# Women & Family Business in India

## Project Partnership 2020

## Promoting Women's Family-Based Entrepreneurship in West Bengal

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**ABSTRACT**

*Family businesses are fundamental to nation-building as they contribute towards the GDP of any country and are also major employment creators. Therefore, family business management takes a great place in the academic arena. In this regard, a comparison between family and non-family businesses has become an important area of research. The present study reviews the family business and the role of women in family businesses in global and in the Indian context. Any firm with 40% or more promoters or promoter group holding has been identified as a family business. Although re-organized as generally very important players, the role of women is often defined as invisible in business decision-making, supportive in men's traditional business domains and only rarely adequately recognized and rewarded. This review paper tries to elucidate family business from two different angles one, family business as a whole and two, specific role of women in the family business which is more often seen as "invisible".*

# SECTION – I : FAMILY BUSINESS

## Family Business: An Introduction

Family is one of the oldest surviving social institution (Goode, 1982), but only in recent years family business, an important arm of the family has started receiving academic attention. There are conceptual differences between family and business (Ward 1987, 2004), though opinions on treating them as conflicting systems vary. Family businesses are found to split up like amoeba as they grow, and very few of them survive beyond three generations, supporting the age-old saying, "shirt sleeve to shirt sleeve in three generations" (Carlock and Ward 2001, McCulloch 2004).

Most discussions in this area are based on research in advanced countries. In most developing countries, including India, it still remains a black box; academics and industry observers were puzzled to witness the recent break up in the second generation of the Ambani family, the largest private-sector group worth over the US $ 20 billion. Even anecdotal evidence is limited to a few biographical sketches (Tripathi, 2004; Piramal, 1998) and consultant impressions (Dutta 1997; Sampath 2001). Sharma and Manikutty's (2005) study of diversified family groups is one of the few notable research pieces from India in this area. In essence, not much is known either about the survival rate or the factors contributing to the successful survival of family businesses in India.

Family businesses constitute most businesses in India, as anywhere else. Economic liberalisation and rapid expansion in the industrial base in recent years have not only created growth opportunities for many but also have tested their resource capabilities to respond to them; some have chosen to follow the role of a custodian of their existing wealth and followed the preservation route, while some others have followed more of an entrepreneurial route of exploiting opportunities with or without relevant resources, with mixed results. One of the key resources for all of them is their family, and their prime concern is the wealth and welfare of their family. A major dilemma many of them have faced particularly in the last decade since economic liberalization began is to choose between combinations of risks and returns of business growth and conservation of wealth of the family. This, of course, is intertwined with the missions of their businesses and families. They are fascinating because of the mutual dependence of two ecosystems (family and business) that have inherently conflicting characteristics. Some of the key dimensions that determine the cohesiveness of both the family and business are succession planning, remuneration and rewards planning, recruitment and rewards for non-family professionals, retirement and estate planning, induction and grooming, ownership structure, preserving wealth, resolving conflicts, business vision, strategy and governance, family vision, strategy and governance.

One of the first widely accepted definitions of the family is based on Malinowski's ethnographic studies. Malinowski (1922) suggested that the family is a universal institution that encompasses three common characteristics across cultures—a couple living together, loving each other, and having children. Since then, however, anthropologists and sociologists have shown that not all families satisfy these criteria, rejecting the idea that families are homogeneous and unchangeable (e.g., Parsons, 1951). Families are heterogeneous across and within cultures and their heterogeneity is rising in many countries (e.g., Greif, 2006; Silverstein & Bengtson, 1997). Instead of speaking of the family, it might be more appropriate to distinguish among families. Family science theories allow us to disentangle family heterogeneity. Drawing on related research (e.g., Jaskiewicz et al., 2016), we introduce four common dimensions of families that are frequently covered by family science theories—family structures, family functions, family interactions, and family events—and build on the few pioneering studies that have already leveraged one or several of these dimensions to contribute to family business research.

"Family business is a firm which has been closely identified with at least two generations of a family and when this link has had a mutual influence on the company policy and on the interests and objectives of the family." — R. G. Donnelley

"Family businesses are those where policy and decision are subject to significant influence by one or more family units. This influence is exercised through ownership and sometimes through the participation of family members in management. It is the interaction between two sets of organizations, family and business, that establishes the basic character of the family business and defines its uniqueness." — P. Davis

Some researchers argue that a broad definition of a family business should incorporate some degree of control over strategic decisions by the family and the intention to leave the business in the family. Shankar and Astrachan (1996) note that the criteria used to define a family business can include: Percentage of ownership; Voting control; Power over strategic decisions; Involvement of multiple generations; and Active management of family members.

In an effort to resolve the definitional ambiguity surrounding family business research, Litz suggests that a business can be defined as a family business when its ownership and management are concentrated within a family unit. Furthermore, he argues that to be considered a family business; the business' members must strive to achieve, maintain, and/or increase intra-organizational family-based relatedness.

In sum and substance, a family business can simply be defined as a business one that includes two or more members of a family with financial control of the company. In other words, a family business is one actively owned and/or managed by more than one member of the same family.

The definitions of family business given above indicate the following characteristics of the family business:

a. A group of people belonging to one or more families run one business enterprise.

b. Position in a family business is influenced by the relationship the family members enjoy among themselves.

c. Family exercises control over business in the form of ownership or in the form of management of the firm where family members are employed on key positions. d. Family exercises the influence on the firm's policy direction in the mutual interest of family and business.

e. The succession of family business goes to the next generation. f. Family business in India is largely caste-related.

g. Every caste enjoys a dominant culture which gets duly reflected in their family businesses also.

## Concept of Family Business

A family business consists of two parts, namely a family and a business. The family and the business are essentially separate systems, each with its own members, goals and values that overlap in the family business (Longenecker, Moore & Petty 2003; Rwigema & Venter 2004). The main purpose of a family is to care for and develop its members, whereas the main purpose of a business is to produce and distribute goods and/or services. A family's main goal is to ensure that each family member is fully developed, as well as providing equal opportunities and rewards for each member of the family. The main goal of a business is to survive, generate goods or services, and become profitable (Burns 2001; Longenecker et al. 2003). Therefore, family businesses are a unique business type as they allow for the simultaneous coexistence of both family and business relationships (Muske, Fitzgerald & Kim 2002).

For years, companies in India have been transitioning from family ownership to more professionally run operations. There are three primary reasons for this phenomenon:

1. The increased complexity of operations in today's frenetic business environment. Whether companies are expanding internationally or simply increasing the scale of their operations, there is a growing need for external professionals (i.e., someone from outside the family).

2. As promoters step down, the firms demand appropriate leadership as well as the talent to help them succeed in the long term. While family members can help in this transition, history has shown that firms considering external executives are more likely to thrive.

3. Regardless of the industry, fields are becoming increasingly competitive. To stay viable, it's crucial that companies have diverse perspectives within management to objectively assess the organization's strengths, weaknesses and risks and help them plot a positive course of action. For myriad reasons, some companies have been unsuccessful in completing this transition from being solely family-run to hiring external professionals for leadership roles. Challenges vex the entire process, and there's not one successful model for making the transition to professional leadership, so each case will be unique.

## Characteristics of Family Business

For the family members, one of the obvious advantages of working for a family firm is the sense of being in control of their destiny. Running something in which one has a personal stake certainly creates a greater feeling of independence. Advantages of Family Business are its long term orientation, greater independence of action with less pressure from the stock market and less takeover risk. Because of the family culture is a source of pride, there is stability, strong identification, commitment and motivation. Less bureaucracy, continuity in leadership, greater resilience in hard times with willingness to ploy back profits, are some often observed positive features of Family Businesses.

Even though there are numerous advantages, some of the disadvantages of Family Businesses are a confusing organization with a messy structure and less clear division of tasks. There are nepotism and tolerance of inept family members as managers. Inequitable reward systems lead to greater difficulties in attracting professional management. They also have less access to capital markets which may curtail growth. The culture tends in family businesses tend to be paternalistic with the autocratic rule; there is resistance to change and secrecy. Turbulent succession dramas are also their salient feature.

The family business is popularly defined in terms of three characteristics (Astrachan et al., 2002: Klien et. at., 2005):

(a) Pre-dominance: A proportionally pre-dominant control of the business by a family in terms of ownership, management and governance;

(b) Engagement: An overwhelming engagement by a family in the business, in terms of the successive generations involved, the percentage of family members involved, the active nature of such involvement, and the continuity of the involvement across generations;

(c) Identification: A display of loyalty, commitment and pride by the family members in the business and symmetry in the values of the family members and the business employees.

The above characteristics point to a family business that is the repository of a family's wealth and the property is sustained over successive generations with a pre-dominant engagement of the family members and has an organizational identity shaped and controlled by them.

Some experts studied the family business from three angles, i.e.

