

# Women in Family Business

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## ABSTRACT

*Family business exists all over the globe. The contribution of family business is highly significant in different countries including India. Family business is the one that is owned, run or often conceived by a family member(s). Some of the present world-class companies were established under family business long ago. The present study was carried out in Coimbatore city of Tamilnadu. The study objectives were: to outline the motivation and strength of women in family business. Both primary and secondary source of data was obtained for the study. 150 women in family business were interviewed for primary data with a simple structured questionnaire As regards to rank analysis the highest rank (50.7) was given to Strong teamwork with family members. AVOVA results show that there is a significant relationship between age and motivational factors of women in family business.*

## Introduction

The most beautiful thread in this world that binds hearts and minds together is the family. A business would become successful if it has got this, thread of dedicated family members. A person would become a wonderful business leader if he / she learns great leadership qualities and core values from God's own masterpiece – the family. Mother India the land of love, affection, morals, principles,

values and ethics would certainly rock the cradle for any value based business and would teach how to lead and how to beat world class companies.

Family business has been playing a pivotal role in the several economies including India. Family owned business is one in which two or more extended family members influence the business through the exercise of kinship ties, management

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roles and ownership rights. Several world-class organizations were family business ventures all over the globe. This study was focusing its attention on the concept, contribution and challenges of family business.

In India, family owned businesses had a greater role and will continue in future also. They are going to become major contributors to the economic development. Family businesses are basically two types. The first one is the business having only the family members as principals as well as agents. Usually, outsiders are suspected and sullied. The second type of business represents with family members and outsiders. Family has a major stake and controlling power on the business.

### **Statement of the problem**

This research is intended to find out the influencing factors, role of women and challenges related to women in family business. The various variables that have been investigated in this research are demographic variables (age, marital status, education of self, parents and spouse, number of children), nature of industry, profitability, motivational factors and strength of women in family business

### **Objectives**

- To study the socio economic background of women in family business.

- To know the motivational factors of women in family business.
- To analyze the involvement and decision making of women in family business.

### **Research methodology**

#### **Sources of data**

The Research design chosen for this research is exploratory and descriptive research design. Well-structured interview schedule was used for collecting the primary data.

#### **Sampling**

Convenience sampling technique adopted for the selection of women in family business. A sample of 150 women respondents were taken on the basis of criterion that they should be running their family business.

#### **Area and period of the study**

The study was conducted in Coimbatore District of Tamil Nadu. The study period was 2007-08.

#### **Tools used for the study**

Percentage analysis, ANOVA, t –Test and Chi-square analysis.

### **Results and Discussion**

The findings of the study are presented in the following paragraphs.

## General profile

**Table-1** shows the general profile of the respondents, out of the 150 respondents taken for the study 54 percent of the respondents belonged to the age group of 35-45 years, 37.3 percent of respondents birth order was first or second. As regards to education, 38.7 percent have completed under graduate level and 96 percent were married. 60 percent of the respondents reported that they have two children in their family and 81.3 percent respondent's type of family was nuclear.

## Nature of business

**Table-2** shows the nature of the business. Out of 150 respondents, 80 percent of the respondents belong to urban area and 41.3 percent of them have 4 to 6 years of experience. 53.3 percent of the respondents belonged to the first generation and 44 percent of them were doing manufacturing business. 68 percent of respondent's type of business venture was single proprietorship and 62.7 percent of the respondents' profitability was below 5 lakhs

## Involvement and decision-making

**Table-3** shows the involvement of family members and decision making of the respondents. 28 percent of the respondents have answered that one or two family members are involved in their

family business and 49.3 percent reported decision-making was done by the head of the family.

## Strength of business enterprise

**Table-4** clearly depicts that respondents have given higher rank for strong teamwork with the family members. 40 percent of the respondents have given Rank 3 for the value added service, they have given Rank 2 for customer loyalty and Rank 4 for the financial soundness.

## Motivational factors

**Table -5** shows the motivational factors of the respondents. 74.7 of the respondents strongly agree that interest to do business as the main motivational factor and 58.7 percent agree that they wanted to do something constructive. 50.7 percent strongly agree that they wanted to effectively utilize their time. 45.3 percent of them agree that they started the business to have financial liberty and 50.7 percent have given neutral for risk taking. 41.3 percent said that they entered into business because of the advice of parents, husband and relatives. 37.3 of the respondents agree that earning social status was their aim to enter into the family business.

## ANOVA - Demographic variables and Motivational factors

**Hypothesis:** "There is no significant difference between the demographic

variables of the respondents and the factors which motivates the women in opting family business”

**Table-6** shows the results of ANOVA with the significant value of .001, it is clear that there is significant relationship between the age of the respondents and the motivational factors at 5% level of significance. Hence the hypothesis is rejected. In case of education, birth order and location the hypothesis is accepted.

T-TEST - Marital status, type of family and Motivational factors

**Hypothesis:** “There is no significant difference between the demographic variables of the respondents and the motivational factors.

**Table-7** presents the results of t-test. It is clear that there is significant relationship between the type of family of the respondents and motivational factors at 5% level of significance. Hence the hypothesis is rejected. In case of marital status the hypothesis is accepted.

