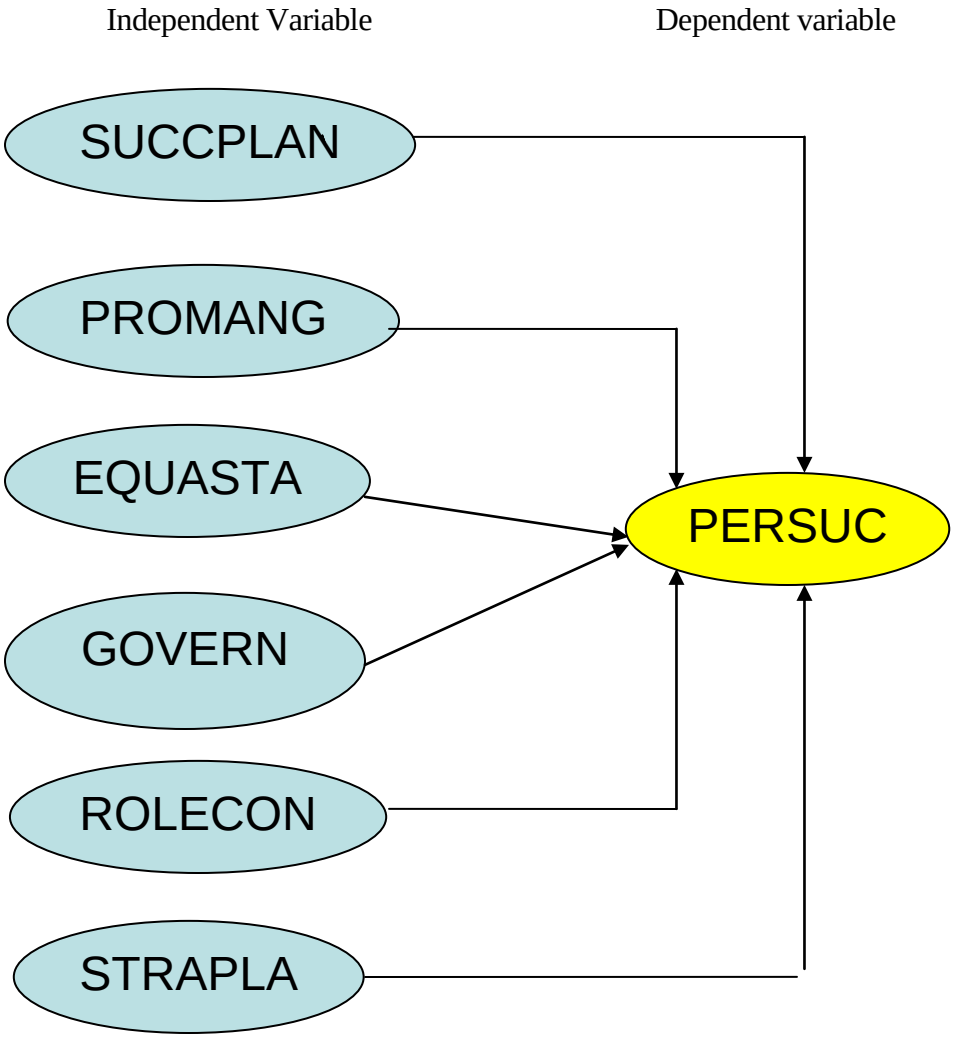
The various steps of SEM have been applied to the submodel *Business-based* factors *and Perceived success*, and will be discussed in the paragraphs to follow.

5.10.1 Revised conceptual model and path diagram

Figure illustrates the revised conceptual model and the path diagrams for the submodel Business-based factors and Perceived success.

It is hypothesised that the independent business-based variables *Role conflict*, *Succession planning*, *Strategic planning*, *Governance*, *Professionally managed*, *Decision making*, *Work life balance*, *Employee relations*, *Innovation and Equal Status*, all have a positive influence on the dependent variable, *Perceived success.*

Figure 5.10: Path diagram of structural relationships: Revised model



5.10.2 Structural and measurement models

Table 5.29 defines the structural and measurement models for the submodel *Business-based factors* and *Perceived success.*

Table 5.29 : Definition of structural and measurement model

Structural Model	
Endogenous variables	**Exogenous variables**
Perceived success	Succession planning, Professionally managed, Equal Status, Governance, Role conflict and Strategic planning
Measurement model	
Exogenous	**Manifest variables**
Perceived success	PS2, PS7,PS5
Succession planning	SP7,PM2,SP4,SP6,SP9,PM1,SP2,RC1,ST1,GO1,GO5,GO8
Professionally managed	PM3,RC2,SP1,PM6,RC3,PM11,RC7,PM10
Equal Status	ST2,GO6,PM5,PM9
Governance	ST7,GO2,GO7,ST4
Role conflict	RC4,RC8,RC6
Strategic planning	ST5,ST6,ST3