(a) A family-owned business;

(b) A family-owned and managed business; and

(c) A family-owned and led business

Usually, family business governance is based on periodic assemblies of the family, family council meetings and constitution of the family. The Indian family business dates back to the latter half of the nineteenth century, which also marks the beginning of business in India. It is not surprising that family-run businesses currently account for a whopping 95 per cent of all Indian companies. Considering that 1/3 of the companies listed in Fortune 500 fall under this category. The Indian economy currently is in a state of rapid development, is burgeoning with innumerable small and medium-sized family-run enterprises. In India, family businesses initially started in the 1890s as a means to promote import substitution and attain economic freedom from the British. These business enterprises were the vital part of India's freedom struggle, and as a part of the Swedeshi movement, got special healing and subsidies from the government.

## Types of family businesses

There are various definitions of family business given looking at the different aspects of the family business. For the convenience of understanding, all definitions have been broadly classified into four types based on the structure and process involved in the family business.

**1. Simple Business, Simple Family**

Founded in 718, Japan's Hoshi Ryokan hotel in central Japan is one of the oldest family firms in the world. Run by the same family for 46 generations, it has remained fairly simple by focusing on a single hotel and bypassing leadership and ownership to the eldest son.

In this model the successor's role is clear and unchallenged, siblings do not get involved, and the family's commitment and heritage contribute to the firm's success.

This model has worked well, keeping the business in the family for 1,300 years, but it is vulnerable as it places all bets on one candidate.

Businesses like this are fairly focused, with a concentrated family structure. With only a few family members involved, they do not need complex governance systems for either the business or the family. The business is not very diversified or complex and could benefit from centralised management and flexibility.

**2. Simple Business, Complex Family**

Family-run Singapore property group Hiap Hoe is an example of how things can become overly messy without proper rules.

The firm's patriarch, Teo Guan Seng, kept three families at the same time and tried to achieve cohesion by letting everyone share in his business wealth. However, family squabbles, a divorce, and feuding children forced him to resign and dismantle the publicly listed holding company.

Businesses of this type are relatively simple, but many family members are involved in management or ownership, or both. Some family members may feel entitled to benefits without contributing proportionately.

A family constitution that clearly sets out the values and expectations for how the family owns, manages, and relates to the business, will be helpful for these firms, along with a family board.

**3. Complex Business, Simple Family**

Many firms from China, where the owners typically have small families and big markets to play in, fall into this category.

For example, the Wahaha Group, which started in 1987 as a beverage company, has diversified into a successful multinational and now operates in packaged foods, health supplements, and children's clothing. Its 73-year-old Chairman, Zong Qinghou, has appointed his only daughter, Kelly Zong as the group's chief executive. Going forward, her attention will be focused on instilling proper controls in the business and attracting outstanding non-family talent.

In cases like Wahaha, whilst the family is relatively simple, the business has already matured and requires sophisticated managerial talent to run it. With few family members involved, it is important to professionalize the business to limit its dependence on scarce family talent.

Merit-based leadership and mature corporate governance systems are a minimum requirement.

### 4. Complex Business, Complex Family

South Korea's Hyundai Group is a good example of a sprawling business group and a multifaceted family. Founded as a construction business in 1947 by Juyoung Jeong, the group informally split up among his sons and brothers after his sudden demise in 2001. However, the Hyundai firms were interconnected in a convoluted cross-shareholding pattern.

With three generations in the family business, including some deceased descendants replaced by their widows, the family found little common ground and resorted to court cases.

Managing firms where both the business and family is complex requires a significant investment in governance systems. A continuous focus on involving new generations of the family, grooming entrepreneurship and managerial talent, as well as family bonding is required.

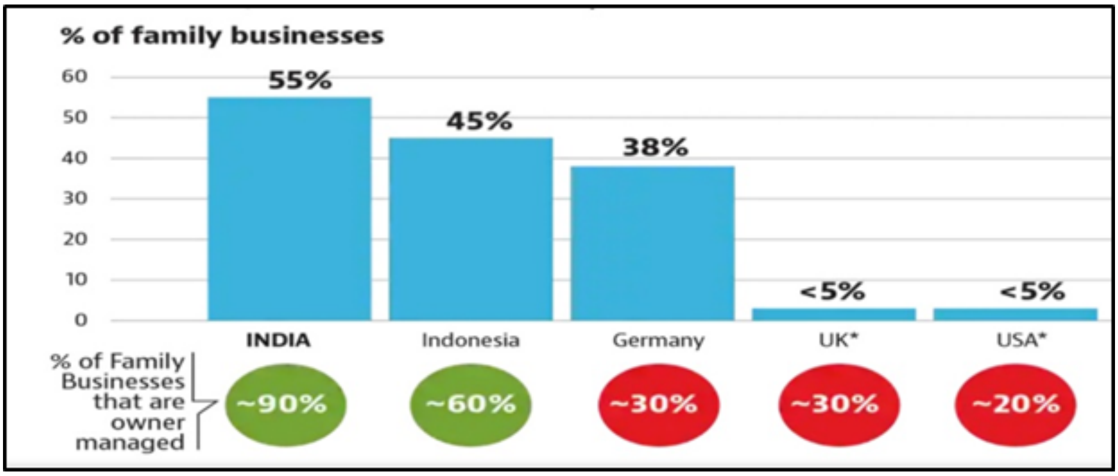
The business will also need mature governance systems that set clear expectations for the business leadership, and development programs to stimulate leadership talent.

There is no consensus to date on how to define a family business. Several researchers have come out with different definitions. Any business with majority shareholding within a single-family, with family members directly involved in the business operations, was defined as a family business by Rosenblatt (1985). Later Shanker and Astrachan (1996) gave a more comprehensive definition of family businesses to include ownership concentration, voting rights, strategic decision-making role, multi-generational engagement in business and involvement of family members in managerial roles. Although a common definition to family business has not arrived upon, the following three aspects can identify a family business: (a) ownership (one or more family members own a higher percentage of shares), (b) management (one or more members of the family occupy top positions in management) and (c) position on board (one or more family members are directly involved in the company's board of directors)

## Family Business in the Global Context

For historical, evolutionary reasons, most countries have family businesses constituting the largest category in terms of ownership estimates do vary, but is above 75 percent in all cases (Duman, 1992; Paisner, 1999; Watts and Tuccker, 2004). About a third of the companies listed in Fortune 500 are family businesses (Lee, 2004). The family businesses are the oldest form of multiparty business enterprise. In fact, the world's oldest continuously operated family business, Japanese temple builder Kongo Gumi began in 578. Since then the family businesses have succeeded and grown through all commercial development phases (Hutcheson, 2002, Mass and Diederich, 2007). "Before the multinational corporation there was a family business. Before the Industrial Revolution, there was a family business. Before the enlightenment of Greece and the empire of Rome, there a was family business"- (William O'Hara.).

The US, UK, and Germany are three of the top five global economies and Indonesia and India are among the fastest growing emerging economies. After 2000, both India and Indonesia have quintupled their economies. the nature, and performance of family-owned businesses in each of these countries by studying family businesses present in the top 200 companies within them. The differences are significant. At one end, the US and UK have barely 5% of their largest enterprises owned by families. On the other hand, India and Indonesia have a far higher share of family-owned enterprises that continue to operate as family businesses. In fact, as the graph shows, more than 40% of the largest companies in these countries are owned by families.

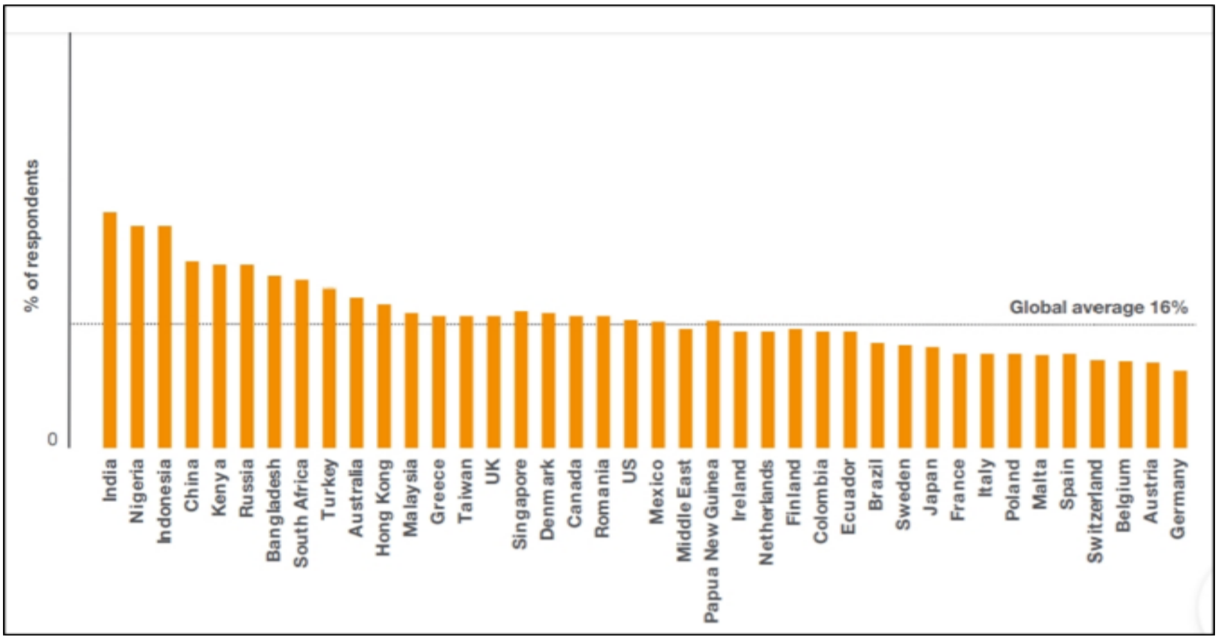



It is evident that the family unit in India and Indonesia is much stronger than the family unit in the US or UK. Marriages are still often arranged by families, the rate of divorce is lower, and the Hindu philosophical tradition in India has been influenced by stories in the in the Ramayana and the Mahabharata, which are about family values and resultant social norms.

