

A study on “Family business as a career option” among the students pursuing Family business management courses in India

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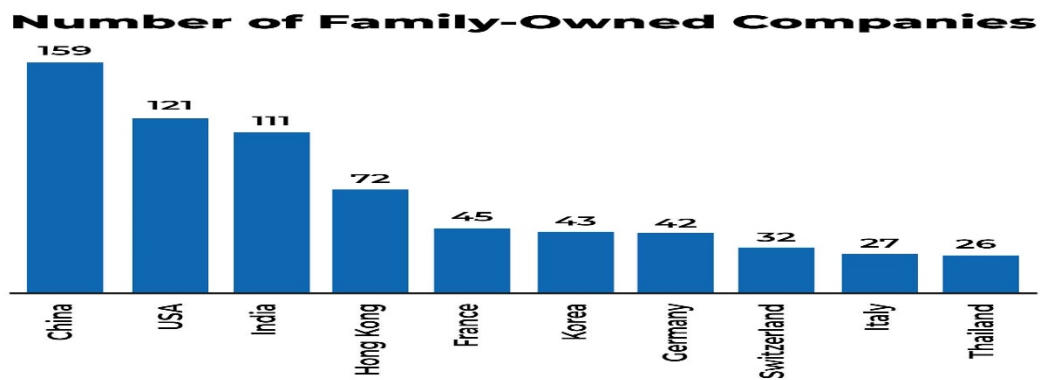
Abstract:

The purpose of this study is to evaluate the factors influencing the young minds in India to continue their family business as a career option. 200 respondents pursuing master's in family business management courses from different institutions were considered as the respondents. Based on the collected reviews, 16 variables were identified. The Principal component analysis was adopted and the four factors were extracted. The study recommending to provide a positive attitude and create a right attitude among the students to pursue family entrepreneurship as a career option.

Keywords: Family business management, career, students, Institutions and courses.

Introduction:

Family business management programme is focusing on developing, educating and enabling the successors of business families in India. The next generation of family business leaders will understand the business environment and functional aspects, identifying the new opportunities and challenges, enhancing their leadership abilities. These inputs will support them in effective decision making and expanding their existing business. According to the survey conducted by credit Suisse family report 1000, India has 111 family-owned businesses with a market investment worth \$256 million or more. They conducted this study with 1015 companies. India is witnessing meteoric increase in start-up and contributing 79% of the GDP annually. Very recently on Harvard Business school offers a program on Rising generation in the family enterprise.



Source: The Credit Suisse Family 1000 Report

(Source: <https://mccia.medium.com/challenges-faced-by-family-businesses-e2df87d2b029>)

Review of literature:

Hasan (2020), conducted a study on Entrepreneurship education, Intention and Self-efficacy- An examination of knowledge transfer within family businesses. This study was conducted in Makassar city with 150 sample size. This study found that the entrepreneurship education has a very significant effect on enhancing the self-efficacy among the students, which is a antecedent of entrepreneurial Intention. Hence the researchers insisting on special attention on entrepreneurship education.

Sushartanto E (2023), The mediating effect of family business self-efficacy on parental support and succession Intention relationship. This research examine the relationship of perceived parental support factors and the next generation succession Intention in the family business regarding the mediating effect of family business self-efficacy factors. Having high self- efficacy towards non family members does not necessarily increase next generation member's Intention to engage in family business.

Schröder et al(2013), conducted a study to investigate the determinants of career choice with the youth from family business background. All 106 respondents belong to Germany family firms. They found the factors supporting the career choice of the respondents as personality traits such as openness and agreeableness, gender, perceived rewards, succession preference.

Randerson, K.et al (2023)"claims that it is the entrepreneurship and the family is dedicated for an individual's behaviour, family and family businesses too. The author narrated now the prevailing situation in will support the budding entrepreneurs to understand and navigate the ecological, economical and societal issues related to entrepreneurship.

