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Comparative Analysis of Family Businesses in India: Operations, Leadership, and Resilience in Crisis

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Abstract : This study delves into the realm of family businesses in India, emphasizing their substantial contribution to the national GDP, currently estimated at 79%. The research aims to provide a comprehensive understanding of the operations, leadership styles, challenges, and strategies of family-run businesses through two detailed case studies.

Case Study 1 focuses on Company A, a small-scale steel manufacturing business founded 45 years ago. The company's hierarchical decision-making structure, democratic approach, and strong employee engagement highlight its commitment to efficiency, discipline, and innovation. The analysis explores how the company navigates government regulations, maintains high employee morale, and envisions future growth through technological advancements and diversification into electric vehicle parts.

Case Study 2 examines Company B, a retail franchise model with multiple showrooms in Hyderabad. The leadership style is guiding and goal-oriented, emphasizing customer experience, employee appreciation, and long-term targets. The study discusses the company's formation, overcoming initial funding challenges, managing workforce, and dealing with increasing competition. The company's alignment with the values of its parent company, Titan, showcases its strategic focus on quality, timely delivery, and social responsibility.

Through comparative analysis, the study identifies differences in strategy, leadership, and approaches between the two companies, offering insights into the evolving landscape of family businesses in India.

IndexTerms **- Family business, Small-scale manufacturing, Retail franchise, Employee engagement, Government regulations, Technological advancements, Business innovation**

I. Introduction INTRODUCTION

Family businesses have long been a cornerstone of the Indian economy, evolving significantly in nature and structure over time. In colloquial terms, a family business is a commercial organization influenced and driven by multiple generations of family members. As of 2024, family businesses contribute approximately 79% of the national GDP annually, underscoring their critical role in India's economic landscape. These enterprises are often imbued with a sense of pride and legacy, with a strong desire to maintain and pass down the business through generations.

In this study, we aim to explore the multifaceted dimensions of family businesses in India, delving into their operations, leadership styles, challenges, and strategic approaches. By analyzing real-life family businesses, we seek to gain insights into their functioning and the unique dynamics that distinguish them from other business entities. Our investigation is anchored in two specific case studies, which provide a detailed examination of the businesses' ideation, formation, leadership, obstacles, interventions, employee engagement, social impact, internal conflicts, and adaptation to crises such as the COVID-19 pandemic.

The first case study focuses on Company A, a small-scale steel manufacturing firm that customizes products for large-scale producers and manufacturers. Established 45 years ago by the youngest of five siblings, the company exemplifies the traditional values and hierarchical decision-making processes prevalent in many Indian family businesses. The current managing director, representing the second generation, has maintained the company's foundational principles while incorporating his own experiences and innovations. This case study sheds light on the company's employee engagement practices, recruitment criteria, and the impact of government interventions and obstacles on its operations.

The second case study examines Company B, a retail franchise business model with six showrooms across Hyderabad, including Titan Eye Plus, Fast Track, and Helios Titan stores. Initially started by the owner's father with a movie theater and later diversified into

various ventures, the business is now managed by the second generation. This case study explores the company's leadership and management style, emphasizing a guiding, goal-oriented strategy that prioritizes customer experience, employee appreciation, and social responsibility. It also addresses the challenges of increasing competition, disturbed work-life balance, and workforce management in a franchise model.

By comparing and contrasting these two case studies, we aim to identify the differences in strategy, ideation, leadership, and approaches towards running a family business. This comparative analysis will provide a nuanced understanding of the current practices and evolving trends in Indian family businesses. Additionally, we will utilize Geert Hofstede's 6-D model to offer a cultural perspective on the management styles and organizational behaviors observed in these businesses.

Overall, this study seeks to contribute to the broader discourse on family businesses by highlighting their significant impact on the Indian economy, their resilience in the face of challenges, and their strategic adaptability in a rapidly changing business environment.

