

# Women Entrepreneurs in Family Business

ISSN 2321 – 371X  
Commerce Spectrum 5(2) 23-26  
© The Authors 2018  
Reprints and Permissions  
santhasaraswathy4@gmail.com  
www.commercespectrum.com

**Jency Francis<sup>1</sup>**

Assistant Professor, Department of Commerce, K.E College, Mannanam, E-mail: jencyroby@gmail.com

**Anitha Thomas**

Assistant Professor, Department of Commerce, Newman College, Muvattupuzha, E-mail: anithath@gmail.com

## Abstract

*The status of women in India has been changing as a result of mounting industrialization and urbanization and social legislation. Over the years, more and more women are going in for higher education, technical and professional education and their proportion in the workforce has also been increased. Nowadays, more women are involved in family business, with more capabilities, than ever before in history. Family Businesses are the most successful business enterprises all over the world and their contribution to the economies in every country is significant. A Family business is a company that is owned and managed by one or more members of the same family. The success and continuity of family businesses is the most vital aspect of a country's economy. The present study is an attempt to unveil the characteristics of women managed family business firms in Kottayam District. 50 women managed family business from the two Taluks are selected for the study as sample using purposive sampling method. Data collected from various sources are analyzed using statistical tools like Averages, Percentages, Likert Scaling Techniques etc. The study revealed that technical knowledge is the main factor which motivates women to take up family business.*

## Key words

*Family Business, women entrepreneurs, male-dominated industries.*

## Introduction

Family Businesses are the most successful business enterprises all over the world and their contribution to the economies in every country is significant. A Family business is an enterprise that is owned and managed by one or more members of the same family. Family business is the largest form of enterprise around the world. The success and continuity of family businesses is the most vital aspect of a country's economy. All worldwide business enterprises that are owned or managed by families are around eighty percent. Some of the largest wealth creators and businesses are family owned like Wall Mart. In India too, the highest generator and creator of wealth are family businesses. It is not surprising then that family run businesses currently account for 95 % of all Indian companies. Women entrepreneurs have been designated as the new engines for growth and rising stars of the economies in developing countries to bring prosperity and welfare. These women entrepreneurs are considered as “untapped source” of economic growth and development. Woman-

owned family businesses are flourishing and changing the face of family firms all over the world. Active participation by the female family members in the family business has been steadily increasing over the past two decades.

## Significance of the study

Many women see family business as a pool of great career, as they are able to get better positions, higher incomes and more flexibility in work schedules. Women may join family business due to many reasons either to help the family, fill the position that no other family member wanted or dissatisfaction from another job. Family business offers women with abundant opportunities. Family business offers women access to male-dominated industries and provides more job security and scope for personal growth. Some women see job in the family business as merely one possibility among many career options to be considered after completing their studies. In any case, a family business offers another doorway to entrepreneurship for those women whose families are involved in their own businesses. Since female participation has increased in the general business scenario it is natural for the trend to be reflected in the family business segment as well. Joining the family business presents both opportunities and challenges. Though, the rewards

---

<sup>1</sup> **Corresponding author:**

Assistant Professor, Department of Commerce, K.E College, Mannanam, E-mail: jencyroby@gmail.com

of joining the family business are great- financial security, a chance to work with people you love while building your family's legacy and many more. So, it is relevant to investigate into various aspects of women-owned family businesses. A study in this field would help to know the role played by the women in family businesses. It is in this context, the present study titled "**A Study on Women Entrepreneurs in Family Business in Kottayam District**" has been undertaken.

### Scope of the study

The purpose of the study is to analyse the factors influencing women to take up family businesses, the employment generation, business climate etc. in such businesses. The respondents of the study are women doing family business in Kottayam district.

### Objective of the study

To analyze the factors influencing the women to take up family business.

### Research Methodology

#### Selection of sample

In pursuance of the above objective, the following methodology would be used for the study. The population of the study consists of women entrepreneurs doing family business in Kottayam District, Kerala. Kottayam District comprises of five Taluks. There are a large number of women managed family businesses in the district. For the purpose of study, registered women managed family business units in the district are studied. Address and details of the registered units are obtained from Register of Permanent Registration, WIP inclusion register, and grant disbursement register of the relevant District industries Centre. 50 women managed family business from the two Taluks are selected for the study as sample using purposive sampling method. Only samples from registered are taken for the study. List of registered women enterprises is available from District Industries Centre, Kottayam.

### Collection of data

#### Primary Data

The primary data required for this study is collected from 50 units by direct interview using a well prepared structured interview schedule to elicit relevant information from the women doing family business in Kottayam district. These units are personally visited to collect the relevant information.

#### Secondary Data

Secondary data would be collected from books, journals, newspapers, periodicals, reports, internet, registers and unpublished records of District

Industries Centre, Kottayam, Directorate of Industries and Commerce, Kerala etc.

### Sampling Design

#### Tools of Analysis

Data collected from various sources is analyzed using statistical tools like Averages, Percentages, Likert Scaling Techniques etc. Percentage analysis would be used to find out the profile of women entrepreneurs and to draw inferences. To find out the factors motivating the respondents to take up family business, Likert Rating Scales will be administered. Tables, have been used to present the data.

