



TO STUDY ABOUT THE FAMILY BUSINESS ASSOCIATION AND CONFLICT

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ABSTRACT

Family-owned and family-led businesses worldwide will continue to have a more substantial impact on the global economy for at least the next century. More and more people are enrolling in courses related to family-run companies, for example, in countries worldwide. In addition, some businesses conduct workshops for their staff and those from their respective industries. Several business schools in India have begun to offer complete and part-time family business programs to move on to the global scenario. A company's performance depends on its capacity to sustain stability when handling internal and external pressure shifts. Although all businesses face some challenges in adjusting to the changing world, family businesses have more specific issues and problems. "From an "evolutionary" perspective, observes, "30.00% of family businesses enter the second generation, 10 to 15% to the third generation and 3.00 to 5.00% to the fourth generation. The complexities between family and company structures, ownership and administration, and strategic decision-making powers and their execution are essential to understand. Family companies have various dynamic issues that scientific management theories have not thoroughly discussed. The effect of conflict on family enterprises is one such problem.

KEY WORDS: Conflict, Family companies, Business, Family business Issues, multidimensional, phenomenon, and scholars, academics, philosophers.

INTRODUCTION

Conflict can be generally viewed as a metaphysical category, as opposed to the battle for dominance in search of all things to appear or struggle, which can be observed as a diverse type of social conduct. There is something both sides are trying to get. Is. Is. In addition, as a capacity or situation, as a structure or language, as an occurrence or



procedure, conflict may be acknowledged. So stated, it is possible to consider conflict as struggle, war, conflict, or dissent. The definition of conflict is multidimensional; the family of types is concerned with this. For everyone, conflict is a simple fact. Some disagreements are very mild and easily manageable. If, however, those of a more significant size do not need a plan for a successful resolution, the family or company may produce persistent conflict and permanent resentment.

Conflict is a common phenomenon, and scholars, academics, philosophers, psychologists, and society are of great interest. Socrates argued at the symposium that, because of their primary discontent with themselves, people were united with others (Brown et al., 1938), Rick (1941), and Baker (1973, 1975), which contributed to the general conclusion that it was a war. Aboriginal. Literature for the survival of humans

Family business Issues

An enterprise in a family can be described as having indefinite boundaries and interactions with two different but related systems - different rules between business and family. This definition can be depicted graphically in two cross circles. Family businesses may have many family partners, including husbands, mothers, parents and daughters, extended families and owners, board members, working partners, counsellors and several generations of workers. Conflicts emerge often as these functions intersect. For example, in business contexts, how people talk in the family can be unacceptable. Similarly, at the cost of the job, personal interests or rivalry can emerge. In order to succeed, the family company must keep contact open, use strategy formulation instruments and hire foreign consultants if appropriate.

Family vs. Non-Family Employees

Most family companies often face certain typical challenges. It may be difficult to recruit and retain non-family staff because they are finding it difficult to compete with family disputes at work, minimal opportunities for success and often preferential care for family members. Any family members may even be insulted when foreign employees are introduced into the organization and intentionally making non-family members unpleasant. However, by considering rational and unbiased market questions foreigners will stabilize a family enterprise. Family entrepreneurs should perform farewell non-family employee departure interviews to recognize the source of attrition and act to avoid it.

Eligibility for employment

It is also difficult for many family businesses to determine guidelines and credentials for family associates hoping to apply. Such wage disputes seek to minimize the opportunity for



controversy, whilst others aim to restrict the presence of persons with family relations, such as in-laws. Family companies are continually under pressure to employ relatives or close friends who lack the requisite talent or capacity to participate. When recruited, by displaying a weak mentality, these persons can have trouble keeping compensation, whether they waste the money of the company or decrease the morale of other workers. A stringent strategy of recruiting only those with legal experience to fill existing vacancies will save the organization from these concerns, but only if it is enforced without fail. If a compensation company is required to employ less than the ideal staff, experts recommend allocating special projects to improve nurturing expertise, investing in preparation and monitoring with the assistance of a non-family worker, and allocating special projects to eliminate adverse interaction with other personnel.