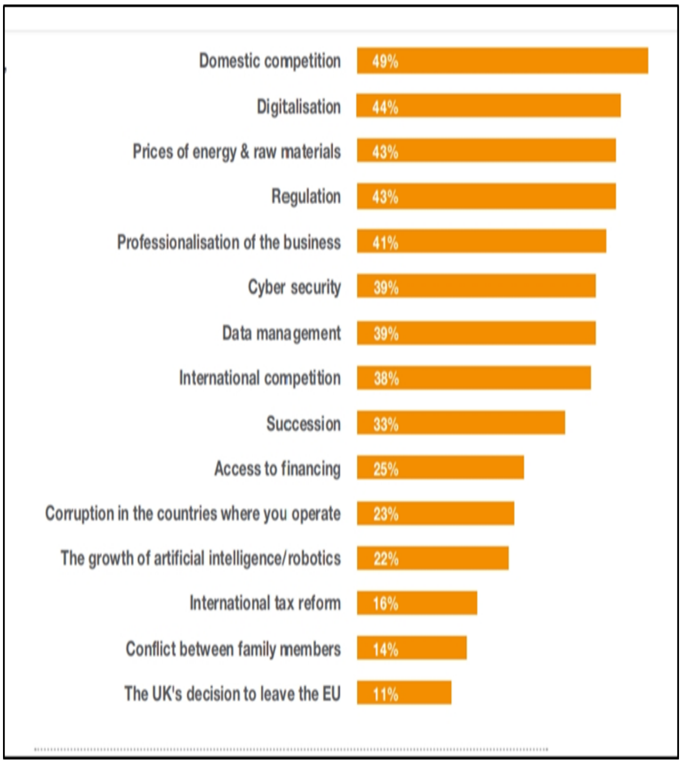
It is not surprising in India to find working children, even married ones, living with their parents. Later, elderly parents end up living with their children. In Indonesia again, families especially of Chinese-origin, are very close, and act as a strong family unit. The philosophical underpinning in the US certainly, and the UK in the last 50 years, has been built on the concept of individualism. Many marriages end in divorce. It is completely acceptable for the child of a business family to pursue a career path that interests them outside the family trade, even if this results in the families selling their business. The maturity of capital markets makes it easy for families to find a buyer (often an activist fund) and cash out. These issues collectively explain the difference in ownership style.

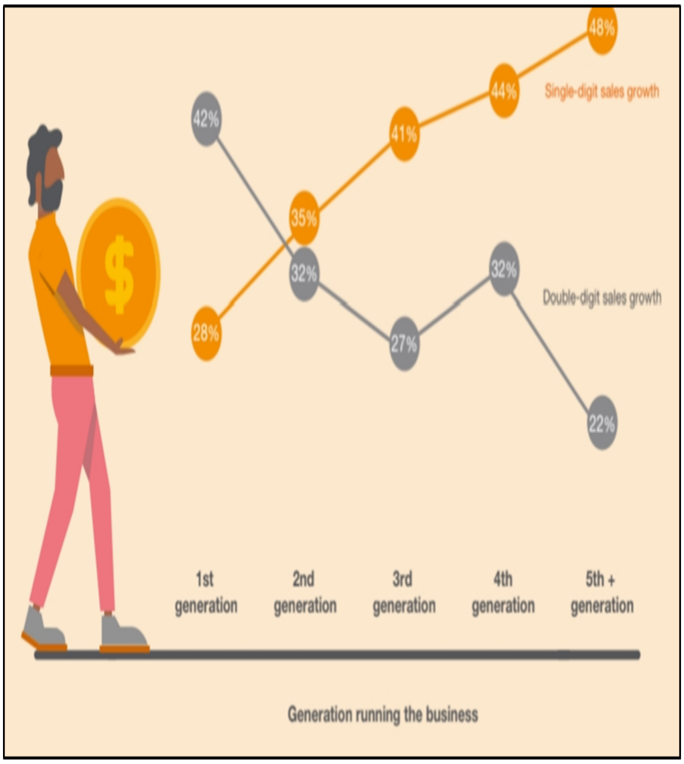
Indonesia is very similar to India. Family-owned businesses in Indonesia are risk-taking — so; they grow faster, deliver better shareholder returns, and have lower profitability than their non-family-owned counterparts. One sees a clear bias for growth as these businesses push themselves to expand rapidly in size and value at the cost of profitability.

**Family Business Growth Ambitions by Territory**




In contrast, both in Germany and the US, it becomes much harder to see significant differences in the performance of family-run and non-family-run firms. Revenue growth and shareholder returns are either similar (as in the case of Germany) or family-owned businesses lag behind their non-family-owned peers (as in the case of the US — although the sample size of family-owned businesses here was quite small). It points more towards a mindset where the family is looking to conserve wealth. The aggressive growth mentality one sees in emerging markets is replaced with one that is far more cautious.



### Growth by the Generation Running the Business

Among the top 5 challenges were: innovation (66%), accessing the right skills and capabilities (60%) and digitalization (44%). Indeed, 80% say digitalization, innovation & technology ranked together as a significant challenge.

This graph shows that first generation family businesses clearly outperform those run by subsequent generations in their ability to achieve double digit growth, highlighting the need to balance business model continuity with an appetite for disruption.

## Family Business in Indian Context

Family business research is an emerging academic field (Astrachan, 2003), early research focused on the identity of a family business and its characteristics vis-a-vis non-family businesses. However recent trends point towards conceptual frame works and theory building not only with in the family business field, but also in relation to other fields [Ibrahim and Elis, 2004: Zahra and Sharma, 2004; Chrisman, Chua and Litz, 2003; Wortman, 1994]. Dyer (1986) has said that during the 1990's researchers focused on the following topics: interpersonal family dynamics, succession, business performance, and consulting to family firms. The other topics studied then were gender and ethnicity studies, legal and fiscal issues, estate issues, organizational change, as well as issues of governance. Aronoff (1998) stressed on the importance of studying the succession process from a multi- generational point of view, rather than just focusing on the succession planning event. Aronoff also highlighted leadership and ownership issues that can help in understanding family businesses.

Bird et. al. (2003) noted that major topics on family business issues that have been covered by researchers are: succession, distinctiveness of family business, conflict management strategy, helping family business, and macro issues (economics, policy). Sharma (2004) noted in her review of the literature that the field is still in a pre-paradigmatic stage where research has been undertaken at four levels of analysis: individual (founders, next- generation, women, and/or non family employees); interpersonal/group (agency theory, stewardship theory, interpersonal conflicts, and/or inter-generation transition); organizational (governance, strategic management, strategic decision making, performance, and/or resource based view); and societal (macro-economic and/or environmental). Zahra and Sharma (2004) concluded that family business research has a long way to go from the present fragmented and descriptive state.

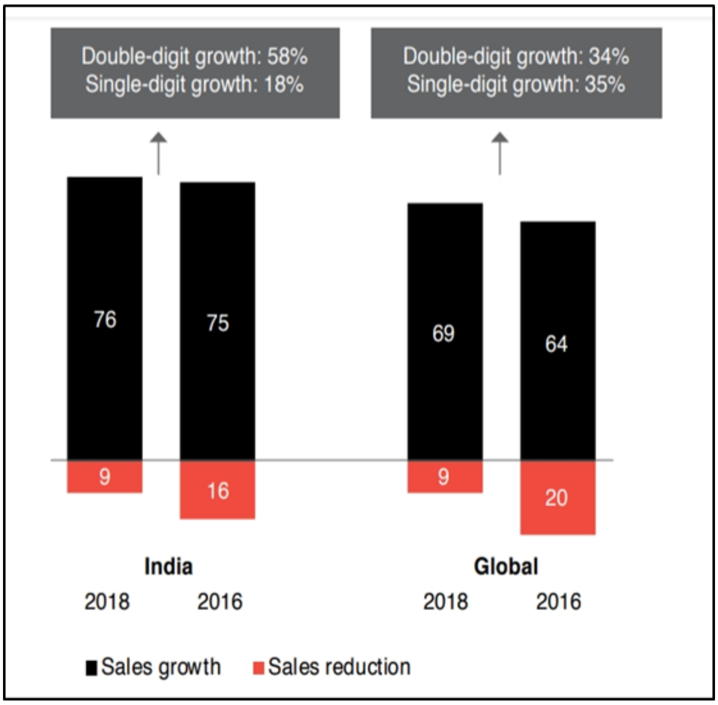
It is observed that, there has been an increased interest in learning more about family businesses, not just from a social point of view, but also from a scholarly perspective. Litz (1997) addressed the issue of the lack of research on family business in business school and pointed out the opportunities that exist in exploring this new field. It is seen that more work in this area is being done by consultants rather than academicians. The use of qualitative studies (such as case studies) can be used to build further understanding of family firms [Bird et. al 2003; Ibrahim and Elis, 2004;]. Litz (1997) also recommended the use of methodologies that "nurture long-term, mutually beneficial linkages with family firms that might facilitate in-depth longitudinal analysis. Murray (2003) used this longitudinal case method analysis to describe the succession transition process as a journey that may be categorized as evolutionary or revolutionary, depending on the business structure and ownership in place in the family business. Goffe (1996) recommended the use of longitudinal case method analysis to explore and study in greater depth the complex relationships between ownership and managerial control in family businesses.