RESEARCH METHODOLOGY

This study employs a qualitative research approach to gain a comprehensive understanding of the dynamics within family businesses in India. The methodology involves the following key steps:

1. **Case Study Selection**:
   - The selection of Company A and Company B was based on their diverse business models, varying scales of operation, and distinct leadership styles. Company A, a small-scale steel manufacturing business, and Company B, a retail franchise model, provide contrasting perspectives on family business operations in India.
2. **Data Collection**:
   - **Primary Data**:
     - In-depth interviews were conducted with key stakeholders, including the founders, current managing directors, and senior employees of both companies. These interviews aimed to capture personal experiences, decision-making processes, leadership styles, and the challenges faced by these family businesses.
     - Structured questionnaires were administered to employees to gauge their engagement, satisfaction, and perceptions of the company's management and operations.
   - **Secondary Data**:
     - Company records, annual reports, and internal documents were reviewed to gather quantitative data on financial performance, employee turnover, and other relevant metrics.
     - Industry reports and government publications provided contextual information on the economic environment and regulatory framework affecting family businesses in India.
3. **Data Analysis**:
   - Thematic analysis was used to identify recurring themes and patterns from the qualitative data. This involved coding the interview transcripts and questionnaire responses to highlight key insights into business operations, leadership, and challenges.
   - Comparative analysis was conducted to identify similarities and differences between the two case studies. This included examining their strategies, ideation processes, leadership approaches, and responses to external pressures such as government regulations and market competition.
4. **Geert Hofstede's 6-D Model**:
   - To provide a cultural perspective, Geert Hofstede's 6-D model of national culture was applied to analyze the management styles and organizational behaviors in the two companies. This model examines six dimensions: Power Distance, Individualism vs. Collectivism, Masculinity vs. Femininity, Uncertainty Avoidance, Long Term vs. Short Term Orientation, and Indulgence vs. Restraint. The model helps in understanding how cultural values influence business practices and leadership styles in Indian family businesses.
5. **Validation**:
   - Triangulation was used to ensure the validity and reliability of the findings. This involved cross-verifying data from different sources (interviews, questionnaires, and secondary documents) to confirm the consistency and accuracy of the information.
   - Member checking was conducted by sharing the preliminary findings with the interviewees and other key stakeholders for their feedback and validation.
6. **Ethical Considerations**:
   - Informed consent was obtained from all participants involved in the interviews and questionnaires. Confidentiality and anonymity were maintained to protect the privacy of the participants and sensitive business information.
   - The study adhered to ethical guidelines for qualitative research, ensuring that the data collection and analysis processes were conducted with integrity and respect for the participants.

By employing this robust methodology, the study aims to provide a thorough and nuanced understanding of the operational dynamics, leadership styles, and challenges faced by family businesses in India. The insights gained from this research will contribute to the broader discourse on family business management and their pivotal role in the Indian economy.

IV. RESULTS AND DISCUSSION

CASE STUDY 1 COMPANY A

The following case study delves into the family business's major areas of **leadership, innovation, and management**. This research was carried out by conducting in-depth interviews with the head of the business and the next generation. We learned about their thinking, business order, interventions and problems experienced as a result of the pandemic, as well as how government rules affect their business and how they deal with them and suggest a viable solution.

COMPANY A is a small scale steel manufacturing company which customises products for large scale producers and manufacturers. The company was established 45 years ago by the youngest of 5 siblings who was the first to be educated. The family business was passed down to the second generation, and the third generation is in the process of being groomed to take over the business. The family believes in strong values which are consistent among the 3 generations and are reflected in their business.

LEADERSHIP STYLE

Company follows a hierarchy system for the decision making and implementing and carrying out of work.The present head, the **Managing Director**, continues to build on the business's foundations while adding his own experiences and ideas in order to bring and adapt the company to the ever-changing world. A democratic approach is used in the company whose main customers belong to the state of kerala with consumer satisfaction as the criterion. The motto of the company i.e., "***To bring smile on the customers face***" ideats the values and the systematic approach which the company follows to carry out their business. The Managing Director places a high emphasis on efficiency and discipline, and encourages his subordinates to do the same. They don't work under certain designations because it's a small scale corporation now run by the first two generations. 100% of the employees feel valued and enjoy working in this environment, primarily because they can better balance their professional and personal lives, and they are respected and have an informal relationship with the director and coworkers, which boosts morale and encourages employees to push forward and work with utmost dedication and hard work.

IDEATION,FORMATION AND EXECUTION OF BUSINESS IDEA.

The company follows the hierarchy in which the decision to carry out major operations and execution of the business falls upon the Managing Director. The Managing Director of the company believes that **innovation comes from emission to another mission**. As the world is changing everyday thus demanding new technologies and equipments which makes the company focus on making new machineries with the aim of making them skillful and accurate for a long time in order to grow their business.the Managing Director further decides which company to supply the machinery and in which region of kerala.