Family Business: National Overview

Before 1600, many Indian families, groups of people, and businesses were associated with family business agreements. The family Indian is about 500 years old. Indians have a rich and proud family history. The origins of the family business in India began with business and financial loans. It is contained in some regions, including Jains, Agarwals, Northern Guptas, Southern Chettiars, Parsis, Gujaratis, Baniyas, Muslims, Khojas, Western Memons, and Marwaris. From India. Many families, including Birla, Bangers, Khaitan and Goenkas, started their activities in Calcutta and developed the city as a commercial center. In 1950, the famous economist R. That. According to Hazare, 18 Indian families and two British households had Indian businesses. One of the factors promoting family business in India was the right to own private property and assets.

Ward (2000) discovered that the fundamental causes of family business conflict were

1. A lack of openness in wages and budgets,
2. Repressed feelings, and
3. Each sibling's need to provide for their male offspring in his analysis of Indian family business houses.

The following graph gives an overview of different family businesses in India for over 50 years.

- Tata Group - In 1868, Sir Jamshedji Tata started the Tata Group as a trading company. He is known as the father of Indian industry. It is a group of the most trusted Indian companies globally and one of the largest groups today. Jamshetji Tata started its diverse activities to develop Nagpur's cotton mills, Mumbai's Taj Hotel, Jamshedpur's steel mills, and numerous real estate. The Tata group has a philanthropic tradition.
- Birla Group - Birla, a 140-year-old family business, started as a trading company in the early 1850s and then entered the global market in 1960. It is a company that, even before India



embraced liberalization in 1991, presented the principle of internationalization. The 6th pay generation partners are general managers in cotton, jute, candies, textiles, tea, cement, paper, fertilizer, insurance, banking, chemical, educational, print media, and the automotive sector. In 140 years, the company has grown through mergers, acquisitions, and restructuring in more than 36 countries.

- Murugappa Group - Diwan Bahadur A.M. Murugappa Chatterjee was involved in many family businesses through financial and banking companies in the 1900s. Today Murugappa is a large group in a diverse field of money. It is considered to be one of the successful fourth-generation Indian family businesses. Murugappa's famous brands include BSA, Hercules and Ball Master, Ajax, Chole Perry, etc.
- Dabur Group - Dr. Burman started the production and sale of Ayurvedic medicines in Dabur in 1884. Today, Dabur's 5th Pay machine successfully manages its business in machinery equipment, construction, technical information, office fee equipment, food processing, etc.
- Wadia Group - Sir Horavji Nuserwanji Wadia founded the Wadia Group in 1736. India's oldest textile industry association, Mumbai Realty, UK, Go Air, and National Peroxide.
- Godrej Group - Ardeshir Godrej and Pirojsha Godrej were formed in 1897 to make and sell locks and keys. It is now widely regarded as the fourth most prominent tree in various fields, including buildings, consumer goods, industrial engineering, application, furniture, security, and agricultural products.
- Modi Group - Raj Bahadur Gujramal Modi Group, was established in 1933. It offers a range of fields of business, including tea, drinks, restaurants, schooling, entertainment, consumer goods, fitness, food, and hospitality. The Modi Group (which includes Godfrey Philips India, Indofo Industries Ltd., and Modicare Ltd.) is a New Delhi-based Indian business conglomerate.
- Mahindra Group - JC Mahindra Brothers and KC Mahindra started its steel business with Malik Mohammad in 1945 and later became Mahindra and Mahindra. These include cars, aerospace, agriculture, retail, capital, and IT.
- Hero Motorcycle - Shri Brijmohanlal Munjal started supplying parts to a local bicycle manufacturer in 1944. Later he started making hero bikes. The company was involved in producing two-wheelers (motorcycles) with the Japanese company's Hero Honda joint venture.
- Reliance Group - With more than 250 million customers, Reliance Group dominates private sector companies in the telecommunications, energy, finance, infrastructure, media/entertainment, and health sectors.
- Jindal Group - an Indian manufacturing conglomerate founded by four sons, one of whom was in charge of a particular department.