For historical, evolutionary reasons, most countries have family businesses constituting the largest category in terms of ownership; estimates do vary, but is above 75 percent in all cases [Duman 1992, Paisner 1999; Watts and Tucker 2004]. About a third of the companies listed in Fortune 500 are family businesses (Lee 2004). Since they normally do not have short term orientation but are interested in growing the family wealth with necessary precautions and have a different set of strategic goals compared to non-family owned private companies [Ward, 1987; Sharma et al 1997], their long term contribution to economy is significant. This is true with the Family Businesses in the Indian economy too.

Researchers in the field of family business agree that succession is the most important issue that most family firms face. Succession is so central to the firm's existence that Ward (1987) chooses to define family firms in terms of the potential for succession: "we define a family business as one that will be passed on for the family's next generation to manage and control". Long term sustenance of family business depends on its smooth survival across generations. Families that successfully survive three or four generations have a complex web of structures, agreements, councils and forms of accountability to manage their wealth (Jaffe and Lane 2004). This seems to be much more evident in the west compared to emerging economies such as India. Reflecting the complexity of the process involved, succession planning has been an area of keen interest for researchers. This could be for a variety of reasons. One, organizational transition from an entrepreneurial stage to a system driven, professionally managed firm is not easy (Churchill, 1983), and involves evolutions, revolutions and crisis (Greiner, 1998). Two, there is often a simultaneous process of transformation taking place in the family and business with the size of activities of both growing [Kepner 1991; Morris et al 1997; Sharma et al 2003].

Family businesses are found to split up like amoeba as they grow, and very few of them survive beyond three generations, supporting the age old saying, “shirt sleeve to shirt sleeve in three generations” [Carlock and Ward 2001, McCulloch 2004]. According to Ramachandran (2012), most discussions in this area are based on research in advanced countries. In most developing countries, including India, it still remains a black box; academics and industry observers were puzzled to witness the recent break up in the second generation of the Ambani family, the largest private sector group worth over US $ 20 billion. Even anecdotal evidence is limited to a few biographical sketches [Tripathi 2004; Piramal 1998] and consultant impressions [Dutta 1997; Sampath 2001]. Sharma and Manikutty’s (2005) study of diversified family groups is one of the few notable research pieces from India in this area. In essence, not much is known either about the survival rate or the factors contributing to the successful survival of family businesses in India. Taking the survival bar as three generations, it will be interesting and instructive to know how family businesses perform in the fourth generation. Since the implicit assumption here is that the family has survived as a single entity, it is important to know how the family's involvement in business is and also how the family and outside professionals manage the business.

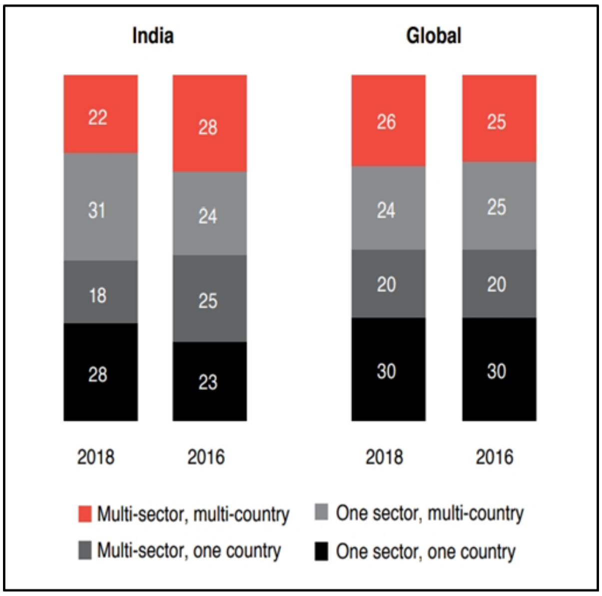
## Growth




India continues to remain the fastest growing major emerging economy in the world according to the World Bank's Global Economic Prospects report (January 2019), 3 with an expected growth rate of 7.5% in FY19–20. Further, according to the World Bank's latest Doing Business 2019 report, 6 India is one of the top 10 economies which improved the most in areas measured by Doing Business. Having jumped 23 places and presently ranked at 77 in the report, India, along with a few other countries, also implemented significant business regulatory reforms around taxation, starting a business, getting credit and so on. Riding on this growth wave and underlying economic indicators, family businesses continue to remain extremely optimistic, with 89% expecting to grow quickly and aggressively (44%) or steadily (45%) in the next 2 years.

Significantly, while in 2016 16% of businesses experienced a reduction in sales, only 9% do so presently. Additionally, Indian growth statistics also compare favourably with the global average growth of 69%. It is also heartening to note that 58% of family businesses had achieved double-digit growth compared to 34% globally. Another 18% of Indian businesses grew between 3% and 9%, while 15% of Indian businesses experienced stability in business operations (growth of +/- 3%).

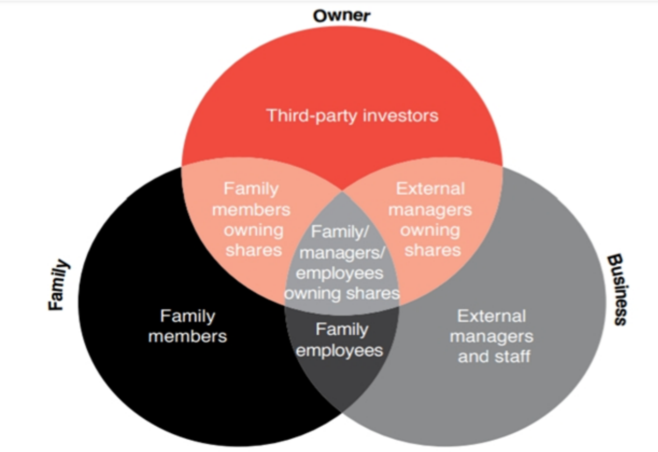
## Diversification




There has been a shift in focus within Indian family businesses towards one sector, be it in one country (from 23% in 2016 to 28% now) or across countries (from 24% in 2016 to 31% now). We further analyzed this information based on the size of the companies. An interesting point which emerged was that nearly 60% of companies with a turnover of more than USD 20 million were present in multiple countries in one sector (35%) or multiple sectors (24%), thus reinforcing the belief that as companies increase in size, a key facilitator of growth is expansion into new markets/territories.

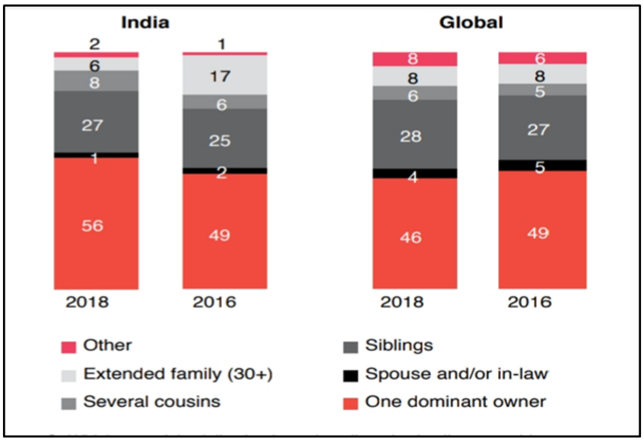
## Family Engagement

Engagement is the one of the most critical issues that family face. Family support in a business can give a huge success to the business as well as to the family. So many businesses are making investments for the next generation.




If one goes to 30000-foot level, it takes three different entities working together for a family business to be successful. One has to have a good management team, a strong board, and highly functioning, supporting and engaged family.

The 3 circles model presented below illustrates the varying roles played by family and non-family members in a family business. The fabric of a family business and the interplay of relationships – personal and business – have a powerful impact on business strategies, outlook and success.




Structural challenges and concerns vary across companies based on the ownership structure, investment structure and governance structure. (Refer to the 3 Dimensions Model) The way a family business is organized, the number and roles of different members, the presence (or absence) of family offices, management vs ownership structure and so on – all these factors have a bearing on the way a family business is run and managed.