EMPLOYEE ENGAGEMENT

Employees are highly involved with their heads and as they construct different machines with their own uniqueness from the one before allowing the employees to expand their knowledge in their particular fields and establish various new ideas thus creating the opportunity to present their own views regarding that particular

machine. the superiors respect their suggestions and ideas and take them under consideration, which are incorporated only if they are deemed realistic and profitable. They can approach the Director directly if they believe they are being overlooked or if they have any other concerns about their job, and the director will resolve the matter at hand himself with proper consideration keeping in mind the problem they're having.The Director shared with us about such situation he faced during the interview,one of his employee has been with the organisation for years and believed he has been passed over for a promotion.

Now The Director will not only focus on keeping his employee happy, but will also assess the employee's involvement and whether or not he is willing to put in the extra effort required in order to be considered for the increase.

RECRUITMENT CRITERIA

The company follows a **partially biased** recruitment procedure with majorly targeting people from engineering background as the business requires.Once an employee joins the company, they undergo certain training and development programmes deemed necessary for the area they will work in, and they are also tested in various departments of the company to find where they will reach their full potential and will be an asset to the company, and are thus placed in that specific department.

Rather than using online websites, college recruitments and any other kind of modern way of hiring the corporation has remained committed to the **traditional method.** Instead of adjusting to contemporary recruitment strategies, they choose newspapers and recommendations from known individuals. The traditional technique is used to hire all of the company's personnel.

GOVERNMENT INTERVENTION AND OBSTACLES

Our economy thrives when the private sector expands; as local businesses expand, the economy expands, producing more jobs and possibilities; as a result, the government pays special attention to such businesses and enacts specific laws and regulations. Looking at the Company in our case study and analysing the interviews, we came to the conclusion that the company observes and obeys the government's laws.

However, these restrictions hampered the Director's time management because the majority of his time was spent meeting the needs of the government and filling out documents. As a result, the laws became a bit of a nuisance for him and his company.The major roadblock they encountered was during the **COVID-19 epidemic**, when the lockdown prevented them from functioning, leaving the Director with the decision of whether or not to pay their employees' salary.

SOCIAL IMPACT

The Company believes in equal opportunities and neglects the education criteria when they look to hire their employees , they create job opportunities with their employment ranging from a person with no degree or proper education to a person with a diploma from a reputed university. Furthermore, during the pandemic, when a portion of the Indian population lost their jobs, the Managing Director, rather than terminating the employment of his workers when there was no profit, paid them their full salaries, demonstrating the trust and

respect between employee and boss that motivated the employees to work 10 hour shifts instead of 8 hour shifts to cover the company's losses.

FUTURE GOALS

The vision of the company is to tap into the online interface and employ internet functions in the development of their machinery in order to achieve the goal of obtaining artificial intelligence and to develop that interface further as the world becomes more machine dependent.In order to expand their business, the company wants to manufacture electric vehicle parts in the future as the world moves forward and automobiles evolve and become more environmentally friendly. Mr. Aditya, the company's third generation, intends to expand the company's manufacture from automobiles to aircrafts in order to boost profit and enter a new market.

CASE STUDY 1-ANALYSIS

The following case deals with a small scale company centered around traditional values and builds trust and respect around the existing values itself.The Managing Director believes in discipline and efficiency syncing their values and beliefs along with Leadership and Management style with **Indian Ethos**.The Ideology of the owner is **customer oriented** and believes in fulfilling the customer needs as well as values their employees and their involvement.They follow a **value-oriented Holistic Approach.** Management based only on skills can never be total or holistic. It is beyond doubt that management based on values supplemented by adequate skills can only be holistic and that is why there is the concept of "**Value-Oriented Holistic Management**".The owners value dedication and respect more than just having the skills to do the work.

Among the three generations, namely **Baby Boomers, Gen X**and **Gen Z** there is not a major difference of management style between the first two generations. Mr Srinivas (baby boomers) believes in **Strong work ethic** and **efficiency**, he encourages **"work first and rest later**". He is more self reliant as he builds his business from scratch. Mr Prabhas(Gen X) follows a bit more **modern approach** and ideology to grow their business.He follows a proper **work-life balance** and even encourages it with his employees.He is independent and more **flexible and informal** then his father.The common goal they share is to grow their business with the ever changing world. Mr Aditya(Gen Z) who is currently a student has hsi mindset in way different place then the first 2 Generations,while they want to stay in touch with their roots and focus on automobiles, he wants to move on to aircrafts as well and tap a new market.This talks about his **modern thinking** as well as his **Philanthropistic** ideas.

