



WHY WOMEN WANT TO ENTER INTO FAMILY BUSINESS?



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ABSTRACT :

The rate of women entry in family businesses is increasing in recent years. Therefore this paper is an attempt to know the motivating and influencing factors behind the rapid entry of women in family business. Keeping this aspect in mind this paper is divided into three parts. Part one represents introduction, review of literature, research methodology and objectives of the study. Part two review the reasons behind the women entry into family business. This paper includes qualitative analysis and convenient sampling technique has been used. This study is based on information obtained from primary sources which includes 125 female respondents working in their family businesses which are taken from the selected cities of Andhra Pradesh state in Southern India. Final analysis includes ranking for the factors which motivates women to enter into family business and the topmost factors are that today's women want decision making freedom (76%), feeling of proud while telling others that, they are part of family business (72.8%) and upliftment of their family status (72%) due to their skills. Final and third part includes conclusion of the study.



KEY WORDS: Entry, Family business, Women, Reasons

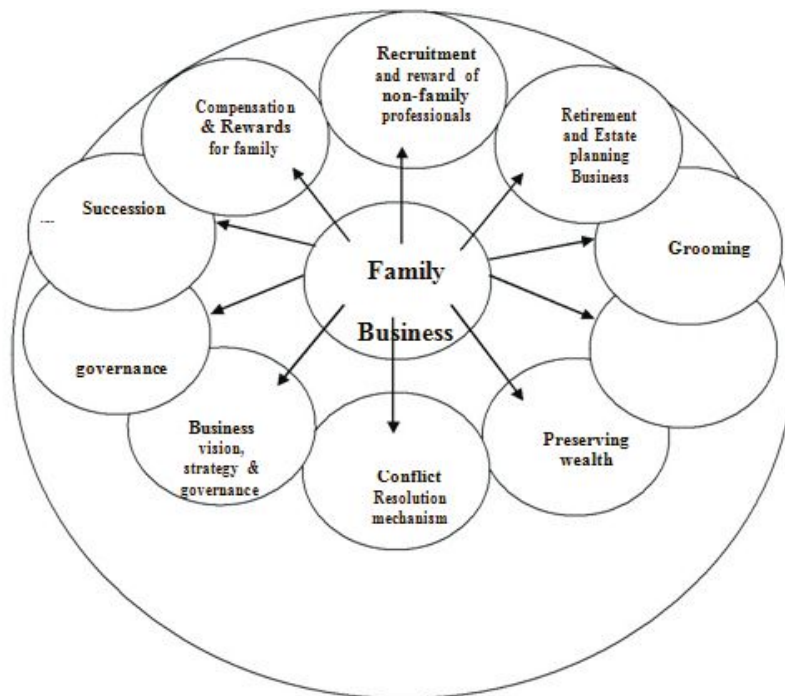
INTRODUCTION

Family firms are the most common form of business structure; they employ many millions of people and generate a considerable amount of the world's wealth. A family business is a company owned, controlled, and operated by members of one or several families. Many

companies that are now publicly held were founded as family businesses. Many family businesses have non-family members as employees, but, particularly in smaller companies, the top positions may be allocated to family members. The story of every successful family business starts with someone who has the passion, confidence and courage to put his money where his mouth is. Entrepreneurs are typically creative over-achievers; they can see opportunities where others might not. They are incredibly hard, make things happen, are positive without being unrealistic and possess the resourcefulness to overcome all sorts of hurdles. They are socially adept, capable of communicating effectively and good at inspiring others.

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The most important areas of concern for the success of family businesses appear to be the ten dimensions as listed in Figure 1. These are all interrelated, such as between succession planning and conflict resolution and ownership structure. It is the synergy created by the interactions and reinforcements of these dimensions that help family businesses to perpetuate. While this needs empirical validation as the most important of many dimensions there does not seem to be any dispute on their relevance. These could be called them the Ten Commandments of Family Business.



Family business part discusses about what family business is. Many different definitions about family business were provided but main idea is remain similar. According to John L. Ward (1987) the company is named as family business if two or more family member control the company’s financial condition and the organization will be recognized as family business if there are at least two generations involved in the business and they influenced the organization’s policy. Family is also defined as a business in which one or more members of one or more families have a significant ownership interest and significant commitments toward the business” overall wellbeing. Moreover, Ivana Trump quoted, “I run my operation like a family business. I sign every check, every receipt, I’m not tough, but I’m strong.”

