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## FAMILY ENTREPRENEURSHIP IN INDIA'S 'DIAMOND CITY': A PHENOMENOLOGICAL RESEARCH

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### **Abstract:**

*The history of family run business in Surat, India is more than 350 years now. However, over the last several decades, it has been observed that family run enterprises in Surat have not been able to scale up the business by untapping opportunities in international markets. The paper aims to explore the experiences of family-run enterprise owners in their attempt to grow their businesses in Surat. Given the stagnant growth trajectory, less expansion, and minimal diversification over the last several decades, the researcher is intrigued to study the experiences of these family-run enterprise owners. As a phenomenological research study, there is only one question: What experiences have these enterprise owners faced in a family-run enterprise as they attempt to grow their businesses? Non-leading prompts were asked to encourage participants to expand their responses to lead to a deeper understanding of those experiences. As respondents, seventeen family-run enterprise owners have been contacted for In-Depth Interview (IDI). The respondents were from diamond, textile and restaurant business in Surat. The study aided in identifying existing challenges and strengths making the whole experience of family-run enterprise owners unique, diverse and different from the conventional businesses operating in different industry. The findings indicate that the potential of family-run enterprises have not been harnessed to its fullest due to prevailing mediocrities, sub-standard practice, sophisticated and disoriented business procedures and system. Organization Development (OD) interventions would be effective in unearthing deeper issues and problems amongst these family-run enterprises in Surat.*

**Key words:** Challenges, Entrepreneurship, Experiences, Family Business Management, Family-run enterprises, Phenomenology, Research, Strengths

### *Surat: India's 'Diamond City' - An Indian hub of family-run business*

Family-run business in India has witnessed several ups and downs over the last century. Under British colonialism, family-run businesses, primarily in textiles, were regulated to meet the vested interests of the British. Post-independence, nationalisation impacted dramatically the way family-run businesses were run. Business also faced the pressure of being in the controlled economy in the 1950s-1970s. During the post-Liberalization-Privatization-Globalization (LPG) in the early 1990s, the situation offered a

plethora of opportunities for family-run businesses across India, enabling businesses to cross and expand beyond boundaries. Due to unprecedented macro-economic changes and consumer preferences, business organizations, especially family-run businesses, are now adapting to these changes and transforming the existing business set-up into a better placed growth trajectory, scalability, expansion, and diversification in the light of global changes.

Surat is a port city and the 8<sup>th</sup> largest city in India. Since the early 20<sup>th</sup> century, Surat was known primarily for its trading and manufacturing businesses. Today, cotton, rice-cleaning, and paper mills are the primary businesses thriving in Surat. With the passage of time and change in industry trends, such businesses have begun to fade. However, textile businesses have remained. The diamond polishing business and restaurants gradually found their existence among Surat family-run business owners. As these businesses are run as family businesses, with their own styles, particularly when the business is transferred to the next generation, it is important to understand the experiences of such family business owners.

## **1. Purpose**

The paper aims to explore the experiences of family-run enterprise owners in their attempt to grow their businesses in Surat, India. Given the stagnant growth trajectory, less expansion, and minimal diversification over the last several decades, the researcher is intrigued to study the experiences of these family-run enterprise owners. This paper accounts the prevailing conditions of family business entrepreneurship in Indian context. It takes into account the challenges and strengths as experienced by the family business entrepreneurs in Surat city, Gujarat state, India. Over several decades, family-run enterprises have been thriving in conventional industries, such as textile, diamond, and restaurant businesses. However, when it comes to sustaining these businesses in an organized, professional and agile manner; these family-run enterprises have challenges of their own genre; most of the time unknown to themselves. As a result, most family-run enterprises end up in having unorganized structures drifting to the level bottom where standard operating procedures (SOPs) are inadequately drafted. Hence, external agencies have always been striving to have access to first-hand information and data to figure out the challenges; thus making it difficult to study these unexplored, hidden, subtle, and deep-rooted complex managerial and supervisory-level issues intertwined among family members, professional managers, and employees. The researcher initiated interactions with family-run enterprise owners in Surat to study their experiences with regard to their status in larger family business community and issues which they have been facing for quite some time.