Geert Hofstede's 6 D model helps in getting a good overview of the deep drivers of Indian Culture relative to other world cultures. This study will help us to understand the current practices followed by the Indian Society.

The following is an analysis of the business based on the Hofstede's 6-Dimensional Approach:

1. **POWER DISTANCE:**

The business exhibits a low power distance, with a comprehensive approach when it comes to hierarchy. Each

employee is allowed to give their opinions and they are always taken into consideration by the superiors. In the end, the power to make decisions for the company lies with the Managing Director and the employees accept this fact.

2. **MAS (Masculine vs Feminine)**

The business has a majority of male employees then female employees which speaks about the unconsciousness of the society that male display more power and success even though the owners believe in equal opportunities for both men and women.

3. **INDIVIDUALISM**

After analysing the interview, we deduced that the heads do not support individualism, they like to work in a group. they don't give preferential treatment, they do not believe in upbringing of a particular individual but in upbringing of a group altogether. This makes them come together and leads to growth.

4. **INDULGENCE**

The owner of the company has enough indulgence to keep it running well and avoid taking any risks at this time. They place a greater emphasis on keeping up with the changing world, and as a small business, they prefer to play it safe.

5. **LONG TERM ORIENTATION:**

The first generation graduated under technological background which gave him a better logical and technical thinking on how to run a business.This company's long-term orientation is in the middle of the scale because they want to keep their business as it is and adapt as the world evolves, therefore they believe in focusing on the present rather than the future.

6. **UNCERTAINTY AVOIDANCE**

The business has a low uncertainty avoidance as they don't plan for the future and believe in focusing on the present rather than starting to adapt for the future beforehand.They believe in adapting with the world which makes them vulnerable to sudden change.

CASE STUDY 2 COMPANY B

LEADERSHIP AND MANAGEMENT STYLE

Company B is a **Retail Franchise** based business model. The family owns 6 showrooms all over Hyderabad. This includes 4 **Titan Eye Plus** stores, a **Fast track** store and a **Helios Titan** store. We interviewed the second generation owner of the business.

Initially, the business was jointly owned by the daughter in the family, her mother and her father. As of now, the father and her daughter are the managing partners, and her mother is a sleeping partner.

Overall, the owners do not micromanage, and the **division of labor** is well maintained among the employees. Each employee is assigned a specific task based on factors such as availability, skills and experience. The owners are responsible for the overall functioning of the business. They step in to take key **HR related decisions** regarding hiring of employees. They actively address key issues such as renovations, stock updates, shortage of manpower etc.

Each store has the following set of employees:

No.	Employee	Role
1	**Store manager**	There is a store manager who sits behind the billing counter, and is responsible for management of overall finances of the company.
2	**Chief Reporting Officer**	A number of sales executives are responsible for managing the overall sales of the company
3	**Optometrists**	There are 2 optometrists in each store to assess a customers requirements and guide them accordingly
4	**Technician**	A technician is responsible for the overall fittings of the machinery.

Here, the technician, optometrists, and CROs directly report to the Store manager, who acts as a medium of communication between the owner and the staff. There is a **franchise development officer**, who overlooks the functioning of 10 franchise stores in the city. It is his responsibility to keep a check on the business operations of the franchise.

In this business, the style of leadership followed is **guiding** in nature, and exhibits a **Goal oriented strategy**. As a guiding figure, owners tend to set an example for franchisees and nurture their skills and development. They recognise potential in their workers and find ways to maximise their value by increasing the efficiency of the store and the job satisfaction of employees. Their focus is on long-term targets in order to plan out your short-term steps.

VALUES OF THE COMPANY

Following the **Indian way of management** just like the parent company, TATA. The franchise believes in **customer experience** and prioritises **quality** and **timely delivery**. They do not practice the method of **correct selling**, they do not sell to their customers products that would bring them maximum profits but what would profit the customer most. Their ultimate goal is to bring the customer back to their store again. They posses the following values:

- **Total customer orientation**
- **Employee appreciation**
- **High performance**
- **Teamwork Creativity and Innovation**
- **Social welfare and community betterment**

IDEATION, FORMATION AND EXECUTION OF BUSINESS IDEA

The owner's father after completing his post graduation had followed his family's guidance to set up a movie theatre in a plot of land that the family had owned in Hyderabad for years which was not being utilised. The family invested funds to build the theatre and followed it through for 5-6 years.