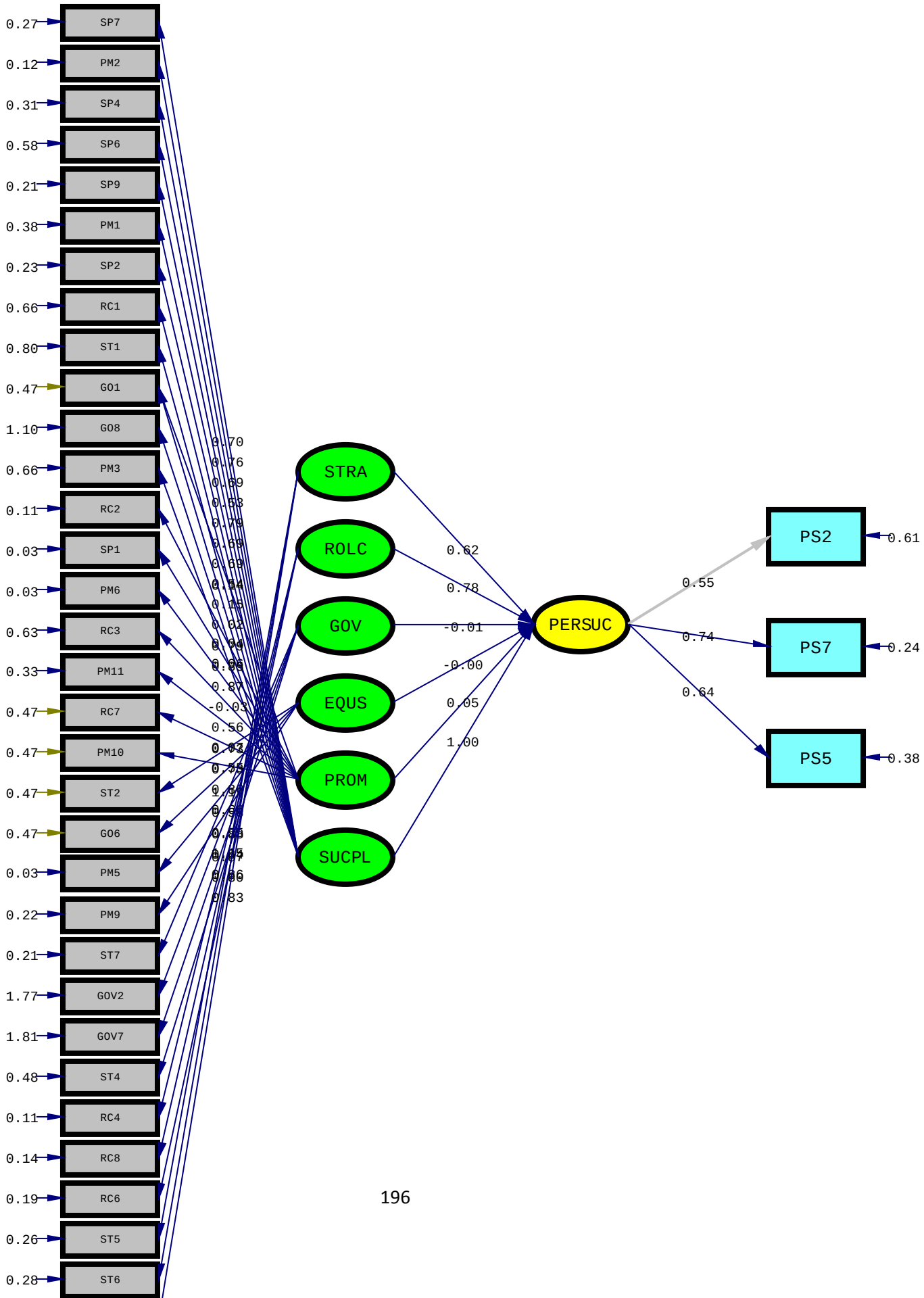
5.10.3 Measurement and structural estimation

The p-values for the indicator loadings exceeded the minimum critical value of 1.96 ($p<0.05$), providing evidence of their significance. The goodness-of-fit indices of the measurement model also prove that the measurement model has a good or very close fit. As a result, the structural equation model was subjected to empirical testing.

In the structural model illustrated in Figure 5.11, it can be seen that two independent variables significantly influence the dependent variable. These relationships proved significant as the p-

values for their path coefficients exceeded the critical values of 1.96 ($p<0.05$). The independent variables *Succession planning* (1.00), *Role conflict* (0.78) and *Strategic planning* (0.62) positively influence the *Perceived success* of a family. The hypotheses H^{2b}, H^{6b} and H^{7b} are therefore accepted, whereas H^{3b}, H^{4b} *and* H^{5b} are rejected.

Figure 5.11: Structural model estimation


0.27 SP7
0.12 PM2
0.31 SP4
0.58 SP6
0.21 SP9
0.38 PM1
0.23 SP2
0.66 RC1
0.80 ST1
0.47 GO1
1.10 GO8
0.66 PM3
0.11 RC2
0.03 SP1
0.03 PM6
0.63 RC3
0.33 PM11
0.47 RC7
0.47 PM10
0.47 ST2
0.47 GO6
0.03 PM5
0.22 PM9
0.21 ST7
1.77 GOV2
1.81 GOV7
0.48 ST4
0.11 RC4
0.14 RC8
0.19 RC6
0.26 ST5
0.28 ST6
STRA
ROLC
GOV
EQUS
PROM
SUCPL
0.62
0.78
-0.01
-0.00
0.05
1.00
PERSUC
0.55
0.74
0.64
PS2
PS7
PS5
0.61
0.24
0.38

5.10.4 Evaluating the goodness-of-fit indices

The goodness-of-fit indices for the structural model illustrated in Figure 5.11 are detailed in Table 5.30. The values got from the Confirmatory Factor Analysis done on business- based factors and perceived success from the table 5.30 reveals that the model is acceptable as the values fall within the acceptable ranges.

Table 5.30: Goodness-of-fit indices for the Structural Model

Goodness –of-fit criteria	
Sample size	323
GFI	0.70
AGFI	0.65
CFI	0.70
TLI	0.77
RMSEA	0.10

5.11 DISCUSSION OF SIGNIFICANT RELATIONSHIPS IDENTIFIED BY SEM

The discussions and models illustrated in Section 5.7 identified 11 significant relationships between the various independent and dependent variables. A summary of these significant relationships can be found in Figure 5.12.