Other definition about family business is a business governed and/or managed on a sustainable, potentially cross-generation, basis shape and perhaps pursue the formal or implicit vision of the business held by members of the same family or a small number of families (Chua, Sharma and Chrisman; 1996).

WOMEN IN FAMILY BUSINESS

Family business includes women of family also. Like other family members women may also choose to work in family business but, women who choose to work in the family business often hear double messages: “Dedicate yourself fully to the business, but give the family children”; “Be independent and behave like a businessman, but be dependent, take care of the family and be a mother”; “Don’t take the business home, but let’s talk shop tonight”. Role conflicts can be particularly

acute. To a woman in a family business, loyalty to the business is generally the force that drove her into it and is fused with loyalty to her family of origin while it competes with the intense loyalty and demands of her own nuclear family, especially if she has children. Naively, many women believe that they should be simultaneously and equally loyal to their family of origin, their family business, to their nuclear family, and to their own selves. There is no way these things can be balanced: they have to let go of something. A greater dedication to one area does not entail disloyalty to the others. This is the reality that women in family businesses need to accept.

Women in family business are a valuable, but mostly unrecognized and underutilized resource. (Salganicoff, 1990), When we appreciate and value the skills women possess and acknowledge them as different- not better or worse- than the skills men have, we can then apply this to our work as business consultants to enhance the effect of our strategies toward change in family business (Peck, 1990) and moreover (Astrachan & Bowen, 2000) there is no doubt that worldwide most family businesses are built on the support and sacrifice of mothers, wives, grandmothers, sisters, and daughters.

Women are inseparable part of society and stands nowhere behind men in her skills. But our male dominating society considers that, women should sit back at home rather entering into business especially when it comes to their daughters, wives or even mothers.

Women represent more than 50% of the world's population, yet in no country do they represent nearly half of the corporate managers. Women hold very low percentage as compared to men of the managerial positions in business. Barriers to women's entry into management exist across the globe, and in some areas of the world it is worse than in others. Despite recent progress in most countries, women's advancement in the business arena is very slow. Women face great restrictions and challenges to join family business such that, men by words or otherwise depress women capabilities for which they are forced to sit at home and not to interfere in the business affairs. Women are considered delicate, less challenging and emotionally fool, for which they are kept away from business and if taken into business then are offered non-challenging and less risky jobs with lower pay scales. In family firms, women have traditionally played many subtle roles: spouse, parent, in-law, family leader. Women are expected to move from the parental hearth to the husband's home and have very little opportunity to play any role in the company. This attitude of family made women to believe that they are ill-suited for leadership roles. But now this situation appears to have changed with the advancement of women education, exposure, growing role of government in women empowerment, etc. This made women aware about their rights and responsibilities. Moreover, awaked families and society towards the positive impact that, women could make in business at particular and in economy in general.

Women are becoming more important in the workforce and for the economy. The rate of women in family businesses is increasing in recent years. Women are rapidly entering the business world. Equally, women are increasingly deciding to join their family firms and to pursue their professional careers in family firms. As we look toward to the future, we can recognize women as valuable resources which may have even greater potential and future within the family business. This article is an effort to know the possible reasons, which influence women to enter into the family business

LITERATURE REVIEW

Gilad and Levine (1986) proposed two closely related explanation of entrepreneurial motivation theories- push theory and pull theory. Push theory argued that individuals are pushed into entrepreneurship by negative external factors like job dissatisfaction, difficulty in finding job,

insufficient salary or inflexible hours. Pull theory suggested that individuals are attracted to entrepreneurial activity to seek independence self-fulfillment, wealth and other desirable outcomes. Salganicoff (1990) reported better positions, higher incomes, and more flexibility in work schedules for females who work with family. Family business offers women access to male-dominated industries such as construction and provides more latitude for job security. While most businesses cannot afford to hold a position open for an employee out on medical, personal, health, educational, or recreational leave, most family businesses will have a paid job waiting after a prolonged period of absence. Eagly and Johnson (1990) study was based on middle and upper management women in city and county governments. She used 850 questionnaires as well as a few interviews with the women singly and in groups to examine feminine leadership style. She found in areas like interpersonal relations, decision-making, and work delegation that women have a unique leadership style. This style is expressed in the ways in which they manage both work and employees. Gersick (1990) suggested that it just beginning that people understand the role of women in family businesses. Their influence and contribution have not received the attention which they deserve and the survivability of many family businesses in the future will depend on women.