The owner's cousin had been in the automobile business in Vijayawada and through the connection, he got an opportunity to open a Hindustan Motors outlet in Hyderabad in 1989 and was operational for 5 years.

The family also ventured into construction business taking under contract to build a commercial building and 3 residential flats.

Later on, another cousin of the owner's father introduced him to the franchise business of Titan stores and he decided to open a Timex watches store in hyderabad. After a few years, Titan approached him with a proposal to convert the Timex showroom to Titan world, which was offered to very few elite franchisees at that time. The family has recently added the Helios brand division in its chain of stores. The owner was among the first few franchisee's across the country to be offered incorporation of Titan Eyeplus stores.

The family is extremely satisfied to be a franchisee under Titan and mention that they do not intend to venture into any other brands in the near future. They adopt and applaud the values of the Titan company, under the Tata group and wish to remain loyal to their parent company.

GOVERNMENT INTERVENTION AND OBSTACLES

In a franchise business, there are comparatively lesser challenges in ideating and scaling the business since Titan in itself is a well established brand, with a powerful workforce. However, the business comes with its own set of obstacles:

1. **Increasing competition:** The franchise model appears as a lucrative option for many. Thus, a large number of stores are being set up all over the country. This becomes an issue for existing stores, since upcoming stores tend to capture the market and can harm the sales of existing business. The business we analysed faced a similar barrier, and consider the market as **highly competitive.**

2. **Disturbed Work-Life Balance:** Owing to a large number of responsibilities for the owner, there tends to be a disturbed work life balance. The owner is often forced to work in high pressure situations, leading to **Stress,** and therefore, disturbing their mental health. The franchise business, which is based on partnership , creates a certain expectation and thus leads to immense pressure.

3. **Raising Funds:** In the initial stages of the business, it was difficult to raise funds due to **unavailability of private banks**. Small businesses, especially in retail were not considered as a **priority** earlier. With the increase in the number of private banks, the business started to increase in scale, and the business became more feasible.

4. **Workforce management:** In the beginning, the staff was not trained by Titan, and it was the franchise owner's responsibility to train their employees on the aspects of sales, marketing, store management etc. With Titan's updated policies, the employees at the store are trained from Titan itself. Hence, the owners do not have to deal with any major HR issues, and simply guide their employees through the process.

The owner believes that being a part of an already established brand, business does not pose any major issues from government laws and intervention. This is because Titan itself has a strong base to deal with government laws, hence saving the franchise from the hassle of government laws and regulations. The only issue she faces is to acquire the **trade license** for the business . The license is required to continue sales of the products, and is a time consuming process. However, she does not find the requirement unnecessary.

EMPLOYEE ENGAGEMENT

Since it is not a corporate business, they do not rely on campus recruitment or online job profiles. Majority of the staff who have jobs which are more technical are hired from a pool of Titan trained staff.

They have the following selection procedure

- They consider the leadership potential of their employees.
- The employee should have a calm and composed nature while dealing with pressure, and must be a team player.
- The employee should have the necessary experience to take up the role.

SOCIAL IMPACT

Titan Company believes that corporate responsibility begins with its employees. The company ensures that harmony, peace and inclusive approach at the workplace are maintained. Efforts are made to engage employees in programs designed to fulfil their ecological and social responsibility.

Various work-place initiatives are conducted to achieve this: War on Waste - an initiative that reduces the impact of manufacturing operations on the environment. At Titan Company, Corporate Social Responsibility is more than philanthropy - it is an internal process that reflects the soul of the company. Titan Company will spend at least 2% of its average net profits of the previous three financial years for its CSR activities that shall not include investment in any projects considered as business as usual related activities.Any surplus arising out of CSR projects or programs or activities shall not form a part of the business profits of the company.

TYPICAL CRISES SCENARIO- Impact Of Covid-19

In business B, **100% of on ground stores were shut** as Titan was not part of Government denominated **essential services**. Business B was able to get only very marginal sales through its online channel www.titaneyeplus.com, at the end of April, 2020. The following are some of the major challenges faced by the store during the pandemic.