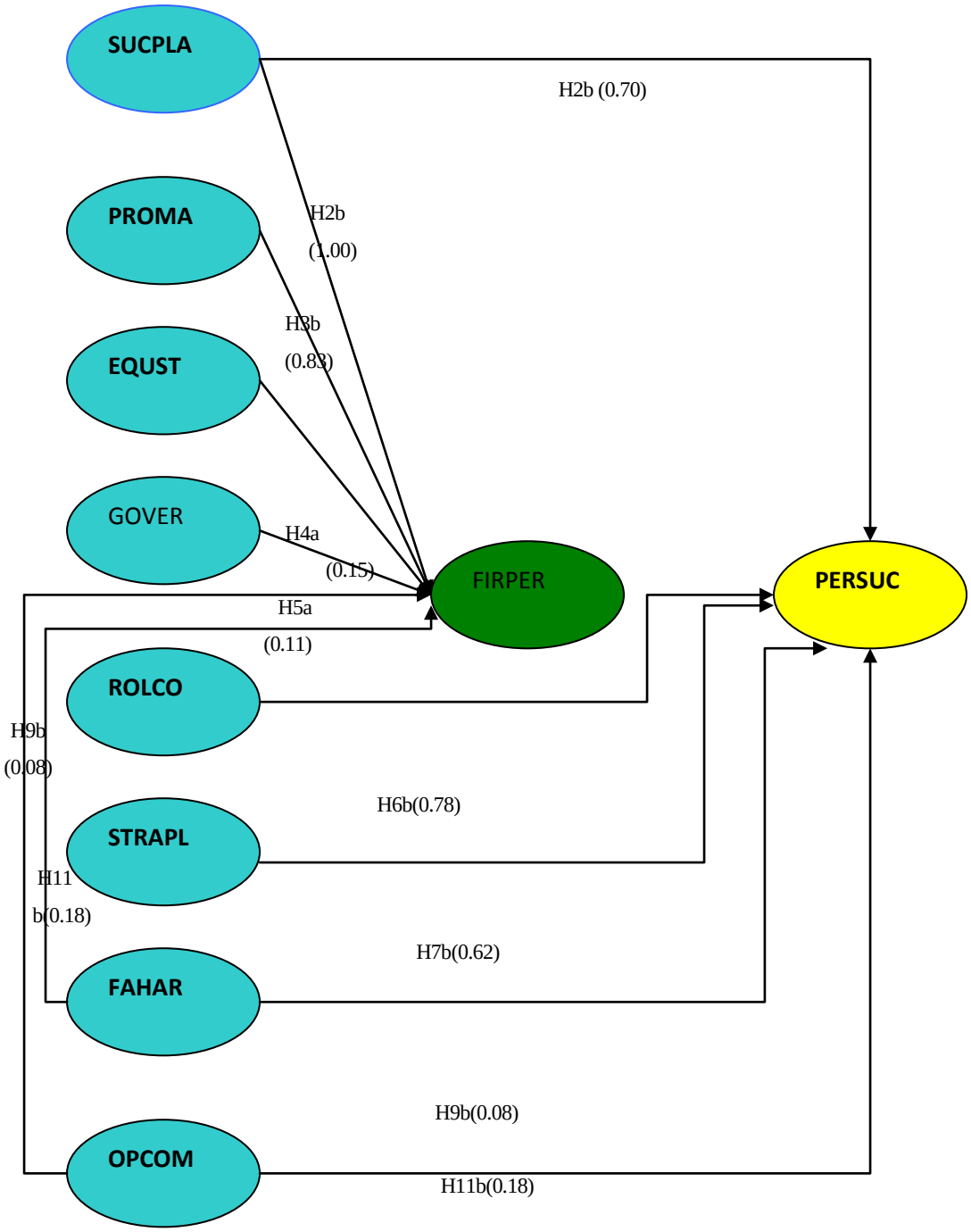
In Figure 5.12, the 11 significant relationships identified represent those factors that have an influence on the *Firm performance* of the family business, as well as the *Perceived success* of the business. A detailed explanation of these significant relationships, as well as a comparison to existing empirical and anecdotal evidence, is provided in the paragraphs to follow.

It is important to note that Figure 5.12 is a summarized illustration of the significant

relationships identified in the seven submodels. It is not a model that has been subjected to SEM on its own.

Figure 5.12: Summary of significant relationships in the Structural Model

Independent variable Intervening variable Dependent variable



It is important to note that Figure 5.12 is a summarized illustration of the significant relationships identified in the five submodels. It is not a model that has been subjected to SEM on its own.

Table 31: Goodness-of-fit Index

Goodness –of-fit criteria	
Sample size	323
Normed Chi-Square	4.68
GFI	0.68
AGFI	0.63
CFI	0.78
RMSR	0.12
RMSEA	0.11

Table 32: Results of the Hypothesis Testing

Hypothesis	**Results**
H1: There is a relationship between the *Firm performance* and the *Perceived success* of the family business.	Accepted
H^{2a}: There is a relationship between the *Succession planning* of the Family business and the *Firm performance* of the family business.	Accepted
H^{2b}: There is a relationship between the *Succession planning* of the Family business and the *Perceived success* of the family business.	Accepted
H^{3a}: There is a relationship between the *Professionally managed* family businesses and the *Firm performance* of the family business.	Accepted

H3b: There is a relationship between the *Professionally managed* family businesses and the *Perceived success* of the family business.	Rejected
H4a: There is a relationship between the *Equal status* family businesses and the *Perceived success* of the family business.	Accepted
H4b: There is a relationship between the *Equal status* family businesses and the *Perceived success* of the family business.	Rejected
H5a: There is a relationship between the *Governance* of the family business and the *Firm performance* of the family business.	Accepted
H5b: There is a relationship between the *Governance* of the family business and the *Perceived success* of the family business.	Rejected
H6a: There is a relationship between the *Role conflict* of the Family business and the *Firm performance* of the family business.	Rejected
H6b: There is a relationship between the *Role conflict* of the Family business and the *Perceived success* of the family business.	Accepted
H7a: There is a relationship between the *Strategic planning* of the Family business and the *Firm performance* of the family business.	Rejected
H7b: There is a relationship between the *Strategic planning* of the Family business and the *Perceived success* of the family business.	Accepted
H8a: There is a relationship between the *Trust and values* of the Family business and the *Firm performance* of the family business.	Rejected
H8b: There is a relationship between the *Trust and values* of the Family	Rejected