## **2. Literature Review**

In recent times, academicians and researchers have shown considerable interest in family enterprises in management research. One of the major reasons attributed to this

trend is that the majority of businesses are represented by family enterprises. They have been responsible for increase in employment around the world (IFERA, 2003).

As a body of literature, studies relating to comparison between family enterprises and non-family counterparts, their performance and behaviour have been emerging over the last one decade (Chrisman, Chua & Kellermanns, 2009; Miller, Lee, Chang & Le Breton-Miller, 2009). Further, family enterprises have the capacity to survive for longer years. They are likely to invest more in the business along with a longer term view (Duran, Kammerlander, van Essen & Zellweger, 2016; LeBreton-Miller & Miller, 2006; Gedajlovic, Carney, Chrisman & Kellermanns, 2012).

According to Astrachan and Kolenko (1994), HR practices were one of the neglected factors in family entrepreneurship research. Ever since, scholars showed interest in understanding HR practices, its impact and implications for family enterprise (Barnett & Kellermanns, 2006; Hauswald, Hack, Kellermanns & Patzelt, 2016; Kim & Gao, 2010).

Unlike non-family run professional enterprises, family enterprises are complex in nature. It involves extreme emotions and feelings represented by family members. Also, it entails business firmness, fairness, and shrewdness as well. Hence, it is necessary to understand family business dynamics leading to proper attention towards family business research and practices. However, the current level of research is in its budding stage (Miller, Wright, Le Breton-Miller & Scholes, 2015).

Research pertaining to family business enterprises has focused broadly on large enterprises. Family-enterprises in the form of smaller firms have not been covered in the research so far (Heneman, Tansky, and Camp, 2000; Upton and Heck, 1997). Hence, the available literature is sparse and limited. Over the last one decade, we have observed considerable change in the status quo. Scholars and researchers have started writing and publishing their research work relating to family business enterprises and major issues. However, the progress of research is fairly slow in the direction of issues and challenges of enterprise management including HRM in family firms in small and medium enterprises (Reid et al., 2002).

Past literatures substantiate the family business research. It emphasises upon the relevance of optimal utilization of resources including human resources for family enterprises, thus helping in building competitive advantage in business. It also stresses on how relevant is the management of people to business growth and development (Astrachan and Kolenko, 1994).

Some of the difficulties faced by family enterprise were due to the liabilities of smallness, and scarcity of resources. These factors restricted the family enterprises to attract and retain talented employees. Also, modern and sophisticated business practices were difficult to be conceived under constrained environment (Cardon and Stevens, 2004; Songini and Gnan, 2013; De Kok and Uhlaner, 2001; Heneman and Berkley, 1999; Aldrich and Langton, 1997).

For the present study, given the socio-economic environment, the researcher strives to learn the experiences of family-run enterprise owners in running their family business enterprises. Also, the paper attempts to explore as how the family business dynamics affect in terms of running family enterprises in the form of smaller organizations.

### **3. Design/Methodology**

#### **Research Problem**

Many family-run enterprise owners in Surat have not been able to grow their businesses across India and test international markets. The researcher is interested in studying the experiences of these family-run enterprise owners to explore the experiences of such enterprises in their diminished vertical growth, restricted expansion, and minimal diversification over the last several decades.

#### **Research Question**

As a phenomenological research study, there is only one question: What experiences have these enterprise owners faced in a family-run enterprise as they attempt to grow their businesses? Non-leading prompts were asked to encourage participants to expand their responses to lead to a deeper understanding of those experiences.

#### **Research Objective**

The objective of this research is to explore the experiences of family-run enterprise owners in Surat in their attempts to grow their businesses.

### **4. Methodology and Methods**

*Research paradigm.* The researcher used phenomenology as the methodology for the present study as there is no single reality for the phenomenon under study and that the researcher wishes to gain a deeper understanding of the lived experiences of these family-run enterprise owners. The intent is to describe the essences of these experiences.