1. **Disturbed vendor and supply chain:** Closure of manufacturing units led to a shortage of supply resulting in delayed deliveries, and difficulty in stock management.
2. **Dip in sales:** With the global lockdown, sales of titan eyewear stores were heavily impacted, and their sales dipped to less than half in the month of May, 2020.
3. **Underused workforce:** It was not possible for the owners to terminate employees who had been working with them for a long time, this would hinder the sense of community in their business, and would be against the values of the business. Hence they continued to generate their payroll even when there were minimal sales leading to higher monthly costs.
4. **Delayed Payments:** Delayed payments due to disruptions in cash flow led to difficulty in the functioning of business. This cash flow is essential for continuing daily business operations.
5. **Loss of existing customers:** In 2021, Titan decided to open 1000 new stores across India. owing to this initiative new stores were opened in nearby locations of the family's existing stores. To avoid a loss of customers, the family had to undertake the management of the newly opened stores without proper inventory.

The owners have benefited from **TATA's new policies** that support them through the difficult time. Provision of reimbursements and funds for employees who lost their lives during the pandemic, Relaxation of inventory upgrades and renovations, Boosted online support to compensate for sales have been some of the measures taken.

The store was directed with a **set of guidelines** to ensure contactless functioning of the business. Emphasis was placed on hygiene as it was the owner's responsibility to ensure adequate sanitation. Masks and face shields were made mandatory, and use of digital payments was promoted.

The store was able to reopen in May, 2021 post the second unlocking when businesses were permitted to open and have been able to regain their position with sales matching that of pre-covid times.

FUTURE PLANS

The family is in the process of opening a Tanishq store in Hyderabad in approximately the next 6 months. The owners want to invest and venture in all the Tata brand divisions and plan to expand their stores in Andhra Pradesh and Telangana. The owner's father is not planning to retire in the coming future and is still keen to teach and train his daughter under him.

CASE STUDY 2- ANALYSIS

The following case presents a franchise based business model, where we observe the right application of the **Indian way of doing business**. This is evident from the owner's style of leadership and management, along with their values and beliefs, which are in sync with the **Indian Ethos**. The business model is people-centric and considers their customers as their utmost priority. The owners also maintain a **sense of community** amongst

their employees. They pursue an approach of **integrated development**, or a **Value-oriented Holistic Management** and promote a positive work environment. The owners follow a **long term orientation**. Between the two generations, namely **Gen Z** and **Gen X**, there are clear differences in their way of management. Sarita (Gen Z) believes in taking a more aggressive approach in getting the work done. She exhibits traits of **multitasking**, and promotes an **increased use of technology**. She tends to be more cautious with her expenses. Her management style is more **professional** and to the point, unlike her father, who has a **passive-assertive** approach. He does not practice a **hire-and-fire strategy.**

The following is an analysis of the business based on the Hofstede's 6-Dimensional Approach:

1. **Power Distance:**

The business exhibits a low power distance, with an **inclusive approach** when it comes to hierarchy. Each employee is made to feel part of the Titan family, and their feedback and opinions are always taken into consideration for the betterment of the company. However, the overall power to make decisions lies with the owners and heads of the business, and the employees accept this as a fact

2. **Collectivism:**

The business exhibits a high degree of collectivism, where each employee's role is considered as important, and even if one employee does not perform efficiently, the entire store is affected.

3. **MAS (Masculine vs Feminine)**

The franchise ensures that both male and female employees are given equal opportunities, and maintain a balanced **MAS (Masculinity vs Femininity).**

4. **Uncertainty Avoidance:**

The business has a low uncertainty avoidance, which makes it difficult for the owner to keep track of their future. The competitive nature leaves their business strategy highly volatile. It is difficult to maintain stock upgrades, renovations, payments etc. The future of this business often remains unpredictable, thus contradicting the owner's goal-oriented way of executing the business.

5. **Long term orientation:**

The family business has an intermediate long term orientation keeping in mind its history. The family ventured into many different businesses from different fields over the years before dedicating their resources to invest in Titan stores. At present, they are still running the chain of stores and the cinema theatre and would like to continue to expand and diversify their Tata franchise stores.

6. **Indulgence:**

The family appears to be somewhat indulgent. They did not resist themselves from venturing into new markets or taking risks to invest in new fields and stores. they view taking up management of new
stores to be an opportunity to

Tata, as the parent company of Titan, portrayed the **Indian way of management** by prioritizing Indian ethos over profits, and maintained values and practices that promoted a harmonious working environment.