business and the *Perceived success* of the family business.	
H9a: There is a relationship between the *Family harmony* of the Family business and the *Firm performance* of the family business.	Accepted
H9b: There is a relationship between the *Family harmony* of the Family business and the *Perceived success* of the family business.	Accepted
H10a: There is a relationship between the *Commitment* of the Family business and the *Firm performance* of the family business.	Rejected
H10b: There is a relationship between the *Commitment* of the Family business and the *Perceived success* of the family business.	Rejected
H11a: There is a relationship between the *Open family communication* of the Family business and the *Firm performance* of the family business.	Accepted
H11b: There is a relationship between the *Open family communication* of the Family business and the *Perceived success* of the family business.	Accepted
H12a: There is a relationship between the *Loyalty* of the Family business and the *Perceived success* of the family business.	Rejected
H12b: There is a relationship between the *Loyalty* of the Family business and the *Perceived success* of the family business.	Rejected
H13a: There is a relationship between the *Self identity* of the Family business and the *Perceived success* of the family business.	Rejected
H13b: There is a relationship between the *Self identity* of the Family business and the *Perceived success* of the family business.	Rejected

5.11.1 Firm Performance

Figure 5.12 illustrates a positive relationship between the *Firm performance* of the business and *Perceived success* (path coefficient = 0.16; p<0.01). In other words, women in a family business that is profitable and financially secure, are more likely to experience their involvement as being satisfying and beneficial. Sufficient evidence has thus been found to support hypothesis H^1. The relationship between *Firm performance* and *Perceived success* did prove to be significant and hence accepted.

5.11.2 Succession Planning

In can be seen in Figure 5.12 that the independent variable *Succession planning* has a positive influence on *Firm performance* (hypothesis H^{2a}), since a path coefficient of 0.70 (p<0.05) has been reported. *Succession planning* was also found to have a positive influence on *Perceived success (*hypothesis H^{2b}*)*, with a path coefficient of 1.00 (p<0.01). This finding implies that succession planning is given importance in the family business to the better the *Firm* and *Perceived success* of the business is likely to be. Support has thus been found for hypotheses H^{2a} and H^{2b} and both are accepted.

5.11.3 Professionally Managed

The results of this study show that a significant positive relationship exists between *Professionally managed* and *Firm performance* (path-coefficient 0.83; p<0.05). In other words, a women in family business that are well at managing and to which the members are business and management skills, is more likely to grow. Sufficient support has thus been provided for hypotheses H^{3a} and accepted.

No significant relationship was, however, reported between *Professionally managed* and the dependent variable *Perceived success.* Consequently, hypothesis H^{3b} is rejected.

5.11.4 Equal Status

In the present study show that the relationship between independent variable Equal status dependent *variable Firm performance* proved significant (path-coefficient 0.15; $p<0.05$) This finding implies that the women are able to realize their personal goals and ambitions through their involvement in the family business, the more likely the business is to perform financially, and the more likely they are to experience their involvement as to grow the business, satisfying and beneficial. Support for the hypotheses H^{4a} has thus been provided and thus, accepted.

No significant relationship was, however, reported between *Equal status* and the dependent variable *Perceived success.* Consequently, hypothesis H^{4b} is rejected.

5.11.5 Governance

The empirical results of this study have identified a significant positive relationship between the independent variable *Governance* and *Firm performance* (hypothesis H^{5a}) as a path coefficient of 0.11 ($p<0.001$) is reported. This result implies that the more non-family members are concerned about the fate of their business and are dedicated to ensuring its continued success, the more likely it is that the firm will perform well and will grow. Support has thus been provided for hypotheses H^{5a} and accepted.

The relationship between *Governance and Perceived success* (hypothesis H^{5b}) did not prove to be significant. This result suggests that whether non-family members are committed to their business or not has no influence on their experiencing their involvement in the business as both satisfying and beneficial. Thus, hypotheses H^{5b} is rejected, since satisfactory evidence was not found to support these hypotheses.

5.11.6 Role Conflict

The results of this study show that the relationship between *Role conflict* and the *Firm*

performance is insignificant of the family business (hypothesis H^{6a}). This result implies that family business that are not characterized by open and effective communication, managed conflict, planning process mutual support and an understanding of each other's needs, are more likely to perceive their involvement in the business as satisfying and beneficial. Of all of the factors examined in this study, *Role conflict* was revealed as not having the influence on *Firm performance*. No support was found for hypotheses H^{6a} and hence rejected.

In the present study, significant relationship was revealed between *Role conflict* and the dependent variables *Perceived success* (H^{6b}). This means that the relationship between the women in family business has influence on the business's ability to perform success and grow. Consequently, support was found for hypotheses H^{6b} and hence accepted.

5.11.7 Strategic Planning

The relationship between the independent variable *Strategic planning* and dependent variables, *Firm performance (*hypotheses H^{7a}*)* did not prove to be significant in the present study. In other words, strategic planning do not exists between the women in family business in terms of sharing responsibilities; knowledge concern has influence on the firm or growth performance of the business. Thus, hypotheses H^{7a} are rejected. On the other hand *Strategic planning* is significant with dependent variable *Perceived success*. Women experiencing their involvement are satisfying or beneficial. Hypotheses H^{7b} have thus been accepted.

5.11.8 Trust and Values

An insignificant relationship emerged between *Trust and values* and *Firm performance* (hypotheses H^{8a}) was reported in this study. In other words, women are more not likely to experience their involvement in the business through trust and the values they possess their confidence and hope and business ethics, moral experience to effectively manage their family business. Consequently, hypothesis H^{8a} has been rejected, as satisfactory evidence has been found to support this relationship.

The hypothesized relationships between the independent variable *Trust and values a*nd the dependent variables *Perceived success* (hypothesis H^{8b}) did not prove to be significant, and were subsequently rejected.