Bağış, M.et al(2023) conducted the bibliometric techniques for mapping and analysing the scientific network on the women entrepreneurship- family business. Performance analysis was carried out to identify the journals, countries, co-citations, scaling and cluster and document analysis. This article was presented in three clusters of women entrepreneurship in family business. The focus was in succession process, gender bas, leadership and women leaders and identity construction.

Research Methodology

16 factors were identifying and the research tool questionnaire was developed. The identified factors are willingness to continue family business, Intention to become a successful entrepreneur, Business sensitivity, autonomy at work, desire for financial independency, having relevant knowledge, Family norms, Emotional attachment with the family owned business, networking the others, family support, social norms, role model influence, financial institutions support, mentoring support, supportive eco system and desire to excel. Based on the collected review of literature, a 65 items were generated. Then 17 items were eliminated as the statements were overlapping. The final instrument was with 35 statements.

The researcher sent the questionnaire by mail to 324 student independence which researcher received only 239 responses (73.76%). Out of 239, the incomplete and irrelevant was 39 (0.16%). Hence 200 responses were valid and considered for this study. Hence the response rate is (61.72%). Principal component analysis was applied. The Cronbach's Alpha value for this 16 variable is 0.8 which is greater than 0.7. Hence it is considered acceptable. The proportion of each variable's variance that can be explained by the factors is known as communalities and represented as " h^2 ". As all the values of variables' value is less than 0.5, all 16 variables can be considered for factor analysis.

Analysis :

The below table shoes the results of communalities, which determines the amount of variance the variable shared with other considerable variable. Communalities are the sum of the square component lads up to the number of components. The table indicates that the values lie between 0 and 1.

Table 1 : The Eigen values of the 16 factors are as follows: Communalities

CC1	Willingness to continue family business	0.588
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CC2	Intention to become a successful entrepreneur	0.727
CC3	Business sensitivity	0.645
CC4	autonomy at work	0.770
CC5	desire for financial independency	0.559
CC6	having relevant knowledge	0.676
CC7	Family norms	0.692
CC8	Emotional attachment	0.864
CC9	networking the others	0.677
CC10	Strong family support	0.616
CC11	social norms	0.593
CC12	financial support	0.696
CC13	mentoring support	0.775
CC14	Financial institution's support	0.801
CC15	Supportive eco system	0.550
CC16	role model influence	0.756

Table 2: Total variance(Initial Eigenvalues).

Component	Total	% of variance	Cumulative %
CC1	7.198	44.9	44.9
CC2	1.621	10.1	55.1
CC3	1.054	6.5	61.7
CC4	1.010	6.3	68.0
CC5	0.839	5.2	73.2
CC6	0.782	4.8	78.1
CC7	0.706	4.4	82.5
CC8	0.620	3.8	86.3
CC9	0.500	3.1	89.5
CC10	0.461	2.8	92.4
CC11	0.339	2.1	94.5
CC12	0.308	1.9	96.4
CC13	0.204	1.2	97.7
CC14	0.169	1.0	98.8

CC15	0.111	0.6	99.5
CC16	0.078	0.5	100

In the table values, 4 factors are extracted with an Eigenvalue greater than 1 and explain a total variance of 68.02, which is acceptable. Hence the researcher has considered these four factors.

Table 3 : Rotated Component Matrix

Item no	Factors	factors loading				Denomination
		1	2	3	4	
CC2	Intention to become a successful entrepreneur	0.76 1				Personal factors
CC1	willingness to continue family business	0.75 6				
CC3	Business sensitivity	0.72 5				
CC6	having relevant knowledge	0.70 5				
CC4	autonomy at work	0.70 1				
CC8	Emotional attachment	0.68 9				
CC5	desire for financial independence	0.65 7				
CC11	social norms		0.861			
CC9	networking the others		0.679			
CC12	financial support		0.647			
CC15	role model influence		0.637			
CC14	Financial institutions'			0.76		Institutional factors

	support support			8		
CC13	mentoring support(ex:incubators)			0.73 3		
CC16	Supportive eco system			0.68 1		
CC10	Strong family support				0.785	
CC7	Family norms				0.691	cultural factors

Varimax and Kaiser normalisation was carried out after Rotation component matrix analysis. For this study, the researcher identified four group of factors influencing students to choose family business as their career choice. The Pearson Correlation matrix is represented in the below table.