### Women Entrepreneurs in Family Businesses-Analysis

**Table 1: Profile of Women Entrepreneurs**

	Frequency	Percentage
Age( years)	Less than 30	15%
	30-40	38%
	40-50	26%
	50-60	16%
	60 Above	5%
Educational qualification	SSLC	30%
	Plus Two/Pre-degree	20%
	Graduation	40%
	Post-graduation and above	10%
Average number of employees	Less than 3	36%
	3-5	18%
	5-8	16%
	8-10	20%
	10 above	10%
Average firm age	Less than 5 year	20%
	5-10 year	24%
	Above 10 year	56%
Owner/Founder of the business	First-generation owner/founder	70%
	Second-generation owner/founder	18%
	Third-generation owner/founder	12%
Type of business	Manufacturing	15%
	Trading	45%
	Services	40%
Relationship	Blood relation	65%
	Through marriage	35%

Source: primary data

Table 1 reveals that that majority of the respondents belong to the age group of more than 30 years. The educational qualification of the respondent is one of the major factor that determines the success of business. The table reveals that the majority of the respondents have qualification above plus two/pre-degree. With regard to the employment generation in family businesses managed by women, data show that these firms employ an average of 4 employees in their businesses. The above table reveals that the average age of these firms are 8

years. Majority of the Female-owned family firms are first-generation businesses. The above table reveals that 15% of the firms are doing manufacturing activities where 40% are in the services sector and 45 % of firms are involved in trade. 65% have blood relation with the family.

**Table 2:** Factors motivating women to take up family business

Factors	Mean Score	Rank
Self-realization	4.13	8
Awakening	4.28	6
Economic survival	4.54	3
Hereditary occupation	4.79	2
Business Experience	4.40	4
Heavy demand for the product	4.32	5
Technical knowledge	4.82	1
Infrastructural facilities	4.26	7
Family support	4.45	5

Source: primary data

Table 2 reveals that among various factors technical knowledge is the main factor which motivates women to take up family business. Hereditary occupation, business experience, family support etc are other motivating factors which score high among various other factors.

#### A) Business Climate

To analyze the business climate prevailing in family business firms, the respondents were asked to give their opinion regarding the following aspects:

**Table 3:** Opinion regarding Business contributes to the family's identity in the community

Opinion	Percentage
"Very much so"	68%
"For the most part"	22%
"Somewhat"	6%
"Slightly"	3%
"Not at all"	1%

Source: primary data

The majority of the respondents strongly agree that business contributes to the family's identity in the community (Table 3).

**Table 4:** Optimistic regarding the company's prospects

Optimistic regarding the company's prospects	Percentage
"Very much so"	72%
"For the most part"	18%
"Somewhat"	8%
"Slightly"	2%
"Not at all"	-

Source: primary data

It can be inferred from Table 4 that the majority of the respondents are optimistic towards the growth prospects of the firm.

**Table 5:** Business's greatest challenge

Challenge	Percentage
Domestic Competition	32%
Management strength	16%
Recessionary environment	22%
Labour costs	15%
Regulatory burdens	15%

Source: primary data

The women who manage family business are of the opinion that the greatest business challenge is domestic competition followed by recessionary environment (Table 5).

#### B) Business Attitudes

Another aspect is regarding business attitudes of women doing family business. They were asked to report on the following statements:

**Table 6:** The extent to which the family has influence on the family business

The extent to which the family has influence	Percentage
Not at all	1%
Not to any extent	3%
Neutral	8%
To some extent	23%
To a large extent	65%

Source: primary data

65 % of the respondents are of the opinion that to a large extent family has an influence on family business (Table 6).

**Table 7:** The extent to which the family is loyal to the business

The extent to which the family is loyal to the business	Percentage
Not at all	1%
Not to any extent	1%
Neutral	5%
To some extent	26%
To a large extent	66%

Source: primary data

Table 7 reveals that 66% of women managing family business are of the opinion that the family is loyal to the business to a large extent.

**Table 8:** The family is proud of the business

The family is proud of the business	Percentage
Not at all	1%
Not to any extent	2%
Neutral	5%
To some extent	22%
To a large extent	71%

Source: primary data

71% of the respondents opined that the family is proud of the family business to a large extent.

**Table 9:** The family and the business share similar values

The family and the business share similar values	Percentage
Not at all	3%
Not to any extent	6%
Neutral	16%
To some extent	37%
To a large extent	39%

Source: primary data

The above table reveals that 39 per cent of the women managed family firms experience greater family loyalty to the business, agreement with its goals, and pride in the business, and the family and business share similar values.

### Conclusion

As India is a male-dominated society, women are assumed to be economically and socially dependent on male members and this absolute dependence is found to be diluted among the high and middle-class women as they are becoming more aware of personal needs and demanding greater equality. The present study revealed that most of the women entrepreneurs were of the age group of above 30 years and have blood relation with the family. The majority of the Female-owned family firms are first-generation businesses employing an average of 4 employees in their businesses. Among various factors technical knowledge is the main factor which motivates women to take up family business. Hereditary occupation, business experience, family support etc are other motivating factors which score high among various other factors. Most of them strongly agreed that business contributes to the family's identity in the community and were optimistic towards the growth prospects of the firm. The greatest challenges which they faced were domestic competition and the recessionary environment.

### References

- Shiralashetti A.S., Hugar S.S., "Problems and Prospects of Women Entrepreneurs in North Karnataka District: A Case Study", The ICFAI journal of Entrepreneurship Development Vol IV No.1
- Khanta S.S., Entrepreneurship Development, S.Chand & Company Limited New Delhi.
- Dhamaja S.K., (2002), Women Entrepreneurs: Opportunities, Performance, Problems, Deep Publications (P) Ltd., New Delhi, p11
- Aronoff, Craig E. (1998) Megatrends in Family Business. *Family Business Review* 11 (3), 181-186.