Phenomenological study is one of the five major qualitative approaches to inquiry. It describes the meaning of lived experiences with regard to a phenomenon. These lived experiences could be of many individuals showcasing the way they look at things and respond to situations.

#### *Data collection*

Data collection was performed using In-Depth Interviews(IDIs). In-Depth Interviews have been supported within the framework of phenomenology (Wilkinson, 1998). Besides, experiences, understandings and meanings, knowledge, opinions, attitude, and beliefs have also been incorporated as subsets of phenomenology. According to (Wilkinson, 1998), the rationale for taking such an approach is to extract the understanding of the issues of participants. Qualitative data often comprises words, actions, expressions, and experiences which are captured in the form of language and behaviour. One of the effective ways of collecting qualitative data is through in-depth interviews. Based on field notes, audio-visual interviews, wherever possible, the qualitative data is collected. Such data gets transcribed at later stage so as to apply the same during analysis of data. Besides in-depth interviews, there are other forms of qualitative data collections, such as participant observation and group-based interviews (Maykut & Morehouse, 1994).

**Participants**

The participants were the family-run enterprise owners in textile, diamond and restaurant business in Surat. Attempting to understand business practices and culture in family enterprises; researcher initiated, planned and sought appointments from family-run enterprise owners in Surat. The purpose of choosing in-depth interviews was that that family-run enterprise owners could share individual perspectives in the form of lived-experiences relating to growth of their businesses.

The entire approach to collect the data was in two folds: Phase I&II. In Phase I, family-run enterprise owners from textile (N=3), diamond(N=3) and restaurant business(N=2) were contacted. Thus, 8 family-run enterprises in total were contacted in Phase I, wherein 9 family-run enterprise owners (individuals) participated in the data collection process of in-depth interviews. Similarly, In Phase II, family-run enterprise owners from textile (N=2), diamond(N=2) and restaurant business(N=2) were contacted. Thus, 6 family-run enterprises in total were contacted in Phase II, wherein 8 family-run enterprise owners (individuals) participated in the data collection process represented by in-depth interviews.

Taking into account Phase I & II, in total, 14 family-run enterprises were contacted, eventually. Essentially, 17 family-run enterprise owners in total went through the process of in-depth interviews (IDIs) for the present study. Table 01 and 02 below illustrate classification and number of industries contacted, viz textile, diamond, and restaurant and the no of family-run enterprise owners who participated in in-depth interviews in Phase I & II.

**Table 01- Phase I: Industry, no of family-run business enterprises and no of family-run enterprise owners attended in-depth interviews**

**Phase I: January-April, 2017**

**Location:** Surat, Gujarat state, India

No. of family-run enterprises in textile industry	3
No. of family-run enterprises in diamond industry	3
No. of family-run enterprises in restaurant business	2
Phase I: Total no. of family-run enterprises contacted	8
Phase I: Total no. of family-run enterprise owners (individuals) participated	9

**Table 02- Phase II: Industry, no of family-run business enterprises and no of family-run enterprise owners attended in-depth interviews**

**Phase II: May-July, 2017**

**Location:** Surat, Gujarat state, India

No. of family-run enterprises in textile industry	2
No. of family-run enterprises in diamond industry	2
No. of family-run enterprises in restaurant business	2
Phase II: Total no. of family-run enterprises contacted	6
Phase II: Total no. of family-run enterprise owners (individuals) participated	8

**Table 03- Phase-I & II: Total no of family-run business enterprises and no of family-run enterprise owners attended in-depth interviews**

**(Phase I & II combined)**

Total no. of family-run enterprises contacted (Phase I & II)	14
Total no. of family-run enterprise owners (individuals) participated (Phase I & II)	17