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- Dr. Reddy's Laboratories – Dr. Reddy's Laboratories, headquartered in Hyderabad, is an Indian multinational pharmaceutical company. Dr. Anij Reddy started the company. They offer a comprehensive selection of affordable medications for the general public.

Family Business: State Overview

- Kirloskar Group: Kirloskar Group, based in Pune, Maharashtra, is the largest business group in India. Under the leadership of Laxmanrao Kirloskar, the Kirloskar Group was established in 1888 under the name Kirloskar Brothers Limited.
- Raymond Group: Raymond Mill was established in Thane in 1925 to produce Ray's blankets, and today it is known for many textiles, designer clothing, denim, toilets, engineering equipment, and more. It is currently one of the leading fabric manufacturers in India.
- Wipro Group - Mohammad Premji founded Wipro Group-Wipro in Mumbai in 1945(Western India Products Ltd.). The company's scope was initially limited to the production and sale of vegetable oil.
- Finolex Group - Finolex Group, is an Indian conglomerate company based in Pune, India.
- Serum Institute Pvt. - Serum Institute of India is an Indian biotechnology and pharmaceuticals company. It is the world's largest vaccine manufacturer. It is located in Pune, India, and was founded by Cyrus Poonawalla in 1966. The company is a subsidiary of the holding company Poonawalla Investment and Industries. The Serum Institute of India was founded in 1966 in Pune.
- Thermax Group - Thermax Ltd., energy, environmental, and chemical engineering company. In 1966, S. Bhathena was taken over by her son-in-law Rohinton Aga, who served as president and CEO. As a result, the company became a banned company on the Bombay Stock Exchange in 1995.
- Cipla Group - The Cipla Group was founded in 1935 in Mumbai by Khwaja Abdul Hameed under "Chemical, Industrial, Industrial, and Pharmaceutical Laboratories." On July 20, 1984, the company was renamed "Cipla Limited." In 1985, the company's bulk drug manufacturing facilities were approved by the US FDA.
- Bajaj Group - The Bajaj Group is an Indian conglomerate founded in Mumbai in 1926 by Jammalal Bajaj. Maharashtra is one of Mumbai's oldest and largest conglomerates. The Group consists of 34 firms, and its flagship Bajaj Auto is ranked fourth in the world as the world's leading manufacturer of two and three wheels.



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- Kalyani Group - Kalyani Group was founded by Nilkanth Kalyani in the mid-1960s. The Group is a multinational Indian group with high tech, engineering, and manufacturing capabilities in critical areas such as iron and steel, automotive, industry, renewable energies, urban infrastructure, and specialty chemicals.
 - Garware Group - Late Padma Bhushan Dr. Bhalchandra (Abasaheb) sponsored by Garware since the establishment of Garver Plastic (P) Limited in 1933. Dr. Bhalchandra (Abasaheb) Garware, the great dreamer of the late Padma Bhushan, took the initiative to manufacture nylon, plastic, and polyester in India.
 - Firodia Group - Firodia Group, is one of the leading Indian automotive groups, founded this year by freedom fighter and dedicated Gandhi M.N. This has been done by Firodia, who participated in the 1932 Non-Cooperation Movement and 1942 Quit India Movement.

RESEARCH METHODOLOGY

The chapter on Research Methodology discusses the methods used to investigate and analyze the effects of conflict in a divided family business. The study draws on primary and secondary sources of data. Primary and secondary data were analyzed to determine possible insights into conflicts in family-owned businesses. The methodology section of this report details the techniques and procedures used to collect data, select a sample, measure, and analyze data.

Descriptive Research

To learn more about the phenomenon of family-managed conflict, descriptive analysis is used. For example, examining the literature and other data from a range of published and unpublished studies, articles, newspapers, books, journals, and other sources (including the pro-quest database). Descriptive analysis has helped to prepare the basis for the next step, i.e., field surveys.