Brush (1992) concluded from research that women's business leadership cannot be understood using traditional (male oriented) framework of business analysis. She wrote "significant difference have been found in skills, business goals, management styles, business characteristics and growth rates. These variations suggest that women perceive and approach business differently than men". The growth of women entrepreneurs, the dearth of researches on women entrepreneurs their differences in characteristics and growth rates from male entrepreneurs, has stimulated the researchers to undertake a study on Women Entrepreneurs in family business in India. Dumas (1992) indicated that daughters are willing to join the family business for various reasons, including: to help the family, to fill a position nobody wanted, to have more flexible schedules, and to increase their job satisfaction. Iannarelli (1992) found that despite of the barriers some women get around the obstacles and are encouraged to join the firm, develop an interest in the firm and in leadership as a consequence of one or more of the following factors- their brothers are not strong leaders, they have no family responsibilities (no husband, no children), or their fathers ask them to join the firm as he had confidence in the abilities of their daughters more than the son. Ducheneaut (1997) classified the reasons, that why women start their own businesses in two categories: push and pull factors. Push factors include insufficient family income, dissatisfaction with salaried job, difficulty in finding a job, and need for flexible work schedule. Pull factors include more intrinsic rewards such as independence, self-fulfillment, and entrepreneurial drive, desire for wealth, social status, and power. Das (1999) studied the

profiles women entrepreneurs who own and manage small-to medium- sized enterprises in two southern Indian states- Tamil Nadu and Kerala. Based on their reasons for starting a business, the women are classified into three categories: chance forced and created or pulled entrepreneurs. The paper argues that while there are similarities between these three groups in terms of certain demographic variables, they do differ in terms of critical business variables such as sales volume, expected growth and success factors. The start-up problems faced by the women entrepreneurs in this study are similar to those encountered by their counterparts else where. Folker et al (2002)

concluded that women faced certain problems in family business such as, emotions, informality, tunnel vision, lack of written strategy, compensation problems for family members, role confusion, lack of talent, high turnover of non family members, succession planning, retirement and estate planning, training, paternalistic, overly conservative, communication problems, systematic

thinking, exit strategy, business valuation, growth, vision, and control of operations, lack of access to credit, lack of business information and poor access to markets. Chrisman and Chua (2003) examined that family business is a dyad system, where by family is on one side and business on the other side. Moreover, they investigated that people were more concerned about the family in the family business dyad than the business. They talked about various family firm theories which explained behavior and performance of family firm. In regard to family business management they discussed goals, performance measures, competitive advantages and driving forces to explore theoretical development in family business management. In their study, they had also explained different factors of family and non-family firms. Mitchell (2004) found that women entrepreneurs tend to be motivated by the need to provide security to their families and by their family circumstances. Women entrepreneurs are motivated by the need to be independent, economically and otherwise. Entrepreneurship allows women to combine caring for their family with bringing in the money needed for day-to-day survival. The trend had also been visible in several Asian countries including Indonesia and Singapore. Vera and Dean (2005) suggested that the daughters face many challenges in family business. The purpose of the article was to determine the extent to which daughters face challenges and discovered new areas for study. Qualitative data were gathered via interviews with 10 female family business owners. Respondents encountered employee rivalry, experienced work-life balance difficulties, and never assumed they would one day be the successor. Although participants reported few problems with their fathers upon succession, many experienced difficulties succeeding their mothers. An interesting finding was the daughter's likelihood of being compared with her mother's managerial style. Future research directions were offered.

NEED OF STUDY

In today's scenario women is walking hand to hand with the men and is being considered equivalent to men in all respects. Women employment is also at increase, but still there is low rate of women's participation in the family business. Women face great problems and restrictions to join or work in the family business, especially in Southern region of India where people give more importance to societal factors. These factors lead to be an obstacle or hurdle in the enhancement of women participation and growth in the family business. Women are traditionally being considered responsible for domestic issues and taking care of their family, for which professional career take a second place for them. In spite of these obstacle women participation is at an increase in the family business. So this paper reveals the influential factors, inspiring women, to enter into her family business.

OBJECTIVE

1. To study the importance of women in family business.
2. To study that why women prefer family business than jobs.
3. To study the reasons of women entry in family business.