## Strengths and Weaknesses

Most family businesses cannot be categorized as either completely healthy or unhealthy; each has certain strengths and weaknesses. There are lots of dimensions in a family business and whether a particular dimension is strength or weakness depends on three factors such as

(i) The degree to which boundaries between the family and the business are managed; (ii) The health of each system; and

(iii) The degree to which adaptability and learning is inhibited or encouraged in the boundary interface

The dimensions of a family business and the strengths and weaknesses associated with them are mentioned in the table mentioned below:

**Table 1: Strengths and Weaknesses of Indian Family Businesses**

| Dimensions | Strengths | Weaknesses |
|---|---|---|
| Infrastructure | Flexible; entrepreneurial; innovative and informal | Confusing; unclear; resistance to change; lack of management development; no organization chart. |
| Leadership | Informal authority; entrepreneurial; ambitious; creative | Autocratic, avoids letting go; resistant to structure and systems |
| Succession | Training can begin early; mentoring a lifelong process; can choose when to leave | Inability to choose a successor; family issues get in way |
| Ownership | Closely held; family owned; high degree of control | No outside board of directors, may sacrifice growth for control, not accountable to stockholders; high premium on privacy |
| Roles | Flexible; multiple roles; dual relationships; quick decision making | Role confusion; nepotism; dual roles interfere with learning and objectivity; family birth rights can lead to unqualified family members in jobs |
| Complexity | Can foster creativity; rich interplay of roles and goals | Must be managed to avoid confusion; drain of resources and energy |
| Involvement of family | Employees committed; loyal; shared values and belief system; family spirit; family name; family dream; strong sense of mission/vision | Can't keep family issues out of business; can't separate work and family; rivalries; inability to balance family's and business's need for liquidity; lack of objectivity; inward looking |

## Challenges in Family Business

Large business houses spanning three or more generations face the challenge of growth and sustenance due to different issues in family businesses. Every family business has faced or will face challenging issues. Even, when they seemingly do everything 'by the books', the challenges may seen overwhelming. The family owned businesses have to face major challenges such as:

**(i) Splits**: There are splits like a clash between father and son or other members of the family leading to a division of the company. For e.g. the Birla Group divided into many companies after the death of Mr. G. D. Birla.

**(ii) LPG**: Liberalization, Privatization and Globalization pose a great challenge to the family owned businesses. So it has to be faced by the family businesses with a new set of strategies.

**(iii) HR Issues**: Retaining the Indian brain is a major difficulty of Indian companies they have to tap the untapped resources, give them industry standard pay packages and other remuneration, delegate authority to them and give them space to work.

**(iv) Transnational Attack**: Foreign companies are more professionalized, focused, organized, and able to bear shots and they pose a great challenge due to their global threats of product and service quality.

**(v) Restructuring**: The changed business scenario requires a great amount of change in the overall business operations and activities, but for most of these business houses changes was painful, costly and forced. Very few could change from within, due to lack of initiative taking ability.

**(vi) Lack of Professionalism**: Lack of professional management and clashes between professional CEO's and family members who control the business. Divorce of ownership from management is always a contentious issue in such companies, though the need for appointing a professional manager is extensively accepted, problems arise in terms of clashes of styles and approaches towards running the company.

**(vii) Other Challenges**: The other challenges include:

*Seniority, rank and gender;

*Children do not like to face challenges;

*No encouragement from parents' side;

*Brothers and sisters often reluctant to grant authority to their siblings;

*The younger child possesses better skills than that of the elder;

*Children are very good with numbers but not with people;

## STRATEGIES ADOPTED BY BUSINESS FAMILIES FOR THEIR SURVIVAL & GROWTH

The major strategies adopted by business families for their survival and growth are mentioned herein below:

(i) Understanding the realities: The family owned businesses have realized that the economy is moving from sellers' market to buyers' market. Business families have adapted themselves to the new realities; and new product launch, better customer relationship management, better after sales service have become the benchmarks of the new strategies.

(ii) Research and Development: Till few years back, the research and development was neglected by business families. But now with increased competition, Indian business families have realized that creativity and innovation are the survival strategies, without which business families cannot face competition from MNCs.

(iii) Raising capital base: Indian business families have raised their capital base in their businesses so that fears of takeover can be kept as bay. Before liberalization process started, the Indian business families were running with a low capital base which made them vulnerable for takeovers. But after liberalization process, business families have raised their capital base to 26 percent or above and in many cases as high as 45 to 50 percent to gain complete control over the management of their businesses.

(iv) Consolidation of business: Indian business families have now consolidated their business by selling non-viable and non-core businesses such as Raymonds sold their steel division to Thyssen of Germany and cement division to Lafarge of France. Even TATA Steel sold their cement division to Lafarge to concentrate on steel business.

(v) Managing the pace of change: Day by day new technology is coming up. Most of the companies have realized that managing, understanding and adapting to changes are the challenges they have to face and business families are readying themselves for this.

(vi) Appointment of Professional Managers: Business families have realized that business should run by experts and specialists and the concept capital stake and managerial stake should be clearly defined and understood. So, many Indian business families are taking back seats and professional managers are running the show.

(vii) Mergers and Acquisition: With globalization and government rules and regulations, moving ahead requires strategies like mergers and acquisitions. For e.g. TATA has acquired Cores.

(viii) Succession Planning: A critical task of succession is transferring the knowledge of the previous generations. Many business families' scions are educated, are trained abroad and they return to take over. They begin at the management trainee level to gain experience. A senior family member acts as a mentor for them.

## Succession Planning in Family Owned Business

In the lives of family owned businesses, the issues of successors and succession reigns supreme. While more is written about this area of family business than any other, it is often the most neglected area of activity by the typical family business owner.

The troubles and conflict associated with developing a feasible, logical, and agreeable succession plan are immense. For the family business owner, the ability or willingness to manage and direct the interactions between the extraordinarily complex areas of personal, family, management, ownership, and estate issues can be scary. Moreover, these issues are often further obscured by, or in conflict with, other family members' personal wants and needs. Add to that the owner's possible fear of losing control and position, both in the business and in the family, and it's no wonder then why avoidance and denial are the principle responses to succession planning.

A general observation regarding majority of family-owned businesses in India is that families need to justify the decision to choose members as successors, especially in listed companies. There is a demand for greater professionalism in the business and a divorce between ownership and management. There is a need to learn lessons from the private sector which has made considerable progress in the area of succession planning. Succession is not for one person — it is about creating a huge talent pool from which it will be possible for the board to select one person. Globalization and exposure to global influences determines the succession. A large number of second-generation businessmen, future inheritors and new entrepreneurs have been educated abroad from prominent universities. This has given them exposure to a number of global economies and they have returned to their roots with a vision for India that spans the next half century. For those inheriting businesses, the need to protect the brand of the corporation as well as their own family is important. They are ever more aware that succession is a crucial aspect of business continuity which needs to be deliberated through in advance and handled carefully

Succession planning is about securing the future and making leadership decisions based on anticipated changes to company strategy and the market and economic environment in which it operates. It is important to continually assess whether the previously identified

CEO designate is still the 'right' person for the job. Succession planning does not mean crowning the next CEO before the time is right, but building a systematic process that engages the senior management and board in the discussion. Actually the objective of succession planning and talent grooming is to de-risk the business and is a strategic function for family business leadership to ensure sustainability.

Succession planning is all about deciding who will lead the company in the next generation. Businessmen may be reluctant to face the issue because they do not want to relinquish control, feel their successor is not ready. Nevertheless, it is essential that the succession process be carefully planned before it becomes necessary due to the owner's death or other incapability.

## Entrepreneurship and Family Business

According to Lavoisier, (2009), for millennia, scientists believed that the entire world was composed of only four substances: earth, water, air, and fire. Fire was by far the most elusive. It was searing, dramatic, and powerful, but no one knew what actually caused fire to burn. Entrepreneurship is like fire- rapid, dramatic, and powerful. Sometimes its destructive side decimates standing forests of great, old industries; sometimes its power caries innovation throughout the world like a firestorm.

From a contextual stand point, these decades of investigation have, however, taught us the same lesson that Lavoisier proved with regards to fire – entrepreneurship is fed by the oxygen of family, financial resources, human resources, education, economic conditions etc. although family permeates most business ventures, surrounding virtually every entrepreneur, contributing financial and human resources for most ventures, and providing a major source and origin of education and values that are critical to entrepreneurs. Research into entrepreneurship had generally side – stepped investigating family as a source of oxygen for the entrepreneurial fire, seeking instead to identify a magic, unique substance to explain entrepreneurship.

The name family business is usually defined as a company where the people act as owners as well as managers, businesses where several people from the same family are engaged in or businesses, which are passed down by generations (Handler et. al, 1989). The vast majority of businesses in the world are family-controlled, which suggests that this structure for commerce meaningfully affects societies and economies around the globe (International Family Enterprise Research Academy, 2003). Family businesses have been around for centuries, and even today account for a large part of economic activity all over the world. Ranging from companies like Rothschild to News Corp and Ford, companies that are owned by or controlled by families are present in almost every industry.