Table 4- Pearson's correlation matrix

	M	SD	CC2	CC1	CC3	CC6	CC4	CC8	CC5
CC2	4.62	0.59							
CC1	4.33	0.58	0.504**						
CC3	4.35	0.62	0.695**	0.715**					
CC6	4.66	0.58	0.683**	0.495**	0.678**				
CC8	4.1	0.62	0.577**	0.561**	0.670**	0.521**			
CC5	3.77	0.63	0.463**	0.493**	0.653**	0.481**	0.560**		
CC11	4.42	0.65	0.523**	0.513**	0.593**	0.548**	0.481**	0.431**	
CC9	4.42	0.67	0.185**	0.496**	0.401**	0.192**	0.237**	0.04*	0.394**
CC12	4.61	0.64	0.612**	0.520**	0.655**	0.503**	0.543**	0.511**	0.762**
CC15	4.56	0.58	0.417**	0.058*	0.463**	0.343**	0.424**	0.317**	0.642**
CC14	4.41	0.67	0.426**	0.179**	0.520**	0.297**	0.346**	0.404**	0.536**
CC13	4.25	0.52	0.326**	0.279**	0.381**	0.281**	0.355**	0.270**	0.145**
CC16	3.97	0.73	0.261**	0.265**	0.353**	0.319**	0.369**	0.347**	0.146**
CC10	4.49	0.74	0.196**	0.350**	0.547**	0.520**	0.337**	0.385**	0.330**
CC7	4.13	0.55	0.350**	0.462**	0.643**	0.439**	0.565**	0.462**	0.384**

	CC11	CC9	CCC12	CCC15	CC16	CC10	CC7
CC2							
CC1							
CC3							
CC6							
CC8							
CC5							
CC11							
CC9	0.563**						
CC12	0.280**	0.703**					
CC15	0.391**	0.474**	0.383**				
CC14	0.098*	0.391**	0.214**	0.312**			
CC13	0.007*	0.185**	0.111**	0.256**			
CC16	0.13*	0.250**	0.257**	0.330**			
CC10	0.204**	0.338**	0.388**	0.221**	0.285**		
CC7	0.398**	0.449**	0.446**	0.278**	0.285**	0.528**	

Source: primary data

Note: ** Correlation is significant at the 0.01 level & * Correlation is significant at 0.05 level

Discussion and Findings:

All 7 variables related to the personal factor are intended to accept entrepreneurship as a career. The respondents had a high amount of intention and interest to continue their family business as it provided them with needed autonomy, they held an emotional attachment to the family business and it provided them the financial independence. The desire to have autonomy in their business also influenced the respondents and it was based on past entrepreneurial experience too. The research results of Zhang et al also similar to this study.

The social factors include social norms, networking with others, role model influence, and the desire to excel. Social situations and the significant family support influence the respondent's career options. Financial institution's support, support from mentors and desire to excel fall under the factor, of institutional support. According to the theory of planned behaviour, self-efficacy is essential for any behaviour. Much entrepreneurial research was undertaken to prove this theory and self-efficacy can be enhanced by institutional support. Cultural factors include both family support and family norms. If entrepreneurship is

positively viewed in a family and this culture exists in the family circle, there is a more chance of choosing and continuing the family business.

Conclusion:

Based on the above analysis we can sum up as entrepreneurship an activity with risk, uncertainties, and challenges. The family business is not exceptional. In India, young students are focused on career options with a sense of earning and security. The families who have very well-established businesses are very few in number. Medium-sized entrepreneurs prefer their wards to continue in the corporate world than struggle with family-owned businesses. Young individuals are showing interest in becoming self-employed and enjoying autonomy and financial independence. The Government's support schemes are the major motivators with the changing state and central policies. In India, many popular institutions like IIM, NMIMS and ISB are providing a excellent courses on family business due to the increasing awareness and necessity.

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