The companies that will come out on top are those that are reorganizing and reprioritizing around Generation Y. This means they're embracing changing preferences to offer more sustainability, affordability, and flexibility in their products and services. They're also embracing new technology and the unprecedented discoverability and customer connections it allows.

We also analyze that it is an added benefit associated with the Tata Group that has a strong legal workforce that the franchisees do not have any major issue with the government intervention. Being associated with a renowned brand also makes it easier for them to acquire a trade licence.

COMPARATIVE STUDY

	CASE STUDY 1	CASE STUDY 2
LEADERSHIP STYLE	- Follows a hierarchy system for decision making. - Consumer-centric approach - Director values efficiency and discipline. - employee are treated with utmost respect and motivated to push forward with efficiency	- Owners don't micromanage - Long term orientation - Consumer-centric approach - Increasing reliance on Technology - Well maintained hierarchy.
RECRUITMENT CRITERIA	- a partially biased recruitment procedure committed to thetraditional method. - Targets employees with technical background. - Training and development programmes are used to	- Employees with more technical responsibilities are hired from a small pool of parent company trained candidates. - Knowledge of certain skills and values is a must.

make employee's familiar with the work and put them in the department where they will bring the most advantage according to their skillset.		- Employees, especially those dealing with customers face to face must be calm and composed in stressful situations
GOVERNMENT INTERVENTIONS AND OBSTACLES	- No major intervention from the government. - The owner finds the laws unreasonable. - Government laws hamper the director's time management as the majority of the time goes in completing government procedures. - They were caught in the predicament if they should or they shouldn't pay the salaries during lockdown.	- No major intervention from the government, other than acquiring the Trade License. - The owner finds the laws reasonable and fair. - Being a franchise business, less time is spent on government procedures.
SOCIAL IMPACT	- believes in equal opportunities. - neglects the education criteria when they look to hire their employees. - paid full salaries to their employees during the covid-19 pandemic. - creates more job opportunities and believe in upbringing of each and every employee - maintains informal relationship with respectful behaviour	- The company ensures that harmony, peace and inclusive approach at the workplace are maintained. - Efforts are made to fulfil their ecological and social responsibility. - Corporate Social Responsibility is more than philanthropy - it is an internal process that reflects the soul of the company.
IMPACT OF COVID-19	- Loss increased - paying salaries in full hindered personal financial status.	- Marginal sales - Disturbed vendor and supply chain - Dip in sales - Underused workforce

	- underused workforce - Displacement of Customers - lockdown put the business in a rough spot causing stress and anxiety among the peers - morale was affected.	- Delayed Payments - Loss of existing customers
EMPLOYEE ENGAGEMENT	- Employees are highly involved with their heads. - suggestions from the employees are appreciated. - can approach the Director directly in case they have any concerns. - Issues are commonly dealt with by the head with any kind of politics or special treatments - employee's are given proper rewards when put in the extra work - New projects boost up employee's confidence and create new ideas and experiences.	- Employees hired are previously trained by the parent company, and are guided by the franchisees - There is a chain of command to be followed to address any employee grievances.
FUTURE GOALS	- goal of obtaining artificial intelligence. - manufacture electric vehicle parts. - manufacture from automobiles to aircrafts in order to boost profit and enter a new market.	- Diversify franchise stores within Tata brands - Undertake management of upcoming stores in locations near existing stores.
IDEATION, FORMATION AND EXECUTION OF BUSINESS IDEAS	- The decision to carry out major operations and execution of the business	- Franchisees only act as a medium of management and communication

falls upon the Managing Director.
- suggestions from the employees are appreciated.
- innovation comes from emission from another mission.
- to make more skillful and accurate machines with
the ever changing world.

between parent company and front line employees.
- Business ideas are received from the parent company and are enforced under
the guidance of the franchisees.