## CHI-SQUARE TEST

Nature of Industry and Profitability

**Hypothesis :** There is no significant difference between nature of family and profitability

**Table-8** shows the results of chi-square test. It was carried out at 5% level of significance. There is

significant difference between nature of industry and profitability. Hence the hypothesis is rejected

## Type of business venture and Profitability

**Hypothesis:** There is no significant difference between type of business venture and profitability.

**Table-9** inferred that there is a significant difference between type of business venture and profitability of the respondents. Hence, the hypothesis rejected at 5% level of significance.

## Conclusion

The role of business in the society has witnessed a dramatic change in the recent times. Yesterday, it was the business as family. Today, it is the family as business. And tomorrow, it will be the business of the family to ensure that there is a future for both the business and the family. In the post-liberalization market place, India's business houses have yet another agenda for change: rewriting the role of the family women. Majority of women started their business when they were young. Every successful family business management strongly depends on proper balance between their family and business. With the optimism and the economic boom, we hope women involved in family business succeed further in the future.

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**Table -1 General Profile**

Personal factors	Classification	Frequency	Percent
Age	Below 25yrs	8	5.3
	25-35yrs	13	8.7
	35-45yrs	81	54.0
	Above 45yrs	48	32.0
Birth order	First	56	37.3
	Second	56	37.3
	Third	16	10.7
	Fourth	6	4.0
	Fifth	16	10.7

Personal factors	Classification	Frequency	Percent
Education	School level	40	26.7
	Under graduate	58	38.7
	Post graduate	48	32.0
	Diploma	4	2.6
Marital status	Married	144	96.0
	Unmarried	6	4.0
No. of Children	No children	6	4.0
	One	42	28.0
	Two	90	60.0
	Three	12	8.0
Type of family	Nuclear	122	81.3
	Joint	28	18.7

**Table-2 Nature of business**

Nature of Business	Classification	Frequency	Percent
Location	Urban	120	80.0
	Rural	22	14.7
	Semi-urban	8	5.3
Experience	Below 3 yrs	42	28.0
	4yrs to 6yrs	62	41.3
	7yrs to 9yrs	20	13.3
	Above 9yrs	26	17.4
Generation of business	First	80	53.3
	Second	60	40.0
	Third	8	5.4
	Fourth	2	1.3
Nature of Industry	Manufacturing	66	44.0
	Service	48	32.0
	Trading	36	24.0

Nature of Business	Classification	Frequency	Percent
Type of business venture	Single proprietorship	102	68.0
	Partnership	46	30.7
	Hindu Undivided family	2	1.3
Profitability	Below 5 lakhs	94	62.7
	5 to 10 lakhs	40	26.7
	More than 10 lakhs	16	10.6

**Table-3 Involvement and decision-making**

Factors	Classification	Frequency	Percent
No. of family members Involved	One	42	28.0
	Two	42	28.0
	Three	22	14.7
	Four	12	8.0
	More than four	32	21.3
Decision making	Head of the family	74	49.3
	All the members	56	37.3
	Selected members	20	13.4

**Table-4 Strength of business enterprise**

Ranking Factors	1	2	3	4
Strong team work with family members	76(50.7)	24(16)	26(17.3)	24(16)
Value added service	14(9.3)	30(20.0)	60(40.0)	46(30.7)
Customer loyalty	44(29.3)	56(37.4)	32(21.3)	18(12)
Financial soundness	16(10.7)	38(25.3)	32(21.3)	64(42.7)

Note – figures in the brackets indicate percentage

**Table-5 Motivational factors**

Motivational factors	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Interest to do business	-	2(1.3)	2(1.3)	34(22.7)	112(74.7)
To-do something constructive	-	-	20(13.3)	88(58.7)	42(28.0)
Effective utilization of time	-	2(1.3)	14(9.3)	58(38.7)	76(50.7)
Financial liberty	-	6(4.0)	46(30.7)	68(45.3)	30(20)
Risk taking	4 (2.6)	16(10.7)	76(50.7)	36(24.0)	18(12)
Advice by parents/ husband/relatives	2(1.3)	14(9.3)	36(24)	62(41.3)	36(24)
Earning social status	4(2.6)	10(6.7)	28(18.7)	56(37.3)	52(34.7)

Note – figures in the brackets indicate percentage

**Table-6 Demographic variables and Motivational factors**

Age		Sum of Squares	df	Mean Square	F	Sig
	Between Groups	107.834	3	35.945	5.931	.001
	With in Groups	884.859	146	6.061		
	Total	992.693	149			
Birth order	Between Groups	60.824	4	15.206	2.366	.056
	With in Groups	931.869	145	6.427		
	Total	992.693	149			
Education	Between Groups	16.362	3	5.454	.816	.487
	With in Groups	976.331	146	6.687		
	Total	992.693	149			
Location	Between Groups	24.908	2	12.454	1.892	.154
	With in Groups	967.785	147	6.584		
	Total	992.693	149			



**Table-7 Marital status, type of family and Motivational factors**

Variables	t	df	Sig.(2-tailed)
Marital status	1.386	148	.168
Type of family	2.878	148	.005

**Table-8 Nature of Industry and Profitability**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.060	4	.017
Likelihood Ratio	14.529	4	.006
Linear-by-Linear Association	3.008	1	.083
N of Valid Cases	150	-	-

**Table-9 Types of business venture and Profitability**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.765	4	.045
Likelihood Ratio	9.682	4	.046
Linear-by-Linear Association	3.678	1	.055
N of Valid Cases	150	-	-