**Table 04: In-Depth Interviews of family-run enterprise owners**

**In-Depth Interviews (IDIs)**

Type of Industry	Nature of business	Type of interviewee	Minutes	Primary motivation for the in-depth interview
Textile	Dyeing & printing	FB enterprise owners (02)	130	To gain the views on the business and their experience
Textile	Production of yarn	FB enterprise owners (03)	95	To gain an understanding of the ways work is handled as a family enterprise
Textile	Distribution of yarn	FB enterprise owners (01)	90	To gain an understanding of the ways work is handled as a family enterprise
Diamond	Cutting and polishing	FB enterprise owners (02)	110	To gain the views on the business and their experience
Diamond	Rough diamond trading	FB enterprise owners (02)	180	To familiarize with the ways how family-run enterprise owners see their business in comparison to non-family business
Diamond	Re-cutting	FB enterprise owners (02)	140	To gain an understanding of the ways work is handled as a family enterprise
Restaurant	Fast food/snacks	FB enterprise owners (02)	115	To gain the views on the business and their experience
Restaurant	Banquet	FB enterprise owners (03)	135	To familiarize with the ways how family-run enterprise owners see their business in comparison to non-family business

### *Data gathering*

Transcripts of in-depth interviews conducted were prepared. Transcript data was derived from the prepared notes after each interview. It helped in storing valuable information while conducting in-depth interviews. Further, phenomenological approach to analysis was undertaken. Researcher ensured to fully describe how participants viewed the phenomenon related to experiences faced by family-run business owners as they attempt to grow their businesses. Meanwhile, researcher focused on *epoche* by bracketing out or setting aside their individual biases, opinions, beliefs, and personal experiences using reflexive journal so as to start a fresh perspective towards the phenomenon under examination.

(Moustakas, 1994) The participants: family-run enterprise owners in our case, were asked two broad, general questions:

(a) *What have you experienced while growing your family business over the years?*

- (b) *What situations or contexts have influenced your experiences of growing your family business over the years?*

Besides the above two questions, other open-ended questions were also asked to participants. However, the two questions enabled the focus of gathering data. Also, these two questions led to a textural description and a structural description of the experiences of family-run enterprise owners.

### *Memoing*

Besides, in-depth interviews, the data was recorded by 'memoing.' As memoing is a data source in the form of field notes recording, it helped the researcher to record what was heard, seen, experienced and thoughts which generated in the process of collection of data. Researcher maintained the balance between descriptive and reflective notes (Miles & Huberman, 1984).

### *Explication of the data*

Having completed *epoche*, phenomenological reduction was the next step to describe the essences of the phenomenon. Beginning with the explication of data, the researcher explicated the data by reducing the information to significant statements or quotes. Moustakas (1994) calls this step *horizontalization*. Next, these statements were developed into *cluster of meanings*, in turn, combining them into *themes*. Further, researcher developed a *textural description* of the experiences of family-run enterprise owners wherein the focus was on what participants experienced. Also, *structural description* of the experiences of family-run enterprise owners was completed, wherein the focus was on how family-run enterprise owners experienced the phenomenon in terms of the conditions, situations, or context of running their own businesses. Eventually, researchers captured the overall **essence** of the experience of family-run business owners in running their businesses. Such overall essence is also called *essential, invariant structure*. It was carried out by combining the textural and structural descriptions.

The explication of data helped in identifying major themes. They are: distribution of income and wealth; erratic family behavior; fixed mindsets; adaptability and change; succession versus competence, and aptitude versus deserving; exposure in terms of traditional versus professional approach; speed of decision making in terms of objective versus egocentric or emotional bent of mind; boundaries or divisiveness between home, personal, business, or professional issues; lack of data due to non-documentation; personal interest, attitude and aptitude before induction in family-run business.

### *Validity and truthfulness*

The present phenomenological study contributed towards truth. The researcher bracketed consciously to ensure better understanding of perspectives in studying the phenomenon and differences in the respondents' dimensional views. Attempt was made to look deeper into the insider perspective (Mouton & Marais, 1990). Also, validity check was ensured by giving a copy of the prepared text to the interviewees so as to validate the

phenomenon being studied by reflecting their own perspectives. The purpose was to check whether the essence of interviews was captured correctly.