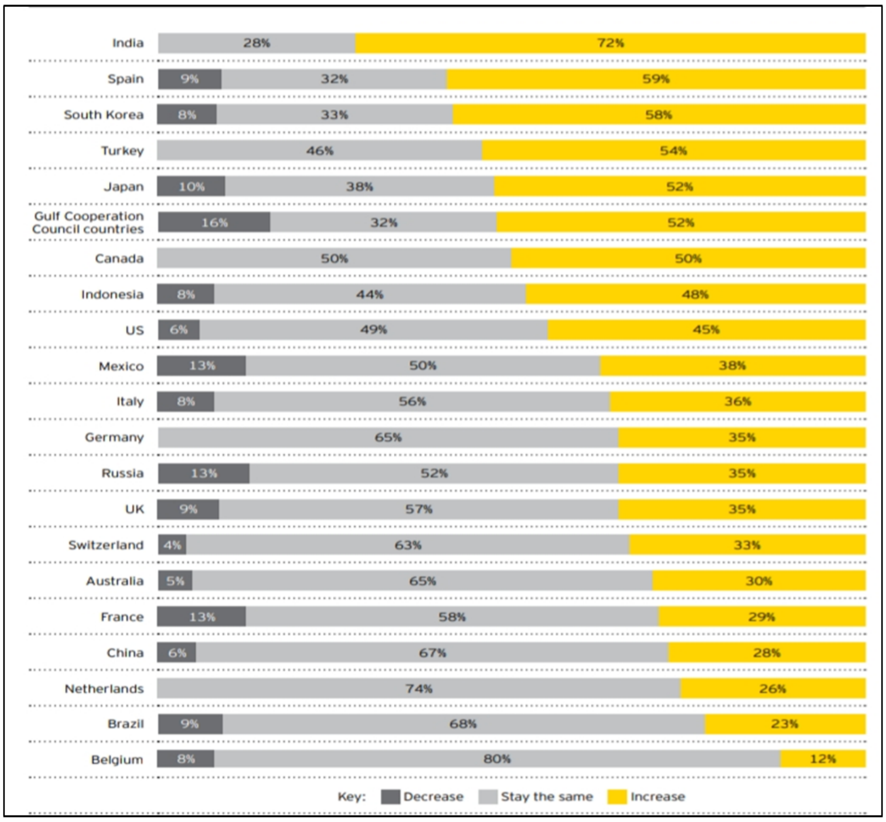
Over time, the growing body of research points to the fundamental guiding principle that the combustion of entrepreneurship cannot ignite and grow without the mobilization of family forces. Conversely, families who own and manage businesses thrive best when the family can effectively mobilize the business for its well-being. Businesses and families are invariably and inextricably interlocking and overlapping elements, which can best be viewed, studied, and understood in relationship to the way they interact to create and sustain one another.

Although research in entrepreneurship (Aldrich and Martinez, 2001; Brazeal and Herbert, 1999; Chandler and Lyon, 2001; Davidsson et al., 2001; Davidsson and Wiklund, 2001; Gartner, 1988, 2001; Shane, 2000; Shane and Venkataraman, 2000; Timmons, 1999; Ucbasaran et al., 2001; Venkataraman, 1997) and family business (Dyer and Sanchez, 1999; Sharma et al., 1996; Upton and Heck, 1997) has evolved along relatively distinct paths, the two paths share three important foci. First, both have viewed the business as the most system under study, even to the exclusion of the family in its own right within the family business literature. Second, they focus on business by examining traditional business dimensions such as strategy, management, production important, labor, and performance. Third, they both focus on time dimensions such as business stages and the transitions between them including the start-up phase, growth, maturity, and exit. The importance of family businesses is thus, clear for all countries, including India.

# SECTION – II : WOMEN AND FAMILY BUSINESS

## Global Context

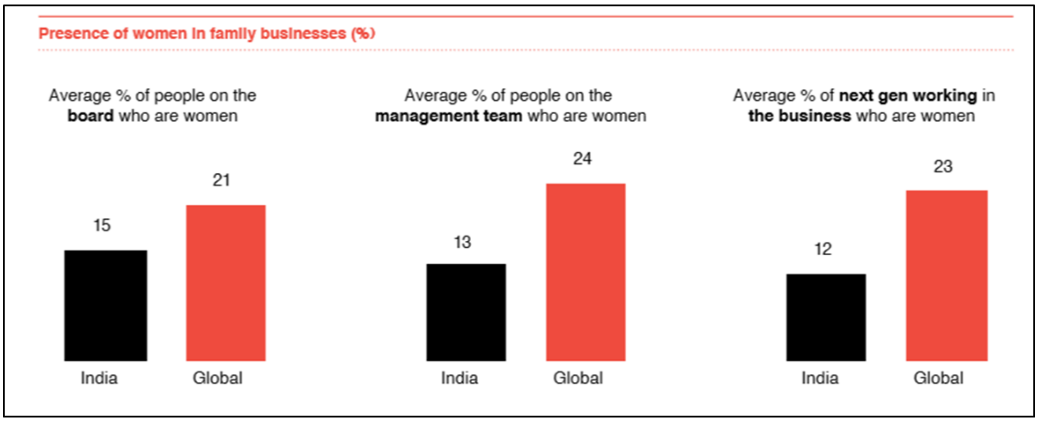
Since, the early times women have been uniquely viewed as a creative source of human life. Women just like men have been involved in economic activities since early years. Their involvement has been in addition to their participation in the domestic sector. However, their economic activities have focused primarily on meeting basic needs, yet lack of resources and control of resources has been common. Their contribution in micro- entrepreneurship has been equally unpaid, unrecognized and undervalued. It is only of late such discrepancies are being looked into and being corrected all over the world.




Developed economies: Australia, Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Spain, Switzerland, UK, US. Emerging economies: Brazil, China, Gulf Cooperation Council countries (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), India, Indonesia, Mexico, Russia, South Korea, Turkey.

## Indian Context

Women only average 15% of the board in Indian family businesses, lower than the global figure of 21%. For 25% of family businesses (36% globally) there is no female representation on the board.



It is in only 4% of family businesses in India (16% globally) that more than half the board comprises women.

India also lags behind the rest of the world when it comes to the presence of women on the management team, with comparative average percentages being 13% and 24% respectively. In fact, in 27% of the family businesses in India (19% globally), there is no women representation on the management team. When it comes to the next gen and women, the picture is similar: in India, 12% of the next gen working in the business are women, as against 23% globally. In 58% of the family businesses in India which have the next gen working in the business, there are no women. It is in only 12% of Indian family businesses (25% globally) that more than half the next gen are women.

The role of women in Indian business houses has evolved over the years. Traditionally, women were more engaged in the company's philanthropic or community upliftment activities. Recently, however, the number of women engaged in the core businesses/offshoots has gone up. The presence of independent women directors on the board has also gone up. Businesses are appreciating how the diversity of skills, viewpoints and opinions adds to healthier growth of the company. Still, as is visible, there is significant room for catch-up.

## Invisible Role of Women in Family Business

Research into the participation of women in family firms or gender issues within family firms has been driven, particularly in recent years (Fitzgerald et al., 2001; Cappuyns, 2007; Barrett and Moores, 2009; Dugan et al., 2011; Lernery Malach-Pines, 2011; Hamilton, 2013), by a general increase in the registered labor force participation of women, the increasing visibility of their work as self-employed or employed workers, the growing number of women entrepreneurs, and the recognition of gender as an important analytical variable. As indicated in the review conducted by Martínez (2009) of 74 scientific publications about women and family firms since 1985, and by Benavides et al. (2011) of international scientific literature about family firms from 1961 to 2008, the majority of studies have been carried out in the last two decades, and highlight the changes that have taken place during these years regarding the growing incorporation of women into the labour market, and the increased visibility of their participation in family firms. However, in spite of this swell of literature, there is still insufficient research incorporating gender as a central analytical variable in comparison with other issues researched in relation to family firms. Women have historically played an important 'hidden' role in family firms, a role that is being highlighted now by numerous studies within the fields of economic and business history.

In fact, although this work is becoming more formal and visible in today's society, a considerable volume of women's work and contributions to family firms still remains invisible to official records and statistics. However, it is possible to make some progress with regard to certain theoretical aspects and the knowledge gained thus far about family firms from the perspective of gender. Another starting point is that family firms just like households, function through cooperative conflicts (Sen, 1990; Agarwal, 1997; Katz, 1997), on the basis of pillars such as gender or age, which determine the bargaining power of their members, as well as the capacity to control and decide on the resources and work required to sustain them. Family firms are organizations in which gender roles are dually reproduced by bringing into play not only the gendered division of labour, but also the influence of normatively around the traditional nuclear family and the roles associated with women therein. The historical and hierarchical division of public and private spaces has imposed a firm distribution of tasks according to gender, assigning employment to men (with their own earnings, rights, and social standing, and freeing them from care duties, which has enabled them not only to participate in the labour market with freedom, but also to model the norm of what work is or is not on the basis of its reality, turning that particular form into something universal) and women to unpaid care work (relegated to gratitude and, in theory, to altruism and invisibility). A division of spaces that has also given rise to a gendered construction of identities, in the sense that women are socialized to be altruistic in the home as mothers and spouses who care for their family, whereas men must achieve fulfilment through their profession in the market. As a result, in family firms, the role of women continues to be invisible.