RESEARCH METHODOLOGY

The sample data was collected from women working in the family business from Visakhapatnam, Srikakulam, East Godavari, West Godavari and few other places different of Andhra Pradesh state in the Southern India. Convenient Sampling was used to collect the data from the women working in their family business units. The sample size used to conduct the research work comprises 125 female respondents working in their family businesses. This study is based on primary data. Data was collected with the help of structured questionnaire as primary source. The respondents were

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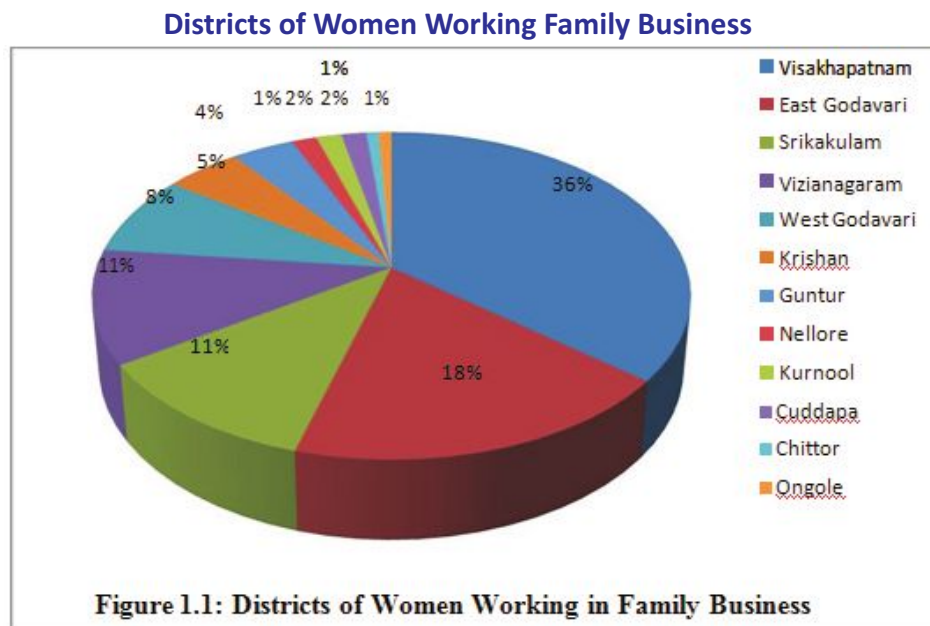
interviewed by using questionnaire at their homes/offices. This method is the most appropriate method to get the information as by visiting the respondents it is possible to have the appropriate knowledge about the conditions of the respondents. And the secondary data was also collected by way of library research (articles, journals, dissertations books, accessed database, etc.) for literature review. As different family businesses of Andhra Pradesh state will covered in the study, so it will be altogether a self reported survey and research design to conduct the study will be a survey design. Frequency analysis has been used to analyze the compiled data. The results have been presented in the tabular and graphical forms at suitable places.

FINDINGS AND INTERPRETATION

This part presents the analysis of data collected during the survey, its interpretation and finding of the study. The major factors has been identified and ranked which influence women to enter into the family business.

PROFILE OF RESPONDENTS

This part of analysis includes the districts of respondents from whom the data was collected. Respondents of Andhra Pradesh state of Southern India were selected for this purpose. In the analysis of profile age and marital status of the respondents are also considered.



A structured questionnaire survey was conducted among 125 women working in family business in various districts of Andhra Pradesh. Figure 1.1 shows that the larger group of women, interviewed under this study was from Visakhapatnam (36%) following East Godavari (18%), Srikakulam (11%), Vizianagaram (11%), West Godavari (8%), Krishan (5%), Guntur (4%), Cuddapa (2%), Kurnool (2%) and just (1%) each from Chittor, Ongole and Nellore.