5.11.9 Family Harmony

The results of this study show significant positive relationships between the independent variable *Family harmony* and the dependent *variable Firm performance,* (path coefficient = 0.08; $p<0.05$), as well as between *Family harmony and Perceived success* (path coefficient = 0.07 and 0.08; $p<0.05$). This finding implies that the women are able to maintain the family harmony realize their personal goals and ambitions through their involvement in the family business, the more likely the business is to perform firm, and the more likely they are to experience their involvement as to grow the business , satisfying and beneficial. Support for the hypotheses H^{9a} and H^{9b} has thus been provided and thus, accepted.

5.11.10 Commitment

An insignificant positive relationship emerged between *Commitment* and *Firm performance*, was reported in this study. In other words, women are not commitment in the business lack of experiences, education, knowledge and confidence to effectively manage their family business. Consequently, hypothesis H^{10a} has been rejected, as satisfactory evidence has been found to support this relationship.

The hypothesized relationships between the independent variable *Commitment a*nd the dependent variables *Perceived success* (hypothesis H^{10b}) did not prove to be significant, and were subsequently rejected.

5.11.11 Open Family Communication

The results of this study show significant positive relationships between the independent variable *Open family communication* and the dependent *variable Firm performance,* (path coefficient = 0.18; $p<0.05$), as well as between *Open family communication* and *Growth performance and Perceived success* (path coefficient = 0.05 and 0.18; $p<0.05$). Support for the hypotheses H^{11a} and H^{11b} has thus been provided and thus, accepted.

5.11.12 Loyalty

None of the relationships hypothesized between the construct *Loyalty* and *Firm performance* (hypothesis H^{12a}), *and Perceived success* (hypothesis H^{12b}), proved to be significant. Loyalty among the women has no influence on the firm or growth performance of the business, or on whether the spouses perceive their involvement as satisfying and beneficial.

5.11.13 Self Identity

None of the relationships hypothesized between the construct *Self identity* and *Firm performance* (hypothesis H^{13a}), or *Perceived success* (hypothesis H^{13b}), proved to be significant. Consequently, whether or not clearly demarcated areas of authority and responsibility exist among the women, has no influence on the firm or growth performance of the business, nor on whether the others perceive their self identity as satisfying and beneficial.

CHAPTER 6
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

6 INTRODUCTION

This chapter encompasses a summary of the study as well as the important findings. An interpretation of these findings and their implications of women in family business will be presented. Recommendations, based on the empirical findings of this study, will then be made. Lastly, the contributions and limitations of this study will be discussed and recommendations for future research suggested.

6.1 Overview of the Research

Family businesses have shown tremendous growth in recent years, both nationally and internationally. However, despite the increase in family business, the understanding and research attention given to these family businesses is still lacking. For this reason, the purpose of this study was firstly, to contribute to the more effective functioning of women in family businesses by identifying the factors that impact on their success; and secondly, to expand the existing body of knowledge on family businesses in India and abroad. ----------

6.1.1 RESEARCH QUESTIONS

The conceptual framework guided the development of some primary *research questions* for the study. They are

1 What are the factors that influence the Perceived success of women in family business in India?

2 What is the relationship between firm performance and perceived success?

3 What are the family based factors which influence firm performance?

4 What are family based factors which influence perceived success?

5 What are the business based factors which influence firm performance?

6 What are business based factors which influence perceived success?

7 What other factors influence family business management in Indian context?

8 What are the conditions required for the effective and harmonious functioning of family business?

All these questions have been brought together in a framework from studies conducted independently and in isolation to each other to address the questions and also objectives framed for the empirical study. As Storey (1994) puts it the *vast bulk of studies have been conducted independently of each other. Frequently they address issues of specific interest to the researcher, but do so in a way which was comparability with other studies difficult.* Nevertheless, the conceptual framework and the research questions provide a basis for the empirically investigate the factors influencing women in family business management in India.

6.1.2 OBJECTIVES

To help address the research questions of the study, the following objectives have been framed. They are:

- To examine the role of women in family business in India.
- The role of family based factors in family business management
- The role of business based factors in family business management
- To test the proposed conceptual model and to investigate the possible relationships between the Perceived success of family business, and the various factors influencing the Perceived success of a family business.
- To generate a conceptual model of the factors that affects the Perceived success of family business in Indian context.
- To elicit the opinions and perception of women on family managed businesses

A comprehensive literature study was carried out, as outlined in Chapters 2, 3 and 4, in order to

identify as many factors as possible that could influence the *Perceived success* of family business. From the literature on it became clear that successful family business have validated their proficiency with regard to two types of factors, namely, *family-based* and *business-based* factors. Within these two categories of factors, 12 independent variables were identified and hypothesized to influence the measures of effectiveness of family business, namely the dependent variable *Perceived success*; and the intervening variable *Firm performance*. As a result, the first secondary objective of this study was achieved.

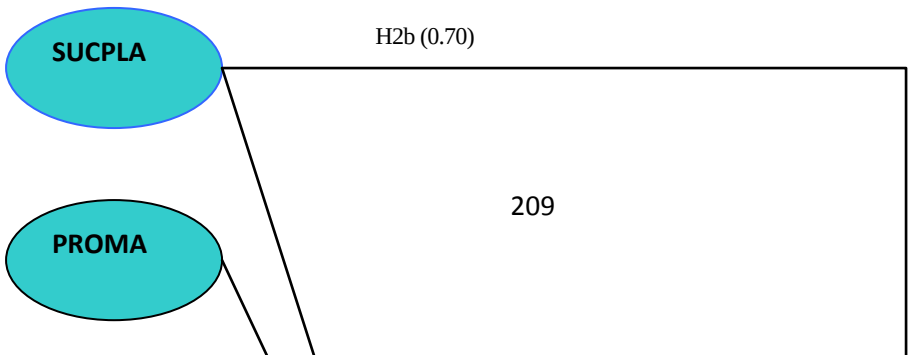
All of the factors in the study were clearly defined and operationalised. Reliable and valid items sourced from Farrington's (2009) measuring instrument, as well as several measuring instruments used in other similar studies, were used in the operationalisation of these factors. In addition, items were self-generated from secondary sources. The relationships illustrated in the conceptual model were then empirically tested using these items. The second secondary objective of this study was thus achieved.