When analyzing economic processes from a more holistic perspective that brings into view the contributions of tasks associated historically with women, it is first necessary to acknowledge the gendered division of labour that structures the economic system, as well as the undervaluation of female work inside and outside of the market, uncovering the gender connotations implicit in all of this. Specifically, non-market activities linked with the domestic/reproductive space have historically been relegated to analytical, political, and social invisibility, giving rise to a distorted vision of reality (Hartmann, 1979; Folbre and Hartmann, 1988), in which part of the fundamental processes required to sustain people's living conditions remains hidden. The term 'invisibility' as it is used here does not refer exclusively to the fact that it is not measured or taken into account, but also to the capacity of the subjects responsible for this sphere to define how they want the whole to function, their economic, political, and social power, and their recognition as full members of society. In this respect, the unpaid work carried out by women is paradigmatically invisible: there are no data, there are no concepts to understand it, it is not paid, it does not generate social taxes, and there is no public and political bargaining to regulate it. Therefore, it is a non-neutral invisibility of gender about which more needs to be known, endeavouring to undermine and/or transform the dominant concepts in order to tackle and change these paradigms (Scott, 1986). In this regard, in order to 'uncover', recover, and make visible the tasks carried out historically by women, the notion of work needs to be expanded, using, for example, the understanding based on the 'third person criterion' flagged up by Margaret Reid in the 1930s and which Himmelweit defines as: "activity with a given objective, which requires time and energy spent; it is part of a social division of tasks and is inseparable from the person who does it" (1995: 4). In other words, work is considered to be all activities that could be delegated to a third person in exchange for a salary. The incorporation of these ideas, as feminist economics has been theorizing for decades, indicates that the spheres of production and reproduction must not be considered in terms of a dichotomy but rather as a close relationship (Chant and Pedwell, 2008). Looking more closely at the market, there is also an important part of labour that escapes conventional instruments of observation. The informal economy, for example, occupies the mid ground between the visible and the invisible: it is a mechanism used by companies to outsource costs; at the same time, it is a way for people to obtain minimum earnings to live. However, it does not have an 'essence of its own' or any firmly established limits (Camarero and Oliva, 2004). In this informal economy, women are concentrated in activities in which the boundaries of invisibility are much more palpable owing, fundamentally, to their close relationship with the domestic and family sphere, as is the case of the help they provide to small family firms. This is not due to a neutral or natural process, but rather is motivated by the role imposed upon them historically, by their socialization as altruistic caregivers for the home and the people who live there, and by the historic sense of guilt inflicted on those who did not abide by this rule. In other words, the different positions of men and women in the economy and in society, with differentiated roles and responsibilities according to their gender, explain the *invisibilization* of women in family firms (Rowe and Hong, 2000). Such businesses constitute a middle ground between the market and the home, between paid and unpaid work, highlighting the limits of using such dichotomies when analyzing the work carried out by women therein (Philipps, 2008), since these types of companies become a kind of 'black box' in which conventional concepts and instruments of measurement are limited. Institutional, economic, and social forces affect families and businesses alike, forging gender identities, roles, and relations.

From this perspective, Cramton (1993) and Hamilton (2006) criticize the fact that studies into family firms that apply the theoretical approaches taken from the literature about entrepreneurship emphasize individualism and economic rationality, without contributing a framework to understand collaborative practices. Forms of leadership in the context of a family firm are multiple; they change constantly by means of ongoing bargaining and, therefore, as argued by Fernández and Hamilton (2007), family firms should be analyzed as fundamentally collaborative spheres that integrate different relationships and practices between family and business. Following on from this starting point, the aim of this research, firstly, is to use the bargaining model set out by Sen (1990) and refined by authors such as Katz (1997) and Agarwal (1997). Family firms, just like households, can be analyzed as human groupings in which the members of a family cooperate to a certain extent, but in which the existence of conflicts is also recognized when it comes to establishing who makes decisions and how. This approach is used by feminist theory to analyze the functioning of household units and the factors that affect the bargaining power of their different members. It is not, however, the only approach, coexisting with neoclassical approaches based on an assumption of harmonious households in which decisions are made according to their utility, without distinguishing between the different members of the home (Becker, 1981), as well as more heterodox approaches based around the working-class family (Humphries, 1977), the conflictive household (Hartmann, 1979, 1982) and exploitation in the home (Folbre, 1982). The notion of household is examined as an area of 'cooperative conflict', understanding that within households there are gender and generational (age) inequalities that lie at the foundation of their functioning. But there are also other pillars that determine the bargaining power of their members: on the one hand, there are intra-household factors, in other words, the influence exercised over the rest and which, crucially, is determined by the material resources and external support available. On the other hand, there are social norms when it comes to shaping accepted notions with regard to the distribution of work and resources, and which define who deserves what. These norms pertain to social custom, perceptions about the contributions made by each member of the family, about their needs and capacities, and external perceptions (for example, the widely-held idea that women are secondary workers, or that their salary is a 'complement' to their husband's, which diminishes their capacity to negotiate for improvements in their earnings). Social norms affect not only the differential bargaining power of women and men within the family, but also outside of it, and they even determine what can be negotiated (Agarwal, 1997).

Katz (1997) also made important contributions in this respect about the treatment of members of the family as agents in terms of their capacity to participate in the bargaining process (their voice) and their capacity to perceive and have access to viable alternatives for a cooperative solution (emergence). This treatment cannot be symmetrical since, with regard to gender, the voice and emergence of women and men is very different, owing to a variety of factors that range from the valuation of their earnings according to social norms and cultural practices, to gender differentiated social sanctions (Benería, 2008). In short, family firms, just like households, function through cooperative conflict, with models of resources distribution and social norms in general acting against women, detracting from their bargaining power, decreasing their capacity to obtain, control, and decide over resources. However, gender studies of family firms must be tackled from an evolutionist perspective (Fernández, 2003), acknowledging that gender relations and roles are changing, inserting family firms into their social and business context, and incorporating the variable of time into the study of continuous organizational and productive changes, and in the relationships that exist within these businesses.

## Empirical Evidence on 'Invisible Work' of Women in Family Firms

Women have always shared the responsibilities in family firms. This is very evident in rural areas and in family production units, now and in the past. In urban economies, their participation has always been more important in the services sector than in industry, where women were more visible in family firms from preindustrial ages, although capitalism did not expel women, but rather kept them on, adapting their work according to the life cycle of their families, taking up and leaving jobs as their children were born or grew up, or as their husbands died and they remarried (Wiesner-Hanks, 2001). And not always within the same period of their life cycle, as shown by Humphries (2010) since many women did not leave employment when their children were born but instead when they reached an age at which they were able to replace the mother's earnings with those brought in by the children. In spite of all the work carried out by women in family firms, it has not been until recent decades that the gender approach has been incorporated as an important research issue, resulting from the combination of feminist theories, and social, business, and cultural history (KwolekFolland, 2001; Gálvez, 2004). Yet still the vast majority of analysis conducted by the literature on family firms concentrates on the role of women in processes of inheritance (Dumas, 1992; Vera and Dean, 2005; Haberman and Danes, 2007; Overbeke et al., 2013) and on interpersonal family dynamics, emphasizing particularly three spheres associated with the reproductive role of women: the creation of the next generation, the education of the future business leaders, and the transmission of values (Ceja, 2008; Dugan et al., 2011), or the link between their previous working experience restricted to a few sectors and their business capacity (Gálvez and Fernández, 2007). And yet, women have historically played a crucial role in founding, managing, and expanding family firms, as the research is revealing, often within the fields of economic and business history, either visibly or chiefly hidden (Mulholland, 1996; Dumas, 1998; Colli et al., 2003; Vera and Dean, 2005; Hamilton, 2006, Colli and Rose, 2008). But although women have been involved very directly in daily management, historically they have not received any recognition for their contribution, in the form of a formal position in the business or a salary (Hollander and Bukowitz, 1990; Cole, 1997; Nelton, 1998). The study conducted by Colli et al. (2003) about family firms in Spain, Italy, and Great Britain in the 19th and 20th centuries, shows, for example, that women constituted an important hidden resource, although their participation was not formally recorded. Women contributed vital capital resources and access to trusted business and family networks. In 19th Century Great Britain, for example, women were under the protection of their spouses and could not inherit until the second half of the 19th Century, so that many were de facto partners in a business, but lacked the legal right to the business capital or other properties. This pattern was also fairly common in Europe in the 20th Century. However, business interests and the family were fully interlinked and the phantom tasks performed by women extended even to finance. As indicated also by Gálvez and Fernández (2007), the majority of women's work in family firms has been carried out without a contract, salary, or social benefits, and if women have received some kind of remuneration, it has always been lower than their male colleagues, although this gap cannot be attributed to differences in productivity. In the 19th Century, women frequently provided services and helped out family firms in agriculture, manufacturing and commerce without a contract, wages, or public recognition. Women appear in some historical records as auxiliary service providers who served customers and workers, assisted in public relations, and helped to manage family firms. Many managed the businesses for years, between one male relative and another, but in spite of their numerous responsibilities, women never appeared as owners or employees. In large mercantile cities, women managed the business while the men were away travelling (Fernández, 1996). Although their help was vital for family firms, particularly during crucial moments of transition, their participation depended entirely on the wishes of their male relatives. All of these contributions by women to family firms have remained in the shadows for several reasons. First, because in the division of labour between the business and family subsystems, women are usually situated within the family system (Frishkoff and Brown, 1993) or they are assigned informal support functions as assistants, advisers, or mediators between the members of the family (Gillis-Donovan and Moynihan-Bradt, 1990) or even, a role of emotional leadership (Lyman, 1988; Salganicoff, 1990). Second, because the legal and cultural restrictions that existed in all countries blocking the incorporation of women into the labour market in general and particularly into the management and ownership of business, until well into the 20th Century, have impeded the 'formal recognition' and 'official recording' of the role of women in family firms, even in favour of their husbands in the event that women inherited the family firm (Gálvez and Fernández, 2007; Fernández and Hamilton, 2007). Hence, information about the work of women and their role in the business sphere is not only diffuse but buried, and even intentionally distorted (Wiesner-Hanks, 2001) and we are only just beginning to discover its existence through new sources, such as private correspondence and the archives of family firms. The recent evolution in the number of women business owners and heads of family firms presents a considerable increase, which has reduced the gender gap in the business sphere, where the increased formal recognition of women's work and the institutional and social advances made towards greater gender equality, as well as women's access to formal and higher education, have allowed family firms to train them as future managers and employees thereof. However, the proportion of businesses managed by women is stuck at around 30% of the total in the majority of OECD countries, and in 2010, three out of every four salaried business persons were men, and there were 1.5 times more male sole traders than female. In Spain, male employees double female employees, and there are 1.59 male sole traders for every female sole trader (OECD, 2012, 2013). Number of women performing management and leadership functions in businesses is still higher than recorded by the statistics, and that the important participation of women in family firms is still undervalued, since it is a participation that does not occur necessarily as owners or managers, but still very often as collaborators, unpaid workers, and informal leaders.