Percentage Distribution of Age of Respondents

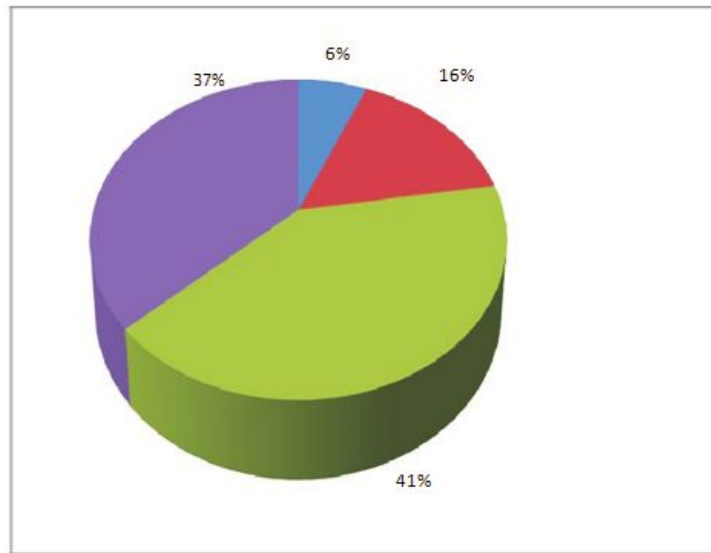


Figure 1.2: Percentage Distribution of Age of Respondents

Figure 1.2 shows that among 125 women entrepreneurs interviewed, 6% respondents belong to the age group of 18-25 years and another 16% belong to the age group 26-35 years. Majority of women (41%) belongs to middle age of 36-45 years and (37%) to age group of 46 years and above. The percentage distribution of women by age indicates that most of the women working in family business in Andhra Pradesh are of middle age or above. This is because of the reason that women of middle age and above have more responsibilities towards their children so as to set their career, moreover women want to earn both hand in the family. Some women joined business because ill health or death of their husband. It is also evident from the values that very less percentage of young women, age 25 and below are working in family business. It is because women at younger age they are busy in gaining education for which they don't enter into the family business and those who enter at younger age they work on partly basis in the business. At this age there are many other activities in life of women, she is of eligible age to get married for which parents don't let her enter in the business. So at this age parents and women themselves give more preference to studies or marriage as compared to participation in the family business.

Percentage Distribution of Respondents by their Marital Status

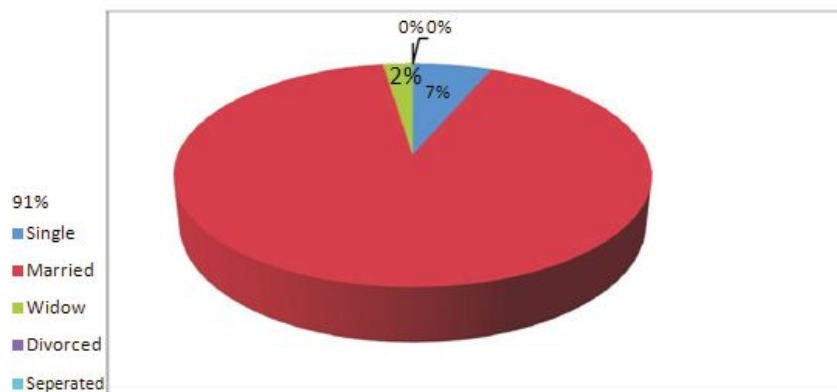


Figure 1.3: Percentage Distribution of Respondents by their Marital Status

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From socio-cultural perspectives in Andhra Pradesh, marital status of women is also an important factor that has vital influence on women's entry in family business. Considering this, the survey focused marital status of the respondents. Figure 1.3 shows that among the women entrepreneurs interviewed, 93% are married and only 7% are unmarried in the sample, which indicates that young women are less interested to join business as compared to the married women. This huge percentage difference because of the reason that married women has more responsibilities as compared to unmarried. They join business to help their husband, to fulfil need of hour by earning both handed, to fulfil empty position or for certain tax matter. Among the ever married, 91% of the total sample is still married, 2% are widow, and no one is separated or divorced, this 2% widow women work in their in- laws family business and not in their paternal family business. This represents that in- laws families are more supportive than paternal families. Paternal families should also need to be supportive in these kinds of cases which are helpful in enhancing the skills of such women and upgrade their life towards self- dependency.

REASONS BEHIND THE WOMEN ENTRY IN FAMILY BUSINESS

The respondents were asked the questions to describe the reasons which influenced them to enter into the family business. The opinions they expressed in response to this question were compiled in the following table with their relative frequencies, percentages and ranked accordingly.