Owing to the nature of the problem statement and research objectives proposed in this study, a positivistic research paradigm was implemented. The convenience snowball sampling technique was used to identify respondents for the investigation.

Questionnaires were then sent to those individuals who indicated a willingness to participate. In total, 323 usable questionnaires were returned. The data obtained from these questionnaires was subjected to a variety of statistical techniques and analyses. Thus the third secondary objective of this study was achieved.

The primary statistical procedure used to test the significance of the relationships hypothesized between the independent and dependent variables in this study, was Structural Equation Modelling. A summary of the significant relationships that were identified in this study is presented in figure 6.1

Figure 6.1: Summary of the significant relationships influencing the Firm performance and Perceived success of women in family businesses



H2b
(1.00)

H3b
(0.83)

H4a
(0.15)
H5a
(0.11)

H9b
(0.08)
H6b(0.78)

H11
b(0.18)
H7b(0.62)

H9b(0.08)

H11b(0.18)

6.2 INTERPRETATIONS OF THE EMPIRICAL RESULTS AND RECOMMENDATIONS

In Chapter 5, factors were reported as having a significant influence on the *Firm performance*, and Perceived success of *family business*. These relationships are summarized in Figure 6.12. In the sections to follow, the significant relationships were identified and interpreted, based on which recommendations for family business are made.

6.2.1 Succession Planning

The succession planning has a significant positive influence on the perceived success of a family business. In other words, succession planning that are characterized by open and effective communication, managed conflict, mutual support and an understanding of each other's needs, are more likely to be perceived by the women as satisfying and beneficial to their family, business and personal development. Of all the factors examined in this study, *succession planning* was perceived as having the greatest influence on the success of a family business.

Women can strengthen and protect their relationship if :

- Identifying of the successor to the current owner should be communicated to all concerned
- Combining family, ownership and management for the betterment of the company
- Planning or process in place to develop the next generation
- Replacing the current owner with a successor will be done in good time
- Family member has been identified as the next business leader
- Considering a major influence on both the strategic orientation of the company and its operative business activities
- The person who will take over this business when the current owner retires has already been identified
- Spending time with family as often as possible
- The long term strategies of this business are planned long in advance
- Trusting my board of directors
- Keep the board of directors informed about family views about the company and maintain a dialogue with the board about key business policies and plans
- Independent directors who are supportive in nature

6.2.2 Professionally Managed

Based on the responses of women who participated in this study, the extent to which they have *professionally managed* in their family business has a significant positive influence on the firm

performance of the business. Managing the family business and key issues concerning management accountability is important. Management decisions and fundamental values regarding matters of corporate governance, investment/divestment, and management of financial resources, employee relations and selection of top managers must be defined

- It is more difficult to decide on how to expand, particularly in the field of globalization/ internationalization
- Role conflict can be easily managed
- Transfer control of the business to children
- Writing a strategic plan for the company
- Considering the request from family members
- Regularly conduct market and customer analysis
- The family spends lots of time with each other away from the business
- Improving the business and management skills through regular training

6.2.3 Equal Status

Based on the responses of women who participated in this study, the extent to which they have equal status in their family business has a significant positive influence on the firm performance of the business. In other words, people who have equal standing in their business or status in the eyes of stakeholders are less likely to have a family business that grows. This was the only significant negative relationship to emerge in this study.

A possible explanation for this result is that employees and stakeholders may become confused and frustrated in dealing with two bosses, especially if the information provided and decisions made by each spouse contradict those of their partner. This could negatively effect employee, supplier and customer relations and thereby inhibit business growth.

- This business has a clear long term vision
- Employees respect women's status like other family members
- Aware of the necessity and practical information on how to design and implements it
- Have the same status as other members do (does) in the family business

6.2.4 Governance

Governance in which family business operates has a significant positive influence on the firm performance of the family business. Adaptation of board practices has spread widely among family businesses and that, within the context of family businesses, boards offer an important mechanism to assure the accountability of managers to the shareholders, for its effective functioning, and employees with the necessary.

In order to build supportive Governance, family business must ensure that the following resources are obtained or provided for:

- Business partners and clients appreciate the family character and aspects such as high commitment and loyalty
- Specific governance instruments are required for complex interrelationships between the business and the family spheres and the potentially high number of stakeholders involved
- Satisfied with the internal and external stakeholders (mainly family, clients, employees, local community)
- Keep the board of directors informed about family views about the company and maintain a dialogue with the board about key business policies and plans
- Employees respect to women's status like other family members

6.2.5 Role Conflict

The extent to which family business possess the role conflict to perform their tasks has a significant negative influence on their involvement in the business as not satisfactory. Women have more difficulty managing work and family roles owing to the permeability of the boundaries between their work and family domains, and because they lack of experience and home stressors at the same time In family businesses, a variety of conflicts are expected to infiltrate the business over time (Harvey & Evans 1994). If the boundaries between the family and the business are blurred, conflict will be unavoidable (Danes, Reuter, Kwon & Doherty 2002).

In order to build a supportive Role conflict, family business must ensure that the following resources are obtained or provided for:

- Role conflict can be easily managed
- Receive incompatible request from the family members
- Not have any family fears which cannot understand
- Spend time with family as often as possible
- Dissent is accepted among family members so that people may express different views to management
- The family spends lots of time with each other away from the business
- Managing conflict regarding ownership is easy

6.2.6 Strategic Planning

The presence of strategic planning has a significant negative influence on the family business experiencing their involvement in the business as not satisfying and beneficial to their family, business and personal development. The family business managing the strategic positioning might be different due to its specific characteristics. Despite gaps in research, theorists have repeatedly asserted that strategic planning processes and the resulting strategies of family firms differ significantly from the processes and strategies of non-family firms (Ward, 1988; Harris, Martinez & Ward, 1994). These differences are argued to have a significant impact on the strategic decision-making and the outcomes of strategic decisions for these family businesses.