- Based on the comparative analysis, we see a clear differentiation in the way the two businesses function.
- Business A is a small-scale steel manufacturing based business and business B is a franchise based retail business. The two businesses differ in their ground set-up. Business A is a **standalone company** in Hyderabad, whereas Business B owns **six showrooms** all over Hyderabad. They differ in their approach towards ideation, execution,management and leadership system as well as routine business operations.
- Business A and Business B both believe in a Customer-Centric Approach to run their businesses and follow a hierarchy system for carrying out big and important decisions for their respective companies.
- The source of business ideas comes directly from The Managing Director of Business A and executed accordingly while being open to suggestions from the employees whereas in Business B, the ideology is to implement marketing and sales strategies from the parent company under their guidance.
- Business A is run by three generations simultaneously whereas business B is in the process of being passed down from the first generation to the next.
- Business A does not work under specific designations. They follow a democratic form of leadership whereas business B has a more professional approach and maintains a certain level of hierarchy.
This is because business B is spread over multiple locations unlike business A.
- Business A promotes an informal relation with their employees whereas business B maintains a more straightforward and professional relationship with their employees. In their own ways, both businesses aim to achieve a sense of community among their employees.
- Business A believes in improving their machinery and technology to grow their business whereas business B believes that to grow, they must emphasise on capturing the competitive scenario of the market and focus on quality over quantity. Both businesses have the ultimate goal of consumer satisfaction.
- In business A, the owner himself trains the employees in various skills required for the business
whereas in business B, employees are trained by the Titan corporation, and the owner simply guides them through the process.

II. CONCLUSION

The study of family businesses in India reveals their pivotal role in the country's economic fabric and the unique dynamics that govern their operations. Through the detailed examination of two case studies—Company A, a small-scale steel manufacturing firm, and Company B, a retail franchise model—several key insights have emerged regarding their leadership styles, operational strategies, challenges, and adaptability.

Key Findings:

1. **Leadership Styles and Management Approaches**:
   - **Company A**: The leadership is characterized by a hierarchical decision-making process, where the managing director exercises significant control while also valuing input from other family members and employees. The company's emphasis on discipline,

efficiency, and innovation has allowed it to maintain a competitive edge in the manufacturing sector.

○ **Company B**: The leadership follows a guiding, goal-oriented approach that prioritizes customer experience and employee engagement. This inclusive management style fosters a collaborative environment, aligning with the company's strategic focus on quality and social responsibility.

2. **Operational Strategies**:

○ **Company A**: The company has successfully navigated the complexities of government regulations and market demands through strategic diversification, particularly into electric vehicle parts. Its commitment to technological advancements and continuous improvement has been crucial in sustaining growth.

○ **Company B**: By leveraging the franchise model, the company has expanded its market presence across Hyderabad. The focus on delivering a superior customer experience, maintaining high standards of service, and adhering to the parent company's values has been instrumental in its success.

3. **Challenges**:

○ Both companies face common challenges such as managing generational transitions, balancing traditional values with modern business practices, and responding to external pressures like increased competition and regulatory changes.

○ **Company A**: Specific challenges include navigating government obstacles and maintaining high employee morale in a demanding industry.

○ **Company B**: The company grapples with maintaining work-life balance for its workforce and managing the complexities of a diverse retail portfolio.

4. **Adaptability and Resilience**:

○ The study highlights the resilience of family businesses in adapting to crises such as the COVID-19 pandemic. Both companies demonstrated flexibility in their operations, with Company A focusing on technological upgrades and Company B enhancing its customer engagement strategies.

○ The ability to pivot and innovate in response to external shocks underscores the robustness of family businesses in India.

Cultural Insights:

● The application of Geert Hofstede's 6-D model provided a deeper understanding of how cultural values shape the management and organizational behaviors of family businesses. Both companies reflect high Power Distance and Collectivism, indicative of the hierarchical and community-oriented nature of Indian society. These cultural dimensions influence decision-making processes, employee relations, and strategic priorities.

Implications for Practice:

● Family businesses can benefit from adopting a hybrid approach that blends traditional values with modern management practices. This includes fostering a culture of innovation, investing in employee development, and embracing technological advancements.

● Developing robust succession plans and mechanisms for conflict resolution can help ensure smooth generational transitions and sustain business continuity.

Future Research Directions:

● Further research could explore the impact of digital transformation on family businesses in India, particularly in how they leverage technology to enhance operational efficiency and customer engagement.

● Comparative studies across different regions and industries can provide a broader perspective on the diverse strategies and challenges faced by family businesses.

In conclusion, family businesses in India are a testament to the enduring legacy of entrepreneurial spirit and resilience. Their significant contribution to the economy, coupled with their ability to adapt and innovate, positions them as key drivers of growth and development. By understanding their unique dynamics and addressing their challenges, policymakers and business leaders can support the continued success and sustainability of family businesses in India.

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These references collectively provide a robust foundation for understanding the dynamics, strategies, and challenges of family businesses in India, as explored in this study.