Table 1: Frequency, Percentage and Ranking of Responsible Factors for Women Entry in Family Business

S. No.	Reason	Frequency	Percent	Rank
1.	Want to be a successful business women	89	71.2%	4
2.	Decisions Making Freedom	95	76%	1
3.	Upliftment of Social Status	90	72%	3
4.	Self Inspiration	81	64.8%	6
5.	Threat of losing job, if working elsewhere	22	17.6%	22
6.	Responsibility towards children	39	31.2%	14
7.	Flexible schedules	24	19.2%	21
8.	Can't work under restrictions and supervision	18	14.4%	23
9.	Competitive among other family member	56	44.8%	10
10.	Pressure by family to join business	18	14.4%	23
11.	Tax matter	35	28%	15
12.	To fill an empty position	35	28%	15
13.	Pass idle time	39	31.2%	14
14.	Job Security	47	37.6%	12
15.	Supportive family environment	62	49.6%	9
16.	Training by family & visits in the firm	27	21.6%	18
17.	To become benchmark for other women	26	20.8%	19
18.	To practice women right	25	20%	20
19.	To avail government and NGO's schemes	15	12%	25
20.	Financial Freedom	51	40.8%	11
21.	To resolve conflicts among family members	8	6.4%	26
22.	For distribution of ownership among family members	30	24%	16
23.	To maintain a role of the successor in the business	25	20%	20
24.	Loyalty towards the family business	67	53.6%	8
25.	For proud feeling while telling others that, I'm part of my family business	91	72.8%	2
26.	To help the family business be successful	68	54.4%	7
27.	In order to use my technical skills	44	35.2%	13
28.	To manage own business	84	67.2%	5
29.	In order to use my marketing skills	17	13.6%	24
30.	In order to have income up to my expectations	28	22.4%	17

Source: Survey on Women in Family Business.

Table 1 shows the frequencies, percentage and ranking of opinion of 125 women in response to reasons which influenced them to enter in the family business. Data in the table shows that decision making freedom is the most important reason for women to enter into family business (76%) followed by feel of proud while telling others that, they part of my family business (72.8%). Women are of opinion that family business helps in the upliftment of their status (72%) and helps them to become

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successful business women (71.2%) so they prefer to manage their own business (67.2%). Self inspiration (64.8%) influences women to help her family business to become more successful (54.4%), which shows her loyalty towards family business (53.6%). It also shows that family members, either parents or husband having business, play a vital role in women entry into the family business, such that due to their presence women faces a supportive family environment (49.6%) and moreover her competitiveness among other family members (44.8%) help her to gain financial freedom (40.8%) and job security (37.6%) by joining family business. Many women join family business so as to use their technical skills (35.2%) and some also join family business to fulfil their responsibility towards children (31.2%). It is very significant findings that (31.2%) of women join business so as to pass their idle time, (28%) each for some tax matter or to fill empty position in business so as to distribute ownership among family members (24%) and earn income up to the expectations (22.4%) which might not be availed while working elsewhere. Women opinion that training provided by family and continuous visits to the firm (21.6%) influenced them to join business and created a feeling to become benchmark for other women (20.8%) by practicing women right (20%) of joining business run by the family. This helps her to maintain the role of successor in the business (20%). Women also viewed that working in family business provides them facility of flexible schedules (19.2%) and eliminates the threat of losing job if working elsewhere (17.6%). Moreover, (14.4%) women opinion that they can't work under restrictions of any boss for which they prefer to join their own family business. Very less percentage of women said they were being pressurised (14.4%) by family to join business because they might not have marketing skills (13.6%) as required by business. Scheme by government and NGOs (12%) is not a much influencing factor for women to join family business. Only (6.4%) of women interviewed told that they are capable of resolving conflict among family members for which they joined family business. These influential reasons were arranged in a chronological order as per their ranks which show their level of importance.

From this table 1 we could infer that the most important reasons for women to join family business are decision making freedom, pride feeling of being part of family business, to manage own business, upliftment of social status, want for being a successful business women, and supportive family environment. Women enter into family business for personal reasons such that for self satisfaction or at times women enter in family business to help the business to grow, to fill empty position or for certain tax matter by which she could help business in financial terms. Other than the reasons mentioned above, some women also mentioned few more reasons, which were influential for them to enter in the family business management. These reasons were illness of husband, death of husband, unethical practices adopted by other family members in the business which forced them to enter in the business and some ladies said that they entered the family business to fulfil their responsibility and enhance their field of work.

CONCLUSION

At last it is concluded that women are inseparable and valuable part of family and same is the case with family business, such that women have full right to be included in family business. There are various reasons for which women enters into family business such as to help the family to be successful, to manage own business, upliftment of social status, want to be successful business women, decision making freedom, supportive family environment, to fill a position nobody wanted, to have more flexible schedules, to have their job security, to pass idle time, etc. So these facts motivate women to prefer family business than job. It is also recommended on the basis of the study to the other business families to involve women in their family businesses for enhancement of business. So that the

entrepreneurial skills of women be also utilised.

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