In order to build a supportive strategic planning, family business must ensure that the following resources are obtained or provided for:

- The long term strategies of this business are planned long in advance
- To have a clear long term vision
- Should have a formal strategic planning process in place
- There written strategic plan
- Business should have a formal business plan
- The family business should has proper planning processes and procedures in place
- Assessed the business's capacity to fulfill the business strategic plan

6.2.7 Trust and Values

Trust and values has a significant negative influence on the family business. Trust and values are vitally important to a family business as they provide the foundation for building all relationships.

In order to build trust in a family business, they can take the following steps:

• Respect each other not just for who each spouse is, but also for what each spouse can contribute to the business.

• Listen well and make a real effort to understand each other and build trust.

• Keep each other's best interests in mind at all times when making decisions.

• Recognize and respect each other's strengths, differences in style and perspectives.

• Trust and respect each others work ethic.

• Trust each other to perform and produce, whilst always appreciating each other's achievements and contributions to the business.

• Be affectionate towards each other.

6.2.8 Family Harmony

Family harmony in the family business has a significant positive influence on the firm performance of the business. Generating family harmony and the success of the family business, it is important to have a general understanding of the nature of the relationship between the family and the business.

In order to build a supportive family harmony, family business must ensure that the following resources are obtained or provided for:

- The family members in this business should respect each other
- Plan according to the requirement of family's interest
- All family members in this business are allowed to contribute to decision making
- Family members are concerned about the well being of other family members
- Solve potential problems among family members before they occur
- All family members support each other
- Company should maintain a good image in the market
- Practicing its value, image, practices and success
- Influenced by the family's image in ways that are good for the business, the family and society at large

6.2.9 Commitment

The extent to which the women are committed to their family business has a significant negative influence on the firm performance of the business. Commitment is also of particular importance in the early stages of a business, when the financial obstacles and possibilities of failure are the greatest (Van Auken & Werbel 2006). In addition, the eagerness and family bonds in a family business can develop additional commitment and loyalty (Leach 1994).

It is vitally important that family businesses are passionate about their business throughout the various stages of the business life-cycle. Women should be in agreement concerning the direction that the business should take, as this will ensure that they are both committed to the venture.

In order to build a supportive commitment, family business must ensure that the following resources are obtained or provided for:

- Committed to this business
- Strongly associated with what this business stands for
- Continue working for this business
- To continue working for this business for some time still
- Looking for an alternative business soon
- Willing to put in a great deal of effort beyond that normally expected in order to help the family business be successful
- Support the family business in discussions with friends, employees and other family members

6.2.10 Open Communication

The extent to which there is open communication between the family business has a significant positive influence on the firm performance of the business. A strong family business requires open communication concerning goals, and an aspiration to resolve misunderstandings about issues influencing the accomplishment of those goals (Danes et al.1999; Isaacs1991).

In order to build a supportive open communication, family business must ensure that the

following resources are obtained or provided for:

- There is adequate Communication in this business
- There is free and open communication between me, family members and managers
- Communication is much more complicated
- The family members are well informed of what happens in this business
- Listen to family and non-family employees alike, and to shareholding family members not involved in the day-to-day running of the business; my communication is two ways
- The family attempt to be of one voice in communications to managers in the business
- The family should discuss the issues that may arise between them
- Freely express our opinions about day-to-day decisions in the business with each other

6.2.11 Loyalty

Loyalty in the family business and has a significant negative influence on the firm performance of the business. The eagerness and family bonds in a family business can develop additional commitment and loyalty (Leach 1994).

In order to build a supportive Loyalty, family business must ensure that the following resources are obtained or provided for:

- Feel loyalty to the company
- Values are compatible with the business's values
- Proud to tell others that they are part of the family business

6.2.12 Self Identity

Self identity in the family business and has a significant negative influence on the firm performance of the business. Women should be able to live out their own self identity, dreams and achieve their personal ambitions through their involvement in the family business. Women can achieve this if they:

- Identify and develop the business vision and goals together. This vision should be clear and vivid, and should encompass not only what the couple wants to do but also how they plan to do it.
- Goals and ambitions into consideration when developing the family business

- The business vision and goals.
- Ensure that each other's goals are compatible.

6.3 CONCLUSION

The demographic profile of women in family business suggests that women are involved in family business much later in life treating more so as a transition to contribute effectively towards the opportunity. In terms of education they were either graduates/post graduates but joining the family business as a professional choice for women with more technically qualified women are yet to emerge. In tune with the cultural norms, a majority of them married. A majority of women in family business preferred an exposure to an office/industry which they thought it supplemented their innate desire to contribute to their business managed by their family

In summary the enterprise related information indicates that families started their businesses taking mileage from globalization. In terms of activity they were either in manufacturing, trading or services and belong to the second or the third generation in running the family business. In general 2-5 members of the family were involved in business while 1-2 women actively participated in the family business. Majority of the businesses had 1-10 employees and the reasons for joining the business where more in the nature of responsibility and enterprise growth.

A comprehensive literature study was carried out, as outlined in Chapters 2, 3 and 4, in order to identify as many factors as possible that could influence the *Perceived success* of family business. From the literature on family business and the models proposed, and it became clear that successful family business have validated their proficiency with regard to two types of factors, namely, *family-based* and *business-based* factors. Within these two categories of factors, 12 independent variables were identified and hypothesized to influence the measures of effectiveness of family business, namely the dependent variable *Perceived success*; and the intervening variable *Firm performance* and independent variables *Family based* and *Business based factors*. As a result, the first secondary objective of this study was achieved. In addition, items were self-generated from secondary sources. The relationships illustrated in the

conceptual model were then empirically tested using these items. The second secondary objective of this study was thus achieved.