A Case in Point

A family-owned business served as the primary model. To qualify for the sample, businesses must be family-owned, and thus knowledge of the ownership structure and equity ownership were critical. The 1956 company law divides businesses into private limited companies, unlisted public limited companies, and stock exchanges such as the Bombay Stock Exchange and the National Stock Exchange. According to SEBI, listed companies must make public information about promotional equity holdings available to the public. Public firms and



private limited liability companies that are not cataloged must register the owner/details promoter is with the Companies Registrars. However, this information is not readily available to the public. Similarly, proprietorship and partner company ownership information is not publicly available unless obtained directly from proprietors or close partners.

The list of associates of various industry associations required that their owners understand their company's ownership structure or equity, holding the model to qualify for the most appropriate sample database resource. The majority of organized businesses are members of at least one industry association. The focus of community and geographical associations in the Pune district is small, the scope is limited, and the associateship is limited. There was no association with a particular family-owned business. As a result, the database was compiled using membership lists for manufacturers' associations, federations, and chambers of commerce. The majority of organized businesses are members of at least one industry association. The database compiled by these associations was determined to be adequate and suitable for sample selection.

Sample Size

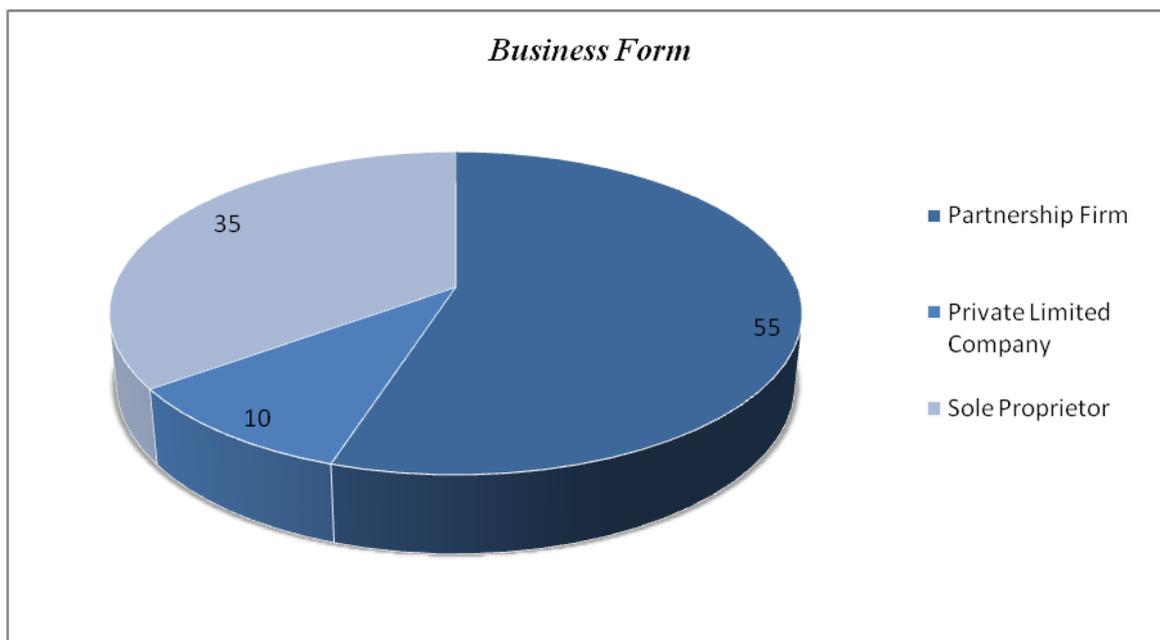
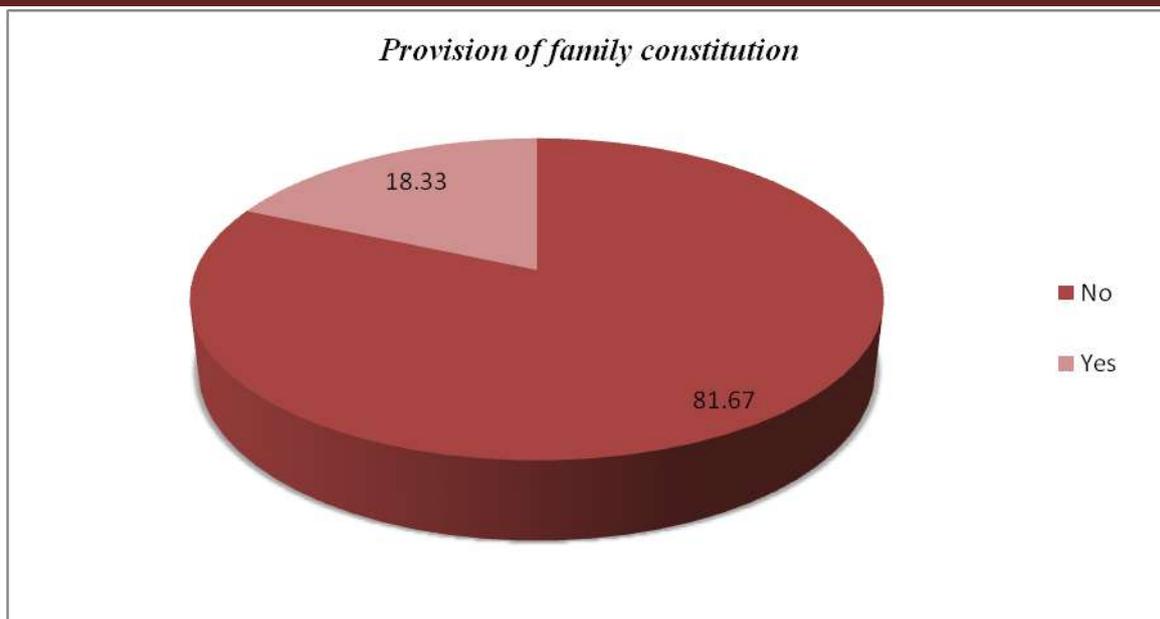
A convenience sampling method was applied; the model of two hundred and fifty families was chosen by stratified arbitrary sampling method. Each stratum was selected based on Maharashtra's district Pune.