## 5. Findings

### *Some of the broad perspectives of family-run enterprise owners*

<b>View</b>	<b>Themes</b>	<b>Representative Data Examples</b>
Financial freedom	Distribution of income and wealth	<i>'More than a business, we are one family. Our major concern is to sort out distribution of wealth among members. We love our siblings, children and grandchildren. We cannot distribute our wealth based on single criterion ie; performance of each family member. After all, we created the business for our family. We do not want to be like professional non-family managed business firms. We give more value to family and work ethics.'</i>
Treating oneself and others in family	Erratic Family Behaviour	<i>'I received the legacy of diamond business from my father. He struggled since the age of 11. By putting all his efforts, he could establish the business. Being his eldest son, I inherited the business. Like my father, I have also been quite active and interested in the diamond business. Hence, I showed keen desire to learn intricacies of diamond business. However, my son, the third generation is not at all willing to join the business. According to him, his interest lies elsewhere. He does not want to run diamond business. Last week, he came to my office and started arguing about a decision I took on behalf of the company. He disagreed, argued and started yelling at me. It was an emotional outburst in the presence of my five hundred staff members. Later on, I pondered a lot as to understand how to handle such a delicate situation when relationship and business interest collides. After all, if I am his father; he is my only son.'</i>
Societal position	Family status and reputation	<i>'In our community, family reputation is everything. If we lose our reputation and social status, we cannot survive. Hence, we in restaurant business want to excel as there is a lot of competition in the market. We constantly strive to become different in the eyes of customers. We value our social status and prestige as most important. We cannot compromise on that. We won't mind in losing our business deal to safeguard our reputation and dignity.'</i>
Thinking patterns	Fixed Mindsets	<i>'I am the third generation in the family business of textiles. Our business is in existence over the last seventy years now. My grandfather came to Surat and eventually he settled here. I followed my father and joined textile business when I was 20 years old. I learned the nuances of running textile business from my father and grandfather. They were great mentors in my life. However, I do not see the same attitude when I look at my son. He is of different nature. He is an athlete and won medals and recognitions. His interests, tastes and preferences are quite difference. He likes to set up a unique sports training centre of international standard. Obviously it requires a lot of money. I do not have farthest idea about sports training centre when it comes to running it as a professional business. My challenge is-how do I convince my son to focus on textile business where I need his full support? I am facing the issue of generation gap!'</i>
Business dynamics	Adaptability and change	<i>'Personally, I want to see my family-run business growing and expanding to other cities and territories. I am quite open to new ideas and innovations. I encourage my staff as well. However, I am</i>