Theorists suggest that the family firm is a productive environment for women (Hollander Bukowitz, 1990) allowing them freedom and access to potentially better jobs (Salganicoff, 1990a) including leadership opportunities than in the corporate world with its glass ceilings (Daily, Certo, & Dalton, 1999).

In addition, the family firm offers work schedule flexibility, access to traditionally male-oriented businesses, job security (Salganicoff, 1990b) as well as greater opportunities for advancement (Lyman, 1991).

What do women contribute to the family firm and to their larger communities? Since entrepreneurial research on women is comparatively underdeveloped (Baker, Aldrich & Liou, 1997), this paper integrates some research from sociology and leadership.

Women humanize the workplace (Edlund, 1992; Salganicoff, 1990b) since they are socialized to nurture (Gilligan, 1982; Belenky, Clinchy, Goldberger & Tarule, 1986). They are the carriers of the family culture within the firm (Hollander & Bukowitz, 1990) which may be associated with collectivist values of sharing, respect, and cooperation (Sillars, 1995). Their lives are organized around their family's needs, while men's lives are organized around their work (Gillis-Donovan & Moynihan-Bradt, 1990: 156).

Women show loyalty to both the business and family, focusing their concern on the individual needs of all members. This dual loyalty and concern, as well as role and judgment flexibility are vital to the success of the family firm (Salganicoff, 1990b: 131).

These characteristics enable the women in the family firm to provide support; solve problems; resolve conflicts; hold the family together; and keep the peace (Salganicoff, 1990b). In addition, although women may not hold a formal role and tend to be "invisible", they often wield "unacknowledged power and influence in the family business" (Gillis-Donovan & Moynihan-Bradt, 1990: 153). Marshack (1998: 130) suggests that women's invisibility may be due to developmental differences in that "men move toward individuation and autonomy", while "women move toward intimacy and affiliation".

In an innovative critique of the trend toward advantages of the "feminine in management" (i.e. Helgesen, 1995; 1998; Loden, 1985; Schwartz, 1992), Calas & Smircich (1993) warn against women just becoming the caretakers for the domestic country while men move on to the greater advantages of working in the global arena. They suggest a more radical view of women's strengths that can be applied including that of the "frugal housewife" conserving and sharing scarce resources to create a better life for all; women's ingenuity enabling an appreciation of talents sometimes overlooked, like being able to make do with less; and women's ability to utilize her emotions and become enraged over worldwide exploitation in the name of progress (Calas & Smircich, 1993). This radical view suggests that women impact more than just their family firms. Their strengths can contribute to the larger community as well.

## Women as Invisible Co-preneurs, Spouse & Daughter in Family & Business

As co-preneurs, women noted the importance of collaborative decision making (Smith, 2000). Interestingly, Marshack (1994) found co-preneurs to be more traditional in roles while dual-career couples were more egalitarian. As wives in the family firm, their contributions were substantial and critical to the success of the family firm including the fact that the firms reported higher household income (Rowe & Hong, 2000). In addition, the wives tended to take leadership roles in the founding of the family business (Hamilton, 2006). Wives tended to fulfil various functional roles from facilitating and mediating within the family to being the trusted employee to instilling the value of the business in their children (Poza & Messer, 2001). These wives saw their as one of being a steward for the family and instilling the sense of community for all (Poza & Messer, 2001). Spouses tended to have "different spheres of influence" with the wives having more influence in the home (Wicker & Burley, 1991). This home influence allows the wives to integrate their values of family, business, and community and instil them in their children. Daughters Impact on Community

Daughters in the family firm tend to struggle with both self-identity and proving their competence in the family firm (Barnes, 1988). Daughters in family firms sometimes struggle for their father's attention (Dumas, 1989). Some daughters' primary motivation was caring for the father through listening, admiring, supporting, and encouraging their father. These daughters found their identity through this care of their father and his business (Dumas, 1989). In a majority of the cases, the daughters had no voice - unable to speak up on their own behalf or take charge of the business, they passively accepted their position bringing about a sense of alienation. These women operated as silent caretakers and did not find their identity in the business (Dumas, 1989).

## Rewards and Recognition of Women in Business

Everyone desires recognition and everyone appreciates the awards. Determining the proper rewards and recognition program is tough enough for companies. The company needs to balance the worker's desire for income with their need for the reward ad recognition program. But, there is a seminal difference in the way men and women give and respond to employee recognition.

### *Perceived Differences in Reward and Recognition Programs Between Genders*

According to P&MM Employee Recognition Analysis, women give and receive more recognition, while men are more likely to give recognition in the form of a higher monetary value.

Men become more engaged when there is a monetary reward involved whereas women tend to be better at just saying thank you.

More than 74% of all recognition received by men has a monetary value, compared to 64% of women.

The analysis pointed out that there was a 'pay gap' in the employee recognition schemes with more men being recognized with monetary awards rather than a thank you gesture. And this is echoed in the way in which men are more likely to offer a high value monetary award to their team.

An Employee Recognition Survey by the American Psychological Association (APA) in 2014 showed that while employee recognition on the job was equally important to men and women (87%), men were more likely than women to report being satisfied with their employer's recognition practices (54% vs. 46%).

Even as both men and women reported the same levels of job satisfaction, men cited slightly higher levels of motivation, feeling valued by their employer and working harder because of the recognition they receive.

About 52% of men believe that recognition is provided fairly in the organization as opposed to 42% of women. About 56% of men say their supervisor provides recognition effectively compared with only 47% of women echoing the same sentiments.

APA's survey echoed P&MM survey's points about how women valued appreciation, whether it was written or verbal.

Women were more likely than men to say that salary increases (66% vs. 58%), verbal or written appreciation from a supervisor (32% vs. 25%) and gift cards or gift certificates (31% vs. 24%) were important to them. Women were more likely than men to say that celebrations of major life events or personal milestones are important to them (16% vs. 8%), while men were more likely than women to cite one-on-one time with senior management as important (13% vs. 8%).

These two surveys point out one very interesting thing: Men seek recognition for the work they do and are likely to be engaged if it is a monetary one. They are likely to pass on recognition in the monetary form as well. By contrast, women seek appreciation for the work they do and are equally engaged with non-monetary rewards as well. This behavioural change between men and women is the key because it could also point to some other inherent challenges such as taking up leadership roles.

## Conclusion

The 21st century is a great time to be a woman. Women are taking on more leadership positions, starting more businesses, and earning more college and advanced degrees than ever before. With their business savvy, interpersonal skills, and aptitude for lifelong learning, women are well positioned to achieve even greater success in the future.

Changes in the workplace are bringing both challenge and promise. Forces such as technological connectivity, globalization, rapid economic fluctuations, worker mobility, and increased longevity and diversity are reshaping the way we work. The new world of work can be an unsettling one: Competition for jobs and customers is fierce, and has now gone global, and workers must constantly refresh their skills to keep up with new technologies and changes in the business landscape. But the 21st-century workplace also brings exciting opportunities for values-based work, collaboration, innovation, employee empowerment, and greater flexibility and work-life balance. Women have the ideal leadership style to take the lead in this new world of work.

In conclusion, women can be powerful actors for peace, security, and prosperity. When they participate in peace processes and other formal decision-making processes, they can play an important role in initiating and inspiring progress on human rights, justice, national reconciliation and economic revitalization. They can also build coalitions across ethnic and sectarian lines and speak up for marginalized and minority groups. Investing in women's leadership is therefore smart security as well as smart development.

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