RESULTS AND DISCUSSION

The data were collected through a questionnaire and analyzed by using statistical tools. In the tabular and graphical form, the analyzed data are presented with observations and insights.

Table- 1: Types of Business

| Provision of family constitution | Business Form | | | |
|----------------------------------|------------------|-------------------------|-----------------|-------------|
| | Partnership Firm | Private Limited Company | Sole Proprietor | Total |
| No | 28 (84.84) | 0 (0.00) | 21 (100.00) | 49 (81.67) |
| Yes | 5 (15.15) | 6 (100.00) | 0 (0.00) | 11 (18.33) |
| Total | 33 (55) | 6 (10) | 21 (35) | 60 (100.00) |



Remarks:

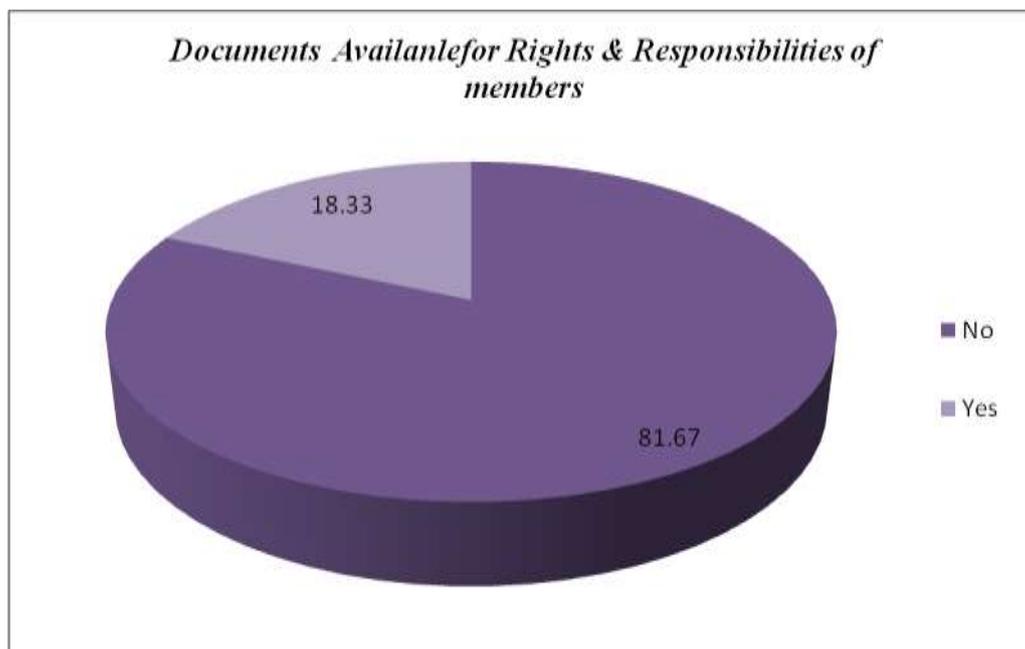
- 1) It is given in the above table that 18,33% of the families have a family constitution, meaning that the remained families follow and live a traditional social life, i.e., 81,67%.
- 2) Partnership company is the first family business form to be adopted by the most significant number of family businesses, i.e., 55% of overall families followed by 35% of the Sole ownership families.
- 3) 10% of total families have private limited business companies as their business form.

Statement:

Together partnership companies and sole owners cover most families (54 families, 90%) with their family associates. Most of these families (49 families, i.e., 81.67 percent) have no family constitution, i.e., they live according to conventional social life.

Table – 2: Documents Available for Rights & Responsibilities of Associates

| Provision of family constitution | Documents for Rights & Responsibilities of associates | | |
|----------------------------------|---|------------|-------------|
| | No | Yes | Total |
| No | 46 | 3 (37.5) | 49 |
| Yes | 3 | 8 (72.72) | 11 |
| Total | 49 (81.67) | 11 (18.33) | 60 (100.00) |



Remarks:

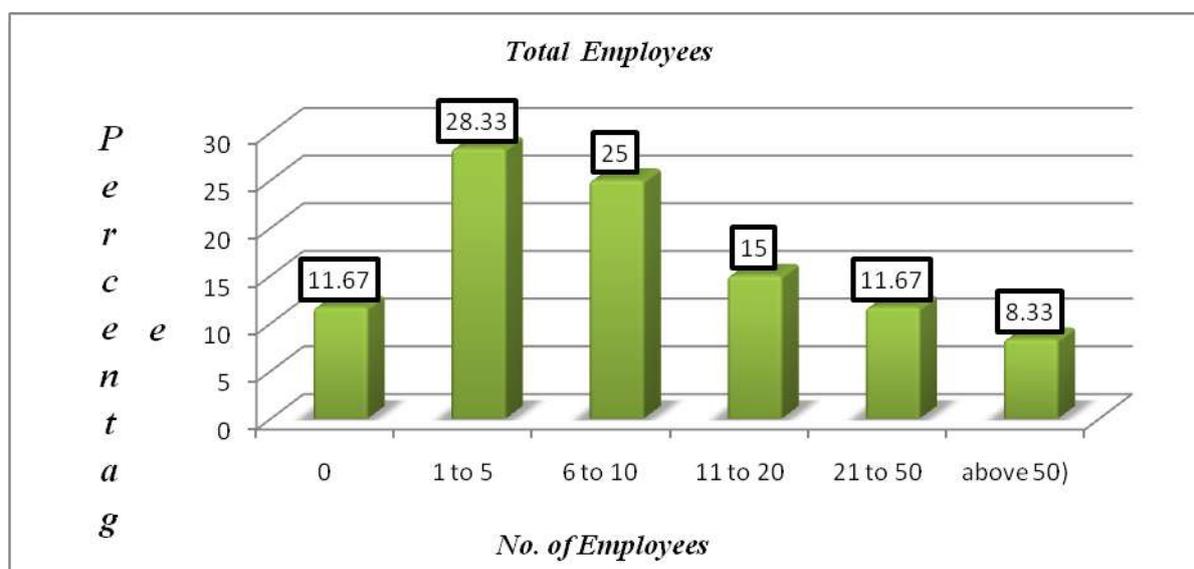
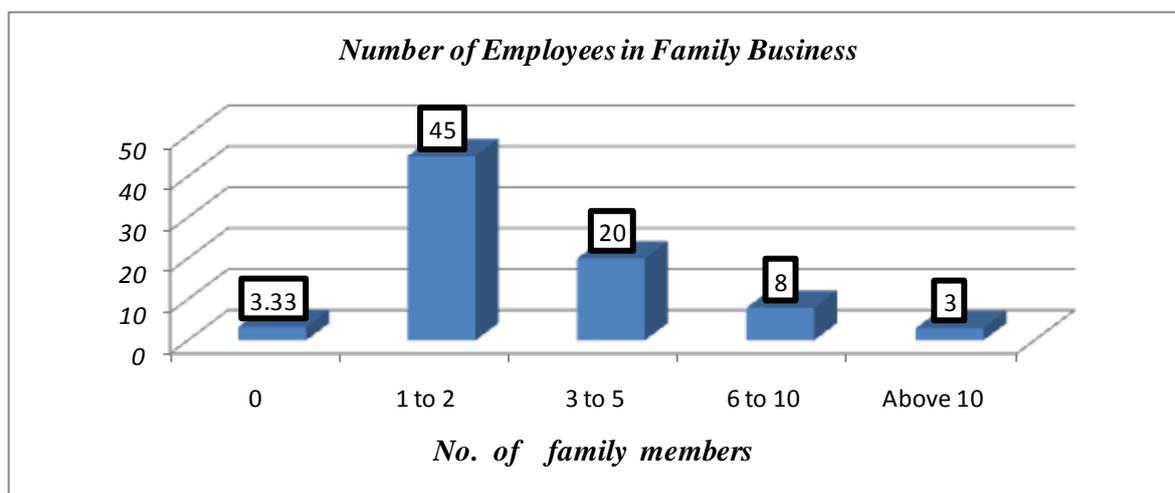
- 1) The above table shows that out of the 60 family businesses, 11 (18.33 percent) have documents concerning associates' rights and responsibilities.
- 2) Of the 11 family businesses that have documents, eight families have family constitution provisions.

Statement:

Most of the family business (92 percent) is currently managed by the third or higher generations. During the independence era, family companies were not affected.

Table- 3: Number of Employees in the Family Business

| Total Employees | Number of Family Associates in the Business | | | | | Total |
|-----------------|---|---------------|---------------|-----------|----------|-------------|
| | 0 | 1 to 2 | 3 to 5 | 6 to 10 | above 10 | |
| 0 | | 5 | 2 | | | 7 (11.67) |
| 1 to 5 | 2 | 11 | 2 | | 2 | 17 (28.33) |
| 6 to 10 | | 6 | 5 | 4 | | 15 (25.00) |
| 11 to 20 | | 3 | 4 | 2 | | 9 (15.00) |
| 21 to 50 | | 2 | 4 | 1 | | 7 (11.67) |
| above 50) | | | 3 | 1 | 1 | 5 (8.33) |
| Total | 2 (3.33) | 27 (45.00) | 20 (33.33) | 8 (13.33) | 3 (5.00) | 60 (100.00) |



Remarks:

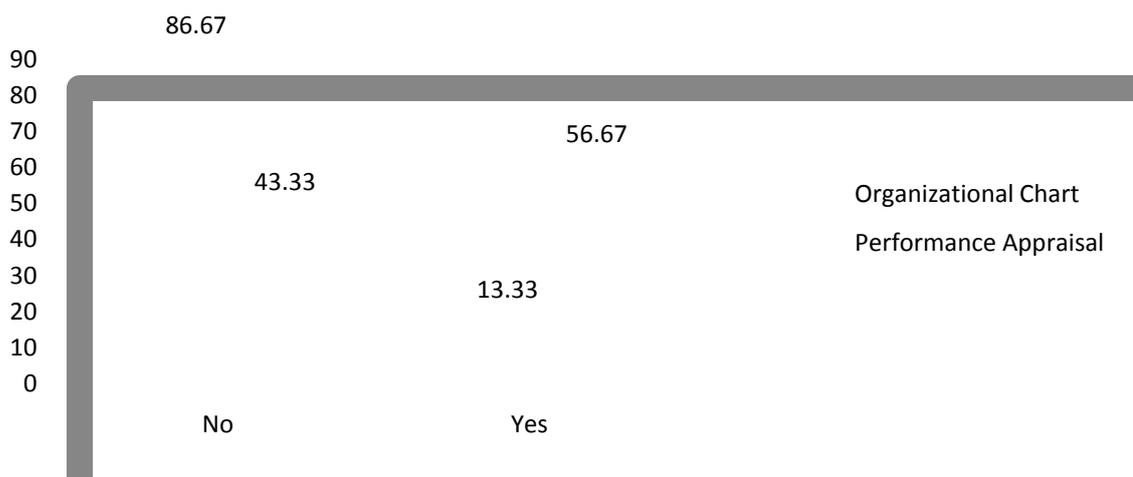
- 1) The above-given table shows that 78.33 percent of family businesses currently have 1 to 5 family associates involved.
- 2) Seven family businesses are managed exclusively by their family associates.
- 3) 80 percent of family businesses employ a maximum of 20 people, 1 to 10 of which are family associates.

Statement:

Businesses have insurance and mediation policies for family business associates who work in enterprises.

Table- 4: Performance Appraisal and Organizational Chart of Family Associates in Business

| <i>Organizational Chart of Employees</i> | <i>Performance Appraisal of Family Associates Working in Business</i> | | |
|--|---|------------|--------------|
| | <i>no</i> | <i>yes</i> | <i>Total</i> |
| <i>No</i> | 22 | 30 | 52(86.67) |
| <i>Yes</i> | 4 | 4 | 8(13.33) |
| <i>Total</i> | 26(43.33) | 34(56.67) | 60(100.00) |



Remarks:

- 1) The above table shows that 86.67% of families have no organizational charts.
- 2) 56.67% of family businesses conduct a family associates performance assessment.



CONCLUSION

The following recommendations motivate family businesses to adopt a piece of critical and suitable business machinery to increase their expansion and ensure sustainability in the modern world of competition;

Strengthening Family Associates Association

i) Formation of Family Business Association

The Chamber of Commerce will take the initiative and play an important role in creating an exclusive family business group. The association preserves the solidarity and continuity of the family, promotes the family's social obligation, culture, and practices, and helps the associates of the family achieve higher education and personal growth.

Furthermore, the association will offer family enterprises a forum to share knowledge and views about successful entrepreneurs, tackle the problems and challenges faced by family businesses, provide expert advice and funding sources, provide recent business world updates, etc. Thus, it will support the family business and nurture them, bringing them to greater heights.

ii) Preparation of the Constitution for the family

A family constitution is a written text that outlines the family's values and pre-approved criteria for family partner involvement and recognition in the family business. This applies to the duties and obligations of each person in the company. Professional analysts and consultants have worked on this paper.

iii) Organize family reunification

Intense contact among family associates ensures good peace among the family and the business environment. Free and open contact between family associates should also exist when dealing with business issues. Family associates should make the best use of family reunions to reinforce their emotional connection and maintain balance in family relations. Holidays, birthdays, anniversaries, social occasions, weekends, festival gatherings, plays, sporting events, and so on are all reasons for family members to come together.

These gatherings ensure that emotional needs are addressed within the family, and that company is not used to discuss them. Family meetings offer a chance to give their ideas, career, and life experiences. The participants identify emerging issues and ways to resolve them throughout the conference. Various innovations come from these networking events, which develop the skills of family members and, as a result, improve company outcomes.

iv) Old Generation learning:

The young age group respects parents other than benefits from their elderly experience and best practices. At the entire time, the new age group should implement its ideas, show ingenuity and use its expertise and technology for business improvement.



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