		<i>not clear as where to start from? I am confused. I am ready to adapt and change as per the changing business dynamics in restaurant business.'</i>
Dualism	Succession vs Competence / Aptitude vs Deserving	<i>'In my entire life, I witnessed many family disputes and disagreements within family-run business enterprises. I have many friends who share their bitter experiences of dealing with wealth distribution and succession issues. I feel the family must unite and understand that the family should morally support and promote business led by family members. Hindering the business by feud and conflicts would result into splitting and weakening of business. Hence, I always fought for the larger interest uniting family members to take constructive and progressive decision in the interest of family business. However, I face challenges in inducting, grooming, training and retaining the best talent in my industry. I want to learn to tackle these technical challenges to curb orthodoxies and rigidities in the prevailing conditions of my diamond business.'</i>
Style of managing business	Exposure	<i>'My business is all about my customers. They are my clients. I cannot take any risk to lose my customers. Hence, I have been following the business tactics what I learnt from my father. However, I see a lot of changes in the customer perception. These days, they are all glued to social media, like facebook, twitter, instagram etc. Even my colleagues from restaurant industry have been trying to match up to the customer needs by making online presence of their firms. Since I am not a techno savvy guy, I feel I cannot cope with the changes. I am from old-school of thoughts. I do not think of changing myself. Rather, it would be difficult. However, I am open and keen to learn new trends and customer choices.'</i>
Accuracy and precision	Speed of Decision Making	<i>'I am a witness of regular delay in decision making in our family run business in textile industry. It is especially due to ego-centric attitude of some of the family members who are part of decision-making process. Clashes of ego and individual differences lead to conflicts. My own uncle and my elder brother both have been sharing equal responsibility and authority in family business. However, due to individual differences and high ego, both of them were not willing to withdraw from their positions. It led to considerable loss of time. Decision got delayed resulting into losses in business affecting every stakeholder involved in business. Hence, I strongly feel that there should be a simple, efficient and practical mechanism to deal with conflicting situations. Due to our limited educational background, we cannot think of developing as such mechanism in the interest of our business. Hence we look out for such options outside family business.'</i>
Role clarity	Boundaries	<i>'I have seen my father and grandfather closely while working. Both have put their souls into our business. Today the business is ranked top 5 in family restaurants in Surat. However, I feel somewhere there is a missing link. I feel that I face the challenge of managing and understanding the invisible boundary between my personal, family, business and professional life. It is a problem for all my family members irrespective of their seniority in business. Hence, I would like to learn to play different roles with much ease. I would like to know as how I can take the business to the next level by smartly managing my personal, family and professional life? Since, all duties and responsibilities are quite jumbled and interwoven that it becomes a big challenge for a person like me to start afresh and resolve it.'</i>

Trust, delegation, sharing responsibility, accountability	Non-documentation and limited availability of data	<i>'The major challenge in our family business in textiles is poor documentation. We do not have formal documentation system of any activity we carry out. Everything is based on rules of thumb. Mostly, we see documentations at the level of accounts handling. In order to understand the latest trends and demands by consumers, we would like to have some useful documented work. Since our business is growing, we cannot let things on trust and emotional bonding. There should be a formal process and system-driven approach to tackle such issue.'</i>
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### *Discussion*

The findings helped in understanding the mindset of family business owners. It made possible a comprehensive review of experiences of family-run business owners in an attempt to grow their businesses. The experiences unfolded in the form of challenges family-run enterprise owners have been facing in the modern era.

*Difference of opinion among generations in turbulent times.* A lot of issues emerge in the family-managed business when different generations work together. Their approach, perspective and opinions differ which create clash of interests.

*Upholding the ethics – legacy – moral values.* It was observed that upholding the moral values & ethics have become challenging due to two reasons;

- a) *Business competitiveness*-Business becoming competitive which creates pressure on the young generation to manipulate in order to earn faster returns. In family managed business, it is one of the major causes of clash among people managing business.
- b) *Sustainability is a challenge*- the legacy and ethical practices are also tweaked and challenged. It was due to some of the business which were facing sustainability challenge. Sometimes managing and carrying legacy itself becomes an issue. In some cases young generation wants to diversify from the existing business as they believe they want to build legacy on their own.

*Informal system and process in family business.* The biggest challenge which family business are facing is ongoing process and systems, which are adhoc in nature depending upon the requirement of the business. It has been experienced that these processes should be formalized and updated to create a vibrant culture of its own. The setting up of standard operating procedures was emphasized as it has not been followed before.

*Lack of professionalism:* Business should be looked upon in a professional approach rather than traditional. Most of the family managed business houses are created and operated on traditional manner. It was pointed that these should be shifted based on the modern ways of management to create new avenues and opportunities for growth and profitability.

*Generation gap:* Various generations working on the same business create a lot of issues within the business. The present generation wanted to implement certain new approaches

and technological up gradations which was resisted by first generation. It could be due to the reason of non-assessment of benefits wherein the first generation would not be able to assess the benefits by its implementation which second generation foresees. It was felt that new technologies are the need of the hour and that attention should be focused on making the first generation understand the benefits for the betterment of the family managed business.