Exploratory factor analysis was carried out to evaluate the constructs in the conceptual model that was arrived at through literature survey. The model had six factors in family based and five in business based factors as influencing the Perceived success of a family business. The relational nature of the *outcome* factors (Perceived success and Firm performance) suggests that the factors in the submodel outcomes are correlated with each other. Exploratory factor analysis on these constructs loaded as expected. The factor structure thus revealed that growth and profitability showing business performance leading to perceived success was observed in the study.

As far as perceived success is concerned all the three items loaded on this factor. Thus, perceived success was accepted by women in terms of their involvement, a satisfying and rewarding role as well as beneficial to their family, marriage and personal growth. The trend was not similar with regard to firm performance. Only three items out of seven got loaded into the construct. The rest were excluded from the study. Women felt that profitability, financial security and outstanding business performance as important facets of family business management.

The business based factors are included in submodel 2. Five business based factors – Succession planning, Professionally managed, Governance, Role conflict and Strategic planning were extracted from the submodel. One new factor Equal status has emerged from the study. Women felt that equal status with men in family business leads to successful family business management.

Family based factors were included in the submodel 3. Four family based factors were extracted from the submodel – Trust and values, Family harmony, Commitment and Open family communication. Two new factors *Loyalty* and *Self Identity* were added to the family based factors from the study. Women felt that their self identity in their role and family loyalty does go a long way in Perceived success and Firm performance.

A confirmatory factor analysis was done using the Structural Equational Modelling Technique as the exploratory factor analysis was unable to verify all the factors as originally intended in

the conceptual model. The revised conceptual mode, illustrated in the figure reveals that six business-based factors – succession planning, professionally managed, equal status, governance, role conflict and strategic planning and two family based-factors – family harmony and open communication as influencing the Firm performance and Perceived success.

Taken factor wise, the revised model reveals only one business based factor – succession planning and two family based factors- family harmony and open communication as influencing both the Perceived success and Firm performance in family business management.

Two factor which emerged from the exploratory factor analysis - Loyalty and Self identify from family based factors – did not have relationship with Firm performance and Perceived Success. However, the business based factor - Equal status which also emerged in the exploratory factor analysis found to have a relationship with the firm performance only. The hypotheses were tested by means of structural equation modeling technique. Thirteen hypotheses were tested for goodness-of-fit out of which twelve were accepted and one rejected.

6.4 CONTRIBUTION OF THE STUDY AND IMPLICATIONS

This research can be justified in theoretical and practical terms. The theoretical contribution includes a better understanding of the strategic importance of women in family business, as an area in which empirically tested studies are scarce. Moreover, the theoretical contribution helps researchers to advance knowledge in the areas of family businesses. The practical contributions are beneficial to practitioners and the policy-makers who wish to improve firms' competitiveness and a successful family business.

6.4.1 Researcher

This study aims to expand the theoretical and empirical body of family business literature by focusing specifically on women in family business, a largely neglected area. This is to be

achieved by means of a multifactor and multidimensional analysis, as well as building on the findings of previous research. The use of Structural Equation Modelling (SEM), an advanced statistical technique, and has further added to this field of family business research which has largely been characterized by studies conducted on small convenience samples and single case studies. This study endeavors to contribute to the body of knowledge on family businesses in India by identifying the most significant factors that influence the success of women in family business.

6.4.2 Family Business and Women in Family Business Fields

The findings of this research provide a valuable theoretical contribution to the fields of entrepreneurship, family businesses, women in family businesses, and women entrepreneurs. This research includes a comprehensive examination of the combination of family business and women in family business and the issues faced, which is an under-researched area, by integrating the literature. This integrated review of the relevant literature has the potential to be a significant contribution in itself.

6.4.3 Practitioners and Policy- Makers

The findings of this research provide a practical contribution to practitioners and policymakers. As discussed, a major issue of family firms, particularly women in family business, is maintaining long-term survival and success in a competitive environment (Zahra et al., 2008). The findings of this research support the proposition that the role of women improves the success of the family business, then practitioners of family businesses can use these findings to strengthen the competitive position of their firms and promoting economic development.

6.5 LIMITATIONS

Although the present study has endeavored to make a significant contribution to the body of research relating to women in family business, several limitations were encountered. When

interpretations and conclusions about the findings of this study are made, these limitations should be taken into account. The study has not only investigated and developed a greater understanding of family business; it has also revealed opportunities for future research.

The sample size (323) is a limitation of the present study as Structural Equation Modelling (SEM) is very sensitive to sample size. Owing to the large number of factors proposed in the conceptual model, the model could not be subjected as a whole to SEM. In order to overcome this limitation in future studies, researchers should consider increasing the sample size and/or lowering the number of factors under investigation.

The time period allowed for the respondents to return the questionnaires was also limiting as only 323 usable questionnaires, out of 1138 questionnaires, after the nine-month period. In order to overcome this limitation in future studies, researchers should consider setting more time aside for the usable questionnaires, and employ other techniques to ensure a larger sample size.

As a result of the sample size and the statistical technique employed, this study could only focus on a specific number of family- and business-based factors influencing the success of family business. In addition, this study did not investigate potential environmental factors that may influence the success of family business. Future studies concerning family business should also investigate the influence that certain external market conditions will have on the success of family business.

Future studies could endeavour to investigate the factors influencing the success of family business in countries other than India not only the metropolitan cities. The extent, to which the factors influencing the success of family business in India differ from those influencing the same family businesses in overseas, could be established. The influence of culture on Indian family business as well as family business abroad is an additional avenue for future research. The results of this study make a significant contribution to the existing body of research on women in family business, even though various limitations were encountered. As such, many opportunities for future investigation into family business exist.

6.6 CONCLUDING REMARKS

Family businesses are playing an increasingly important role in the economies of many countries; this is also true in India. The success of these family business is thus of paramount significance. To ensure their success, family business must cherish their relationships with each other and work together as a team. Numerous recommendations and suggestions have been presented in this study to aid women in family business in achieving this. Thus, the contribution of the family businesses is significant in the current context and hence, it is the responsibility of every country, every association both – trade and women- to encourage and support family businesses in general and women in particular for their contribution in the economy.