*Vision for the family as well as business.* The general opinion among the family-business owners was that many family managed businesses do have the vision for the family but they do not have vision for the business. It was agreed that if business prepare their vision and mission, it will of great benefit to all stakeholders.

*Household issues get into family business and vice versa.* Generally, it is believed that very few family & business issues gets overlapped in the discussion which creates conflicts and confusion among members. If it can be avoided it will be of great help to all concerned. It was suggested that there should be some kind of training programs in the form of orientation and induction. It should be done for the new entrants in the family managed business.

*Absence of a strong HR Manager/Dept-* Inclusion of a strong HR Manager/Dept is lacking in order to coordinate various aspects of people related issues in family business thereby becoming shock-absorber.

*Recognition of role of HR* -Role of HR must be recognized within the family business ecosystem wherein owners must recognize the crucial involvement of HR dept/HR Manager/HR team in balancing out various qualitative issues impacting quantitatively in the long run.

*Investment in HR/Labour cost* is mostly difficult to be reflected in terms of annual return/ROI. Hence, family business owners are not really convinced in investing money in HR

*Manpower challenges.* The group also faced human Resource problems related to Managing, retaining and acquiring quality trained people. They are currently facing high attrition rate. (Reason diagnosed. The entrepreneurial nature of Surat city wherein the employees after getting trained left in order to start their own ventures).

*Lack of international exposure of family-run business* -Family run businesses lack international exposure to systems and practices and hence do not subscribe to growth paths in the form of mergers and acquisitions or other diverse possibilities.

*Perceptual difference in generations*-Younger generation feels that older generation resists change despite older generation trying their best to adapt to the same.

*Delayed decision-making practice* -Since decision-making happens through consensus in a family run business, the process becomes tedious and time consuming. Moreover decisions are not based on policies and processes but on emotions and sentiments. Ego issues and Personal problems complicate the matter further.

#### *Research Limitation*

It is common to see limitations in all types of study. The advantage of clarifying the limitations is to help the reader to understand the circumstances or situations under which the results should be interpreted. The present study also holds limitations.

*Sample size* One of the major limitations that the researcher states is about the generalizability of the results as the study was focusing on a specific phenomenon of lived experiences of family-run enterprise owners inhabiting in Surat city. Hence considering the population of India, we cannot generalize the results based on the sample size of seventeen (17) respondents. However, having said that, the purpose of the study was to obtain the deeper understanding of the ways of lived experiences of family-run enterprise owners in running their businesses. Hence, the study was to describe what all respondents have had in common when they experienced the phenomenon of running their conventional family-run enterprises in Surat city for decades. The above stated limitation in terms of generalizability should be rather seen as internal characteristics of qualitative research, phenomenology in particular. In the present study, respondents have been selected by means of theoretical sampling (the ability of family-run enterprise owners to provide specific and rich information about their lived-experiences pertaining to running their conventional business). Precisely, situational representativeness was captured instead of demographic representativeness. Also the study paved way for the theory development by contributing the truth unearthed in the study that should be useful as pertinent development while conducting extended research using grounded theory methodology, further.

*Access of literature in the context of study* The researcher could not come across major past research work done encompassing or focusing on Indian family-run enterprise owners in the context of how they run their businesses especially from their perspectives reflecting their own philosophies, practices and styles. Hence, working on Surat family-run enterprise community was more of a pioneer work by the researcher.

*Equipment* There was a major challenge for the respondents to capture the data as the permission to audiotape was not granted by the family-run enterprise owners. According to them, they wanted to keep a low profile without letting their identity revealed in public domain. Hence, the researcher depended fully on field notes (memoing) to capture the subject, event and situation to complete the study.

*Application of data analysis software* Researcher felt that the study could have been extrapolated better by using qualitative software, such as QRDA, NVivo, Atlas, etc available.

*Time* One of the major constraints being into multiple tasks was the scarcity of time as collection of data was demanding a lot of time required to be dissected from the routine tasks of the researcher.

*Absence of financial support* The entire study was completed in the absence of financial aid coming from external agencies. The researcher had to cough up the expenses through personal means.

### *Practical Implication*

From the early stage of growth of family-run enterprises in India, except a few large-enterprises, majority of the small family-run entrepreneurs across India, particularly in Surat were running their business in complete silos. At economic, social, and political fronts, these family-run enterprises could not garner enough support from other key stakeholders of the society. However, they kept on putting hard work with high family

bonding resulting into their growth over the last several decades. However, the growth in terms of expansion and diversification in proportion to their hidden potential has not been quite impressive which kept them away from the mainstream business trajectory in India for long. Having said that, the contribution of family run enterprise owners as small and medium enterprises over the last five decades increased relatively, and that it boosted the economic growth, thus strengthening the Indian economy in present time. Socio-economic-political changes have also not been quite favourable in this context. The study was suitable in terms of unfolding meanings of lived experiences of family-run enterprise owners in running and growing their businesses. However, the potential of family-run enterprises have not been harnessed to its fullest. It could be attributed to prevailing mediocrities and sub-standard practices and procedures in running the business without transforming it into a sophisticated, organized, and planned organisational system. Moreover, family-run enterprise owners failed to accommodate pertinent organizational changes. Development initiatives have not been given due recognition and encouragement in the family-run business in Surat. As there were no separate department managing human resources available in business, the problems and challenges started mounting up over the last two decades, thus worsening the situation under stiff competition and increasing costs. Organization Development (OD) interventions would have been a significant measure to tackle the situation being faced by family-run businesses in Surat in recent times. It would ensure curbing severe threat from rival non-family managed enterprises. The initiative would strengthen the family concerned, managers and employees operating for the common interest of the business led by family-enterprise owners in Surat. Based on the findings, the practitioners, experts, professional managers, and government bodies at district, state and national-level should be able to envision the future of family-run enterprises represented by a small city in south Gujarat. Moreover, economically, the immense potential the family-run enterprises hold, in terms of contributing in the GDP of the country is humongous.

Another key implication is that the family-run enterprise owners have strong reluctance to embrace professional style of business by incorporating corporate governance, code of ethics, external auditing, liasoning with government machineries, etc. Most of the family-run small and medium enterprises preferred to run either sole proprietorship or partnership firms only. Their lack of motivation in going public: one of the key reasons of not going public is reluctance to dilute family ownership. This was another major concern in the family-run enterprises for not witnessing upswing in the economic growth of these businesses beyond a certain level.

The present study sheds light on the unattended grey areas of family-run enterprises in one of the hubs of family-run enterprises in India ie; Surat city. The researcher attempted to study the entire issue from the perspective of family-run enterprise owners themselves, so as to gain direct and first-hand experience of how they run their businesses over the last several decades. Hence, the present study should play the role of a torchbearer in gravitating the attention of other stakeholders to understand how family-run business enterprises experience the way they run their business, given the challenges and constraints they confront in the process.

## **6. Conclusion**

Overall, the potential of family enterprises have not been harnessed to its fullest due to prevailing mediocrities, sub-standard practice, sophisticated and disoriented business procedures and system. Organization Development initiatives have been completely missing in the family-run business in Surat. As there were no separate department managing human resources available in business, the problems and challenges started mounting up over the last two decade. Thus, it worsened the situation under stiff competition and ever increasing costs. Family conflicts, succession planning, governance systems, emotional instability, improper structure and processes and lack of measurement mechanisms are to be given special and immediate attention for wider improvement.

### *Future Scope*

The paper holds value in terms of studying the experiences of family-run business owners in running their family-managed businesses over the last several decades. These experiences have been highly beneficial in understanding the subtle challenges, opportunities and issues from the perspectives of family-run business owners in Surat city in India. The study was immensely useful in aptly identifying the issues responsible for slowing down exponential growth, expansion and diversification of Surat-based family-run businesses across India and capturing opportunities abroad as well. However, the present work needs an extended version of study to formulate and test hypotheses, wherein grounded theory as a step forward could be a possible methodology to rely upon.

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